

EXHIBIT E

BYLAWS

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NORTH LAKE ESTATES HOMEOWNERS ASSOCIATION, INC.
(a Texas non-profit corporation)

ARTICLE 1
INTRODUCTION

1.1. **Property.** These Bylaws of North Lake Estates Homeowners Association, Inc., provide for the governance of the neighborhood regime (the "Property") known as North Lake Estates, as more particularly described in that certain Declaration of Covenants, Conditions and Restrictions for North Lake Estates Homeowners Association, Inc., recorded or to be recorded in the Official Public Records of Denton County, Texas (the "**Declaration**").

1.2. **Parties to Bylaws.** All present or future Owners of Property and all other persons who use or occupy the Property in any manner are subject to these Bylaws, the Declaration, and the other Documents as defined in the Declaration. The mere acquisition or occupancy of the Property will signify that these Bylaws are accepted, ratified, and will be strictly followed.

1.3. **Definitions.** Words and phrases defined in the Declaration have the same meanings when used in these Bylaws. Article 1 of the Declaration is incorporated herein by reference.

1.4. **Nonprofit Purpose.** The Association is organized to be a nonprofit corporation.

1.5. **General Powers and Duties.** The Association, acting through the Board, has the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of the Property as may be required or permitted by the Documents and Texas law. The Association may do any and all things that are lawful and which are necessary, proper, or desirable in operating for the best interests of its Members, subject only to the limitations upon the exercise of such powers as are expressly set forth in the Documents.

ARTICLE 2
BOARD OF DIRECTORS

2.1. **Governance.** Within one hundred and twenty (120) days after seventy-five percent (75%) of the total Lots which may be developed within the property and pursuant to the Declaration have been conveyed to Owners other than the Declarant (the "75% Trigger Date"), the Board will consist of three (3) members appointed by the Declarant. After the 75% Trigger Date, the Board will be elected or appointed as follows: (i) two (2) members will be appointed by the Declarant; and (ii) one (1) member will be appointed by Property owners other than the Declarant.

Within one hundred twenty (120) days after the end of the Declarant Control Period ("Declarant Transition Period"), or sooner at the Declarant's option, Declarant will call an organizational meeting of the Members of the Association for the purpose of electing, by vote of the Owners, directors to the Board. Should the annual meeting of the Association fall within the one hundred twenty (120) days the annual meeting shall be held and utilized for the purpose stated herein. Written notice of the organizational meeting must be given to an Owner of each Lot at least ten (10) days but not more than sixty (60) days before the meeting. **For the initial organizational meeting if held apart from the Annual Meeting, Owners of ten percent (10%) of the Lots shall constitute a quorum.** The directors elected at the organizational meeting will serve as the Board until the next annual meeting of the Association or a special meeting of the Association called for the purpose of electing directors, at which time the staggering of terms will begin. The Board, by Resolution, may increase the number of Board Members from three (3) to five (5); if the number of Board Members is increased three shall serve a term of not less than two (2) years and two (2) shall serve a term of one (1) year. The terms shall be determined by number of votes received; the Members obtaining the higher number of votes shall serve the longer term. No Director may serve for more than a period of two (2) years without running for re-election. There shall be no limit to the number of terms or years which a Director may serve. The Board shall institute all such changes by Resolution of the Board and shall state the facts of such actions taken in the meeting minutes of a duly called meeting for this purpose.

2.2. Qualification. The following qualifications apply to the election or appointment of persons to the Board.

2.2.1. Owners. The directors must be Members of the Association or spouses of Members.

2.2.2. Entity Member. If a Property is owned by a legal entity, such as a partnership or corporation, any officer, partner, agent, or employee of that entity Member is eligible to serve as a director and is deemed to be a Member for the purposes of this Section. If the relationship between the entity Member and the director representing it terminates, that directorship will be deemed vacant.

2.2.3. Violation. No person may be elected or appointed as a director if any violation against the person or his Property is open and active at the time of election or appointment, provided he shall be given notice of the violation and a reasonable opportunity to cure the violation.

2.2.4. Litigation. No person may be elected or appointed as a director if the person is a party adverse to the Association or the Board in pending litigation to which the Association or the Board is a party.

2.3. Meetings of the Board.

2.3.1. Organizational Meeting of the Board. Within thirty (30) days after the annual meeting or election of Directors, the directors will convene an organizational meeting for the purpose of electing officers. The time and place of the meeting will be fixed by the Board and announced to the directors. Meeting may be held telephonically so long as all Members can hear one another and each Board Member may respond and be heard by all other Board Members.

2.3.2. Regular Meetings of the Board. Regular meetings of the Board may be held at a time and place that the Board determines, from time to time, notwithstanding, at least two meetings per year is required. During the period of Declarant control, at least one (1) such meeting must be held annually. Notice of regular meetings of the Board will be given to each director, personally or by telephone, written, or electronic communication, at least three (3) days prior to the date of the meeting.

2.3.3. Special Meetings of the Board. Special meetings of the Board may be called by the president or, if he is absent or refuses to act, by the secretary, or by any two (2) directors. At least three (3) days notice will be given to each director, personally or by telephone, written, or electronic communication, which notice must state the place, time, and purpose of the meeting.

2.3.4. Emergency Meetings. In case of emergency, the Board may convene a meeting after making a diligent attempt to notify each director by any practical method.

2.3.5. Conduct of Meetings. The president presides over meetings of the Board unless he/she delegates the responsibility to another and the secretary keeps, or causes to be kept, a record of resolutions adopted by the Board and a record of transactions and proceedings, occurring at meetings. **MEETINGS SHALL BE HELD IN AN ORDERLY FASHION. A Board meeting is for the purpose of the Board to conduct business of the Association therefore, it is imperative Owners' and Board Members conduct themselves in a respectful and orderly fashion. Any person disrupting a meeting should be asked to leave the meeting.**

2.3.6. Quorum. At meetings of the Board, a Majority of directors constitutes a quorum for the transaction of business, and the acts of the Majority of the directors present at a meeting at which a quorum is present are the acts of the Board. If less than a quorum is present at a meeting of the Board, the Majority of those present may adjourn the meeting from time to time. At any reconvened meeting at which a quorum is present, any business that may

have been transacted at the meeting as originally called may be transacted without further notice. Directors may not participate by proxy at meetings of the Board.

2.3.7. Telephone Meetings. Members of the Board or any committee of the Association may participate in and hold meetings of the Board or committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in such meeting constitutes presence in person at the meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

2.3.8. Action without a Meeting. **Any action required or permitted to be taken by the Board at a meeting may be taken without a meeting, if all directors individually or collectively consent in writing to such action. The written consent must be filed with the minutes of Board meetings. Action by written consent has the same force and effect as a unanimous vote. This Section does not apply to actions that require meetings under the Act.**

2.4. Powers and Duties. The Board has all the powers and duties necessary for the administration of the Association and for the operation and maintenance of the Property. The Board may do all acts and things except those which, by law or the Documents, are reserved to the Members and may not be delegated to the Board. Without prejudice to the general and specific powers and duties set forth in laws or the Documents, or powers and duties as may hereafter be imposed on the Board by resolution of the Association, the powers and duties of the Board include, but are not limited to, the following:

2.4.1. Appointment of Committees. The Board, by resolution, may from time to time designate standing or ad hoc committees to advise or assist the Board with its responsibilities. The resolution may establish the purposes and powers of the committee created, provide for the appointment of a chair and committee Members, and may provide for reports, termination, and other administrative matters deemed appropriate by the Board. Members of committees will be appointed from among the Owners and residents.

2.4.2. Manager. The Board may employ a manager or managing agent for the Association, at a compensation established by the Board, to perform duties and services authorized by the Board.

ARTICLE 3 **OFFICERS**

3.1. **Designation.** The principal officers of the Association are the president, the secretary, and the treasurer. The Board may appoint one (1) or more vice-presidents and other officers and assistant officers as it deems necessary. The president and secretary must be directors. Other officers must be Members. Any two (2) offices may be held by the same person, except the offices of president and secretary. If an officer is absent or unable to act, the Board may appoint a director to perform the duties of that officer and to act in place of that officer, on an interim basis.

