

CONDOMINIUM RULES AND REGULATIONS
for
CRESCENT HILLS CONDOMINIUMS

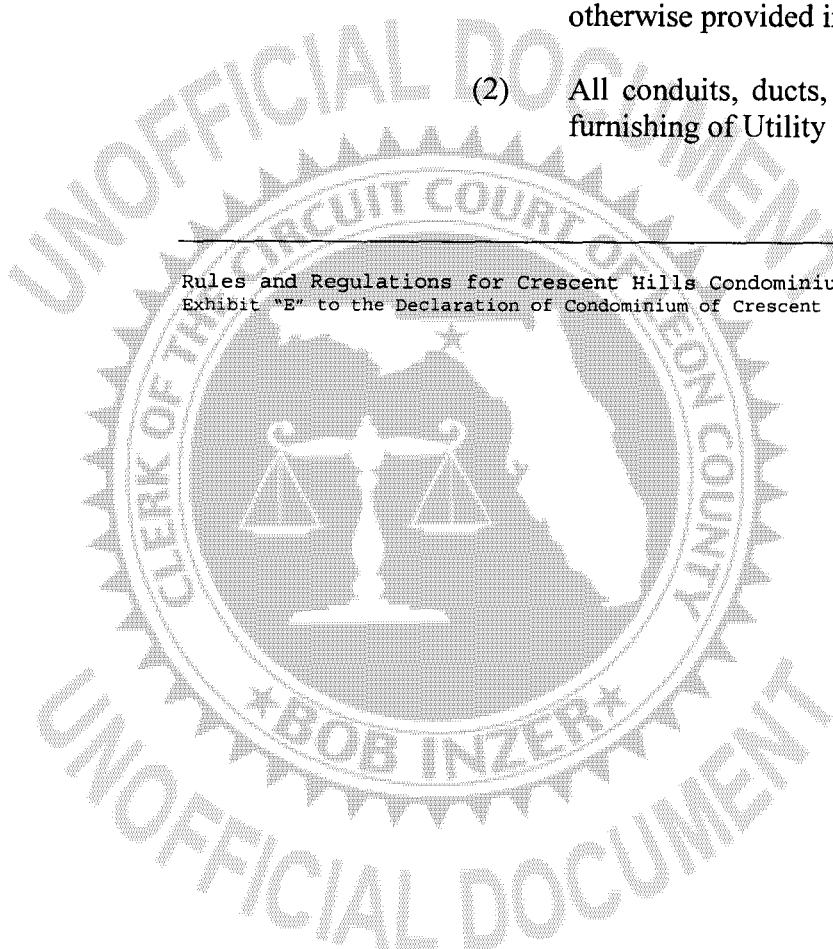
[Exhibit "E" to the Declaration of Condominium of Crescent Hills Condominiums]

Each Owner shall be governed by and shall comply with the terms of the Condominium Documents and these Condominium Rules and Regulations adopted pursuant to those documents. All terms used in these Condominium Rules and Regulations shall have the same meaning as the identical terms used in the Declaration of Condominium for Crescent Hills Condominiums. Failure of an Owner to comply with the provisions of the Condominium Documents and these Condominium Rules and Regulations shall entitle the Association or other Owners to pursue any and all legal and equitable remedies for the enforcement of such provisions, including but not limited to an action for damages, an action for injunctive relief or an action for declaratory judgment.

1. Units, Common Elements and Limited Common Elements. No Unit may be divided or subdivided into a smaller Unit. The Common Elements and Limited Common Elements shall be used only for the purposes for which they are intended in the furnishing of services and facilities for the enjoyment of the Owners, their guests and lessees and other authorized occupants of Units.

Responsibility for the maintenance of the Condominium Property, and restrictions upon its alteration and improvement, shall be as follows:

- (a) **By the Association.** Unless caused by the specific abuse of an Owner or any licensee, guest or tenant of an Owner, the Association shall maintain, repair and replace at the Association's expense:
- (1) All Common Elements and Limited Common Elements except as otherwise provided in the Condominium Documents.
 - (2) All conduits, ducts, plumbing, wiring and other facilities for the furnishing of Utility Services.



