

**Denton County
Juli Luke
County Clerk**

Instrument Number: 123509

ERecordings-RP

DECLARATION

Recorded On: October 05, 2017 08:20 AM

Number of Pages: 144

" Examined and Charged as Follows: "

Total Recording: \$598.00

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Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY
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File Information:

Document Number: 123509
Receipt Number: 20171005000047
Recorded Date/Time: October 05, 2017 08:20 AM
User: Chris C
Station: Station 35

Record and Return To:

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STATE OF TEXAS
COUNTY OF DENTON

I hereby certify that this Instrument was FILED In the File Number sequence on the date/time
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Juli Luke
County Clerk
Denton County, TX

**DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR
NORTH LAKE ESTATES HOMEOWNERS ASSOCIATION, INC.**

STATE OF TEXAS §
 § KNOW ALL PERSONS BY THESE PRESENTS:
COUNTY OF DENTON §

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR NORTH LAKE ESTATES (as may be amended from time to time, the "Declaration") is made by CADG PROPERTY HOLDINGS III, LLC, a Texas limited liability company ("Declarant").

WITNESSETH:

Declarant, as the owner of the real property described in Exhibit A, intends by recording this Declaration in the Real Property Records of Denton County, Texas, to create a general plan of development for a single-family home planned community known as North Lake Estates. This Declaration provides for the overall development, administration, maintenance, and preservation of the real property now and hereafter comprising the Property (as hereinafter defined). An integral part of the development plan is the creation of North Lake Estates Homeowners Association, Inc., Inc., a Texas non-profit corporation whose members shall be all owners of real property subject to this Declaration, to own, operate, and/or maintain various common areas and community improvements and to administer and enforce the covenants, conditions, restrictions, and easements set forth in this Declaration.

NOW, THEREFORE, Declarant hereby declares that the property described in Exhibit A, and any additional property which is subjected to this Declaration in the future in accordance with Article XIV of this Declaration, shall be owned, conveyed, used, occupied and otherwise encumbered subject to this Declaration and being that part of that certain tract of land described in Exhibit A, which shall run with the title to such property. This Declaration shall be binding upon all Persons having any right, title, or interest in any portion of the Property, their heirs, successors, successors-in-title, and assigns.

**ARTICLE I
DEFINITIONS**

The terms used in this Declaration are intended to have their normal, commonly understood definitions, unless otherwise specified. In order to minimize repetition, avoid confusion, and explain key concepts, some terms are capitalized to indicate they have special definitions. Whenever used in capitalized form, those terms have the following meanings:

(a) “Architectural Control Committee” and/or “ACC” shall mean and refer to the architectural review body for the Property, as described in Article III. During the Development period, Declarant reserves the right to appoint and remove members of the architectural review board.

(b) “Association” shall mean and refer to North Lake Estates Homeowners Association, Inc., Inc., a Texas non-profit corporation whose Articles of Incorporation are attached hereto as Exhibit B, and which shall have the right to enforce this Declaration.

(c) “Board of Directors” or “Board” shall mean and refer to the body selected as provided in the Bylaws, being responsible for the general governance and administration of the Association and this Declaration. **During the Declarant Control Period Declarant shall have the sole right to appoint and remove members of the Board** which need not be Members or Residents of the Association.

(d) “Builder” shall mean and refer to any person or entity who has acquired a Lot or Lots for the purpose of constructing a residence thereon for later sale to consumers.

(e) “Bylaws” shall mean and refer to the Bylaws of North Lake Estates Homeowners Association, Inc., Inc. which are attached hereto as Exhibit E, as may be amended from time to time.

(f) “Common Properties” shall mean all real property (including improvements thereon) now or hereafter owned, leased or controlled by the Association, or to which the Association holds possessory or use rights, for the common use and enjoyment of the Owners (hereinafter defined) including, but not limited to such property which may be: (i) conveyed to the Association in fee simple title, (ii) leased to the Association, (iii) landscape or maintenance easements granted or dedicated to the Association by plat or other written instrument, (iv) retention ponds within the Property, and (v) any other real property or improvement the Association, at the sole discretion of the Board, decides to maintain.

(g) “Community-Wide Standard” shall mean the standard of conduct, maintenance and appearance, including landscaping, generally prevailing throughout the Property or the minimum standards established pursuant to the Design Guidelines, Rules and Board resolutions, whichever is the highest standard. Declarant initially shall establish such standard. The Association, through its Board, shall ensure that the Community-Wide Standard established by the Declaration for the Property shall continue after the termination or expiration of the Class B membership. The Community-Wide Standard may contain objective elements, such as specific lawn or house maintenance requirements, and subjective elements, such as matters subject to the Board’s discretion. The Community-Wide Standard may or may not be in writing and is enforceable upon all Owners and subject to the Governing Documents of the Association and any Notice and Fining Policies which may be in effect or which may be adopted at any time and from time to time. The Community-Wide Standard may evolve as development progresses and as the Property changes. The Community-Wide Standard shall not fall below the

level established for the Property as of the date the Class B membership terminates or expires.

(h) “County” shall mean and refer to Denton County, Texas.

(i) “Declarant” shall mean and refer to not only CADG PROPERTY HOLDINGS III, LLC, a Texas limited liability company, but also any successor, alternate or additional Declarant as appointed by CADG PROPERTY HOLDINGS III, LLC, as successor, alternate or additional Declarant by written instrument, filed of record in the office of the County Clerk, specifically setting forth that such successor, alternate or additional Declarant is to have, in whole or in part, together with CADG PROPERTY HOLDINGS III, LLC, the Declarant’s rights, duties, obligations and responsibilities for all or a specific portion or Phase of the Property. The term “Declarant” shall not include any person or entity that purchases a Lot from Declarant unless such purchaser is specifically assigned, by a separate recorded instrument, some or all of the Declarant’s rights under this Declaration as to the conveyed property.

(j) “Design Guidelines” shall mean and refer to the design standards and guidelines adopted by the Declarant, as may be amended in accordance with Article III, representing the minimum specifications for the construction of all residences, additions to such residences, and other improvements associated with each residence including, without limitation, other structures or improvements located on a residential Lot, and the minimum requirements for landscaping to be installed and maintained on each Lot. The Design Guidelines are an integral part of this Declaration and the development plan of North Lake Estates. The initial Design Guidelines are attached hereto as Exhibit C. All Builders and prospective Owners or those desirous of constructing a residence on a Lot are strongly encouraged to obtain a current copy of the Design Guidelines prior to preparing plans and specifications for submission to the Reviewer for approval. Furthermore, attached hereto as Exhibit D additional restrictive covenants as were set forth in a prior agreement by 227 North Lake Partners, a Texas limited partnership, shall be incorporated herein and shall be made a part of this Declaration. The restrictions and conditions as they exist in Exhibit D have been incorporated into the Design Guidelines and restrictions as they are set forth in this Declaration and are attached as an Exhibit for informational purposes only and do not nullify the restrictive covenants as they are set forth in the original document or any amendment thereof. All or certain portions of the Agreement in Exhibit D including, but not limited to, Section 2.2 and Section 2.3 shall automatically terminate, expire, and become null, void, and without further effect as of January 1, 2019. Thereafter, the Declarant, during the Declarant Control Period and / or the Board of Directors shall have the right to amend certain terms and conditions of this Declaration previously governed by the Agreement.

(k) “Final Plat” shall mean, initially, the map or plat of North Lake Estates, filed with the Office of the Denton County Clerk and recorded in the Plat Records of Denton County, Texas, and any future recorded subdivision maps or plats covering additional real property made subject to this Declaration, as such Final Plats may be amended from time to time.

(l) “Lot” shall mean and refer to any one (1) of the enumerated plots or tracts of land shown upon a Final Plat, and “Lots” shall mean and refer to more than one (1) of same. Lots in North Lake Estates may have different size/type restrictions.

(m) “Member” shall mean and refer to a member of the Association, as described in Article VIII.

(n) “Owner” shall mean and refer to each and every person or business entity (whether one or more), including Declarant (so long as applicable), that is a record owner of a fee or undivided fee interest in any Lot; provided, however, that (i) the term “Owner” or “Owners” shall not include any person or entity who holds a bona fide lien or interest in a Lot as security merely for the performance of an obligation (specifically including, but not limited to, any mortgagee or trustee under a mortgage or deed of trust) unless and until such mortgagee, beneficiary or trustee has acquired title to such Lot pursuant to foreclosure or any proceeding in lieu thereof; and (ii) with respect to any matter requiring the vote, consent, approval or other action of an Owner, each Lot shall be entitled to only one (1) vote except as provided for in Section 8.2 and Section 15.6 herein.

(o) “Phase” shall mean and refer to each separately developed residential area or addition as set forth and more fully described on a Final Plat depicting real property that has been subjected to the Declaration.

