

**INITIAL
COMMUNITY RULES
OF
VERANDA, A CONDOMINIUM COMMUNITY**

**FOR OWNERS AND RESIDENTS OF
VERANDA, A CONDOMINIUM COMMUNITY
3100 Ross Avenue
Dallas, Texas 75204**

January 3, 2007

**Adopted by
OWNERS OF VERANDA ASSOCIATION, INC.**

**Distributed by
VERANDA DALLAS CONDOMINIUMS, LLC**

**INITIAL COMMUNITY RULES
OF
VERANDA, A CONDOMINIUM COMMUNITY**

Adopted by Owners of Veranda Association, Inc.
January 3, 2007

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These INITIAL COMMUNITY RULES OF VERANDA, A CONDOMINIUM COMMUNITY are adopted by the Board of Directors of OWNERS OF VERANDA ASSOCIATION, INC. (the "**Association**"), for the benefit of Owners and Residents of Veranda, A Condominium Community (the "**Property**"). These Community Rules are the "Rules" defined in Article 1 of the declaration that is or will 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 Veranda, A Condominium Community. Each Owner and Resident acknowledges that these Rules are subject to change.

Words and phrases defined in the declaration have the same meaning when used in these Rules. In the event of a conflict between the 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

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 occupants 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 is 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.

2. **Additional Rules.** Each Resident must comply with any rules and signs posted from time to time on the Property by the Association. 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. Posted and temporary rules are incorporated in these Rules by reference.

3. **Right to Enforce.** The Association has the right to enforce these Rules against any person on the Property.

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.

B. OBLIGATIONS OF OWNERS AND RESIDENTS

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.

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.

3. Association Does Not Insure. A person assumes full risk and sole responsibility for placing his personal property in or on the Property. Each Owner and Resident is solely responsible for insuring his personal property in the Unit and on the Property, including his furnishings and automobile. THE ASSOCIATION STRONGLY RECOMMENDS THAT ALL OWNERS AND RESIDENTS PURCHASE AND MAINTAIN INSURANCE ON THEIR PERSONAL BELONGINGS.

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.

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.

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.

7. No Garage or Sidewalk 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 or sidewalk sales." This section does not apply to marketing the sale or rental of a Unit, unless combined with a prohibited activity.

8. Supervision of Minors. For their own well-being and protection, persons who are legally incompetent or younger than eighteen (18) years must be under the general control and supervision of their parents or guardians at all times while on the Property. Persons who have not attained the chronological or mental age of thirteen (13) years must at all times be in the actual company of a person at least thirteen (13) years old who is responsible for their well being. A person under thirteen (13) years may not be left unattended in a Unit at any time. After nightfall, unless accompanied by a parent or legal guardian, persons under eighteen (18) years may not be on the general common elements.

C. OCCUPANCY STANDARDS

1. **Numbers.** The maximum occupancy of a Unit is limited to two (2) persons per bedroom.
2. **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. [Fair Housing Act]
3. **Occupancy Defined.** Occupancy of a Unit, for purposes of these Rules, means occupancy in excess of thirty (30) continuous days or sixty (60) days in any twelve-month period.
4. **Term of Lease.** A Unit may not be leased for hotel or transient purposes. Less than the entire Unit may not be leased.
5. **Written Leases.** Each lease must be in writing. At the Association's request, an Owner must give the Board a copy of each lease and lease renewal.

D. GENERAL USE AND MAINTENANCE OF UNIT

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 all 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.
2. **Annoyance.** A Resident may not use his Unit in a way that: (a) annoys occupants 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.
3. **Maintenance.** An Owner, at his expense, will maintain his Unit and keep it in good repair. The Owner maintains, repairs, and replaces sheetrock and surface treatments on all perimeter walls, floors, and ceilings, regardless of the source of damage to the walls, floors, and ceilings.
4. **Report Malfunctions.** A Resident will immediately report to the Board his discovery of any leak, break, or malfunction in any portion of the Property that 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 is liable for any additional damage caused by the delay.
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.

6. Utility Equipment. Each Owner, at his expense, will maintain, repair, and replace the water heating and air heating and cooling equipment serving his Unit.

7. Combustibles. A Resident may not store or maintain, anywhere on the Property -- including within a Unit -- explosives or materials capable of spontaneous combustion.

8. 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.

9. Frozen Water Pipes. If a Unit has water lines in exterior walls, it is the duty of the Owner and Resident to protect the water lines from freezing during winter months. Between November 1 and March 25 of any year, a Unit with water lines in exterior walls may not 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.

