

RULES AND REGULATIONS

AND

SUPPORTING DOCUMENTS

For Owners and Residents

**COMMUNITY MANUAL
OF
VILLAS CONDOMINIUM
AT PARKWAY VILLAGE**

**4242 N. CAPISTRANO DRIVE
DALLAS, TEXAS 75287
(COLLIN COUNTY)**

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Adopted by

Villas at Parkway Village, L.P.

For the benefit of

Villas Condominium Association, Inc.

INITIAL RULES & REGULATIONS
VILLAS CONDOMINIUM AT PARKWAY VILLAGE

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INITIAL RULES & REGULATIONS

VILLAS CONDOMINIUM AT PARKWAY VILLAGE

These COMMUNITY RULES are established by Villas at Parkway Village, L.P., Declarant of Villas Condominium at Parkway Village, for the benefit of Villas Condominium Association, Inc. (the "Association"). These Community Rules are the "Rules" defined in Article 1 of the declaration to be recorded in the real property records of Collin 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 Villas Condominium at Parkway Village.

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

A. COMPLIANCE

- A-1. **Compliance.** Each owner will comply with the provisions of these Rules, the other Documents, and policies adopted by the board to supplement these Rules, as any of these may be revised from time to time. Each owner, additionally, is responsible for compliance with the Documents by the 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 are deemed to include the other, and applies to all persons for whom an owner or resident is responsible. Again, the owner is ultimately responsible for compliance by all persons using or related to his unit. An owner should contact the Association if he has a question about these Rules.
- A-2. **Additional Rules.** Each resident must comply with any rules and signs posted from time to time on the Property by the Association. Posted rules are incorporated in these Rules by reference. Each resident must comply with notices communicated by the Association, from time to time, in the nature of seasonal or temporary rules, or notice of a change affecting use of the Property. Temporary rules are incorporated in these Rules by reference.
- A-3. **Right to Enforce.** The Association has the right to enforce these Rules against any person on the Property.
- A-4. **Waiver.** Circumstances may warrant waiver or variance of these Rules. To obtain a waiver or variance, an owner must make written application to the board. The board's approval of a waiver or variance must be in writing, and may be conditioned.

B. OBLIGATIONS OF OWNERS AND RESIDENTS

- B-1. **Safety.** Each resident is solely responsible for his own safety and for the safety, well-being, and supervision of his guests and any person on the Property to whom the resident has a duty of care, control, or custody.
- B-2. **Damage.** An owner is responsible for any loss or damage he causes to his unit, other units, the personal property of other residents or their guests, or to the common elements and improvements.
- B-3. **Association Does Not Insure.** A person assumes full risk and sole responsibility for placing his personal property in or on the Property. Each resident is solely responsible for insuring his personal

property in the unit and on the Property, including his furnishings and vehicles. THE ASSOCIATION STRONGLY RECOMMENDS THAT ALL OWNERS AND RESIDENTS PURCHASE AND MAINTAIN INSURANCE ON THEIR PERSONAL BELONGINGS.

- B-4. Risk Management. An owner may not permit anything to be done or kept in his unit or the common elements that is illegal or that may result in the cancellation of insurance on the Property.
- B-5. Reimbursement. 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. An owner must promptly reimburse the Association for the cost of damage to the Property caused by the negligent or willful conduct of the owner or persons for whom the owner is responsible.
- B-6. No Garage Sales. Without the board's prior written permission, no person may conduct on the Property a sale or activity that is advertised or attractive to the public, such as "garage sales." This section does not apply to marketing the sale or rental of a unit, unless combined with a prohibited activity.
- B-7. Supervision of Minors. For their own well-being and protection, persons who are legally incompetent or younger than 18 years must be under the general control and supervision of their parents or guardians at all times while on the Property. Persons who have not attained the chronological or mental age of 13 years must at all times be in the actual company of a person at least 13 years old who is responsible for their well being. A person under 13 years may not be left unattended in a unit at any time. After nightfall, unless accompanied by a parent or legal guardian, persons under 18 years may not be on the general common elements.

C. OCCUPANCY STANDARDS

- C-1. Numbers. The maximum number of persons who may occupy a unit is 1 more than the number of bedrooms in the unit. Two persons per bedroom, however, may occupy a unit if the occupants qualify for familial status protection under the Fair Housing Act.
- C-2. Minors. No person under the age of 18 years may occupy a unit unless he lives with a resident who is his parent, legal guardian, or a designee of his parent or legal guardian. Upon request by the Association, an owner will provide satisfactory proof of the ages and relationships among the occupants of his unit.
- C-3. Danger. No unit may be occupied by a person who constitutes a direct threat to the health or safety of other persons, or whose occupancy would result in substantial physical damage to the property of others. [Fair Housing Act]
- C-4. Occupancy Defined. Occupancy of a unit, for purposes of these Rules, means occupancy in excess of 30 continuous days or 60 days in any 12-month period.
- C-5. Leases. A unit may not be leased for hotel or transient purposes. Less than the entire unit may not be leased. 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

- D-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.