(p) “North Lake Estates” or “Property” shall mean and refer to the real property described on Exhibit A, any improvements now or hereafter situated thereon, and any and all additional real property (and the improvements thereon) which Declarant hereafter subjects to this Declaration, in accordance with Article XIV hereof.

(q) “Street Tree Guidelines” shall mean and refer to the requirements for the installation, maintenance and replacement of trees and/or other landscaping on each Lot and within the Property, including a detailed list of approved trees which may be attached as part of Exhibit C or D for North Lake Estates, adopted by the Declarant and as may be amended in accordance with Article III. The Street Tree Guidelines are an integral part of this Declaration and the development plan for North Lake Estates.

(r) “Supplemental Declaration” shall mean a recorded instrument which accomplishes one or more of the following purposes: (i) subjects additional real property to this Declaration, or (ii) imposes, expressly or by reference, additional restrictions, covenants, easements and/or rights and obligations on the land described.

ARTICLE II CONSTRUCTION OF IMPROVEMENTS AND USE OF LOTS

Section 2.1 Residential Use.

The Property shall be used for single-family residential purposes and home office only. No building or other structure shall be erected, altered, placed or permitted to remain on any Lot other than one (1) detached single-family residence per Lot, which residence may not exceed two and one-half (2 1/2) stories in height, and a private garage as provided below. Any building or structure to be placed or constructed on a Lot is subject to approval in writing by the Reviewer under Article III.

Section 2.2 Single-Family Use.

Each residence may be occupied only by persons living and cooking together as a single housekeeping unit, together with any household employees. Except for families consisting of persons related by blood, adoption, or marriage, no more than two persons per bedroom may occupy the same dwelling on a regular and consistent basis.

Section 2.2.1 Leasing Homeowners who rent or lease their residence are required to execute a written lease agreement, signed by the tenant and a copy provided to the Association prior to the tenant's possession of the residence. **During the Declarant Control Period this section shall not be enforceable without the express written consent of the Declarant.** The lease shall contain, at a minimum, the following:

- a. Term of Lease. Initial term of the lease shall not be less than one (1) year.
- b. Entire Residence. The property leased includes the entire residence.
- c. Single Family. Lease is restricted to single family per Section 2.2 above. Owner shall provide to the Association or its Managing Agent the names and contact information for tenants.
- d. Abide by Rules. The Owner must make available to the tenant copies of the CCR's, Rules and Regulations and all amendments thereto. Tenant must agree to abide by all Association rules and must acknowledge that failure to do so may constitute a default under the lease terms and agreement. Owner must obtain a signed acknowledgment from the tenant that this section of the CCR's has been explained in detail.
- e. No assignment or sub leasing is allowed.
- f. Tenant must carry renters insurance.
- g. Owner shall be responsible at all times for his tenant and the maintenance and upkeep of the home and lot. Should the tenant violate a rule and a violation notice is sent, the Owner shall be responsible for the violation and ensuring it is immediately abated. Should a fine for non-compliance result, the Owner shall be responsible for payment of the fine to the Association including any other monetary expenses the Association may

incur for the enforcement and abatement of a violation. The Owner shall ensure the tenant complies with the CCR's, and all rules and regulations.

- h. The Declarant and thereafter, the Board of Directors may at any time and from time to time adopt rules and regulations regarding the number of Lots / Homes within the community which may be leased or rented. The rules and regulations shall be done by Resolution of the Board and shall be enforceable upon all Owners.

Section 2.3 Garage Required.

Each residence shall have an enclosed garage and shall conform to the requirements set forth in the Design Guidelines. The garage shall conform in design and materials with the main structure. Garages may not be used for housing or business use of any kind.

Section 2.4 Driveways.

All driveways shall be surfaced with concrete. No widening of the driveway is allowed without the express written consent of the ACC. No color or design variation is allowed without the express written consent of the ACC.

Section 2.5 Uses Specifically Prohibited.

(a) No temporary dwelling, shop, storage building, trailer or mobile home of any kind or any improvement of a temporary character shall be permitted on any Lot except (i) children's playhouses, dog houses, greenhouses, gazebos and buildings for storage of lawn maintenance equipment, which may be placed on a Lot subject to prior written approval of the ACC in accordance with Article III and provided no part of any such structure is visible from any front or side street. In general, children's playhouses, play sets, and other structures may not, at any time, exceed more than two feet (2') over the top of the fence notwithstanding, all height restrictions and allowances shall be at the sole discretion of the ACC, and (ii) the Builder or contractor may have temporary improvements (such as a sales office and/or construction trailer) on a given Lot during construction of the residence on that Lot or on a different Lot as agreed to between the Builder or contractor and Declarant and/or as otherwise set out in the Design Guidelines. No building material of any kind or character shall be placed or stored upon the Property until the Owner thereof is ready to commence construction of improvements, and then such material shall be placed within the property lines of the Lot upon which the improvements are to be erected.

(b) Except as otherwise provided in this Section, no vehicle may be parked or left upon any portion of a Lot except in a garage or on a driveway. Except as provided below, the following vehicles may not be parked on any street within North Lake Estates

and may be parked only in an enclosed garage or on a driveway which is accessed by an alley (provided there is at least one (1) additional space outside of the garage for parking in the rear of the Lot and provided such vehicles are twenty feet (20') or less in length): recreational vehicles, mobile homes, trailers, campers, stored vehicles, trucks with tonnage in excess of one (1) ton, commercial vehicles (including all vehicles with commercial lettering or logos), and unlicensed or inoperable vehicles. "Sports utility vehicles" and "mini-vans" (as such vehicles are commonly referred to, as determined in the Board's discretion) and pick-up trucks without commercial writing or logos shall be treated as automobiles and may be parked outside of enclosed garages. Boats may be kept or stored in a side or rear yard on a Lot if completely concealed from the view of any street (other than an alley). This Section shall not apply to parking, for purposes of emergency vehicle repairs or to construction, service, and delivery vehicles for periods necessary to perform the services or make a delivery.

Notwithstanding the above, for purposes of cleaning, loading, unloading [for a period of 24 hours prior to departure and upon return from a trip], and short-term and visitor parking, any vehicle may be parked outside of an enclosed garage temporarily and irregularly to accommodate such use. The Board, in its discretion, may enact additional rules governing such temporary, irregular use or, in the absence of specific rules, shall have discretion in determining what constitutes permissible parking under such circumstances.

As used in this Section, the term "vehicles" includes, without limitation, automobiles, trucks, boats, trailers, motorcycles, campers, vans, and recreational vehicles.

(c) No vehicle of any size which transports flammable or explosive cargo may be kept or parked on the Property at any time, except for use by or on behalf of Declarant in connection with the development of the Property or by a builder or contractor in connection with the construction of improvements on a Lot.

(d) No animals, wild animals, rodents, or livestock including all poultry and potbellied pigs shall be raised, bred or kept on the Property for commercial purposes, recreation, companionship, or for food outside of the following: (i) Dogs, cats or other household pets may be kept for the purpose of providing companionship for the private family; however, those pets which are permitted to roam free, or, in the sole discretion of the Board, constitute a nuisance to the occupants of other Lots shall be removed upon request of the Board. If the pet owner fails to honor such request, the Board may, at its sole discretion, remove or otherwise provide for the removal of the pet. Notwithstanding anything contained herein to the contrary, the Board in its sole discretion and without incurring any further duty or obligation to owners and occupants within the Property may decide to take no action and refer complaining parties to the appropriate municipal or governmental authorities for handling and final disposition. Pets shall be kept on a leash or otherwise confined inside a fenced area whenever outside the dwelling. Pets shall be registered, licensed and inoculated as required by law and must be properly tagged for identification. It is the Owner's responsibility to keep the

front of their Lot clean and free of pet debris and to pick up and properly dispose of their pet's waste wherever deposited. Notwithstanding anything seemingly herein to the contrary, no more than three (3) household pets will be permitted on each Lot.

(e) No Lot or other area on the Property shall be used as a dumping ground for rubbish or a site for the accumulation of unsightly materials of any kind, including, without limitation broken or rusty equipment, disassembled or inoperative cars, other vehicles or discarded appliances and furniture. Trash, garbage or other waste shall be kept in sanitary containers. All incinerators or other equipment for the storage or other disposal of such material shall be kept in clean and sanitary condition. Materials incident to construction of improvements may be stored on Lots during construction so long as construction progresses without undue delay.

(f) No air-conditioning apparatus shall be installed on the ground in front of a residence. No air-conditioning apparatus shall be attached to any wall or window of a residence. All air-conditioning (HVAC) equipment except vents and stacks must be installed in the rear yard or on the side yard or in a manner so as not be visible from the public right-of-way or open spaces. Screening by shrubs is acceptable however; the minimum height of shrubs at time of installation / planting shall be at least three feet (3').

