

RULES AND REGULATIONS FOR DIAMOND HEAD HOMES
ASSOCIATION, INC.

Date: February 16, 1995 To: ALL OWNERS AND RESIDENTS

From: The Board of Directors

WHEREAS: DIAMOND HEAD HOMES' ASSOCIATION, INC. (hereinafter "HOA"), by virtue of the Declaration dated June 24, 1984 and filed with the Bexar County records and the Bylaws of the HOA adopted on June 24, 1984, the Board of the HOA adopts, publishes, promulgates and declares the following Rules, Regulations and Penalties (hereinafter "Rules") for all OWNERS (hereinafter "Owners"), RESIDENTS, FAMILY MEMBERS, TENANTS, GUESTS AND INVITEES, BOTH ADULT AND CHILDREN, (hereinafter referred to as "Residents") with respect to any and all condominium units (hereinafter "Units") in the HOA. All property not contained within a Unit shall be referred to herein as "Common Property". Common Property and Units shall be referred to herein as "Property".

NOW THEREFORE:

I. GENERAL:

a. These Rules shall be posted at the office of Craft Association Management Corp at 8026 Vantage #103, San Antonio, Texas 78230 and sent to each Owner at the Owner's last known address. It shall be the duty of the Owner to provide his Residents with a copy of these Rules.

b. These Rules shall take effect on March 1, 1995.

c. It shall be the duty of each Owner to notify the HOA of any change of address.

d. It shall be the duty of each Owner to provide the HOA with the name and address of any entity with a mortgage on his Unit and a Certificate of Insurance proving that the interior of the Unit is insured and that the Owner has liability insurance.

e. It shall be the duty of the Owner to at all times notify the HOA of all information required by the 1994 Texas Uniform Condominium Act. THIS SHALL INCLUDE: The Unit Owners' mailing address, telephone number and drivers license number; the name and address of any lien holder against the Unit and the loan number; the name and telephone number of any resident of the Unit other than the Owner; and the name, address and telephone number of any person managing the Unit as agent of the Unit Owner.

f. Each Owner shall strictly comply with said Rules AND SHALL BE RESPONSIBLE TO THE HOA FOR THE COMPLIANCE OF THEIR RESIDENTS. If a Resident causes damage or waste to the Common Property and does not pay the fines imposed by the Board within 30 days, said fines shall be assessed against the Owner.

g. The Owner shall be liable for any willful or negligent act of the Owner or his Residents.

h. The HOA shall have the unlimited right to enter a Unit from time to time during reasonable hours for the maintenance, repair or replacement of the Common Property or to prevent damage to other Units or Common area. If the Owner fails to allow entry upon reasonable notice, the HOA may enter by force and the cost of repairs shall be paid by the Owner.

i. Each Unit shall be used for residential purposes as a single family dwellings and for no other purposes. No Unit shall be used for transient or hotel purposes. No lease of any Unit shall be for less than the entire Unit.

J. Occupancy of any Unit shall be limited to two persons per bedroom in said Unit. What constitutes a bedroom shall be governed by the Declaration.

k. Violation of any of these Rules may result in fines as set forth in Section XVII below, injunctive relief or an action to recover sums for damages or any sums allowed by law. Nothing contained herein shall prevent an Owner from bringing an action against another Owner to enforce a Rule.

II. ASSESSMENTS: The Board of the HOA shall notify each Owner of his share of the common expenses to be made in monthly payments.

a. When an Owner is 30 days in arrears in paying his assessment, the Manager shall send him notice at the Owner's last known address.

b. When an Owner is 60 days in arrears in paying his assessment, the Manager shall send him notice at the Owner's last known address advising him that the common water to his Unit will be cut off in 15 days unless said account is paid in full. Such notice shall also be posted on the door of the Unit. If an Owner fails to bring his assessments current within

said 15 days, the Manager shall have his common water cut off to his Unit and his phone number removed from any intercom system. To have water service and intercom service restored, the Owner must pay a \$50 fee in addition to all assessments and late fees.

c. If an Owner is 90 days in arrears, a lien shall be filed with the Bexar County for all assessments due. In order to remove the lien, said Owner must also pay the cost of preparing, releasing and filing the lien and lien release, including attorney's fees.

d. After an Owner is 120 days in arrears, said account may be turned over to an attorney for foreclosure in the judgement of the Board.

e. All funds received from an Owner will be applied to the oldest balance on his account and the Owner shall be charged a \$10 late fee in every month that the entire balance (including additional fees referred to above) is not paid in full together with 10% interest per annum as allowed by the Declaration. Payments received will be in the order applied as follows:

1. To any unpaid fines over 30 days due; 2. To any repair bills owed by the Owner to the Association; 3. To late fees; 4. To collection costs and expenses; 5. To interest; 6. To arrears; 7. To Special Assessments; and then 8. To current assessments. All accounts will be considered in arrears for the purpose of late fees and interest unless all sums owed the Association are paid.

f. No Owner may claim any reason for non-payment of assessments unless permitted in the Declaration or Texas law.

g. The Board may suspend the rights of any Owner to Vote or any Owner's or his resident's rights to use the Common Property for any period during which any assessment against his Unit is not paid.

h. All checks returned to the HOA shall be levied a \$25 charge regardless of the cause of the return.

i. The Board may set additional Rules if an owner or resident has more than one returned check.

j. If an owner is late in excess of 30 days twice in a 12 month period, Section a. above shall be deleted and all other steps shall be advanced by one month.

III. USE OF PROPERTY :

a. The Common Property may only be used by Owners and Residents.

b. No Owner or Resident shall obstruct, damage or unreasonably interfere with the Common Property.

c. NOTHING shall be stored on the Common Property without prior written consent of the Board. For the purpose of this section, this includes barbecue grills. No propane or other gas tank may be kept within 10 feet of the property.

d. No Owner or Resident shall do anything to adversely affect HOA insurance or do any illegal act on the premises.

e. No signs or banners shall be displayed by any Owner or Resident, including "For Sale", "For rent", political signs or decorative signs and banners. No real estate "lock boxes" shall be placed on any Common Property.

f. No gardening, planting, or removal of plants shall be done by any Owner or Resident on the Common Property without the written permission of the Board. Plants in planters may not be kept on the Common Property.

g. Water beds are absolutely prohibited in any Unit.

h. The sidewalks are exclusively for pedestrian use. No bikes, roller skates, roller blades or any thing other than pedestrian traffic is allowed.

i. The exterior water sources and electrical sources are solely for the use of the Association for maintenance. No one may use the exterior electrical or water sources, water faucets, hoses or any other water source.

IV. NUISANCES:

a. No Owner or resident shall:

1. Conduct any noxious or offensive activity on the Property;

2. Make or permit any loud noises or noxious odors on the Property;

3. Allow any loud speakers, horns, whistles, bells or other sound devices, noisy or smoky vehicles, large power equipment or large power tools, unlicensed off-road motor vehicles on the Property;

4. Nothing shall be allowed that will interfere with TV or radio reception. No

antennas, disks or other receiving devices may be visible to the public and may not be erected without written permission of the Board. NO OWNER OR RESIDENT SHALL ATTEMPT TO MAKE ANY REPAIRS OR ADJUSTMENTS TO ANY TV CABLE OR TV RECEPTION EQUIPMENT AREAS.

5. No Owner or Resident shall erect any structure of temporary character, trailer, tent, shack, garage, barn or other outbuilding on the Common Property.

b. Whether or not an activity is a nuisance shall be determined by the Board and the Board shall consider, among other things:

1. The necessity of the activity;

2. The "nuisance effect" to what portion of the whole population of the Property; and

3. The reasonableness of the complaint.

V. RUBBISH AND GARBAGE:

a. All rubbish and garbage shall be placed in the dumpsters on the Property for said use. Such garbage and rubbish shall be placed inside the dumpsters and the doors to the dumpsters shall be kept closed.

b. The dumpsters are for the residential use of the Owners and occupant residents. No one shall dump business related garbage or rubbish in said dumpsters. No furniture, carpet, building materials, any object that does not fit entirely within the dumpster with the dumpster lid shut or appliances are to be placed in or around the dumpsters or on any other portion of the common property. Any person violating this Rule will be charged a \$250 removal fee.

c. No rubbish, garbage or personal property (including plants) shall be placed in any stairwell, stairwell landing, walkway or on any other Common Property for any reason or for any length of time.

d. No garbage or rubbish shall be placed on any balcony or any patio for any reason or for any length of time.

