

**REVISED BYLAWS
OF
CAPISTRANO VILLAS EAST
HOMEOWNERS' ASSOCIATION
doing business as
PARK PLACE TOWNHOMES**

**ARTICLE I
Offices**

Section 1. The name of the corporation is Capistrano Villas East Homeowners Association, d/b/a Park Place Townhomes, hereinafter referred to as the "Association."

Section 2. The principal business office of the corporation shall be located at 779 Coolwood, Houston, Texas 77013, but meetings of the members and directors may be held at such places within the State of Texas, County of Harris, as may be designated by the Board of Directors.

**ARTICLE II
Definitions**

Section 1. "Association" shall mean and refer to Capistrano Villas East Homeowners Association, d/b/a Park Place Townhomes, its successors and assigns.

Section 2. "Declaration" shall mean and refer to that certain Declaration of Covenants, Conditions and Restrictions dated May 7, 1976 (together with all amendments thereto), naming therein as "Declarant" Robert G. Dallman, of San Diego County, California, not individually, but as Trustee under the Trust Agreement (the "MBL Trust") dated as of May 1, 1975, with Union Bank as Agent for certain therein described banks, the Declaration being filed under Clerk's File No. E756789 and recorded at Film Code Reference No. 140-12-2383, Official Public Records of Harris County, Texas.

Section 3. "Subject Property" shall mean and refer to that certain tract or parcel of land containing 7.6053 acres, more or less, being Block 1 of CAPISTRANO VILLAS, a subdivision of record in Harris County, Texas, according to the map thereof recorded at Volume 189, Page 125, of the Map Records of Harris County, Texas, (and such additions thereto as may hereafter be brought within the jurisdiction of the Association).

Section 4. "Common Area" shall mean all real property within the Subject Property owned by the Association for the common use and enjoyment of the Owners.

Section 5. "Lot" or "Parcel" shall mean and refer to any of the building sites (which excepts the Common Area) which is a part of the Subject Property and on which there is, or will be constructed, a single-family living unit which is to be individually and separately owned.

Section 6. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of an interest in the fee simple title to any Lot which is a part of the Subject Property, including sellers pursuant to contract-for-deed and any person or entity holding legal title as trustee, but excluding those having such interest merely as a security for the performance of an obligation.

Section 7. "Declarant" shall mean and refer to Robert G. Dallman of San Diego County, California, not individually, but as Trustee under the Trust Agreement (the "MBL Trust") dated as of May 1, 1975, with Union Bank as agent for certain therein described banks, and to his successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

Section 8. The term "member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

Section 9. The term "Articles of Incorporation" shall refer to the Articles of Incorporation of the Association, together with all amendments thereto, and the term "Bylaws" shall refer to these Bylaws, together with all amendments thereto.

ARTICLE III **Meeting Of Members**

Section 1. Annual Meetings. The first annual meeting of the members shall be held within one year from the date of incorporation of the Association and at a time and place designated by the President or the Board of Directors, and each subsequent regular annual meeting of the members shall be held during the same month of each year thereafter.

Section 2. Special Meetings and Place of Meetings. Special meetings of the members may be called at any time by the President or the Board of Directors, and shall be called by the President upon written request of the members who are entitled to vote at least one-fourth (1/4) of all of the votes of the Class A membership. The President shall designate the place of meeting for any special meeting called by the President, and the Board of Directors shall designate the place of meeting for any special meeting called by the Board of Directors.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the Secretary or persons authorized to call the meeting, by mailing a copy of such notice, postage prepaid, not less than ten (10) days nor more than fifty (50) days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose or purposes of the meeting.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, at least one-tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at

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any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without further notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented. At such adjourned meeting at which a quorum shall be present or represented any business may be transacted which might have been transacted at the meeting as originally notified. If a quorum is present at any meeting of members, unless otherwise expressly provided by statute, the Articles of Incorporation, the Declaration or these Bylaws, all questions voted upon shall be decided by a simple majority of the votes cast, including adjournment of the meeting from time to time without further notice.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member giving the proxy of his Lot.

