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CONDOMINIUM INFORMATION STATEMENT

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COMMUNITY MANUAL

3321 ROSEDALE CONDOMINIUMS

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**3321 ROSEDALE
COMMUNITY MANUAL**

Consisting of:
Initial Rules & Regulations
Assessment Collection Policy
Fining Policy
Utility Shut-Off Policy

FOR OWNERS AND RESIDENTS OF
3321 ROSEDALE CONDOMINIUMS
3321 ROSEDALE AVE, DALLAS, TEXAS 75205

This Community Manual, containing the above-referenced rules and policies, is hereby adopted by the Declarant of 3321 Rosedale Condominiums as part of the initial project documentation for 3321 Rosedale Condominiums, located in Dallas, Texas, as created by the Declaration of 3321 Rosedale Condominiums, recorded or to be recorded in the Real Property Records of Dallas County, Texas. This Community Manual becomes effective on the date it is recorded.

CLEVELAND PARTNERS, L. P., a Texas limited partnership

BY: 3321 ROSEDALE ASSOCIATION, a Texas Non-Profit

Corporation, its general partner
By: [Signature]
Josiah B. Cleveland, Manager

THE STATE OF TEXAS §
COUNTY OF DALLAS §

This instrument was acknowledged before me on this 10 day of June 2004 by Josiah B. Cleveland, Manager of Cleveland Partners, LP, a Texas limited partnership, on behalf of said company in its capacity as general partner of 3321 Rosedale Condominium Association, a Texas Non-profit Corporation, on behalf of the limited partnership.

Notary Public, The State of Texas

[Signature]
Expires: 5/28/08

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Welcome to 3321 Rosedale Condominiums

Condominium living combines two major lifestyle values. First is the private ownership, use, and control of real property. Each of our homes in 3321 Rosedale Condominiums is owned by an individual who enjoys a degree of autonomy. At the same time, we are in a high-density communal environment that depends on the cooperation and civility of its residents.

One of the hallmarks of condominium ownership is that the owner relinquishes a degree of individual freedom to be part of a residential neighborhood in which decisions are made by the association of owners acting through its elected Board of Directors. At 3321 Rosedale Condominiums, the unit owners elect a Board of Directors which, in turn, makes and enforces rules and procedures for the use, operation, and appearance of the property.

Over time, the residents of 3321 Rosedale Condominiums may include renters as well as owners, both of whom are valued members of our community. Although our renter residents contract privately with the unit owner, they are subject to the same rules and procedures, with a few exceptions.

The goal of the Board is to preserve, protect, and enhance the quality of life and property values at 3321 Rosedale Condominiums. Although all of us may enthusiastically endorse that laudable goal, reasonable people will differ on how to achieve it.

We do not expect every rule and policy to be equally revered by every member of 3321 Rosedale Condominiums community. Some will find the rules too numerous and too strict, others will find them too few and too lax. We do, however, expect all our owners and residents to observe 3321 Rosedale Condominiums' rules and policies out of respect for the community as a whole.

The rules, policies, and procedures of 3321 Rosedale Condominiums are dynamic and subject to change with the times. The Board encourages owners to participate in the rule-making process by becoming involved with the governance of 3321 Rosedale Condominiums. Please attend meetings, serve on committees, make informed choices in electing directors, and volunteer to run for the Board of Directors.

Sincerely,

Board of Directors

The 3321 Rosedale Condominium Association

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INITIAL RULES REGULATIONS 3321 ROSEDALE CONDOMINIUMS

These INITIAL RULES & REGULATIONS are established by Cleveland, L. P., Declarant of The 3321 Rosedale Condominiums, for the benefit of The 3321 Rosedale Condominium Association (the "Association"). These Community Rules are the "Rules" defined in Article I of the Declaration of The 3321 Rosedale Condominiums, recorded or to be recorded in the Real Property Records of Dallas County, Texas.

These Rules are in addition to the provisions of the Declaration and Bylaws. By owning or occupying a unit, each owner and resident agrees to abide by these Rules and to comply with the obligations of owners and residents under the Declaration and Bylaws of 3321 Rosedale Condominiums.

Words and phrases defined in the Declaration have the same meaning when used in these Rules. In the event of a conflict between Documents, the hierarchy of authority is as follows: Declaration (highest), Bylaws, and these Rules (lowest). The Association's board of directors is empowered to interpret, enforce, amend, and repeal these Rules.

A. COMPLIANCE

- A-1. Compliance. Each owner will comply with the provisions of these Rules, the other Documents, and policies adopted by the Board to supplement these Rules, as any of these may be revised from time to time. Each owner, additionally, is responsible for compliance with the Documents by the residents of his unit, and his or their respective relatives, invitees, tenants, agents, employees, or contractors. If a Rule requires or prohibits conduct by an "owner" or "resident," each of those terms are deemed to include the other, and applies to all persons for whom an owner or resident is responsible. Again, the owner is ultimately responsible for compliance by all persons using or related to his unit. An owner should contact the Association if he has a question about these Rules.
- A-2. Additional Rules. Each resident must comply with any rules and signs posted from time to time on the Property by the Association, such as those regulating use of recreational facilities. Posted rules are incorporated in these Rules by reference. Each resident must comply with notices communicated by the Association, from time to time, in the nature of seasonal or temporary rules, or notice of a change affecting use of the Property. Temporary rules are incorporated in these Rules by reference.
- A-3. Right to Enforce. The Association has the right to enforce these Rules against any person on the Property.
- A-4. Waiver. Circumstances may warrant waiver or variance of these Rules. To obtain a waiver or variance, an owner must make written application to the Board. The Board's approval of a waiver or variance must be in writing, and may be conditioned.
- A-5. Limits. These Rules represent standards of conduct and maintenance in a high density community. It is understood that individuals may have different interpretations of and

