

RULES AND REGULATIONS FOR

The Harbor at Adriatica Residential Condominiums Association, Inc.
(“Condominium”)

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GENERAL PROVISIONS GOVERNING
THE USE OF UNITS AND COMMON ELEMENTS

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PROVISIONS GOVERNING COLLECTION AND FINING

Adopted by

Board of Directors

August 21, 2013

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PART I

GENERAL PROVISION

These Rules and Regulations (“Regulations”) are established by the Board of Directors (“Board of Directors”) of the Association effective as of August 21, 2013 pursuant to the rule-making and rule enforcement authority granted to the Board of Directors.

These Regulations are in addition to the provisions of the Declaration and the Bylaws. In the event of a conflict among the Governing Documents, the order of governing authority shall be as follows: Restrictive Covenants (highest), the Declaration, Articles, Bylaws and then these Regulations (lowest). The Board of Directors is empowered to interpret, enforce, amend, and repeal these Regulations.

A. DEFINITIONS

The following terms are defined for use in these Regulations and those capitalized terms not expressly defined herein have the same meaning as defined in the Declaration:

“Association.” The Harbor at Adriatica Residential Condominium Association, Inc., a Texas nonprofit corporation, organized under the Act and created for the purposes and possessing the rights, powers and authority set forth in the Governing Documents and shall include the Manager to the extent the Association has delegated any right or duty to such Manager.

“Balcony Areas.” All areas shown and marked as “balcony,” patio or “terrace” on the Map attached to the Declaration.

“Contractor.” Any party performing construction, repair, remodeling or other services for the benefit of an Owner.

“Manager.” The management staff for the Condominium who are employees of the Association or its managing agent.

“Occupancy, Occupy or Occupied.” Occupancy of a Unit in excess of 30 continuous days or 60 days in any consecutive 12-month period.

“Occupant.” The Owner or its Tenant, as applicable.

“Owner.” Any Person (including Declarant) owning fee title to a Unit, but excluding any Person having an interest in a Unit solely as security for an obligation.

“Parking Garage.” The Building, or portion thereof, designated as the Parking Garage on the Map.

“Posted Rules.” Rules and signs posted by the Association at any time on the Property from time to time.

“Regulations.” These rules and regulations, Posted Rules and Temporary Rules.

“Temporary Rules.” Notices communicated to the Owners by the Association from time to time or at any time which rules are seasonal or temporary in nature or notices of change affecting the use of the Property.

B. COMPLIANCE

1. Compliance. Each Owner will comply with the provisions of the Governing Documents and any other policies or regulations adopted by the Board of Directors to supplement the Governing Documents, as any of these may be revised from time to time. Additionally, each Owner shall be responsible for ensuring compliance with the Governing Documents by all Persons using or occupying such Owner's Unit and its invitees and guests. If a Regulation requires, prohibits or permits conduct by an "Owner" or "Tenant," each of those terms shall be deemed to include the other, and applies to all persons for whom an Owner or Tenant is responsible.

2. Additional Regulations. Each owner must comply with the Posted Rules and the Temporary Rules. The Posted Rules and the Temporary Rules are incorporated into these Regulations by reference.

3. Waiver. Circumstances may warrant waiver or variance of these Regulations. To obtain a waiver or variance, an Owner must make written application to the Board of Directors. The Board of Directors will consider such request and respond to the Owner in accordance with the Governing Documents. If the application is approved, the waiver or variance must be in writing, and may be conditioned or otherwise limited.

4. Right to Enforce. The Association has the right to enforce these Regulations against any Person on the Property.

C. OBLIGATIONS OF OWNERS

1. Safety. Each Owner is solely responsible for such Owner's own safety and for the safety, well-being and supervision of such Owner's guests and any person at the Condominium to whom the Owner has a duty of due care, control, or custody.

2. Unit Key. Each Owner will provide the Association with a set of all keys and alarm code required to enter such Owner's Unit, if applicable, through the front door, and will provide replacement keys to the Association each time a lock on the Unit is changed. All units will be keyed to a Master Key accessible by property manager and Fire Marshall. The Association assumes no liability related to possession of the keys, beyond reasonable and prudent care to safeguard them.

3. Damage. Except as otherwise provided in the Governing Documents, an Owner is responsible for any loss or damage the Owner causes to its own Unit, other Units, the Common Elements or the personal property of other Owners.

4. Insurance. An Owner assumes full risk and sole responsibility for placing such Owner's personal property in or on the Property. Each Owner is solely responsible for insuring such Owner's personal property on the Property. The Association recommends that all Owners and Tenants purchase and maintain appropriate insurance coverage on their personal belongings, vehicles and Units.

5. Risk Management. An Owner may not permit anything to be done or kept in its Unit or the Common Elements that is illegal or that may result in the cancellation or increase in any insurance premiums paid by the Association or any other Owner in connection with the Property.

6. Reimbursement for Enforcement. Each Owner shall promptly reimburse the Association on demand for any expense incurred by the Association to enforce the Governing Documents against such Owner or its Unit.

7. Reimbursement for Damage. Except as otherwise provided in the Governing Documents, each Owner shall promptly reimburse the Association on demand for the cost of damage caused by the negligent or willful conduct or omission of such Owner.

8. Certain Sales Prohibited. Without the Association's prior written permission, an Owner may not conduct or permit a Tenant to conduct on the Property a sale or activity that is advertised to the public as an "estate sale," "yard sale," or "garage sale," or post any signage on the windows or exterior of the Building that sends a similar message. This section does not apply to marketing the sale or rental of a Unit, unless combined with a prohibited activity.

D. OCCUPANCY STANDARDS

1. Number of Occupants. Subject to any exception for familial status under any applicable fair housing law, no more than two persons may Occupy any one-bedroom Unit, no more than three persons may Occupy any two-bedroom Unit, and no more than four persons may Occupy any three-bedroom Unit, subject to any applicable fair housing requirements.

2. Minors. No person under the age of 18 years of age may Occupy a Unit unless such Occupancy is with an Owner or Tenant who is a parent, legal guardian, or designee in writing of such minor's parent or legal guardian. An Owner must provide satisfactory proof of the ages and relationships among the Occupants of such Owner's Unit upon request of the Association.