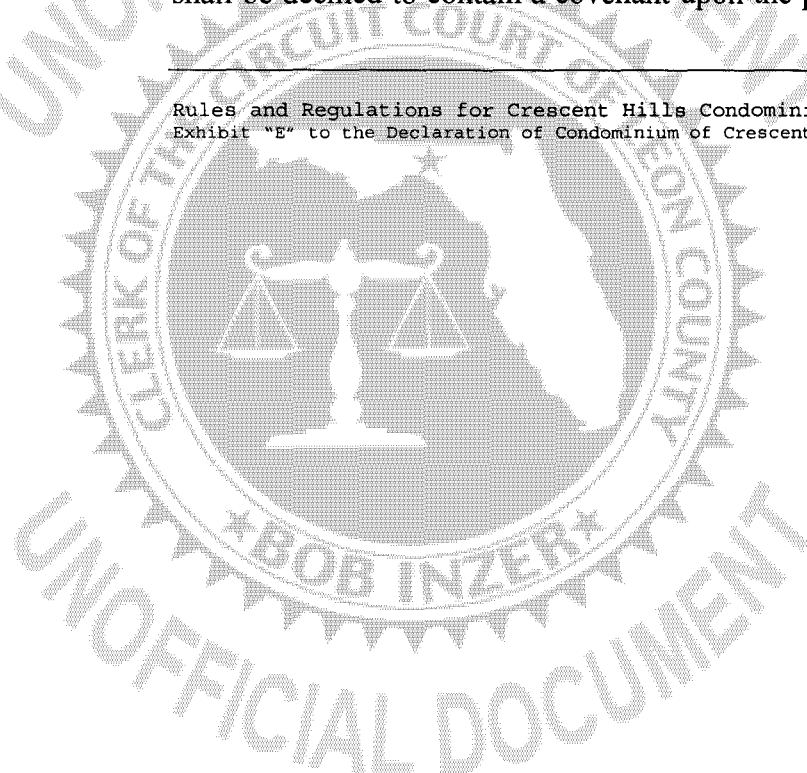
(b) **By the Owner.** The responsibility of the Owner for maintenance, repair and replacement shall be as follows:

- (1) To not paint or otherwise decorate or change the appearance of any portion of the Condominium Property without the prior written approval of the Association.
- (2) To promptly report to the Association upon discovery any defect or need for repairs for which the Association is responsible.
- (3) To bear in their entirety any expenses of repairs or replacements to the Condominium Property occasioned by the specific use or abuse by any Owner or any licensee, guest or tenant of said Owner.
- (4) To maintain, repair and replace all components, furnishings, carpeting, appliances and other property, real, personal or mixed, located inside or comprising a Unit unless provided otherwise in the Condominium Documents.

2. Nuisances. No nuisance shall be allowed upon the Condominium Property or within a Unit, nor any use or practice that is the source of annoyance to Owners or which interferes with the peaceful possession and proper use of the Condominium Property by the Owners. All parts of the Condominium shall be kept in a clean and sanitary condition, and no rubbish, refuse or garbage shall be allowed to accumulate nor any fire hazard allowed to exist. No Owner shall permit any use of a Unit or make or permit any use of the Common Elements that will increase the cost of insurance upon the condominium Property.

3. Lawful Use. No immoral, improper, offensive or unlawful use shall be made of the Condominium Property or a Unit, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction shall be observed.