E. GENERAL USE AND MAINTENANCE OF COMMON ELEMENTS

1. Intended Use. Every area and facility in the Property may be used only for its intended and obvious use. For example, sidewalks and driveways are used exclusively for purposes of access, not for social congregation or recreation.

2. Grounds. Unless the Board designates otherwise, Residents may not use or abuse the landscaped areas, lawns, beds, and plant materials on the general common elements. The following are expressly prohibited: digging, planting, pruning, and climbing.

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.

4. Fires. Except for outdoor fireplaces or barbecue fires as permitted by these Rules, there may not be any exterior fires on the Property. The Board reserves the right to prohibit or restrict the use of all or certain outdoor cooking grills if, in the Board's discretion, the grills constitute a fire hazard. If the use of outside grills is permitted, (a) open fires must be supervised at all times; (b) gas tanks must be properly used and maintained; (c) no flames may be higher than the cooking surface; (d) a grill may not be used near combustible materials; and (e) a fire extinguisher must be located within ten feet (10') of the grill.

5. Roof Deck. A Resident will maintain his roof deck in a clean manner. Owner or Resident may not add anything permanent that extends above the top of the parapet walls, not originally constructed, except typical furniture and fixtures. Umbrellas must be folded when not in

use. Satellite dishes must be placed no higher than the top of the penthouse roof and must not interfere with the view of downtown skyline from other Units.

F. COMMUNITY ETIQUETTE

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.

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.

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.

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.

5. No Personal Service. The Association's employees and agents are not permitted or authorized to render personal services to Residents. 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 the Resident.

G. ARCHITECTURAL CONTROL

1. Exteriors. Without the written approval of the Board, an Owner or Resident may NOT change, remodel, decorate, destroy, or improve the exteriors of buildings or the grounds, nor do anything to change the appearance of the Property.

2. Prohibited Acts. Without the Board's prior written approval, 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 windowsill, roof deck area 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, or roof decks.

d. Erect or install exterior horns, lights, speakers, aerials, antennas, or other transmitting or receiving equipment, or cause anything to protrude through an exterior wall or roof. Antennas may be mounted inside attics.

- e. Place decorations on exterior doors or on general common elements.
- f. Enclose or cover a roof deck area.
- g. Install or construct a storage shed, satellite dish, antenna, or any another improvement in the roof deck area.

3. Window Treatments. An Owner MAY install window treatments inside his Unit, provided:

- a. The window treatment, including drapes, blinds, shades, or shutters, must appear to be clear or white when viewed from outside the Unit;
- b. Aluminum foil and reflective window treatments are expressly prohibited; and
- c. Window treatments must be maintained in good condition, and must be removed or replaced if they become stained, torn, damaged, or otherwise unsightly in the opinion of the Board.

4. Board Approval. To obtain the Board's written consent for an alteration or modification, an Owner must submit to the Board complete plans and specifications showing the nature, kind, shape, size, materials, colors, and location for all proposed work, and any other information reasonably requested by the Board. The Board's failure to respond to the Owner's written request within ninety-one (91) days after it receives the Owner's request may be construed as no objection to the proposed changes. See Article 10 of the declaration.

H. VEHICLE RESTRICTIONS

1. Number of Vehicles. Because of the limited amount of parking on the Property, the Residents of a Unit, collectively, may keep no more than two (2) vehicles on the Property on a reoccurring basis, including the garage area, regardless of the number of persons or licensed drivers occupying the Unit.

2. 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.

3. Garages. Because of the lack of inside parking and the shortage of off-street parking, it is imperative that each Resident maintain his Unit's vehicle parking areas as set out herein. A Resident must use his garage for the parking of operable vehicles. No garage may be enclosed or used for any purpose that prevents the parking of the maximum number of vehicles for which it was constructed. Garage doors must be kept closed at all times, except when a vehicle is entering or exiting. The Association is not responsible for the maintenance and replacement of garage door openers.

4. Car Washing and Repairs. Washing of cars is specifically approved in the area behind the garage door, except subject to Paragraph 12.11.3 of Declaration. Repairs, restoration, or maintenance of vehicles is prohibited on driveway and in off-street parking areas, except for emergency repairs, and then only to the extent necessary to enable movement of the vehicle to a repair facility.

5. Proper Placement. No vehicle, including motorcycles, may be driven, parked, or placed anywhere on the Property except in the respective garages and in off-street parking spaces. Motorcycles may not be chained to buildings or any other part of the Property, unless designated for that purpose.

