

**AMENDED DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR
CAPISTRANO VILLAS**

AN ADDITION IN HARRIS COUNTY TEXAS

This Amended Declaration of Covenants, Conditions and Restrictions for Capistrano Villas, an addition in Harris County, Texas, is made and recorded by the Capistrano Villas East Homeowners Association d/b/a Park Place Townhomes ("the Association").

WITNESSETH:

WHEREAS, the Association is comprised of Owners of property within 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, which tract or parcel of land is hereinafter referred to as the Subdivision.

WHEREAS, an original Declaration of Covenants, Conditions and Restrictions for the Subdivision was filed in the real property records of Harris County, Texas on May 7, 1976, under Harris County Clerk's file number E756769;

WHEREAS, the Association and its members have determined that the original Declaration should be amended and superseded by way of this Amended Declaration, to reflect the general and uniform plan or scheme of easements, restrictions, covenants and conditions designed to govern and control the development, improvement, sale, use and enjoyment of the Subdivision as a residential subdivision and to enhance and protect the value, desirability and attractiveness of such subdivision for residential purposes,

NOW, THEREFORE, the Association hereby declares that the Subdivision, and all portions thereof and all improvements now located or to be located thereon, shall be developed, improved, held, used, sold and conveyed subject to the following matters which are for the purpose of protecting the value and desirability of, and which shall run with, the Subdivision and be binding on all parties having any right, title or interest in the Subdivision, or any part thereof, their heirs, executors, administrators, successors and assigns, regardless of the source of or the manner in which any such right title or interest is or may be acquired, and shall inure to the benefit of each Owner thereof.

This Amended Declaration shall be effective as of the date of recording in the Harris County Real Property Records. Until such, date, the original Declaration shall remain in effect as to all provisions therein. Following the recording of this Amended Declaration, the provisions hereof shall control.

**ARTICLE I.
DEFINITIONS**

Section 1. "Association" shall mean and refer to Capistrano Villas East Homeowners Association, doing business as Park Place Townhomes, a Texas non-profit corporation, its successors and assigns. All actions, decisions, determinations, powers and duties referenced herein which may be taken or exercised by or for the Association shall be by and through the Association's Board of Directors.

Section 2. "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 Unit on a Lot within the Subdivision, including sellers under a sales 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 3. "Subdivision" shall mean and refer to that certain tract or parcel of land containing 7.6053 acres, more or less, known as Block 1 of Capistrano Villas, an addition in 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 Subdivision other than the Lots (which are owned by the Owners of Units thereon), such Common Area being owned by the Owners as the Association.

Section 5. "Lot" shall mean and refer to each of the twenty-four (24) Lots within the Subdivision.

Section 6. "Unit" shall mean each of the ninety-six (96) townhome units located on the Lots within the Subdivision, consisting of four Units per Lot.

Section 7. "By-Laws" shall mean and refer to the Amended By-Laws of the Association dated of even date herewith, a copy of which is attached hereto as Exhibit A and all amendments thereto, and the term "Articles of Incorporation" shall refer to the Articles of Incorporation of the Association and all amendments hereto.

ARTICLE II. PROPERTY RIGHTS

Section 1. Owners' Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Unit, subject to the following provisions.

- (a) the right of the Association to charge reasonable admission and other fees for the use of any facility maintained for the common benefit of the Owners, including recreational facilities, situated upon the Common Area;
- (b) the right of the Association to suspend the right to use of such common facilities by an Owner, or such Owner's tenants or guests, for any period during which any assessment against such Owner's Unit remains unpaid, or for any violation of the provisions of this Declaration or rules and regulations established by the Association;
- (c) the right of the Association to dedicate or transfer all or any part at the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as deemed advisable by the Association;
- (d) the right of the Association to transfer title to any storm sewer line, sanitary sewer line, water line or any other utility facility or equipment situated in any part of the Common Area and owned by the Association to any public or political authority or agency or to any utility company rendering or to render service to the Subdivision or any part thereof;

- (e) the right of the Association to dedicate as public streets the private streets in the Subdivision for the general use of the public;
- (f) the right of individual Owners to the exclusive use of parking spaces as provided in Section 3 of this Article II.

Section 2. Delegation of use. Any Owner may delegate his right of enjoyment to the Common Area facilities to the members of his family, the tenants of such Owner's Lot, or the contract purchasers of such Owner's Unit who reside within such Unit.

