

RULES AND REGULATIONS OF THE HILLSIDE

A Condominium Project in Travis County, Texas

These Rules and Regulations apply to the Units and Common Elements of The Hillside, a condominium project in Travis County, Texas. By owning or occupying a Unit in The Hillside, each Owner and resident agrees to abide by these Rules and Regulations, as well as the obligations of Owners and residents provided in the Declaration and Bylaws.

For the convenience of The Hillside Owners and residents, these Rules and Regulations may restate some of the covenants, conditions and restrictions contained in the Declaration. Most of these Rules and Regulations, however, are in addition to the covenants, conditions and restrictions found in the Declaration. Words and phrases defined in the Declaration shall have the same meaning when used in these Rules and Regulations. In the event of a conflict between governing documents, the hierarchy of authority shall be as follows: Declaration (highest), Bylaws, these Rules and Regulations (lowest).

1. COMPLIANCE

1-1. **Compliance**. Each Owner shall comply with the provisions of these Rules and Regulations, the Declaration, the Bylaws, and community policies promulgated by the Board to supplement these Rules and Regulations as any of these may be revised from time to time (collectively, the “governing documents”). Each Owner, additionally, shall be responsible for compliance with the governing documents by the occupants of his Unit, and his or their respective family, invitees, tenants, agents, employees, or contractors. Use of the term “resident” in these Rules and Regulations shall be deemed to include and apply to the Owner and to all persons for whom the Owner is responsible. An Owner should contact the Board if he has a question about these Rules and Regulations.

1-2. **Additional Rules and Regulations**. Each resident shall comply with all Rules and Regulations and signs posted from time to time on the Condominium by the Association, including, but not limited to, those regulating the use of recreational facilities. Such posted rules are incorporated in these Rules and Regulations by reference. Each resident shall 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 Condominium. Such temporary rules are incorporated in these Rules and Regulations by reference.

1-3. **Waiver**. Certain circumstances may warrant waiver or variance of these Rules and Regulations. An Owner must make written application to the Board for such waiver or variance. If the Board deems the waiver or variance warranted, the Board may condition its approval, which must be in writing to be effective.

2. OBLIGATIONS OF OWNERS AND RESIDENTS

2-1. **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 Condominium to whom the resident has a duty of care, control or custody.

2-2. **Damage**. Each Owner is responsible for any loss or damage to his Unit, other Units, the personal property of other residents or their guests, or to the Common Elements and improvements, if such loss or damage is caused by the Owner or by any person for whom the Owner is responsible.

2-3. **Association Does Not Insure Personalty**. Each resident is solely responsible for insuring his personal property in the Unit and on the Condominium, including his furnishings, automobile, and items kept in storage areas, if any, provided by the Association. Personal property placed in or on the Condominium shall be solely at the risk of the owner of such personal property. The Association urges Owners and residents to purchase insurance on their personal belongings.

2-4. **Risk Management**. No Owner or resident shall permit anything to be done or kept in his Unit or the Common Elements which will result in the cancellation of insurance on any Unit, or any part of the Common Elements, or which may be in violation of any law.

2-5. **Reimbursement for Enforcement**. An Owner shall promptly reimburse the Association for any expenses incurred by the Association in enforcing the governing documents against the Owner, his Unit, or persons for whom the Owner is responsible.

2-6. **Reimbursement for Damage**. An Owner shall promptly reimburse the Association for the cost of damage to the Condominium caused by the negligent or willful conduct of the Owner or any persons for whom the Owner is responsible.

3. OCCUPANCY STANDARDS

3-1. **Numbers**. A Unit may be occupied by no more than two (2) persons per bedroom.

3-2. **Danger**. The Association may prohibit occupancy 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, pursuant to the Fair Housing Act.

3-3. **Occupancy Defined**. Occupancy of a Unit, for purposes of these Rules and Regulations, shall mean occupancy of at least 30 continuous days or 60 non-continuous days in any 12-month period.

3-4. **Term of Lease**. A Unit may not be leased for hotel or transient purposes.

3-5. **Written Leases**. Each Lease must be in writing, and an Owner shall provide the Board with a copy of each Lease of that Owner's Unit prior to execution of the Lease.