- D-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.
- D-3. **Maintenance**. An owner, at his expense, will maintain his unit in good repair. A resident will maintain his patio, balcony, front porch, and yard area in a clean manner. A patio, balcony, porch, or yard may not be enclosed or used for storage purposes. If the board determines that a patio, balcony, porch, or yard is unsightly, the board may give the owner notice of the problem and a reasonable time period in which to correct it, after which the board may take corrective action at the owner's expense.
- D-4. **Glass**. Each owner, at his expense, must promptly repair and replace any broken or cracked glass in his unit's windows and doors.
- D-5. **Air Conditioning Equipment**. Each owner, at his expense, will maintain, repair, and replace the heating and cooling equipment/system serving his unit.
- D-6. **Combustibles**. A resident may not store or maintain, anywhere on the Property -- including within a unit -- explosives or materials capable of spontaneous combustion.
- D-7. **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, 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; and (d) a grill may not be used near combustible materials.
- D-8. **Report Malfunctions**. An owner will immediately report to the board his discovery of any leak, break, or malfunction in any portion of the Property which the Association has a duty to maintain. An owner who fails to promptly report a problem may be deemed negligent, and may be liable for any additional damage caused by the delay.
- D-9. **Emergencies**. In case of continuous water overflow, a resident should immediately turn off water and **TURN THE SHUT-OFF VALVES BEHIND THE TOILET OR UNDER THE SINK.**
- D-10. **Cable**. A resident who subscribes directly to cable service is solely responsible for maintaining that subscription and the appurtenant equipment. A resident who obtains cable service through the Association is responsible for the proper use, maintenance, and return of cable connections or equipment. No additional exterior cable lines may be connected to the unit.
- D-11. **Fireplaces**. No material other than wood may be used in any fireplace. Expressly prohibited is the use of artificial, paper, or wax-impregnated logs. Fireplaces may not be used without a closed grate. Small quantities of fireplace wood may be stored on enclosed patios or balconies.
- D-12. **Utilities**. A resident will try to conserve the use of utilities furnished through the Association, including water consumption within his unit.
- D-13. **Frozen Water Pipes**. Because units are constructed with water lines in exterior walls, it is the duty of every owner and resident to protect the 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 may be deemed negligence.

E. GENERAL USE & MAINTENANCE OF COMMON ELEMENTS

- E-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.
- E-2. **Grounds.** Unless the board designates otherwise, residents may not use or abuse the landscaped areas, lawns, beds, and plant materials on the common elements. The following are expressly prohibited: digging, planting, pruning, and climbing.
- E-3. **Abandoned Items.** No item or object of any type may be stored, placed, or maintained anywhere on the general common elements, including driveways, sidewalks, and courtyards, 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.
- E-4. **Fires.** Except for barbecue fires as permitted by these Rules, there may not be any exterior fires on the Property.
- E-5. **Private Yards.** The use of a yard area appurtenant to a unit as a limited common element is subject to the following. The board may specify types of plant material that may be installed or permitted to remain, and may require the removal of certain plants. An owner may not change the established drainage pattern without the board's prior approval. An owner must keep the yard area clean, free of debris, and attractive.

F. COMMUNITY ETIQUETTE

- F-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.
- F-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.
- F-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.
- F-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.
- F-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.

G. ARCHITECTURAL CONTROL

- G-1. Common Elements. Without the written approval of the board, an owner or resident may NOT change, remodel, decorate, destroy, or improve the common elements, nor do anything to change the appearance of the building exteriors or grounds, including without limitation the entry door, balcony or patio, garage, front porch, fences, and sidewalk appurtenant to the unit.
- G-2. Prohibited Acts. A person may not:
- a. Post signs, notices, or advertisements on the common elements or in a unit if the sign is visible from outside the unit.
 - b. Place or hang an object in, on, from, or above any window, interior window sill, balcony or patio that, in the sole opinion of the board, detracts from the appearance of the Property.
 - c. Hang, shake, or otherwise display linens, clothing, towels, rugs, shoes, mops, bedding, or other similar items from windows, doors, balconies, patios, or sidewalks.
 - 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.
 - f. Enclose or cover a patio, deck, or yard area.
 - g. Install or construct a storage shed or any other improvement in a yard area if visible from another unit, a common element, or a street.
- G-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.
- G-4. Board Approval. To obtain the board's written consent for an alteration or modification, an owner must comply with the requirements of Article 10 of the Declaration. An applicant may not rely on verbal assurances of an Association manager, director, or officer.

H. VEHICLE RESTRICTIONS

- H-1. Permitted Vehicles. To be permitted on the Property, a vehicle must be operable, and must display a current license tag and inspection sticker. For purposes of these Rules, vehicles include automobiles, motorcycles, motorized bikes, passenger trucks, small vans, and similar passenger vehicles. The following are not permitted on the Property without the board's consent: trailers, boats, recreational vehicles, buses, large commercial trucks, industrial vehicles.
- H-2. Speed. A speed limit of 20 miles per hour will be observed, unless posted differently.
- H-3. Repairs. Washing, repairs, restoration, or maintenance of vehicles is prohibited on driveways and in offstreet parking areas, except for emergency repairs, and then only to the extent necessary to enable movement of the vehicle to a repair facility.

- H-4. One Space. Each vehicle must be parked straight-in (not angled or sideways), so that it does not occupy more than one parking space. Parking spaces must be used for parking purposes only.
- H-5. Proper Placement. No vehicle, including motorcycles, may be driven, parked, or placed anywhere on the Property except in designated areas. Motorcycles may not be chained to buildings, fences, or any other part of the Property, unless designated for that purpose.
- H-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 violative of these Rules.
- H-7. Motorbikes. Motorcycles, motorbikes, or other motorized vehicles may not be operated on the Property except to provide transportation to and from a unit.
- H-8. Private Firelanes/Obstructions. All streets, roadways, and driveways in the Property are private firelanes 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, 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, in firelanes, or in any area designated as "No Parking."
- H-9. Garages. Because of the lack of streetside parking and shortage of offstreet parking, it is imperative that each resident maintain his unit's vehicle parking areas as such. A resident may use his garage solely for the parking of operable vehicles. No garage may be enclosed or used for any purpose that prevents the parking of one standard size car. Garage doors must be kept closed at all times, except when entering or exiting.
- H-10. Visitor Spaces. The Property has a limited number of offstreet parking spaces. The use of unassigned and visitor parking spaces must be rotated, may not be used for storage of vehicles, and may not be used consistently by the same driver or vehicle. The board may designate some of the unassigned offstreet parking spaces as "visitor spaces" for use, exclusively, by guests of residents.
- H-11. 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

- I-1. General Duty. Resident will endeavor to keep the Property clean and will dispose of all refuse in receptacles provided specifically by the Association for that purpose. Resident may NOT litter common elements.
- I-2. Hazards. Resident may NOT store trash inside or outside his unit in a manner that may permit the spread of fire, odors, or seepage, or encouragement of vermin. Before discarding coals, ashes, logs, or other materials used in barbecue grills or fireplaces, resident will ensure that the debris is thoroughly cold.
- I-3. Excess Trash. Resident will 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 must arrange privately for removal of discarded furnishings or any unusually large volume of debris.