ARTICLE IV **Board of Directors**

Section 1. Number and Term. As of the effective date of these revised Bylaws, the affairs of this Association shall be managed by a Board to consist of three (3) Directors, each of whom shall serve for an initial term of two (2) years and/or until successor(s) are duly elected and qualified, as provided for in the Articles of Incorporation. At the first annual meeting subsequent to the date of these revised Bylaws, the Board shall be increased to five (5) Directors. The two (2) additional Directors shall be elected by the members as provided for in the succeeding Articles for a term of two (2) years and/or until their successor(s) are duly elected and qualified. The number and term of Directors may be changed from time to time by amendment to these Bylaws by a vote of two-thirds (2/3) of the members.

Section 2. Removal. Any Director may be removed from the Board, with or without cause, by a majority vote of the members of the Association.

Section 3. Vacancies. Any vacancy occurring in the Board of Directors, including the initial Board of Directors, shall be filled for the unexpired term by majority vote of the remaining Directors, or Director, although they may be less than a quorum.

Section 4. Quorum. At all meeting of Directors, the presence of a majority of the Directors shall constitute a quorum, and unless otherwise provided for or required by statute or in these Bylaws, all questions at any meeting at which a quorum is present, shall be determined by a majority of the votes cast. If less than a quorum is present at any meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

Section 5. Regular Meetings. A regular annual meeting of the Board of Directors shall be held without notice, other than the notice hereby given, immediately after and at the same place as the annual meeting of the members. The Board of Directors may provide by resolution the time and place of the holding of additional regular meetings of the Board without other notice than such resolution.

556-51-0917

556-51-0918

Section 6. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or by or at the request of one-third (1/3) of the Directors then in office. The person or persons authorized to call such special meeting of the Board may fix the date, time and place for such meetings. Written notices of special meetings shall be given at least five (5) days prior to the date of meeting by personal delivery or by mail or telegram addressed to the address of each Director as last shown by the records of the Association. If mailed, such notice shall be deemed delivered as of the date when deposited in the U.S. Mail, postage prepaid. Each notice shall briefly set out the purpose of the meeting, and the time, date and place of the meeting. The attendance of a Director at any special meeting shall constitute a waiver of notice of such meeting.

Section 7. Compensation. Directors of such shall not receive nor be entitled to any pay or compensation for their services as Directors, but nothing herein shall be construed to preclude or prevent any Director from being reimbursed for out-of-pocket expenses incurred for the performance of his duties or from serving the Association in any other capacity and receiving compensation therefore.

Section 8. Written Consent. Any action required by law or in these Bylaws to be taken at a meeting of the Board of Directors, or any action which may or could be taken at a meeting of the Directors, regular or special, may be taken without a meeting if the consent in writing, setting for the action so taken shall be signed by all of the Directors and recorded in the records of the Board, whereupon the same shall have the same effect as though taken at a meeting of the Directors.

ARTICLE V

Nomination and Election of Directors

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a nominating committee. Nominations may also be made from the floor at any annual meeting at which Directors are to be elected. The nominating committee shall consist of a chairman, who shall be a member of the Board of Directors, and two or more members of the Association who may, but need not be, members of the Board of Directors. The nominating committee shall be appointed by the Board of Directors prior to each annual meeting of the members at which Directors are to be elected, to serve from the close of such annual meeting until the close of the next annual meeting. The nominating committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of Directors to be elected. Such nominations may be made from among members or non-members of the Association.

ARTICLE VI

Powers and Duties of the Board of Directors

Section 1. Powers. The Board of Directors shall have power to:

- 556-51-0919
- a. Adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and establish penalties for the infraction thereof;
 - b. Suspend the voting rights and right to use of the common facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations;
 - c. Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration;
 - d. Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and
 - e. Employ a manager or managers, an independent contractor or contractors, or such other employees as they deem necessary, and to prescribe their duties.
 - f. Do such other things and perform such other acts as the Board may lawfully do under the provisions of the Texas Non-Profit Corporation Act and amendments thereto.

