Initial Rules

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INITIAL RULES OF ORAM COURT CONDOMINIUMS

(A Texas Condominium)

These Rules apply to the units and common elements of the Oram Court Condominiums. By owning or occupying a unit in the Oram Court Condominiums, each owner and resident agrees to abide by these Rules, well as the obligations of owners and residents provided in the Declaration and Bylaws.

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

SECTION A COMPLIANCE

1. Compliance

Each owner shall comply with the provisions of these Rules, the Declaration, the Bylaws, and community policies promulgated by the board to supplement these Rules, 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 or her unit, and their respective family invitees, tenants, agents, employees. or contractors. Use of "owner" or "resident" in these Rules shall be deemed to include and apply to the owner and to all persons for whom owner is responsible. An owner should contact the board if he or she has a question about these Rules.

2. Additional Rules.

Each resident shall comply with all rules and signs posted from time to time on the condominium by the Association, including those regulating the use of recreational facilities. Such posted rules are incorporated in these Rules 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 by reference.

3. Waiver.

Certain circumstances may warrant waiver or variance of these Rules. 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.

SECTION B OBLIGATION OF OWNERS AND RESIDENTS

1. Safety.

Each resident is solely responsible for his or her own safety and for the safety, well-being and supervision of his or her 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 or her 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.

3. Association Does Not Insure.

Each resident is solely responsible for insuring his or her personal property in the unit and on the condominium, including his or her furnishings, automobile, and items kept in storage areas provided by the Association. Personal property placed in or on the condominium shall be solely at the risk of resident or the owner of such personal property. The Association urges owners and residents to purchase insurance on their personal belongings.

4. Risk Management.

No resident shall permit anything to be done or kept in his or her 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.

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 or her unit, or persons for whom the owner is responsible.

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 the persons for whom the owner is responsible.

SECTION C OCCUPANCY STANDARDS

1. Numbers.

A unit may be occupied by no more than two persons per bedroom, unless higher occupancy is mandated by public agencies that enforce compliance with the family status protection of the Fair Housing act.

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. Occupancy Defined.

Occupancy of a unit, for purposes of these Rules, shall mean occupancy of a least 30 continuous days or 60 non-continuous days in any 12-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, and an owner shall provide the board with a copy of each lease of that owner's unit.

SECTION D 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 a resident from using his or her unit for personal business or professional pursuits, provided that: (i) 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.

2. Annoyance.

No unit 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 residents; or (iv) may violate any law or any provision of the governing documents.

3. Maintenance.

Each owner, at his or her sole cost and expanse, shall maintain his or her unit and keep it in good repair, including the inner, finished surfaces of the unit's perimeter walls, floors, and ceilings.

4. Patio/Balcony.

Each resident shall keep his or her unit and patio or balcony in a good state of cleanliness, taking care that the cleaning of his or her 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 owners expense.

5. Glass.

Each owner, at his or her sole cost and expense, shall promptly repair and replace any broken or cracked glass in his unit's windows and doors.

6. Air Conditioning Equipment.

Each owner, at his or her sole cost and expense, shall maintain, repair, and replace the heating and cooling equipment/system serving his unit.

Combustibles.

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

8. Barbecue Grills.

The board reserves the right to prohibit or restrict the use of all or certain outdoor cooking grills if, in the board's 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 or her discovery of any leak, break, or malfunction in any portion of his or her 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.

10. Utilities.

Each resident shall endeavor to conserve the use of utilities furnished through the Association, including water consumption within his or her unit.

11. Frozen Water Pipes.

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

SECTION E GENERAL USE & MAINTENANCE OF COMMON ELEMENTS

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.

Grounds.

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

3. Abandoned Items.

No item or object of any type shall be stored, placed, or maintained anywhere on the general common elements, including 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.

4. Stored Items.

If the Association provides storage areas for use by residents, resident agrees that the Association is not responsible for items stored there by resident, who shall be solely liable at all times for his personal property.

SECTION F COMMUNITY ETIQUETTE

1. <u>Courtesy</u>.

Each resident shall endeavor to use his or her 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 to other units.

4. Reception Interference.

Each resident shall avoid doing or permitting anything to be done that may unreasonable 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.

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 Dallas, 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.

SECTION G 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 walkway 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 or her unit.

- b. Place or hang an object in, on, from, or above any window, interior window sill, 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.
- 3. <u>Window Treatments</u>. An owner may install window treatments inside his or her unit, at his or her expense, provided:
 - Any window treatment, including drapes, blinds, shades, or shutters, must 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 a 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 reasonable 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 no objection to the proposed changes.

SECTION H VEHICLE RESTRICTIONS

Permitted Vehicles.

To be permitted on the condominium, a vehicle must be operable. 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 condominium

without the board's consent: trailers, boats, recreational vehicles, buses, large commercial trucks, industrial vehicles.

Repairs.

Washing, 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 the condominium including assigned covered 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 to or exit from the condominium. No vehicle may obstruct the flow of traffic, constitute a nuisance, or otherwise create a safety hazard on the condominium. No vehicle may be parked, even temporarily, in spaces reserved for others, in fire lanes, or in any area designated as "No Parking.

5. Nuisances.

Each vehicle shall be muffled and shall be maintained and operated to minimize noise, odor, and oil emissions. The use of car horns on the condominium is discouraged. No vehicle may be kept on the condominium if the board deems it to be unsightly, inoperable, inappropriate, or otherwise violative of these Rules.