3. Danger. No Unit may be Occupied by a person who constitutes a threat to the health or safety of other persons, or whose Occupancy could result in substantial physical damage to the property of others.

E. LEASES

1. Term and Conditions of Lease. Except for those Units owned and leased by Declarant, which are not subject to these restrictions on leasing, an entire Unit (but not less than an entire Unit) may be leased for private residential purposes only and may be leased for a term of not less than one year.

2. Written Leases. Each lease of a Unit must be in writing and fully executed. At least ten days before the start of each lease term, the Owner will provide the Association with: (a) an executed copy of the lease of the Unit; and (b) information about the Tenant(s) in a form acceptable to the Association. As soon as practical after its receipt thereof, the Owner must notify the Association of any changes in Tenant information during the lease term.

3. Subject to Documents. The mere execution of the lease for a Unit or Occupancy (for any period of time) subjects a Tenant to all pertinent provisions of the Governing Documents to the same extent as if Tenant were an Owner; provided that, notwithstanding the forgoing or any provision of the lease between Owner and a Tenant, the Owner shall not be relieved of any obligation under the Governing Documents and shall remain primarily liable thereunder. The Owner is responsible for providing a Tenant with the Governing

Documents and notifying the Tenant of any changes therein. The Association may send notices of violations by a Tenant to both the Tenant and to the Owner of the Unit Occupied by the Tenant. Whether or not it is so stated in the lease, a Tenant's violation of the Governing Documents is deemed to be a material default of the lease for which Owner has all available remedies at law or equity.

4. Landlord Owners. Owners of Tenant occupied Units are advised to stay informed of and to comply with federal and state laws and local ordinances regulating residential rental properties and relations between landlords and tenants. The association has no duty to notify Owners about landlord/tenant laws ordinances.

5. Tenant Communications. Owners shall instruct their Tenants to channel all communications (including non-emergency repair request) through the Owner. Owners will further instruct their Tenants that the Association does not manage or repair the Units, and that the Tenant should not contact the Association (except as may be required by the Governing Documents or to report emergencies that are within the Association's scope of responsibility pursuant to Governing Documents).

F. PARKING SPACES

1. Parking Spaces.

(a) General. An Owner shall use a Parking Space for parking purposes only and in accordance with and subject to the Governing Documents. Parking Spaces which are appurtenant to such Owner's Unit may be leased to such Owner's Tenant pursuant to the lease for such Unit. Except as otherwise specifically provided in the Governing Documents, no person shall have the right to use a Parking Space except an Owner or Tenant. Parking Spaces may not be enclosed or altered in any way.

(b) Authorized Vehicles. Parking Spaces may be used for the parking of private passenger vehicles only and shall not be used for parking commercial vehicles or trucks (except sport utility vehicles, mini-vans, and pick-up trucks utilized as personal transportation), boats, personal watercraft, recreational vehicles, buses, taxi cabs, or trailers. No Parking Space may be used for the storage of machinery, equipment of other personal property. For purposes hereof, private passenger vehicles include automobiles, motorcycles, motorized bikes, station wagons, sport utility vehicles, minivans, trucks not exceeding 21 feet in length. Golf carts are permitted.

(c) Vehicle Conditions. The Owners and Tenants shall not leave any vehicle in a state of disrepair (including, without limitation, flat tires, out-of-date inspection stickers or license plates) on the Property. Each vehicle must be muffled and must be maintained and operated to minimize noise, odor, and oil emissions. No such vehicle may be kept on the Property if the Board of Directors deems it to be unsightly, inoperable, inappropriate, or otherwise violative of these Regulations. If the Owners or Tenants park their vehicles in areas other than the Parking Space designated for such Owner's Unit, or leave any vehicle in a state of disrepair, the Association, after giving written notice to the applicable Owner of such violation, shall have the right to remove such vehicle at the Owners' expense. No removal or impoundment of a vehicle shall create any liability on the Association.

(d) Nuisances. All Owners and Tenants shall cooperate with the Association in keeping all parts of the Property neat and clean. The use of car horns on the Property is discouraged, except for the judicious use of a horn for right of way. Signs advertising a vehicle "for sale" are prohibited.

(e) Parking Practices. Vehicles must be parked entirely within the lines and all directional signs, arrows and posted speed limits must be observed. Parking is prohibited in areas not striped for parking, in aisles, in fire lanes, where “No Parking” signs are posted, in cross-hatched areas, and in other areas as may be designated by the Association. All cars parked in fire lanes will be subject to immediate towing at the car owner’s expense. Motorcycles or bicycles may not be chained to buildings, fences or any other part of the Property, unless designated for that purpose.

(f) Parking Garage. The rights of each Owner and Tenants in the drive lanes, sidewalks, entrances, corridors and elevators servicing the Parking Garage are limited to ingress and egress from such person’s Parking Space, and no Owner or Tenant shall use, or permit the use of, the drive lanes, sidewalks, entrances, corridors or elevators for any other purpose. No Owner or Tenant shall permit the visit of Persons in such numbers or under such conditions as to interfere with the use and enjoyment of any of the entrances, corridors, elevators and other facilities of the Parking Garage by any other person or use. Fire exits and stairways are for emergency use only and shall not be used for any other purpose. No Owner or Tenant shall encumber or obstruct, or permit the encumbrance or obstruction of any of the drive lanes, sidewalks, entrances, corridors, elevators, fire exits or stairways of the Parking Garage. No vehicle may be parked in a manner that impedes or prevents ready access to the Parking Garage.

(g) Hazards. Owners and Tenants shall not do anything, or permit anything to be done, in or about the Parking Garage or other parking areas, or bring or keep anything therein, that will in any way increase the possibility of fire or other casualty or obstruct or interfere with the rights of, or otherwise injure or annoy, other users of the Parking Garage or other parking areas, or do anything in conflict with laws, rules or regulations of any governmental authority. Owners and Tenants shall not use or keep in the parking areas any flammable or explosive fluid or substance or otherwise dangerous fluid, chemical or substance, or any illuminating material, except for such substances contained in vehicles using the Parking Garage or other parking areas in reasonable and normal quantities and in accordance with reasonable and customary usage by such vehicles. In addition, except for valet parking, if provided, every person is required to park and lock his or her vehicle. All responsibility for damage to vehicles or persons is assumed by the owner of the vehicle or its driver.