Section 3. Parking Rights. Ownership of each Unit shall entitle the Owner thereof (or such Owner's tenants or guests) to the use of not more than two (2) automobile parking spaces, which shall be as near and convenient to said Unit as reasonably possible, together with the right of ingress and egress thereto. The parking spaces for each Unit shall be permanently assigned to such Unit, and the right of use to the same will pass with each deed to a Unit.

ARTICLE III.

MEMBERSHIP AND VOTING RIGHTS

Section 1. Every Owner of a Unit shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Unit.

Section 2. Each Owner shall be entitled to one vote for each Unit owned. When more than one person holds an ownership interest in any Unit, all such persons shall be members, however, there shall be only one vote for such Unit, which shall be exercised as the joint Owners among themselves determine.

Section 3. Upon the sale or other transfer of title to a Unit, the buyer or transferee will become an Owner and member of the Association, and the seller or transferor shall no longer be a member of the Association

ARTICLE IV.

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. Each Owner of a Unit, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association:

- (1) Annual Assessments, and
- (2) Special Assessments for Working Capital Fund, Nonrecurring Maintenance, and Capital Improvements,

each of which category of assessments shall be established and collected as hereinafter provided.

The Annual Assessments and Special Assessments, together with late fees, administrative and collection fees, late fees, reasonable attorney fees, and court costs, shall be a charge on the land and shall be a continuing lien upon the Unit against which each such assessment is made, and such lien shall be superior and paramount to any homestead or other exemption provided by law. Each such assessment, together with late fees, administrative and collection fees, reasonable attorney fees and

court costs, shall also be the personal obligation of the person who was the Owner of the Unit at the time when the assessment fell due. The lien will remain in place upon the transfer of any Unit, other than a transfer by way of a foreclosure of a purchase money lien, and the purchaser of such Unit will, along with the original Owner, be personally liable for all unpaid charges due and owing to the Association.

Section 2. Purpose of Assessments. Annual assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents within the Subdivision and for the improvement and maintenance of the Common Area, including, without limitation the following:

- (a) Making repairs, replacements and additions to the Common Area and facilities thereon;
- (b) Paying ad valorem and other property taxes and assessments, if any, levied on the Common Area;
- (c) Contracting with employees and/or third-party management companies as deemed appropriate by the Association for the operation and maintenance of the Subdivision and Common Area, at the direction and control of the Association;
- (d) Obtaining and paying for utility services for the Common Area;
- (e) Obtaining and paying for general public liability insurance and sufficient property damage and fire and extended coverage insurance covering the Common Area, in the amounts and with insurers deemed appropriate by the Association;
- (f) Paying for the expenses of administration and management of the Association, and paying all other charges, costs, or expenses lawfully incurred by the Association; and
- (g) Paying the costs related to the Association's Exterior Maintenance obligations under Article V hereof.

Section 3. Annual Assessment. For the year 2017, the Annual Assessment per Unit shall be \$1,620.48. Beginning on January 1st of each year after the year 2017, the Annual Assessment may be increased by up to ten percent (10%) per year by majority vote of the members of the Associations' Board of Directors. The Annual Assessment for any one year may be increased by more than ten percent (10%) only upon affirmation by two-third (2/3) of the votes of each class of members which have been voted in person or by proxy, at a meeting duly called for such purpose and at which a quorum has been present in accordance with the terms of section 5 below.

Section 4. Special Assessment for Working Capital Fund, Nonrecurring Maintenance, Repairs, and Capital Improvements In addition to the annual assessment authorized above, the Association may levy, in any assessment year, a special assessment against each Unit, which may be payable in one year or spread over a number of years, for the purpose of (i) paying the costs of any nonrecurring maintenance or repair expenses; (ii) the acquisition, construction, reconstruction, repair or replacement of capital improvements upon the Common Area, including the necessary fixtures and personal property related thereto; or (iii) enabling the Board to carry out the functions of the Association hereunder, provided that any such assessment shall have the assent of Members holding two-thirds (2/3) of the votes of the Owners at a meeting duly called for this purpose. *Notwithstanding*

the requirement of two-thirds (2/3) of the votes of the Owners, in the event of a casualty or required exterior maintenance or repair for which the Association is responsible, if the Association does not then have the funds to accomplish the same, the Association shall have the power to secure a loan for the amount of monies required for the same, and to impose a special assessment upon each Unit, to be paid in annual or monthly installments, in the amounts necessary to repay the loan over the term of such loan.

