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STATE OF TEXAS

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COUNTY OF TRAVIS

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RULES AND REGULATIONS

OF

THE TERRACES CONDOMINIUMS HOMEOWNERS ASSOCIATION, INC.

Document reference. Reference is hereby made to that certain Declaration and Master Deed for The Terraces, a Condominium Project, filed at Vol. 09034, Pg. 0634 in the Real Property Records of Travis County, Texas (together with all amendments and supplemental documents thereto, the "**Declaration**").

WHEREAS the Declaration provides that owners of units subject to the Declaration are automatically made members of The Terraces Condominiums Homeowners Association, Inc. (the "**Association**");

WHEREAS the Association, acting through its board of directors (the "**Board**"), is authorized to adopt and amend rules and regulations governing the property subject to the Declaration and the operations of the Association pursuant to Section 82.102(a) of the Texas Uniform Condominium Act and Article V Section 1(g) of the Declaration; and

WHEREAS the Board has voted to adopt the Rules attached as Exhibit "A" to supersede and replace any existing rules and the additional Rules attached as Exhibit "B";

THEREFORE the Rules attached as Exhibits "A" and "B" have been, and by these presents are, **ADOPTED** and **APPROVED**.

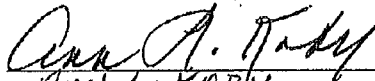
Subject solely to the amendments contained in Exhibit "B", the Rules remain in full force and effect.

**THE TERRACES CONDOMINIUMS
HOMEOWNERS ASSOCIATION, INC.**
Acting by and through its Board of Directors

Signature:

Printed Name:

Title:



Ann L. Kobay

President

Signature:

Printed Name:

Title:



Calan Thuro

Secretary

Exhibit "A": Rules

Exhibit "B": Additional Rules

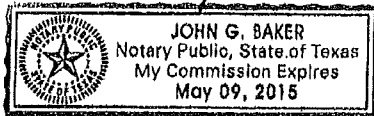
(Notary Blocks on Following Page)

Acknowledgements

STATE OF TEXAS §

COUNTY OF Texas §

This instrument was executed before me on the 26th day of January,
2012, by Ann Koley in the capacity stated above.

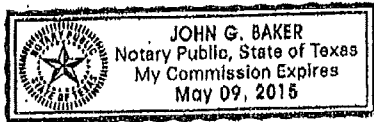


John G. Baker
Notary Public, State of Texas

STATE OF TEXAS §

COUNTY OF Texas §

This instrument was executed before me on the 26th day of January,
2012, by Alan Shurov in the capacity stated above.



John G. Baker
Notary Public, State of Texas

EXHIBIT "A"

THE TERRACES CONDOMINIUMS HOMEOWNERS ASSOCIATION

RULES

The Terraces Condominiums Homeowners Association (the "Association") Board of Directors (the "Board") has adopted the following Rules which appeal to a reasonable accepted consensus and are designed to make life at the Terraces more pleasant and attractive for all residents and guests. This document is for convenient reference. It does not replace or supersede the Association's Declaration or Bylaws.

ENFORCEMENT

The following Rules are applicable to Owners, residents and guests and will be strictly enforced. Each Unit owner (the "Owner") is responsible for providing his/her tenant(s) with a copy of these Rules. To ensure compliance, the Association may assess fines or impose other penalties for a violation of these Rules and take necessary actions as determined by the Board to force compliance. If the Rules are violated by an Owner, the Owner's family members, tenants or guests, the Owner is responsible for corrective action, damages and fines. Violations of the Rules or interference with the enforcement of the Rules may result in temporary revocation of privileges, suspension of privileges, fines, assessments and other penalties, and legal action against the violator and Owner.

SAFETY AND SECURITY

1. Lighting. Owners and residents are required to report common area lighting problems or hazardous conditions immediately to the Manager. No tampering with lighting in the Common Areas or Elements is allowed. Changing any exterior light fixture must have prior written approval of the Board. All residents are required to turn on and maintain the lights on their landings, sidewalks and garages from dusk until dawn.
2. Smoke Detectors. Each Owner is required to install a battery operated or electric smoke detector in the Unit and maintain it in accordance with state law.
3. Observance of Posted Signs. Owners, residents and guests are required to obey all posted signs including those for speed limit, direction of traffic, parking, and pool rules.

