

EIGHTH AMENDED RULES & REGULATIONS
OF
THE CASITAS AT MORNINGSTAR CONDOMINIUMS
HOMEOWNERS' ASSOCIATION
(Updated 12/05/2016)

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The following are the rules and regulations pertaining to the conduct of persons and the use of the Project including the Units, Limited Common Elements, and Common Elements within The Casitas at Morningstar Condominiums, which rules and regulations have been duly adopted by the Board of Directors of The Casitas at Morningstar Homeowners' Association, Inc. (the "Association") pursuant to the Declaration. All words and phrases defined in the Declaration shall have the same meaning when used herein.

1. Amenities

- 1.1. Children under the ages of 18 are not allowed to use any Amenities, including the swimming pool, club house or fitness center without parental supervision. Separate rules for the use of the swimming pool will be established by the Association, and are posted in the pool area. Such rules shall have the same force and effect as these Rules and are enforceable by the Association.
- 1.2. The barbeque and gathering areas are provided for the enjoyment of the Owners' and the Occupants. These areas are to be maintained in a safe and sanitary condition and no equipment used in these areas is to be removed from the site. Any damage caused to these areas by an Owner, an Owner's Occupant or any guest of such, will be the responsibility of the Owner and the assessed damages must be paid immediately upon notice to the Owner by the Association.
- 1.3. Gas grills are located throughout the Common Elements for use by the Owners and Occupants. Each grill has instructions that must be read and followed by those using the equipment. It is imperative that the gas supply be turned off after each use by the user and that the grates are also cleaned with an abrasive brush immediately when the cooking process is complete. The Association will in no way be liable for any injury incurred by the user of these grills. Personal grills cannot be used.
- 1.4. Owners of Units or Owner's Occupants may use the clubhouse for private events, subject to availability, and subject to reasonable approval by the management of the proposed users of such areas. The Association may, at its discretion, require a deposit not to exceed \$500. Any damages or cleaning fees will be withheld from this deposit. Any charges over and above the deposit amount will be due and payable immediately upon assessment. The use of these facilities will be limited to the hours between 8 a.m. and 10 p.m. The Association will charge a \$250.00 "cleanup fee/deposit" for any Unit Owner who reserves the Clubhouse for a scheduled party. The difference between the Association's actual cleanup cost and the cleanup fee will be refunded to Unit Owner paying the cleanup fee/deposit. The Pools and Hot tubs are not included in the reservation of the clubhouse and the standard guest policy applies to those areas.
- 1.5. The Fitness Center in Phase I is available to all Owners and Occupants (18) eighteen years or older on a 24 hour basis. Anyone under (18) eighteen must be accompanied by a parent or guardian when using the Fitness Center. The Association will in no way be liable for the safety of any person(s) accessing this facility.

2. Closing/Sales

- 2.1. At closing at the purchase of a Unit, the new Unit Owner will pay the prorated Assessments for the closing month.
- 2.2. Without exception, Owner is required to notify the Association in writing of the sale of the Owner's Unit and the name and telephone number of new Owner at or before the sale to the new Owner is completed.

3. Common Areas

- 3.1. The Association may determine what constitutes an "eye sore" as to any portion of the Common Elements and fix, paint over, remove and dispose of any such unsightly condition.
- 3.2. No articles shall be placed on or in any of the Common Elements except for those articles of personal property which are the common property of all of the Owners. Abandoned or discarded personal property is prohibited from being stored, kept or allowed to remain for any period of time upon any portion of the Common Elements. The Association may remove and dispose of personal property that is in violation of this provision.
- 3.3. Decks and patios, if any, shall be used only for the purposes intended and shall not be used for hanging garments, or for cleaning rugs, household articles, children's toys, bicycles or other articles or items. No rugs or other materials shall be dusted from windows, courts, decks or patios. The Association may remove and dispose of personal property that is in violation of this provision.
- 3.4. Common sidewalks, drive ways, entrances and passageways shall not be obstructed or used by any Owner or Occupant for any purpose other than ingress and egress from the Units. Owners, Occupants, members of their families, or their guests, shall not use sidewalks, entrances and passageways as a play area. Children shall not be permitted to loiter or play on the stairways, hallways, or entryways nor in any parking, driveway or maintenance areas.
- 3.5. Nothing shall be thrown or tossed from the balcony of any Unit. This, includes, but is not limited to, cigarettes, cigars, food, stones, missiles, incendiary or explosive devices. The proper authorities will be called to investigate such activity. The Association or any resident witnessing such activity may sign a complaint against the offending party.
- 3.6. Any damage to the Common Elements caused by the Owner or a member of the Owner's family, or their respective guests, or their tenants, shall be repaired at the expense of that Unit's Owner.
- 3.7. The moving of furniture in and out of Units shall be accomplished only in accordance with the rules established by the Association, and in accordance with a schedule prearranged between the Owner and the Association or a designated agent of the Association. Any damage to the Common Elements, including but not limited to medians and all other landscapes, resulting from the vehicle, the moving or carrying of articles to or from Units shall be repaired at the cost of the Owner to or from whose Unit such moving or carrying occurred.
- 3.8. The repair, maintenance of each Unit's heating, air-conditioning systems and/or fireplace shall be the sole responsibility of Unit Owner. No Owner or Occupant shall contract for any plumbing, electrical or mechanical repairs to his/her Unit or the Common Elements, or allow any plumber, electrician or other contractor to make any such repairs to his/her Unit or the Common Elements, unless such plumber, electrician or contractor has been approved by such work in writing by the

