WATERFALL CROSSING CONDOMINIUM ASSOCIATION

ANNEX A

The current management company for the Homeowner's Association is:

Magnolia Property Management

2807 Allen Street, #332 Dallas, TX 75204

Phone: 214-953-2200

FAX: 214-965-9863

E-Mail: Service@magnoliapmc.com

Call 911 first for police, fire or ambulance

The management company is responsible for operating and maintaining the records and property belonging to Waterfall Crossing Association. They are contractually retained as "Agent" of the Board of Directors and as such their personnel are accountable only to the Board of Directors for their actions and work performance. Therefore, any and all complaints regarding the management company's personnel action or lack of prompt attention to complaints or requests for service should be directed solely to the Board of Directors.

The Board does not intend that the management company's personnel be engaged in work or service other than that directed by the Board. Therefore, Residents are to refrain from contacting the management company personnel to provide repairs or service of a personal nature.

Page 16

WATERFALL CROSSING CONDOMINIUM ASSOCIATION

ANNEX B

SECURITY, TOWING AND TRASH DISPOSAL

1.Security: As residents, we are all interested in doing what we can to prevent crime and vandalism. To increase security, a metal fence and gate were installed at the mail box area because of repeated break-ins. Electronic locks were also installed at both the entrances to the mail boxes and the swimming pool area to prevent unlawful entry. New Residents must be sure that they receive a gate card and the key to their mail box from the prior resident. Replacement cards can only be issued to the Owner of a Unit for a fee payable to Waterfall Crossing. The Association also installed a surveillance system for your added safety and to record acts of vandalism and theft for possible criminal prosecution.

There are several simple things we can do to help protect ourselves and our property. They are:

- (a) Always lock your doors and windows.
- (b) Install auxiliary locks on your sliding glass doors and windows.
- (c) Keep car doors locked at all times and use auxiliary locking devices such as The Club or alarm system.
- (d) Notify the Richardson Police Department and your neighbors when you going out of town so they can monitor your Unit.
- (e) Participate in our Neighborhood Crime Watch Group.

2. Towing:

- (a) It is in the best interests of all Residents and the community to use only one towing company, who in turn will use only one storage facility for any vehicles that must be towed away from our property.
- (b) If a vehicle needs to be towed, pursuant to I-7 of the Rules, you must contact:

Autocare Towing & Storage # 8 B Regency Dr. Wylie, TX 75098 972-442-3779

- (c) If your vehicle or a guest's vehicle has been towed due to Rules violations, you should contact **Autocare Towing & Storage** to reclaim your property.
- 3. <u>Bulk Trash Disposal</u>: Large items of trash, such as sofas, mattresses and box springs or large appliances cannot be discarded at or in the dumpsters on the property. The Resident must make arrangements to have these items removed from the property at his own expense. The Association must pay to have these items removed, which is not fair to the Owners, who must share this expense. In addition, the City of Richardson Solid Waste pickup truck will not empty the dumpster if there are any obstacles blocking access to it.

4. Directory of Helpful Phone Numbers:

Emergencies: 911

City of Richardson Public Services:

Police Department (non-emergency)	972-744-4800
Fire Department (non-emergency)	972-744-5700
Abandoned Vehicles	972-744-4166
Alarm Permits	972-744-4955
Animal Control	972-238-0709
Flooding Problems	972-744-4280
After office hours	972-235-2238
Health Department	972-744-4080
Neighborhood Crime Watch	972-744-4835
Rodent Control	972-744-4080

WATERFALL CROSSING CONDOMINIUM ASSOCIATION

ANNEX C

COMPLAINTS PROCEDURE

Any Resident or Owner who feels that any other Resident is conducting any activity without due regard for the quality standards desired by this Community Rules Manual should register a formal complaint to initiate corrective action by the Association's Board of Directors.

The Complaint Procedure to be followed is:

- 1. Put the specific facts in writing to include date, time, event or activity and identification of the alleged violator(s) to the extent possible.
- 2. Written complaints are to be mailed to the Management Company as agent for the Board of Directors.
- 3. The Management Company will investigate the alleged violation(s) in the complaint to the extent possible.
- 4. Depending upon the degree that the alleged violation(s) impact have or could have on the community or the health and safety of other residents, the Management Company will select the most appropriate means by which the complaint will be presented to the Board, which will be one of the following:
 - (a) Refer the complaint to the Association's President for executive action.
 - (b) Present the complaint to the Board of Directors at its next regularly scheduled monthly meeting for Board action.