EXTERIOR AND COMMON AREAS

4. Storage of Personal Property on Balconies, Stairs and Landings. Only plants and exterior tables and chairs may be placed on balconies only. No children's toys may be left outside. No clothes, towels or other items may be placed in view. Gas grills and barbeque pits may not be stored or used on any balcony, landing or stairs. Feeding bowls for pets and food may not be left outside. Balconies, landings, stairs and sidewalks must be kept free of stains, pet droppings and other debris. If, after the Association provides notice, the Owner fails to clean the balcony, landing, stairs and sidewalk or remove improperly stored property, the Association may clean the area and remove and discard any property stored in violation of this Rule at the Owner's expense.
5. Storage of Personal Property in Common Areas. Common Areas shall be kept clean and neat. Except as noted above, absolutely no personal property may be stored on Common Areas. If, after the Association provides notice, the Owner fails to remove improperly stored property on the Common Areas, the Association may clean the area and remove and discard any property stored in violation of this Rule at the Owner's expense.

6. Damage to and Tampering with Common Areas and Elements. Owners shall be liable for any damage caused to Common Areas and Elements by them, their family members, pets, tenants and guests. Owners shall immediately repair damages to the satisfaction of the Association (as determined by the Board), or the Association shall cause repairs to be made at the Owner's expense. There shall be no tampering with property and equipment owned or maintained by the Association.
7. Trash. Garbage, rubbish, debris and any unsightly item (as determined by the Board) shall not be placed, even temporarily, on any Common Area, balcony, stairs and landing, and must be placed in a trash container. Trash containers shall be stored out of view except on the day of trash collection.
8. Pets. No animal shall be kept or bred for commercial purposes. Owners are allowed no more than three pets per Unit. Dogs and cats must be kept inside Units except when on a leash. Dogs may not be left unattended outside the Units, even temporarily. Pets may not make excessive noise (as determined by the Board). Used cat litter must be disposed of properly in a trash container. Owners must keep their Units sanitary and free of fleas, pet parasites and noxious odors. Owners, residents and guests shall be responsible for immediate removal and proper disposal of their pets waste.
9. Signs. Signs and notices, including those placed inside an Owner's Unit, which can be viewed outside the Unit, must be approved in writing by the Board before being posted. A single for sale or one for rent sign having a face area not larger than three square feet may be placed in the dining room window of a Unit. A single security sign and a single realty flyer box having a face area not larger than one square foot may be displayed at the bottom of the stairs of a Unit. The Board has the exclusive right to designate the type, size and location of signage on mailboxes, Common Areas and Elements. Unauthorized items attached to mailboxes, Common Areas and Elements are prohibited and may be removed by the Association without prior notice.
10. Noise. Owners, residents and guests shall refrain from playing electronic and mechanical devices, such as stereos and musical instruments, so loud that they are heard outside the Unit or inside another Unit. Doors and windows must be shut when playing televisions, stereos and similar sound equipment at sound levels objected to by any Unit Owner or resident. Shouting, loud talking and abusive language is prohibited.
11. Pool Rules. Swimming pool rules are posted at the pool area. There is no lifeguard on duty at any time. Children under the age of 16 must be accompanied by an adult at all times. The pool may be used by Owners, their family members, tenants and accompanied guests.
12. Children. Each Owner is responsible for the conduct of their family members, children under their supervision and the children of their tenants and guests.
13. Mailboxes. Mailbox keys and lock changes are the responsibility of the Owner.
14. Nuisances. No activity shall be conducted on the property which in the sole judgment of the Board might reasonably be considered annoying or reduce the desirability of the property. Garage, yard, estate and moving sales are prohibited.
15. Antennas. No exposed exterior television antennas, satellite dishes, or radio transmitting or receiving devices shall be erected, placed or maintained anywhere on the property without prior written approval of the Board.
16. Vehicles, Repairs and Garages. No repair or maintenance shall be performed on any vehicle other than minor emergency repairs. Repairs and maintenance must be performed in garages. Vehicle washing is prohibited. Garbage trucks, moving vans, delivery trucks, and maintenance trucks and trailers are prohibited except when in actual use. Vehicles that are inoperable or have flat tires, missing parts, expired registrations, or expired inspections are prohibited and may be towed at the owner's expense. Garage doors must be completely closed except when a vehicle is entering and exiting the garage or when a resident is present in the garage.

17. Parking and Towing. Parking vehicles, trailers, boats, and recreational vehicles in designated fire lanes, guest parking spaces and Common Areas is prohibited. Vehicles parked in violation may be towed without notice at the owner's expense. Guests may park in designated spaces on the property. Residents are encouraged to contact the Manager prior to their guests' visit or if there are any extenuating circumstances which require their vehicles to be parked in guest spaces for more than one night in any period of time.
18. Maintenance Repairs to the Common Area and Elements. Owners shall deliver a written notice to the Association to request repairs to the Common Areas or Elements.