(h) Prohibited Actions. Car washing is prohibited anywhere on the Property. No servicing or repairs shall be made to any motor vehicle either on or within the Common Elements, including in the Parking Garage or other parking areas on the Property, except for emergency repairs as necessary to enable movement of the vehicle to a repair facility. No motor vehicle shall be driven on or within any part of the Property including the Parking Garage other than on a driveway or designated parking area. Visitors’ motor vehicles may be parked only in those Parking Spaces clearly marked or designated for visitors. Visitors may not park in any space marked “Reserved.”

(i) Violations. A vehicle in violation of these Regulations may be stickered, wheel-locked, towed or otherwise removed from the Property by the Manager, at the expense of the vehicle’s owner. The Association expressly disclaims any liability for damage to vehicles occasioned by the exercise of these remedies.

2. Part F Not Exclusive. The rules and regulations contained within this part F shall not be interpreted to apply to the exclusion of other rules contained in these Regulations which would logically apply to Parking Spaces.

G. GENERAL USE AND MAINTENANCE OF UNIT

1. Use. Except of those Units owned by Declarant, each Unit must be used solely for private residential use, and may not be used for any commercial or business purposes. This restriction does not prohibit an Owner from using the Unit for personal, business, or professional purposes, provided that: (a) such use is incidental to the Unit's residential use; (b) such use conforms to all applicable Legal Requirements; (c) there is not external evidence of such use; and (d) such use does not entail excessive visits to the Unit by the public, employees, suppliers, or clients. The use of all Units shall be in accordance with the Governing Documents.

2. Annoyance. An Owner may not use a Unit in a way that: (a) annoys other Owners; (b) reduces the desirability of the Condominium as a residential community; (c) endangers the health or safety of other Owners; or (d) violates any law or any provision of the Governing Documents.

3. Right of Entry. The Association may enter a Unit in case of an emergency originating in or threatening the Unit, whether or not the Owner is present at the time. This right of entry may be exercised by the Manager, directors, officers, agents, and employees, and by all police officers, firefighters, and other emergency personnel in the performance of their respective duties. Also, the Association may enter a Unit to perform installations, alterations, or repairs to the mechanical, electrical, or utility services which, if not performed, would affect the use of the other Units or the Common Elements; provided that, if possible, requests for any entry shall be made in advance and at a time convenient to the Owner. In case of an emergency, the right of entry is immediate and if the Owner has failed to provide a door key and/or alarm code or refuses to provide entry, the Owner is liable for the cost of repairs to the Unit or Common Elements caused by the Association's chosen method of access under such circumstances.

4. Maintenance. Each Owner, at such Owner's sole cost and expense, will maintain its Unit and Balcony Area in accordance with the Maintenance Standard, and shall keep it in good repair at all times; provided, however, that any work to be performed by a party not the Owner shall require an executed copy of an agreement to be provided to the Association.

5. Hot Tubs and Water Beds. The use or installation of hot tubs, whirlpools, or Jacuzzis (portable or permanently installed) in a Unit or on a Balcony Area is prohibited. This rule does not apply to a customary bathtub fixture with water jets located within a Unit that is installed pursuant to all applicable plumbing codes. Water beds are not permitted in a Unit or on a Balcony Area at any time.

6. Outdoor Cooking or Heating Equipment. The use of outdoor cooking or heating equipment is permitted on a Balcony Area as long as that area is protected by an automatic sprinkler system that is in compliance with all applicable laws.

7. Stoves. Each Owner, at its own expense, shall keep the ventilation hood above the stove or range in its Unit clean and in operating condition.

8. Glass. Each Owner, at such Owner's expense, must promptly repair and replace any broken or cracked glass in the windows and doors of its Unit. Replacement windows must conform to the windows that are standard in the Improvements or be approved in writing prior to installation by the Association. The Association reserves the right to replace any broken or cracked exterior windows of the Building on behalf of an Owner, at such Owner's sole expense, to ensure proper installation.

9. Combustibles. Except for those retail products sold for exclusive use as household cleaning products, and Owner may not store or maintain explosives or other combustible materials anywhere on the Property, including within a Unit.

10. Water Problems. An Owner is responsible for water damage to Common Elements (except as otherwise provided in the Declaration) and adjoining Units which emanates from its Unit, including leaks or overflows of sinks, tubs, showers, shower pans, toilets, dishwashers, and clothes washers. In case of continuous water overflow, the Owner should immediately turn off water and turn the shut-off valves, e.g., behind the toilet or under the sink, to "Off" position. Main water cutoff valve is located next to water heater. Owner to verify location with HOA prior to occupancy.

11. Water Cut-Off. Except in the case of an emergency, no person may interfere with or interrupt the Property's water lines, including water lines to an individual Unit, without the prior knowledge and cooperation of the Association. An Owner who requires a water cut-off for the purpose of remodeling shall submit a written request to the Manager at least five days prior to the requested water cut-off. All instances of flooding or water damage must be reported to the Association immediately.

12. Report Malfunctions. An Owner shall immediately upon discovery, report to the Association any leak, break, or malfunction in any portion of the Property which the Association has a duty to maintain. An Owner who fails to promptly report a problem may be deemed negligent and may be liable for any additional damage caused by the delay.

13. Cable. An Owner who subscribes directly to cable or satellite service is solely responsible for the cost and maintenance of the subscription; and the appurtenant equipment (except that any central antenna system described in Section G.17 shall be maintained by the Association as a Common Expense); provided that, no antenna or satellite dishes may be installed except in compliance with Section G.17. An Owner who obtains cable or satellite service through the Association (in the event the Association was to provide such service, at its sole discretion) is responsible for the proper use, maintenance, and return of cable connections or equipment. No additional exterior cable lines may be connected to the Unit.

14. No Right to Vent or Cut Into Chases, etc. Notwithstanding any provision hereof to the contrary, under no circumstances whatsoever, may any Owner, directly or indirectly, vent or cut into any chute, duct, conduit or vertical chase or any plumbing that serves a Unit, without the prior written consent of the Association.