J. PETS


- J-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.
- J-2. Permitted Pets. Subject to these Rules, a resident may keep in his unit not more than two housepets (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 40 pounds in weight. Permitted housepets include domesticated dogs, cats, caged birds, and aquarium fish.
- J-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 housepet may be kept, bred, or maintained for any commercial purpose.
- J-4. Indoors/Outdoors. A permitted pet must be maintained inside the unit, and may not be kept on patios or balconies or in fenced yard areas. 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.
- J-5. Limited Dog Privilege. Dogs may be kept in fenced yards only if they do not disturb or annoy people on the Property. The board is the sole arbiter of what constitutes a disturbance or annoyance. If the board determines that a dog disturbs people, the board may permanently revoke the privilege of keeping the dog in the fenced yard. Thereafter, the dog must be maintained inside the unit. This privilege may be extended to a cat that is physically incapable of climbing the fence or leaving the fenced yard.
- J-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.
- J-7. Damage. 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 agrees to hold harmless the board, the Association, and other owners and residents, from any loss, claim, or liability of any kind or character whatever resulting from any action of his pet or arising by reason of keeping or maintaining the pet on the Property.
- J-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.
- J-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 10 days), the resident, upon written notice from the board, may be required to remove the animal. Each resident agrees to permanently remove his violating animal from the Property within 10 days after receipt of a removal notice from the board.

K. MISCELLANEOUS

- K-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.
- K-2. **Right to Hearing.** An owner may request in writing a hearing by the board regarding an alleged breach of these Rules by the owner or any person for whom the owner is responsible. The board will schedule a hearing within 30 days after receiving the owner's written request. At the hearing, the board will consider the facts and circumstances surrounding the alleged violation. The owner may attend the hearing in person, or may be represented by another person or written communication.
- K-3. **Mailing Address.** An owner who receives mail at any address other than the address of his unit must maintain with the Association his current mailing address. Notifications of change of name or change of address should be clearly marked as such. All notices required to be sent to owners by the Documents may be sent to an owner's most recent address as shown on the records of the Association. If an owner fails to provide a forwarding address, the address of that owner's unit is deemed effective for purposes of delivery.
- K-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 10 days after an owner of each unit has been given a notice of the amendment or revocation of these Rules.
- K-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.
- K-6. **Effective Date.** These Rules are effective on the date of execution.

SIGNED this 9th day of March 1999.

VILLAS AT PARKWAY VILLAGE, L.P., a Georgia limited partnership
By: Villas GP, LLC, a Georgia limited liability company, its general partner
By: Post Apartment Homes, L.P., a Georgia limited partnership, its sole member
By: Post GP Holdings, Inc., a Georgia corporation, its general partner

By: 
Thomas L. Wilkes, Executive Vice President, Post Apartment
Management-West, a division of Post GP Holdings, Inc.

MAINTENANCE RESPONSIBILITY CHART

VILLAS CONDOMINIUM AT PARKWAY VILLAGE

"all aspects" includes maintenance, repair, and replacement, as needed
 "LCE" = limited common elements

COMPONENT OF PROPERTY	ASSOCIATION RESPONSIBILITY	OWNER RESPONSIBILITY
Driveways, uncovered parking spaces, sidewalks, dumpsters, mailboxes.	All aspects.	None.
Front porches of units.	All aspects, except those noted for owner.	All aspects of concrete foundation. Routine cleaning of front porch.
Foundations of buildings with dwellings.	None.	All aspects.
Roofs, exterior vertical walls of buildings, other exterior features of buildings not specifically listed in chart.	All aspects.	None.
Grounds -- outside the fenced yards.	All aspects.	None.
Exterior numbers or letters on units, parking spaces, and garages.	All aspects.	None.
Exterior light fixtures.	All aspects, except those noted for owner.	All aspects of exterior light fixtures in fenced yard and on patio and balcony.
Balconies.	Wood, carpentry, and paint of vertical balcony railings.	All aspects, except those noted for Association.
Garages.	Roofs and exterior walls.	All aspects, except those noted for Association. Includes, routine interior cleaning, foundation, interior wall and ceiling materials, garage door, pedestrian door, automatic garage door opener, remote controls, interior light fixture, interior electrical outlets.

COMPONENT OF PROPERTY	ASSOCIATION RESPONSIBILITY	OWNER RESPONSIBILITY
Skylights.	All aspects.	None.
Chimneys.	Exterior material of chimney stack.	All aspects of firebox, chimney cap, chimney flue, and damper, including periodic flue cleaning.
Fences and gates around LCE yards appurtenant to units.	All aspects, except those noted for owner.	Locks and latches on gates.
Units, including improvements, fixtures, partition walls and floors within unit.	None.	All aspects.
Sheetrock inside and bordering unit, including perimeter ceilings and walls.	None, regardless of the source of damage.	All aspects, regardless of the source of damage (even leaks in the common element roof).
Improvements in private patio/yards.	None.	All aspects.
Grounds -- inside the fenced yards.	Mowing and maintenance of central sprinkler system, but only if access to yard is readily available, and only if determined by board to be in Association's best interest.	All aspects, except those noted for Association.
Exterior doors of units.	Exterior painting.	All aspects, except those noted for Association. Includes, door frame, door, glass panes, weatherstripping, threshold, hardware, locks, peepholes.
Windows of units.	Exterior caulking in connection with exterior painting.	All aspects, except those noted for Association. Includes window frames, screens, window locks, glass panes, glazing, caulking.
Plumbing and sewer lines.	All aspects, except those noted for owner.	All aspects of lines, pipes, fixtures, and appliances within a unit or its LCE and serving only that unit. Damage to the unit, another unit, or common elements from a cause initially occurring within the unit.