3.2. **Election of Officers.** The officers shall be elected no less than annually by the directors at the organizational meeting of the Board and hold office at the pleasure of the Board. Except for resignation or removal, officers hold office until their respective successors have been designated by the Board. There shall be no less than three and no more than five members of the Board. The Board shall have the right, if deemed to be appropriate or necessary, to increase the number of members from three to five, and must stagger terms of the Board regardless of the number of Directors who serve.

3.3. **Removal and Resignation of Board Members and Officers.** A Majority of directors may remove any officer, with or without cause, at any regular meeting of the Board or at any special meeting of the Board called for that purpose. A successor may be elected at any regular or special meeting of the Board called for that purpose. An officer may resign at any time by giving written notice to the Board. Unless the notice of resignation states otherwise, it is effective when received by the Board and does not require acceptance by the Board. The resignation or removal of an officer who is also a director does not constitute resignation or removal from the Board.

A Board Member may be removed by majority vote of the Board of Directors notwithstanding, removal must be based on verifiable actions such as, but not limited to removal of a Board Member who sows discord among the Board, Officers, and Members of the Association, misses more than three consecutive meetings, or refuses or fails to perform their assigned duties, or a breach of their fiduciary duties. This list is not meant to be inclusive; other inappropriate actions by a Board Member that fosters strife, promotes division, or violates a State or Federal Law may be grounds for removal. **Board Members and Officers must conduct themselves in a professional manner and treat their fellow Board Members and Officers with respect.** If a Board Member is removed the remaining Board Members shall appoint a replacement from among the Members of the Association. The appointed Member shall serve the remainder of the term of the Board Member removed.

3.4. **Standard of Care.** In performing their duties, the officers are required to exercise the normal and customary standards of care as provided by the Texas State Property Code and by Section 3.105 of the Texas Business Organizations Code.

3.5. Description of Principal Offices.

3.5.1. President. As the chief executive officer of the Association, the president: (i) presides at all meetings of the Association and of the Board or appoints another to reside in his/her place; (ii) has all the general powers and duties which are usually vested in the office of president of a corporation organized under the laws of the State of Texas; (iii) has general supervision, direction, and control of the business of the Association, subject to the control of the Board; and (iv) sees that all orders and resolutions of the Board are carried into effect.

3.5.2 Vice President. The Vice President or Vice Presidents (including, without limitation, Executive Vice Presidents and Senior Vice Presidents), if any, shall generally assist the President and shall have such powers and perform such duties and services as shall from time to time be prescribed or delegated to him by the President or the Board. In the event the President were to resign or be unable or unwilling to perform his/her duties at any time, the Vice President shall perform all the duties of the President until such a time that the President is able to resume his/her duties or in the case of death, resignation, or removal a new Director is appointed at which time the Board shall hold an Election of Officers to determine the Officers of the Board.

3.5.3. Secretary. The secretary: (i) keeps or causes to be kept, the minutes of all meetings of the Board and of the Association; (ii) has charge of such books, papers, and records as the Board may direct; (iii) maintains or causes to be maintained a record of the names and addresses of the Members for the mailing of notices; and (iv) in general, performs all duties incident to the office of secretary.

3.5.4. Treasurer. The treasurer: (i) is responsible for Association funds; (i) keeps or causes to be kept, full and accurate financial records and books of account showing all receipts and disbursements; (iii) prepares or causes to be prepared all required financial data and tax returns; (iv) deposits or oversees the deposits of all monies or other valuable effects in the name of the Association in depositories as may from time to time be designated by the Board; (v) prepares or causes to be prepared the annual and supplemental budgets of the Association; (vi) reviews the accounts of the managing agent on a monthly basis in the event a managing agent is responsible for collecting and disbursing Association funds; and (vii) performs all the duties incident to the office of treasurer.

3.6. Authorized Agents. Except when the Documents require execution of certain instruments by certain individuals, the Board may authorize any person to execute instruments on behalf of the Association. In the absence of Board designation, the president and the secretary are the only persons authorized to execute instruments on behalf of the Association.

ARTICLE 4

MEETINGS OF THE ASSOCIATION

4.1. **Annual Meeting.** An annual meeting of the Association will be held annually on a date and time specified by the Board. The first annual meeting shall be held at least one hundred twenty (120) days after the transition from Declarant control and thereafter, on a date as shall be set by the Board. At annual meetings the Members will transact such business of the Association as may properly come before them.

4.2. **Special Meetings.** It is the duty of the president to call a special meeting of the Association if directed to do so by a Majority of the Board or by a petition signed by Owners of at least fifty one percent (51%) of the Properties. The meeting must be held within thirty (30) days after the receipt of petition once the validity of the petition is confirmed. The notice of any special meeting must state the time, place, and purpose of the meeting. No business, except the purpose stated in the notice of the meeting, may be transacted at a special meeting.

4.3. **Place of Meetings.** Meetings of the Association may be held at the Property or at a suitable place convenient to the Members, as determined by the Board.

4.4. **Notice of Meetings.** At the direction of the Board, written notice of Annual or Special meetings of the Association will be given to an Owner of each Property at least ten (10) days but not more than sixty (60) days prior to the meeting. Notices of meetings will state the date, time, and place the meeting is to be held. Notices will identify the type of meeting to be held and will state the particular purpose of a special meeting. Notices may also set forth any other items of information deemed appropriate by the Board.

4.5. **Ineligibility.** The Board may determine that no Member may vote at meetings of the Association if the Member has an open violation on their account with the Association before the date of a meeting at which Members will vote, provided each ineligible Member is given notice of the violation and an opportunity to cure the violation to become eligible. A determination of Members entitled to vote at a meeting of the Association is effective for any adjournment of the meeting, provided the date of the adjourned meeting is not more than forty-five (45) days after the original meeting.

4.6. **Voting Members List.** The Board will prepare or cause to be prepared and make available a list of the Association's voting Members in accordance with Section 22.158(b) of the Texas Business Organizations Code.

4.7. **Quorum.** The first time a meeting is called, whether regular or special, the presence at the meeting of Members, or of proxies, entitled to cast at least ten (10%) of all of the votes of the Association's Members, without regard to class, shall constitute a quorum notwithstanding for the Organizational Meeting at time of Declarant transfer, a special quorum allowance as outlined in these Bylaws and Exhibit B shall apply. If the

required quorum is not present at the initial meeting, additional meetings may be called, subject to the notice requirement hereinabove set forth, and the required quorum at such subsequent meeting(s) shall be one-half (1/2) of the quorum requirement for such prior meeting, provided however, that such second subsequent meeting must take place within thirty (30) days after the first meeting. The Association may call as many subsequent meetings as may be required to achieve a quorum (although the quorum requirement shall be reduced for each such meeting, in no event shall a quorum be less than one-tenth (1/10) of the votes of the Association). At such adjourned or subsequent meeting at which a quorum shall be present or represented, any business may be transacted which may have been transacted at the meeting as originally notified. After the first initial meeting for a Regular or Special Meeting the quorum shall be twenty percent (20%) for all future Meetings and if quorum is not met at the first meeting the quorum shall be reduced by one-half (1/2) for the first reconvene meeting. If quorum is not met at the reconvene meeting, the quorum shall reduce to one-tenth (1/10th).

4.8. **Lack of Quorum.** If a quorum is present at no time ("Lack of Quorum") during a properly called meeting, a majority of the Members present, although not constituting a quorum, may vote to adjourn the meeting and reconvene with no further notice required. At the reconvened meeting pursuant to this provision, Members constituting a Regular Quorum and Special Quorum will be reduced to one-half (1/2) of the required Regular Quorum and Special Quorum at the preceding meeting; provided however, that such preceding meeting is held not later than thirty (30) days after the first (1st) meeting.

4.9. **Votes.** The vote of Members representing at least a Majority of the votes cast at any meeting at which a quorum is present binds all Members for all purposes, except when a higher percentage is required by these Bylaws, the Declaration, or by law. Cumulative voting is prohibited. When deemed appropriate by the Board and applicable law, electronic balloting and voting shall be allowed.

4.9.1. **Co-Owned Properties.** If a Property is owned by more than one Member, the vote appurtenant to that Property is cast in accordance with Section 82.110(a) of Act, which is summarized as follows. If only one of the multiple Owners of a Property is present at a meeting of the Association, that person may cast the vote allocated to that Property. If more than one of the multiple Owners is present, the vote allocated to that Property may be cast only in accordance with the Owners' unanimous agreement. Multiple Owners are in unanimous agreement if one of the multiple Owners casts the vote allocated to a Property and none of the other Owners makes prompt protest to the person presiding over the meeting. One vote per Lot.