15. Signage; Advertising. No sign, advertisement or notice shall be inscribed, painted, affixed or placed on any part of the outside of a Unit (or on the inside, to the extent visible from any other Unit, the Common Elements or the exterior of the Building) or on any Common Element whatsoever, without the prior written consent of the Association.

16. Electrical and Plumbing Facilities. Owners shall not overload existing electrical circuits and/or plumbing facilities in its Unit.

17. Antenna.

(a) Central Antenna System. The Declarant, Association or Manager may elect to install a central antenna system that enables Owners and Tenants to receive DIRECTV DBS service and/or other video programming or fixed wireless services described in the Over-the-Air Reception Device Rule ('OTARD') adopted by the Federal Communications Commission, without the need for installation of individual antennas within an Owner's or Tenant's Unit, Balcony Area or other area subject to such Owner's or Tenant's exclusive use and control. If the Declarant, Association or Manager installs such a central antenna system for a particular service, then Owners and Tenants desiring the particular service received by such central antenna system may not install individual antennas for such service within their Unit, Balcony Area or other area subject to such Owner's or Tenant's exclusive use and control, except as permitted by applicable laws and regulations, and must receive such service through the central antenna system.

(b) Other Antenna. Except as provided in Section 17(a) above, the Association and Manager shall not prohibit the installation, maintenance or use of antennas used to receive those video programming or fixed wireless services described in OTARD ("Permitted Antennas"). An Owner or a Tenant shall be permitted to install or maintain a Permitted Antenna within such Owner's or Tenant's Unit or its Balcony Area, subject to reasonable safety rules established by the Association from time to time; provided, however that no such Permitted Antenna or related structures shall be erected on, or fastened to, the roof, any exterior wall of a Unit, balcony railing, on any portion of the General Common Elements or anywhere else on the Property that is not subject to such Owner's or Tenant's exclusive use or control, without the prior written consent of the Association. Prior to the installation of any Permitted Antenna, each Owner or Tenant shall execute an agreement substantially in accordance with the document attached as Attachment C to these Regulations.

18. Window Air Conditioning Units. No window heating or air conditioning unit shall be installed within any Unit or Common Element.

19. Infestation. No Owner shall permit or suffer the infestation of its Unit by pests, insects, rodents, or other vermin. Failure to comply with the foregoing, or the failure to report such infestation to the Association as soon as the Owner is aware of same, will render such Owner liable for all costs and expenses incurred in having to eradicate such infestation.

20. Compliance with Laws. EACH OWNER SHALL PROMPTLY AND FULLY COMPLY WITH ANY AND ALL LEGAL REQUIREMENTS WITH RESPECT TO THE OCCUPANCY AND USE OF ITS UNIT.

21. Balcony Areas. Each Owner shall maintain its Balcony Area in a clean manner at all times. Each Owner will take care that the cleaning of its Balcony Area does not annoy or inconvenience other Owners. A Balcony Area may not be enclosed or used for storage purposes; however, items or objects such as furniture, plants and decorative items may be placed on Balcony Area. Open post balcony railings may not be closed or screened with wire, mesh, or other material. Although items or objects such as doormats, furniture, plants and decorative items may be placed on the Balcony Areas, the Association or Manager reserves the right to determine whether a Balcony Area is unsightly or cluttered, and may at their sole discretion request the removal of such items. In addition, the weight of items such as hanging plants or patio furniture is subject to the Association's approval. If the Association determines that a Balcony Area is unsightly (including the need for any cleaning of windows or doors) or that any hanging items or patio furniture pose a safety risk to anyone

on the Property, the Association may give the Owner notice of such condition and a reasonable time period in which to correct it, after which the Association may take corrective action at the Owner's expense; provided that, neither the Association nor Manager shall be liable for any claims or losses by an Owner arising from the entry of its Unit by the Association or Manager and the disposal of such items in the Balcony Area appurtenant thereto.

22. Clotheslines. No hanging or drying of clothes shall be allowed on (or within) any portion of the Balcony Areas, and no pulley clothesline or similar device shall be affixed to or used in connection with any Unit or Common Element.

H. GENERAL USE AND MAINTENANCE OF COMMON ELEMENTS

1. Access Devices. Admittance to the Property or a Parking Garage may require use of a coded access device (an "Access Device"), in which case an appropriate Access Device will be issued to the Owners through the Manager. To obtain an Access Device, an Owner must provide the Manager with evidence of its ownership of a Unit. Access Devices are personal to the person to whom they are issued, and may not be transferred or assigned except to Tenants. Any person in possession of an Access Device shall, upon request of the Association, produce a valid driver's license or other picture identification. An Access Device found in the possession of a person to whom it is not issued will be confiscated. Replacement of a lost or confiscated Access Device, or the purchase of an additional Access Device, requires payment of a fee set by the Board of Directors.

2. Intended Use. Each area on the Property may be used only for its intended and obvious purpose. For example, walkways, stairways, sidewalks, elevators, and driveways are used exclusively for purposes of access and emergency egress, not for social congregation or recreation.

3. Limited Recreation Areas. The Facilities described in these Regulations are the only recreational facilities at the Condominium. No other portions of the Common Elements may be used for recreation, sports, exercise, or play.

4. Hallways and Unit Entrances. No item or object of any type, other than doormats, may be stored, placed or maintained anywhere on the Common Elements, including hallways and stairwells, except as authorized by the Association or with the Association's prior written consent. An Owner may not decorate or customize the exterior of such Owner's front door, except for a decorative wreath or temporary holiday appropriate decorations, which must be removed within two weeks of any such holiday. Items of personal property found on Common Elements are deemed abandoned and may be disposed of by the Association or the Manager.

5. Fire and Safety. No person may use, tamper with, pry open, or modify any fire or safety equipment on the Property, including alarms, extinguishers, monitors, and self-closing doors. All Owners shall be responsible for reporting damaged or missing sprinkler heads or smoke detectors within its Unit to the Association or Manager.

6. Landscaping. No one shall harm, mutilate, alter, litter, uproot or remove any of the landscaping work on or within the Common Elements, or place or affix any planters, statues, fountains, ornamental objects or artificial plants upon any portion of the Common Elements, without the prior written consent of the Association. Digging, planting, pruning, and climbing in any landscaped areas are expressly prohibited.