Section 2. Duties. It shall be the duty of the Board of Directors to:

- a. Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members; or at any special meeting when such statement is requested in writing by such of the Class A Members who are entitled to vote at least one-fourth (1/4) of the votes of the Class A members;
- b. Supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
- c. As more fully provided in the Declaration, to:
 - 1) Fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;
 - 2) Send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

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- 3) Foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action by law against the Owner personally obligated to pay the same.
 - d. Issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
 - e. Procure and maintain general public liability insurance and property damage and fire and extended coverage insurance covering property owned by the Association and in amounts and with insurance deemed appropriate by the Board.
 - f. Procure and maintain flood insurance covering property owned by the Association and in amounts and with insurance deemed appropriate by the Board.
 - g. Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
 - h. Cause the Common Area to be maintained, including effecting repairs, replacements and additions thereto.
 - i. Cause the exterior of the dwellings on the Lots to be maintained; and
 - j. Cause the payment of all ad valorem and other property taxes levied on the Common Area.
 - k. In general, to perform and discharge all duties of the Board of Directors as may be set out in the Declaration, these Bylaws or the Texas Non-Profit Corporation Act, as amended from time to time.

ARTICLE VII

Officers and their Duties

Section 1. Enumeration of Officers. The officers of this Association shall be a President and Vice President, who shall at all times be members of the Board of Directors; a Secretary and Treasurer, and such other officers as the Board may from time to time by resolution create, who need not be members of the Board of Directors. The office of Secretary and Treasurer may be held by the same person at the same time.

Section 2. Election of Officers. The election of officers shall take place at the first organizational meeting of the Board of Directors and thereafter at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board if it believes the best interests of the Association may be served thereby. Any officer may resign at any time giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person; otherwise, no person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties.

- a. President. The President shall preside at all meeting of the members and of the Board of Directors at which he shall be present; he shall have general charge and supervision of the business of the Association; he may sign and execute in the name of the Association, all authorized deeds, leases, mortgages, bonds, contracts or other instruments, except in cases in which the signing and execution thereof shall have been expressly delegated to some other officer or agent of the Association; and in general he shall perform all duties incident to the office of a President of a corporation, and such other duties as from time to time may be assigned to him by the Board of Directors.
- b. Vice President. The Vice President, at the request of the President or in his absence or during his inability to act, shall perform the duties and exercise the functions of the President and when so acting shall have the powers of the President. The Vice President shall have such other powers and perform such other duties as may be assigned to him by the Board of Directors or the President.
- c. Secretary. The Secretary shall keep the minutes of the meeting of the members and of the Board of Directors in books provided for that purpose; he shall keep appropriate current records showing the members of the Association and their addresses; he shall see that all notices are duly given in accordance with the provisions of the Bylaws or as required by law; he shall be custodian of the

556-51-0921

records of the Association; he shall attest and affix the corporate seal to all instruments executed by the Association which are required by law to be attested to by the Secretary and sealed with the corporate seal; and in general he shall perform all duties incident to the office of a secretary of a corporation, and such other duties as from time to time may be assigned him by the Board of Directors or the President.

- d. Treasurer. The Treasurer shall have charge of and be responsible for all funds, securities, receipts and disbursements of the Association, and shall deposit or cause to be deposited in the name of the Association all monies or other valuable effects in such banks, trust companies or other depositories as shall, from time to time be selected by resolution of the Board of Directors; he shall prepare an annual budget and statement of income and expenditures to be presented to the membership at the annual meetings and shall deliver a copy thereof to each of the members; and in general he shall perform all of the duties incident to the office of a Treasurer of a corporation, and such other duties as may be assigned to him by the Board of Directors or the President.

