

STATE OF TEXAS §

COUNTY OF TRAVIS §

**RULES AND REGULATIONS
WATERSTREET LOFTS COMMUNITY, INC.**

(regarding Leasing)

Document reference. Reference is hereby made to that certain Declaration of Condominium Regime for Waterstreet Lofts filed as Document No. 2007055913 in the Official Public Records of Travis County, Texas and that one certain First Amendment to Declaration of Condominium Regime for Waterstreet Lofts filed as Document No. 2009110434 in the Official Public Records of Travis County, Texas (together with all corrections, amendments and supplements thereto, the “**Declaration**”).

WHEREAS the Declaration provides that owners of units subject to the Declaration are automatically made members of the Waterstreet Lofts Community, Inc. (the “**Association**”);

WHEREAS the Association, acting through its board of directors (the “**Board**”) and is authorized to adopt and amend rules and regulations governing the administration of the Declaration and the operations of the Association and the leasing and occupancy of the property, pursuant to Section 82.102 of the Texas Uniform Condominium Act, Section 10.3 of the Declaration, and Section 5.1 of the Association’s Bylaws; and

WHEREAS the Board has voted to adopt the rental rule attached as Exhibit “A”;

THEREFORE the rules attached as Exhibit “A”, have been and by these presents are, ADOPTED and APPROVED.

WATERSTREET LOFTS COMMUNITY, INC.

Acting by and through its Board of Directors

Signature: _____

Printed Name: _____

Title: President

Exhibit “A”: Short-Term Rental Rule

Acknowledgement

STATE OF TEXAS §

COUNTY OF TRAVIS §

This instrument was executed before me on the _____ day of _____, 2019, by _____ in the capacity stated above.

Notary Public, State of Texas

EXHIBIT “A”
SHORT-TERM RENTAL RULE

1. Rental Restrictions

- 1.1 Declaration §10.21 places certain restrictions on leasing of Units, including prohibiting leasing (a) for transient or hotel purposes, (b) for a period less than 180 days, and (c) less than all of a Unit (collectively, the “Rental Restrictions”).
- 1.2 The Board has determined that it will, to the extent expressly authorized herein, automatically grant a variance to the 180-day minimum lease term requirement during the following special events only that occur in Austin, Texas: **Austin City Limits, South by Southwest, Formula 1** (individually, a “**Special Event**”, and collectively, the “Events”), provided that the Unit Owner complies with all other requirements of the Declaration and this Rule and has obtained a license for short term rental of the Unit from the City of Austin.

*****Provided that all conditions of this rule are satisfied and leasing permission has not been revoked, no prior permission is needed to lease for a Special Event Period.**

- 1.3 **Except for the dates of each Special Event (including the 7-day period preceding and following the official dates of each Special Event), the Rental Restrictions will remain in full force and effect.**
- 1.4 **The Board may, by resolution, adopt a limit on the number of Units that may be rented for any Special Event, with available openings being allowed on a first-come, first-served basis. Any owner permitted to rent a Unit for a Special Event will be placed at the bottom of the list for the next Special Event.**

2. Lease and Owner Requirements

- 2.1 All leases and rental agreements, including leases during a Special Event as defined above, must:
- 2.1.1 be in writing; AND
 - 2.1.2 contain the names of all tenants and occupants; AND
 - 2.1.3 expressly provide that all tenants/occupants are subject to the Declaration and rules of the Association; AND
 - 2.1.4 provide by their terms that all lessees are subject to and must comply with all provisions of the deed restriction of the HOA, federal and state laws, and local ordinances¹ AND
 - 2.1.5 when the lease is for Special Event, a copy of the lease must be provided to the Association’s managing agent at least 10 business days prior to the start of the lease term, along with a phone number that will be answered with a live person (not a recording) on a 24-hour basis during the term of the lease by the owner or authorized representative of the owner with legal standing to take action under the lease for violations.

¹ See First Amendment to Declaration of Condominium, Section 10.21.1

- 2.2 Upon request, the Unit Owner must provide the Association with (a) a copy of the Lease and identification of, and contact information for, the tenant(s) who entered into the Lease [Special Event lease copies must be provided per 2.1.5 above without request; other leases must be provided upon request], and (b) a telephone number that will be answered with a live person (not a recording) on a 24 hour basis during the term of each Lease if there are complaints of violations or disturbances by a tenant or occupant of the Unit. [Special Event lease copies must be provided per 2.1.5 above without request; other leases must be provided upon request]
- 2.3 In order to be eligible to enter into a Lease, a Unit Owner must be in “good standing”, which means being current on payment of assessments to the Association, and having no outstanding/unresolved violations or unpaid fines or damage charges relating to a Lease of the Unit or conduct of tenants or occupants of the Unit. **If an Owner is not in good standing, the Owner is not eligible to rent the Unit pursuant to the terms of this Rule.**
- 2.4 The Association may impose a fee of \$100 per Special Event to cover administrative costs in connection with implementation of this Rule.

3. Occupant Requirements

- 3.1 Each tenant/occupant under a Lease is subject to and must comply with all provisions of the Declaration, this Rule, federal and State laws, and local ordinances, including the City of Austin’s Short Term Rental guidelines in effect at the time of the lease.
- 3.2 Without limiting the generality of the foregoing section 3.1, each tenant/occupant under a Lease must comply with all Declaration provisions regarding conduct by occupants of Units, including those in Declaration Article 10 relating to hazardous activities, noise, animals, unsightly articles, smoking in common areas, and parking only in the space assigned to the Unit (and not in spaces reserved for visitors/guests). **For this reason, the Owner is encouraged to provide each occupant/tenant under a Lease with a copy of these provisions of the Declaration, or an accurate summary of the same.**

4. Violations and Enforcement

- 4.1 An Owner is strictly liable and responsible for all violations committed, and damages caused, by the owner and by a tenant/occupant or guest under a Lease, regardless of whether the Owner was negligent or at fault. The Owner is responsible for paying all fines and damage charges imposed under this Rule, regardless of whether the violation was committed by the Owner or the tenant/occupant under the Lease.
- 4.2 The Board may revoke an Owner’s privilege to enter into a Lease if the Owner or tenant fails to comply with any provision of this Rule.
- 4.3 All enforcement costs, including attorney’s fees, incurred by the Association due to violations of an owner or tenant/occupant under a Lease will be assessed to the Owner’s account.
- 4.4 The minimum fine for entering into a Lease when not eligible to do so (for example: during a period other than an Event, or when Leasing privileges have been

revoked/suspended pursuant to section 2.3 above) shall be \$500 per day of the Lease term.

- 4.5 The minimum fine for conduct by a tenant or occupant under a Lease that violates any of the provisions of Declaration Article 10 shall be \$250/day.
- 4.6 The fine amount may be increased on a case-by-case basis, provided the Owner is given advance notice of the amount of the fine.
- 4.7 Charges for repairing damage to Common Elements shall be the amount the Association incurred, including soft or administrative costs incident to repairing the damage.
- 4.8 The Association's managing agent shall have the authority and, absent board resolution otherwise on a case-by-case basis, is directed to impose fines for damage charges authorized by these rules and to provide any notice required incident to imposition of such charges.

After recording, please return to:

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

File Server:CLIENTS:Waterstreet Lofts:ShortTermRentalRule 10-19.doc