VI. BALCONIES AND PATIOS:

a. No unsightly objects shall be stored or placed for any reason or length of time on any balcony or patio.

b. No clothes, cloth, towels, sheets, or fabrics, either wet or dry, shall be placed, hung or aired on any balcony or patio.

c. NOTHING shall be placed or hung from the railings of the balconies or the fences of the patios.

d. No bicycles shall be kept on any balcony or patio.

e. No fence, wire, lattice, wood or other barrier shall be placed on either side of the balcony rails without written permission of the Board. Under no circumstance shall any barrier as enumerated above be placed above the top of the balcony rails or the top of the patio fences.

f. Nothing may be kept on the balconies or patio except patio style furniture, planters with catch pans, and no more than 1/4 chord of wood, stacked neatly away from the sight line of the balcony/patio.

g. No planters or other objects may be kept on the ledges or railings of the patios or balconies. Only two hanging objects (limited to plants, wind chimes and bird feeders) may be hung from the any portion of the balcony/patio including the fascia or soffits above the balcony/patio. All such hanging objects must be hung from a stud with appropriate hardware and any damage that results from hanging any such object will be the responsibility of the Owner.

h. No one may place carpet on the balconies or patios without prior permission of the Board. Any damage to the balcony or patio resulting from the use of carpet thereon, shall be the responsibility of the Owner. Any such carpet must be maintained in good condition and repair.

i. No trees, shrubs, flowers or other greenery growing from the soil shall show above the top of any patio fence. Any plants on balconies shall have water catch pans beneath them and shall not be watered as to cause damage to the balcony structure. Any damage caused by any violation of this Rule shall be charged to the Owner.

j. Any patio furniture or other articles visible from a patio or balcony shall be in good repair. Only bona fide patio furniture, neatly stacked firewood and properly potted plants may be kept on the patios and balconies. The patios and balconies shall not be used

for storage at any time.

k. No Owner or resident shall paint the patio or balcony without the permission, in writing, of the Board.

l. Each Owner or Resident shall keep his patio or balcony as not to detract from the visual attractiveness of the Property.

m. There shall be no outdoor fires for any reason. According to San Antonio City Ordinance, there are no open flame barbecue pits or grills allowed in multi-family complexes. (Only all electric grills allowed). In the event that a resident is seen barbecuing with an open flame on a balcony or patio, the fire department will be called. Barbecue grills may not be used on the Common Property at any time.

n. Any seasonal decorations placed on the balconies or patios must be removed within two weeks after the Holiday decorated for.

VII. WINDOWS AND DOORS:

a. All doors to the exterior shall be kept in good repair.

b. No burglar bars on doors or windows may be installed without permission of the Board.

c. All burglar bars must be navajo white (off white) in color. The Association will paint now existing bars to conform if request is made within 45 days. After that, the owner shall be responsible to paint them.

d. All storm doors and screen doors must be approved by the Association. e. No windows or patio doors shall have broken glass for any reason longer than necessary to get a window repair person to replace the glass.

f. Windows, patio doors and balcony doors may not be covered with newspaper, bed sheets, reflective foil or other unsightly materials.

g. ALL WINDOWS AND PATIO DOOR COVERINGS SHALL BE BEIGE, OFF WHITE OR WHITE TO THE EXTERIOR. Exceptions shall only be allowed with prior written permission of the Board.

h. The Owner shall maintain all screens in good order.

i. Any seasonal decorations placed on the patio or balcony doors must be removed within two weeks after the Holiday decorated for.

VIII. MOTOR VEHICLES AND BICYCLES:

a. No vehicle of any type shall be operated over 10 MPH on the Property.

b. No vehicles of any nature shall be stored on the Property by any Owner or Resident except within the carport designated to his Unit. Storage means leaving a vehicle in the same location for more than three consecutive days.

c. No inoperable vehicle shall be stored or kept for any reason or any length of time on the Property. Any vehicle with flat tires, expired license plates and/or inspection stickers shall be deemed inoperable. In addition, any vehicle that could not pass a Texas State Inspection at the time in question is deemed to be inoperable.

d. No Owner or Resident shall perform any repairs or restorations of any vehicle, boat, trailer or aircraft on the Property.

e. No Owner or Resident shall keep any commercial vehicles (dump trucks, cement mixer trucks, oil or gas trucks, delivery trucks or other vehicles deemed a nuisance by the Board) on the Property for any reason or any length of time. This shall not apply to service vehicles on the Property to repair Units or Property.

f. No motor scooters, motorbikes, or motorcycles shall be operated on the Property except for immediate and direct transportation on or off the Property.

g. No one shall park next to any curb painted red for any reason or for any length of time. Towing on fire lanes will be strictly enforced.

h. The HOA may have any vehicle enumerated above that is in violation of these Rules, towed at the Owner's expense. No notice shall be required.

i. No washing vehicles of any type on the Property.

j. Reserved parking spaces are for the exclusive use of the Unit it is assigned to.