7. Clotheslines. No hanging or drying of clothes shall be allowed on (or within) any portion of the Common Elements, and no pulley clothesline or similar device shall be affixed to or used in connection with any Unit or Common Element.

8. Waste Disposal; Plumbing Damage. No one shall place leave or permit to be placed or left in or upon the Common Elements any waste, debris, refuse or garbage except in the areas designated by the Association or the Manager as a central garbage depository, and only on those days and times as are designated by the Association or the Manager from time to time. Water shall not be left running unless in actual use; and no waste, garbage rubbish, or noxious or unusual substances shall be disposed into any toilet sink or drain. Any damage to plumbing pipes, drains and apparatus resulting from misuse, or from unusual or unreasonable use, shall be borne by the Owner causing such damage.

I. COMMUNITY ETIQUETTE

1. Courtesy. Each Owner will endeavor to use its Unit and the Common Elements in a manner calculated to respect the rights and privileges of other Owners and other users of the Property. Each Owner will refrain from conduct that may reasonably be expected to inconvenience, embarrass, or offend the average Owner in the Condominium and other users of the Property.

2. Visitors. Each Owner is responsible for the guests' compliance with Regulations.

3. Code of Conduct. Owners will conduct themselves in a civil manner when dealing with the Association's officers, directors, committee members, Manager, employees, contractors, agents, and other Owners. In return, the Owners are due the same courtesy and civility. The following actions are expressly prohibited: (a) verbal abuse; (b) insults and derogatory name-calling; (c) cursing; (d) aggressive or threatening behavior; (e) hostile touching or physical contact; (f) sexual harassment; (g) posting correspondence on the doors of directors and officers; and (h) phone calls that are designed, by their tone, time, or frequency, to harass or intimidate. No person has the right to abuse another or the duty to tolerate abuse.

4. Association Employees. Owners may not instruct, direct, or supervise the Association's or Manager's employees and agents, unless directed to do so by the Board of Directors. Owners may not interfere with the performance of duties by the Association's or Manager's employees, and will refrain from monopolizing the time or attention of the Association's or Manager's employees.

5. No Hiring of Employees. The employees and agents of the Association and Manager are not permitted or authorized to render personal services to Owners. The Owners will not request or encourage employees or agents to violate this provision.

6. Communications among Owners. The Association bears a duty to balance the right of members to communicate with each other against the desire of the Owners and Tenants to be free of uninvited solicitations and misleading communications. To achieve that balance, oral and written communications that are intended for delivery to more than one Owner are subject to this section.

(a) Without the Board of Directors' prior written permission, Owners may not communicate with others in a manner that may give the impression of having been approved or sanctioned by the Association. In communicating with other Owners, the issuer should identify himself and state that the communication has not been sanctioned by the Association.

(b) Without the Board of Directors' prior written permission, a person may not distribute handbills or hand-deliver written communications to mailboxes, Unit doors, or car windshields.

(c) Without the Board of Directors' prior written permission, a person may not solicit information, endorsements, or money from Tenants, or circulate petitions, except via the U.S. mail.

7. Attire. Owners must wear neat and clean street attire in the elevators and other Common Elements. Owners are prohibited from wearing lingerie and pajamas as outerwear in the Common Elements.

8. Annoyance. Owners will avoid doing or permitting anything to be done that will annoy, harass, embarrass, or inconvenience other Owners, their guests, or the Association's employees and agents.

9. Noise and Odors. Each Owner will exercise reasonable care to avoid making or permitting to be made loud, disturbing, or objectionable noises or noxious odors that are likely to disturb other Owners.

10. Quiet Hours. Between the hours of 10:00 p.m. and 6:00 a.m., Owners shall refrain from activities that are likely to create a noise disturbance for Owners adjoining Units. Examples of such activities include the operation of hammering, musical instruments, and aerobic exercise.

11. Reception Interference. Owners will avoid doing or permitting anything to be done that may unreasonably interfere with the television, radio, telephonic, or electronic reception on or about the Property.

12. Packages. Each Owner agrees that the Association is not responsible for any item or article left with or delivered to the Association's employees or agents on behalf of such Owner.

13. Wildlife. Feeding of birds, squirrels, or any wildlife is prohibited on Common Elements.

14. Smoking. The smoking of tobacco products is permitted in the individual Units and Balcony Areas. All cigarette and cigar butts shall be disposed of properly and may not be thrown off Balcony Areas or out windows. Smoking is prohibited in the Common Elements, including any elevators, hallways, public terraces, and outside of building entrances.

15. Resolution by Arbitration. All disagreements between an Owner and the Association as a representative of another Owner, with regard to whether or not noises, odors or particular conduct are loud, disturbing, objectionable or otherwise annoying as contemplated in these Regulations shall constitute a "Dispute" as defined in the Declaration and shall be resolved in accordance with the terms therein.

J. CONSTRUCTION AND ARCHITECTURAL CONTROL

1. Prohibited Changes to Common Elements. Owner may not change, remodel, decorate, destroy, or improve, in any way, the Common Elements or do anything to change the appearance of the Common Elements, including the hallway entry door to the Unit.

2. Prohibited Changes to Unit. Without prior written approval of the Board of Directors, an Owner may not make structural alterations or modifications to its Unit or Balcony Area.

3. Windows and Doors. The front doors of Units must conform to the building standard unless otherwise approved in advance by the Board of Directors. No awnings, shades or shutters shall be erected over or outside any windows or Balcony Area appurtenant to any Unit, and no exterior doors shall be removed, replaced or changed in any way, without the prior written consent of the Association. All window treatments

visible from the exterior of the Unit shall be white or off white in color and shall be tailored, window specific decorative and purposed window treatments. No paper, linens or other temporary methods may be installed or used. Foil is not permitted in the exterior of any window or door. Nothing shall be placed on the outside of window sills or projections, or upon any patio railings, without the prior written consent of the Association. Nothing shall be thrown or swept out of any windows or doors, and no mops, brooms, dusters, rugs or bedding shall be shaken or beaten from any windows or doors, or any portion of the Common Elements. No screen or storm doors or windows shall be installed within any existing door or window openings which form part of the Common Elements. If applicable, window mullions (the strips that divide a glass into smaller panes) may not be removed. An Owner may not alter the color or appearance of the glass surfaces in the Unit's windows from the building standard.