Section 5. Notice and Quorum for any action authorized under sections 3(a) and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3(a) or 4 above shall be sent to all members not less than ten (10) days nor more than fifty (50) days in advance of the meeting. At the first such meeting called, the presence of Owners in person or by proxy entitled to cast ten percent (10%) of all the votes of Owners entitled to vote at such meeting shall constitute a quorum.

Section 6. Uniform Rate of Assessment. Both Annual and Special Assessments must be fixed at a uniform rate for all Units, may be collected on a monthly or annual basis, in advance, or on a monthly or annual basis, as the same accrue, as determined by the Association.

Section 7. Date of Fixing of Annual Assessment, Due Dates. The Board of Directors shall fix the amount of each succeeding Annual Assessment against each Unit at least thirty (30) days prior to the end of each year. Written notices of each succeeding Annual Assessment shall be sent to every Owner subject thereto. The Annual Assessments will be due in twelve (12) equal monthly payments, the first of which shall be due on the 1st day of each month beginning January 1st of each year. **The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specific Unit have been paid.**

Section 8. Effect of Nonpayment of Assessment – Lien for Assessments and other Charges - Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall result in a monthly late fee in the amount of \$30.00 per month, in addition to administrative and collection fees, attorney fees and court costs, until the Owner's account has been paid in full. If an Owner's account has remained delinquent for more than ninety (90) days, the Association may bring an action at law against the Owner personally obligated to pay the same, seeking to recover all assessments, late fees, and other charges then due to the Association, and the Association may further seek foreclosure of the lien established herein against such delinquent Owner's Unit. All administrative and collection fees, late fees, and reasonable attorney fees and court costs, shall be added to the amount of such assessments and shall be included in the Association's lien against each Unit. No Owner may waive or otherwise escape liability for the assessments or other monies due as provided for herein by non-use of the Common Area or abandonment of his Unit.

Section 9. Subordination of the Lien to Mortgages. The lien against each Unit for assessments and other charges as provided for herein shall be subordinate to the lien of any first lien purchase money mortgage with respect to such Unit. Sale or transfer of any Unit shall not affect the assessment lien. However, a foreclosure of a first lien purchase money mortgage shall extinguish the lien of such assessments and other charges as to payments which became due prior to such foreclosure. No foreclosure of a first lien purchase money mortgage shall relieve the former Owner of the Unit from personal liability for the charges due to the Association. Upon the foreclosure of a first lien purchase money mortgage, the purchaser at such foreclosure shall be liable for all assessments and other

charges coming due after the date of the foreclosure, and the lien for the same shall remain in place against the Unit.

Section 10. No Exempt Property. No Unit shall be exempt from the payment of Assessments or other charges provided for hereunder, even if such Unit is owned by a charitable or nonprofit organization exempt from taxation by the laws of the State of Texas.

ARTICLE V.

EXTERIOR AND INTERIOR MAINTENANCE, REPAIR AND REPLACEMENT

Section 1. Association Obligations. In addition to obligations related to the Common Area, the Association shall provide maintenance, repairs and replacements to the exteriors of the Units, as follows: paint, repair, replace and care for roofs, gutters, downspouts, and exterior building surfaces, specifically excluding any items for which the Owners are responsible, pursuant to Section 3 of this Article V. The Association is hereby granted an easement of use and right of way on all Lots and within all Units in order to comply with the terms of this Article, and entry upon a Lot or within a Unit for such purposes shall not be deemed a trespass.

Section 2. In the event that the need for maintenance or repair by the Association, as set out in Section 1 hereof, is caused through the willful or negligent act of the Owner, his family, tenants, guests, or invitees, the costs of such maintenance or repairs shall be paid for or reimbursed by such Owner upon demand, and shall be added to and become a part of the lien against such Owner's Unit.

Section 3. Owner Obligations. Each Owner is responsible for any and all maintenance, repair and replacements to the interiors of any Units and the contents thereof, including (a) interior party walls as described in Article VI below, (b) windows and doors of Units, including caulking and weatherproofing of such windows and doors. Any damage caused by or resulting from an Owner's failure to comply with the provisions hereof, whether to such Owner's own Unit or to any other Unit, shall be the responsibility of the Owner who failed to comply.