6. Violations.

Any vehicle in violation of these Rules may be stickered, wheel-locked, and towed or otherwise removed from the condominium 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.

SECTION I TRASH DISPOSAL

1. General Duty.

Resident 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.

Resident may not store trash inside or outside his or her 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 or fireplaces, resident shall ensure that the debris is thoroughly cold.

3. Excess Trash.

Resident 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, resident should locate another dumpster or hold his trash. Boxes and large objects should be crushed or broken down before placed in dumpster. Dumpster doors are to be closed at all times when not in use. Resident shall arrange privately for removal of discarded furnishings or any unusually large volume of debris.

SECTION J PETS

1. Subject to Rules.

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 the governing documents.

Permitted Pets.

Subject to these Rules, a resident may keep in his or her unit not more than two house pets (two cats, or two dogs, or one cat and one dog) each of which, at maturity, may not exceed the greater of 20 inches in height at the shoulder or 25 pounds in weight. 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 size or 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.

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.

5. Disturbance.

Pets shall be kept in a manner that does not disturb another resident's rest or peaceful enjoyment of his or her 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.

6. Damage.

Resident is responsible for any property damage, injury, or disturbance his or her pet may cause or inflict. Resident shall compensate any person injured by his or her 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 or her pet or arising by reason of keeping or maintaining such pet on the condominium.

Pooper Scooper.

No resident may permit his or her pet to relieve itself on the condominium, except in areas designated by the board for this purpose. Resident is responsible for the removal of his or her 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.

8. Removal.

If a resident's pet violates these Rules 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 ten (10) days). The resident, upon written notice from the board, may be required to remove

the animal. Each resident agrees to permanently remove his or her violating animal from the condominium within ten (10) days after receipt of a removal notice from the board.

SECTION K MISCELLANEOUS

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 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 or her person, to his or her unit, to the contents of his or her unit, and to any other of his or her property on the condominium. 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 condominium.

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 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.

3. Mailing Address.

An owner who receives mail at any address other than the address of his or her 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.

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 shall remain effective until ten (10) days after the Association mails notice of an amendment or revocation of these Rules to an owner of each unit.

Other Rights.

These Rules 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.

6. Effective Date.

These Rules are the initial Rules of the Oram Court Homeowner's Association.

CERTIFICATE

I HEREBY CERTIFY that the foregoing is a true, complete, and correct copy of the Initial Rules of Oram Court Condominiums, a Texas nonprofit corporation and condominium association, as adopted by the initial Board of Directors at its organization meeting on the day of May, 1996.

IN WITNESS WHEREOF, I hereunto set my hand this the 27 day of May, 1996.

| ORAM | COURT | CONDOMINIUMS | |
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| By Re | 138XT A. | STUEBING | |
| Бу | | , Secretary | |
| Printed:_ | | | |

| THE STATE OF | TEXAS TORONTOS |
|--------------|----------------|
| COUNTY OF | ONTARIO § |

KNOW ALL MEN BY THESE PRESENTS

BEFORE ME, the undersigned authority, on this day personally appeared holder foregoing instrument, and he/she/they acknowledged to me that he/she/they executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 27 day of may, 1996.

NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS PROVINCE OF ON-ARIO

My Commission Expires:

SUSAN MARGARET DORE, Notary Public,
Municipality of Metropolitan Toronto, limited to the
attestation of instruments and the taking of affidavits,
for The Mutual Trust Company, its subsidiaries,
associates and affiliates.
Expires January 4, 1997.

Notary's Printed Name:

SUSAN DORE

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What is a homeowner's association?

The Association is a legal corporation organized and incorporated under the state laws. The Association has Articles of Incorporation that entitle the association to exercise powers of a corporation. By purchasing a home within your community association, you automatically become a member of the association and will remain so for as long as you own your home. Membership in the association is mandatory and automatic for all owners. The deed to each lot and/or parcel specifically designates that the property owner will comply with the Covenants, Conditions, and Restrictions (CC&R's) of the association. You should have received a copy of these documents at the time your home purchase was closed by the title company. As a property owner in a community association, you will be required to pay assessments, abide by the community's rules and restrictions and maintain those areas of your home for which you are responsible.

Board of Directors

What is the Purpose of a Board of Directors and what is their Role?

Your Association is a non-for-profit corporation incorporated in the State of Texas. As such, the Board's responsibility is to run the business of the corporation. The board has a fiduciary responsibility to the stockholders or owners of the corporation. This includes timely collection of assessments as well as payments made for services provided to the Association. In general, the Board Members are the decision makers for the Association. The Board of Directors are individual homeowners who live within the subdivision and who are elected to that position by the members of the Association. All affairs of your association are governed by the Board of Directors.

What empowerment does the Board of Directors have?

Pursuant to the Bylaws: (includes, but is not limited to)

Fill a vacancy on the Board of Directors
Establish rules and regulations for the association
Set the Annual Assessment rate
Contract for services of the association
(management, landscape, maintenance, etc.)
Use and disburse association funds
Establish committees
Enforce the CC&R's

Elect officers for the association
Prepare the annual budget
Insure the association
Invest excess funds controlled by the Association

Pursuant to the CC&R's

Establish an architectural review committee
Collect assessments
Establish the standard of care for the maintenance of the common areas
Interpretation of the wording in all governing documents