COMPONENT OF PROPERTY	ASSOCIATION RESPONSIBILITY	OWNER RESPONSIBILITY
Electrical systems.	All aspects, except those noted for owner.	All aspects of fuse boxes, lines, fixtures, and appliances within a unit or its LCE and serving only that unit. All aspects of electrical components of HVAC, even if located outside unit. Damage to the unit, another unit, or common elements from a cause initially within the unit.
Heating and cooling systems (serving units).	None.	All aspects of equipment, systems, and lines serving the unit, even though located outside unit.
Water heaters (serving units).	None.	All aspects.
Intrusion alarms on doors/ windows, smoke/heat detectors, monitoring equipment (serving units).	None.	All aspects.
Antennas & satellite dishes (serving units).	Master antenna only, and as long as maintained by Association.	All aspects, except those noted for Association.

ASSESSMENT COLLECTION POLICY VILLAS CONDOMINIUM AT PARKWAY VILLAGE

NOTE: This policy pertains only to condominium assessments and does not relate to the assessments and fees collected by the Master Association of Parkway Village.

RECITALS

Villas Condominium at Parkway Village is a condominium regime created by and subject to the Declaration for Villas Condominium at Parkway Village, recorded or to be recorded in the Real Property Records of Collin County, Texas, as amended (the "**Declaration**"). As a condominium regime, Villas Condominium at Parkway Village is also subject to State laws, including Chapter 82 of the Texas Property Code -- the Texas Uniform Condominium Act ("**TUCA**").

The operation of Villas Condominium at Parkway Village is vested in Villas Condominium Association, Inc. (the "**Association**"), acting through its board of directors (the "**board**"). The Association is empowered to enforce the covenants of the Declaration, including the obligation of unit owners to pay assessments. In addition to rights and remedies of the Association under the Declaration, TUCA gives the Association, acting through its board:

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

To establish equitable policies and procedures for the collection of delinquent assessments, the declarant adopts this policy for the benefit of Villas Condominium Association, Inc., as part of the initial project documentation.

SECTION 1. DELINQUENCIES, LATE CHARGES & INTEREST

- 1-A. **Due Date.** An owner will timely and fully pay regular assessments and special assessments. Regular assessments are due and payable on the first calendar day of each month.
- 1-B. **Delinquent.** Any assessment that is not fully paid when due is delinquent. When the account of a unit becomes delinquent, it remains delinquent until paid in full -- including collection costs and late fees.

- 1-C. Late Fees & Interest. If the Association does not receive full payment of a regular assessment by 5:00 p.m. on the fifth calendar day of the month, the Association may levy a late fee of \$25.00 per month and/or interest of 10 percent per annum from the first day of delinquency until the delinquency is paid in full. After the initial month of delinquency, a late of \$25.00 may be levied on the first day of each month the account is delinquent until the account is current.
- 1-D. Liability for Collection Costs. The defaulting owner is liable to the Association for the cost of title reports, credit reports, certified mail, long distance calls, court costs, filing fees, and other reasonable costs and attorney's fees incurred by the Association in collecting the delinquency.
- 1-E. Insufficient Funds. The Association may levy a charge of \$25.00 against an owner if the check on which his payment is made is returned to the Association marked "not sufficient funds" or the equivalent.
- 1-F. Waiver. Properly levied collection costs, late fees, and interest may not be waived by the board, unless a majority of the directors determines that extraordinary circumstances warrant an adjustment to the account, in which case the adjustment must be described in detail in the minutes of the board's meeting. Because of the potential for inadvertently effecting a waiver of the policies contained in this policy, the board will exercise extreme caution in granting adjustments to an owner's account.

SECTION 2. INSTALLMENTS & ACCELERATION

If a special assessment is payable in installments, and if an owner defaults in the payment of any installment, the Association may declare the entire assessment in default and accelerate the due date on all remaining installments of that assessment. A special assessment payable in installments may be accelerated only after the Association gives the owner at least 15 days prior notice of the default and the Association's intent to accelerate the unpaid balance if the default is not timely cured. Following acceleration of the indebtedness, the Association has no duty to reinstate the installment program upon partial payment by the owner.

SECTION 3. PAYMENTS

- 3-A. Application of Payments. After the Association notifies the owner of a delinquency and the owner's liability for late fees, interest, and collection costs, any payment received by the Association may be applied in the following order, starting with the oldest charge in each category, until that category is fully paid, regardless of the amount of payment, notations on checks, and the date the obligations arose:

(1) Collection costs and attorneys fees	(6) Current Master Assn. assessments
(2) Fines	(7) Delinquent special assessments
(3) Reimbursable expenses	(8) Delinquent regular assessments
(4) Late charges & interest	(9) Current special assessments
(5) Delinquent Master Assn. assessments	(10) Current regular assessments
- 3-B. Form of Payment. The Association may require that payment of delinquent assessments be made only in the form of cash, cashier's check, or certified funds.
- 3-C. Partial and Conditioned Payment. The Association may refuse to accept partial payment (i.e., less than the full amount due and payable) and payments to which the payer attaches conditions or directions contrary to the board's policy for applying payments. The Association's endorsement and deposit of a payment does not constitute acceptance. Instead, acceptance by the Association occurs when the Association posts the payment to the unit's account. If the Association does not accept the payment at that time, it will promptly refund the payment to the payer. A payment that is not

refunded to the payer within 30 days after being deposited by the Association may be deemed accepted. The acceptance by the Association of partial payment of delinquent assessments does not waive the Association's right to pursue or to continue pursuing its remedies for payment in full of all outstanding obligations.