Association. The Association shall have the right to designate and approve in advance all electricians, plumbers and other contractors that do work or perform repairs in any of the Units or the Common Elements.

- 3.9. Except where the Owner also occupies the Unit, the Owner transfers and assigns to the lessee, for the term of the lease, any and all rights and privileges that the Owner has to use the Common Elements of the Condominium Project, including, but not limited to, the use of any and all recreational facilities.

4. Firearms and Fireworks

The display or discharge of firearms or fireworks on the Common Elements or within the Limited Common Elements is prohibited.

5. Garage Sales

Garage sales, yard sales, flea markets, or similar activities are prohibited unless and to the extent conducted under the auspices of the Association.

6. Keys to Units

- 6.1. The Association may retain a pass key to each Unit. If an owner alters or permits the alteration of any lock or permits the installation of any new lock on any exterior door, including storm doors, of such Owner's Unit the Owner shall forthwith deliver to the Association a key, which opens such altered or new lock within 24 hours of such alteration. The Association shall have the right to enter into Units for maintenance, emergency, security, or safety purposes, which right may be exercised by the Board of Directors, officers, agents, employees, managers, and all police officers, fire personnel, ambulance personnel and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall be only during reasonable hours and after reasonable notice is given to the Owner or Occupant of the Unit.
- 6.2. All persons requesting from the Management Office Staff entry or keys to any condominium unit must show proper identification and proof of ownership or right of entry.

7. Leasing

- 7.1. The percentage of rental units at The Casitas shall not be more than 49% of the total units, which is a maximum 133 rental units.
- 7.2. Any requests to join the rental program must be in writing and submitted to the HOA office. The HOA office will reply with a written answer within 5 business days.
- 7.3. Owners desiring to place any unit in the rental program after April 27, 2014 shall pay the HOA a \$250 set-up fee per owner. The set-up fee shall be refunded when an owner voluntarily removes their unit(s) from the rental program; but shall not be refunded if Owner violates any of the rental program rules.
- 7.4. If The Casitas is at the maximum number of rentals, any owner wishing to rent out their unit will be put on the waiting list until an open slot becomes available.

- 7.5. If an owner is more than three months behind on their HOA payments, the HOA will send out notice to the defaulting owner and they shall have 10 days to bring their account up to date or lose their spot in the Rental Program. If there is a current lease in place, the removal shall happen at the expiration of the lease. No exception shall be made to this rule and no lease extension will be given.
- 7.6. An owner may move into their unit on a temporary basis which is defined as less than 6 weeks and maintain their spot in the rental program.
- 7.7. An owner is not allowed to market their unit for sale as a rental property. If at the time of closing, the new owner would like to put the newly acquired unit into the rental program, they have to contact the HOA office to see if there are open slots available. It is the owners' responsibility to make sure that their Real Estate Agent knows this information.
- 7.8. If an owner has their unit in the rental program and fails to rent out their unit for a continued period of 6 months, the unit will be removed from the rental program. If there are other owners on the waiting list, the first person on the waiting list shall be placed into the rental program. The fully furnished units shall be removed from the program if they are unrented for 8 continuous months.
 - a. If an owner places a unit into the rental program, and the unit remains unrented and occupied by the owner for a period of 3 months (continuously or off and on), the unit will be removed from the rental program. The owner will not be refunded the set-up fee and the unit shall not be eligible for the rental program for a period of one year, beginning on the date the unit is removed from the rental program. For the purposes of the rental program, a unit is not considered to be rented if the owner is paying himself and is both landlord and tenant, is renting to an entity subsidiary to himself as tenant, or is rented to a relative, by blood or by marriage, unless the relative is paying the owner full market rent.
- 7.9. The rental program shall be assigned to the unit only. The owner may not transfer the rental program to another unit that they may own.
- 7.10. Any owner who rents out their unit either by themselves or through an outside management company is required within 7 days to provide a copy of the lease agreement, and have their tenant complete a contact form or they will lose their spot in the rental program.
- 7.11. Any unit that falls under a notice of foreclosure shall not be permitted to be in the rental program. The unit in question will be removed from the rental list upon notice from the lender.
- 7.12. Hardship permits shall be allowed under extreme, temporary, and Board approved circumstances only. All requests must be submitted in writing to the HOA office. The Board will review information and reply with an answer within 10 business days of receiving the notice in writing.