tolerances for these Rules. On lifestyle-related rules, such as the Community Etiquette rules below, the Association may refrain from acting on a perceived violation unless the Board determines the violation to be significant or a community-wide problem. The Association may not be compelled by one resident to enforce these Rules against another resident. Residents are expected to deal directly and peaceably with each other about their differences.

B. OBLIGATIONS OF OWNERS AND RESIDENTS

- B-1. **Safety**. Each resident is solely responsible for his own safety and for the safety, well-being, and supervision of his guests and any person on the Property to whom the resident has a duty of care, control, or custody.
- B-2. **Damage**. An owner is responsible for any loss or damage he causes to his unit, other units, the personal property of other residents or their guests, or to the common elements and improvements.
- B-3. **Association Does Not Insure**. A person assumes full risk and sole responsibility for placing his personal property in or on the Property. Each resident is solely responsible for insuring his personal property in the unit and on the Property, including his furnishings and vehicles. **THE ASSOCIATION STRONGLY RECOMMENDS THAT ALL OWNERS AND RESIDENTS PURCHASE AND MAINTAIN INSURANCE ON THEIR PERSONAL BELONGINGS.**
- B-4. **Risk Management**. An owner may not permit anything to be done or kept in his unit or the common elements that is illegal or that may result in the cancellation of insurance on the Property.
- B-5. **Reimbursement for Enforcement**. An owner must promptly reimburse the Association for any expense incurred by the Association to enforce the Documents against the owner, his unit, or persons for whom the owner is responsible.
- B-6. **Reimbursement for Damage**. An owner must promptly reimburse the Association for the cost of damage to the Property caused by the negligent or willful conduct of the owner or persons for whom the owner is responsible.
- B-7. **No Garage Sales**. Without the Board's prior written permission, no person may conduct on the Property a sale or activity that is advertised or attractive to the public, such as garage sales, car sales, or estate sales. This section does not apply to marketing the sale or rental of a unit, unless combined with a prohibited activity.
- B-8. **Supervision of Minors**. For their own well-being and protection, persons who are legally incompetent or younger than 18 years must be under the general control and supervision of their parents or guardians at all times while on the Property. Persons who are below the chronological or mental age of 13 years must at all times be in the actual company of a person at least 13 years old who is responsible for their well being. A person under 13 years may not be left unattended in a unit at any time. After nightfall, unless accompanied by a parent or guardian, persons under 18 years may not be on the general common elements.

C. OCCUPANCY STANDARDS

- C-1. Numbers. The maximum number of persons who may occupy a unit is one more than the number of bedrooms in the unit. Two persons per bedroom, however, may occupy a unit if the occupants qualify for familial status protection under the Fair Housing Act.
- C-2. Minors. No person under the age of 18 years may occupy a unit unless he lives with a resident who is his parent, legal guardian, or a designee of his parent or legal guardian. Upon request by the Association, an owner will provide satisfactory proof of the ages and relationships among the occupants of his unit.
- C-3. Danger. 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. (per the Fair Housing Act)
- C-4. Occupancy Defined. Occupancy of a unit, for purposes of these Rules, means occupancy in excess of 30 continuous days or 60 days in any 12-month period.
- C-5. Term of Lease. A unit may be not be leased for hotel or transient purpose Less than the entire unit may not be leased.
- C-6. Written Leases. Each lease must be in writing. At the Asso request, an owner must give the Board a copy of each lease and lease renewal.

D. FIRE AND SAFETY

- D-1. Evacuation. Each resident should be familiar with 3321 Rosedale's fire safety and evacuation plans and must participate in fire drills that occur when the resident is at the property.
- D-2. Equipment. No person may use, remove, tamper with, or modify 3321 Rosedale's fire and safety equipment, including without limitation alarms, extinguishers, monitors, self-closing doors and gates, and pool safety equipment.
- D-3. Responsibility. Each resident is solely responsible for his own safety and for the safety, well being, and supervision of his guests and any person o the Property to whom the resident has a duty of care, control, or custody. Although the Association supports certain activities within the Property designed to make 3321 Rosedale less attractive to intruders than it otherwise might be, the Association, its directors, committees, members, agents, and employees, may not in any way be considered an insurer or guarantor of security within 3321 Rosedale, and may not be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken.
- D-4. Fire Risk Reduction. Grilling or barbecuing is not permitted on balconies. Christmas trees and seasonal decoration must be UL approved and/or flame retardant. Natural Christmas trees and decorative boughs must be kept moist and discarded before drying out.
- D-5. Admittance. Building personnel may refuse to give any person access to a unit without the prior written authorization of the owner or resident of the unit.