6. Nuisances. 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 discouraged. No vehicle may be kept on the Property if the Board deems it to be unsightly, inoperable, inappropriate, or otherwise in violation of these Rules.

7. Private Fire Lanes/Obstructions. The driveways in the Property are private fire lanes and utility easements 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, garages, or parking spaces. No vehicle may obstruct the flow of traffic, constitute a nuisance, or otherwise create a safety hazard. No vehicle may be parked, even temporarily, in spaces reserved for others or in any area designated as "No Parking."

8. Visitor Spaces. There are no on-site visitor parking spaces. Parking is limited to the garages.

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.

I. TRASH DISPOSAL

1. General Duty. Resident will endeavor to keep the Property clean and will dispose of all refuse in receptacles designed specifically for that purpose. Resident may NOT litter common elements.

2. Trash Pick-Up. A Resident must keep himself informed about the days and times of trash pick-up. The Board may determine, from time to time, the period of time during which Residents' trash receptacles may be curbside. If the Board fails to determine time period, trash receptacles may not be put curbside more than twelve (12) hours before the estimated time of trash pick-up, and must be removed from the common elements within twelve (12) hours after trash pick-up.

3. 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 barbecue grills or fireplaces, Resident will ensure that the debris is thoroughly cold.

4. Excess Trash. Resident will place trash entirely within the proper receptacle, and may NOT place trash outside, next to, or on top of that receptacle. If a receptacle is full, the Resident should locate another receptacle or hold his trash. A Resident must arrange privately for removal of discarded furnishings or any unusually large volume of debris.

J. PETS

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.

2. Permitted Pets. Subject to these Rules, a Resident may keep in his Unit not more than two house pets -- two cats, or two dogs, or one cat and one dog. Permitted house pets include domesticated dogs, cats, caged birds, and aquarium fish. Pets may not be left unattended on the roof decks.

3. Prohibited Animals. No Resident may keep a dangerous or exotic animal, pit bull 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.

4. Indoors/Outdoors. Subject to the limited privilege for dogs, a permitted pet must be maintained inside the Unit. 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.

5. Limited Pet Privilege. Pets may be kept in units.

6. 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.

7. Damage. A Resident is responsible for any property damage, injury, or disturbance his pet may cause or inflict. Resident must compensate any person injured by his pet. A Resident who keeps a pet on the Property is deemed to indemnify and 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.

8. 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.

9. Removal. If a Resident or his pet violates these Rules, or if a pet creates a nuisance, odor, unreasonable disturbance, or noise, 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 ten [10] days), the Resident, on 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 ten (10) days after receipt of a removal notice from the Board.

K. MISCELLANEOUS

1. Security. The Association may, but is not be 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.

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 thirty (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.

3. Mailing Address. An Owner who receives mail at an 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.

4. Revision. These Rules are subject to being revised, replaced, or supplemented. Owners and Residents are urged to contact the management office to verify the rules currently in effect on any matter of interest. These Rules will remain effective until ten (10) days after an Owner of each Unit has been sent, by first class mail, notice of the amendment or revocation of these Rules.

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.

6. Preparer. These Rules were prepared in the law office of Martin C. Cude, Jr., Attorney and Counselor, 4415 Normandy Avenue, Dallas, Texas 75205-2043.

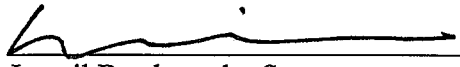
7. Effective Date. These Rules are effective on the date of execution.

CERTIFICATE

I hereby certify that the foregoing Initial Community Rules for Owners and Residents of Veranda, A Condominium Community, was adopted by the initial Board of Directors of OWNERS OF VERANDA ASSOCIATION, INC., a Texas nonprofit corporation and condominium association, at its organization meeting or by unanimous written consent in lieu of the organizational meeting.

SIGNED this 3rd day of January, 2007.

OWNERS OF VERANDA
ASSOCIATION, INC.

By: 
Ismail Burduroglu, Secretary

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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 all 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.
2. **Annoyance.** A Resident may not use his Unit in a way that: (a) annoys occupants 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.
3. **Maintenance.** An Owner, at his expense, will maintain his Unit and keep it in good repair. The Owner maintains, repairs, and replaces sheetrock and surface treatments on all perimeter walls, floors, and ceilings, regardless of the source of damage to the walls, floors, and ceilings.
4. **Report Malfunctions.** A Resident will immediately report to the Board his discovery of any leak, break, or malfunction in any portion of the Property that 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 is liable for any additional damage caused by the delay.
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.