4.9.2. **Corporation-Owned Properties.** If a Property is owned by a corporation, the vote appurtenant to that Property may be cast by any officer of the corporation in the absence of the corporation's written appointment of a specific person to exercise its vote. The vote of a partnership may be cast by any general partner in the absence of the partners' written appointment of

a specific person. The person presiding over a meeting or vote may require reasonable evidence that a person voting on behalf of a corporation or partnership is qualified to vote. One vote per Lot.

4.9.3. Association-Owned Properties. Votes allocated to a Property owned by the Association may be counted towards a quorum and for all ballots and votes except the election or removal of directors. The vote appurtenant to a Property owned by the Association is exercised by the Board. One vote per Lot.

4.9.4 Class B Votes. Declarant is the Class B Member of the Association and is entitled to twenty (20) votes for each and every Lot owned by Declarant during the Class B period.

4.10. Proxies. Votes may be cast in person or by written proxy. To be valid, each proxy must: (i) be signed and dated by a Member or his attorney-in-fact; (ii) identify the Property to which the vote is appurtenant; (iii) name the person or title (such as "presiding officer") in favor of whom the proxy is granted, such person having agreed to exercise the proxy; (iv) identify the meeting for which the proxy is given; (v) not purport to be revocable without notice; and (vi) be delivered to the secretary, to the person presiding over the Association meeting for which the proxy is designated, or to a person or company designated by the Board. Unless the proxy specifies a shorter or longer time, it terminates eleven (11) months after the date of its execution. To revoke a proxy, the granting Member must give actual notice of revocation to the person presiding over the Association meeting for which the proxy is designated. Unless revoked, any proxy designated for a meeting which is adjourned, recessed, or rescheduled is valid when the meeting reconvenes. A proxy may be delivered by email or fax. However, a proxy received by email or fax may not be counted to make or break a tie-vote unless the proxy has been acknowledged or sworn to by the Member, before and certified by an officer authorized to take acknowledgments and oaths.

4.11. Conduct of Meetings. The president, or any person designated by the Board, presides over meetings of the Association. The secretary keeps, or causes to be kept, the minutes of the meeting which should record all resolutions adopted and all transactions occurring at the meeting, as well as a record of any votes taken at the meeting.

4.12. Order Of Business. Unless the notice of meeting states otherwise or the assembly adopts a different agenda at the meeting, the order of business at meetings of the Association is as follows:

- Determine votes present by roll call or check-in procedure
- Announcement of quorum
- Proof of notice of meeting
- Approval of minutes of preceding meeting
- Reports of Officers (if any)

New Business
Unfinished or old business

4.13. **Adjournment of Meeting.** At any meeting of the Association, a Majority of the Members present at that meeting, either in person or by proxy, may adjourn the meeting, to another time and place.

4.14. **Action without Meeting.** Subject to Board approval, any action which may be taken by a vote of the Members at a meeting of the Association may also be taken without a meeting by written consents. The Board may permit Members to vote by any method allowed by Section 22.160(b)(c) and (d) of the Texas Business Organizations Code, which may include hand delivery, mail, fax, email, or any combination of these. Written consents by Members representing at least a Majority of votes in the Association, or such higher percentage as may be required by the Documents, constitutes approval by written consent. This Section may not be used to, avoid the requirement of an annual meeting and does not apply to the election of directors.

ARTICLE 5

RULES

5.1. **Rules.** The Board has the right to establish and amend, from time to time, reasonable rules and regulations for: (i) the administration of the Association and the Documents; (ii) the maintenance, management, operation, use, conservation, and beautification of the Property including rules, regulations, and notice and fining procedures for violations or acts of non-conformance by any Owner; and (iii) the health, comfort, and general welfare of the residents; provided, however, that such rules may not be in conflict with law or the Documents. The Board will, at all times, maintain the then current and complete rules in a written form which can be copied and distributed to the Members and/or placed on the Association's website.

5.2. **Adoption and Amendment.** Any rule and regulation may be adopted, amended, or terminated by the Board, provided that the rule and the requisite Board approval are properly recorded as a resolution in the minutes of the meeting of the Board.

5.3. **Distribution.** On request from any Member or resident, the Board will provide a current and complete copy of rules and regulations. Additionally, the Board will, from time to time, distribute copies of the current and complete rules and regulations to Owners through the web or internet by posting on the Association's web page or pages and, if the Board so chooses, to non-Member residents. The Board shall notify all Owners of Amendments to Rules and Regulations and shall post to the Association's website, if applicable, and/or mail to each Owner a copy of the amended Rules and Regulations.

ARTICLE 6

ENFORCEMENT

6.1. **Remedies.** The violation of any provision of the Documents gives the Board the following rights, in addition to any other rights set forth in the Documents:

6.1.1. **Fines.** To impose reasonable fines, if notice and an opportunity to be heard are given. Fines shall not exceed \$750.00 per violation occurrence.

6.1.2. **Self-Help.** After notice and an opportunity to be heard are given, except in case of an emergency, to enter the Property or Common Element in which, or as to which, The violation or breach exists and to summarily abate and remove, at the expense of the defaulting Owner, the costs of which shall be assessed to the Owner's account, any structure, thing, or condition (except for additions or alterations of a permanent nature that may exist in that Property) that is contrary to the intent and meaning of the provisions of the Documents. The Board may not be deemed liable for any manner of trespass by this action.

6.1.3. **Courts.** To enjoin, abate, or remedy, by appropriate legal proceedings, the continuance of any breach.

6.2. **Notice and Hearing.** Before imposing a fine or exercising self-help abatement, the Board must give the Owner at least one (1) written notice of violation and a minimum of ten (10) days and not more than twenty (20) to cure the violation except in the case of emergencies wherein the Board believes that for the safety and well being of Owners and Residents in the community or for the safety and protection of property regardless of whether it is owned by the Owner, another party or the Association. In such cases, the Board shall only be required to provide a seventy-two (72) hour notice which may be mailed, posted to the Owner's door or residence, or in cases where a good physical address is not provided and an emergency situation warrants it, the notice may be sent by e-mail when a valid e-mail account is on file. Owners may request a hearing before a committee selected by the Board by submitting a written request for hearing within thirty (30) days of notice of violation. Notice of hearing date and time must be provided in writing to the Owner within ten (10) days of the date of the receipt of Owners request for a hearing. The committee shall endeavor to set a hearing date within thirty (30) days of the date the written request is received however, if conflicting schedules or other such complications arise, the Board shall have up to sixty (60) days in which to set a hearing date. If an owner appeals the decision of the committee after a hearing, the Owner shall have the right to appeal to the Board. The Board shall set an appeal hearing within thirty (30) days of receipt of the written request. Written notice of the Board's decision must be delivered by U.S. Mail to the Owner no later than ten (10) days after the hearing date. The Board's decision shall be final. A hearing may be rescheduled at the written request of the Owner or the Board.

6.2.1. Notice of Violation. The Board's written violation notice will contain the following: (i) the date the violation notice is prepared or mailed; (ii) a description of the violation; (iii) a reference to the rule or provision of the Documents that is being violated when possible; (iv) a description of the action required to cure the violation; (v) the amount of the fine to be levied and/or the abatement action to be taken; (vi) the date the fine begins accruing or abatement action becomes possible; and (vi) a statement that not later than the 30th day after the date of the violation notice, the Owner may request a hearing before the Board to contest the fine or the abatement action. Only one (1) notice of not less than ten (10) days nor more than twenty (20) days shall be required.

6.2.2. Notice to Resident. In addition to giving the written violation notice to the Owner, the Board may also give a copy of the notice to the non-Owner resident, if the Board deems it appropriate. At the discretion of the Board, a tenant or guest of an Owner may be held liable for fines for certain types of violations. If tenant or guest fails to pay the fine after thirty (30) days, the fine will be assessed to the Owners account as the responsible party.

6.2.3. Pending Hearing. Pending the hearing, the Board may continue to exercise the Association's other rights and remedies for the violation, as if the declared violation were valid. The Owner's request for a hearing suspends only the levy of the fine or the abatement action described in the notice.