E. GENERAL USE AND MAINTENANCE OF UNIT

- E-1. Residential Use. Each unit must be used solely for residential use, and may not be used for commercial or business purposes, except as permitted in the Declaration. This

restriction does not prohibit a resident from using his unit for personal, business, or professional pursuits, provided that: (a) the nonresidential use is incidental to the unit's residential use; (b) the use conforms to applicable laws and ordinances; (c) there is no external evidence of the nonresidential use; and (d) the nonresidential use does not entail visits to the unit by the public, employees, suppliers, or clients.

- E-2. Annoyance. A resident may not use his unit in a way that: (a) annoys residents of neighboring units; (b) reduces the desirability of the Property as a residential community; (c) endangers the health or safety of other residents; or (d) violates any law or any provision of the Documents.
- E-3. Maintenance. An owner, at his expense, will maintain his unit and keep it in good repair.
- E-4. Patio/Balcony. A resident will maintain his patio or balcony in a clean manner. A resident will take care that the cleaning of his patio or balcony does not annoy or inconvenience other residents. A patio/balcony may not be enclosed or used for storage purposes. If the Board determines that a patio/balcony is unsightly, the Board may give the owner notice of the problem and a reasonable time period in which to correct it, after which the Board may take corrective action at the owner's expense.
- E-5. Glass. Each owner, at his expense, must promptly repair and replace any broken or cracked glass in his unit's windows and doors, regardless of the source of the damage. Replacement glass must conform to the standard for the Property.
- E-6. Utility. Equipment Each owner, at his expense, will maintain, repair, and replace the water heating and air heating and cooling equipment/system serving his unit.
- E-7. Combustibles. A resident may not store or maintain, anywhere on the Property -- including within a unit -- explosives or materials capable of spontaneous combustion.
- E-8. Report Malfunctions. A resident will immediately report to the Board his discovery of any leak, break, or malfunction in any portion of the Property which the Association has a duty to maintain. A resident who fails to promptly report a problem may be deemed negligent, in which case the owner may be liable for any additional damage caused by the delay.
- E-9. Emergencies. In case of continuous water overflow, a resident should immediately turn off water and TURN THE SHUT-OFF VALVES BEHIND THE TOILET OR UNDER THE SINK.
- E-10. Cable. A resident who subscribes directly to cable service is solely responsible for maintaining that subscription and the appurtenant equipment. A resident who obtains cable service through the Association 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.
- E-11. Barbecue Grills. The use of outdoor cooking equipment, including electric grills, is prohibited on all balconies.
- E-12. Utilities. A resident will try to conserve the use of utilities furnished through the Association, including water consumption within his unit.

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E-13. Frozen Water Pipes. Some units are constructed with water lines in exterior walls. It is the duty of every owner and resident of such a unit to protect the water lines from freezing during winter months. Between November 1 and March 25 of any year, no unit with water lines in exterior walls may be left unheated. During periods of anticipated below-freezing temperatures, water lines in exterior walls should be allowed to drip continuously, and cabinets enclosing plumbing lines should be left ajar. Dishwashers on exterior walls should not be used during and immediately after periods of extreme cold. Failure by an owner or resident to monitor the local weather and take appropriate precautions may be deemed negligence.

F. GENERAL USE & MAINTENANCE OF COMMON ELEMENTS

- F-1. Intended Use. Every area and facility in the Property may be used only for its intended and obvious use. For example, streets, walkways, stairways, sidewalks, elevators, and driveways are used exclusively for purposes of access, not for social congregation or recreation.
- F-2. Grounds. Unless the Board designates otherwise, residents may not use or abuse the landscaped areas, lawns, beds, and plant materials on the common elements.
- F-3. Abandoned Items. No item or object of any type may be stored, placed, or maintained anywhere on the general common elements, except by the Board or with the Board's prior written consent. Items of personal property found on general common elements are deemed abandoned and may be disposed of by the Board.
- F-4. Stored Items. If the Association provides storage areas for use by residents, resident agrees that the Association is not responsible for items stored there by resident, who is solely liable at all times for his personal property.

G. COMMUNITY ETIQUETTE

- G-1. Courtesy. Each resident will endeavor to use his unit and the common elements in a manner calculated to respect the rights and privileges of other residents of the Property.
- G-2. Annoyance. A resident will avoid doing or permitting anything to be done that will annoy, harass, embarrass, or inconvenience other residents or their guests, Or the Association's employees and agents.
- G-3. Noise and Odors. Each resident must exercise reasonable care to avoid making or permitting to be made loud, disturbing, or objectionable noises or noxious odors that are likely to disturb residents of other units.
- G-4. Reception Interference. Each resident will avoid doing or permitting anything to be done that may unreasonably interfere with the television, radio, telephonic, or electronic reception on the Property.
- G-5. Deliveries. Each resident 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 resident.

H. ARCHITECTURAL CONTROL

- H-1. Common Elements. Without the written approval of the Board, an owner or resident may NOT change, remodel, decorate, destroy, or improve the common elements, nor do

anything to change the appearance of the common elements, including without limitation the common hallways, entry doors, and balconies appurtenant to the unit.