(g) The erection, construction, placement or installation of any television, radio or other electronic tower, serial, antenna, satellite dish or device of any type for the reception or transmission of radio or television broadcast signals or other means of communication upon a Lot or upon any improvement thereon is prohibited, except that this prohibition shall not apply to those antennae specifically covered by 47 C.F.R. Part 1, Subpart S, Section 1.4000 (or any successor provision) promulgated under the Telecommunications Act of 1996, as amended from time to time. The Board shall be empowered to adopt rules governing the types of antennae that are permissible hereunder and establishing reasonable, non-discriminatory restrictions relating to safety, location and maintenance of antennae.

To the extent that reception of an acceptable signal would not be impaired or the cost of installation would not be unreasonably increased, an antenna permissible pursuant to the Declaration or the rules of the Association may only be installed in a side or rear yard location, not visible from the street or neighboring property, and integrated with the dwelling and surrounding landscape. Antennae shall be installed in compliance with all state and local laws and regulations, including zoning, land-use and building regulations.

(h) No Lot or improvement thereon shall be used for commercial or manufacturing purposes of any kind other than a small home office. Nothing in this subparagraph shall prohibit a builder's use of a residence as a sales office until such builder's last residence on the Property is sold and closed. Nothing in this subparagraph shall prohibit an Owner's use of a residence for quiet, inoffensive activities such as a small home office, tutoring or giving lessons such as art or music, so long as such activities are consistent with the residential character of the Property, do not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of others

within the Property, as determined in the Board's discretion, and do not materially increase the number of cars parked on the street.

(i) No fence, wall, hedge or shrub planting which obstructs sight lines at elevations between three feet (3') and six feet (6') above the roadway shall be placed or permitted to remain on any corner Lot within the triangular area formed by the street right-of-way lines and a line connecting them at points ten feet (10') from the intersection of the street right-of-way lines, or, in the case of a rounded property corner, from the intersection of the street right-of-way lines as extended. The same sight-line limitations shall apply on any Lot within ten (10) feet from the intersection of a street right-of-way line with the edge of a private driveway or alley pavement. No tree shall be permitted to remain within such distance of such intersections unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

(j) Except for children's playhouses, dog houses, greenhouses, gazebos and buildings for storage of lawn maintenance equipment which specifically conform with the Design Guidelines and the requirements of Section 2.5 (a) herein, no building previously constructed elsewhere shall be moved onto any Lot, it being the intention that only new construction be placed and erected thereon.

(k) No sign of any kind shall be displayed to the public view on any Lot, except: (i) political signs which may be placed on the Lot no earlier than six (6) weeks prior to an election and which must be removed within two (2) weeks after the election for which such sign is displayed; (ii) one (1) professional security service sign of not more than one square foot; (iii) one (1) sign of not more than five square feet advertising the property for rent or sale during any period that the Lot actually is for rent or sale; or (iv) signs used by a Builder to advertise the Property during the construction and sales period, each of which shall, in any event, comply with all statutes, laws or ordinances governing same. The Board of Directors or its agents shall have the right to remove any sign, billboard or other advertising structure that does not comply with the above, and in so doing shall not be subject to any liability for trespass or otherwise in connection with such removal.

(l) Clotheslines and the drying of clothes in public view are prohibited.

(m) Wood used for fireplace, barbeque, or other use must be stacked neatly and screened from public view. The Owner is responsible for ensuring that such wood stack is kept free of rodents.

(n) No Owner shall perform, fail to perform, or permit anything to be done or not done on such Owner's Lot which would violate any laws, statutes, ordinances or regulations of any kind or character.

Section 2.6 Minimum Lot Size / Minimum Home Size.

No more than twenty percent (20%) of the Lots within the Subdivision shall have a minimum area of six thousand (6,000) square feet, and the remainder of the Lots within

shall have a minimum area of eight thousand, four hundred (8,400) square feet. Each home shall contain at least two thousand (2,000) square feet of air-conditioned living area of the main residential structure constructed on each Lot, exclusive of all porches, garages, or breezeways attached to the main dwelling. Up to one hundred fifty (150) homes may contain a minimum of one thousand, eight hundred (1,800) square feet of air conditioned area exclusive of all porches, garages, or breezeways attached to the main dwelling.

Section 2.7 Fences and Walls.

Any fence or wall must be constructed to conform to the requirements as shown in the Design Guidelines and as approved by the Declarant or the ACC. No chain link fences are permitted except on the Common Properties or any school property. No fence or wall shall be permitted to extend nearer to any street than the front of any residence. However, all side yard fencing on corner Lots shall run parallel to the curb and may be placed no nearer than five feet (5') inside the side Lot line and shall not extend beyond a point of five feet (5') behind the front of the residence on that side. Fences or walls erected by Declarant shall become the property of the Owner of the Lot on which the same are erected and as such shall be maintained and repaired by such Owner except as is provided in Article IV and Article IX. Any fence or portion thereof that faces a public street shall be so constructed so that all structural members and posts will be on the side of the fence facing away from the street so that they are not visible from any street. No portion of any fence shall extend more than six feet (6') in height.

Section 2.8 Building Materials.

The building materials to be used for each residence and other structures must conform to the requirements set out in the Design Guidelines. Allowed roofing materials shall be set forth exclusively in the Design Guidelines. The color of roofing shall be consistent throughout North Lake Estates and shall otherwise conform to the Design Guidelines.

Section 2.9 Mailboxes and Address Blocks.

Mailboxes shall be standardized throughout the Subdivision and shall be constructed in accordance with the Design Guidelines. An address block shall be installed on the front facade of each residence and shall be of cast stone.

Section 2.10 Landscaping.

Each Builder of a residence upon each Lot shall, upon or before the first occupancy of a house, comply with the landscaping requirements as set forth in the Design Guidelines. Strict adherence is required in order to comply with the North Lake Estates Planned Development District and with the Town of Little Elm's landscaping

ordinance. Sod is required for the front and side yards and builder must plant the minimum size and number of shrubs in the front yard against the foundation of the house as required by either the Design Guidelines or the Street Tree Guidelines, and shall plant in the front yard of each Lot at a location specified by the Street Tree Guidelines and as set forth in the Designed Guidelines attached hereto. Thereafter, each Owner of a Lot shall have the responsibility to properly maintain such trees and landscaping and, if necessary, shall replace such trees or landscaping in accordance with the Street Tree Guidelines and/or this Declaration. The Declarant and/or the Association shall have the right but not the obligation, to be exercised at its sole option, to remove and replace dead trees and landscaping and charge the costs thereof to the Owner's account as a special individual assessment under Section 10.7 below.

Section 2.11 Design Guidelines and Street Tree Guidelines.

In addition to any requirements set forth in this Declaration, all Owners are required to comply with the Design Guidelines in the construction of improvements within the Property and the Street Tree Guidelines with respect to the installation, maintenance and replacement of trees and landscaping within the Property.

ARTICLE III ARCHITECTURAL CONTROL

Section 3.1 Review Authority.

(a) General. North Lake Estates is not presently within the jurisdictional limits of any incorporated city. Accordingly, Declarant and the Association will, in all likelihood engage the services of third-party professionals including architects, engineers, or other persons to perform and administer the submission, review and inspection process which may be required or necessary under this Article. Declarant reserves the right to implement and enforce additional application, permitting, review, testing and inspection requirements and procedures not contained herein relating to national or uniform codes pertaining to building, electrical, plumbing and any other aspect of construction or development as deemed necessary by Declarant.

(b) Declarant. **Declarant shall have exclusive authority to administer, review and act upon all applications for architectural and other improvements within the Property until all planned Lots have been conveyed to persons other than Declarant or a Builder and have been improved with a dwelling for which a certificate of occupancy has been issued, unless Declarant earlier terminates its rights in a recorded instrument.** Declarant may designate or engage one or more persons or entities to act on its behalf with respect to some or all matters coming within the purview of this Article III. In reviewing and acting upon any request for approval, Declarant or its designee act solely in Declarant's interest and owe no duty to any other

person. Declarant is not required to hold meetings or keep minutes relating to its review under this Article.

Declarant may from time to time delegate or assign all or any portion of its rights under this Article to any other person, entity or committee, including the Architectural Control Committee. Any such delegation shall be in writing, shall specify the delegated responsibilities, and shall be subject to (i) Declarant's right to revoke such delegation at any time and reassume its prior jurisdiction, and (ii) Declarant's right to veto any decision which it determines, in its discretion, to be inappropriate or inadvisable for any reason. So long as Declarant has any rights under this Article, the jurisdiction of other entities shall be limited to such matters as Declarant specifically delegates.

(c) Architectural Control Committee. Upon Declarant's delegation or upon expiration or termination of Declarant's rights under this Article, the Association, acting through the ACC, shall assume jurisdiction over architectural matters. The ACC shall consist of at least three persons. Members of the ACC need not be Members of the Association or representatives of Members, and may, but need not, include architects, engineers, or similar professionals, who may be compensated in such manner and amount, if any, as the Board may establish. The ACC members shall be designated, shall serve, and may be removed and replaced in the Board's discretion.

