

**CERTIFICATE OF CORPORATE RESOLUTIONS  
OF BOARD OF DIRECTORS OF  
BEACHTOWN COMMUNITY FOUNDATION CORPORATION**

*(Amended and Restated Rules and Regulations Regarding Rental of Dwellings)*

I, Tofigh Shirazi, President of Beachtown Community Foundation, Corp., a Texas non-profit corporation (the "Foundation"), do hereby certify at the regular meeting of the Board of Directors of the Foundation (the "Board of Directors") held on \_\_\_\_\_, 2018, with at least a majority of the Board of Directors being present, the following amended and restated rules and regulations were duly made and approved by the Board of Directors:

**RECITALS**

**WHEREAS**, pursuant to that certain Master Declaration of Covenants, Conditions and Restrictions for Beachtown Galveston recorded in the Office of the County Clerk of Galveston County, Texas, under Clerk's File No. 2006046960 (as same may be amended and supplemented which are hereby referred to collectively herein as the ADeclaration@), the Association is charged with the responsibility for administering the restrictive covenants set forth in the Declaration; and

**WHEREAS**, Article XI, Section 13 of the Declaration provides that dwellings in the community known as Beachtown and located in Galveston, Galveston County, Texas ("Beachtown") may be rented subject to rules and regulations established by the Foundation and that rental of dwellings will only be allowed if managed by a professional rental agency; and

**WHEREAS**, the Board of Directors, on behalf of the Foundation, previously adopted Rules for Use of Residences, and recorded same in instrument recorded in the Office of the County Clerk of Galveston County, Texas, under Clerk's File No. 2009050540 (the "Residence Use Rules"); and

**WHEREAS**, the Board of Directors, on behalf of the Foundation, previously adopted Rules and Regulations Regarding Rental of Dwellings, and recorded same in instrument recorded in the Office of the County Clerk of Galveston County, Texas, under Clerk's File No. \_\_\_\_\_ (the "2013 Rental Rules"); and

**WHEREAS**, pursuant to Article XI, Section 13 of the Declaration, the Board of Directors desires to amend and restate the 2013 Rental Rules;

**NOW, THEREFORE**, the Board of Directors, on behalf of the Foundation, duly adopts the following amended and restated rules and regulations (the "Rental Rules") regarding the rental of dwellings within Beachtown, which amends and restates the 2013 Rental Rules:

**RENTAL RULES**

1. Residential Use Only. Beachtown is a residential community. Rental of property in Beachtown for commercial purposes (*i.e.*, weddings, proms, or other events) is not allowed. Short term renters (less than ninety (90) consecutive days) may only use the property in Beachtown for temporary residential housing during the lease term. Short term renters (less than ninety (90) consecutive days) may not use the property in Beachtown for weddings, wedding receptions, corporate events, group events, retreats or parties of any kind.
2. Owner's Responsibility. Each owner is responsible for the conduct of the owner's renters, guests and occupants; it is a violation of these Rental Rules if any renter, guest or occupant disturbs the rights, comforts or conveniences of other persons within Beachtown. The Foundation is relying upon each owner to properly screen anyone who will be a renter, guest or occupant of the owner's property within Beachtown.
3. Management by a Professional Rental Agency. Except for use of the leasing registration system used by Vacation Rental By Owner (VRBO) only, owners may not rent their property within Beachtown without direct use of a real estate agent or real estate broker with the qualifications as set out below. Owners may not rent their property within Beachtown unless the rental of the property is performed and managed by a real estate management company or a licensed real estate firm (the "Owner's Leasing Agent"): (i) with a current, valid and effective license issued by the Texas Real Estate Commission to operate in Texas as a real estate agent or a real estate broker, as the case may be; (ii) with an office located in the City of Galveston, Texas; (iii) with at least one (1) employee available at all times to handle any problems that might arise with the renter, guest or other occupant or between the Foundation and the renter, guest or other occupant.
4. No Party Tents. While owners and long term renters (ninety [90] consecutive days or more) may hold parties for themselves and their guests, no tent or other temporary cover is allowed.
5. Criminal History Checks. It is suggested that the Owner's Leasing Agent obtain a representation from each renter and adult occupant that they have not been convicted of a felony. For the well being of Beachtown, it is suggested that owners refrain from knowingly renting to any renter or adult occupant that has been convicted of a felony.
6. Prior Rental History. In order to minimize problems, it is suggested that each owner refrain from renting his or her property to renters and occupants with unacceptable prior rental histories. The Foundation is not responsible for determining whether a prior rental history is acceptable or whether the owner has made a sound economic decision to rent the owner's property. However, references on each prospective renter and occupant should be obtained and thoroughly checked. At the very least, any applicant for rental that has a history of being evicted for nonmonetary reasons should be declined rental.
7. Leased Space and Purpose. No owner may rent less than the entire dwelling (unless the dwelling has a separate carriage house).

8. Occupancy. Each dwelling is subject to the following occupancy requirements:

<u>Dwelling Size</u>	<u>Maximum # of Occupants</u>
1 bedroom	4
2 bedroom	6
3 bedroom	8
4 bedroom	10
5 bedroom	12

In addition to the above permitted number of occupants, an additional occupant may also occupy each bedroom, if such occupant is a child less than six (6) months of age who sleeps in the same bedroom with the child's parent, guardian, legal custodian, or person applying for that status.

9. Lease Termination. THE FOUNDATION MAY REQUIRE, VERBALLY OR IN WRITING, IMMEDIATE TERMINATION OF ANY LEASE IN THE EVENT OF ANY VIOLATION BY ANY OF THE OCCUPANTS UNDER SUCH LEASE, OR THEIR GUESTS OR INVITEES OF ANY PROVISION OF THE DECLARATION OR OTHER RULES AND REGULATIONS OF BEACHTOWN. IN THE EVENT OF SUCH TERMINATION, ALL OCCUPANTS MUST IMMEDIATELY VACATE THE APPLICABLE LOT.
10. Children and Other Dependents. All owners and tenants must insure that their children and other dependents, and the children and other dependents of any of their related parties, are properly supervised at all times, and may not permit their children or other dependents to engage in any activity or conduct in violation of the Declaration or other Rules and Regulations of Beachtown. Owners and tenants are liable for all consequences of any lack of supervision or violations.
11. Certificate of Compliance. The Foundation must be provided with a certificate signed by the Owner's Leasing Agent acknowledging full knowledge of the Declaration, the Rental Rules and the other rules and regulations of Beachtown. It is the responsibility of the Owner's Leasing Agent to inform the renters of all the Rental Rules and other rules and regulations of Beachtown.
12. Site Visits. For leases of property in Beachtown of \_\_\_ days or less, the Owner's Leasing Agent must visit the Owner's rented property in Beachtown at least twice a day during the rental period at intervals of at least five (5) hours apart to ensure that the renters are complying with all the Declaration and other rules and regulations of Beachtown.
13. Suspension of Real Estate Agents and Brokers. The Board of Directors may suspend any Owner's use of a particular real estate agent or real estate broker whom the Board of Directors, in its sole discretion, determines to not be actively seeking and causing compliance with the Declaration, these Rental Rules and other rules and regulations of Beachtown.
14. Applicability of Resident Use Rules. Paragraph 1 under the Section entitled, "RULES FOR USE OF RESIDENCES" in the Resident Use Rules is applicable to owners of property in Beachtown and to individuals who rent property in