4. Balcony Floors. Because certain materials trap moisture which deteriorates the balcony structure, the floors of Balcony Areas may not be covered or resurfaced without the Association's prior written permission. The Association prohibits the use of carpeting on Balcony Areas.

5. Screen Doors. Subject to provisions of Section J.3 above, an Owner is permitted to install screen doors over the Unit's doors, provided the screen door is obtained and maintained solely at the Owner's expense. Color of screen material must conform to building standard. Contact the Manager for specifications and applications.

6. Application for Board of Directors' Approval. As part of the application to the Board of Directors for its written consent for any alteration or modification requiring such consent, an Owner must submit to the Manager complete plans and specifications showing the nature, kind, shape, size, materials, colors, connection to condominium systems and location for all proposed work, and any other information reasonably requested by the Board of Directors.

7. Construction Hours. Without the Association's prior permission, no construction may be performed in any Unit by any person except between the hours of 8:30 a.m. and 5:00 p.m. on business days. This rule is intended to prevent disturbances by construction-related utility cutoffs, noise, odors, workers, and activity between 5:00 p.m. and 8:30 a.m. and on Saturday, Sunday or holidays.

8. Understanding and Agreement Concerning Contract Work. As a condition to the Association's approval of any construction work hereunder, the Owner and the Contractor must execute and deliver to the Board of Directors an agreement substantially in the form of the document attached as Attachment B to these Regulations. All debris or construction material must be disposed of in the trash dumpsters designated therefore by the Association or the Manager.

K. TRASH DISPOSAL

1. General Duty. Owners will endeavor to keep the Property clean and will dispose of all refuse in receptacles for that purpose and may not litter Common Elements. Garbage shall be disposed of by leaving all garbage during such times and on such days as are designated by the Association for garbage pickup.

2. Hazards. Trash may not be left anywhere on the Property other than in the designated receptacles. Owners may not place lighted or smoldering items, including cigarettes, in such designated trash receptacles. Owners may not store trash inside or outside its Unit in a manner that may permit the spread of fire, odors, or seepage or encouragement of vermin.

3. Trash. Owners must place trash in a sealed or tied container or bag before putting it in any designated trash receptacle. Large boxes and bulky objects must be placed neatly in secured containers. Construction material, solvents, paints, and other toxic waste must be removed from the Property by the Owner or such Owner's contractor.

4. Excess Trash. An Owner will place trash entirely within a container, and may not place trash outside, next to, or on top of a container. If a container is full, the Owner should locate another container of hold the trash. Boxes and large objects should be crushed or broken down before placed in a container. An Owner must arrange privately for removal of discarded furnishings or any unusually large volume debris.

L. PETS

1. Subject to Regulations. Owners may not keep or permit on the Property a pet or animal of any kind, at any time, except as permitted by these Regulations and the Governing Documents. Additionally, all pets must conform to any applicable animal control ordinances or laws, a copy of which may be made available by the Manager.

2. Pet Agreement. Owners must complete a pet registration form furnished by the Manager when a pet is acquired or within seven days after taking up occupancy on the Property.

3. Pets Banned in Parking Space. Although permitted pets may be kept in Units that are Owner Occupied or Tenant occupied, pets are not allowed in any Parking Space at any time.

4. Permitted Pets. Subject to these Regulations, an Owner (and a Tenant with such Owner's consent) may keep in a Unit that is Owner Occupied or Tenant occupied, up to two house pets (other than aquarium fish), which at maturity, may not exceed 75 pounds each in weight. Permitted house pets are limited to domesticated dogs, cats, caged birds, and aquarium fish. If required by any law, ordinance, government rule or regulation, any such pet(s) must be appropriately vaccinated, to include rabies, and licensed through the appropriate municipal or city department.

5. Prohibited Animals. No Owner may keep a dangerous or exotic animal, trained attack dog, or any other animal determined by the Board of Directors in its sole discretion to be a potential threat to a well-being of people or other animals. No animal or house pet may be kept, bred, or maintained for any commercial purpose. Pets or animals belonging to guests, friends, or relatives of Owners are prohibited, even for short visits or temporary stays.

6. Indoors/Outdoors. A permitted pet must be maintained inside the Unit, and may not be kept in a Balcony Area or Parking Space. No Owner may confine a pet to a Balcony Area when the Owner is absent from the Property, and no Owner may use a Balcony Area as a latrine area for pet.

7. Leashes. Pets must be leashed or carried while in Common Elements. No pet may be leashed to a stationary object on the Common Elements. No pet is allowed, at any time in the Facilities.

8. Disturbance. Pets must be kept in a manner that does not disturb another Owner's rest or peaceful enjoyment of its Unit or the Common Elements. No pet may be permitted to bark, howl, whine, yap, yip, screech or make other loud noises for extended or repeated period of time.

9. Damage. Owners are responsible for any property damage, injury, or disturbance such Owner's pet may cause or inflict and must compensate any person injured or otherwise damaged by such

Owner's pet. An Owner who keeps a pet at the Condominium is deemed to indemnify and agrees to hold harmless the Board of Directors, the Association, and other Owners and Tenants, from any loss, claim, or liability of any kind or character whatever resulting from any action of such Owner's pet or arising by reason of keeping or maintaining the pet at the Condominium.

10. Dog Walk and Pooper Scooper. Pets must only use designated areas to relieve themselves. Owners are responsible for the removal of pet's wastes from the Property. The Board of Directors may levy a fine against a Unit and its Owner each time feces or urine are discovered on the Common Elements and attributed to an animal in the custody of such Owner.

11. Removal. If an Owner or such Owner's pet violates these Regulations, or if a pet creates a nuisance, odor, unreasonable disturbance, or noise, the Owner or person having control of the animal may be given a written notice by the Board of Directors to correct the problem. If violations occur repeatedly, the Owner, upon written notice from the Board of Directors, may be required to remove the pet. Each Owner agrees to permanently remove the violating animal of such Owner from the Condominium within ten days after receipt of such removal notice from the Board of Directors.