For so long as Declarant owns any portion of the Property, and unless the Declarant notifies the ACC in writing to the contrary, the ACC shall notify Declarant in writing, no less than thirteen (13) business days prior to communicating any action (*i.e.*, approval, partial approval, or disapproval) it intends to take under this Article. A copy of the application and any additional information that Declarant may require shall accompany the notice. During such time, Declarant shall have the right, in its sole and absolute discretion, to veto any ACC action; provided, Declarant's right to veto must be exercised within ten (10) business days after it receives notice of the ACC's proposed action. The party submitting the plans for approval shall not be notified of the ACC's proposed action until after Declarant's right to veto has expired.

The Board may create and appoint subcommittees of the ACC. Subcommittees may be established to preside over particular areas of review (*e.g.*, landscape plans) and shall be governed by procedures the Board or the ACC may establish. Any subcommittee's actions are subject to review and approval by Declarant, for as long as Declarant may review the ACC's decisions, and the ACC. Notwithstanding the above, neither the ACC nor Declarant shall be obligated to review all actions of any subcommittee, and the failure to take action in any instance shall not be a waiver of the right to act in the future.

Unless and until such time as Declarant delegates any of its reserved rights to the ACC or Declarant's rights under this Article expire or terminate, the Association shall have no jurisdiction over architectural matters.

(d) Reviewer. The entity having jurisdiction in a particular case, whether Declarant or its designee or the ACC, shall be referred to as the "Reviewer".

(e) Fees; Assistance. The Reviewer may establish and charge reasonable fees for its review of applications and shall require that such fees be paid in advance. If such fees or charges, including those set forth under Section 3.3 below, are not paid in advance, the Reviewer shall have no obligation whatsoever to review any such related application. Such fees may include the reasonable costs incurred in having any application reviewed by architects, engineers, or other professionals. The Board may include the compensation of such persons in the Association's annual operating budget.

Section 3.2 Review Requirements.

No building, wall, pool or other structure (except fences) shall be commenced, erected, installed, placed, or substantially altered on any Lot, nor shall any exterior painting (other than repainting a structure the same or similar color) of, exterior addition to, or substantial alteration of, such items be made until all plans and specifications and a plot plan have been submitted to and approved in writing by the Reviewer.

The Reviewer is authorized and empowered to consider and review any and all aspects of construction and landscaping which may, in the reasonable opinion of the Reviewer, adversely affect the living enjoyment of one (1) or more Owners or the general theme and value of the Property.

In reviewing each submission, the Reviewer may consider any factors it deems relevant, including, without limitation, harmony of the proposed exterior design with surrounding structures and environment. Decisions may be based on purely aesthetic considerations. Each Owner acknowledges that aesthetic determinations are purely subjective and that opinions may vary as to the desirability and/or attractiveness of particular improvements. The Reviewer shall have the sole discretion to make final, conclusive, and binding determinations on matters of aesthetic judgment and such determinations are not subject to judicial review so long as they are made in good faith and in accordance with the required procedures.

Section 3.3 Procedure for Approval.

PRIOR TO THE COMMENCEMENT OF ANY CONSTRUCTION BY ANY PERSON OR ENTITY, THE BUILDER SHALL OBTAIN FROM THE REVIEWER A BUILDING PERMIT AND SHALL PAY, IN ADVANCE, ANY RELATED INSPECTION FEES AND FEES OWING OR TO BE OWED TO THE DENTON COUNTY FRESHWATER SUPPLY DISTRICT 8C AS DETERMINED BY THE REVIEWER. THIS REQUIREMENT NOT ONLY APPLIES TO ORIGINAL CONSTRUCTION BUT TO POOL INSTALLATIONS, MODIFICATIONS OR ADDITIONS TO EXISTING STRUCTURES OF IMPROVEMENTS. FAILURE TO OBTAIN SUCH PERMIT OR PAY SUCH FEES PRIOR TO INITIATION OF CONSTRUCTION SHALL BE CAUSE FOR THE REVIEWER OR THE

ASSOCIATION TO REQUEST AND OBTAIN EMERGENCY TEMPORARY RELIEF TO RESTRAIN ALL ASPECTS OF CONSTRUCTION.

In addition to the foregoing requirement, final plans and specifications shall be submitted in duplicate by certified mail, return receipt requested or hand delivery to the Reviewer. The plans and specifications shall show the nature, kind, shape, height, materials and location of all landscaping and improvements. The application shall specify in writing any requested variances from the requirements set forth in this Declaration, the Design Guidelines, the Street Tree Guidelines or any Community-Wide Standard. The Reviewer is authorized to request the submission of samples of proposed construction materials and such other information as they reasonably deem necessary to make their determination. At such time as the plans and specifications meet the approval of the Reviewer, one complete set of plans and specifications will be retained by the Association, for up to three (3) years only, and the other complete set of plans shall be marked "Approved", signed by a representative of the Reviewer and returned to the Lot Owner or his designated representative. If disapproved by the Reviewer, one set of such plans shall be returned marked "Disapproved" and shall be accompanied by a reasonable statement of the reasons for disapproval, which statement shall be signed by a representative of the Reviewer. Any modification of the approved set of plans and specifications must again be submitted to the Reviewer for its approval. The Reviewer's approval or disapproval, as required herein, shall be in writing. Any reliance upon a verbal approval of any plans by the Reviewer shall be wholly unjustified, at the risk of the Lot Owner and subject to any subsequent or otherwise conflicting written response by the Reviewer.

If the Reviewer fails to approve or disapprove any such plans and specifications or modification thereto within thirty (30) business days after the date of submission of all information the Reviewer requires, the submission shall be deemed to have been denied. Any Builder who is constructing residences on multiple Lots shall have the option of submitting a master set of final plans and specifications for all of the residences it intends to construct within the Property to the Reviewer in accordance with the provisions of this paragraph. Plans may be submitted in bulk or individually notwithstanding, all plans must receive the approval of the Reviewer prior to construction. Once the master set of plans has been approved, the Builder shall be allowed to construct residences in accordance with such approved plans and no further submittals with the exception of a plot plan shall be required unless material deviations have been made to such approved plans. The Reviewer will endeavor to turnaround Builder approvals within seven (7) business days. The Reviewer may, but is not obligated to, permit or require that plans be submitted or considered in stages, in which case, a final decision shall not be required until after the final, required submission stage.

As part of any approval, the Reviewer may require that construction in accordance with approved plans commence within a specified time period. If construction does not commence within the required period, the approval shall expire and the Owner must reapply for approval before commencing any activities. Once commenced, construction must be diligently pursued to completion. All construction

work shall be completed within one (1) year of commencement unless otherwise specified in the notice of approval or the Design Guidelines, or unless the Reviewer, in its discretion, grants an extension in writing. If approved work is not completed within the required time, it shall be in violation of this Article and shall be subject to enforcement action.

Also as a part of the review process, the Reviewer may require that the construction of any improvement be inspected on a periodic basis prior to completion for compliance with the plans, codes adopted by the Declarant and other matters relating to the quality or method of construction. The Association may conduct such inspections or, in the alternative, it may contract with third parties for such purposes. The Owner on whose Lot the construction is taking place shall be responsible for the payment of costs relating to any such inspection.

Section 3.4 Standards.

The Reviewer shall have sole discretion with respect to taste, design and all standards specified herein. One objective of the Reviewer is to prevent unusual, radical, curious, odd, bizarre, peculiar or irregular structures from being built on the Property. The Reviewer shall have the authority to interpret and amend the Design Guidelines or the Street Tree Guidelines, subject to Declarant's approval for so long as Declarant or any Builder owns any portion of the Property and, thereafter, subject to the approval of the Board. The Reviewer may from time to time publish and promulgate bulletins regarding architectural standards, which shall be fair, reasonable and uniformly applied and shall carry forward the spirit and intention of this Declaration.

Section 3.5 Requests for Variance.

Declarant may allow variances at any time and from time to time during the Declarant Control Period without the consent or joinder of the Board, the Members, or the Reviewer. Upon submission of a written narrative request for same, the Reviewer may, from time to time, in its sole discretion, permit Owners and Builders to construct, erect or install improvements which are in variance from the requirements of this Declaration or which may be contained in the Design Guidelines or the Street Tree Guidelines. In any case, however, such variances shall be in basic conformity and shall blend effectively with the general architectural style and design of the community. **No member of the ACC or the Board, or the Association or Declarant shall be liable to any Owner or other person claiming by, through, or on behalf of any Owner, for any claims, causes of action, or damages arising out of the granting or denial of, or other action or failure to act upon, any variance request by any Owner or any person acting for or on behalf of any Owner. Each request for a variance submitted hereunder shall be reviewed separately and apart from other such requests and the grant of a variance to any Owner shall not constitute a waiver of the Reviewer's right to strictly enforce the Declaration, the Design Guidelines or the Street Tree Guidelines against any other Owner. Each such written request must identify and set forth in narrative detail the specific restriction or standard from**

which a variance is sought and describe in complete detail the exact nature of the variance sought. Any grant of a variance by the Reviewer must be in writing and must identify in narrative detail both the standard from which a variance is being sought and the specific variance being granted.