4. GENERAL USE AND MAINTENANCE OF UNIT

4-1. **Residential Use.** Each Unit must be used solely for residential use, and may not be used for commercial or business purposes. This restriction shall not prohibit an Owner or a resident from using his Unit for personal business or professional pursuits provided that: (1) such use is incidental to the Unit's residential use; (ii) such use conforms to all applicable laws and ordinances; (iii) there is no external evidence of such use; and (iv) such use does not entail visits to the Unit by the public, employees, suppliers, or clients.

4-2. **Annoyance.** No Unit or any portion of the Common Elements may be used in any way that: (i) may reasonably be considered annoying to occupants of neighboring Units; (ii) may be calculated to reduce the desirability of the Condominium as a residential community; (iii) may endanger the health or safety of other Owners or residents; or (iv) may violate any law or any provision of the governing documents.

4-3. **Maintenance.** Each Owner, at his sole cost and expense, shall maintain his Unit and keep it in good repair, including the inner, finished surfaces of the Unit's perimeter walls, floors and ceilings.

4-4. **Patio/Balcony.** Each Owner and resident shall keep his Unit and patio or balcony (if any) in a good state of cleanliness, taking 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 Owner shall be given notice by the Board to correct the problem within 5 days, after which the Board may take corrective action at the Owner's expense.

4-5. **Glass.** Each Owner, at his sole cost and expense, shall promptly repair and replace any broken or cracked glass in his Unit's windows and doors to the extent the Association does not assume this duty on behalf of the Unit Owners.

4-6. **Air Conditioning Equipment.** Each Owner, at his sole cost and expense, shall maintain, repair and replace the heating and cooling equipment/system serving his Unit to the extent the Association does not assume this duty on behalf of the Unit Owners.

4-7. **Combustibles.** A resident shall not store or maintain, anywhere on the Condominium (including within a Unit), explosives or materials capable of spontaneous combustion.

4-8. **Barbeque Grills.** The Board reserves the right to prohibit or restrict the use of all or certain outdoor cooking grills if, in the Board's sole and absolute discretion, such grills constitute a fire hazard. If the use of outside grills is permitted: (i) open fires must be supervised at all times; (ii) gas tanks must be properly used and maintained; (iii) no flames may be higher than the cooking surface; and (iv) a grill may not be used near combustible materials.

4-9. **Report Malfunctions.** A resident shall immediately report to the Board his discovery of any leak, break or malfunction in any portion of his Unit or the adjacent Common Elements for which the Association has a maintenance responsibility. The

failure to promptly report a problem may be deemed negligence by the resident, who may be liable for any additional damage caused by the delay.

5. GENERAL USE AND MAINTENANCE OF COMMON ELEMENTS

5-1. **Intended Use.** Every area and facility in the Condominium may be used only for its intended and obvious use. For example, walkways, stairways, sidewalks, elevators and driveways are to be used exclusively for purposes of access, not for social congregation or recreation.

5-2. **Grounds.** Unless the Board designates otherwise, residents may not use or abuse the landscaped areas, lawns, beds or plant materials on the Common Elements. The following are expressly prohibited: digging, planting, pruning and climbing.

5-3. **Abandoned Items.** No item or object of any type shall be stored, placed or maintained anywhere on the General Common Elements, including, but not limited to, window sills, passageways and courtyards, except by the Board or with the prior written consent of the Board. Items of personal property found on General Common Elements are deemed abandoned and may be disposed of by the Board.

5-4. **Stored Items.** If the Association provides storage areas for use by residents, all residents agree that the Association is not responsible for items stored there by any resident, who shall be solely liable at all times for his personal property.

6. COMMUNITY ETIQUETTE

6-1. **Courtesy.** Each resident shall endeavor to use his Unit and the Common Elements in a manner calculated to respect the rights and privileges of other residents.

6-2. **Annoyance.** A resident shall 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.

6-3. **Noise and Odors.** Each resident shall 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.

6-4. **Reception Interferences.** Each resident shall avoid doing or permitting anything to be done that may unreasonably interfere with the television, radio, telephonic or electronic reception on the Condominium.

6-5. **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 such resident.