In any case, the Board shall conduct an appropriate investigation of all written complaints in such a manner as shall ensure that due process is awarded to all alleged violators prior to any enforcement action.

5. Complainants will be kept informed as to the status of the complaints they filed.

- (a) The Management Company will notify complainant within 10 days as to which method they choose to use.
- (b) The Board shall also provide a written response regarding the action being taken on the complaints, normally within 30 days.
- 6. The underlying principal to be followed by all persons involved in the enforcement of the Community Rules Manual shall be that all Residents are entitled to and shall receive "Due Process under the Law".
- 7. If it is found that the Declaration of Covenants or Community Rules is not being followed, after due process fines can be assessed. Respective owners will be notified that they have 10 days to correct such noted deficiencies. If not corrected within these 10 days, a fine of \$50 will be assessed. If stated violation is not corrected within an additional 10 days, a fine of \$75 will be assessed. Subsequent violation of the same type shall result in a \$75 fine without prior notification.

For Owners of

WATERFALL CROSSING CONDOMINIUM

PART 2

Adopted: October 23, 1992 Revised: March 2002 Effective: April 1, 2002

Distributed by the Board of Directors Waterfall Crossing Condominium Association, Inc.

COMMUNITY RULES WATERFALL CROSSING CONDOMINIUM

Adopted by the Board of Directors October 23, 1992

Revised March, 2002 Effective April 1, 2002

PREAMBLE

These **COMMUNITY RULES** ("Rules") are established by the Board of Directors of Waterfall Crossing Condominium Association, Inc. (the "Association"), pursuant to the rule making authority granted to the Board in Article VIII, Section 1 of the By-Laws and Paragraph 3.07(e) of the Condominium Declaration. By owning or occupying a Unit, each Owner and Resident agrees to abide by these Rules, as well as the obligations of Owners and Residents provided in the Declaration, Article V, Paragraph 3.07(i) and 5.06 to enforce these rules.

These rules include the rules contained in the Condominium Declaration for Waterfall Crossing Condominiums recorded June 18, 1980 in Volume 80122, pages 3181-3255, the Phase II supplement recorded August 13, 1980 in Volume 80160, pages 680-696, Condominium Records of Dallas County, Texas (The Declaration); the By-Laws of Waterfall Crossing Condominium Homeowners Association, Inc., and are so referenced in parenthesis where applicable.

The Rules Manual is separated into two parts, plus Annexes are to be used for information, which is subject to periodic changes. Part 1 contains information applicable to <u>ALL RESIDENTS</u> in the community and Part 2 is devoted to information applicable to <u>PROPERTY OWNERS ONLY</u>.

These revised Rules entirely replace and supersede any previous published Rules.

WATERFALL CROSSING CONDOMINIUMS

PART 2

PROPERTY OWNERS ONLY

TABLE OF CONTENTS

<u>TOPIC</u>		PAGE	
General Ba	ckground		
A-1	The Association	1	
A-2	Services	1	
	·	.	
Compliance			
B-1	Enforcement	1	
B-2	Right to Hearing	1	
Obligation o	of Owners		
C-1	Damages	1	
C-2	Reimbursement of Enforcement	2	
C-3	Monthly Assessments	2 2 3 3 3	
C-4		3	
C-5		3	
C-6	Notification of Rental	3	
C-7		3	
C-8	Notification of Sale	3	
Occupancy S	<u>Standards</u>		
D-1		3	
D-2	Danger	4	
D-3	Lease Limitations	4	

${f E}$	<u>Gen</u>	General Use and Maintenance of Unit				
		E-1	Maintenance	4		
		E-2	Glass	4		
		E-3	Air Conditioning Equipment	4		
		E-4	Fixtures	4		
F	Man	agemen	<u>ıt</u>			
		F-1	Board of Directors	4		
		F-2	Management Company	4		
		F-3	Functions	4		
G	Misc	ellaneo				
		G-1	Mailing Address	5		
		G-2	Occupant and Emergency Information	5 5 5		
		G-3	*	5		
		G-4		5		
		G-5	- C	5		
		G-6	Effective Date	5		
Anne	ex A	Mana	gement Company	7		
Anno	ex B	Secur	ity, Towing and Trash Removal	8-9		
Anno	ex C	Comp	plaints Procedure	10-11		
Anne	ex D	Assoc	ciation's Collection Policy	12-13		