Section 3.6 Liability of Reviewer.

Neither Declarant, the Board of Directors, the Architectural Control Committee, or any of their respective members, officers, employees, designees, contractors, administrators, inspectors and agents, shall have any liability whatsoever for decisions made in accordance with this Article so long as such decisions are made in good faith and are not arbitrary or capricious. The plans or the site plan submitted to the Reviewer shall be the responsibility of the Owner of the Lot to which the improvements relate, and the Reviewer shall have no obligation to check for errors in or omissions from any such plans, or to check for such plans' compliance with the general provisions of this Declaration, or any codes, ordinances, regulations or other laws, whether statutory or not, and whether the same relate to Lot lines, building lines, easements or any other issue. Review and approval of any plans pursuant to this Article may be based on purely aesthetic considerations. The Reviewer is not responsible for the structural integrity or soundness of approved construction or modifications, for compliance with building codes and other governmental requirements, or for ensuring that every dwelling is of comparable quality, value, or size, of similar design, or aesthetically pleasing or otherwise acceptable to other Owners.

THE ASSOCIATION HEREBY UNCONDITIONALLY AND PERPETUALLY INDEMNIFIES AND HOLDS DECLARANT, THE BOARD, THE ARCHITECTURAL CONTROL COMMITTEE, AND THEIR RESPECTIVE MEMBERS, EMPLOYEES, DESIGNEES, ADMINISTRATORS, INSPECTORS, CONTRACTORS, AND AGENTS HARMLESS FROM AND AGAINST ANY CLAIMS, LIABILITIES, LOSS, DAMAGE, COSTS AND EXPENSES, INCLUDING BUT NOT LIMITED TO ATTORNEYS' FEES, IN CONNECTION WITH OR ARISING OUT OF ANY ACTIONS OR INACTIONS TAKEN HEREUNDER BY THE REVIEWER, IRRESPECTIVE OF WHETHER OR NOT THE REVIEWER, ITS EMPLOYEES, CONTRACTORS, AGENTS AND OTHER INDIVIDUALS OR ENTITIES TO OR EMPLOYED BY THE REVIEWER ACTED NEGLIGENTLY OR WITH WILLFUL MISCONDUCT.

Section 3.7 Special Rights of Declarant.

Notwithstanding anything to the contrary contained herein, any Lot owned by Declarant or its successor or assign, shall not be subject to the provisions of this Article III and Declarant shall not be required to submit plans and specifications, etc. to the Architectural Control Committee nor obtain the consent, permission or approval of the Architectural Control Committee for the matters otherwise required pursuant to this Article III, and the consent, permission or approval of the Architectural Control Committee shall be deemed given for plans and specifications, plot plans and the like to

be used by Declarant, or Declarant's assigns, in the construction of any residence on any Lot owned or sold to a Builder by Declarant. **DECLARANT ALSO RETAINS SPECIAL AND UNIQUE RIGHTS AND PRIVILEGES IN ARTICLE XII THAT TAKE PRECEDENCE OVER ALL OTHER ARTICLES OR SECTIONS IN THIS DECLARATION.**

ARTICLE IV SPECIAL FENCING AND LANDSCAPING

Section 4.1 Fences, Walls and Screening Landscaping.

Declarant and/or the Association shall have the right, but not the obligation, to erect, install, maintain, repair and/or replace fences, walls and/or screening landscaping within that portion of any Lot situated along the perimeter of the Property or on Lots adjacent to Common Properties, as shown on a Final Plat. Any such fence, wall or sprinkler system shall be the property of the Owner of the Lot on which such fence, wall or sprinkler system is erected or installed, subject to the easements and rights of Declarant and the Association set forth below. With respect to any fencing installed within a Lot that is adjacent to a thoroughfare, the Association shall have the exclusive right to stain the exterior of such fence facing the thoroughfare whenever, in the Board's sole and absolute discretion, it deems necessary. The Design Guidelines shall contain all construction and materials requirements for the walls adjacent to the Common Properties and any thoroughfare.

Section 4.2 Landscaping.

Declarant and/or the Association shall have the right to grade, plant and/or landscape and maintain, repair, replace and/or change such grading, planting and landscaping on any portion of the Property not comprising any portion of a Lot and, without limitation whatsoever, to do all things necessary within the Property to obtain full compliance with the Street Tree Guidelines.

Section 4.3 Easement.

Declarant and the Association shall have, and hereby reserve, the right and easement to enter upon the Common Properties and those Lots which are situated along the perimeter of the Property and/or the Common Properties, as shown on a Final Plat, or the Lots adjacent to a thoroughfare, for the purpose of exercising the discretionary rights set forth in this Article IV.

Section 4.4 Declarant's and the Association's Discretion.

Notwithstanding any provisions herein to the contrary, neither Declarant nor the Association shall ever be obligated to erect, install, maintain, repair or replace any fences, walls, sprinkler systems, grading, planting or landscaping on the Property.

Section 4.5 Fifteen (15) Year Limitation.

The provisions of this Article IV regarding Declarant's rights shall terminate and be of no further force and effect from and after that date which is fifteen (15) years after the recording of this Declaration. The rights of the Association shall continue throughout the term hereof.

**ARTICLE V
LOT MAINTENANCE BY OWNERS**

Section 5.1 Lot Maintenance.

After the installation of the landscaping on a Lot by a builder, the Owner of the Lot shall thereafter maintain the yard in a sanitary and attractive manner, including adequate watering and immediate replacement of dead vegetation and trees, and shall edge the street curbs that run along the Lot boundary lines. Yards must be kept mowed and trimmed at regular intervals so as to maintain the Lot in a neat and attractive manner. No vegetables shall be grown in any portion of a Lot yard that faces a street or is not screened by fencing built in accordance with the terms hereof. Grass shall not be permitted to grow to a height of greater than six inches (6") upon any Lot. Weeds must be immediately addressed and must not be allowed to grow or overtake a yard, planting bed, tree wells or any other section of a Lot.

Section 5.2 Maintenance of Improvements.

Each Owner shall maintain the exterior of all buildings, fences, walls and other improvements on his Lot in good condition and repair at all times, and shall replace worn, rotten, and broken parts, and shall regularly repaint all painted surfaces and shall not permit the roofs, rain gutters, down spouts, exterior walls, windows, doors, walks, driveways, parking areas or other exterior portions of the improvements to deteriorate in an unattractive manner. All fences shall be kept neat, clean and in good repair. Any fence which is damaged, broken, leaning or have fallen panels, or otherwise not in good repair shall be immediately repaired. No partial fencing is allowed.

ARTICLE VI ENFORCEMENT

Section 6.1 Special Enforcement Rights of the Board of the Association.

In the event an Owner fails to comply with any provision of this Declaration, the Design Guidelines or the Street Tree Guidelines, including but not limited to any requirement contained in Article V, then, prior to the Board or the Association enforcing the compliance of such failure or seeking against such Owner remedies in accordance with this Declaration (or such other remedies as may be available to the Board and/or the Association at law or in equity), the Board shall first be obligated to give such Owner at least one (1) notice **"Notice of Violation"** of such failure and a reasonable time, which shall be not less than ten (10) days and not more than twenty (20) days per notice, as may be determined by the Board. A minimum of one (1) **"Fine Warning Notice"** prior to implementing fines or self-help actions shall also be given. If the Owner shall not have corrected the violation(s), within such reasonable time after the giving of such notice, the Board of Directors shall have the right but not the obligation, to assess monetary fines not to exceed \$750.00 per violation, per occurrence, and to enter upon the Lot and to bring the Lot, and any improvements thereon, into full compliance with this Declaration, the Design Guidelines or the Street Tree Guidelines. Any violation repeated within a six (6) month period shall not require the Association is to provide the minimum one (1) Notice of Violation and one (1) Fine Warning Notice advising Owner that failure to correct the violation within ten (10) days will result in an immediate fine or the Association may enter upon the Lot and bring the Lot, and any improvements thereon, into full compliance with this Declaration, the Design Guidelines or the Street Tree Guidelines. All costs and expenses incurred by the Association in connection with correcting any such failure shall be borne by the Owner. If any Owner does not promptly reimburse the Association for all such costs, expenses and violation fines assessed after receipt of written request for same, the Board shall have the right to assess the Owner for same plus interest and/or related collection fees, such assessment, interest and/or collection fees, and fines being a special individual assessment under the provisions of Section 10.6 below.