6-6. **Compliance with Law.** Residents may not use the Condominium for unlawful activities. Residents shall comply with applicable laws and regulations of the United

States and of the State of Texas, and with ordinances, rules, and regulations of the City of Austin, Texas. A resident who violates this provision shall hold the Association and other Owners and residents harmless from all fines, penalties, costs and prosecutions for the resident's violation or noncompliance.

7. ARCHITECTURAL CONTROL

7-1. **Common Elements**. Without the Board's prior written approval, a person 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 entry door, balcony or patio, and landing or walkways appurtenant to the Unit.

7-2. **Prohibited Acts**. No person may:

- a. Post signs, notices or advertisements on the Common Elements or in a Unit if visible from outside his Unit.
- b. Place or hang an object in, on, from or above any window, interior windowsill, balcony or patio that, in the Board's opinion, detracts from the appearance of the Condominium.
- 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, aerials, antennas or other transmitting or receiving equipment, or cause anything to protrude through an exterior wall or roof.
- e. Place decorations on exterior walls or doors, or on the General Common Elements.

7-3. **Window Treatments**. An Owner may install window treatments inside his Unit, at his sole expense, provided:

- a. Any window treatment, including drapes, blinds, shades or shutters, must be clear or white when viewed from outside the Unit;
- b. Aluminum foil, reflective window treatments, cardboard and newspaper 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.

7-4. **Board Approval**. To obtain the Board's written consent for a modification, an Owner must submit to the Board complete plans and specification 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 45 days after it receives the Owner's request shall be construed as the Board's objection to the proposed changes.

8. VEHICLE RESTRICTIONS

8-1. **Permitted Vehicles.** To be permitted on the Condominium, a vehicle must be operable. For purposes of these Rules and Regulations, vehicles include automobiles, motorcycles, motorized bikes, passenger trucks, small vans and similar passenger vehicles. The following are not permitted on the Condominium without the Board's consent: trailers, boats, recreational vehicles, buses, large commercial trucks and industrial vehicles.

8-2. **Repairs.** Repairs, restoration, or maintenance of vehicles is prohibited, except for emergency repairs, and then only to the extent necessary to enable movement of the vehicle to a repair facility.

8-3. **Space Use.** Because of limited off-street parking, all parking spaces on or otherwise designed for the use of the Condominium Unit Owners, including assigned parking spaces, shall be used for parking purposes only and may not be used for storage. No parking space may be enclosed or used for any purpose that prevents the parking of vehicles.

8-4. **No Obstruction.** No vehicle may be parked in a manner that interferes with ready access to any entrance or exit. 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, in firelanes, or in any area designated as "No Parking".

9. TRASH DISPOSAL

9-1. **General Duty.** Residents shall not litter Common Elements, shall endeavor to keep the Condominium clean, and shall dispose of all refuse in receptacles provided specifically by the Association for that purpose.

9-2. **Hazards.** Residents may not store trash inside or outside his Unit in a manner that encourages vermin, causes odors or may permit the spread of fire. Before discarding coals, ashes, logs, or other materials used in barbecue grills (when and if permitted or fireplaces, residents shall ensure that the debris is thoroughly cold.

9-3. **Excess Trash.** Residents shall place trash entirely within a dumpster, and may not place trash outside, next to or on top of dumpster. If a dumpster is full, a resident should locate another dumpster or hold his trash. Dumpster doors are to be closed at all times when not in use. Residents shall arrange privately for removal of discarded furnishings or any unusually large volume of debris.

10. PETS

10-1. **Subject to Rules and Regulations.** A resident may not keep or permit on the Condominium a pet or animal of any kind, at any time, except as permitted by these Rules and Regulations and the governing documents.

10-2. **Permitted Pets.** Subject to these Rules and Regulations, 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. Permitted house pets also include specially trained animals that serve as physical aids to handicapped residents, regardless of the animal's type.

10-3. **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 a commercial purpose.

10-4. **Indoors/Outdoors.** A permitted pet must be maintained inside the Unit, and may not be kept on patios or balconies. No pet is allowed on General Common Elements unless carried or leashed. No pet may be leashed to any stationary object on the Common Elements.