ARTICLE VI.

PARTY WALLS

Section 1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the Units which acts as the dividing line between the Units shall constitute a party wall, and to the extent not inconsistent with the provisions of this Article, the general rules of the law regarding party walls and liability for proper damage due to negligence or willful acts or omissions shall apply thereto.

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by Owners of the Units of which such wall is a part.

Section 3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, each Owner of a Unit of which the wall is a part shall contribute a pro rata share of the costs of restoration, subject to the right of any such Owners to call for a larger contribution from the other Owner(s) under any rule of law regarding liability for negligent or willful acts or omissions.

Section 4. Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

ARTICLE VII.
PERMITTED USES AND RESTRICTIONS

Section 1. General Restrictions. The Units shall be used solely for private, single family residential purposes only. Without limiting the foregoing, no Unit may be used as an apartment house or hotel, nor may any Unit be rented or leased on a daily or weekly basis. No Unit may be used for business purposes, however, a home office located within a Unit shall not be a violation of this provision, so long as there are no customers or other traffic to or from such Unit, or other outward signs of use as a business, in connection with the home office within a Unit.

Section 2. Disturbance, Nuisances, Etc. Nothing shall be done on any Lot, within a Unit, or in the Common Area which constitutes an unreasonable disturbance to the residents of adjoining Units or other residents in the Subdivision, nor shall any action be allowed or permitted to the extent the same constitutes a nuisance or violates any public law, ordinance or regulation, nor shall any action be taken to create or allow the emission of any objectionable, offensive or noxious odors, dust, gas, fumes or other such material.

Section 3. Use of Common Area. The Common Area shall be used for park, recreational, social, access, utility easements granted by the Association, and other purposes directly related to the private single family residential use authorized hereunder. No Owner may place or leave any items of a personal nature in the Common Area.

Section 4. Animals / Pets. No animals or birds, other than a maximum of two (2) generally recognized house or yard pets (*i.e.*, dogs or cats) shall be kept, bred, or raised on any Lot or within any Unit, and then only if they are kept, bred, or raised solely as domestic pets and not for commercial purposes. Any time a pet is outside of the Unit or the fenced yard of a Unit, the pet must be on a leash and accompanied by the pet's owner or another authorized person. All pet waste from pets being walked outside of a Unit or the fenced yard of a Unit, or in the Common Area, must be immediately removed by the Owner. All pets must have City of Houston license tags attached to a collar. No large dogs of a known vicious nature, such as Dobermans, German Shepherds, Rottweilers, Pit Bulls, or similar breeds or mixed breeds, are allowed within the Subdivision. No animal or bird shall be allowed to make an unreasonable amount of noise, or to become a nuisance to other residents of the Subdivision. No structure for the care, housing, or confinement of any animal or bird shall be maintained so as to be visible from other Units. No Owner shall allow pet waste to accumulate within the fenced area of a Unit such that the same causes offensive odors to Owners of other Units. Upon the written request of any Owner, the Board of Directors of the Association shall conclusively determine, in its sole and absolute discretion, whether, for the purpose of this paragraph, a particular animal or bird is a generally recognized house or yard pet, or a prohibited dog, or is or is causing a nuisance, in violation of this provision, and in the event of any such determination, the Owner shall take all action necessary to cure the violation, including, the removal of any offending pet from the Subdivision.

Section 5. Antennas / Satellite Dishes. No antenna or other device for the transmission or reception of television signals, radio signals, or any form of electromagnetic radiation shall be erected, used or maintained outdoors on any Lots, whether attached to a Unit or other structure, except that an Owner may have a satellite dish of not more than 24 inches in diameter placed on the roof of such Owner's Unit, provided the satellite dish is placed on the portion of the roof of such Unit furthest away from the street in front of such Unit.

Section 6. Temporary Occupancy. No trailer, basement of any incomplete building, tent, shack, garage or barn, and no temporary building or structure of any kind shall be used at any time for a residence, either temporary or permanent. Temporary buildings or structures used during the construction of a dwelling on any such Unit of Common Area shall be moved immediately after the completion of construction.