The Board may by Resolution at any time and from time to time adopt a different fining policy and fines may be levied in lump sum increments at the sole discretion of the Board. The recommended fining structure for increment finings is \$50.00 for the first fine, \$75.00 for the second fine, \$100.00 for the third fine and thereafter, a weekly fine and \$25.00 per week until the violation is cured or until the fine reaches the maximum fine in the amount of \$25.00 shall be levied so long as the violation remains. Each day a violation continues to exist may be considered a separate violation occurrence subject to the enforcement terms set forth herein. The Association or its Managing Agent at the Board's discretion may provide more than one Notice of Violation prior to the Notice of Fine and/or Fine Warning Notice.

Section 6.2 Enforcement

In addition to but not in lieu of the enforcement rights set forth in Section 6.1, the Board of Directors may impose sanctions for violation of this Declaration (including any rules, guidelines or standards adopted pursuant to the Declaration) in accordance with the applicable procedures set forth in any policy or procedure adopted by the Board. Rules, Regulations, Policies, and Procedures shall be done by Resolution of the Board. Such sanctions may include all remedies available at law and/or in equity and all remedies herein, including, without limitation, the following:

(a) Fines. The Board of Directors may impose reasonable monetary fines not to exceed \$750.00 per Violation occurrence, which shall constitute a lien upon the Owner of the Lot related to or connected with the alleged violation. The Owner shall be liable for the actions of any occupant, guest, or invitee of the Owner of such Lot.

(b) Suspension of Voting Rights. The Board of Directors may suspend an Owner's right to vote.

(c) Suspension of Rights to Use the Common Properties. The Board of Directors may suspend any person's or entity's right to use any recreational facilities within the Common Properties; provided, however, nothing herein shall authorize the Board of Directors to limit ingress or egress to or from a Lot.

(d) Right to Require Removal. The Board of Directors may require an Owner, at the Owner's expense, to remove any dead tree or landscaping from an Owner's Lot which does not comply with the Street Tree Guidelines and to restore or install the necessary trees or landscaping as required by the Street Tree Guidelines and, upon failure of the Owner to do so, the Board of Directors or its designee shall have the right to enter the Lot, remove and cure the violation without such action being deemed a trespass and charge the costs thereof to the Owner's account as a special individual assessment in accordance with Section 10.6 below.

(f) Levy Special Individual or Special Group Assessment. The Board of Directors may levy a special individual assessment in accordance with Section 10.6 as a violation fine and/or to cover costs incurred by the Association in bringing a Lot into compliance with this Declaration or the Design Guidelines. A Special Group Assessment may be levied when damages are incurred or when damages or a violation affects more than one but, less than all of the Owners within the Subdivision.

(g) Lawsuit, Injunction or Damages. The Board of Directors may bring a suit at law or in equity to enjoin any violation or to recover monetary damages, or both.

Failure by Declarant or the Board of Directors, to enforce any covenant, condition, agreement or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. In addition to the Association's enforcement rights, this Declaration may be enforced by any aggrieved Owner.

The decision to pursue enforcement action in any particular case shall be left to the Board's sole discretion, except that the Board shall not be arbitrary or capricious in taking enforcement action. Without limiting the generality of the foregoing sentence, the Board may determine that, under the circumstances of a particular case: (i) the Association's position is not strong enough to justify taking any or further action; (ii) the covenant, restriction, or rule being enforced is, or is likely to be construed as, inconsistent with applicable law; (iii) although a technical violation may exist or may have occurred, it is not of such a material nature as to be objectionable to a reasonable person or to justify expending the Association's resources; or (iv) that it is not in the Association's best interests, based upon hardship, expense, or other reasonable criteria, to pursue enforcement action.

ARTICLE VII AMENDMENT AND TERMINATION

Section 7.1 Amendment.

This Declaration may be amended by Declarant at any time within ten (10) years from the date this Declaration is filed of record with the office of the County Clerk. Within such ten (10) year period, Declarant may amend the Declaration for any reason without the consent or joinder of any party or without the need to call a meeting of the Association. In addition to the foregoing, the Declaration may be amended by an instrument containing such amendment(s) and recorded in the Official Public Records of the County, provided, that (i) during the period Declarant owns at least one Lot, no such amendment shall be valid or effective without the joinder and consent of Declarant and (ii) such amendment shall first be approved by the affirmative vote or written consent of the Association's Members representing at least 67% of the votes in the Association voting, in person or by proxy, at a duly convened meeting of the Association. Furthermore, Declarant or the Board may, at its sole discretion and without a vote or the consent of any other party, modify, amend, or repeal this Declaration: (i) as necessary to bring any provision into compliance with any applicable statute, governmental rule, regulation, or judicial determination; (ii) as necessary to comply with the requirements of VA, or HUD (Federal Housing Administration), FHLMC or FNMA or any other applicable governmental agency or secondary mortgage market entity; or (iii) as necessary for clarification or to correct technical, typographical or scrivener's errors; provided, however, any amendment pursuant to clause (ii) and/or (iii) immediately above must not have a material adverse effect upon any right of any Owner. Any amendment to this Declaration must be recorded in the Real Property Records of the County.

No amendment may remove, revoke, or modify any right or privilege of Declarant or the Class B Member without the written consent of Declarant or the Class B Member,

respectively (or the assignee of such right or privilege). If an Owner consents to any amendment to this Declaration or the Bylaws, it will be conclusively presumed that the Owner has the authority to consent, and no contrary provision in any mortgage or contract between the Owner and a third party will affect the validity of such amendment.

Section 7.2 Termination.

At any time, the Owners may terminate and extinguish this Declaration in its entirety by executing an instrument terminating this Declaration and recording same in the Official Public Records of the County, provided, however, that (i) for the period in which Declarant owns at least one Lot, no such termination shall be valid or effective without the joinder and consent of Declarant and (ii) such termination and extinguishment shall first be approved by the affirmative vote or written consent of the Association's Members representing at least 75% of the votes in the Association.

ARTICLE VIII MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 8.1 Membership.

Every Owner of a Lot shall automatically be a Member of the Association. Membership shall be appurtenant to each Lot and may not be separated from ownership of any Lot which is subject to assessment hereunder.

Section 8.2 Classes of Membership.

The Association shall have two (2) classes of voting membership:

CLASS A. Class A Members shall all be Members with the exception of the Class B Member. Class A Members shall be entitled to one (1) vote for each Lot in which they hold the interest required for membership; provided, however, that in the event that more than one (1) person holds such interest or interests in any Lot, even though all such persons shall be Members, there shall be only one (1) vote for such Lot, which shall be exercised as they, among themselves, determine (but in no event shall more than one (1) vote be cast with respect to any such Lot).

CLASS B. The Class B Member(s) shall be Declarant. **Until such time as 75% of the maximum number of Lots planned or approved for the Property have been conveyed to Class A Members other than Builders who purchase Lots for development and sale, the Class B Member shall have the sole right to appoint and remove the Board of Directors of the Association.** At the 75% mark at least one (1) Board Member shall be elected by the Members. ***Control of the Association shall be vested in the Class A Members only after title to 95% of the maximum number of Lots planned or approved for the Property has been transferred to Class A Members other***

than Builders who purchase Lots for development and sale or the Declarant. The Class B Member shall have twenty (20) votes for each Lot it owns until such time as control of the Association vests in the Class A Members. After such time, the Class B Member shall be a Class A Member entitled to one (1) vote for each Lot it owns.

Section 8.3 Quorum and Notice Requirements.

8.3.1. Except as expressly provided herein to the contrary, any action of the Members shall require the assent of a majority of the votes of those Association Members who are present at a meeting, in person or by proxy, written notice of which shall be given to all Members not less than ten (10) days nor more than sixty (60) days in advance of such meeting.

8.3.2. A quorum is required for any action referred to in Section 8.3.1 and, unless otherwise provided, for any action for which a percentage vote at a meeting is required. A quorum shall be determined as set forth in this Section 8.3.2. 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 percent (10%) of all of the votes of the Association's Members, without regard to class, shall constitute a quorum. 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. 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 the quorum, whether regular or special, shall be twenty percent (20%) of all of the votes of the Association's Members, without regard to class, shall constitute a quorum, whether in person or by proxy.

8.3.3. Except as specifically set forth in this Declaration, notice, voting and quorum requirements of any action to be taken by the Association shall be set forth in its Bylaws, as same may be amended from time to time.

Section 8.4 Right of Inspection.

Each Owner shall have the right to inspect the financial records and books of the Association, during normal business hours and at the place where such books are kept, upon reasonable prior written notice to the Association stating a proper purpose in accordance with Section 209.005 of the Texas Property Code, as amended.

ARTICLE IX THE COMMON PROPERTIES

Section 9.1 Initial Common Properties.

The Common Properties may include but are not limited to, and by way of illustration only, all aspects of the entry features, entry monuments and walls, landscaping, irrigation for same and the land on which such entry features are situated, retention ponds, screening walls, pocket parks, a clubhouse and associated recreational amenity, gates, fences, fountains and other structures, whether or not shown on a Final Plat, or as deemed necessary by Declarant, each as may be leased, maintained or owned by the Association. **The foregoing list is intended to illustrate examples of Common Properties and under no circumstance shall such list impose any obligation on the Declarant or the Association to purchase, install or construct any such features or amenities.** The Common Properties may hereafter include any neighborhood parks or other improvements or land conveyed to or leased by the Association for the use and benefit of the Owners.