The following hardship guidelines shall be used:

 - a. An owner who must relocate for employment purposes and cannot sell the unit for a price at or less than the current appraised market value, after having made reasonable efforts to do so.
 - b. An owner of a unit that dies and the unit is being administered by his or her Estate or Trust.
 - c. An owner of a unit that takes a leave of absence or temporarily relocates, and intends to return to reside in the unit, and wishes to rent the unit.

- 7.13. The Board shall reserve the right to revoke any rental program privileges if the owner violates any of the governing documents.
- 7.14. As of February 17, 2014, any unit that is currently a rental shall be grandfathered into the rental program and be governed by these rules.
- 7.15. No Unit shall be used for or subject to any type of Vacation Time Sharing Ownership Plan, Vacation Time Sharing lease Plan or Vacation Time Plan.
- 7.16. Units may not be rented out for less than an initial 90-day term. Daily, Weekly or Monthly rentals are not allowed.
- 7.17. When a unit is rented or leased, the Owner transfers and assigns to the lessee, for the term of the lease, any and all rights and privileges that the Owner has to use the Common Elements of the Condominium Project, including, but not limited to, the use of any and all recreational facilities.

8. Maintenance

- 8.1. The Association shall have the right to close, temporarily, any portion of the Common Elements for emergency, security, or safety purposes, or for any such other reasonable purpose, with no prior notice to the Owners for a reasonable time to fix the problem.
- 8.2. Certain Units come with fireplaces equipped with natural gas lines supplying natural gas to the fireplaces. Those fireplaces so equipped are to be used as natural gas burning fireplaces only and are not to be used for wood burning. Wood burning is permitted in the fireplaces of those Units not equipped with natural gas lines; however, an annual fireplace flue cleaning will be required, which cleaning will be contracted for by the Association, with such cleaning services to be paid by the Owner of the Unit, and documentation of the annual cleaning presented to the Association.
- 8.3. The repair, maintenance of each Unit's heating, air-conditioning systems and/or fireplace shall be the sole responsibility of Unit Owner. No Owner or Occupant shall contract for any plumbing, electrical or mechanical repairs to his/her Unit or the Common Elements, or allow any plumber, electrician or other contractor to make any such repairs to his/her Unit or the Common Elements, unless such plumber, electrician or contractor has been approved by such work in writing by the Association. The Association shall have the right to designate and approve in advance all electricians, plumbers and other contractors that do work or perform repairs in any of the Units or the Common Elements.
- 8.4. Each Owner shall have the obligation to maintain and keep in good repair all portions of his or her Unit and all improvements made to the Limited Common Elements assigned to the Unit.
- 8.5. The Unit Owner can request assistance from the Manager of the Homeowners' Association for repairs for maintenance or preventive maintenance provided the services requested will not take more than 2 hours of the maintenance crew's time. These requests may pertain to any part of the Unit or Limited Common Elements and will be charged back to the Unit Owner at a rate of \$40.00 per hour to be assessed on a minimum basis of one hour, or at any other hourly rate approved by the Board of Directors.