4. Leasing of Units. Owners have the right to lease/rent all or part of a unit. All of the terms and provisions of the Condominium Documents and these Condominium Rules and Regulations pertaining to use and occupancy shall be applicable and enforceable against any person occupying a Unit as a tenant to the same extent as against an Owner. Any lease or rental agreement, whether oral or written and whether specifically expressed in such agreement or not, shall be deemed to contain a covenant upon the part of each such Owner and tenant designating

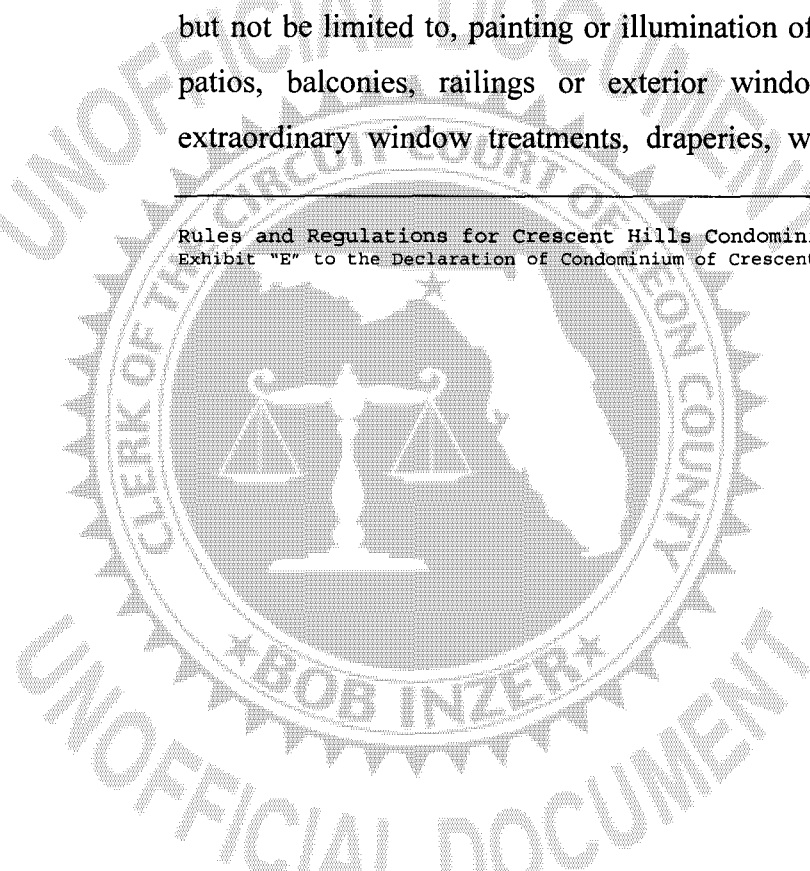


the Association as the Owner's agent for the purpose of and with the authority to enforce the terms and provisions of the Condominium Documents or Condominium Rules and Regulations.

5. Signs. Owners of Units have the right to place and maintain reasonably sized and located "For Sale" or "For Rent" signs in front of the respective unit. Placement of such advertising signs may not be prohibited outright; provided, however, that the Board has the power to determine if such signs are unsightly and/or unreasonable to the detriment of the community, and accordingly, the Board may control and restrict the placement of "For Sale" or "For Rent" signs or other displays or advertising on any part of the Units, Common Elements, and Limited Common Elements. Types of signs other than "For Sale" or "For Rent" may be restricted or prohibited by the Board. The Board should work closely with unit owners in developing any such restrictions, and any restriction by the Board regarding signs may be modified or removed by a majority vote of the unit owners. The Developer (and the Developer's successor and/or assigns and entities affiliated with the Developer or employed by the Developer to market the Units) reserves the right to place and maintain "For Sale" or "For Rent" signs on the Condominium Property for as long as the Developer may have Units to sell.

6. Prohibited Vehicles. No trailers or commercial vehicles shall be parked in any parking space, except such temporary parking spaces provided for the purpose as may be necessary to effectuate deliveries to the Condominium, the Association or the Owners. The developer and its designees shall have the right to be exempt from any parking restrictions if the vehicle is engaged in any activity relating to construction, maintenance, or marketing of the units. Further, third party service providers, such as utility, cable, telephone, etc., shall be allowed to park vehicles and equipment as necessary in order to service, install, or otherwise maintain their systems on the condominium property. Bicycles and motorcycles shall not be stored on the Condominium Property except in such areas designated for this purpose.