10-5. **Disturbance.** Pets shall 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 shall be permitted to bark, howl, whine, screech, or make other loud noises for extended or repeated periods of time. Animals which, in the opinion of the Board, create undue risks for other residents and their guests by reason of their breed or temperament may be removed by the Board from the Condominium and placed the local humane society.

10-6. **Damage.** A resident is responsible for any property damage, injury or disturbance his pet may cause or inflict. A resident shall compensate any person injured by his pet. Any resident who keeps a pet on the Condominium shall be deemed to have indemnified and agreed 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 such pet on the Condominium.

10-7. **Pooper Scooper.** No resident may permit his pet to relieve itself on the Condominium except in areas designated by the Board for this purpose. Each 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.

10-8. **Removal.** If a resident or his pet violates these Rules and Regulations or the community policies pertaining to pets, or if a pet causes or creates a nuisance, odor, unreasonable disturbance, or noise, the resident or person having control of the animal shall 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 Condominium within 10 days after receipt of a removal notice from the Board.

11. MISCELLANEOUS

11-1. **Security.** The Association may, but shall not be obligated to, maintain or support certain activities within the Condominium designed to make the Condominium less attractive to intruders than it otherwise might be. The Association, its directors, committees, members, agents and employees, shall not in any way be considered an insurer or guarantor of security within or for the Condominium, and shall 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 Condominium 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 Condominium. The Association expressly disclaims and disavows any and all representations or warranties, express or implied, including any warranty of merchantability or fitness for any particular use or purpose, relative to any security systems, equipment or measures recommended, installed or undertaken within the Condominium.

11-2. **Right to Hearing.** An Owner may request in writing a hearing by the Board regarding an alleged breach of these Rules and Regulations by the Owner or a resident of the Owner's Unit. The Board will schedule a hearing within 30 days of receiving the Owner's written request. At the hearing, the Board will consider the facts and circumstances surrounding the alleged violation. The Owner may attend the hearing in person, or may be represented by another person or written communication.

11-3. **Mailing Address.** An Owner who receives mail at any address other than the address of his Unit shall be responsible for maintaining with the Association his current mailing address. Notifications of change of name or change of address should be clearly marked as such. All notices required to be sent to Owners by the governing documents shall be sent to an Owner's most recent address as shown on the records of the Association. If an Owner fails to provide a forwarding address, the address of that Owner's Unit shall be deemed effective for purposes of delivery.

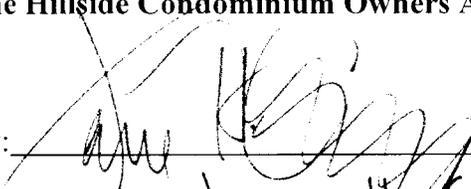
11-4. **Revision.** These Rules and Regulations are subject to being revised, replaced, or supplemented. Owners and residents are urged to contact the management office to verify the rules currently in effect on any matter of interest. The Rules and Regulations shall remain effective until 10 days after the Association mails notice of an amendment or revocation of these Rules and Regulations to an Owner of each Unit.

11-5. **Other.** These Rules and Regulations are in addition to and shall in no way whatsoever detract from the rights of the Association under the Declaration, Bylaws, Articles of Incorporation and the laws of the State of Texas.

11-6. **Effective Date.** These Rules and Regulations are the initial Rules and Regulations of The Hillside Condominiums, and shall become effective as of March 26, 2007 2007.

Executed to be effective as of the Effective Date.

The Hillside Condominium Owners Association, Inc.

By:  _____

Printed Name: James H. Gulley

Title: President

Date: March 26, 2007

February 20, 2013

Hillside Condo Owner,

We want to thank you for your responses to our request for opinions regarding holiday decorations and balcony furniture, etc. With that in mind we would like to make the following changes/explanations as to how to move forward. The existing guidelines are highlighted in yellow and the new additions are in red type.

BALCONIES:

Common Elements. Without the Board's prior written approval, a person 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 entry door, balcony or patio, and landing or walkways appurtenant to the Unit.

Depending on the size of the front porch and whether or not it is a shared porch; allowed items on a front porch would be one to three grouped "size appropriate" pots with maintained flowers or plants. Likewise rear balconies may have one to three "size appropriate" pots with maintained flowers or plants. Rear balconies may also have a "tasteful" table and/or chairs and should be size appropriate to the area and should look "organized, not cluttered."