Section 7. Trailers, Boats and Motor Vehicles. No mobile home, manufactured home, truck with a capacity of more than one (1) ton, commercial delivery vehicle, trailer of any kind, recreational vehicle, camper, permanent tent or similar structure, or boat, shall be kept, placed, maintained, constructed, reconstructed or repaired on any Lot or within the Common Area. No motor vehicles, including cars, trucks, and motorcycles, may be repaired upon any portion of the Subdivision or street or private driveway thereof in such a manner as will be visible from other Units, provided, however, that the provisions of this paragraph shall not apply to emergency vehicle repairs. The Association may, but is not obligated to, designate a portion of the Common Area for parking of vehicles or other items subject to the provisions of this Section 7, in which event, such vehicles or other items may only be parked in such designated areas, subject to any size or time limitations promulgated by the Association. All motor vehicles which are permitted within the Subdivision must be operable, and maintain current inspections and registration. No Lot or any portion of the Common Area may be used for a mechanic or repairs shop for any vehicle, except that an Owner may make emergency repairs to such Owner's personal vehicle. No inoperable or junk vehicles shall be allowed to remain in the Subdivision. No vehicles may be offered for sale within the Subdivision, except that an individual Owner may offer to sale a personal vehicle by way of a sign in the window of such vehicle.

Section 8. Trash, Debris, Nuisances, Unsightly Items. No trash, debris, rubbish, or other unsightly items of any kind shall be placed or permitted to accumulate upon any Lot or within the Common Area, and no odors shall be permitted to arise therefrom, so as to render any such property or portion thereof unsanitary, unsightly, offensive, or detrimental to any residents of the Subdivision. All household trash must be placed in proper trash receptacles; no household trash, furniture, or other debris may be placed on the ground by the dumpsters serving the Subdivision; no large or bulky items, such as furniture or mattresses, may be placed in the dumpsters serving the Subdivision. No nuisance or other condition shall be permitted to exist or to operate upon any Lot so as to be offensive or detrimental to any residents of the Subdivision. Without limiting the generality of any of the foregoing provisions, no excessively loud vehicles, including motorcycles, car or truck speakers, exterior speakers, horns, whistles, bells or other sound devices, except security devices used exclusively for security purposes, shall be located, used or placed within or upon any Unit, Lot, or the Common Area.

Section 9. Repair of Units and other Structures. No Unit or other structure upon any Lot shall be permitted to fall into disrepair, and each such Unit and structure shall at all time be kept in good condition and repair and adequately painted and maintained. Each Owner shall be solely responsible for the maintenance and repair of such Owner's Unit, subject to the Association's maintenance and repair obligations under Article V hereof. In the event of damage to any other Unit resulting from an Owner's failure to maintain and repair such Owner's Unit, the Owner of such Unit shall be liable for all damages suffered by any other Unit.

Section 10. Trash Containers and Collection. No garbage or trash shall be placed or kept on any Lot or Common Area except in covered containers of a type, size and style which are approved by the Association. In no event shall such containers be maintained so as to be visible from neighboring

Lots, except to make the same available for collection and, then, only the shortest time reasonable necessary to effect such collection.

Section 11. Clothes Drying Facilities. Outside clothesline or other outside facilities for drying or airing clothes shall not be erected, placed or maintained on any Lot or the Common Area.

Section 12. Sidewalk Encroachments. No tree, shrub or planting of any kind on any Lot or the Common Area shall be allowed to overhang or otherwise encroach upon any sidewalk or other pedestrian way from ground level to a height of seven (7) feet without the prior approval of the Association.

Section 13. Right-of-Way. During reasonable hours, a representative, agent, manager or contractor engaged by the Association, shall have the right to enter upon and inspect any Lot for the purpose of ascertaining whether or not the provisions of this Declaration have been or are being complied with, and such persons shall not be deemed guilty of trespass by reason of such entry.

Section 14. Mineral Exploration. No Lot or Common Area shall be used in any manner to explore for or to remove any water, oil, gas, or other hydrocarbons, sulphur, minerals of any kind, gravel, earth or any substance of any kind.

Section 15. Machinery and Equipment. No machinery or equipment of any kind shall be placed, operated, or maintained upon or adjacent to any Lot or Common Area except such machinery or equipment as is usual and customary in Harris County, Texas, in connection with the use, maintenance, or construction of a private residence or appurtenant structures or recreational facilities maintained by the Association.

Section 16. Diseases and Insects. No Owner shall permit anything or condition to exist within any Unit or upon any Lot or the Common Area which shall induce, breed, or harbor plant diseases or noxious insects.