The scope of work which can be performed by the maintenance crew is limited to emergency service calls, basic plumbing, basic electric, simple appliance repair and simple patching/painting jobs. If maintenance required or requested will take more than two hours of time on the part of the

maintenance crew, the Unit Owner will have to coordinate the work needed or requested with an outside vendor. The Homeowners' Association office has a list of vendors from which they can recommend assistance to Unit Owner. **There is a list of services that the HOA Staff can perform at the back of these rules and regulations.**

- 8.6. Each Owner or Occupant shall have the responsibility to keep in a neat, clean, and sanitary condition any Limited Common Elements serving his/her Unit including, without limitation, terraces and balconies. The Owner of the Unit must report promptly to the Association or its agent any defect or need for repairs for which the Association is responsible.
- 8.7. Owners and Occupants shall maintain, at a minimum, a temperature setting of (55) fifty-five degrees Fahrenheit when the temperature is forecasted to be or does not reach (32) thirty-two degrees Fahrenheit or below to prevent breakage of water pipes during colder months of the year.

9. Parking And Vehicle Registration

- 9.1 The Association may otherwise reasonably restrict parking as it shall determine for particular spaces, such as handicapped spaces or spaces assigned for temporary parking, for mail and/or for clubhouse access. The Association through the Board requires that any vehicle residing on the property must be registered with the Homeowners' Association office which office will issue the owner of the vehicle a decal to be placed in the rear window on the driver's side (interior) so that it is visible. All extended-stay visitors (for more than 3 days), those who are renting a vehicle or using a borrowed vehicle must provide the required information about the vehicle to the Homeowners' Association office at which time a temporary decal will be issued by management for that vehicle and can be hung from the rear-view mirror.
- 9.2 The Association through the Board is limiting the number of vehicles each unit may park on the premises (either in a reserved space or in a visitor or unmarked space) as follows:
 - a. Non garage and single car garage units shall have a maximum of 2 vehicles per unit.
 - b. Units with a two car garage shall be allowed a maximum of 3 cars per unit.
 - c. Additional cars shall be allowed up to a limit of one additional car per unit for a fee of \$25.00 per month payable to the Homeowners' Association.
 - d. If any vehicle is parked on any portion of the property in violation of the Homeowners' Association Rules and Regulations, other rules established by the Association or the Board, and/or the Declaration, Bylaws, the Board may place a notice on the vehicle specifying the nature of the violation and stating that after a specified period the vehicle may be towed. Any vehicle illegally parked in a reserved space, a fire lane, an area obstructing the flow of traffic, any area prohibited by law, an area creating a hazardous condition, or a vehicle that is not registered with the Homeowners' Association, may be towed immediately by a representative of the Association or by the Owner or Occupant to which the reserved space belongs.

10. Pest Control

The Association may, but shall not be obligated to, dispense chemicals for the extermination of insects and pests within the Units and Common Elements.

11. Pets

- 11.1 No Owner or Occupant of a Unit may keep more than 2 pets provided they are not more than 25 pounds each at maturity, are not considered to have a dangerous propensity and the ownership of such pets complies with the city ordinances of Las Cruces, New Mexico. Pets may not be left unattended outdoors or kept unattended outdoors, including on any porch or balcony. All pets must be kept on a leash and be under the physical control of a responsible persons at all times while outside the Owner's or Occupant's Unit and anywhere on or about the Common Elements or the Limited Common Elements. The owners of the pet or the person responsible for the pet must properly remove any feces left upon the Common Elements or the Limited Common Elements by pets. Any damage to the Common Elements or the Limited Common Elements caused by the Owner's pet or the Occupant's pet shall be repaired at the expense of that Unit's Owner. The Owner or Occupant shall be responsible for pet noise control at all times so as to maintain peace and quiet for all *Owners or Occupants and so as not to constitute a nuisance.*
- 11.2 **Pet Registration** All residents who have pets, must register their pets with the office and provide the following information at time of registration:
- Dog's current vaccination record (available from veterinarian)
 - Dog's license number and expiration date
 - Photo of your dog or cat

This registration will be mandatory by July 1, 2016 for all residents with a pet.