6.2.4. Hearing. Hearings before the committee shall be held in closed session. Appeal hearings held before the Board may be held in closed or executive session. At all hearings, the panel will consider the facts and circumstances surrounding the violation. The Owner may attend the hearing in person, may be represented by another person or written communication. **No audio or video recording of any hearing may be made.**

6.2.5. Minutes of Hearing. The minutes of the hearing must contain a statement of the results of the hearing and the amount of fine, if any, imposed, or abatement action, if any, authorized. A copy of the violation notice and request for hearing should be placed in the minutes of the hearing. If the Owner appears at the hearing, the notice requirement will be deemed satisfied.

6.3. Imposition of Fine. Within thirty (30) days after levying the fine or authorizing the abatement, the Board must give the Owner notice of the levied fine or abatement action. If the fine or action is announced at the hearing at which the Owner is actually present, the notice requirement will be satisfied. Otherwise, the notice must be in writing.

6.3.1. Amount. The Board may set fine amounts on a case by case basis, provided the fine is reasonable in light of the nature, frequency, and effects of the violation. The Board may establish a schedule of fines for certain types of violations with varying fine amounts so long as the cumulative total does not exceed the maximum fine amount of \$750.00. Unless the Board adopts an alternate Fining Schedule, fines may be levied in increments as follows: \$50.00 for First Fine, \$75.00 for Second Fine, and \$100.00 for Third Fine. The Board may, by Resolution, adopt an alternate Notice and Fining Policy which may supplement all or any portion of this Section of the Bylaws or the Declaration. Notices between fines shall be a minimum of five (5) days before another fine is levied. After the Third Fine if the violation is not abated fines shall continue to accrue at the rate of \$25.00 every week until the violation is abated or the maximum fine amount is reached at which time the violation process shall start over. The amount and cumulative total of a fine must be reasonable in comparison to the violation. Recurring violations within a six (6) month period will be subject to immediate fine upon one (1) written notification to the Owner. **Each day a violation continues may constitute a new or recurring violation.**

6.3.2. Type of Fine. If the violation is ongoing or continuous, the fine may be levied on a periodic basis (such as daily, weekly, or monthly). If the violation is not ongoing, but is instead sporadic or periodic, the fine may be levied on a per occurrence basis.

6.3.3. Other Fine-Related. The Association is not entitled to collect a fine from an Owner to whom it has not given notice and an opportunity to be heard. The Association may not charge interest on unpaid fines. The Association may not foreclose its assessment lien on a debt consisting solely of fines. The Board may adopt a collection policy that applies Owners' payments to unpaid fines before retiring other types of assessments.

6.4. **Additional Enforcement Rights.** Notwithstanding the notice and hearing requirement, the Board may take immediate and appropriate action, without giving the notices required in this Article, against violations of the Documents which, in the Board's opinion, are: (i) self-evident, such as vehicles parked illegally or in violation of posted signs which shall based on applicable local laws and ordinances carry with it the right by the Association to have such violating vehicles towed at the Owner's expense; (ii) threatening to life or property; or (iii) repeat violations of the same provision by the same Owner to whom prior notices and demands have been given for the same violation. Further, the provisions of this Article do not apply to specific remedies provided in the Documents for certain violations, such as nonpayment of assessments.

ARTICLE 7

OBLIGATIONS OF OWNERS

7.1. **Notice of Sale.** Any Owner intending to sell or convey his Property or any interest therein must give written notice to the Board of his intention, together with: (i) the address or legal description of the Property being conveyed; (ii) the name and address of the intended purchaser; (iii) the name, address, and phone number of the title company or attorney designated to close the transaction; (iv) names and phone numbers of real estate agents, if any, representing seller and purchaser; and (v) scheduled date of closing. An Owner will, furnish this information to the Board at least ten (10) business days before the scheduled date of closing or conveyance. The requirements of this Section may be satisfied by giving the Association a copy of an accepted resale contract in connection with the Owner's request to the Association for a resale certificate.

7.2. **Proof of Ownership.** On request by the Association from time to time, any person who purports to be an Owner or the agent of an Owner must furnish to the Board evidence of ownership of the Property. A copy of the recorded deed is the customary evidence. This requirement may be satisfied by receipt of a Board-approved form that is completed and acknowledged by a title company or attorney at time of conveyance of the Property or any interest therein. The Association may refuse to recognize a person as a Member unless the requested documentation is provided.

7.3. **Owners' Information.** Within thirty (30) days after acquiring an ownership interest in a Property, the Owner must provide the Association with the Owner's mailing address, telephone number, and driver's license number, if any; the name and telephone number of any resident other than the Owner; and the name, address, and telephone number of any person managing the Property as agent of the Property Owner. An Owner must notify the Association within thirty (30) days after he has notice of a change in any information required by this Section, and must provide the information on request by the Association from time to time.

7.4. **Mailing Address.** The Owner or the several co-Owners of a Property must register and maintain one mailing address to be used by the Association for mailing of notices, demands, and all other communications. If an Owner fails to provide the Association with up to date information, the Association shall use the property address and all notices delivered to the property address shall be deemed as duly noticed and delivered.

7.5. **Registration of Mortgagees.** Within thirty (30) days after granting a lien against his Property, the Owner must provide the Association with the name and address of the holder of the lien. The Owner must notify the Association within thirty (30) days after he has notice of a change in the information required by this Section. Also, the Owner will provide the information on request by the Association from time to time.

7.6. **Assessments.** All Owners are obligated to pay assessments imposed by the Association to meet the common expenses as defined in the Declaration. Assessments are not contingent upon the existence of Common Areas or Amenities or any other similar facility. A Member is deemed to be in good standing and entitled to vote at any meeting of the Association if he does not have any outstanding violations against his person or property.

7.7. **Compliance with Documents.** Each Owner will comply with the provisions and terms of the Documents, and any amendments thereto. Further, each Owner will always endeavor to observe and promote the cooperative purposes for which the Property was established.

ARTICLE 8

8.1. **Resale Certificates.** Any officer may prepare or cause to be prepared, certify, and execute resale certificates in accordance with Section 82.157 of the Act. The Association or its managing agent may charge a reasonable fee for preparing resale certificates. The Association or its Managing Agent may refuse to furnish resale certificates until the fee is paid. Any unpaid fees may be assessed against the Property for which the certificate is furnished. Refer to the Covenants, Conditions and Restrictions for specific information regarding the Transfer Fees and Resale Certificate process. The Declaration of the Association will contain information about this process.

ARTICLE 9 **NOTICES**

9.1. **Co-Owners.** If a Property is owned by more than one person, notice to one co-Owner is deemed notice to all co-Owners.

9.2. **Delivery of Notices.** Any written notice required or permitted by these Bylaws may be given personally, by mail, by fax, by email, or by any other method permitted by the Texas Business Organizations Code. If mailed, the notice is deemed delivered when deposited in the U.S. mail addressed to the Member at the address shown on the Association's records. If transmitted by fax or email, the notice is deemed delivered on successful transmission of the facsimile or email.

9.3. **Waiver of Notice.** Whenever a notice is required to be given to an Owner, Member, or director, a written waiver of the notice, signed by the person entitled to the notice, whether before or after the time stated in the notice, is equivalent to giving the notice. Attendance by a Member or director at any meeting of the Association or Board, respectively, constitutes a waiver of notice by the Member or director of the time, place, and purpose of the meeting. If all Members or directors are present at any meeting of the Association or Board, respectively, no

notice is required and any business may be transacted at the meeting.

ARTICLE 10

DECLARANT PROVISIONS

10.1. Conflict. The provisions of this Article control over any provision to the contrary elsewhere in these Bylaws.

10.2. Board of Directors. During the Declarant Control Period, the initial directors will be appointed by Declarant and need not be Owners or residents. Directors appointed by Declarant may not be removed by the Owners and may be removed by Declarant only. Declarant has the right to fill vacancies in any directorship vacated by a Declarant appointee. **During the Declarant control period, the sole responsibility and obligation of the Board of Directors shall be to maintain the corporation books of the Association and maintain the Association in good corporate standing with Secretary of State of the State of Texas and in good standing with the Office of the Comptroller of Public Accounts of the State of Texas; and to oversee the contractual obligations of the Association.**

10.3. Organizational Meeting. Within one hundred and twenty (120) days after the end of the Declarant Control Period, or sooner at Declarant's option, Declarant or Managing Agent will call an organizational meeting of the Members. Notice of the organizational meeting will follow the protocols for notices as described in these Bylaws or Declaration.