INTERIOR AREAS

19. Property Visible from Exterior. The Association can require removal of objects which detract from the property's appearance and are visible from exterior of the Units. Blinds and drapes must be in good repair, hung properly, and comply with the Rules regarding color and materials. All exterior windows shall be covered by white, ivory or tan blinds or drape backings. No aluminum foil or other objectionable material (as determined by the Board) shall be placed in or next to any window or sliding glass door. Energy efficient window screens are acceptable.
20. Water Damage. Owners shall be liable, regardless of fault, for any damages by water leaks from the owner's appliances, fixtures, and plumbing. No waterbeds or water aquariums are allowed. Owners shall be responsible for promptly fixing leaks in any plumbing lines and fixtures, lavatories, sinks, tubs and shower stalls within their unit. Owners are responsible for paying for damages and repairs necessitated by water leaks from their Unit to another Unit. If the Association deems it necessary to repair any of the foregoing items inside a Unit, the Owner shall reimburse the Association for the cost of repair, plus a percentage not to exceed 25 percent of the costs for administrative overhead.

FEES, ASSESSMENTS, PENALTIES AND OTHER CHARGES

21. Assessments and Fees. Regular Assessments are due on the first day of each month. Assessments are considered late if not delivered by the 15th day of the month, and the Owner will be assessed a late fee. The Association shall charge a fee for returned checks, plus all bank charges incurred by the Association. A transfer fee will be assessed at the time of sale for processing changes of ownership.
22. Fines. The Board may levy fines for violations of the Rules and Restrictions. The amount of a fine shall be determined by the Board. The Board may deem each day of a continuing violation as separate violation. Fines may be appealed to the Board. Requests for appeal must be in writing and received not later than 30 days following date of the first violation notice.
23. Utility Cutoff for Delinquencies. The Board may suspend water service to an owner's unit if the owner is more than 45 days delinquent on all sums due to the Association, after an attempt by the Association to contact the owner by telephone regarding intended termination, and if 10 days notice of Association's intent to terminate water is mailed certified and return receipt requested to the unit owner at the owner's last known address. Owners can appeal to the Board for reconnection by written statement explaining any extenuating circumstances. A disconnect fee of \$50 and a reconnect fee of \$100 may be charged to the unit owner by the Association.
24. Notices. For notification purposes, each owner is responsible for giving written notice of the Association of a change in ownership, tenants and mailing address.
25. Keys. Owners are responsible for transferring their pool and mailbox keys to buyers at the time upon closing. A fee will be charged to the Owner for replacement pool keys. Mailbox keys and lock changes are the responsibility of the Owner.

GLOSSARY

Guest — A person who is visiting temporarily a resident.

Balcony — The platform that projects from the building and is surrounded by a railing, also considered the patio area. This is the exterior portion of a Unit that has private access.

Landing — The platform at the top, bottom or between flights of exterior stairs; the area surrounding the front door of a Unit.

Stored — An item is considered stored if it has remained in the same location longer than seven days in any period without written permission of the Board.

EXHIBIT "B"

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Definitions	
Section I.	Flags, Solar Energy Devices, Rain Barrels
Section II.	Religious Displays
Section III.	Transfer Fees
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Section V.	Voting
Section VI.	Managing Agent's Address

DEFINITIONS

1. "Owner;" an owner as defined in the governing documents, or a "Member" as defined in the governing documents. If there are no such definitions, an owner means a person or entity holding a fee simple interest in any portion of the property that is subject to the Declaration (other than common area).
2. "Managing agent;" the entity responsible for managing the affairs of the Association, or the "Association manager."

SECTION I. FLAGS, SOLAR ENERGY DEVICES, AND RAIN BARRELS

1. Conflict with Other Provisions. Per state law, this Section controls over any provision in any other Association governing document to the contrary.
2. General. An Owner may not display flags, install solar energy devices, rain barrels, rainwater harvesting devices, or install related improvements on the Common Elements (limited or general) or on any other property or element owned or maintained by the Association, including but not limited to exterior wall surfaces, balconies, terraces, patios, roofs, grounds, yards, and gardens.

SECTION II. RELIGIOUS DISPLAYS

1. Conflict with Other Provisions. Per state law, this Section controls over any provision in any other Association governing document to the contrary.
1. General. State statute allows an Owner to install certain religious displays in the Owner's entry, and further allows the Association to impose certain limitations on such entry displays. This Section outlines the limitations on religious displays in an Owner's entry area. Notwithstanding any other language in the governing documents to the contrary, residents may display on the entry door or doorframe of the resident's dwelling one or more religious items, subject to the restrictions outlined in Paragraph 3 below. Permitted "religious items" are limited to those items for which display is motivated by the resident's sincere religious beliefs.
2. Prohibited Items. No religious item(s) displayed in an entry area may:
 - a. threaten the public health or safety;
 - b. violate a law;
 - c. contain language, graphics, or any display that is patently offensive to a passerby;
 - d. be located anywhere other than the main entry door or main entry door frame of the dwelling;
 - e. extend past the outer edge of the door frame of the door; or
 - f. have a total size (individually or in combination) of greater than 25 square inches.

