SECTION IV

TALLES HOMES AT HOBBIT'S GLEN CONDOMINIUM, INC. T/A THE VILLAS AT HOBBIT'S GLEN

RULES & REGULATIONS

NOT FOR RESALE DISCLOSURE

EXHIBIT B-2

PROPOSED

HOUSE RULES AND REGULATIONS

OF

TALLES HOMES AT HOBBIT'S GLEN CONDOMINIUM, INC.

1. The Council of Unit Owners of Talles Homes at Hobbit's Glen Condominium, Inc., (hereinafter referred to as the "COUNCIL") has adopted the following House Rules and Regulations (hereinafter referred to as "REGULATIONS"). These REGULATIONS may be amended from time to time by resolution of the Board of Directors.

2. Wherever in these REGULATIONS there is reference to an "OWNER", such term shall be intended to apply to the OWNER of any condominium unit, to his tenants in residence, and to any guests, invitees or licensees of such OWNER or tenant of such OWNER. Wherever in these REGULATIONS reference is made to the COUNCIL, such reference shall include the COUNCIL and the management agent where such authority is delegated by the COUNCIL to such management agent.

3. The OWNERS shall comply with all the rules and regulations hereinafter set forth governing the unit, drives, recreational areas, and building grounds, parking areas and any other appurtenances and any alterations or changes in the rules and regulations with the COUNCIL in its discretion hereafter may adopt for the said buildings. The OWNERS agree that all OWNERS, their families, tenants, guests, invitees and licensee will at all times observe all such rules and regulations.

4. In addition, the Board of Directors reserves the right to alter, amend, or modify such rules and regulations and the OWNERS agree to abide by any such alterations, amendments or modifications.

5. All COUNCIL charges are due and payable on the first day of each month. Payment shall be mailed to the office of the management agent to arrive by the first of each month.

6. All garbage and trash must be placed in the containers provided therefor in the common elements. OWNERS are not permitted to place any containers or bags of any kind in public areas for collection.

7. Except in the recreational areas designated as such by the Board of Directors, no playing or lounging shall be permitted, nor shall baby carriages, velocipedes, bicycles, playpens, wagons, toys, benches, chairs or other articles of personal property be left unattended in public areas of the condominium or passageways, parking areas, courts, sidewalks or lawns or elsewhere on the common elements

8. No noxious or offensive activity shall be carried on in any unit or in the common elements, nor shall anything be done therein, either willfully

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or negligently, which may be or become an annoyance or nuisance to the other OWNERS or occupants. No OWNER shall make or permit any disturbing noises in the condominum or do or permit anything which will interfere with the rights, comforts or convenience of any other OWNERS. All OWNERS shall keep the volume of any radio, television or musical instrument in their Units sufficiently reduced at all times so as not to disturb other OWNERS. Despite such reduced volume, no OWNERS shall operate or permit to be operated any, such sound-producing devices in a Unit, between the hours of eleven o'clock p.m. and the following eight o'clock a.m. if the same shall disturb or annoy other occupants of the condominium.

9. All condominium units shall be used for private residential purposes exclusively, except for the use of "model units" by the builder and except for professional offices as set forth in the By-Laws.

10. The use of charcoal burners is a violation of the Fire Prevention Code and will not be permitted within twenty (20) feet of the building structures due to the danger of fire and smoke and of disturbing neighbors.

11. OWNERS are cautioned against excessive use of soaps and other detergents which may cause overflow of suds in their or other condominium units.

12. Absolutely no laundry, clothing, rugs or other items are to hung on or upon the exterior of any building. No clothes line, clothes rack or any other device may be used to hang any such items on any balcony or window. OWNERS shall not suffer or permit anything to thrown out of the windows of the premises or down upon the patios or balconies of any building or the dusting or shaking of mops, brooms or other cleaning material out of either the windows or the doors of the premises and shall not permit anything to be placed in or hung from the outside of said windows.

13. No signs, notices or advertisements shall be inscribed, displayed or exposed in any way on or at windows or in other portions of the condominium except such as shall have been approved in writing by the COUNCIL.

14. The planting of plants, flowers, trees, shrubbery and crops of any type is prohibited in the common elements of the condominium without written consent of the COUNCIL.

15. Solicitors are not permitted in any of the buildings. If you are contacted by one, please notify the management office immediately.

16. All personal property placed in any portion of any building or any place appurtenant thereto shall be at the sole risk of the OWNER and the COUNCIL shall in no event be liable for the loss, destruction, theft or damage to such property.