7. Exterior Appearance. No Owner shall decorate or alter any part of a Unit so as to affect the appearance of the Unit from the exterior. Such decoration or alteration shall include, but not be limited to, painting or illumination of the exterior of a Unit, display of objects upon patios, balconies, railings or exterior window sills or ledges, reflective film or other extraordinary window treatments, draperies, window shades, screen doors and lights. The



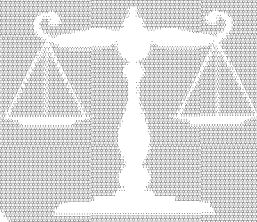
Association shall have the sole discretion, which may be based on aesthetic principles only, to determine compliance with this provision.

8. Antennas and Satellite Dishes. No antennas of any type designed to serve a Unit shall be allowed on the Common Elements or Limited Common Elements, except as may be provided by the Association to serve as a master antenna for the benefit and use of the Condominium. No electrical or other equipment may be operated on the Condominium Property which interferes with television signal reception. The Developer intends for the Condominium to utilize local cable service for television reception. Once the Condominium is completely developed, members may vote to allow installation of satellite dishes (i.e. DIRECTV), antennas, or other reception devices on the Units, and may then also choose to restrict the size of the dish or device and location of installation. Vote approval to allow installation shall be by a majority of the members, and the members may subsequently choose at any time to disallow such devices by majority vote. Provided, however, that if any restriction(s) on installation of a satellite dish or antenna is in violation of federal law and/or FCC (Federal Communications Commission) regulations, said restriction(s) shall be deemed modified to comply with the minimum mandatory regulations imposed by federal law and/or the FCC.

9. Noise. Should noise transmission create a disturbance or a nuisance, the responsibility is with the Owner to abate the noise transmission, and not the Association. In order to insure the comfort of all Owners and authorized users, radio, television sets, and any and all other such audio equipment generating noise should be turned down to a minimum volume so as not to disturb other persons, and if noise is problematic, the Board may set certain hours of the night to remain peaceful and free of noise disturbances.

10. Obstructions. Sidewalks, entrances, driveways, passages, patios, courts, stairways, corridors, halls and/or all other areas intended for common use must be kept open and shall not be obstructed in any manner. Nothing shall be projected out of any window on the Condominium Property. All personal property of Owners shall be stored within the Unit.

11. Children. Children are to play only in areas either designated or clearly intended for play, and they are not to play in public halls, or stairways, streets, or other common areas



which would cause an obstruction or safety hazard. Reasonable supervision by parents or guardians must be exercised at all times when children are playing on the Condominium Property.