- 3-D. Notice of Payment. If the Association receives full payment of the delinquency after recording a notice of lien, the Association will cause a release of notice of lien to be publicly recorded, a copy of which will be sent to the owner; provided, however, the owner prepays the cost of preparing and recording the release.
- 3-E. Correction of Credit Report. If the Association receives full payment of the delinquency after reporting the defaulting owner to a credit reporting service, the Association will report receipt of payment to the credit reporting service.

SECTION 4. LIABILITY FOR COLLECTION COSTS

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

SECTION 5. COLLECTION PROCEDURES

- 5-A. Delegation of Collection Procedures. From time to time, the Association may delegate some or all of the collection procedures, as the board in its sole discretion deems appropriate, to the Association's managing agent or to the Association's attorney.
- 5-B. Delinquency Notices. If the Association has not received full payment of an assessment by the due date, the Association may send one or more written notices of nonpayment to the defaulting owner, by hand delivery, first class mail, and/or by certified mail, stating the amount delinquent. The Association's delinquency-related correspondence may state that if full payment is not timely received, the Association may pursue any or all of the Association's remedies, at the sole cost and expense of the defaulting owner.
- 5-C. Collection by Association's Attorney. After giving the owner notice of the delinquency, the Association may refer the delinquent account to an attorney for collection. In that event, the defaulting owner will be liable to the Association for its legal fees and expenses.
- 5-D. Verification of Owner Information. The Association may obtain a title report to determine the names of the unit owners and the identity of other lienholders, including the mortgage company.
- 5-E. Notification of Mortgage Lender. The Association may notify the mortgage lender of the default in assessment obligations.
- 5-F. Notification of Credit Bureau. The Association may file a report on the defaulting owner with one or more credit reporting services.
- 5-G. Notice of Lien. The Association may cause a notice of the Association's assessment lien against the unit to be publicly recorded. In that event, a copy of the notice will be sent to the defaulting owner, and may be sent to his mortgage holder.
- 5-H. Foreclosure of Lien -- Nonjudicially. The board may instruct an attorney, officer, or agent of the Association to notify the defaulting owner of the Association's intent to foreclose its assessment lien, to post the property for public auction, and to conduct a public auction of the unit on the steps of the

county courthouse in accordance with State law and the Association's documents. The board may not foreclose a lien consisting solely of fines or securing money for which the Association has obtained a personal money judgment.

- 5-I. Foreclosure of Lien -- Judicially. The Association may file suit against the owner for judicial foreclosure of the Association's assessment lien. This action may be combined with a claim against the owner's personal liability, for recovery of a money judgment.
- 5-J. Suit for Owner's Personal Liability. Whether or not the Association forecloses the Association's assessment lien, the board may elect to file suit for a personal judgment against the defaulting owner, and to execute on the judgment.
- 5-K. Possession Following Foreclosure. If the Association purchases the unit at public auction, the board may immediately institute actions to recover possession.
- 5-L. Limited Right of Redemption. If the Association buys a residential unit at the nonjudicial foreclosure sale of its assessment lien, the Association's ownership is subject to a 90-day right of redemption by the owner. TUCA's statutory right of redemption does not apply to judicial foreclosures or foreclosures of judgment liens.
- 5-M. Collection Agency. The board may employ or assign the debt to one or more collection agencies.
- 5-N. Cancellation of Debt. If the board deems the debt to be uncollectible, the board may elect to cancel the debt on the books of the Association, in which case the Association may report the full amount of the forgiven indebtedness to the Internal Revenue Service as income to the defaulting owner.
- 5-O. Suspension of Voting Rights. The Association may suspend the voting rights of an owner whose account with the Association is delinquent for at least 30 days.
- 5-P. Suspension of Use of Certain Facilities or Services. The Association may suspend the use of common services or common elements by an owner, or his tenant, whose account with the Association is delinquent for at least 30 days.
- 5-Q. Utility Shut-Off. The Association may terminate utility service to the unit for which assessments used to pay the cost of that utility are delinquent, according to the Association's utility shut-off policy. TUCA §82.102(a)(14) + PUC Rules §23.50

SECTION 6. GENERAL PROVISIONS

- 6-A. Independent Judgment. Notwithstanding the contents of this detailed resolution, the officers, directors, manager, and attorney of the Association will exercise their independent, collective, and respective judgment in applying this resolution.
- 6-B. Other Rights. This resolution is in addition to and does not detract from the rights of the Association to collect assessments under the Association's Documents and the laws of the State of Texas.
- 6-C. Limitations of Interest. The Association, and its officers, directors, managers, and attorneys, intend to conform strictly to the applicable usury laws of the State of Texas. Notwithstanding anything to the contrary in the Documents or any other document or agreement executed or made in connection with this resolution, the Association will not in any event be entitled to receive or collect, as interest, a sum greater than the maximum amount permitted by applicable law. If from any circumstances whatsoever, the Association ever receives, collects, or applies as interest a sum in excess of the

maximum rate permitted by law, the excess amount will be applied to the reduction of unpaid special and regular assessments, or reimbursed to the owner if those assessments are paid in full.