12. Complaints. Any complaints about pets or Owners violating these Regulations shall be made in writing and identify the type of infraction, the date of infraction, and must be signed by the witness to the infraction.

13. Staff. The staff of the Condominium is prohibited, while on duty, to walk or care for pets. Owners are requested not to ask the staff to assist them with their pets. Emergency situations requiring staff assistance will be left to the sole discretion of the Manager.

14. Compliance. Pets with a physical handicap or, to the extent permitted by applicable law, Owners who have a physical handicap which would prevent them from complying with these rules, must receive a variance by the Board of Directors or Manager.

M. MISCELLANEOUS

1. Right to Hearing. Prior to commencement of the mediation and arbitration process in **Article XI** of the Declaration, and Owner may request in writing a hearing by the Board of Directors regarding an alleged breach of these Regulations by the Owner or any person for whom the Owner is responsible. The Board of Directors will schedule a hearing within ten days after receiving the Owner's written request. At the hearing, the Board of Directors will consider the facts and circumstances surrounding the alleged violation. The Owner may attend the hearing in person, or may be represented by another person or written communication.

2. Mailing Address. An Owner who receives mail at an address other than the address of such Owner's Unit is responsible for maintaining with the Association such Owner's current mailing address. An Owner who changes such Owner's name or mailing address must notify the Manager in writing within 15 days after the change. 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 will 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 that Owner's Unit is deemed effective for purposes of delivery.

3. No Waiver. The failure of the Association to enforce a provision of these Regulations does not constitute a waiver of the right of the Association to enforce such provision in the future.

4. Severability. If any term or provision of these Regulations is held to be partially or wholly invalid or unenforceable for any reason whatsoever, such holding will not affect any other term or provision of these Regulations.

5. Amendment of Regulations. These Regulations are subject to being revised, replaced, amended or supplemented by the Board of Directors. Upon any such revision, a copy of the revisions will be delivered to each Owner. Owners are urged to contact the Manager to verify the Regulations currently in effect on any matter of interest. These Regulations will remain effective until ten days after the Association delivers to an Owner of each Unit notice of amendment to or revocation of these Regulations. The notice may be published and distributed in an Association newsletter or other community-wide publication.

6. Other Rights. These Regulations are in addition to all rights of the Association under the other Governing Documents and the laws of the State of Texas.

PART II

RULES GOVERNING COLLECTION AND FINING

A. COLLECTION RULES AND PROCEDURES

1. Due Date. An Owner will timely and fully pay all Assessments in accordance with the provisions of the Declaration. Monthly Assessments are due and payable on the first calendar day of each month. Special Assessments and Individual Assessments are due at the reasonable direction of the Board of Directors.

2. Delinquent. Any Assessment that is not fully paid when due is delinquent. When the account of a Unit becomes delinquent, it remains delinquent until paid in full. The defaulting Owner is liable to the Association for the cost of title reports, credit reports, certified mail, long distance calls, court costs, filing fees and other reasonable costs and attorneys' fees incurred by the Association in collecting the delinquency.

3. Late Fees and Interest. If the Association does not receive full payment of an Assessment by 5:00 p.m. on the fifth calendar day following the due date, the Association may collect interest at the Past Due Rate until the delinquency is paid in full.

4. Insufficient Funds. The Association may levy a charge of at least \$25 or the actual bank charge, whichever is greater, against an Owner if the check on which payment is made is returned to the Association marked "insufficient funds" or the equivalent.

5. Delinquency Notices. If the Association has not received full payment of an Assessment by the due date, the Association may send one or more written notices of nonpayment to the defaulting Owner stating the amount delinquent. Such delinquency-related correspondence may state that if full payment is not timely received, the Association may pursue any or all of the Association's remedies under the Governing Documents or state law at the sole cost and expense of the defaulting Owner.

6. Collection by Association's Attorney. After giving the Owner notice of the delinquency, the Association may refer the delinquent account to an attorney for collection. In that event, the defaulting Owner will be liable to the Association for its legal fees and expenses.

7. Collection Agency. The Board of Directors may employ or assign the delinquency to one or more collection agencies.

8. Notification of Mortgagee. The Association may notify the Owner's Mortgagee of the default in payment of any Assessment.

9. Notification of Credit Bureau. The Association may file a report on the defaulting Owner with one or more credit reporting services.

10. Notice of Lien. The Association may cause a notice of the Association's assessment lien against the Unit to be publicly recorded. A copy of the notice of lien will be sent to the defaulting Owner, and may be sent to its Mortgagee.

11. Right to Accelerate. If an Assessment is payable in installments and if an Owner defaults in the payment of any installment, the Association may declare such Assessment in default and accelerate the due date on all remaining installments of that Assessment.

12. Notice to Owner. A Special Assessment or Individual Assessment payable in installments may be accelerated only after the Association gives the Owner at least 15 days prior notice of the default and the Association's intent to accelerate the unpaid balance if the default is not cured within such notice period.

13. No Duty to Reinstate. Following acceleration of an Assessment payable in installments, the Association has no duty to reinstate the installment program upon payment by the Owner of any delinquent installment.

14. Foreclosure of Lien – Nonjudicially. The Board of Directors may instruct an attorney officer or agent of the Association to notify the defaulting Owner of the Association's intent to foreclose its assessment lien, to post the property for sale at public auction, and to conduct a public auction of the Unit in accordance with the Act, the Governing Documents and all other requirements of state law.

15. Foreclosure of Lien – Judicially. The Association may file suit against the Owner for judicial foreclosure of the Association's assessment lien. This action may be combined with a claim against the Owner for recovery of a money judgment.

16. Suit Against Owner. Whether or not the Association forecloses the Association's assessment lien, the Board of Directors may elect to file suit to recover delinquent Assessments against the defaulting Owner and the Owner shall be personally liable for any judgment obtained by the Association.

17. Possession Following Foreclosure. If the Association purchases the Unit at public sale, the Board of Directors may immediately institute appropriate actions to recover possession of the Unit.