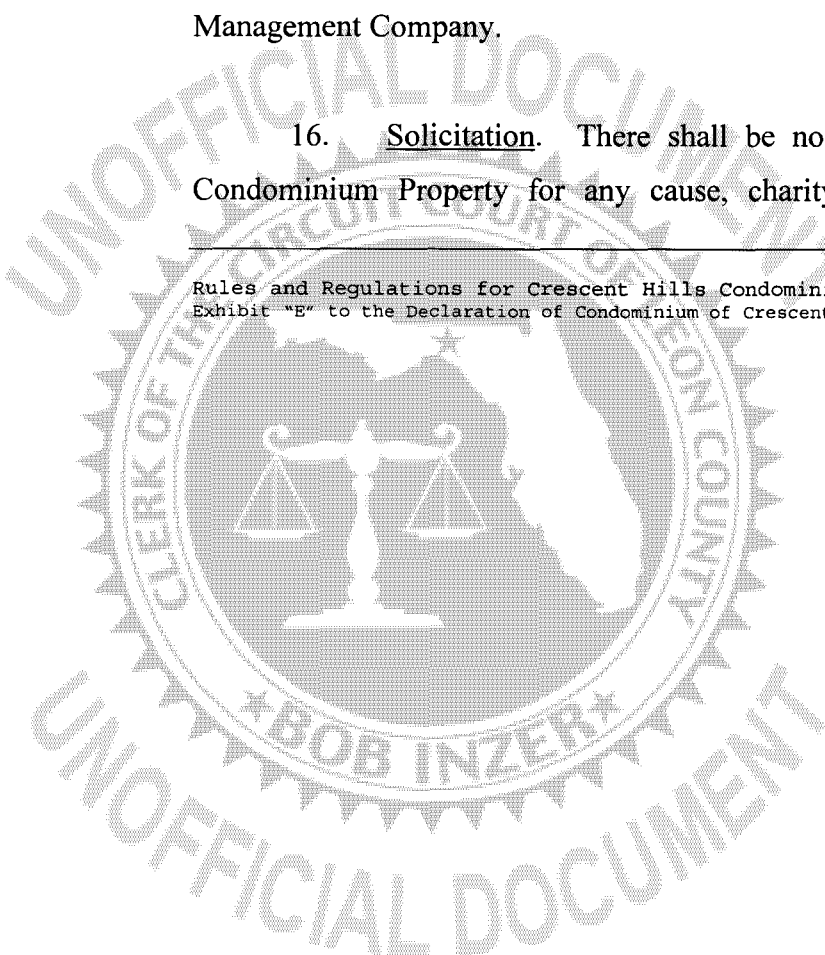
12. Balconies and Windows. Plants, pots, receptacles and other movable objects must not be kept, placed or maintained on ledges or balconies. No objects shall be hung from balconies or window sills. No cloth, clothing, rugs or mops shall be hung up or shaken from windows, doors or balconies. Owners shall not allow anything to be thrown or to fall from windows, doors, or balconies. Provided, however, that any unit owner may display one portable, removable United States flag in a respectful way, and on Armed Services Day, Memorial Day, Flag Day, Independence Day, and Veterans Day may display in a respectful way portable, removable official flags, not larger than 4 ½ feet by 6 feet, that represent the United States Army, Navy, Air Force, Marine Corps, or Coast Guard, regardless of any declaration, rules, or requirements dealing with flags.

13. Entry for Emergencies. In case of emergency originating in or threatening any Unit, regardless of whether or not the Owner is present at the time of such emergency, the board of directors of the Association, the Management Company or any other person authorized by the, shall have the right to enter such Unit for the purpose of remedying or abating the cause of such emergency, and such right of entry shall be immediate, and to facilitate entry in the event of any such emergency, the Association or its designee shall be allowed to retain a key for each Unit.

14. Plumbing. Plumbing shall not be used for any other purpose than those for which it was constructed, and no sweepings, rubbish, rags or other foreign substances shall be deposited into plumbing. The cost of any damage resulting from misuse shall be borne by the Owner.

15. Roof. Owners are not permitted on the roof of any building within the Condominium Property for any purpose without the express approval of the board of directors or Management Company.

16. Solicitation. There shall be no solicitation by any person anywhere on the Condominium Property for any cause, charity or purpose whatsoever, unless specifically



authorized in writing by the board of directors or the Management Company, except for solicitation by the Developer or an entity affiliated with the Developer in marketing the sale or rental of Units.

17. Parking. No vehicle belonging to any Owner or to a member of the family of an Owner or guest, tenant or employee of any owner shall be parked in any unauthorized area.