IX. STAIRWAYS, STAIRWELL LANDINGS, and WALKWAYS:

a. Children are not allowed to play in the stairwells for any reason or for any length of time;

b. No exterior door to any unit, including storage doors shall be kept open for any reason or for any length of time.

c. No rubbish or garbage shall be placed in any stairwell, stairwell landing, walkway

or on any other Common Area for any reason or for any length of time.

d. No Owner or Resident shall move any furniture, boxes, appliances or other objects without protecting the building walls, stairwells and landings. Any damage done shall be charged to the Owner.

X. WATER SHUT OFF VALVES AND INDIVIDUAL AIR CONDITIONING UNITS:

a. The water shut off valves are Common Property under the control of the HOA. No Owner or resident shall turn off, tamper with or otherwise interfere with any water shut off valve or common water pipe except to prevent immediate damage to his Unit. No work shall be performed to any Common Plumbing without the written consent of the Board and then, only by a licensed plumber.

b. UNDER NO CIRCUMSTANCES SHALL ANY OWNER OR RESIDENT TURN OFF THE WATER SHUT OFF VALVE TO ANY BUILDING.

c. All broken or disconnected air conditioning units must be removed by the Owner or Resident. Failure to do so will result in a \$250 removal fee to the Owner.

d. Air conditioner filters must be changed monthly and condensate lines must be cleaned regularly. Any damage resulting from an Owner's failure to keep his filters clean or condensate lines clear shall be the responsibility of the Owner and at the Owner's expense.

XI. POOL.

a. No lifeguards are on duty. All swimming is at the risk of the swimmer or their parents.

b. No one under 15 may swim without parental permission AND a responsible adult over age 18 in attendance.

c. Only four (4) guests per Unit are allowed at any time and all guests must be accompanied by an Owner or occupant Resident.

d. Appropriate attire is required. No cut offs, shoes or street clothes in the pool.

e. No cooking in the fenced pool area.

f. NO GLASS IN THE FENCED POOL AREA.

g. No food in the pool.

h. No pets in the fenced pool area.

i. No loud audio equipment is allowed.

j. No physical water games that would cause others from enjoying the pool or cause a risk of injury to the players.

k. NO RUNNING IN THE POOL AREA.

l. No diving allowed.

m. Anyone wishing to have more than 4 guests must make a reservation with the Manager and a fee of \$25 will be charged. The gazebo can be reserved for the exclusive use of an Owner or Resident, but the pool can not be reserved.

n. Pool tags will be issued to each Unit Owner by the Manager. Four tags will be issued to each Unit. Additional tags can be obtained from the Manger for approximately 50 cents each. Any Unit may have a total number of tags equal to the number of occupants plus four guest tags. Tags must be displayed at all times while using the pool. Any person not displaying a tag may be asked to produce their tag by any person with a tag.

o. Pool hours will be posted at the pool. Any additional Rules posted at the pool will be deemed to be part of this document.

XII. ANIMALS AND LIVESTOCK

a. No animals, livestock, reptiles or poultry shall be bred or raised on the Property. Household pets (DOGS, CATS, BIRDS, FISH) are allowed subject to the following:

1. Only two pets allowed (aquarium fish excluded);

2. No pets over 18 pounds or 18 inches in height for any reason or for any length of time. (This includes visiting animals);

3. No household pets may be bred for commercial purposes;

4. No household pet may be allowed to run loose on the property including cats. All pets must be on leashes and in the control of a person capable of controlling said pet. The Association has the right to impound any animal found off a leash on the property and any costs thereof shall be the Owner's or Resident's expense;

5. Owners and/or Residents shall be absolutely liable for any damage or excessive noise caused by their pets or any animal under their control;

6. When walking a pet, a "pooper scooper" must be carried and the animal

droppings picked up and disposed of properly; and

7. All pets must have current rabies shots, and a copy of the rabies certificate must be given to the manager.

XIII. TENANTS AND LESSEES

a. All Owners must provide the Manager with the names of any lessees when any change occurs, pursuant to the Texas Uniform Condominium Act.

b. All leases shall be in writing and shall specifically state that the lease is subject to the Declaration, Bylaws and Rules of the HOA. All tenants must sign a "Lease Addendum", a copy of which is attached. This must be mailed to the Manager, with a copy of the Lease and the required deposit before the Lessee can move in.

c. Each Owner shall furnish his Lessee with a copy of these Rules. Additional copies of these Rules, Declaration and Bylaws can be purchased from the Manager as stated below.

d. No Lessee may move onto the Property until the Manager has been notified of the expected move in date.

e. It shall be the duty of each Owner to notify the HOA of any change of Lessee in a Unit as set forth in Item 1 and 2 above. NO RESIDENT NOT PROPERLY REGISTERED WITH THE MANAGER MAY USE THE COMMON PROPERTY INCLUDING THE POOL.