PART 2

PROPERTY OWNERS ONLY

A - GENERAL BACKGROUND

- A-1 Waterfall Crossing Condominium Association, Inc.
 - a. The Association of condominium owners is a non-profit corporation charted under Texas law. Its purpose is to perform for the Owners those responsibilities of maintenance/management tasks that normally are a part of home ownership.
 - b. The Association manages all the land and improvements in Waterfall Crossing except those portions deeded to individual Owners. Patios and yards are considered "limited common property" and are solely for the use of the owner of that unit of which the patio or yard is a part
- A-2 <u>Services to Homeowners and Residents</u>: Maintaining the general Common Property consist of grounds maintenance, which includes lawn mowing, watering, feeding, pruning, trimming, weeding, trash collection, street and grounds repair, cleanup, maintaining the exterior lighting, maintenance of the exterior of each unit, maintenance of the clubhouse and pool area.

B - **COMPLIANCE**

- **B-1** Enforcement: The Association has the right to establish and enforce rules governing use of Common Areas. [Declaration 3.07(i)]
- **B-2** Right to Hearing: An Owner may request in writing a hearing by the Board regarding an alleged breach of these Rules by the Owner or occupant of the Owner's Unit. The Board will schedule a hearing within 30 days of receiving the Owner's written request. At the hearing, the Board will consider the facts and circumstances surrounding the alleged violation. The Owner may attend the hearing in person, may be represented by another person or written communication.

C - OBLIGATION OF OWNERS

C-1 <u>Damage</u>: Each Owner is responsible for any loss or damage to his unit, other units, the personal property of other occupants or their guests, to the Common Property and improvements, if such loss or damage is caused by the Owner or his tenant, or tenant's family, guests, agents, employees, invitees or

occupants of his dwelling. An Owner shall promptly reimburse the Association for the cost of damage to the Condominium Property caused by the negligent or willful conduct of the Owner or by persons for whom such Owner is responsible. [Declaration 5.04]

C-2 <u>Reimbursement for Enforcement</u>: An Owner shall promptly reimburse the Association for any expenses incurred by the Association in enforcing the Governing Documents against the Owner, his Unit or persons for whom the Owner is responsible. [Declaration 5.05 & 5.06]

C-3 Monthly Assessments:

a. Definition and Purpose:

- (1) Monthly assessments (also referred to as "maintenance fees" or "homeowner's dues") are used to provide operating maintenance and repair funds for Waterfall Crossing Condominiums Property.
- (2) Major expenses included in the monthly assessments are:
 Management Company fees; water and electric utilities; grounds
 maintenance and repairs; trash collection; maintaining the exterior lighting
 system; maintaining the exterior, roof and foundation of each unit;
 maintenance of the clubhouse and pool area; insurance; annual audit; legal
 expenses; collection of fees and assessments and other management
 functions necessary for the successful operation of Waterfall Crossing
 Condominiums.

b. Determination of Monthly Assessment:

- (1) The Board of Directors, in accordance with Article VIII, Section 2 (c/i) of the By-Laws of Waterfall Crossing Condominiums Association, Inc., determines monthly assessments.
- (2) At the end of each calendar year, the budget is determined for the coming year. The actual costs, compared to the Budget, determine the operating budget needed for the next year.

c. Collection of Monthly Assessments:

- (1) The Board of Directors has empowered the Management Company to collect all monthly Assessments and special assessments required or levied in conjunction with the terms set forth in the Association By-Laws.
- (2) The current Collection Policy adopted by the Board of Directors is attached to this manual as Annex C.

C-4 Notification of Improvements: An Owner must notify the Board of Directors of all improvements made to his Unit valued at \$1,000 or more. [Declaration 6.04(e)]

C-5 Notification of Vacancy:

- **a.** The Management Company must be informed by the Owners of any vacancies in units at Waterfall Crossing.
- **b.** Information regarding vacancies is used for emergency purposes only and is kept confidential by the Board and the Management Company.