Section 17. Restriction on Further Subdivision. No Lot shall be further subdivided and no portion of any such Lot, nor any easement or other interest therein, shall be conveyed by any Owner unless included in a conveyance of a Unit.

Section 18. Signs. No signs whatsoever (moveable or affixed), including but not limited to, commercial, political and similar signs, which are visible from neighboring property shall be erected or maintained on any Lot, except:

- (a) Such signs as may be required by Law.
- (b) A residential identification sign of a combined total face area of seventy-two (72) square inches or less.
- (c) During the time of construction at any building or other improvement, one job identification sign not larger than eighteen (18) by twenty-four (24) inches in height and width and having a face area not larger than three (3) square feet.
- (d) A "for sale" or "for rent" sign, of a reasonable type, size and appearance, which is similar to other signs customarily used in Harris County, Texas, to advertise individual parcels of residential property.

- (e) Not more than one political sign for a candidate or ballot item subject of a general or special election of any governmental or quasi-governmental entity, and then only for a period beginning ninety (90) days prior to the date of the election and ending ten (10) days after such date. All such signs must be ground mounted, and may not contain roofing material, siding, paving materials, flora, balloons or lights, or any other similar building, landscaping or nonstandard decorative component. No signs shall be allowed within the Common Area. No sign may be larger than 4 x 6 feet. No sign may violate a law, or contain language, graphics, or any display which would be offensive to the ordinary person. No sign may be accompanied by music or other sounds or by streamers or be otherwise distracting to motorists.

Section 19. Maintenance and Use of Carport. The interiors of all carports shall be maintained by their Owners in a neat, clean, and sightly condition. No carports shall be used for storage. No power equipment, hobby shops, or carpenter shops shall be maintained in any carport, and no automobile overhaul or maintenance work, other than emergency work, shall be permitted therein.

Section 20. Tanks. No elevated tanks shall be erected on any Lot or the Common Area.

Section 21. Increase of Insurance Costs. Nothing shall be done in any Unit or upon any Lot or the Common Area which will result in the increase of fire and casualty insurance premiums thereon or the cancellation of such insurance.

Section 22. Waste. No waste shall be committed within any Unit or upon any Lot.

Section 23. Flags. No flags, other than the flags of the United States of America, the State of Texas, or an official or replica flag of any branch of the United States armed forces, may be displayed on any Lot, and then such flags must be displayed in accordance with the governmental rules and regulations therefor. Flagpoles may be either (a) installed in ground, provided they do not exceed 20 feet in height, and are located on the portion of a Lot used exclusively by one Unit, or (2) attached to the exterior of a Unit, provided the same are no more than six feet in length, and attached in such a manner not to damage the exterior of the Unit. All flagpoles must be constructed of permanent, long-lasting materials, with a finish appropriate to the materials used in construction of the flagpole and harmonious with the Unit, and must not violate any setback lines. All such flag(s) and flagpole must be kept in good condition and repair, and not make noise which disturbs other Owners.

Section 24. Leasing of Units. No Unit or any portion thereof may be leased or rented for a period of less than six (6) months, subject to any early termination provisions as provided by applicable law. No Unit or any portion thereof may be leased or rented on a daily or weekly basis. All leases and rental agreements must be in writing. Upon entering into a lease or rental agreement for a Unit, the Owner of such Unit must provide to the Association the names and contact telephone numbers of all residents of such Unit. Each Owner of a leased or rented Unit, along with the tenant thereof, shall be jointly responsible for compliance with the provisions of this Declaration, as well as the applicable Rules and Regulations, promulgated by the Association which is then in effect, and they shall be jointly liable for any fines for violations of the provisions thereof.

ARTICLE VIII.

GENERAL OBLIGATIONS OF OWNERS

Section 1. Each Owner shall maintain and care for all trees, plants or foliage on his portion of any Lot and otherwise keep his Unit in conformity to its condition when new.

Section 2. Each Owner shall comply with the provisions of this Declaration, and any rules and regulations promulgated by the Association from time to time, failing which, an Owner will be subject to fines for violations and/or legal action to enforce the provisions of this Declaration and any applicable rules and regulations. Attached hereto as Exhibit B is a copy of the current Rules, Regulations and Fine Policy applicable to the Subdivision and the Owners of Units therein.