ARTICLE VIII **Books and Records**

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any member at the principal office of the Association where copies may be purchased at reasonable cost.

ARTICLE IX **Corporate Seal**

The Association may adopt and have a corporate seal which shall be in such form and with such wording as the Board of Directors may determine.

ARTICLE X **Committees**

The Association shall appoint an Architectural Control Committee to perform the functions set forth in Article IX of the Declaration and such other duties as may be delegated to it by the Board Consistent with the purposes set forth in the Declaration, and a nominating committee, as provided in these Bylaws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purposes.

ARTICLE XI **Assessments**

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the

556-51-0922

property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency until paid at the rate of ten (10%) percent per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and a reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

ARTICLE XII
Indemnification of Officers and Directors

The Association may agree to indemnify any and all Directors or officers or former Directors or officers of the Association for expenses and costs (including attorneys' fees) actually and necessary incurred by any such officer or Director in connection with any claim asserted against him, by action in Court or otherwise, by reason of his being or having been such Director or officer, except in relation to matters as to which he shall have been guilty of negligence or misconduct in respect of the matter in which indemnity is sought.


ARTICLE XIII
Amendments

Section 1. These Bylaws may be amended, at a regular or special meeting of the members, by a majority vote of a quorum of members present in person or by proxy, except that the Federal Housing Administration shall have the right to veto amendments while there is Class B Membership. The members may delegate to the Board of Directors the power to alter, amend or repeal the Bylaws or to adopt new Bylaws.

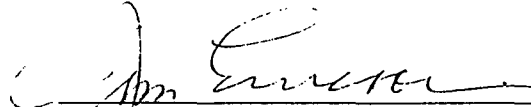
Section 2. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE XIX
Adoption of Restated Bylaws

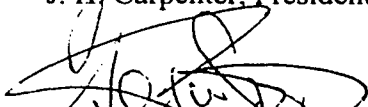
The foregoing restated Bylaws were adopted by the Board of Directors on August 21, 2000.



J. H. Carpenter, President



Jim Emerson, Vice President



Sky Pulford, Secretary and Treasurer

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CAPISTRANO VILLAS EAST
d/b/a
PARK PLACE TOWNHOMES

HOMEOWNERS ASSOCIATION

RULES AND REGULATIONS

All Rules and/or Regulations are subject to the provision of the Capistrano Villas East d/b/a Park Place Townhomes Homeowners Association Declaration and By-Laws.

1. All owners/occupants shall promptly and completely comply with each of the rules and regulations herein contained or hereafter properly adopted for the utilization of the general common elements in order that all owners/occupants and their guests shall achieve maximum utilization of such facilities consonant with the rights of each of the other owners/occupants thereto. **(Violation Assessment \$15.00-\$50.00)**

2. Any common sidewalks, driveways, entrances, halls and passageways shall not be obstructed or used by any unit owner/occupant for any other purpose that ingress to and egress from the units. No loitering at any time, on the common areas, will be permitted. No trucks, cars or any motor vehicle is permitted on the sidewalks or on any landscaped areas of the Association. Moving trucks must remain on the public streets. No trucks over ½ ton P/U size are permitted in the Association private driveway areas. **(Violation Assessment \$50.00)** NOTE: It is illegal to park large trucks on public streets.

3. A unit owner/occupant may place on patios appropriate casual furniture normally utilized on patios together with plants and flowers: provided, however, the Board may direct the removal of any item which, at its discretion, detracts from the general appearance of the project. The patio of a unit shall not be used for the drying of laundry or the airing of bedding: nor enclosure of same unless approved, in writing, by the Board: nor permit any cooking to be done on said patio without first accepting full financial responsibility for any damage to any unit or common element. Any planting or gardening done in the common areas must be done with Board approval and becomes a permanent part of the common landscaping and the property of the Association. **(Violation Assessment \$15.00)**