H-2. Prohibited Acts. A person may not:

- a. Post signs, notices, or advertisements on the common elements or in a unit if the sign is visible from outside the unit.
- b. Place or hang an object in, on, from, or above any window, interior window sill, balcony or patio that, in the sole opinion of the Board, detracts from the appearance of the Property.
- c. Hang, shake, or otherwise display linens, clothing, towels, rugs, shoes, mops, bedding, or other similar items from windows, doors, balconies, patios, or passageways.
- d. Erect or install exterior horns, lights, speakers, or aerials, or cause anything to protrude through an exterior wall or roof.
- e. Place decorations on exterior walls, doors, and railings, or on the general common elements.
- f. Enclose or cover a balcony.

H-3. Satellite Dishes. Exterior satellite dishes of less than 1 meter in diameter and receiving antennas are permitted on the balcony appurtenant to a unit below the height of the railing or as permitted by the Association's guidelines for satellite dishes and antennas.

H-4. Window Treatments. The appearance of window and window treatments from the street must be uniform for the Property. An owner MAY install window treatments inside a unit, provided: (1) the type or style of window treatment is standard for the Property; (2) the window treatment must appear to be clear or white when viewed from outside the unit; (3) aluminum foil and reflective window treatments are expressly prohibited; (4) window treatments must be maintained in good condition, and must be removed or replaced if they become stained, torn, damaged, or otherwise unsightly; (5) the opinion of the Board.

H-5. Board Approval. To obtain the Board's written consent for an alteration or modification, an owner must comply with the architectural control requirements of the Declaration. An applicant may not rely on verbal assurances of an Association manager, director, or officer.

I. VEHICLE RESTRICTIONS

I-1. Permitted Vehicles. To be permitted on the Property, a vehicle must be operable, and must display a current license tag and inspection sticker. For purposes of these Rules, vehicles include automobiles, motorcycles, motorized bikes, passenger trucks, small vans, and similar passenger vehicles. The following are not permitted on the Property without the Board's consent: trailers, boats, recreational vehicles, buses, large commercial trucks, industrial vehicles.

I-2. Gate Transmitters. Admittance to the Property requires use of a gate transmitter and/or personal code, which the Association issues to owners. An owner may assign his transmitter or code to his tenant, but to no other person, by registering the assignment

with the Association. An owner loses his right to use the transmitter or code during the period of assignment. Any person in possession of a transmitter or code will, upon request, produce a valid driver's license or other picture identification. Any transmitter found in the possession of a person who is not the owner or the registered assignee may be confiscated.

- 1-3. Repairs. Washing, repairs, restoration, or maintenance of vehicles is prohibited in the garage, on driveways, and in offstreet parking areas, except for emergency repairs and then only to the extent necessary to enable movement of the vehicle to a repair facility.
- 1-4. Proper Placement. No vehicle, including n may be driven, parked, or placed anywhere on the Property except in designated areas Each vehicle must be parked straight-in (riot angled or sideways), so that it does not occupy more than one parking space. Motorcycles may not be chained to buildings, fences, or any other part of the Property, unless designated for that purpose.
- 1-5. Nuisance. Each vehicle must be muffled and must be maintained and operated to minimize noise, odor, and oil emissions. The use of car horns on the Property is prohibited. No vehicle may be kept on the Property if the Board deems it to be unsightly, inoperable, inappropriate, or otherwise violative of these Rules.
- 1-6. Motorbikes. Motorcycles, motorbikes, or other motorized vehicles may not be operated on the Property except to provide transportation to and from a unit.
- 1-7. Private Firelanes/Obstructions. No parking is permitted along the driveway which is a private firelane on which parking of vehicles is prohibited at all times. No vehicle may be parked in a manner that impedes or prevents ready access to the Property, driveways, or parking spaces. No vehicle may obstruct the flow of traffic, constitute a nuisance, or otherwise create a safety hazard. No vehicle maybe parked, even temporarily, in spaces reserved for others, in firelanes, or in any area designated as "No Parking."
- 1-8. Visitor Spaces. The Property has a limited number of offstreet parking space The use of unassigned and visitor parking spaces must be rotated, may not be used for storage of vehicles, and may not be used consistently by the same driver or vehicle. The Board may designate some of the unassigned offstreet parking spaces as "visitor spaces" for use, exclusively, by guests of residents.
- 1-9. Violations. A vehicle in violation of these Rules may be stickered, wheel-locked, towed, or otherwise removed from the Property by the Board, at the expense of the vehicle's owner. The Association expressly disclaims any liability for damage to vehicles on which the Association exercises these remedies for Rules violations.

J. TRASH DISPOSAL

- J-1. General Duty. Resident will endeavor to keep the Property clean and will dispose of all refuse in receptacles designated specifically by the Association or by the city for that purpose. Resident may NOT litter common elements. Resident may riot store trash on balconies or in common hallways, even temporarily.
- J-2. Hazards. Resident may NOT store trash inside or outside his unit in a manner that may permit the spread of fire, odors, or seepage, or encouragement of vermin. Before

discarding coals, ashes, logs, or other materials used in fireplaces, resident will ensure that the debris is thoroughly cold.

- J-3. Excess Trash. Resident will place trash entirely within the designated receptacle or chute, and may NOT place trash outside, next to, or on top of the receptacle or chute. If a receptacle is full, resident should locate another receptacle or hold his trash. Boxes and large objects should be crushed or broken down before placed in a receptacle or chute. Receptacles are to be closed at all times when not in use. Resident must arrange privately for removal of discarded furnishings or any unusually large volume of debris.