ARTICLE IX. ARCHITECTURAL CONTROL

Section 1. No building, fence, wall or other structure shall be commenced, erected or maintained upon any Lot, nor shall any exterior addition to or change or alteration thereto be made to any Unit, until the plans and specifications showing the nature, kind, shape, height, materials and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Association or an Architectural Control Committee appointed by the Association as provided for by the By-Laws. In the event the Association or Architectural Control Committee fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will be deemed to have been denied.

ARTICLE X. EASEMENTS, UTILITIES, TAXES AND INSURANCE AND MORTGAGEE

Section 1. Each Lot and the Common Area shall be subject to a perpetual easement for minor encroachments from adjoining Lots which are caused or created by errors in construction, settling, shifting of soil, protrusions and overhangs, as designed or constructed by any builder. A valid and perpetual easement for said minor encroachment and for the maintenance and reconstruction of the same shall and does exist.

Section 2. The Association has the right and easement to the use of a Lot and the Common Area, or any portion thereof, as may be needed for maintenance and construction on the Units or within the Common Area, including the right to locate, construct and maintain or cause to be erected, located, constructed or maintained, but only in those areas indicated on the plat as easements, sewer and other pipeline conduits and appurtenances thereto, telephone or electrical poles and wires and any other method of conducting or performing any utility or utility-type function above or below the ground, with the right of access at any time to the same for the purpose of repair and maintenance.

Section 3. All water and sanitary sewer lines from each Unit to the common water and sanitary sewer lines (being water and sanitary sewer lines which carry water to, or sewage from, more than one Lot) within any public right-of-way or in the Common Area shall be maintained by the Owner(s) being serviced thereby. To the extent such water and sanitary sewer lines have been placed on the Common Area, each Owner is hereby granted the right and easement for the purpose of maintaining, repairing or replacing such lines. To the extent any common water or sanitary sewer lines have been placed upon a Lot and such lines are not maintained by a public utility, the Association shall be responsible for such maintenance. To that purpose, the Association is hereby granted the right and easement over all Lots for the purpose of maintenance, repair and replacement of such lines. The rights and easements granted hereby are subject to the provision that if such maintenance, repair or replacement by an Owner or Association shall necessitate damage to the Common Area or a Lot, as

applicable, such Owner or the Association, as the case may be, shall (a) create as little damage as possible consistent with good engineering practices and (b) promptly restore or repair the damage after such maintenance, repair or replacement has been completed.

Section 4. Surface Area. The surfaces of easement areas for underground utility services may be paved for streets, driveways or walkways and/or may be used for planting of shrubbery, trees, lawn, or flowers. However, it is expressly agreed that neither the Association nor any supplier of any utility or service using any easement area shall be liable to any Owner or to the Association for any damage done by them or their agents, employees, servants or assigns, to the pavement or to any of the aforesaid vegetation as a result of any activity relating to the construction, maintenance or repair of any facility within any such easement area.

Section 5. Obligation of the Owners.

- (a) Each Owner shall have his separate water and electric meters, and shall directly pay at his own cost and expense for all water, sewer, drainage fees, electricity, gas, telephone service and other utilities, used or consumed by him within his Unit or upon his portion of any Lot.
- (b) Each Owner shall directly render for taxation his own Unit and improvements thereon, and shall at his own cost and expense directly pay all taxes levied or assessed against or upon his Unit.
- (c) Each Owner shall be responsible at his own cost and expense for his own property insurance for his Unit, against loss or damage by fire, lightning, flood, windstorm, hurricane, hail, explosion, riot, civil commotion, smoke, aircraft, land vehicles, vandalism, malicious mischief, and special extended coverage provisions for the full insurable replacement cost of such loss or damage. Each such insurance policy shall name the Association as an additional insured. Each Owner must provide the Association with a copy of the Owner's insurance policy at the time of securing such policy, and upon renewal of the same. Should any Owner fail to provide evidence of such required insurance, the Association may secure an insurance policy covering the Owner's Unit, and charge the Owner for the cost of the same, in which event the cost of such coverage shall be a part of the lien against the Owners' Unit.
- (d) Each Owner shall be responsible at his own cost and expense for insuring the contents of his own Unit, and all additions and improvements thereto, including decorations, furnishings and personal property therein, and also for his personal liability for any injury, loss or damage occurring upon such Owner's portion of any Lot or within such Owner's Unit.
- (e) Insurance policies obtained by each Owner shall contain appropriate provisions whereby the insurer waives its right of subrogation as to any claims against the Association or its insurers, managers, representatives, agents or employees.