Section 9.2 Additional Common Properties.

Additional property may be added to the Common Properties hereunder upon the sole discretion of Declarant during such time as Declarant owns at least one (1) Lot. Thereafter, additional property may be added to the Common Properties hereunder upon the affirmative vote of sixty-seven percent (67%) of the votes of those Association Members who are voting, in person or by proxy, at a meeting duly called for such purpose.

Section 9.3 Acceptance and Control of Common Properties.

Declarant, or any third-party at the request of Declarant, may transfer to the Association, and the Association shall accept as Common Properties, personal property and/or fee title or other property interests in any improved or unimproved real property included within the property described in **Exhibit A** or any other real property made subject to this Declaration in the future. **Upon Declarant's written request, the Association shall transfer back to Declarant any unimproved real property originally conveyed to the Association for no payment, to the extent conveyed by Declarant in error or needed by Declarant to make minor adjustments in property lines.**

Section 9.4 Extent of Members' Easement in the Common Properties.

Each Member shall have a right and easement of access, use and enjoyment in and to the Common Properties which is subject to the following:

9.4.1 The right of the Association to prescribe regulations governing the use, operation and maintenance of the Common Properties;

9.4.2 The right of the Association to take such steps as are reasonably necessary to protect the Common Properties against foreclosure;

9.4.3 The right of the Association to suspend the voting rights of any Member and to suspend the right of any individual to use any of the Common Properties and/or common facilities for any period during which any assessment against a Lot resided upon or owned by such individual remains unpaid, and for any period not to exceed sixty (60) days for an infraction of the rules and regulations of the Association, the Declaration, the Design Guidelines, or the Street Tree Guidelines; and

9.4.4 The right of the Association to charge reasonable admission and other fees for the use of recreational facilities on the Common Properties, if any such recreational facilities are ever constructed.

Section 9.5 Dedication of the Common Properties.

The Board of Directors shall have the right at any time to dedicate or transfer all or any part of the Common Properties to any public agency, authority or utility for such purposes and upon such conditions as the Board of Directors may determine.

**ARTICLE X
COVENANT FOR ASSESSMENTS**

Section 10.1 Creation of the Lien and Personal Obligation of Assessments.

Each Owner hereby covenants and agrees, and each purchaser of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association (or to a mortgage company or other collection agency designated by the Association) the following: (a) annual assessments or charges; (b) acquisition assessments; (c) special assessments for capital improvements; (d) individual special assessments (including, without limitation interest, collection fees and fines) levied against individual Owners for violations of the Declaration, Design Guidelines, the Street Tree Guidelines or the Community-Wide Standard or to reimburse the Association for extra costs for

maintenance and repairs caused by the willful or negligent acts of the individual Owner, his tenant(s) occupying his Lot, if applicable, and their respective family, agents, guests and invitees, or for costs incurred by the Association resulting from any Owner failing to comply with the terms and provisions hereof. Special Group Assessments levied against some but, not all Owners for damages or violations which affect some but, not all Owners within the Subdivision. All such assessments shall be fixed, established and collected as hereinafter provided.

The annual, acquisition, benefitted, special capital, and individual special assessments, together with such interest thereon and costs of collection thereof as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon each Lot against which each such assessment is made. Each such assessment, together with late charges, collection costs, such interest thereon and cost of collection thereof, including attorneys' fees, as hereinafter provided, shall also be the continuing personal obligation of the person who was the Owner of such property at the time when the assessment fell due.

Fines, not to exceed \$750.00 per Violation, per Occurrence, shall be assessed upon the expiration of a reasonable time after the date notice of such violation was sent to the violating Owner. In all instances of violations, the Owner shall be responsible for correcting such violation within a reasonable time after the date of such notice, regardless as to whether the residence is occupied by the Owner or a tenant. The lien provided for herein shall secure payment of fines not timely paid and the Owner shall also have personal liability for the payment of same.

Section 10.2 Purpose of Assessments.

The assessments levied by the Association shall be used as follows: (a) for the purpose of promoting the interests of the Association and the recreation, health and welfare of the residents of the Property, and in particular for the improvement and maintenance of the entry ways or any other properties, services and facilities devoted to this purpose and comprising or directly relating to the use and enjoyment of the Common Properties, including, but not limited, to the payment of taxes on and insurance in connection with the Common Properties, and the repair, replacement and additions thereto; (b) for paying the cost of labor, equipment (including the expense of leasing any equipment) and materials required for, and management and supervision of, the Common Properties; (c) for carrying out the duties of the Board of Directors of the Association as set forth in Article XI hereafter including, but not limited to, the payment by the Association of all assessments and charges payable in connection with sewer, water and garbage pickup services and the installation and maintenance of lighting (if any) of the Common Properties; (d) for paying the cost of maintenance of the monument sign for the Property, if any, in the event the appropriate governmental authority refuses to maintain the same; or (e) for carrying out the purposes of the Association as stated in its Articles of Incorporation.

Section 10.3 Basis and Amount of Annual Assessments.

10.3.1 The Board of Directors may fix the annual assessment at any amount equal to or less than the maximum annual assessment for that year, as herein below provided. The maximum annual assessment for each Lot for the year 2015 shall be **Five Hundred Fifty and No/100 Dollars (\$500.00)**. Commencing with the year 2017 and each year thereafter, the Board of Directors may set the amount of the maximum annual assessment for that year (and for following years) for each Lot provided that the maximum annual assessment may not be increased more than twenty-five percent (25%) above the maximum annual assessment for the previous year without a vote of the membership taken in accordance with the provisions of Section 10.3.2.

10.3.2 Commencing with the year 2017, and in each year thereafter, the Board of Directors may set the maximum annual assessment for the following year for each Lot at an amount more than twenty-five percent (25%) above the maximum annual assessment for the previous year; provided that any such increased assessment shall be approved by the affirmative vote of fifty-one (51%) of the votes of those Association Members who are voting, in person or by proxy, at a meeting duly called for such purpose.

Section 10.4 Acquisition Assessments / Capital Reserve Improvement Fund.

At any time record title is transferred to any Owner (excluding Declarant or a Builder), an acquisition assessment shall be paid to the Association by such Owner at closing in the amount of **Three Hundred Fifty and No/100 Dollars (\$350.00)** for each Lot acquired. Acquisition assessments shall be in addition to, not in lieu of, any other assessment provided for herein. Acquisition assessments are not refundable and shall be available for all necessary expenditures of the Association as determined by the Board or Declarant during the Declarant Control Period. In addition to the foregoing but still considered an assessment hereunder.

10.4.1 Transfer Fees and Fees for Issuance of Resale Certificates. The Board may, at its sole discretion, enter into a contract with a Managing Agent to oversee the daily operation and management of the Association. The Managing Agent may, and probably will, have fees, which will be charged to an Owner for the transfer of a significant estate or fee simple title to a Lot and the issuance of a "**Resale Certificate**" (herein so called). **At no time shall any amendment to this Declaration or to this Section 10.4.1 affect the Managing Agent's right to collection of Transfer and Resale related fees.** The Association or its agent shall not be required to issue a Resale Certificate until payment for the cost thereof has been received by the Association or its agent. Transfer fees and fees for the issuance of a Resale Certificate shall in no event exceed the greater of (i) \$750.00 for each home being conveyed and are not refundable and may not be regarded as a prepayment of or credit against regular or special assessments, and are in addition to the contribution to the Acquisition Assessment/Capital Reserve/Improvement Fund in Section 10.4 above. This Section

does not obligate the Board or any third party to levy such fees.

Section 10.5 Special Assessments.

The Association may also levy in any assessment year a special assessment, applicable to that year only, for the purpose of defraying, in whole or in part, the costs of any construction or reconstruction, maintenance, unexpected repair or replacement of a described capital improvement upon the Common Properties, including the necessary fixtures and personal property related thereto; provided that any such assessment in an amount greater than one-half the then current Assessment rate shall be approved by the affirmative vote of fifty-one (51%) of the votes of those Association Members who are voting, in person or by proxy, at a meeting duly called for such purpose.

Section 10.6 Special Individual Assessments, Interest and/or Collection Fees and Fines.

In the event that any Owner fails to comply with the provisions of this Declaration, the Design Guidelines, the Street Tree Guidelines, or the Community-Wide Standard and/or the Association incurs any cost or expense in either enforcing said provisions against any such Owner or in carrying out the obligations of any such Owner, the Association shall have the right to assess against such Owner and the Lot of such Owner a special individual assessment in the amount of all such costs incurred by the Association plus interest and/or collection fees in the amount of any violation fine(s) levied by the Board. Special individual assessment, interest and/or collection fees and fines to be paid by the applicable Owner upon demand by the Association.