3. Remedies for Violation of this Section. Per state statute, if a religious item is displayed in violation of this Section, the Association may remove the offending item without prior notice. This remedy is in addition to any other remedies the Association may have under its other governing documents or State law.
4. Seasonal Religious Holiday Decorations. This rule will not be interpreted to apply to otherwise-permitted temporary seasonal religious holiday decorations such as Christmas lighting or Christmas wreaths. The Board has the sole discretion to determine what items qualify as Seasonal Religious Holiday Decorations and may impose other restrictions on the display of such decorations. Unless otherwise provided by the Declaration, Seasonal Religious Holiday Decorations may be displayed no more than 30 days before and no more than 21 days after the holiday. Seasonal Religious Holiday Decorations must comply with all other provisions of the governing documents, but are not subject to this Section.
5. Other displays. Non-religious displays in the entry area to an Owner's dwelling and all displays (religious or otherwise) outside of the entry area to an Owner's dwelling are governed by other applicable governing document provisions.

SECTION III. TRANSFER FEES

1. Transfer Fees. In addition to fees for issuance of a resale certificate and any updates or re-issuance of the resale certificate, transfer fees are due upon the sale of any property in accordance with the then-current fee schedule, including any fee charged by the Association's managing agent. It is the selling Owner's responsibility to determine the then-current fees. Transfer fees not paid at or before closing are the responsibility of the purchasing Owner and will be assessed to the Unit's account accordingly. The Association may require payment in advance for issuance of any resale certificate or other transfer-related documentation.

Resale certificates must be issued as a matter of law in conjunction with all condo sales, with the exception of sales from the original developer (a/k/a, the "declarant"), and must be provided by the selling Owner to the prospective buyer. (See *Texas Property Code §82.157*.) If a resale certificate is not requested and a sale/transfer occurs, all fees related to the sale/transfer and the Association's need to update its records will be the responsibility of the new Owner and may be assessed to the Unit's account at the time the transfer becomes known. These fees will be set according to the then-current fee schedule of the Association or its managing agent, and may be equivalent to the resale certificate fee or in any other amount.

The Association's fee schedule may include (without limitation) fees related to: issuance of a resale certificate, questionnaires requested from lenders/title companies, statements of account, resale certificate updates, working capital fee due at closing, or other such fees.

SECTION IV. EMAIL ADDRESSES

1. Conflict with Other Provisions. Per state law, this Section controls over any provision in any other Association governing document to the contrary.
2. Email Addresses. An Owner is required to keep a current email address on file with the Association if the Owner desires to receive email communications from the Association. Failure to supply an email address to the Association or to update the address in a manner required by these rules may result in an Owner not receiving Association emails. The Association has no duty to request an updated address from an Owner, whether in response to returned email or otherwise.

The Association may require Owners to sign up for a group email, email list serve or other such email subscription service in order to receive Association emails.

3. Updating Email Addresses. An Owner is required to notify the Association when email addresses change. Such notice must be in writing and delivered to the Association's managing agent by fax, mail, or email. The notice must be for the sole purpose of requesting an update to the Owner's email address. For example, merely sending an email from a new email address, or including an email address in a communication sent for any purpose other than providing notice of a new email address, does not constitute a request to change or add the Owner's email in the records of the Association.

SECTION V. VOTING

1. Form of Proxy or Ballot. The Board may dictate the form for all proxies, ballots, or other voting instruments or vehicles. No form other than the form put forth by the Board will be accepted.
2. Deadline for Return of Voting Paperwork. The Board may establish a deadline, which may be communicated on the proxy form, ballot, or otherwise communicated to the membership, for return of ballots, proxies, or other votes.

SECTION VI. MANAGING AGENT'S ADDRESS

At the time these rules were filed, the current address of the Association's managing agent is:

Community Association Management, Inc.
11183 Circle Drive, Ste. D
Austin, TX 78736

After recording, please return to:

Niemann & Heyer, L.L.P.
Attorneys At Law
Westgate Building, Suite 313
1122 Colorado Street
Austin, Texas 78701

Fileserver:CLIENTS:TerracesCondoHOA:RulesAmendper2011LawRev12-11.doc



**FILED AND RECORDED
OFFICIAL PUBLIC RECORDS**

Dana Debeauvoir

DANA DEBEAUVOIR, COUNTY CLERK
TRAVIS COUNTY, TEXAS

February 01 2012 12:46 PM

FEE: \$ 52.00 2012015848