DECORATIONS:

Place decorations on exterior walls or doors, or on the General Common Elements.

Exterior holiday decorations will be allowed five days prior to Thanksgiving day through January 10 every year, and will be limited to a "Tasteful" holiday wreath on the front door of a unit as well as white lights around a door or along a front balcony railing. No other decorations will be allowed.

WINDOW COVERINGS:

Any window treatment, including drapes, blinds, shades or shutters, must be clear, or white.

We will add ivory/off-white colored and wood blinds.

It is our sincere hope that these additions and clarifications enhance your Hillside living experience while maintaining the Hill Country Architectural look of the property you have invested. If you have any questions or concerns, please contact us at your convenience.

The Hillside Team

October 30, 2013

Effective immediately, 7.2e is replaced with the following language –

“Approved exterior decorations are allowed at all times. All decorations are considered Approved unless the Board receives written objections to a specific decoration or decorations from the owner or owners of at least five Hillside condominium units. Upon receipt of five written objections, the decoration or decorations will be deemed Unapproved and a notice will be delivered to the owner of the unit with the Unapproved decorations. The owner in violation will have two days to remove the Unapproved decorations. If the Unapproved decorations are not removed within two days, the owner will be liable for a fine of \$100. If the decorations are not removed within 5 days of the notice, the owner will be fined \$30 per day until the decorations are removed. “

STATE OF TEXAS §

COUNTY OF TRAVIS §

AMENDMENT TO RULES AND REGULATIONS
OF
THE HILLSIDE CONDOMINIUM OWNERS ASSOCIATION, INC.
[Regarding enforcement]

Document reference. Reference is hereby made to that certain Condominium Declaration for The Hillside, filed as Document No. 2006207830 in the Official Public Records of Travis County, Texas, (together with all supplements and amendments, the "**Declaration**").

Reference is further made to those certain Bylaws of The Hillside Condominium Owners Association, Inc., filed as Document No. 2014065387 in the Official Public Records of Travis County, Texas (together with any amendments thereto, the "**Bylaws**").

The owners of units subject to the Declaration are automatically made members of The Hillside Condominium Owners Association, Inc. (the "**Association**");

The Association, acting through its board of directors (the "**Board**"), is authorized to adopt and amend rules and regulations governing the property subject to the Declaration and the operations of the Association pursuant to Section 82.102(a) of the Texas Uniform Condominium Act and Bylaws §2.2(h);

The Board desires to adopt the Rules as provided herein;

Therefore, the Rules are adopted as follows:

ENFORCEMENT POLICY

Enforcement action.

1. **Background.** This fining policy is based on the requirements of Section 82.102 of the Texas Uniform Condominium Act (TUCA), Chapter 82, Texas Property Code. To establish policies and procedures for fining under TUCA, the Board adopts this policy.
2. **Policy.** The Association uses fines to discourage violations of the deed restrictions, 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 governing instruments. The Association’s use of fines does not interfere with its exercise of other rights and remedies for the same violation.
3. **Owner’s Liability.** An owner is liable for fines levied by the Association for violations of the Governing Instruments 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. **Enforcement Costs.** The Association may assess the owner all costs of enforcement and collection, including attorney fees.
5. **Violation Notice.** Before levying a fine or damage charge, the Association will give the owner a written violation notice and an opportunity to be heard. The Association’s written violation notice will contain the following items:

- (1) a description of the violation or property damage;
- (2) the amount of any proposed fine or damage charge (if no amount is listed, the proposed fine will be deemed to be in accordance with the association's standard fining schedule);
- (3) 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 or damage charge.
- (4) *if applicable* (see (b) below), the deadline for curing the violation avoiding any fine.

a. New Violation. If the owner was not given notice and a reasonable opportunity to cure a similar violation within the preceding 12 months, the notice will state a specific date by which the violation must be cured to avoid the fine.

b. Repeat Violation. If notice and an opportunity to cure a violation was given to the unit owner within the preceding 12 months, no cure period (no notice of opportunity to cure) need be given and the fine may be immediately assessed.