C-6 Notification of Rental:

- a. The Management Company must be informed by Owners of any occupancy of units at Waterfall Crossing.
- b. The purpose of this information is to ensure that new residents are properly informed about the rules and regulations governing our community and who to reach in an emergency.
- C-7 Rules Part 1: An Owner is responsible to ensure that a copy of Part 1 of these Rules is provided to the occupants of his Unit(s). Copies of the Rules Manual Part 1 and Part 2 can be obtained from the Management Company free of charge.

C-8 Notification of Sale:

- a. It is mandatory that the Board of Directors and the Management Company be informed of the sale of any units at Waterfall Crossing prior to sale taking place.
- **b.** Clear title cannot be given for any unit at Waterfall Crossing without proper authorized signatures being obtained from the Board of Directors.
- **c.** Failure to notify the Board of Directors of an impending sale of a unit may delay the closing of that unit until proper clearance from the Board can be obtained.

D - OCCUPANCY STANDARDS

D-1 <u>Recommended Standard</u>: Each Owner is encouraged to adopt occupancy policies that are mindful of the rights of other occupants of the Condominium Property. The Association recommends an occupancy standard that does not exceed two persons per bedroom in order to avoid disproportionate use of commonly metered utilities.

- D-2 <u>Danger</u>: No Unit may be occupied by a person who constitutes a direct threat to the health or safety of other persons or whose occupancy would result in substantial physical damage to the property of others. (Fair Housing Act)
- **D-3** <u>Lease Limitations</u>: A Unit may not be leased for hotel or transient purposes. Less than the entire unit may not be leased.

E - GENERAL USE AND MAINTENANCE OF UNIT

- E-1 <u>Maintenance</u>: Each Owner at his sole cost and expense shall maintain his Unit and keep it in good repair, including the inner finished surfaces of the Unit's perimeter walls, floors and ceilings. [Declaration 5.01(a)]
- E-2 Glass/Screens: Each Owner has the responsibility to promptly repair and replace any broken or cracked glass and damaged or missing screens in his unit's windows or doors. The cost for such repairs shall belong to the Owner until such time the Owner can demonstrate to the Management Company and the Board that reimbursement from other parties is more appropriate.
- E-3 <u>Air Conditioning Equipment</u>: Each Owner at his sole cost and expense shall maintain, repair and replace the heating and cooling equipment serving his Unit. [Declaration 5.01(b)] (see also Part 1 H Architectural Control)
- E-4 <u>Fixtures & Appliances</u>: Each Owner at his sole cost and expense shall maintain, repair and replace all fixtures and appliances that may be in or connect exclusively to his Unit. [Declaration 5.01(b)]

F - MANAGEMENT

- F-1 Board of Directors: The Board of Directors, in accordance with the Waterfall Crossing Articles of Incorporation, By-Laws, Declarations and Master Deed, is the controlling body for the management of Waterfall Crossing and the Waterfall Crossing Condominium Association, Inc.
- F-2 Management Company: The Board of Directors, in accordance with the above mentioned documents, has retained the services of a property management company to act as our Agent. (See Annex A)
- F-3 Functions: All functions pertaining to the day-to-day management of Waterfall Crossing, including the billing and collection of all Homeowner Dues and other assessments, will be handled by the Management Company. Any concerns or problems regarding our Community should be reported to the Management Company during their normal working hours. The Board will be kept appraised of your concerns or needs by our Agent.

G - MISCELLANEOUS

- Mailing Address: An Owner who receives mail at any address other than the address of his Unit shall be responsible for maintaining with the Association his current mailing address. Notifications of change of name or change of address should be clearly marked as such. All notices required to be sent to Owners by the Governing Documents shall be sent to an Owner's most recent address as shown on the records of the Association. If an Owner fails to provide a forwarding address, the address of the Owner's Unit shall be deemed effective for purposes of delivery.
- G-2 Occupant and Emergency Information: Upon request by the Association each Owner and Resident shall furnish the Association with the name and telephone numbers, work and residence, of all occupants of the Unit as well as the names and telephone numbers of persons to contact in case of an emergency in the Unit when no occupant is present.
- G-3 Repeal of a Rule: Any Rule or Regulation adopted by the Board of Directors may be repealed or amended by an instrument in writing signed by the Owners of a majority of the Condominium's units. [Declaration 3.07(e)]
- G-4 <u>Revision/Amendment</u>: These Rules are subject to being revised, replaced or supplemented. Owners are urged to contact the Management Office to verify the rules currently in effect on any matter of interest. These Rules shall remain effective until the Owner of each Unit is notified of the amendment or revocation of these Rules.
- G-5 Other Rights: These Rules are in addition to and shall in no way detract from the rights of the Association under the Declaration, By-Laws, Articles of Incorporation and the Laws of the State of Texas.
- G-6 Effective Date: These Rules become effective April 1, 2002. A copy of these Rules has been delivered to the Owner of each Unit as shown on the records of the Association at least 10 days prior to the effective date.