- 6-D. Notices. Unless the Documents, State law, or this resolution provide otherwise, any notice or other written communication given to an owner pursuant to this resolution will be deemed delivered to the owner upon depositing same with the U.S. Postal Service, addressed to the owner at the most recent address shown on the Association's records, or on personal delivery to the owner. If the Association's records show that a unit is owned by 2 or more persons, notice to one co-owner is deemed notice to all co-owners. Similarly, notice to one occupant is deemed notice to all occupants. Written communications to the Association, pursuant to this resolution, will be deemed given on actual receipt by the Association's president, secretary, managing agent, or attorney.
- 6-E. Definitions. All words and phrases used in this resolution have the same meanings given to them by the Declaration.
- 6-F. Amendment of Policy. This policy will remain effective until 10 days after the Association delivers to an owner of each unit notice of amendment or revocation of this policy. The notice may be published and distributed in an Association newsletter or other community-wide publication.

SIGNED this 9th day of March 1999.

VILLAS AT PARKWAY VILLAGE, L.P., a Georgia limited partnership
By: Villas GP, LLC, a Georgia limited liability company, its general partner
By: Post Apartment Homes, L.P., a Georgia limited partnership, its sole member
By: Post GP Holdings, Inc., a Georgia corporation, its general partner

By: 

Thomas L. Wilkes, Executive Vice President, Post Apartment Management-West, a division of Post GP Holdings, Inc.

FINING POLICY

VILLAS CONDOMINIUM AT PARKWAY VILLAGE

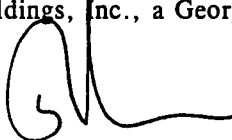
1. **Background.** This fining policy is based on the requirements of Sec. 82.102(d)+(e) of the Texas Uniform Condominium Act (TUCA), Chapter 82, Texas Property Code. To establish policies and procedures for fining under TUCA, the declarant adopts this policy for the benefit of Villas Condominium Association, Inc., as part of the initial project documentation.
2. **Policy.** The Association uses fines to discourage violations of the Documents, and to encourage compliance when a violation occurs - not to punish violators or generate revenue for the Association. Although a fine may be an effective and efficient remedy for certain types of violations or violators, it is only one of several methods available to the Association for enforcing the Documents. The Association's use of fines does not interfere with its exercise of other rights and remedies for the same violation. Nor may the Association use fines to the exclusion of other remedies.
3. **Owner's Liability.** An owner is liable for fines levied by the Association for violations of the Documents by the owner, the occupants of the unit, and the relatives, guests, employees, and agents of the owner and occupants. 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 occupant.
4. **Violation Notice.** Before levying a fine, the Association will give the owner a written violation notice and an opportunity to be heard. This requirement of State law may not be waived. The Association's written violation notice will contain the following items: (1) the date the violation notice is prepared or mailed; (2) a description of the violation; (3) a reference to the rule or provision that is being violated, (4) a description of the action required to cure the violation; (5) the amount of the fine; (6) a statement that not later than the 30th day after the date of the violation notice, the owner may request a hearing before the board to contest the fine; and (7) the date the fine attaches or begins accruing (the "**Start Date**"), subject to the following:
 - a. **New Violation.** If the owner was 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, if the violation is ongoing or continuous. If the violation is not ongoing, but is instead sporadic or periodic, the notice must state that any future violation of the same rule may result in the levy of a fine.
 - b. **Repeat Violation.** In the case of a repeat violation, the notice will state that, because the owner was given notice and a reasonable opportunity to cure a similar violation within the preceding 12 months, the fine attaches from the date of the violation notice.
5. **Violation Hearing.** An owner may request in writing a hearing by the board to contest the fine. To request a hearing before the board, an owner must submit a written request to the Association's manager within 30 days after the date of the violation notice. Within 15 days after receiving the owner's request for a hearing, the Association will give the owner at least 15 days' notice of the date, time, and place of the hearing. The hearing will be scheduled to provide a reasonable opportunity for both the board and the owner to attend. Pending the hearing, the Association may continue to exercise its other rights and remedies for the violation, as if the declared violation were valid. The owner's request for a hearing suspends only the levy of a fine. The hearing will be held in a closed or executive session of the board. At the hearing, the board will consider the facts and circumstances surrounding the violation. The owner may attend the hearing in person, or may be represented by another person or written communication. No audio or video recording of the hearing may be made. The minutes of the hearing must contain a statement of the results of the hearing and the fine, if any, imposed. A copy

of the violation notice and request for hearing should be placed in the minutes of the hearing. If the owner appears at the meeting, the notice requirements will be deemed satisfied.

6. Levy of Fine. Within 30 days after levying the fine, the board must give the owner notice of the levied fine. If the fine is levied at the hearing at which the owner is actually present, the notice requirement will be satisfied if the board announces its decision to the owner at the hearing. Otherwise, the notice must be in writing. In addition to the initial levy notice, the Association will give the owner periodic written notices of an accruing fine or the application of an owner's payments to reduce the fine. The periodic notices may be in the form of monthly statements or delinquency notices.
7. Amount. The Association may set fine amounts on a case by case basis, provided the fine is reasonable in light of the nature, frequency, and effects of the violation. The Association may establish a schedule of fines for certain types of violations. If circumstances warrant a variance from the schedule, the board will document the reasons for the variance in the minutes of its meeting. The amount and cumulative total of a fine must be reasonable in comparison to the violation, and should be uniform for similar violations of the same provision of the Documents. If the Association allows fines to accumulate, it will establish a maximum amount for a particular fine, at which point the total fine will be capped.
8. Type of Levy. If the violation is ongoing or continuous, the fine may be levied on a periodic basis (such as daily, monthly, or quarterly), beginning on the Start Date. If the violation is not ongoing, but is instead sporadic or periodic, the fine may be levied on a per occurrence basis.
9. Collection of Fines. The Association is not entitled to collect a fine from an owner to whom it has not given notice and an opportunity to be heard. The Association may not foreclose its assessment lien on a debt consisting solely of fines. The Association may not charge interest or late fees for unpaid fines.
10. Amendment of Policy. This policy may be revoked or amended from time to time by the board. This policy will remain effective until 10 days after the Association delivers to an owner of each unit notice of amendment or revocation of this policy. The notice may be published and distributed in an Association newsletter or other community-wide publication.