6. Utility Equipment. Each Owner, at his expense, will maintain, repair, and replace the water heating and air heating and cooling equipment serving his Unit.

7. Combustibles. A Resident may not store or maintain, anywhere on the Property -- including within a Unit -- explosives or materials capable of spontaneous combustion.

8. 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.

9. Frozen Water Pipes. If a Unit has water lines in exterior walls, it is the duty of the Owner and Resident to protect the water lines from freezing during winter months. Between November 1 and March 25 of any year, a Unit with water lines in exterior walls may not 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.

E. GENERAL USE AND MAINTENANCE OF COMMON ELEMENTS

1. Intended Use. Every area and facility in the Property may be used only for its intended and obvious use. For example, sidewalks and driveways are used exclusively for purposes of access, not for social congregation or recreation.

2. Grounds. Unless the Board designates otherwise, Residents may not use or abuse the landscaped areas, lawns, beds, and plant materials on the general common elements. The following are expressly prohibited: digging, planting, pruning, and climbing.

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.

4. Fires. Except for outdoor fireplaces or barbecue fires as permitted by these Rules, there may not be any exterior fires on the Property. The Board reserves the right to prohibit or restrict the use of all or certain outdoor cooking grills if, in the Board's discretion, the grills constitute a fire hazard. If the use of outside grills is permitted, (a) open fires must be supervised at all times; (b) gas tanks must be properly used and maintained; (c) no flames may be higher than the cooking surface; (d) a grill may not be used near combustible materials; and (e) a fire extinguisher must be located within ten feet (10') of the grill.

5. Roof Deck. A Resident will maintain his roof deck in a clean manner. Owner or Resident may not add anything permanent that extends above the top of the parapet walls, not originally constructed, except typical furniture and fixtures. Umbrellas must be folded when not in

use. Satellite dishes must be placed no higher than the top of the penthouse roof and must not interfere with the view of downtown skyline from other Units.

F. COMMUNITY ETIQUETTE

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.

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.

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.

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.

5. No Personal Service. The Association's employees and agents are not permitted or authorized to render personal services to Residents. 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 the Resident.

G. ARCHITECTURAL CONTROL

1. Exteriors. Without the written approval of the Board, an Owner or Resident may NOT change, remodel, decorate, destroy, or improve the exteriors of buildings or the grounds, nor do anything to change the appearance of the Property.

2. Prohibited Acts. Without the Board's prior written approval, 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 windowsill, roof deck area 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, or roof decks.

d. Erect or install exterior horns, lights, speakers, aerials, antennas, or other transmitting or receiving equipment, or cause anything to protrude through an exterior wall or roof. Antennas may be mounted inside attics.

- e. Place decorations on exterior doors or on general common elements.
- f. Enclose or cover a roof deck area.
- g. Install or construct a storage shed, satellite dish, antenna, or any another improvement in the roof deck area.

3. Window Treatments. An Owner MAY install window treatments inside his Unit, provided:

- a. The window treatment, including drapes, blinds, shades, or shutters, must appear to be clear or white when viewed from outside the Unit;
- b. Aluminum foil and reflective window treatments are expressly prohibited; and
- c. Window treatments must be maintained in good condition, and must be removed or replaced if they become stained, torn, damaged, or otherwise unsightly in the opinion of the Board.

4. Board Approval. To obtain the Board's written consent for an alteration or modification, an Owner must submit to the Board complete plans and specifications showing the nature, kind, shape, size, materials, colors, and location for all proposed work, and any other information reasonably requested by the Board. The Board's failure to respond to the Owner's written request within ninety-one (91) days after it receives the Owner's request may be construed as no objection to the proposed changes. See Article 10 of the declaration.

H. VEHICLE RESTRICTIONS

1. Number of Vehicles. Because of the limited amount of parking on the Property, the Residents of a Unit, collectively, may keep no more than two (2) vehicles on the Property on a reoccurring basis, including the garage area, regardless of the number of persons or licensed drivers occupying the Unit.

2. 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.

3. Garages. Because of the lack of inside parking and the shortage of off-street parking, it is imperative that each Resident maintain his Unit's vehicle parking areas as set out herein. A Resident must use his garage for the parking of operable vehicles. No garage may be enclosed or used for any purpose that prevents the parking of the maximum number of vehicles for which it was constructed. Garage doors must be kept closed at all times, except when a vehicle is entering or exiting. The Association is not responsible for the maintenance and replacement of garage door openers.