12. Plants

- 12.1. **Plants - Outdoor** Complete a form requesting approval to buy and plant individual plants. Contact HOA Manager for correct forms. Include the kind of plant (common name) and number of plants you would like to purchase and indicate where you would like them planted. Please be aware that all outdoor plants placed in the common areas become the property of the HOA and are managed by our landscaping contractor.
- 12.1.1. The request will be reviewed and approved by the landscaping committee in conjunction with our landscaping contractor.
- 12.1.1.1. Questions to be considered.
- Is the requested plant to be put in an appropriate location?
 - Will a water line need to be installed?
 - Is the plant appropriate for our common grounds?
 - Can the plant be maintainable by the landscape contractor?
- 12.1.1.2. Action plan if approved:
- Landscaping contractor will be responsible for the planting at **requestors cost.**
 - Landscaping contractor will be responsible for making sure there is a water supply for this location. If water line is needed **requestor will pay** the cost to install.
- 12.2. **Plants - Potted**
- 12.2.1. Personal potted plants are allowed, but must be kept on owner's patios or balconies. Any potted plants located in common area space will require approval from the HOA management. Without approval, the pots will be subject to removal by management. All potted plants must

be in appropriate containers and consistently maintained by owners at all times. Potted plant containers may not hinder entry to the unit or any neighboring unit's entry. Any pots without plants or dead plants will be classified as vacant and must be stored out of sight or subject to removal by management.

13. Pool Usage

13.1. Pool Hours:

Phase I – 9 am to 10 pm

Phase II – 5 am to 10 pm

- 13.2. Pool and Spa users must take a cleansing shower before entering pool.*
- 13.3. Gate codes must be kept confidential. No sharing of codes permitted.*
- 13.4. Children under age 15 must be accompanied by an adult 18 years or older.*
- 13.5. Guests must be accompanied by a resident; four guests per unit Monday-Sunday.*
- 13.6. No infants allowed in spa/hot tubs. "Infants" are considered to be 24 months and younger.*
- 13.7. Children under 2 years old must wear swim diapers.*
- 13.8. Headphones are required for listening to music.*
- 13.9. No alcohol allowed in pool area.*
- 13.10. No person under the influence of alcohol or drugs shall use the pool or spa.*
- 13.11. No glass containers of any kind allowed in pool area.*
- 13.12. No food or drink shall be permitted within 4 feet of the pool or spa.*
- 13.13. No diving, jumping, running or horseplay allowed.*
- 13.14. No pets allowed in the pool areas.*
- 13.15. No climbing/sitting on fountain.*
- 13.16. First aid kit is located in fitness room in Phase II and on the wall at Phase I.*

14. Renovations

- 14.1. Any alterations made to the interior of Units must comply with the all provisions of the Declaration.
- 14.2. Except as many otherwise be provided in the Declaration, no Unit Owner shall perform any kind of work on the exterior building walls or upon the Common Elements. Such work is the responsibility of the Association.
- 14.3. Except as many otherwise be approved by the Board of Directors or as may be permitted by the Declaration, no Owner, resident or lessee of a Unit shall install wiring for electrical or telephone installation or for any other purpose, nor shall any television or radio antenna, machines or air conditioning units be installed on the exterior of the Condominium Project or protrude through the walls or the roof of the condominium improvements.
- 14.4. In order to minimize sound transmission between Units, the Owners of Units that are not located on the first floor shall not install and hard surface floor materials including, without limitation, tile, marble, or wood floor material, in his/her Unit without the prior written consent of the Association. Without limiting the Association's discretion in considering any request, the Association may condition it approval of any such installation upon any or all of the following: (a) a limitation on the area where hard surface floor covering materials may be installed, (b) a requirement that the Owner

provide the Association specifications regarding the floor covering materials, or (c) a requirement that the Owner install such sound dampening material underneath the floor material as the Association deems necessary. Specifically excluded from this rule, however, are floor coverings for the balconies and an interior area (not to exceed four feet by four feet in dimension) adjacent to and aligned with the main entry-exit door of the Unit. Also excluded are floor coverings for the kitchen not to exceed 30 square-feet; bathrooms not to exceed 30 square feet; and closets not to exceed 30 square feet.

15. Rubbish and Trash

All rubbish, trash, and garbage shall be regularly removed from the Unit and shall not be allowed to accumulate therein. No garbage or trash shall be placed on the Common Elements or Limited Common Elements outside the Unit, temporarily, or otherwise.

16. Security/Safety

The Association may, but shall not be required to, from time-to-time, provide measures or take actions which directly or indirectly improve safety on the Condominium Project. Neither the Association nor the Declarant shall in any way be considered insurers or guarantors of security within the Condominium Project.

17. Signs

Except as otherwise provided in the Declaration, no signs shall be placed or permitted within the Condominium Project, except those identifying this Condominium Project, the selection and location of which is reserved to Declarant until all of the Units have been sold, at which time such authority shall vest in the Board of Directors of the Association. Except as provided in the Declaration, so long as any Unit is owned by Declarant in the Condominium Project and remains unsold, no Owner of a Unit shall be permitted to place any sign on the Condominium Project or on his/her Unit or elsewhere on the Building advertising the Unit for sale or lease.