SIGNED this 9th day of March 1999.

VILLAS AT PARKWAY VILLAGE, L.P., a Georgia limited partnership
By: Villas GP, LLC, a Georgia limited liability company, its general partner
By: Post Apartment Homes, L.P., a Georgia limited partnership, its sole member
By: Post GP Holdings, Inc., a Georgia corporation, its general partner

By: 
Thomas L. Wilkes, Executive Vice President, Post Apartment
Management-West, a division of Post GP Holdings, Inc.

UTILITY SHUT-OFF POLICY VILLAS CONDOMINIUM AT PARKWAY VILLAGE

NOTE: This policy pertains only to condominium assessments and does not relate to the assessments and fees collected by the Master Association of Parkway Village.

I. RECITALS

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

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

C. Section 82.102(a)(14) of TUCA authorizes the Association, acting through its board, to adopt and amend rules regulating the termination of Unit Utilities to a unit, the owner of which is delinquent in the payment of Utility-Related Assessments. Section 7.5 of the Declaration authorizes the Association, acting through its board, to terminate master-metered utilities if an owner's account has been delinquent for at least 30 days.

D. Declarant adopts this policy for the benefit of Villas Condominium Association, Inc., as part of the initial project documentation.

II. RESOLUTION

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

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

SIGNED this 9th day of March 1999.

VILLAS AT PARKWAY VILLAGE, L.P., a Georgia limited partnership

By: Villas GP, LLC, a Georgia limited liability company, its general partner

By: Post Apartment Homes, L.P., a Georgia limited partnership, its sole member

By: Post GP Holdings, Inc., a Georgia corporation, its general partner

By: 

Thomas L. Wilkes, Executive Vice President, Post Apartment Management-West, a division of Post GP Holdings, Inc.

COMMUNITY

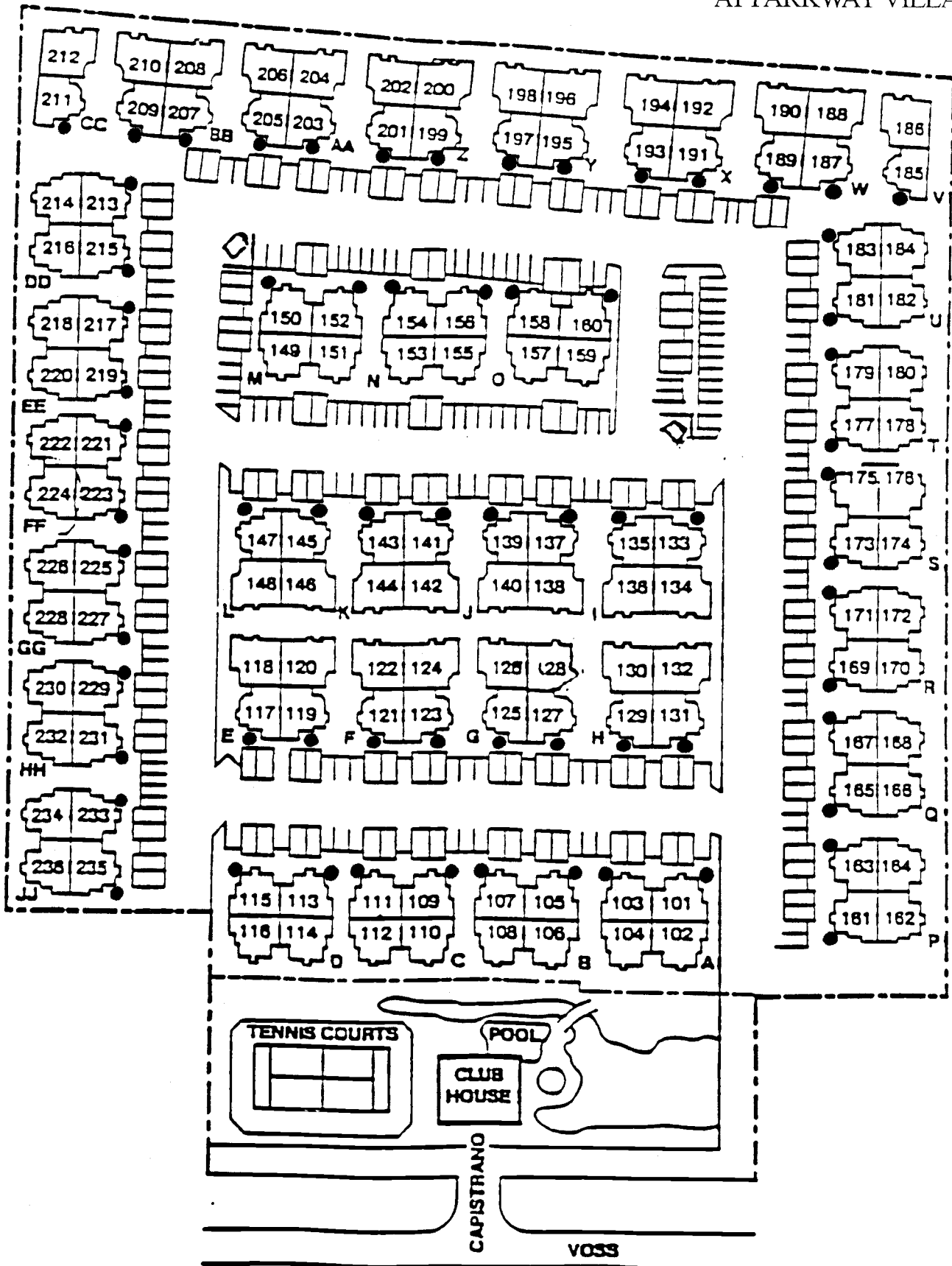
MAP

INDIVIDUAL UNIT WATER SHUTOFFS

Each ground box has two shutoff valves – One controls the front unit and one controls the rear unit.