K. PETS

- K-1. Subject to Rules. A resident may not keep or permit on the Property a pet or animal of any kind, at any time, except as permitted by these Rules and the Documents.
- K-2. Permitted Pets. Subject to these Rules, a resident may keep in his unit customary domesticated house pets, such as domesticated dogs, cats, caged birds, and aquarium fish, provided there are not more than two cats, or two dogs, or one cat and one dog.
- K-3. Prohibited Animals. No resident may keep a dangerous or exotic animal, pit b terrier, trained attack dog, or any other animal deemed by the Board to be a potential threat to the well-being of people or other animals. No animal or house pet may be kept, bred, or maintained for any commercial purpose.
- K-4. Indoors/Outdoors. A permitted pet must be maintained inside the unit, and may not be kept on a balcony. No pet is allowed on general common elements unless carried or leashed. No pet may be leashed to a stationary object on the common elements.
- K-5. Disturbance. Pets must be kept in a manner that does not disturb another resident's rest or peaceful enjoyment of his unit or the common elements. No pet may be permitted to bark, howl, whine, screech, or make other loud noises for extended or repeated periods of time.
- K-6. Damage. Resident is responsible for any property damage, injury, or disturbance his pet may cause or inflict. A resident who keeps a pet on the Property is deemed to indemnify and agrees to hold harmless the Board, the Association, and other owners and residents, from any loss, claim, or liability of any kind or character whatever resulting from any action of his pet or arising by reason of keeping or maintaining the pet on the Property.
- K-7. Pooper Scooper. No resident may permit his pet to relieve itself on the Property, except in areas designated by the Board for this purpose. Resident is responsible for the removal of his pet's wastes from the common elements. The Board may levy a fine against a unit and its owner each time feces are discovered on the common elements and attributed to an animal in the custody of that unit's resident.
- K-8. Removal. If a resident or his pet violates these Rules, or if a pet creates a noise, odor, or other disturbance or nuisance, the resident or person having control of the animal may be given a written notice by the Board to correct the problem. If the problem is not corrected within the time specified in the notice (not less than 10 days), the resident, upon written notice from the Board, may be required to remove the animal. Each resident agrees to permanently remove his violating animal from the Property within 10 days after receipt of a removal notice from the Board.

L. MISCELLANEOUS

- L-1. Security. The Association may, but is not obligated to, maintain or support certain activities within the Property designed to make the Property less attractive to intruders than it otherwise might be. The Association, its directors, committees, members, agents, and employees, will not in any way be considered an insurer or guarantor of security within the Property, and may not be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken. Each owner, resident, guest, and invitee on the Property assumes all risk for loss or damage to his person, to his unit, to the contents of his unit, and to any other of his property on the Property. The Association expressly disclaims and disavows any and all representations or warranties, expressed or implied, including any warranty of merchantability or fitness for any particular purpose, relative to any security systems, equipment, or measures recommended, installed, or undertaken within the Property.
- L-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 any person for whom the owner is responsible. The Board will schedule a hearing within 30 days after 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, or may be represented by another person or written communication.
- L-3. Mailing Address. An owner who receives mail at any address other than the address of his unit must maintain 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 Documents may 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.
- L-4. Revision. These Rules are subject to being revised, replaced, or supplemented. Owners and residents are urged to contact the Association to verify the rules currently in effect on any matter of interest. These Rules will remain effective until 10 days after an owner of each unit has been given a notice of the of these Rules.
- L-5. Other Rights. These Rules are in addition to and in no way whatsoever detract from the rights of the Association under the other Documents and the laws of the State of Texas.

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ASSESSMENT COLLECTION POLICY
THE 3321 ROSEDALE CONDOMINIUMS
RECITALS

The 3321 Rosedale Condominiums is a condominium regime created by and subject to the Declaration of 3321 Rosedale Condominiums, recorded or to be recorded in the Real Property Records of Dallas County, Texas, as it may be amended (the "Declaration"). As a condominium regime, 3321 Rosedale Condominiums is also subject to State laws, including Chapter 82 of the Texas Property Code -- the Texas Uniform Condominium Act ("TUCA The operation of 3321 Rosedale Condominiums is vested in The 3321 Rosedale Condominium Association (the "Association"), acting through its board of directors (the "Board"). The Association is empowered to enforce the covenants of the Declaration, including the obligation of unit owners to pay assessments. In addition to rights and remedies of the Association under the Declaration, TUCA gives the Association, acting through the Board:

1. Authority to adopt and amend rules regulating the collection of delinquent assessments and the application of payments. §82.102(a)(13).
 2. Authority to impose interest and late charges for late payments, of assessments, and returned check charges. §82.102(a)(12)
 3. Authority to adopt and amend rules regulating the termination of utility service to a unit, the owner of which is delinquent in the payment of an assessment that is used, in whole or in part, to pay the cost of that utility. §82.102(a)(14)
 4. Authority to suspend the voting privileges of or the use of certain general common elements by an owner delinquent for more than 30 days in the payment of assessments. §82.102(a)(18)
 5. A private power of sale to foreclose the assessment lien nonjudicially, subject to a limited right of redemption by the unit owner. §82.113
- To establish equitable policies and procedures for the collection of delinquent assessments, the declarant adopts this policy for the benefit of The 3321 Rosedale Condominium Association, as part of the initial project documentation.