4. No clotheslines or similar devices shall be allowed on any portion of the property by any person, firm or corporation unless beneath the visual fence line; no rugs, etc. may be dusted from the windows or patios of the units and not in or on any other portion of the property. **(Violation Assessment \$15.00)**

5. Disposition of garbage and trash shall be only by use of common trash facilities and must be in a plastic bag with the top tied. No waste shall be committed in or on the common elements. **(Violation Assessment \$15.00)**

6. Each unit owner shall keep and maintain the interior of his unit in good condition and repair, including all appliances: the entire air conditioning system

556-51-0924

(including compressors, ducts and vents) serving the unit (whether the same is inside or outside the unit) and all electrical systems, water lines, branch and individual sewer lines and other fixtures located within and/or servicing the unit. **(Violation Assessment \$25.00)**

7. Nothing shall be done or kept in any unit or in the Common Elements which will increase the rate of insurance for the property without prior written consent of the Board. No unit owner shall permit anything to be done or kept in his unit or in or on the Common Elements which will result in the cancellation of insurance on any unit, or any part of the Common Elements, or which will be in violation of any law. **(Violation Assessment \$50.00)**

8. A townhome owner/occupant shall be liable for the expense of any maintenance, repair and/or replacement made necessary by their negligent act or by that of any member of their family or their guests, employees, agents or leases, but only to the extent such expense is not met by the proceeds of insurance carrier by the Association. Such liability shall include any increase in fire insurance rates caused by misuse or abandonment of a townhome unit or its appurtenances. **(Violation Assessment \$25.00)**

9. Maintenance repairs and/or replacements that involve turning off any System which supplies more than one unit (plumbing, electrical, etc.) will require prior permission from the Managing Agent or the Board of Directors. **(Violation Assessment \$25.00)**

10. No owner/occupant shall install wiring for electrical or telephone installation or for any other purpose, nor shall any television or radio antennae, machines, or air conditioning units be installed on the exterior of the project or be installed in such a manner that they protrude through the walls or the roof of the townhome improvements except as may be expressly authorized by the Association. Owners/Occupants are allowed to install 24 inch maximum TV Satellite Dish. **(Violation Assessment \$35.00 plus damages)**

11. The Common Areas are intended for use for the purpose of affording vehicular and pedestrian movements within the townhome and for providing access to the units; and all thereof for the beautification of the townhome and for providing privacy for the residents thereof through landscaping and such other means as shall be deemed appropriate. No part of the Common Area shall be obstructed so as to interfere with its use for the purposes hereinabove recited, nor shall any part of the Common Area (Common Elements) be used for general storage purposed, except maintenance storage room, without prior consent of the Board of Directors, nor shall anything be done thereon in any manner which shall increase the rate for hazard and liability insurance. **(Violation Assessment \$25.00)**

12. No sign of any kind shall be displayed to the public view on or from any unit or the Common Elements without the prior written consent of the Board of

556-51-0925

Directors of the written consent of the Managing Agent acting in accord with the Board's direction. **(Violation Assessment \$25.00)**

13. No owner/occupant shall permit any noise or music if same may tend to disturb or annoy other occupants of the Buildings. This includes the use of noisy or smoky vehicles, large power equipment or large power tools, unlicensed off-road motor vehicles or other items which may unreasonably interfere with television or radio reception of any unit. **(Violation Assessment \$35.00)**

14. No vehicle belonging to or under the control of a unit owner/occupant or member of the family or a guest or employee of unit owner/occupant shall be parked in such manner as to impeded or prevent ready access to any entrance or exit from a building. **VEHICLES SHALL BE PARKED WITHIN DESIGNATED AND/OR ASSIGNED PARKING AREAS AND MUST DISPLAY AN ASSOCIATION VEHICLE TAG. VIOLATION OF SUCH BY ANY OF THE ABOVE OR OTHER PERSON/VEHICLES SHALL SUBJECT THE VEHICLE IN VIOLATION TO IMMEDIATE TOWING WITHOUT PRIOR NOTICE.** Derelict vehicles or inoperable vehicles stored in a parking space will be towed away after the expiration of seventy-two (72) hours on the property. Derelict vehicles are defined as those having any of the following deficiencies:

- a. expired license plate
- b. expired inspection sticker
- c. flat tires
- d. otherwise in such a condition as to prevent its lawful driving on public roads

THE OWNER OF THE VEHICLE IS REQUIRED TO PAY ALL TOWING/STORAGE FEES.