18. Solicitation

Solicitation within the Condominium Project is not permitted. All advertisements and postings must be approved by the Association. Except as may be required by legal proceedings, no signs, advertising posters, billboards, canopy or awnings, or any variation of the foregoing of any kind shall be erected, placed, or permitted to remain on the Property without the prior written consent of the Board of Directors or its designee.

19. Television Antennas

No Owner, Occupant, or any other Person shall place or maintain any type of exterior television or radio antenna, or satellite equipment on the Property unless approved by the Board of Directors. All installation and/or removal of a television or radio antenna, or satellite equipment shall be supervised by HOA maintenance personnel and the resident shall pay the office a \$25 fee for each installment or removal of

satellite equipment. Each resident shall also provide to the office the insurance of the selected installer prior to any work being started. Any unsupervised roof access will incur a **\$2500** fine from HOA.

20. Violations of Rules

Any violation of the Declaration, Bylaws, or the Rules and Regulations by the lessee, and Occupant, or any person living with the lessee, is deemed to be a default under the terms of the lease and authorizes the Owner to terminate the lease without liability and to evict the lessee in accordance with the New Mexico law.

PROCEDURES AND ENFORCEMENT

Separate collection procedures, including notice of alleged violations and the opportunity to be heard, shall be implemented by the Association for enforcement of the rules and regulations. Such collection procedures are a part of these Rules. All fees and charges imposed by the Association and all costs incurred by the Association in enforcement of these rules and regulations, including but not limited to the cost of any corrective actions, shall constitute assessments enforceable against Owners pursuant to the provisions of the Declaration. For each day any violation continues after notice, it shall be considered a separate violation. The Association shall have the authority to take any remedial action it deems appropriate in the event of a violation of these rules and regulations, the Bylaws, the Declaration or the Articles. The foregoing Rules and Regulations are subject to amendment and to the promulgation of further regulations.

No failure by the Association to insist upon the strict performance of any term or provision contained in the Rules and Regulations shall constitute a waiver of any such term or provision unless such waiver is made in writing by the Association. Any waiver of a breach of a term or provision of these rules and regulations shall not prevent a subsequent act, which would have originally constituted a violation under these Rules and Regulations, from having the effect of a violation or prevent the Association from exercising all of its rights and remedies under the Declaration, the Bylaws or these Rules and Regulations.

PENALTIES AND FINE SCHEDULE

In performing daily duties, the Property Manager is unrestricted in applying a wide range of options to solve problems. However, at a point when a Homeowner's violation of the rules is blatant, serious, or persistent, the Property Manager is empowered to implement, in the sequence in the Table below, a Schedule of Penalties and Fines. NOTE: Under no circumstances will this Schedule be imposed in lieu of sound management.

PROCEDURES. The Manager will determine if a homeowner's violation of rules is significant enough to warrant a fine or penalty. If yes, a formal notification letter of intent will be provided the alleged violator. The letter will contain:

- a. Details of circumstances warranting insurance of the letter;
- b. Explanation that the notification is a formal recognition of the FIRST OFFENSE (or SECOND or THIRD, see Table below) noted in which the Owner violated a specific Rule or Regulation;

- c. Advice of intent to impose a fine or penalty after 10 days, which will be appropriate to the degree of offense,
- d. An explanation that the accused has a right to be heard before the Board of Directors, depending on a written request which explains on what grounds the appeal will be made,
- e. An advertisement that a copy of this notification plus all other directly-related documentation will be retained for 12 months after effective date of the offense.

TABLE SCHEDULE OF PENALTIES AND FINES

FIRST OFFENSE. Ten days after being notified of intent to impose a penalty, the violator will be issued a formal Letter of Admonition, including a specification of committing a FIRST OFFENSE, to the effect that the next violation will result in a fine of \$50.00. The Letter of Admonition will be filed in the Owner’s property file for 12 months, and facts of the case given to the Board of Directors.

SECOND OFFENSE. Ten days after notification of intent, a \$50.00 fine will be imposed on the violator by a formal letter which specifies commission of a SECOND OFFENSE. A copy plus all related documents will be filed in the Owner’s property file for 12 months, and facts of the case given to the Board of Directors.