SECTION I. DELINQUENCIES, LATE CHARGES & INTEREST

- I-A. Due Date. An owner will timely and fully pay regular assessments and special assessments. Regular assessments are due and payable on the first calendar day of each month.
- I-B. 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 -- including collection costs and late fees.
- I-C. Late Fees & Interest. If the Association does not receive full payment of a regular assessment by 5:00 p.m. on the fifth calendar day of the month, the Association may levy a late fee of \$25 per month and/or interest of 10 percent per annum from the first day of delinquency until the delinquency is paid in full. After the initial month of delinquency, a

late fee of \$25 may be levied on the first day of each month the account is delinquent until the account is current.

- 1-D. Liability for Collection Costs. 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 attorney's fees incurred by the Association in collecting the delinquency.
- 1-E. Insufficient Funds. The Association may levy a charge of \$25 for any check returned to the Association marked "not sufficient funds" or the equivalent.
- 1-F. Waiver. Properly levied collection costs, late fees, and interest may not be waived by the Board, unless a majority of the 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's meeting. Because of the potential for inadvertently effecting a waiver of the policies contained in this policy, the Board will exercise caution in granting adjustments to an owner's account.

SECTION 2. INSTALLMENTS & ACCELERATION

If a special assessment is payable in installments, and if an owner defaults in the payment of any installment, the Association may declare the entire assessment in default and accelerate the due date on all remaining installments of that assessment. A special 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 timely cured. Following acceleration of the indebtedness, the Association has no duty to reinstate the installment program upon partial payment by the owner.

SECTION 3. PAYMENTS

- 3-A. Application of Payments. After the Association notifies the owner of a delinquency and the owner's liability for late fees or interest, and collection costs, any payment 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 payment, notations on checks, and the date the obligations arose:
- | | |
|---------------------------------------|------------------------------------|
| (1) Collection costs & attorneys fees | (6) Delinquent regular assessments |
| (2) Fines | (7) Delinquent utility assessments |
| (3) Reimbursable expenses | (8) Current special assessments |
| (4) Late charges & interest | (9) Current regular assessments |
| (5) Delinquent special assessments | (10) Current utility assessments |
- 3-B. 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.
- 3-C. 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 payer attaches conditions or directions contrary to the Board's 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 that time, it will promptly refund the payment to the payer. A payment that is not refunded to the payer within 30 days after being deposited by the Association may be deemed accepted as to payment, but not as to words of limitation or instruction accompanying the payment. 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.

- 3-D. 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. The Association may require the owner, to prepay the cost of preparing and recording the release.
- 3-E. Correction of Credit Report. If the Association receives full payment of the delinquency after reporting the defaulting owner to a credit reporting service, the Association will report receipt of payment to the credit reporting service.

SECTION 4. LIABILITY FOR COLLECTION COSTS

The defaulting owner is liable to the Association for the cost of title reports, credit reports, certified mail, long distance calls, filing fees, and other reasonable costs and attorney's fees incurred in the collection of the delinquency, which amounts are secured by a lien against the, unit.

SECTION 5. COLLECTION PROCEDURES

- 5-A. Delegation of Collection Procedures. From time to time, the Association may delegate some or all of the collection procedures, as the Board in its sole discretion deems appropriate, to the Association's managing agent, an attorney, or a debt collector.
- 5-B. 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 t of nonpayment to the defaulting owner, by hand delivery, first class mail, and/or by certified mail, stating the amount delinquent. The Association's 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, at the sole cost and expense of the defaulting owner.
- 5-C. Collection by 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.
- 5-D. Verification of Owner Information. The Association may obtain a title report to determine the names of the unit owners and the identity of other lienholders, including the mortgage company.
- 5-E. Notification of Mortgage Lender. The Association may notify the mortgage lender of the default in assessment obligations.
- 5-F. Notification of Credit Bureau. The Association may report the defaulting owner to one or more credit reporting services.

- 5-G. Notice of Lien. The Association may cause a notice of the Association's assessment lien against the unit to be publicly recorded. In that event, a copy of the notice will be sent to the defaulting owner, and may be sent to his mortgage holder.
- 5-H. Foreclosure of Lien – Nonjudicially. The Board 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 public auction, and to conduct a public auction of the unit on the steps of the county courthouse in accord with State law and the Association's documents. The Board may not foreclose a lien consisting solely of fine or securing money for which the Association has obtained a personal money judgment.
- 5-I. 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's personal liability, for recovery of a money judgment.
- 5-J. Suit for Owner's Personal Liability. Whether or not the Association forecloses the Association's assessment lien, the Board may file suit for a personal judgment against the defaulting owner, and may execute on the judgment.
- 5-K. Possession Following Foreclosure. If the Association purchases the unit at public auction, the Board may immediately institute actions to recover possession.
- 5-L. Limited Right of Redemption. If the Association buys a residential unit at the nonjudicial foreclosure sale of its assessment lien, the Association's ownership is subject to a 90-day right of redemption by the owner. TUCA's statutory right of redemption does not apply to judicial foreclosures or foreclosures of judgment liens.
- 5-M. Collection Agency. The Board may employ or assign the debt to one or more collection agencies.
- 5-N. Cancellation of Debt. If the Board deems the debt to be uncollectible, the Board may elect to cancel the debt on the books of the Association, in which case the Association may report the full amount of the forgiven indebtedness to the Internal Revenue Service as income to the defaulting owner.
- 5-O. Suspension of Voting Rights. The Association may suspend the voting rights of an owner whose account with the Association is delinquent for at least 30 days.
- 5-P. Suspension of Use of Certain Facilities or Services. The Association may suspend the use of the common element amenities by an owner, or his tenant, whose account with the Association is delinquent for at least 30 days.
- 5-Q. Utility Shut-Off. The Association may terminate utility service to the unit for which assessments used to pay the cost of that utility are delinquent, according to the Association's utility shut-off policy.