15. The Association and Board prohibits anyone from performing any major work or repairs to vehicles. Minor tune-ups and oil changes may be done on the property provided the areas involved are cleaned when finished. Without limiting any other rule-making authority it may have under the Declaration, the Board is specifically authorized, in its discretion, to lease, assign and to reassign parking spaces that are not limited common elements to particular family groups. **(Violation Assessment \$25.00)** The first driveway is one way only with the entrance being the first gate and exit located at the second gate along Coolwood. The THIRD gate is for owners located in Phase 4 only and is an Entrance and Exit. Parking spaces are assigned.

16. Subject to the limitation below and Board approval, unit owners/occupants may not maintain more than a reasonable number, but never more than three pets per unit. **(Violation Assessment \$25.00)**

- a. Except when within its' owner's/occupant's units, all pets must be under the control of its owner at all times. Pets are not permitted to roam the property unattended.

556-51-0926

- b. No pet may be chained or leashed.
- c. Unit owners/occupants are responsible for any property damage, injury, odor, disturbances, etc. caused by their pets or their guest's pets.
- d. Unit owners/occupants shall not permit any animal to disturb neighbors rest or peaceful enjoyment of their units or the Common Area.
- e. No pet may be kept in any unit if such animal is determined by the Board to be a nuisance to any of the other residents.
- f. All cats and dogs must have required City of Houston tags with collar.

17. Nothing shall be stored in or upon the Common Elements without prior written consent of the Board except within individual storage areas or otherwise expressly provided for in the Declaration, By-Laws or Rules and Regulations. The Association assumes no liability for nor shall it be liable for any loss or damage to articles stored in the storage areas. **(Violation Assessment \$25.00 plus removal costs)**

18. No noxious or offensive activity shall be carried on in any unit or on or in the Common Elements nor shall anything be done therein which may be or become an annoyance or nuisance to other unit owners/occupants. **(Violation Assessment \$35.00)**

19. Except as expressly provided for in the Declaration, By-Laws or Rules and Regulations, nothing shall be altered or constructed in or removed from the Common Elements, except upon written consent of the Board. **(Violation Assessment \$25.00 plus correction)**

20. No structure of a temporary character, trailer, antenna, tent, shack, garage, barn or other outbuildings shall be permitted on the property at any time. Temporarily or permanently, except with prior written consent of the Board; provided, however, Morgan Buildings will be allowed within an owner's private fence line and to be no higher than 8 feet. Temporary structures may be erected for use in connection with the repair or rebuilding of the Buildings or any portion thereof. Additionally, no boats, trailers, mobile homes or large trucks are permitted on the property. **(Violation Assessment \$50.00)**

21. Motorcycles, motorbikes, motor scooters or similar vehicles shall not be operated within the property except for the purpose of transportation to or from a parking space from or to a public street, it being intended that said vehicles shall not be operated within the property so as to annoy or disturb persons or endanger persons or property. **(Violation Assessment \$25.00)**

22. Neither the Board nor the Association shall take or permit to be taken any action that unlawfully discriminate against one or more unit owners/occupants. **(Violation Assessment \$25.00)**

556-51-0927

23. No owner shall allow more than four (4) permanent residents in a two bedroom unit and no more than six (6) permanent residents in a three bedroom unit. A permanent resident for purposes of this rule is defined as an individual occupying the premises in excess of two weeks. **(Violation Assessment \$25.00)**