THIRD OFFENSE. Ten days after notification of intent, the violator will be directed by letter, specifying commission of a THIRD OFFENSE, to appear before the Board of Directors which will determine (1) a monetary fine, not exceed \$500, appropriate to the circumstances, and (2) further penalties. A copy of a formal description of the proceedings will be placed in the Owner’s property file for 12 months, and all facts of the incident will be cited in minutes of the Board of Directors meeting.

RIGHT OF APPEAL. In all cases the accused has the right of appeal, and must be afforded a right to be heard before the Board of Directors – before a fine is levied or penalty is effective. No later than 10 days after receiving a letter of notification that a fine or penalty may be imposed, the alleged violator may indicate that an appeal will be made – and must include details to support the appeal.

CONSEQUENCES OF TARDINESS IN PAYING FINES. If the fine or penalty is still applicable after an appeal has been made by the Respondent then acted upon by the Board, the violator must comply within 7 days of the Board’s decision. Exceeding this limit will require an additional \$25.00 fine for each day thereafter in order to defray legal fees and the costs of administration.

21. Water Usage

No water shall be needlessly consumed by an Owner or Occupant in him Unit or about the Common Elements. Waterbeds will be permitted in second floor units only with Association approval. Each Owner or Occupant is responsible to maintain faucet, lavatories etc. so that there is no water leakage. If an Owner or Occupant fails to repair water leakage the Association may fix and assess the cost of repair to the Owner. Such repair cost shall be deemed an assessment against the Unit and may be collected in the same manner as provided in the Declaration for collection of assessments.

22. Window Coverings

All windows which are part of a Unit shall have window treatments and any portion thereof visible from outside the Unit shall be white or off-white in color, unless otherwise approved in writing by the Board.

23. Use of unit

No Owner or Occupant of a Unit may use or allow the use of the Unit or any portion of the Condominium Project at any time, in any way or for any purpose which may endanger the health or unreasonably annoy or disturb or cause embarrassment, discomfort, or nuisance to other Owners or Occupants. Reasonable care should be exercised to avoid making or permitting to be made loud, disturbing or objectionable noises, and in the using of loud music of any kind that may disturb Owners or Occupants in surrounding Units whether in the Common Elements, Limited Common Elements or any Unit. Any persons experiencing any disturbances shall contact management personnel, who will be responsible for monitoring and enforcing compliance with this Rule.

All Units shall be used for residential purposes and for ancillary home office uses. No other business, trade, or similar activity shall be conducted upon a Unit without the prior written consent of the Board.

These rules are subject to change with Board Approval

HOA MAINTENANCE SERVICES

\$40 an hour - at a minimum of 1 hour

Private work orders are accomplished as HOA maintenance workload permits. Work orders are scheduled and appointments need to be made in advance unless there is an emergency.

PAINTING

- Painting of interior walls
- Interior drywall repairs

ELECTRICAL

- Changing of lighting or ballasts for lighting
- Check/Repair faulty electrical outlets, switches or breakers

PLUMBING

- Check/Repair water leaks (Non-Emergency)
- Sink and tub repairs
- Stopped up toilets and sinks
- Clearing of condensation lines on air conditioners
- Replace capacitors in air conditioners

APPLIANCE REPAIR

- Replace water line to ice makers
- Install/Repair garbage disposals
- Dryer vent cleaning
- Thermostat repair/replacement
- Reprogramming or resetting sensors on garage doors and door openers
- Minor Washer/Dryer repairs

MISCELLANEOUS

- Storm door installation
- Patio shade installation
- Restringing blinds
- Hang new blinds
- Fill minor cracks on concrete
- Replace missing grout in tile in bathrooms
- Air filter replacements

THIS LIST IS MEARLY A GUIDE, AND MANAGEMENT WILL MAKE THE DETERMINATION OF WHEN THE HOA STAFF CAN HANDLE THE MAINTENANCE OR IF IT NEEDS TO BE TURNED OVER TO A VENDOR

RULES AND REGULATIONS ACKNOWLEDGEMENT FORM

I/We _____, in Unit _____ agree that I/We will fully read the attached Rules and Regulations in full and I/We will abide by these rules at all times while residing at the Casitas at Morningstar. If I/We do not abide by these rules I/We will be fined according to the Violations section of these Rules and Regulations.

I will read these rules, and agree to comply with the rules at all times.

Resident/Owner Signature

Printed Name

Resident/Owner Signature

Printed Name

Unit Number

Date

The Casitas at Morningstar