

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

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.

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.

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

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.

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.

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.

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.

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.

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

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

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.

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.

Term of Lease. A Unit may not be leased for hotel or transient purposes.

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

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.

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.

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.

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.

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.

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.

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

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.

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

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.

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.

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.

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

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.

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.

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.

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.

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.

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

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.

Prohibited Acts. No person may:

Post signs, notices or advertisements on the Common Elements or in a Unit if visible from outside his Unit.

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.

Hang, shake or otherwise display linens, clothing, towels, rugs, shoes, mops, bedding or other similar items from windows, doors, balconies, patios or passageways.

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.

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

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

Any window treatment, including drapes, blinds, shades or shutters, must be clear or white when viewed from outside the Unit;

Aluminum foil, reflective window treatments, cardboard and newspaper are expressly prohibited; and

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.

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

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.

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.

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.

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

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.

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.

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

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.

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.

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.

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.

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.

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.

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.

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

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.

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.

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.

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.

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.

Effective Date. These Rules and Regulations are the initial Rules and Regulations of The Hillside Condominiums, and shall become effective as of March 27th, 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