SECTION 6. GENERAL PROVISIONS

- 6-A. Independent Judgment. Notwithstanding the contents of this detailed policy, the Officers, directors, manager, and attorney of the Association will exercise their independent, collective, and respective judgment in applying this policy.

- 6-B. Other Rights. This policy is in addition to and does not detract from the rights of the Association to collect assessments under the Association's Documents and the laws of the State of Texas.
- 6-C. Limitations of Interest. The Association, and its officers, directors, managers, and attorneys, intend to conform strictly to the applicable usury laws of the State of Texas. Notwithstanding anything to the contrary in the Documents or any other document or agreement executed or made in connection with this policy, the Association will not in any event be entitled to receive or collect, as interest, a sum greater than the maximum amount permitted by applicable law. If from any circumstances whatsoever, the Association ever receives, collects, or applies as interest a sum in excess of the maximum rate permitted by law, the excess amount will be applied to the reduction of unpaid special and regular assessments, or reimbursed to the owner if those assessments are paid in full.
- 6-D. Notices. Unless the Documents, State law, or this policy provide otherwise, any notice or other written communication given to an owner pursuant to this policy will be deemed delivered to the owner upon depositing same with the US. Postal Service, addressed to the owner at the most recent address shown on the Association's records, or on personal delivery to the owner. If the Association's records show that a unit is owned by 2 or more persons, notice to one co-owner is deemed notice to all co-owners. Similarly, notice to one resident is deemed notice to all residents. Written communications to the Association, pursuant to this policy, will be deemed given on actual receipt by the Association's president, se managing agent, or attorney.
- 6-E. Definitions. Words and phrases used in this policy have the same meanings given to them by the Declaration.
- 6-F. Amendment of Policy. This policy will remain effective until 10 days after the Association deli to an owner of each unit notice of amendment or revocation of this policy. The notice may be published and distributed in an Association newsletter or other community-wide publication.

FINING POLICY
3321 ROSEDALE CONDOMINIUMS

- 1. Background. This fining policy is based on the requirements of Sec. 82.102(d)+(e) of the Texas Uniform Condominium Act (TUCA), Chapter 82, Texas Property Code. To establish policies and procedures for fining under TUCA, the declarant adopts this policy for the benefit of The 3321 Rosedale Condominium Association, as part of the initial project documentation.
- 2. Policy. The Association uses fines to discourage violations of the Documents, and to encourage compliance when a violation occurs - not to punish violators or generate revenue for the Association. Although a fine may be an effective and efficient remedy for certain types of violations or violators, it is only one of several methods available to the Association for enforcing the Documents. The Association's use of fines does not interfere with its exercise of other rights and remedies for the same violation. Nor may the Association use fines to the exclusion of other remedies.
- 3. Owner's Liability. An owner is liable for fines levied by the Association for violations of the Documents by the owner, the residents of the unit, and the relatives, guests, employees, and agents of the owner and residents. Regardless of who performs the violation, the Association will direct its communications to the owner, although the Association may send copies of its notices to the unit resident.
- 4. Violation Notice. Before levying a fine, the Association will give the owner a written violation notice and an opportunity to be heard. This requirement of State law may not be waived. The Association's written violation notice will contain the following items: (1) the date the violation notice is prepared or mailed; (2) a description of the violation; (3) a reference to the rule or provision that is being violated, (4) a description of the action required to cure the violation; (5) the amount of the fine; (6) 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 to contest the fine; and (7) the date the fine attaches or begins accruing (the "Start Date"), subject to the following:
 - a. New Violation If the owner was 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.
 - b. Repeat Violation In the case of a repeat violation, the notice will state that, because the owner 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.
- 5. Violation Hearing. An owner may request in writing a hearing by the Board to contest the fine. To request a hearing before the Board, an owner must submit a written request to the Association's manager within 30 days after the date of the violation notice. Within 15 days after receiving the owner's request for a hearing, the Association will give the

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owner at least 15 days' notice of the date, time, and place of the hearing. The hearing will be scheduled to provide a reasonable opportunity for both the Board and the owner to attend. Pending the hearing, the Association may continue to exercise its other rights and remedies for the violation, as if the declared violation were valid. The owner's request for a hearing suspends only the levy of a fine. The hearing will be held in a closed or executive session of the Board. At the hearing, the Board will consider the facts and circumstances surrounding the violation. The owner may attend the hearing in person, or may be represented by another person or written communication. No audio or video recording of the hearing may be made. The minutes of the hearing must contain a statement of the results of the hearing and the fine, if any, imposed. A copy of the violation notice and request for hearing should be placed in the minutes of the hearing. If the owner appears at the meeting, the notice requirements will be deemed satisfied.

