

COMMUNITY RULES AND REGULATIONS, LAS VENTANAS

The following rules and regulations are adopted in accordance with Article 4, Section 4.9.1(a) and (j) of the Declaration of Covenants, Conditions and Restrictions for Las Ventanas, as subsequently amended (the "Declaration"). The Declaration was recorded in Volume 9642, Page 369, and modified in Volume 9728, Page 135; Volume 9728, Page 967; Volume 9859, Page 892; Volume 10692, Page 502; Volume 10740, Page 967; Volume 11440, Page 113; and Volume 11512, Page 394, all of the Real Property Records of Travis County, Texas. By unanimous vote the Board of Directors of the Las Ventanas Owner's Association, Inc. hereby adopts the following rules:

LEASING

- The minimum lease term of any lease to a tenant must be at least 12 months.
- All leases must be in writing and must be made specifically subject to the governing documents of the Association, including the Declaration, Bylaws, and Rules.
- Owners are responsible for all violations of their occupants, guests or invitees, and all violations of their tenants and their tenants' occupants, guests, or invitees.
- The lease must be signed by the owner or an authorized professional management company representative or leasing agent acting on behalf of the owner with the owner's consent.
- If a tenant fails to fulfill the minimum 12 month term of the lease, neither the tenant or owner may sublet the property, but rather a new lease for a minimum term of 12 months must be executed with any new tenant.
- Upon signing a lease or lease renewal with a tenant, owners shall promptly provide the Association with a copy of the owner's lease with the tenant (monetary figures may be blacked out) and a copy of the criminal background check performed on all tenants and occupants living or to be living in owner's unit.
- The association shall have the power to provide 3 day notice to vacate and evict Tenants for substantial or frequent violation(s) of the governing documents.
- Owners must exercise due diligence in not leasing their unit to persons with a history of felonious criminal act(s). Owner's due diligence shall include performing criminal background checks on all prospective tenants and occupants. Criminal background checks may be performed for a small fee on www.txdps.state.tx.us.

VIOLATION PROCEDURE

Section 1. **Suspension of Privileges/Fines.** In the event of a violation of the Declaration, these Bylaws, or any rules and regulations of the Association, the Board of Directors, acting on behalf of the Association, in addition to any other remedies provided by the Declaration, Bylaws, or rules and regulations and remedies available pursuant to State statute or other law, may (1) suspend or condition the right of said Lot Owner and any tenants, occupants, or guests to use of facilities (including all or part of any common areas) owned, operated, or managed by the Association; (2) suspend said Lot Owner's voting privileges in the Association as a Lot Owner, as further provided in the Declaration and Bylaws; (3) record a notice of non-compliance encumbering the Lot; (4) levy a damage assessment against a Lot;

and (5) assess a fine against the Lot Owner for the violation of Owner, his tenants, occupants, or guests in an amount to be determined by the Board of Directors.

Before the Association may suspend an Owner's right to use a common area, file suit against an Owner (other than a suit to collect regular or special assessments or foreclose under an Association lien), charge an Owner for property damage, or levy a fine for a violation of the restrictions (including Declaration, Bylaws, or rules), the Association must give certified mail, return receipt requested notice to the last known address of the Lot Owner.

Any amounts charged to an owner under these procedures may be collected in the same manner as regular assessments under the Declaration, including lien and foreclosure rights to the extent permitted by law.

Section 2. Notice Requisites. The notice will be sent certified mail, return receipt requested, to the last known address of the Lot Owner in the Association records. The notice must (1) describe the violation or property damage that is basis for the suspension action, charge, or fine and state any amounts due the Association from the Lot Owner; (2) inform the Owner that the Owner is entitled to a reasonable period to cure the violation and avoid the fine or suspension, unless the Owner was given notice and a reasonable opportunity to cure a similar violation within the preceding six months; and (3) inform the Owner that he may request a hearing before the Board of Directors on or before the 30th day after the date the Owner received the notice (or 30 days after the date on which the first attempted delivery was made to the Owner).

If the hearing is to be held before a committee, the notice must state that the Owner has the right to appeal the committee's decision to the Board of Directors by written notice to the Board. The Association will hold any hearing not later than the 30th day after the date the Board receives the Owner's request for a hearing, and will notify the Owner of the date, time, and place of the hearing at least ten days before the hearing date.

Section 3. Attorneys Fees. The Association may assess reasonable attorneys fees to an Owner's account for nonpayment of amounts due or other violations of the Declaration, Bylaws, or rules only if the Lot Owner is provided a written notice that attorneys fees and costs will be charged to the Owner if the delinquency or violation continues after a date certain. Regardless, attorneys fees may not be charged to an Owner's account until after any Owner-requested hearing allowed pursuant to these procedures is held, or, if the Owner does not request a hearing, before the date by which the Owner must request a hearing. For repeat violations within six months, attorneys fees may be assessed to an account after the first hearing request deadline date has passed or after the first hearing, as appropriate.

The failure of the Association to enforce any provisions of the Declaration, Bylaws, rules, or procedures shall not constitute a waiver of the right to enforce the same thereafter. All remedies in the Declaration, Bylaws, and rules are cumulative and not exclusive.

This notice and hearing procedure is intended to mirror the requisites of Texas Property Code Chapter 209. Notwithstanding any language to the contrary, the Board of Directors shall have the power, upon majority vote of the Board of Directors, to amend any provision of these rules or bylaws as may be necessary to comply with Chapter 209 and any subsequent amendments.

Section 4. Application of Payments. The Association in its discretion and without notice to the Owner may apply amounts received from Owners to non-assessment items or other amounts due and owing the association regardless of Owners' notations on checks or otherwise.

Executed and effective this 26 day of September, 2003.

LAS VENTANAS OWNER'S ASSOCIATION, INC.

By: [Signature]
Kenneth Tyson

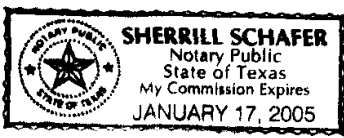
Title: CO-PRESIDENT LAS VENTANAS HO. ASSN

State of Texas §
County of TRAVIS §

This instrument was acknowledged before me on the 26th day of SEPTEMBER, 2003 by Victor Beck and Kenneth Tyson, in the capacity stated above.

[Signature]
Notary Public in and for the State of Texas

After recording, please return to:
Niemann & Niemann, L.L.P.
1122 Colorado St., Suite 313
Austin, Texas 78701



FILED AND RECORDED
OFFICIAL PUBLIC RECORDS

[Signature]
10-20-2003 03:35 PM 2003246764
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DANA DEBEAUVOIR, COUNTY CLERK
TRAVIS COUNTY, TEXAS