ARTICLE 11

AMENDMENTS TO BYLAWS

11.1. Authority. Declarant may amend these Bylaws at any time and from time to time without consent or joinder of the Board of Directors or Members during the Declarant Control Period. These Bylaws may not be amended by the Board without approval by the Declarant during the period of Declarant control. After the Declarant Control Period the Board may amend these Bylaws without the consent or joinder of the Members. These Bylaws may be amended by the simple majority vote of the Board according to the terms of this Article.

11.2. Declarant Protection. During the Development Period, no amendment of these Bylaws may affect the Declarant's rights herein without the Declarant's written and acknowledged consent. Specifically, this Section and the article titled "Declarant Provisions" may not be amended without the prior written approval of the Declarant. The Declarant's written consent must be part of the amendment instrument.

ARTICLE 12

GENERAL PROVISIONS

12.1. **Compensation.** A director, officer, Member, or resident may not receive any pecuniary profit from the operation of the Association, and no funds or assets of the Association may be paid as a salary or as compensation to, or be distributed to, or inure to the benefit of a director, officer, Member, or resident. Nevertheless,

i. Reasonable compensation may be paid to a director, officer, Member, or resident for services rendered to the Association in other capacities.

ii. A director, officer, Member, or resident may, from time to time, be reimbursed for his actual and reasonable expenses incurred on behalf of the Association in connection with the administration of the affairs of the Association, provided the expense has been approved by the Board.

iii. The Board may budget and use Association funds to purchase awards, certificates, a celebratory meal, or other customary tokens or demonstrations of appreciation for volunteer activities.

iv. This provision does not apply to distributions to Property Owners permitted or required by the Declaration or the Act.

12.2. **Conflicting Provisions.** If any provision of these Bylaws conflicts with any provision of the laws of the State of Texas, the conflicting Bylaws provision is null and void, but all other provisions of these Bylaws remain in full force and effect. In the case of any conflict between the certificate of formation of the Association and these Bylaws, the certificate of formation controls. In the case of any conflict between the Declaration and these Bylaws, the Declaration controls.

12.3. **Severability.** *Whenever possible, each provision of these Bylaws will be interpreted in a manner as to be effective and valid. Invalidity of any provision of these Bylaws, by judgment or court order, does not affect any other provision which remains in full force and effect.*

12.4. **Construction.** The effect of a general statement is not limited by the enumerations of specific matters similar to the general. The captions of articles and sections are inserted only for convenience and may not be construed as defining or modifying the text to which they refer. The singular is construed to mean the plural, when applicable, and the use of masculine or neuter pronouns includes the feminine.

12.5. **Fiscal Year.** The fiscal year of the Association will be the calendar year unless otherwise set by resolution of the Board, and is subject to change from time to time as the Board determines.

12.6. **Waiver.** No restriction, condition, obligation, or covenant contained in these Bylaws may be deemed to have been abrogated or waived by reason of failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

12.7. **Indemnification.** To the fullest extent permitted by applicable law, the Association will indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that such person is or was a, director, officer, committee member, employee, servant, or agent of the Association against expenses (including attorney's fees, judgments, fines, and amounts paid in settlement) actually and reasonably incurred by such person in connection with such action, suit or proceeding if it is found and determined by the Board or a court that such person; (i) acted in good faith and in a manner which such person reasonably believed to be in, or not opposed to, the best interests of the Association; or (ii) with respect to any criminal action or proceeding, had no reasonable cause to believe such conduct was unlawful. The termination of any action, suit, or proceeding by settlement, or upon a plea of nolo contendere or its equivalent, will not of itself create a presumption that the person did not act in good faith or in a manner reasonably believed to be in, or not opposed to, the best interests of the Association, or, with respect to any criminal action or proceeding, had reasonable cause to believe that such conduct was unlawful.

By: 
Mehrdad Moayedi, Declarant

I, Victor Tannous, Secretary of the North Lake Estates Homeowners Association do hereby confirm these Bylaws were reviewed and approved by the Board of Directors and are hereby adopted as the Bylaws of the Association.

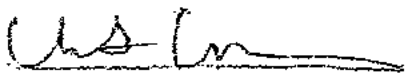

Victor Tannous, Secretary

Exhibit E-1

North Lake Estates Homeowners Association, Inc.

Certificate of Formation

Consent in Lieu of Organizational Meeting

Form 202

Secretary of State
P.O. Box 13697
Austin, TX 78711-3697
FAX: 512/463-5709

Filing Fee: \$25

**Certificate of Formation
Nonprofit Corporation**

Filed in the Office of the
Secretary of State of Texas
Filing #: 802808942 09/07/2017
Document #: 760541880003
Image Generated Electronically
for Web Filing

Article 1 - Corporate Name

The filing entity formed is a nonprofit corporation. The name of the entity is :

North Lake Estates Homeowners Association, Inc.

Article 2 – Registered Agent and Registered Office

☒ A. The initial registered agent is an organization (cannot be corporation named above) by the name of:

Essex Association Management, L.P.

OR

☐ B. The initial registered agent is an individual resident of the state whose name is set forth below:

C. The business address of the registered agent and the registered office address is:

Street Address:

1512 Crescent Drive, Suite 112 Carrollton TX 75006

Consent of Registered Agent

☐ A. A copy of the consent of registered agent is attached.

OR

☒ B. The consent of the registered agent is maintained by the entity.

Article 3 - Management

☐ A. Management of the affairs of the corporation is to be vested solely in the members of the corporation.

OR

☒ B. Management of the affairs of the corporation is to be vested in its board of directors. The number of directors, which must be a minimum of three, that constitutes the initial board of directors and the names and addresses of the persons who are to serve as directors until the first annual meeting or until their successors are elected and qualified are set forth below.

Director 1: **Mehrdad Moayed**

Title: **Director**

Address: **1512 Crescent Drive, Suite 112 Carrollton TX, USA 75006**

Director 2: **Victor Tannous**

Title: **Director**

Address: **1512 Crescent Drive, Suite 112 Carrollton TX, USA 75006**

Director 3: **Dustin Warren**

Title: **Director**

Address: **1512 Crescent Drive, Suite 112 Carrollton TX, USA 75006**

Article 4 - Organization Structure

☐ A. The corporation will have members.

or

☒ B. The corporation will not have members.

Article 5 - Purpose

The corporation is organized for the following purpose or purposes:

Homeowners Association

Supplemental Provisions / Information

[The attached addendum, if any, is incorporated herein by reference.]

Effectiveness of Filing

☒ A. This document becomes effective when the document is filed by the secretary of state.

OR

☐ B. This document becomes effective at a later date, which is not more than ninety (90) days from the date of its signing. The delayed effective date is:

Organizer

The name and address of the organizer are set forth below.

Mehrdad Moayed **1800 Valley View Lane, Suite 300, Farmers Branch, TX 75234**

Execution

The undersigned affirms that the person designated as registered agent has consented to the appointment. The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument and certifies under penalty of perjury that the undersigned is authorized under the provisions of law governing the entity to execute the filing instrument.

Mehrdad Moayed

Signature of organizer.

FILING OFFICE COPY

**CONSENT OF DIRECTORS IN LIEU OF
ORGANIZATIONAL MEETING
OF
NORTH LAKE ESTATES HOMEOWNERS ASSOCIATION, INC.**

The undersigned, being all of the members of the Board of Directors of North Lake Estates Homeowners Association, Inc., a Texas non-profit corporation (hereinafter referred to as the "Association"), do hereby consent, pursuant to the Texas Business Organization Code, to the adoption of the following resolutions:

1. DIRECTORS

RESOLVED, that each of the undersigned, being all of the directors of the Association, as named in its Certificate of Formation filed with the Secretary of State of the State of Texas on September 7, 2017, did hereby accept appointment to such office and did hereby agree to serve as a director of the Association until the first annual meeting of the members or resignation or removal and until said director's successor or successors have been duly elected and qualified or until his or her earlier death, resignation, retirement, disqualification or removal from office.

2. BYLAWS

RESOLVED, that the form of bylaws are approved and adopted as the Bylaws of the Association including its policies, procedures, rules and regulations filed therewith, and the Secretary of the Association is instructed to insert or cause to be inserted the original thereof in the minute book of the Association.