17. All OWNERS must observe and abide by all parking traffic regulations as posted by the COUNCIL and/or local authorities. Vehicles parked in violation of any parking rules or regulations will be towed away at the owner's sole risk and expense.

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18. Parking so as to block sidewalks or driveways shall not be permitted. Each OWNER expressly agrees that if he or any member of his family, tenants, guests, invitees or licensees shall illegally park or abandon any vehicles referred to in this paragraph, he will hold the COUNCIL harmless for any and all damages or losses that may ensue, an expressly waives any and all rights, notices, and resources in connection therewith that he may have under the provisions of state, county, or city laws and ordinances.

19. An OWNER shall not use or permit to be used, his unit for any unlawful purpose, or do or permit any unlawful act in or upon said premises.

20. No OWNER shall alter any lock or install additional locks or a knocker or bell upon any doors of a unit without the written consent of the Board of Directors. The COUNCIL or the Managing Agent shall have the right to make and keep a copy of any key required to gain entry to any Unit to be used if entry to such Unit is necessary because of fire, flood or any other condition which may affect the common elements or other Units.

21. No awnings or other projections, except such as are installed by the developer, shall be attached to the outside or other parts of any of the units, and no blinds, shades, screens, attached to, hung in, or used in connection with any window or door or patio of the condominium units or their appurtenant common elements nor shall any OWNER install or use any radio aerial or television aerial other than the central aerial installed by the developer without the prior written consent of the COUNCIL. Under no circumstances shall any air conditioning apparatus, television or radio aerials be installed by the OWNERS either upon the interior or exterior of any of the buildings.

22. The water closets and other water and sewer apparatus shall not be used for the purposes other than those for which they were designed; and no sweepings, matches, rags, ashes or other improper articles shall be thrown therein. The cost of repairing any damage resulting from misuse of any of the same shall be borne by the OWNER causing such damage.

23. Complaints regarding the management of the condominium and/or regarding actions of other OWNERS should be made in writing to the management office.

24. OWNERS shall not permit any act or thing deemed extrahazardous on account of fire or that will increase the rate of insurance on said premises. OWNERS shall not keep any gasoline or other explosives or highly inflammable materials in said premises or storage areas.

25. All persons using any of the recreational facilities do so their own risk and sole responsibility. The COUNCIL does not assume responsibility for any accident or injury in connection with such use OWNERS covenant and agree with the COUNCIL for and in consideration of the use of these facilities and other good and valuable consideration, to make no claim against the COUNCIL nor it servants, agents and/or employees for or on account of any loss or damage of life, limb or property sustained as a result of or in connection with such use of any of the recreational facilities. The OWNERS agree to hold harmless the COUNCIL from any and all liabilities and any action of whatsoever nature by any

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tenants, guests, invitees or licensees to the OWNERS growing out of the use of the recreational facilities, except where such loss, injury or damage can be clearly proved to have resulted from and been proximately caused by the direct negligence of the COUNCIL, or its agents, servants or employees in the operation, care or maintenance of these facilities.

26. Any damage to the buildings, recreational areas, facilities or other common elements or equipment caused by an OWNER, his children guests, tenants or pets shall be repaired at the expense of the OWNER.

27. No animals or reptiles of any kind shall be raised, bred, or kept in any unit or in the common elements except that dogs, cats or other household pets may be kept in a unit, subject to the regulations adopted by the Board of Directors, provided, that the same are not kept, bred or maintained for any commercial purposes; and provided, further, that any such pet causing or creating a nuisance or unreasonable disturbance or noise shall be permanently removed from the Property upon three (3) days written notice from the Board of Directors. In no event shall any pet be permitted in any portion of the common elements, unless carried or on a leash.

28. These ouse Rules and Regulations may be added to or amended at any time by the COUNCIL. Any consent or approval given under these rules of conduct by the COUNCIL may be revoked at any time.

29. SUSPENSION OF RIGHTS FOR THE USE OF RECREATIONAL FACILITIES. In addition to all other rights which it has for non-payment of assessments, the Board of Directors of the COUNCIL shall have the right to suspend the use by an OWNER, his family, guests or tenants of any of the recreational facilities for failure to make payment of,any assessment or fees due as provided for in the By-Laws of the condominium.

30. If any of these House Rules and Regulations contradict or conflict with any provisions of the By-Laws, as amended, the provisions of the By-Laws shall control.

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