4. Car Washing and Repairs. Washing of cars is specifically approved in the area behind the garage door, except subject to Paragraph 12.11.3 of Declaration. Repairs, restoration, or maintenance of vehicles is prohibited on driveway and in off-street parking areas, except for emergency repairs, and then only to the extent necessary to enable movement of the vehicle to a repair facility.

5. Proper Placement. No vehicle, including motorcycles, may be driven, parked, or placed anywhere on the Property except in the respective garages and in off-street parking spaces. Motorcycles may not be chained to buildings or any other part of the Property, unless designated for that purpose.

6. Nuisances. 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 discouraged. No vehicle may be kept on the Property if the Board deems it to be unsightly, inoperable, inappropriate, or otherwise in violation of these Rules.

7. Private Fire Lanes/Obstructions. The driveways in the Property are private fire lanes and utility easements 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, garages, or parking spaces. No vehicle may obstruct the flow of traffic, constitute a nuisance, or otherwise create a safety hazard. No vehicle may be parked, even temporarily, in spaces reserved for others or in any area designated as "No Parking."

8. Visitor Spaces. There are no on-site visitor parking spaces. Parking is limited to the garages.

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.

I. TRASH DISPOSAL

1. General Duty. Resident will endeavor to keep the Property clean and will dispose of all refuse in receptacles designed specifically for that purpose. Resident may NOT litter common elements.

2. Trash Pick-Up. A Resident must keep himself informed about the days and times of trash pick-up. The Board may determine, from time to time, the period of time during which Residents' trash receptacles may be curbside. If the Board fails to determine time period, trash receptacles may not be put curbside more than twelve (12) hours before the estimated time of trash pick-up, and must be removed from the common elements within twelve (12) hours after trash pick-up.

3. 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 barbecue grills or fireplaces, Resident will ensure that the debris is thoroughly cold.

4. Excess Trash. Resident will place trash entirely within the proper receptacle, and may NOT place trash outside, next to, or on top of that receptacle. If a receptacle is full, the Resident should locate another receptacle or hold his trash. A Resident must arrange privately for removal of discarded furnishings or any unusually large volume of debris.

J. PETS

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.

2. Permitted Pets. Subject to these Rules, a Resident may keep in his Unit not more than two house pets -- two cats, or two dogs, or one cat and one dog. Permitted house pets include domesticated dogs, cats, caged birds, and aquarium fish. Pets may not be left unattended on the roof decks.

3. Prohibited Animals. No Resident may keep a dangerous or exotic animal, pit bull 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.

4. Indoors/Outdoors. Subject to the limited privilege for dogs, a permitted pet must be maintained inside the Unit. 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.

5. Limited Pet Privilege. Pets may be kept in units.

6. 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.

7. Damage. A Resident is responsible for any property damage, injury, or disturbance his pet may cause or inflict. Resident must compensate any person injured by his pet. A Resident who keeps a pet on the Property is deemed to indemnify and 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.

8. 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.

9. Removal. If a Resident or his pet violates these Rules, or if a pet creates a nuisance, odor, unreasonable disturbance, or noise, 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 ten [10] days), the Resident, on 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 ten (10) days after receipt of a removal notice from the Board.

K. MISCELLANEOUS

1. Security. The Association may, but is not be 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.

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 thirty (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.

3. Mailing Address. An Owner who receives mail at an 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.

4. Revision. These Rules are subject to being revised, replaced, or supplemented. Owners and Residents are urged to contact the management office to verify the rules currently in effect on any matter of interest. These Rules will remain effective until ten (10) days after an Owner of each Unit has been sent, by first class mail, notice of the amendment or revocation of these Rules.

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.

6. Preparer. These Rules were prepared in the law office of Martin C. Cude, Jr., Attorney and Counselor, 4415 Normandy Avenue, Dallas, Texas 75205-2043.

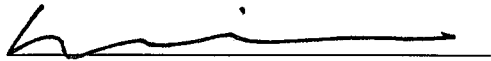
7. Effective Date. These Rules are effective on the date of execution.

CERTIFICATE

I hereby certify that the foregoing Initial Community Rules for Owners and Residents of Veranda, A Condominium Community, was adopted by the initial Board of Directors of OWNERS OF VERANDA ASSOCIATION, INC., a Texas nonprofit corporation and condominium association, at its organization meeting or by unanimous written consent in lieu of the organizational meeting.

SIGNED this 3rd day of January, 2007.

OWNERS OF VERANDA
ASSOCIATION, INC.

By: 
Ismail Burduroglu, Secretary