3. OFFICERS

RESOLVED, that each of the following-named persons were named as Directors according to the Certificate of Formation and/or Articles of Incorporation, and to hold any such office to which elected until the first annual meeting of the Board of Directors of the Association and until his or her successor should be chosen and qualified in his or her stead, or until his or her earlier death, resignation, retirement, disqualification or removal from office:

Mehrdad Moayesdi- President

Dustin Warren- Vice President / Treasurer

Victor Tannous- Secretary

RESOLVED, that each of the above named persons are named as Directors and shall hold any such office to which elected until the first annual meeting of the Board of Directors of the Association and until his or her successor should be chosen and qualified in his or her stead, or until his or her earlier death, resignation, retirement, disqualification or removal from office.

4. REGISTERED OFFICE; REGISTERED AGENT

RESOLVED, that the registered office of the Association be established and maintained at c/o Essex Association Management, L.P., 1512 Crescent Drive, Suite 112, Carrollton, Texas 75006, is hereby appointed as registered agent of the corporation in said office.

5. BOOKS AND RECORDS

RESOLVED, that the Secretary of the Association be and hereby is authorized and directed to procure or cause to be procured all necessary books and records of the Association.

6. ORGANIZATIONAL EXPENSES

RESOLVED, that the President of the Association or other officer or any person designated by the Board be and hereby is authorized and directed to pay all fees, expenses and costs incident to or necessary for the incorporation and organization of the Association and to reimburse any person who may have paid any of such fees, expenses and costs.

7. CORPORATE SEAL

RESOLVED, that a corporate seal is not adopted at this time and that no impression of a corporate seal is required on any Association document.

8. DEPOSITORY RESOLUTIONS

RESOLVED, that an account shall be established in the name of the Association with a financial institution to be determined by the Board (the "Bank"), under the rules and regulations as prescribed by said Bank wherein may be deposited any of the funds of this Association, whether represented by cash, checks, notes or other evidences of debt, and from which deposit withdrawals are hereby authorized in the name of the Association by any one of the following persons:

Mehrdad Moayed, President
Ronald Corcoran, Essex Association Management, LP
Anna Corcoran, Essex Association Management, L.P

BE IT FURTHER RESOLVED, that the Bank is hereby authorized to honor any and all withdrawal items against the Association's funds, although payable to the officer or agent signing or countersigning the same and whether presented for encashment or for credit to the personal account of such officer or agent or any other person, and said Bank need make no inquiry concerning such items and/or the disposition of the money, items, or credit given therefor. WITNESS WHEREOF, the undersigned have executed this instrument as of and

effective the 8th day of September, 2017.



Mehrdad Moayed, President



Dustin Warren, Vice President



Victor Tannous, Secretary

Exhibit E-2

North Lake Estates Homeowners Association, Inc.

Records Production and Copying Policy

RECORDS PRODUCTION AND COPYING POLICY
FOR
NORTH LAKE ESTATES HOMEOWNERS ASSOCIATION, INC.
(the "Association")

WHEREAS Texas Property Code § 209.005(i) Requires associations to file a records production and copying policy that prescribes the costs the Association will charge for compilation, production, and reproduction of information requested by a Member.

WHEREAS, failing the existence of such a policy, the Association shall be liable to compile and produce such records, but shall not be entitled to charge for same.

BE IT RESOLVED, that the following shall be the Association's policy for records production and copying:

Upon receipt of a proper request for information, by a proper party pursuant to Texas Property Code § 209.005(c), the Association shall make the records described by § 209.005 available pursuant to the terms thereof, within the time allotted therein, and shall otherwise comply with such provisions of Texas Property Code § 209.005, including the withholding of certain information described therein.

Further, the Association itself or by and through its agent or manager, shall charge as follows when it is required to produce records accordingly:

- a. \$15 per hour for any labor associated with the compilation or production of any requested information.
- b. \$.10 per page for photocopies.
- c. \$1.00 per CD or \$3.00 for DVD.
- d. To the extent that the aforementioned charges may exceed those allowed by current or future law, the charges shall be reduced to the legal maximum limit.
- e. Members may be required to pay an estimated cost in advance of the compilation/production and copying process with a final reconciliation to be prepared after the compilation/production and copying is performed. Any costs over the amount prepaid by the member may be charged to the member's account as an assessment. Any overpayment by the member shall be promptly refunded.

To the extent these guidelines contradict with any previous guidelines, rules, covenants, or restrictions, these guidelines shall control. These guidelines are supplementary and are in addition to any and all other covenants, conditions, restrictions, rules, and guidelines in effect for the Association.

North Lake Estates Homeowners Association, Inc. does hereby file this policy with the Bylaws of the Association and does hereby attest the Declarant in conjunction with the Board of Directors has adopted this policy as the Records Production and Copying Policy of the Association. This Policy may be amended by the Declarant or the Board of Directors at any time and from time to time by Resolution of the Board. Amendment of the Bylaws to affect an amendment or change to any policy is not required.



Victor Tannous, Secretary

RECORDS RETENTION POLICY
FOR
NORTH LAKE ESTATES HOMEOWNERS ASSOCIATION, INC.
(the "Association")

WHEREAS Texas Property Code § 209.005(m) requires associations to adopt policies to retain certain records for minimum periods of time.

BE IT RESOLVED, that the following is the Association's policy for records retention:

1. Formation documents, bylaws, CCRs — permanently
2. Financials — 7 years
3. Owner account records — 5 years
4. Contracts with a one year term or more — 4 years from the date of termination.
5. Board meeting minutes — 7 years
6. Tax returns and audits — 7 years

To the extent these guidelines contradict with any previous guidelines, rules, covenants, or restrictions, these guidelines shall control. These guidelines are supplementary and are in addition to any and all other covenants, conditions, restrictions, rules, and guidelines in effect for the Association.

North Lake Estates Homeowners Association, Inc. does hereby file this policy with the Bylaws of the Association and does hereby attest the Declarant in conjunction with the Board of Directors has adopted this policy as the Records Retention Policy of the Association. This Policy may be amended by the Declarant or the Board of Directors at any time and from time to time by Resolution of the Board. Amendment of the Bylaws to affect an amendment or change to any policy is not required.



Victor Tannous, Secretary

Exhibit E-3

North Lake Estates Homeowners Association, Inc.

Payment Plan Policy

NORTH LAKE ESTATES HOMEOWNERS ASSOCIATION, INC.

PAYMENT PLAN POLICY AND APPLICATION OF PAYMENTS

Purpose: The purpose of this policy is to provide a uniform and consistent way to manage homeowner's requests for payment plans to address their delinquent assessments and fees due to North Lake Estates Homeowners Association, Inc., (the "*Association*").

It is the intention of the Board of Directors to work with homeowners to satisfy their obligation to the Association. Therefore, in an effort to assist those homeowners in the payment of their obligations to the Association, the Board of Directors has established the following policy.

North Lake Estates Homeowners Association, Inc. does hereby file this policy with the Bylaws of the Association and does hereby attest the Declarant in conjunction with the Board of Directors has adopted this policy as the Payment Plan Policy of the Association. This Policy may be amended by the Declarant or the Board of Directors at any time and from time to time by Resolution of the Board. Amendment of the Bylaws to affect an amendment or change to any policy is not required so long as the Board adopt a Resolution and records all actions in the minutes of a meeting in which any such action or ratification of a Board is memorialized.

Payment Plans:

1. The Association will allow payment plans for repayment of delinquent amounts with a minimum of three (3) months duration.
2. Terms for repayment of delinquent amounts shall not exceed eighteen (18) months without Board approval.
3. Assessments that become due and are added to the homeowner's account during the term of the payment plan must be paid when due in addition to repayment of delinquent amounts.
4. A one-time fee of Thirty-Five and No/100 Dollars (\$35.00) shall be charged to the Owner's account which shall serve to reimburse the Association and / or its Managing Agent for its efforts to negotiate, establish, and initiate a payment plan for the owners' delinquent balance. This charge shall be paid by Owner and shall be due along with the first installment payment.
5. The plan must include the total debt owed to the Association, including late fees, interest, fines and/or other collection costs.
6. There shall be no waiver of any charges on the homeowner's account unless the owner submits a written request for consideration and approval has been obtained by the Board.
7. To be eligible for a payment plan, the homeowner must not have defaulted on a prior payment plan within a two (2) year period preceding the request for a payment plan. If such a default exists, the Board may, but is not obligated, to allow a payment plan. The Board shall review and determine every request on a case by case basis.