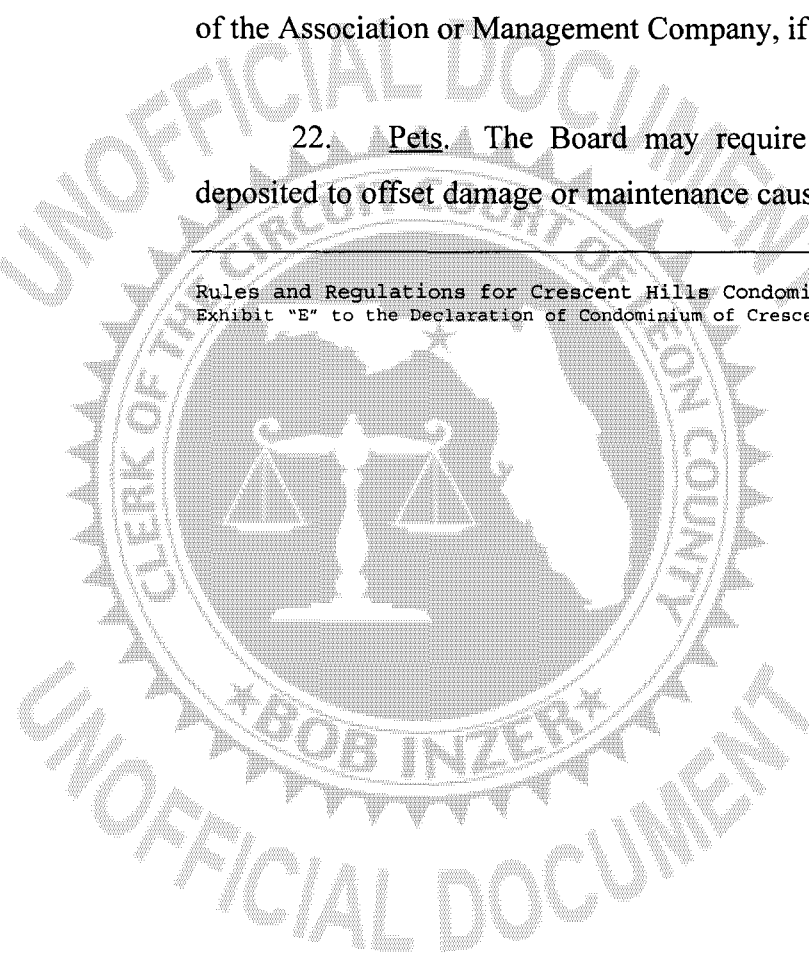
18. Storage of Dangerous Items. No flammable, combustible, or explosive fluid, chemical or substance, shall be kept in any Unit, Common Element or Limited Common Element except as are required for normal household use.

19. Employees/Agents Control and Entry of Units. Employees and/or agents of the Association or Management Company, and employees and/or agents of the Developers or affiliated entity's on-going sales or rental programs, shall not be sent off the condominium Property by any Owner or authorized user at any time for any purpose. No Owner or authorized user shall direct, supervise or in any manner attempt to assert any control over the employees of the Management Company or the Association. Violations of these Rules and Regulations, or other matters of concern, should be brought to the attention of the Association or Management Company for proper resolution. Employees or agents of the Association or Management Company shall be permitted, during reasonable hours, to enter units for maintenance and repairs after reasonable notice.

20. Complaints. Complaints regarding the service of the Condominium shall be made in writing to the Association or Management Company, if applicable. Also, see Article XXIII of the Bylaws for information regarding unit owner inquiries.

21. Payment of Maintenance Fees, and Special Charges and Fines. Payment of dues, maintenance fees and other duly authorized charges and assessments shall be made at the office of the Association or Management Company, if applicable.

22. Pets. The Board may require a non-refundable or refundable pet fee to be deposited to offset damage or maintenance caused by pets. If noise or nuisance by pets becomes



problematic, members may vote to set certain restrictions to address the problems. Vote approval for pet restrictions shall be by a majority of the members, and the members may subsequently choose at any time to remove pet restrictions by majority vote.

23. Parking Enforcement. The Board has the right to institute parking enforcement polices, rules, regulations, and enforcement procedures, including contracting with private towing companies to remove vehicles at the owners' expense. Parking is only allowed in designated spaces, and pursuant to the local governmental permitting, laws, or ordinances, the amount of vehicles allowed on-site on the condominium may be limited or restricted. There is no guarantee that unit owners will be allowed a certain number of parking spaces per unit. The Board may number parking spaces, and require unit owners to maintain stickers or decals that display their respective parking space number, and the Board may allow vehicles to be towed if unit owners do not follow this policy.