24. No unit, or interest therein, shall be leased by a unit owner for a term greater than two (2) years. A rental application must provide the name, date of birth and social security number of all tenants and be presented to the Board of Directors for approval and, once approved, a copy of the current lease and Association Addendum must be kept on file with the Managing Agent. Failure to present an application for rental to the Board of Directors will result in Assessment to the owner in the amount of Fifty Dollars (\$50.00). It is the responsibility of each unit owner to provide prospective tenants with a copy of our Declaration, By-Laws and Rules and Regulations. **UNIT OWNERS ARE RESPONSIBLE FOR ANY AND ALL VIOLATIONS OF THEIR TENANTS, ANY VIOLATIONS OF THE DECLARATION, BY-LAWS OR RULES AND REGULATIONS CAN BE GROUNDS TO TERMINATE A LEASE FOR CAUSE. (Violation Assessment as stated above)**

25. No animals, livestock, reptiles, or poultry of any kind shall be raised, bred or kept in any unit or the Common Elements, except usual and ordinary dogs, cats, fish, birds and other household pets may be kept in units subject to the following rules and regulations, provided that they are not kept, bred or maintained for commercial purposes or in unreasonable quantities (more than three pets per household). The Association acting through the Board shall have the right to prohibit maintenance or housing of animal which constitutes, in the opinion of the Board, a nuisance to any other Unit owner. Animals not controlled in accordance with the above #15 guidelines may be removed by a person designated by the Board to a pound under the jurisdiction of the City of Houston, Harris County or the State of Texas subject to the laws and rules governing said pound, or to comparable animal shelter. Furthermore, any unit owner shall be totally, absolutely and individually liable to each and all remaining unit owners, their families, guests, tenants and invitees for any unreasonable noise or damage to person or property caused by any animals brought or kept upon the property by a unit owner or members of their family, tenants or invitees.

26. One-twelfth of the amount annually assessed against each unit (maintenance fees) shall be due and payable on the first day of each month during each year. If the sum estimated proves to be inadequate for any reason, including non-payment of any owner's assessment, the Board may, at any time, levy a further assessment which shall be assessed to the owners in accordance with the Declaration and By-Laws.

Assessments that are not received by the end of the month shall bear a Fifty Dollar (\$50.00) late charge. An additional ten percent (10%) per annum interest charge will be assessed on any delinquent assessments. Late charges become due

and payable just as monthly assessments and the same collection procedures apply as outlined in Article IV of the Declaration and By-Laws.

27. After suitable notification in accordance with the Declaration (mail out and posting of these rules), the enforcement of these Rules and Regulations shall be by Violation Assessment up to Fifty Dollars (\$50.00) per offense (as noted above) and/or reimbursement for any costs of resulting damages. Unit owners are responsible for any assessments for a violation event if the unit is under lease. VIOLATION ASSESSMENTS will be collected in the same manner as maintenance fees with the same collection procedures applying as outlined in the Associations' Declaration and By-Laws.

The foregoing Rules and Regulations are subject to amendment and to the promulgation of further Regulations by the Board of Directors of Capistrano Villas East Homeowners Association.

RECORDER'S MEMORANDUM
AT THE TIME OF RECORDATION, THIS
INSTRUMENT WAS FOUND TO BE INADEQUATE
FOR THE BEST PHOTOGRAPHIC REPRODUCTION
BECAUSE OF ILLEGIBILITY, CARBON OR
PHOTO COPY, DISCOLORED PAPER, ETC.

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL, OR USE OF THE DESCRIBED REAL
PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.
THE STATE OF TEXAS
COUNTY OF HARRIS

I hereby certify that this instrument was FILED in File Number Sequence on the date and at the time
stamped hereon by me, and was duly RECORDED in the Official Public Records of Real Property of Harris
County, Texas on

SEP 16 2002



Beverly B. Kayman

COUNTY CLERK
HARRIS COUNTY, TEXAS