18. Application of Payments. All payments received by the Association may be applied in the following order, starting with the oldest charge in each category, until that category is fully paid, regardless of the amount of the payment, notations on checks, and the date the obligations arose: (a) collection costs and attorneys fees; (b) fines; (c) reimbursable expense; (d) late charges and interest; (e) delinquent Special Assessments or Individual Assessments; (f) delinquent Monthly Assessments; (g) current Special Assessments or Individual Assessments; and (h) current Monthly Assessments.

19. Form of Payment. The Association may require that payment of delinquent Assessments be made only in the form of cash, cashier's check or certified funds.

20. Partial and Conditioned Payment. The Association may refuse to accept partial payment (i.e., less than the full amount due and payable) and payments to which the payor attaches conditions or directions contrary to the Board of Directors' policy for applying payments. The Association's endorsement and deposit of a payment does not constitute acceptance. Instead, acceptance by the Association occurs when the Association posts the payment to the Unit's account. If the Association does not accept the payment at the time, it will promptly refund the payment to the payor. A payment that is not refunded to the payor within 30 days after being deposited by the Association may be deemed accepted. The acceptance by the Association of partial payment of delinquent Assessments does not waive the Association's right to pursue or to continue pursuing its remedies for payment in full of all outstanding obligations or the Association's right to apply payments pursuant to any rights herein granted.

21. Notice of Payment. If the Association receives full payment of the delinquency after recording a notice of lien, the Association will cause a release of notice of lien to be publicly recorded, a copy of which will be sent to the Owner; provided, however, the Owner prepays the reasonable cost of preparing and recording the release.

22. Notification of Credit Reporting Agency. If the Association receives full payment of the delinquency after reporting the defaulting Owner to credit reporting service, the Association will report receipt of payment to that credit reporting service.

23. Limited Right of Redemption. If the Association buys a Unit at the non-judicial foreclosure sale of its assessment lien, the Association's ownership of such Unit is subject to a right of redemption by the Owner, as provided by the Act and the Declaration.

24. Waiver. Properly levied collection costs, late fees, and interest may not be waived by the Board of Directors, unless a majority of the Board of Directors determines that extraordinary circumstances warrant an adjustment to the account, in which case the adjustment must be described in detail in the minutes of the Board of Directors' meeting. Because of the potential for inadvertently effecting a waiver of the provisions of this policy, the Board of Directors will exercise extreme caution in granting adjustments to an Owner's account.

B. FINING RULES AND PROCEDURE

1. Policy. The Association uses fines to discourage violations of the Governing Documents and to encourage present and future compliance when a violation does occur, not to punish violators or generate revenue for the Association.

2. Owners Liable. An Owner is liable for fines levied by the Association for violations of the Governing Documents whether the Owner commits the violation or Tenants, guests or other invitees of such Owner commit the violation. Regardless of who commits the violation, the Association will direct its communications to the Owner, although the Association may also send copies of its notices to the actual violator.

3. Violation Notice. Before levying a fine, the Association will give the Owner a written violation notice and an opportunity for a hearing. The Association's written violation notice will contain the following items: (a) the date the violation notice is mailed or prepared; (b) a description of the violation; (c) a reference to the rule being violated; (d) a description of the action required to cure the violation; (e) the amount of the fine; (f) a statement that not later than the 30th day after the date of the violation notice, the Owner may request a hearing before the Board of Directors to contest the fine; and (g) the date the fine attaches or begins accruing.

4. New Violation. If the Owner was not given notice and a reasonable opportunity to cure a similar violation within the preceding 12 months, the notice will state a specific date by which the violation must be cured to avoid the fine, if the violation is ongoing or continuous. If the violation is not ongoing, but is instead sporadic or periodic, the notice must state that any future violation of the same rule may result in the levy of a fine.

5. Repeat Violation. In the case of a repeat violation, the notice will state that, because the Owner was given notice and a reasonable opportunity to cure a similar violation within the preceding 12 months, the fine attaches from the date of the violation notice.

6. Right to Hearing. Prior to commencement of the mediation and arbitration process in **Article XI** of the Declaration, an Owner may request in writing a hearing by the Board of Directors regarding the alleged breach of the Governing Documents. The Board of Directors has ten days after receiving the Owner's request for a hearing to give the Owner notice of the time, place and date of the hearing. The hearing must be scheduled for a date within 45 days from the date the Association receives the Owner's request and should be scheduled to provide a reasonable opportunity for both the Board of Directors and the Owner to attend. The Owner's request for a hearing suspends only a levy of a fine. The hearing will be held in a closed or executive session of the Board of Directors. At the hearing the Board of Directors will consider the facts and circumstances surrounding the violation and the Owner may attend in person, or may be represented by another person or written communication.

7. Committee of Board of Directors. The board of Directors may appoint a committee comprised solely of directors to serve as the Board of Directors at violation hearings. The Board of Directors will be bound by the decision of the Board of Directors committee. Such a committee may be appointed on an ad hoc basis.

8. Levy of Fine. Within 30 days after levying the fine, the Association must give the Owner notice of the levied fine. If the fine is levied at the hearing at which the Owner is actually present, the notice requirement will be satisfied if the Board of Directors announces its decision to the Owner at the hearing; otherwise, the notice must be in writing.

9. Amount. The Association may set fine amounts on a case by case basis, provided the fine is reasonable in light of the nature, frequency, and effects of the violation. The Association may establish a schedule of fines for certain types of violations. The amount and cumulative total of a fine must be reasonable in comparison to the violation and should be uniform for similar violations of the same provision of the Governing Documents.

10. Type of Levy. If the violation is ongoing or continuous, the fine may be levied on a periodic basis beginning on the start date. If the violation is not ongoing, but is instead sporadic or periodic, the fine may be levied on a per occurrence basis.

11. Collection of Fines. The Association is not entitled to collect a fine from an Owner to whom it has not given notice and an opportunity to be heard. The Association may not foreclose its assessment lien on a debt consisting solely of fines. The Association may not charge interest or late fees for unpaid fine.

12. Amendment of Policy. These fining rules will remain effective until ten days after the Association delivers, or causes to be delivered, to an Owner of each Unit notice of amendment to or revocation of these Regulations. The notice may be published and distributed in an Association newsletter or other community-wide publication

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Adopted by the Board of Directors on _____, 2013.

Signed this _____ day of _____, 2013.

By:_____

Name:_____

Title:_____