8. Interest, late and/or collection charges shall not accrue during the payment plan so long as the Owner remains current on payments throughout the duration of the payment plan. Should the Owner default on his/her payment plan, the Association and its Managing Agent shall be entitled to add any interest, late and/or collection fees due up to and through the date the Owner defaulted and forward unless the payment plan reinstates which shall be at the sole discretion of the Board of Director's or its Managing Agent. As stated in Subsection 7 above, Owner's who default on a payment plan may not be entitled to another payment plan for a minimum of two (2) years.

9. The plan must contain a schedule setting forth the date that each payment will be made and the exact amount of each payment to be made. Payment plan terms shall also require the payment of current (ongoing) assessments on time. Failure of the owner to make timely payment of current (ongoing) assessments shall be grounds for default of a payment plan.

10. Payment plans approved after the account has been turned over to the Association's attorney shall be administered by the Attorney. Attorney charges are Excluded from Sub Section 8 above and will be charged to the Owner's account.

11. Payment plans approved after notice has been given to a homeowner that the property is in foreclosure must include a minimum amount which shall be established by the Board of Directors. The Managing Agent, acting on behalf of the Board of Directors, shall communicate this information to the Association's attorney for the individual payment plan request and the initial payment must be received on or before the deadline established by the Association's attorney.

Settlements: The Board of Directors will consider written offers to settle an account and may but, are not obligated to include accounts at the foreclosure stage. Settlements must be paid in certified funds and may be subject to the deadlines established by the Association's attorney. **Fees owed direct to the Managing Agent may not be negotiated without the express written consent of the Managing Agent.**

Default: The Board of Directors shall herein establish criteria for determining what constitutes "default" on payment plans.

"Default" may include one or all of the following:

1. Failure of homeowner to make a payment by the proposed date in accordance with the approved payment plan.
2. Failure of homeowner to make the full amount of a payment as stated in the approved payment plan.
3. Failure of homeowner to make a timely payment of any additional assessments or charges that come due during the term of the payment plan.

Should the homeowner default on a payment plan:

1. The outstanding balance shall become due and payable immediately and may require payment in certified funds. The Association and its Managing Agent shall be entitled to

add any interest, late and/or collection fees due up to and through the date the Owner defaulted and forward.

2. The Managing Agent shall proceed with appropriate collection measures in accordance with the Association's Collection Policy in order to secure payment of amounts due to the Association.

Any payment received by the Association from a homeowner whose account reflects an unpaid balance and the homeowner is in default under a payment plan entered into with the Association, the payment shall be applied to the outstanding balance in the following order so long as and unless a conflict between this policy and the Texas State Property Code exists, in which case the order of application of payment shall be as set forth in the Texas State Property Code.



Victor Tannous, Secretary

Exhibit E-4

North Lake Estates Homeowners Association, Inc.

Collections Policy

North Lake Estates Homeowners Association, Inc.

POLICIES AND PROCEDURES FOR THE COLLECTION OF ASSESSMENTS AND OTHER CHARGES OF THE ASSOCIATION

North Lake Estates Homeowners Association, Inc. (the "Association") has adopted the following policies and procedures for the collection of assessments and other charges of the Association. The policies and procedures detailed herein will be implemented on behalf of the Board of Directors by its Managing Agent (the "Management Company") as agent for the Association unless otherwise stated.

North Lake Estates Homeowners Association, Inc. does hereby file this policy with the Bylaws of the Association and does hereby attest the Declarant in conjunction with the Board of Directors has adopted this policy as the Collection Policy of the Association. This Policy may be amended by the Declarant or the Board of Directors at any time and from time to time by Resolution of the Board. Amendment of the Bylaws to affect an amendment or change to any policy is not required so long as the Board adopts a Resolution and records all actions in the minutes of a meeting in which any such action or ratification of a Board is memorialized.

Obligation to Pay Assessments

Membership in the Association is mandatory pursuant to the terms and conditions of the Declaration. A property owner is legally obligated to pay the Assessments to the Association even if the Association's facilities or amenities are not used by the property owner. The property owner may not withhold assessment payments even if the association is not providing maintenance or other services mandated by the Association's governing documents.

Due Dates

Assessments are due on the 1st day of January of each calendar year are delinquent if not paid by 31st day of January of each year.

Invoices

The association may, but shall not be required to, invoice a property owner as a condition to an owner's obligation to pay assessment or other charges of the Association. As a matter of course, assessments are invoiced by statements. **Non-receipt of an invoice (statement) shall in no way relieve the property owner of the obligation to pay the amount due by the due date.** Property owners who do not receive their invoice (statement) are responsible for contacting the Management Company prior to the due date to request a replacement. Property owners are responsible for notifying the Management Company of their mailing address at the time of acquiring property ownership and any subsequent mailing address change thereafter.

Written Notice of Delinquency. Subsequent to an Owner becoming delinquent, and prior to referring the account to the Association's legal counsel for collection, the Association will send written notice of the delinquency to the Owner via certified mail (the "*Delinquency Notice or sometimes known as 30 Day Demand Letter*"). The Delinquency Notice shall: (i) detail each delinquent amount and the total amount owed; (ii) describe the options the Owner has to avoid having the account referred to the Association's legal counsel, including the availability of a payment plan, and (iii) provide the Owner a period of at least thirty (30) days to cure the delinquency before further collection action is taken.

Late Payment Charges and Collection Fees

Late Charges. In the event any assessment, or any portion thereof, is not paid in full by the Delinquency Date, late charges in an amount up to \$25.00 shall be assessed against the Owner's account each month and every month until the assessment is paid in full. Such late charge, as and when levied, is secured by the Assessment Lien described in the Declaration, and will be subject to recovery in the manner provided herein for assessments. The Board may, in its sole discretion, waive the collection of any late charge; provided, however, that the waiver of any late charge shall not constitute a waiver of the Board's right to collect any or late charges or any other charges in the future.

Collection Fees. In the event any assessment, or any portion thereof, is not paid in full by the Delinquency Date, collection fees in an amount not less than \$15.00 per month shall be assessed against the Owner's account each month and every month until the assessment is paid in full. Collection fees are charges by the managing agent for the collection of delinquent accounts and may not be waived by the Board without the consent of the managing agent. Such collection fee, as and when levied, is secured by the Assessment Lien described in the Declaration, and will be subject to recovery in the manner provided herein for assessments. Managing Agent may and probably will have additional fees related to collection efforts performed on a delinquent account which may include but, are not limited to demand letter fees and payment plan set up and monitoring fees. These fees shall be assessed against the Owner's account. Such collection fees, as and when levied, is secured by the Assessment Lien described in the Declaration, and will be subject to recovery in the manner provided herein for assessments. Payment of collection fees may be subject to further guidelines or restrictions as they may be set forth in the management contract between the Association and Managing Agent.

Return Payment Charges

A non-negotiable fee equal to the amount of charge levied by the Bank to the Association will be assessed to the property owner for any payment processed that is not honored by a bank or financial institution for any reason including but not limited to insufficient funds notwithstanding, the minimum such charge shall be \$25.00. Such return payment charge shall be due and payable immediately upon demand. Any applicable late payment charges, which would have been assessed if the payment had not been made, may also be applied to the property owner's account. The payment of the outstanding account balance may be required to be paid with a money order or cashier's check. Personal checks will not be accepted to satisfy an outstanding account balance when an insufficient fund check makes up a portion of the balance.

Referral of Delinquent Accounts to Lien Services or Collection Agencies

Collection Agencies. In the event an account has not been paid in full following thirty (30) days from the date Delinquency Notice was mailed to the Owner, the Association's agent may refer the account to a collection agency for collection, including reporting delinquent account to any credit bureau or other agency providing credit histories to authorized entities. All costs incurred by the Association for using the services of a collection agency, or administering the referral and handling of the account to a collection agency, are deemed costs of collection of the Association. Such costs of collection, when incurred by the Association and added to an Owner's account, are secured by the Assessment Lien described in the Declaration, and will be subject to recovery in the manner provided herein for assessments.