6. Levy of Fine. Within 30 days after levying the fine, the Board 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 announces its decision to the owner at the hearing. Otherwise, the notice must be in writing. In addition to the initial levy notice, the Association will give the owner periodic written notices of an accruing fine or the application of an owner's payments to reduce the fine. The periodic notices may be in the form of monthly statements or delinquency notices.
7. 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. If circumstances warrant a variance from the schedule, the Board will document the reasons for the variance in the minutes of its meeting. 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 Documents. If the Association allows fines to accumulate, it will establish a maximum amount for a particular fine, at which point the total fine will be capped.
8. Type of Levy. If the violation is ongoing or continuous, the fine may be levied on a periodic basis (such as daily, monthly, or quarterly), 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.
9. 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 fines.
10. Amendment of Policy. This policy may be revoked or amended from time to time by the Board. This policy will remain effective until 10 days after the Association delivers to an owner of each unit notice of amendment or revocation of this policy. The notice may be published and distributed in an Association newsletter or other community-wide publication.

UTILITY SHUT-OFF POLICY
3321 ROSEDALE CONDOMINIUMS

I. RECITALS

A. At The 3321 Rosedale Condominiums, each unit's share of common expenses pays for certain master-metered utilities and services consumed by the unit and its occupants, furnished through the Association, and funded as a common expense of the Association ("Unit Utilities"). Unit Utilities include water and sewerage. Regular or special assessments which, at least in part, are for the purpose of paying for Unit Utilities are hereafter call "Utility-Related Assessments". An, owner who fails to pay Utility-Related Assessments unfairly forces the contributing owners to pay Unit Utilities consumed by his non-contributing unit.

B. As a provider of Unit Utilities, the Association is similar to public utility companies and apartment owners, which are expressly authorized by State law to discontinue utility service for nonpayment of utility bills. Discontinuing Unit Utilities to a unit for which Utility-Related Assessments are delinquent is an effective, reasonable, and appropriate use of the Association's discretionary powers to collect assessments.

C. Section 82.102(a)(14) of TIJCA authorizes the Association, acting through the Board, to adopt and amend rules regulating the termination of Unit Utilities to a unit, the owner of which is delinquent in the payment of Utility-Related Assessments. The Declaration authorizes the Association, acting through the Board, to terminate master-metered utilities if an owner's account has been delinquent for at least 30 days.

D. Declarant adopts this policy for the benefit of The 3321 Rosedale Condominium Association, as part of the initial project documentation.

II. POLICIES

1. Background. This utility shut-off policy is based on the requirements of the Documents, the rules of the Public Utility Commission for discontinuance of master-metered utilities, and the authority granted by TUCA. The Association intends for this policy to comply with State laws and local ordinances relating to discontinuance of utilities to a dwelling unit in an apartment house.
2. Utility Shut-Off. If an assessment used to pay Unit Utilities has been delinquent for at least 30 days, the Board may discontinue the Unit Utilities to the unit as follows.
3. First notice. The Board will give written notice to the unit owner and unit resident that the Unit Utility may be shut-off if the default is not cured within a stated number of days (at least 10). The notice must also state the amount and place of payment, and may specify the form of payment.
4. Second notice. If full payment, in the form required by the Board, is not received by the date stated in the first notice, the Board will give a second written notice to the unit owner and unit resident. The second notice will warn that the Unit Utility will be shut-off after a stated number of days (at least 7). The Board will post an additional copy of the second notice, in a sealed envelope, on the front door of the unit at least 5 days prior to

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the scheduled shut-off. The notice will recite where and how payment may be made to avoid the disconnection or to restore service.

5. Notices. The Association will send the first and second notices by certified mail return receipt requested. Additional copies may be delivered by regular mail, personal delivery, email, or fax transmission. Both notices will prominently display "UTILITY SHUT-OFF," "TERMINATION NOTICE," or similar language. In calculating days, the day after the date on which a notice is post-marked or posted on the door, as the case may be, is deemed "Day 1."
6. Fees. At the time of the second notice, a charge of at least \$50 will be assessed against the owner and his unit for costs related to the shut-off. To avoid the shut-off after the second notice is given, the owner must immediately pay all Utility Related Assessments owed to the Association, including the \$50 minimum shut-off fee, in the form required below. The owner solely bears the cost of discontinuing and restarting any utility serving his unit.
7. Form of Payment. Payment to forestall a utility shut-off or to restore service after a shut-off must be full payment of all delinquent Utility-Related Assessments, plus the minimum shut-off fee, if applicable, in the form of a cashier's check, payable to the Association, and received by the Association's manager or a designated officer.
8. Limitations on Disconnection. As a collection remedy, the Association may not disconnect a utility on a day, or on a day immediately preceding a day, when authorized personnel of the Association are not available to receive payment and reconnect service. Further, the Association may not disconnect a utility if the Association has actual knowledge that the disconnection is likely to be life-threatening for a resident of the unit.
9. Amendment of Policy. This policy may be revoked or amended from time to time by the Board. This policy will remain effective until 10 days after the Association delivers an owner of each unit notice of amendment or revocation of this policy. The notice may be published and distributed in an Association newsletter or other community-wide publication.