The revision of this Part 2 of the Community Rules Manual was approved by the Board of Directors of Waterfall Crossing Condominium Homeowners Association on March 4, 2002 at a regular meeting of the Board at which a quorum was present.

Waterfall Crossing Condominium Association, Inc.

By:

President

Rv:

Vice President

Secretary

O-l. 1

Director

WATERFALL CROSSING CONDOMINIUM ASSOCIATION

ANNEX B

SECURITY, TOWING AND TRASH DISPOSAL

1. Security: As residents, we are all interested in doing what we can to prevent crime and vandalism. To increase security, a metal fence and gate were installed at the mail box area because of repeated break-ins. Electronic locks were also installed at both the entrances to the mailboxes and the swimming pool area to prevent unlawful entry. New Residents must be sure that they receive a gate card and the key to their mailbox from the prior resident. Replacement cards can only be issued to the Owner of a Unit for a fee payable to Waterfall Crossing. The Association also installed a surveillance system for your added safety and to record acts of vandalism and theft for possible criminal prosecution.

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WATERFALL CROSSING CONDOMINIUM ASSOCIATION

<u>ANNEX D</u>

PROCEDURES AND PENALTIES FOR COLLECTION OF ASSESSMENTS

The Management Company that the Board of Directors chooses to administer the billing and collection of monthly assessments is instructed to follow these guidelines without further Board action effective December 15, 2000. Delinquent accounts are to be reviewed monthly by the Board at each regularly scheduled meeting. The Board may, at their discretion, instruct the Management Company to make exceptions to these rules, if the situation is deemed necessary.

Owners have an obligation to be timely in their payment of Association assessments. All payments for current monthly assessments are <u>due on the first day of the month</u>. Payments for current month assessment received by the Management Company on or before the 15th of the month will be considered on time and no penalties will be imposed. Should the 15th fall on a weekend or holiday, the grace period is extended to the following business day.

At the Board's option and without notice, payments received may be applied first to any non-dues charges then to dues regardless of notation on checks or money orders and regardless of when the obligations arise.

The following costs will be charged to those owners who are late in paying their Association dues effective January 1, 1998.

- 1. Late charge: \$25.00 (which is credited to the Association)
- 2. Collection fee: \$10.00 (which is credited to the management company)
- 3. <u>Additional charges</u>: Any costs that are incurred by the Association and management company to collect assessments. These include all legal costs and any additional costs to remedy the situation.

15 DAYS PAST DUE: Penalties and/or collection charges are charged to owner's account and a <u>Demand for Payment</u> is sent to Owner by our managing Agent with a warning of future action to be taken if account is not brought current. The late payment penalty is due and payable with the next monthly payment or contested promptly by contacting the Management Company in writing. All contested penalties must be resolved within 60 days.

<u>30 DAYS PAST DUE</u>: A <u>Final Demand for Payment</u> is sent to Owner by our Managing Agent with a warning of future action to be taken if account is not brought current.

60 DAYS PAST DUE: The Association has instructed the Managing Agent to take the steps necessary to file a lien against the delinquent Owner's property and the cost of this service shall be reimbursed to the Association by adding these costs to the Owner's account. The Board of Directors shall, on an individual case by case, select the most appropriate action for ultimate collection of the account. All costs for this additional action shall be reimbursed to the Association by the delinquent Owner.

Potential action could be:

- 1. Sue the Owner in Small Claims Court.
- 2. Turn the account over to an attorney for suit in County or State Court.
- 3. Instruct an attorney to post the property for foreclosure.

Any fines levied and/or funds spent by the Association on behalf of an Owner to pay for costs of services attributable to the individual unit and/or considered to be the obligation of the Owner thereof, shall be added to the Owner's account.