f. NO REQUESTS FOR REPAIRS OF A NON-EMERGENCY NATURE WILL BE ACCEPTED FROM A TENANT. WORK REQUESTS MUST COME FROM THE OWNER OR A PERSON OR AGENCY WITH A DULY AUTHORIZED POWER OF ATTORNEY TO ACT FOR THE OWNER. ALL MANAGEMENT AGREEMENTS AND POWERS OF ATTORNEY MUST BE PLACED ON FILE WITH THE ASSOCIATION OR THEY WILL NOT BE HONORED. THE ASSOCIATION HAS THE RIGHT TO RELY ON SUCH POWER OF ATTORNEY OF MANAGEMENT AGREEMENT UNLESS IT IS EXPIRED OR UNLESS THE OWNER HAS NOTIFIED THE ASSOCIATION, IN WRITING,, THAT IT HAS BEEN CANCELLED.

XIV. SALE OF UNITS:

a. When a Unit is placed for sale, the Manager must be notified with the name of the selling agent.

b. Upon sale, all assessments, fees and expenses must be paid.

c. Upon sale, the name and address of the Owner must be furnished to the Manager.

d. No new Owner may move in until the Manager is notified of the expected move in date.

e. The Manager may charge a transfer fee as set forth below.

XV. CHANGES OF RULES:

The Board may Revise these Rules from time to time. If the HOA mails the Revision to the Owner at the last known address, it is deemed that the Owner received the Revision and will be held to its contents.

XVII. PENALTIES:

a. Complaints concerning violations of these Rules must be signed by the complaining party, or reported by the Manager, any Board member or any maintenance personnel.

b. Unless otherwise stated, if an Owner or Resident violates ANY Rule, they will be sent a letter warning them of the violation and warning them that any additional violations of any Rules will result in a fine and that they have the right, within 30 days, to request a hearing in person or by a writing.

c. If an Owner or resident violates the same Rule or any similar Rule, they will be fined \$25 the first time, \$50 the second time and \$100 each additional time. The Owner or Resident will be notified of the fine by letter from the Manager.

d. All fines must be paid within 30 days unless they are appealed. If the violation is appealed and the Owner or Resident loses the appeal, the fine must be paid within 10 days of the decision of the Board.

e. If the violation is by a Resident, a copy of any letter shall be sent to the Owner at his last known address.

g. If the Board finds that no violation occurred, it will be as if no letter was sent or fine was levied.

h. Nothing contained in this section shall prevent the Board from seeking judicial relief for money or injunctive relief at any time.

XVIII. CURRENT MANAGER:

CRAFT ASSOCIATION MANAGEMENT CORPORATION

Laura Craft, President 8026 Vantage #103B San Antonio, Texas 78230 (210) 308-5538

Additional Copies of these Rules \$3.00 plus postage

Additional Copies of Declaration and Bylaws: \$50.00 Transfer fee: \$35.00

RESALE CERTIFICATE \$ 50.00

Craft Association Management Corp.
P.O. Box 780656
San Antonio, TX 78278-0656

THIS ADDENDUM REQUIRED TO BE ATTACHED TO ALL LEASES OF UNITS IN
DIAMOND HEAD OWNERS ASSOCIATION, INC.

ADDENDUM TO LEASE AGREEMENT

THE LESSEE(S) UNDERSTANDS THAT HE (THEY) IS (ARE) BOUND BY AND
SUBJECT TO ALL OF THE OBLIGATIONS UNDER THE DIAMOND HEAD
DECLARATION, BY-LAWS, AND ANY RULES AND REGULATIONS PROMULGATED BY
THE ASSOCIATION BOARD OF DIRECTORS. THE LESSEE ACKNOWLEDGES THAT HE
HAS RECEIVED A COPY OF THE RULES AND REGULATIONS OF DIAMOND HEAD.

THE LESSOR IS NOT BY SAID LEASE RELEASED FROM ANY OF HIS
OBLIGATIONS UNDER SAID INSTRUMENTS. THE LESSEE AND LESSOR AGREE
THAT ANY TERMS OF THE PRINTED LEASE INCONSISTENT WITH THE
AFOREMENTIONED INSTRUMENTS ARE CONSIDERED NULL AND VOID.

LESSEE

LESSEE

UNIT OWNER OR AGENT (LESSOR)

DATE

ATTACH A COPY OF THE LEASE TO THIS AND RETURN TO THE MANAGER AT:
CAMC
8026 VANTAGE #103β
SA, TX 78230

Craft Association Management Corp.
P.O. Box 780656
San Antonio, TX 78278-0656

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