VILLAS

CONDOMINIUM
AT PARKWAY VILLAGE



DECLARANT'S CONVERSION STATEMENT

VILLAS CONDOMINIUM AT PARKWAY VILLAGE

Dated January 1, 1999, reissued March 4, 1999

Pursuant to Section 82.154 of the Texas Property Code, the Texas Uniform Condominium Act, Declarant makes the following disclosures regarding the conversion buildings of Villas Condominium at Parkway Village.

A. REPORTS. In preparing this Conversion Statement, Declarant relies, in part, on the following reports, all of which are available for inspection in the sales office:

1. Property Review Report, dated December 11, 1998, prepared by Building Sciences, Inc., of Dallas, Texas.
2. Acoustical Ratings of the Party Wall Assemblies, dated November 3, 1998, prepared by D. P. Ayyappan of dP(A) Acoustics of Dallas, Texas.
3. Phase I Environmental Site Assessment, dated November 11, 1998, prepared by Jamie A. Glynn and Mary McKinney of ENSR Corporation of Dallas, Texas.

B. STATEMENT OF CURRENT CONDITION.

1. Conversion Buildings. The project is in Dallas, Texas, and is approximately 13 years old. The entire development consists of 35 two-story buildings with 136 townhouse-style units, and 68 one-story garage buildings, each with 2 single-car garages.
2. Structural Components. The 35 residential buildings have wood-frame construction with post-tension concrete slab foundations and clay tile roofs.
3. Exterior Materials. The exterior walls of the 35 residential buildings consist primarily of stucco, with brick accents. Typical roofs are clay tile with 4-1/2:12 inch slopes. Soffits are painted plywood. Windows have aluminum frames, and are primarily single glazed. There are some double-glazed windows in the first phase of construction. Front doors of townhomes are 6-panel insulated metal clad in wood frames.
4. Engineer's Findings. Between November 16 and December 7, 1998, Building Sciences, Inc. (BSI), of Dallas, Texas, visited the property, made a visual inspection of the building exteriors throughout the development, and inspected the interiors of 16 units. Based on that inspection, the report of BSI includes the following findings:
 - a. BSI did not observe any major structural faults or deficiencies.
 - b. BSI did not observe any evidence of roof leaks.
 - c. BSI did not observe any evidence of foundation movement.
 - d. The exteriors of the buildings were in good condition.
 - e. The roofs were in good condition.
 - f. The condition of unit interiors was generally good.

- g. The mechanical, electrical, and plumbing systems that were observed were operating properly and were found to be in generally good condition.
5. Mechanical and Electrical Installations Material to the Use and Enjoyment of the Building. Each unit features the following mechanical and electrical installations:
- a. Individual electric water heater -- most are 52 gallons
 - b. Individual electric air furnace
 - c. Individual electric air conditioning equipment
 - d. Electric range and oven
 - e. Dishwasher and disposal
 - f. Automatic garage door opener
 - g. Unit pre-wired for telephone and television cable
 - h. GFC outlets at kitchen and bathroom counters
 - i. Copper electrical wiring from the unit's breaker panel to devices and outlets
 - j. Aluminum wiring from the utility meter to the unit's breaker panel
6. Declarant's Exterior Renovation Program. During 1998, Declarant performed limited renovation of the development. Declarant's exterior renovation program included the following activities and improvements:
- a. The roofs on all buildings were inspected and repaired as needed.
 - b. A new paint color scheme for the property was selected.
 - c. All painted surfaces on building exteriors were repainted.
 - d. Exterior wood was inspected and repaired as needed.
 - e. Garage doors were inspected and repaired as needed.
 - f. Fencing was inspected and repaired or replaced as needed.
 - g. Exterior lighting was inspected and repaired or replaced, as needed.
 - h. Landscaping was inspected and was improved in some areas.
 - i. Chimney Flues were cleaned.
 - j. Surface concrete was inspected and was replaced in some areas.
 - k. Installed new unit number signs on garages.
 - l. Refinished brass unit number signs on buildings.
 - m. The few guttered areas were inspected and repaired as needed.
7. Declarant's Interior Renovation Program. As each unit is vacated, Declarant is inspecting the unit and all the appliances and fixtures. Repairs will be made as necessary. The unit will be professionally cleaned before it is offered to the public. The following existing appliances are being inspected, cleaned, serviced, and found to be operating within the manufacturer's specifications or otherwise repaired or replaced:
- a. Air conditioning and heating equipment
 - b. Water heater
 - c. Kitchen disposal
 - d. Dishwasher
 - e. Kitchen range and oven
 - f. Automatic garage door opener

C. **GARAGES.** The 68 one-story garage buildings have wood-frame construction with post-tension concrete slab foundations and clay tile roofs. The exterior walls of the garages are painted stucco. The garage doors are metal clad. Each garage also has a side door.

D. **STATEMENT OF USEFUL LIFE.** Declarant makes no representations regarding the useful life of each item mentioned in the preceding Statement of Current Condition.

E. **STATEMENT OF NO VIOLATIONS.** As of the date of this statement, Declarant has not received any notice of a violation of building code or other governmental regulation which has not been cured.

DATED March 4, 1999.

VILLAS AT PARKWAY VILLAGE, L.P., a Georgia limited partnership

By: Villas GP, LLC, a Georgia limited liability company, its general partner

By: Post Apartment Homes, L.P., a Georgia limited partnership, its sole member

By: Post GP Holdings, Inc., a Georgia corporation, its general partner

By: Pat Watkins
Pat Watkins, Authorized Representative of Post GP Holdings, Inc.