Referral of Delinquent Accounts to Attorneys

Remedies and Legal Actions. If an Owner fails to cure the delinquency within the thirty (30) day period stated in the Delinquency Notice, the Association may, at its discretion and when it chooses, refer the delinquency to legal counsel for the Association. Any attorney's fees and related charges incurred by virtue of legal action taken will become part of the Owner's assessment obligation and may be collected as such as provided herein. Upon direction of the Board or the Association's agent, legal counsel for the Association may pursue any and all available legal remedies with regard to the delinquencies referred to it including, but not limited to, the following:

Notice Letter. The initial correspondence to a delinquent Owner from the Attorney.

Notice of Lien. If an Owner fails to cure the delinquency indicated in the Notice Letter, upon being requested to do so by the Board and/or Management, counsel may prepare and record in the Official Public Records of Denton County, a written notice of assessment lien (referred to as the "*Notice of Lien*") against the Lot. A copy of the Notice of Lien will be sent to the Owner, together with an additional demand for payment in full of all amounts then outstanding.

Foreclosure. In the event that the Owner fails to cure the delinquency, the Board may direct legal counsel to pursue foreclosure of the lien. In any foreclosure proceedings, the Owner shall be required to pay the costs and expenses of such proceedings, including reasonable attorney's fees.

Expedited Foreclosure Pursuant to Rules 735 & 736 of the Texas Rules of Civil Procedure. The Board may decide to foreclose its lien by exercising its power of sale granted by the Declaration. In such event, counsel may commence expedited foreclosure lawsuit under Rules 735 and 736 of the Texas Rules of Civil Procedure ("Expedited Foreclosure"). Upon receipt from the Court of an order authorizing foreclosure of the Lot, counsel may post the Lot at the Denton County Courthouse for a foreclosure sale. The Association shall have the power to bid on the Owner's Lot and improvements at foreclosure and to acquire, hold, lease, mortgage, convey or otherwise deal with the same. The Association may institute, a personal judgment suit against the former Owner for any deficiency resulting from the Association's foreclosure of its assessment lien.

Judicial Foreclosure. The Association may file suit for judicial foreclosure ("Judicial Foreclosure") of the assessment lien, which suit may also seek a personal money judgment. Upon receipt from the Court of an order foreclosing the Association's assessment lien against the Lot, the sheriff or constable may post the Lot for sheriff's sale. The Association shall have the power to bid on the Owner's Lot and improvements at foreclosure and to acquire, hold, lease, mortgage, convey or otherwise deal with the same.

Lienholder Notification. In pursuing Expedited Foreclosure or Judicial Foreclosure, the Association shall provide the 61-day notice letter to inferior lienholders pursuant to Section 209.0091 of the Texas Property Code.

The Association may file suit for a money judgment in any court of competent jurisdiction.

Bankruptcy. Upon notification of a petition in bankruptcy, the Association may refer the account to legal counsel.

All rights and remedies provided in this Policy and herein above are cumulative and not exclusive of any other rights or remedies that may be available to the Association, whether provided by law, equity, and the Association's governing documents or otherwise. In order to expedite the resolution of a delinquent account, the Board may, at any time, compromise or waive the payment of interest, late charges, handling charges, collection costs other than collection fees, unless approved by the managing agent, legal fees or any other application charge.

Use of Regular Mail / Certified Mail

In the event the Association shall send a delinquency notice or demand notice to a property owner by regular mail, certified or certified, return receipt requested, the association will use the property address unless the owner has contacted the Association or its Managing Agent and has provided updated mailing address information. Once the notice(s) have been placed in a U.S. mail receptacle or given to a U.S. postal representative, the notice will be considered to have been duly delivered. It is the sole responsibility of the owner to provide and maintain up to date mailing address information with the Association and/or its Managing Agent.

Waivers


The Association may grant a waiver of any provision herein upon petition in writing by a property owner showing a personal hardship. Such relief granted a property owner shall be appropriately documented in the files with the person representing the Association granting the relief and the conditions of the relief. In addition, the Association is hereby authorized to extend the time for the filing of lawsuits and liens, or to otherwise modify the procedures contained herein, as the Association shall determine appropriate under the circumstances. **The Association reserves the right to consider each petition or make its determination regarding referral to an attorney or a third party collection service on a case by case basis.** Costs owed to the Managing Agent for their efforts in the processing, handling and collections of an account cannot be waived by the Association without the consent of the Managing Agent.

Effective Date and Enforcement

The foregoing collection procedure has been adopted by the association and is effective as of the date recorded. **Nothing specified in this document shall require the Association to take specific actions.** The foregoing collection procedures is a directive by the Board of the Association to the Management Company and is intended to be a guide to collection of Assessments owed to the Association. The Board of the Association may at any time revise the foregoing collection procedure and may at any time direct the Management Company to proceed differently with collection of an individual account based on circumstances applicable to that account and advice and guidance from the Management Company or the Association's attorney. ***Failure by the Management Company or the Board of the Association to follow the foregoing collection procedure shall not in any way affect the property owner's obligation to pay all Assessments when due, along with all applicable late payment charges and costs of collection.*** To obtain any information regarding this collection procedure or to obtain the most up-to-date collection procedure, a property owner should contact the Management Company. In the event that any provision herein shall be determined by a court with jurisdiction to be invalid or unenforceable in any respect, such determination shall not affect the validity or enforceability of any other provision, and this Policy shall be enforced as if such provision did not exist. Furthermore, in the event that any provision of this Policy is deemed by a court with jurisdiction to be ambiguous or in contradiction with any law, this Policy and any such provision shall be interpreted in a manner that complies with an interpretation that is consistent with the law. In the event any provision of this Policy conflicts with the Declaration, the Declaration controls.

[1] A Statement of Account and / or a delinquency notice will not be sent in cases whereby the Management Company has received notice of a property owner bankruptcy filed in the U.S. Bankruptcy Court, a Notice of Foreclosure on the owner's property or when an active payment plan is in place and being paid as agreed.

[2] The Management Company will continue to post assessments and applicable late payment penalties to the account. The attorney or lien service may, however, have other charges not reflected on the account or may have entered into payment arrangements not reflected on the account. The Management Company will adjust the account as instructed by the attorney or lien service as notified or at the time of closure.



Victor Tannous, Secretary

Exhibit E-5

North Lake Estates Homeowners Association, Inc.

E-Mail Registration Policy

NORTH LAKE ESTATES HOMEOWNERS ASSOCIATION, INC.
EMAIL REGISTRATION POLICY

WHEREAS, the Board of Directors (the "Board") of North Lake Estates Homeowners Association, Inc. (the "Association") wishes to adopt reasonable guidelines to establish an E-mail Policy by which an owner may register his e-mail address to facilitate proper notice of annual and special meetings; and

WHEREAS, the Board wishes to adopt this E-mail Registration Policy in compliance with Section 209.0051(e) of the Texas Property Code; and

WHEREAS, the Board intends to file these guidelines with the Bylaws for North Lake Estates, Denton County, Texas in the real property records of each county in which the subdivision is located; and

NOW THEREFORE, IT IS RESOLVED that the following guidelines are established by the Board:

Terms used but not defined in this policy will have the meaning subscribed to such terms in that certain Declaration of Covenants, Conditions and Restrictions for North Lake Estates Homeowners Association recorded or to be recorded in the Official Public Records of Denton County, Texas, as the same may be amended from time to time.


Purpose. The purpose of this Email Registration Policy is to facilitate proper notice of annual and special meetings of members of the Association pursuant to Section 209.0051(e) of the Texas Property Code.

Email Registration. Should the owner wish to receive any and all email notifications of annual and special meetings of members of the Association, it is the owner's sole responsibility to register his/her email address with the Association and to continue to keep the registered email address updated and current with the Association. In order to register an email address, the owner must provide their name, address, phone number and email address through the method provided on the Association's website, if any, and/or to the official contact information provided by the Association for the community manager.

Failure to Register. An owner may not receive email notification or communication of annual or special meetings of members of the Association should the owner fail to register his/her email address with the Association and/or properly and timely maintain an accurate email address with the Association. Correspondence to the Association and/or Association manager from an email address or by any method other than the method described in Paragraph No. 2 above will not be considered sufficient to register such email address with the Association.

Amendment. The Association may, from time to time, modify, amend, or supplement this Policy or any other rules regarding email registration.¹

This Policy may be amended by the Declarant or the Board of Directors at any time and from time to time by Resolution of the Board. Amendment of the Bylaws to affect an amendment or change to any policy is not required so long as the Board adopts a Resolution and records all actions in the minutes of a meeting in which any such action is taken or ratified.



Victor Tannous, Secretary