- 6. 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. Pending the hearing, the Association may continue to exercise its other rights and remedies for the violation. 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.
- 7. Levy of Fine. Within 30 days after levying the fine, the Board will 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 will be in writing and sent via mail, email, or fax. The Association may also 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.
- 8. Amount. The Board may set fine amounts on a case by case basis. The standard fining schedule is as follows:

1st Violation – Courtesy notice [Either this notice or courtesy notice #2 will satisfy the notice requirements of ¶5 above.]

2nd Violation (violation not remedied in response to letter #1) - second courtesy notice – \$0.00 fine. [Either this notice or courtesy notice #1 will satisfy the notice requirements of ¶5 above.]

3rd Violation (violation not remedied in response to letter #2) – \$25.00 fine

4th Violation (violation not remedied in response to letter #3) – \$50 fine

5th Violation and Violations thereafter – \$100 fine

Standard notices regarding violations may be sent by any method of mailing, by email, or by fax.

- 9. Type of Levy. If the violation is ongoing or continuous, the fine will be levied on daily basis beginning on the date the fine attaches or begins accruing. If the violation is not ongoing, but is instead sporadic or periodic, the fine will be levied on a per-occurrence basis.

10. Application of Payments. The association may apply payments received from owners to any amounts due to the association, regardless of directions from owners otherwise. Monies can be applied to non-assessment items first, such as fines, late charges, NSF charges, user fees, damages, etc.
11. Deviation from Standard Policy; authority of agents. The Board reserves the right to alter the standard violation and enforcement process if in its sole discretion such action is warranted (including increasing or reducing the number of notices, or amount of fines), provided that the minimum notice requirements of state law are met.

The management company, Association attorney, or other authorized agent of the Association is granted authority to carry out this standard enforcement and fining procedure absent express direction otherwise from the Board, without further vote or action of the Board. The management company may also use its discretion in directing the matter to the Association's attorney at any stage in the enforcement process. This authority notwithstanding, the management company or Association attorney shall communicate with the Board and/or certain designated officers or agents on a routine basis with regard to enforcement actions, and the Board reserves the right to establish further policies with regard to enforcement efforts generally and to make decisions about particular enforcement actions on a case-by-case basis if and when it deems appropriate.

12. Board decision to pursue enforcement action. The decision to pursue enforcement action in any particular case shall be left to the board's discretion. For example, the board may determine that, in a particular case, (i) the association's position is not strong enough to justify taking any or further action, or the board does not have sufficient evidence to pursue an enforcement action; (ii) the covenant or rule being enforced is, or is likely to be construed as, inconsistent with applicable law; (iii) although a technical violation may exist or may have occurred, it is not of such a material nature as to be objectionable to a reasonable person or to justify expending the Association's resources; (v) it is not in the association's best interest, based upon hardship, expense, or other reasonable criteria, to pursue enforcement action; or (vi) the issue is one more appropriately addressed by law enforcement or other governmental body, in which case the board may contact, or advise the complaining party to contact, law enforcement or the appropriate governmental body."

AGREED TO and ADOPTED the 8th day of January, 2015.

THE HILLSIDE CONDOMINIUM OWNERS ASSOCIATION, INC.

Acting by and through its Board of Directors

Signature: [Signature]
Printed name: JAMES GULLEY
Title: PRESIDENT

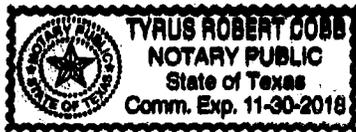
Acknowledgement

STATE OF TEXAS §

COUNTY OF TRAVIS §

This instrument was executed before me on the 8 day of JANUARY, 2015,
by JAMES GULLEY in the capacity stated above.

[Signature]
Notary Public, State of Texas



After recording, please return to:

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

Fileserver:CLIENTS:Hillside Condominiums:RuleEnforcementEN12-14.doc



**FILED AND RECORDED
OFFICIAL PUBLIC RECORDS**

[Signature]

DANA DEBEAUVOIR, COUNTY CLERK
TRAVIS COUNTY, TEXAS

January 12 2015 02:46 PM

FEE: \$ 38.00 2015004865