Section 6. Obligation of the Association.

- (a) The Association shall pay as a common expense of all Owners, for all water, gas, electricity and other utilities used in connection with the enjoyment and operation of the Common Area or any part thereof.

- (b) The Association shall render for taxation and as part of the common expenses of all Owners shall pay all taxes levied or assessed against or upon the Common Area and the improvements and the property appertaining thereto.
- (c) The Association shall also have authority to obtain comprehensive public liability insurance in such limits as it shall deem desirable, insuring the Association, its Board of Directors, managers, agents and each Owner (if coverage for Homeowners is available) from and against liability in connection with Common Area.
- (d) All costs, charges and premiums for all utility bills, taxes and any insurance to be paid by the Association as herein above provided shall be paid out of the maintenance assessments, to the extent such funds are available, as a common expense of all Owners and shall be a part of the maintenance assessment.
- (e) The Association shall have authority to obtain and continue in effect a force-placed insurance policy against any Unit should the Owner fail to provide evidence of insurance on such Owner's Unit, as required by Section 5(c) hereof. The cost of any such force-placed insurance policy secured by the Association shall be considered as part of the charges payable by the Owner, and shall further be subject to the lien in favor of the Association against the Owner's Unit, as provided for herein.

Section 7. Protection of Lien holders.

- (a) Notice to Association. An Owner who mortgages his Unit shall notify the Association, giving the name and address of his lien holder. Each lien holder may notify the Association of the fact that such lien holder holds a lien against a Unit, and the Association shall maintain such information in the Association records.
- (b) Notice of Default, Lapse in Insurance. Upon prior written request by a lien holder, the Association shall notify the lien holder of any Owner's default in payment of maintenance assessments or other charges as required herein. Upon prior written request by a lien holder, the Association shall notify a lien holder of any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association.

ARTICLE XI. GENERAL PROVISIONS

Section 1. Enforcement. The Association, as a common expense to be paid out of the maintenance fund, or any Owner, shall have the right to enforce, by a proceeding at law or in equity, all restrictions, conditions, covenants, reservations, lien and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of any portion of this Declaration, including any of the covenants or restrictions contained herein, by judgment or court order, shall in no wise affect any other provisions of this Declaration, and the same will remain in full force and effect.

Section 3. Amendment. The covenants, conditions. and restrictions contained within this Amended Declaration shall run with, and be binding against all properties with the Subdivision, for a term of

twenty (20) years from the date of recording, after which time the same shall be automatically extended for successive periods of (10) years. This Amended Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than seventy-five percent (75%) the Owners, and thereafter by an instrument signed by not less than two-thirds (2/3rds) of the Owners. No amendment affecting the rights of any first lien purchase money mortgage shall be effective unless 100% of such mortgage holders shall consent to the same. Any amendment shall be promptly recorded.

Section 4. Annexation. Additional residential property and Common Area may be annexed to the Subdivision with the consent of at least two-thirds (2/3rds) of the Owners.

Section 5. Interpretation. If this Declaration or any word, clause, sentence, paragraph or other part thereof shall be susceptible of more than one or conflicting interpretation, then the interpretation which is most nearly in accord with the general purposes and objectives of this Declarant shall govern.

Section 6. Limitation of Association Obligations. All obligations imposed upon the Association under or by virtue of this Declaration, the By-Law or the Articles of Incorporation shall be limited to the extent of funds held by the Association, and the Association shall be under no duty to perform any such obligation or make any payments of monies if the funds of the Association are insufficient to satisfy any such obligation or make any such payment of monies.

Acknowledgement

This Amended Declaration was approved by the requisite number of Owners of Units within the Subdivision.

CAPISTRANO VILLAS EAST
HOMEOWNERS ASSOCIATION,
d/b/a Park Place Townhomes

Raj Shafaii, President

STATE OF TEXAS)
)
COUNTY OF HARRIS)

Acknowledged before me on this _____ day of _____, 2016, by Raj Shafaii, the President of Capistrano Villas East Homeowners Association, d/b/a Park Place Townhomes, as the act and deed of such Association.

Notary Public - State of Texas