Section 10.7 Uniform Rate of Assessments.

Both annual and special assessments (excepting therefrom special individual assessments) shall be fixed at a uniform rate for all Lots provided, however, that **Lots owned by a Builder will only be subject to seventy percent (70%) of the assessment rate established for each Lot until such Lot is transferred to a consumer.**

Section 10.8 Date of Commencement and Due Dates of Assessments.

The obligation to pay assessments commences as to each Lot: (a) upon acquisition of record title to a Lot by the Owner thereof other than Declarant; or (b) the month in which the Board first determines a budget and levies assessments pursuant to this Article, whichever is sooner. The initial annual assessment levied on each Lot shall be adjusted according to the number of months remaining in the fiscal year at the time assessments commence on the Lot. Annual assessments shall be payable in advance on the first (1st) business day of each January; provided, if the Board so elects, annual assessments may be paid in monthly, quarterly, or semi-annual installments. The Board may require advance payment of all or any portion of the annual assessment at closing of the transfer of title to a Lot. The due date or dates, if it is to be paid in installments, of any special assessment under Section 10.5 shall be fixed in the respective resolution authorizing such assessment.

Section 10.9 Duties of the Board of Directors with Respect to Assessments.

10.9.1 The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period and shall, at that time, prepare a roster of the Lots and assessments applicable thereto, which shall be kept in the office of the Association and shall be open to inspection by any Owner.

10.9.2 Only if such assessment is an amount different from that charged for the previous year, written notice of the assessment shall thereupon be delivered or mailed to every Owner subject thereto (according to the Association's then current records).

10.9.3 The Board of Directors shall, upon demand, cause to be furnished to any Owner liable for said assessments a certificate in writing signed by an officer or agent of the Association, setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid. A reasonable charge may be made by the Board or the Association's managing agent for the issuance of such certificates.

Section 10.10 Assessment Lien to Secure Charges and Assessments.

All assessments, interest, if applicable, late charges, collection fees and attorneys' fees, as provided for herein, shall constitute and be secured by a separate and valid and subsisting assessment lien, hereby created and fixed, and which shall exist upon and against each Lot and all improvements and fixtures thereon, for the benefit of the Association. Notwithstanding any other provision hereof, the lien to secure the payment of assessments or any other sums due hereunder and any other lien which the Association may have on any Lot pursuant to this Declaration shall be subordinate to the lien or equivalent security interest of any first lien mortgage or deed of trust on any Lot. Any foreclosure of any such superior lien under the power of sale of any mortgage, deed of trust or other security instrument, or through court proceedings in which the Association has been made a party, shall extinguish the liens securing maintenance charges or assessments or any other sums due hereunder which became due and payable prior to such foreclosure date, but no such foreclosure shall free any Lot from the liens securing assessments thereafter becoming due and payable, nor shall the liability of any Member personally obligated to pay maintenance charges or assessments which become due prior to such foreclosure be extinguished by any foreclosure, nor shall the lien for future assessments or charges be affected in any manner.

Section 10.11 Effect of Nonpayment of Assessment.

If any assessment is not paid within thirty (30) days from the due date thereof, the same shall bear interest from time to time, at the sole discretion of the Board, from the due date until paid at the highest nonusurious rate allowed under the laws of the State of

Texas, or other applicable law, or if no such limitation imposed then at the rate of fifteen percent (15%) per annum, and if placed in the hands of an attorney for collection or if collected through probate or other judicial proceedings, there shall be reimbursed to the Association its reasonable attorneys' fees. Should any assessment provided for herein be payable in installments, the Association may accelerate the entire assessment and demand immediate payment thereof. In addition, a late charge shall be assessed against the non-paying Owner for each month that any assessment remains unpaid. The late charge shall be in the amount of Twenty-Five And No/100 Dollars (\$25.00) per month and shall serve to reimburse the Association for administrative expenses and time involved in collecting and processing delinquent assessments. A bank charge not to exceed Thirty-five And No/100 Dollars (\$35.00) may be charged by the Association for any payments returned for insufficient funds or for any other reason. The Association's Managing Agent shall be entitled to charge an Owner a monthly collection fee in the amount of not less than Fifteen and No/100 Dollars (\$15.00) to compensate managing agent for its efforts in collecting delinquent assessments. The Association's Managing Agent may and probably will have additional fees and charges associated with the collection efforts performed and shall be entitled to charge an Owner's account for its efforts in collecting delinquent assessments. The Association, in the Board's discretion, shall have the right to waive any part of or all of such interest and/or fees owed to the Association.

Section 10.12 Collection and Enforcement.

The Association shall have a lien on each Lot securing payment of any assessment, together with interest thereon as provided herein, reasonable attorneys' fees, late charges, collection fees and costs incurred in the collection of same and the enforcement of said lien. The Board of Directors shall take such action as it deems necessary to collect assessments and may settle and compromise the same if deemed appropriate in the exercise of the Board's business judgment. Such liens shall be effective as and in the manner provided for herein and shall have the priorities established in this Declaration.

The Board of Directors may bring an action at law against any Owner personally obligated to pay an assessment or foreclose the lien against such Owner's Lot, or both, and interest, costs and reasonable attorneys' fees of any such action shall be added to the amount of such assessment. Each Owner, by his acceptance of a deed to a Lot, hereby expressly vests in the Board of Directors of the Association or its agent the right and power to bring all actions against such Owner personally for the collection of such assessments as a debt and to enforce the aforesaid lien by all methods available for the enforcement of such liens, including, but not limited to, nonjudicial foreclosure pursuant to Texas Property Code Section 51.002 in force and effect on the date of this Declaration, or in accordance with the prescribed manner for foreclosure of deed of trust liens provided by any future amendment to such Section 51.002 or any other statute or article enacted in substitution therefor, and such Owner hereby expressly grants to the Board of Directors a private power of sale in connection with said lien. The Board is hereby appointed trustee, unless and until the Board of Directors shall designate a substitute or

successor trustee, as hereinafter provided, to post the required notices as provided by law and conduct such foreclosure sale. The lien provided for in this Section shall be in favor of the Association and shall have the same effect as though each Owner had expressly granted to the Association a deed of trust lien as well as a security interest in said Lot to secure the payment of the assessments provided for herein. In addition to such notices as required by the aforesaid statute, the trustee shall mail to the Owner of a Lot for which the assessment has not been paid, a copy of the notice of assessment lien prior to the date any notice of sale is posted, by certified, return receipt requested, at the Lot or such other address as the Board has been advised in writing for receipt of notices under this Declaration.

At any foreclosure, judicial or nonjudicial, the Association shall be entitled to bid up to the amount of its lien, together with costs and attorneys' fees, and to apply as a cash credit against its bid all sums due the Association covered by the lien foreclosed. All foreclosure sales provided for herein shall be subject to any then existing statutory right of redemption in favor of the former Owner. From and after any such foreclosure, the former Owner or Owners, their heirs and assigns, shall forthwith upon the making of such sale surrender and deliver possession of the property so sold to the purchaser at such sale, and in the event of their failure to surrender possession of said property upon demand, the purchaser, or his heirs or assigns, shall be entitled to institute and maintain an action for forcible detainer of said property in the Justice of the Peace Court in the Justice Precinct in which such Lot, or any part thereof, is situated. The Board of Directors in any event is hereby authorized to appoint a substitute trustee, or a successor trustee, to act in the place of the trustee without any formality other than the designation in writing of a substitute or successor trustee; and the authority hereby conferred by the Board of Directors shall extend to the appointment of other successor and substitute trustees successively until the delinquent assessment or assessments have been paid in full, or until said property is sold, and each substitute and successor trustee shall succeed to all the rights and powers of the original trustee appointed by the Board of Directors or its agents.

Section 10.13 Homestead.

By acceptance of a deed thereto, the Owner and spouse thereof, if married at the time of the conveyance or subsequently married, of a Lot shall be deemed to have waived any exemption from liens created by this Declaration or the enforcement thereof by foreclosure or otherwise, which may otherwise be available by reason of the homestead exemption provisions of Texas law, if for any reason such are applicable. This Section is not intended to limit or restrict in any way the lien or rights granted to the Association by this Declaration, but construed in its favor.

Section 10.14 Omission of Assessments.

The omission of the Board of Directors, before the expiration of any assessment period, to fix the assessments hereunder for that or the next assessment period, shall not be deemed a waiver or modification in any respect of the provisions of this Declaration, or a release of any Owner from the obligation to pay the assessments, or any installment

thereof for that or any subsequent assessment period, but the assessment fixed for the preceding assessment period shall continue until a new assessment is fixed or levied by the Board.

Section 10.15 Maintenance Fund; Capital Fund.

10.15.1 The Association may, but is not obligated to, establish and maintain a maintenance fund for the periodic maintenance of the Common Properties during the Declarant Control Period. The Declarant may, but is not obligated, to establish such a fund during the Declarant Control Period. Subject to the provisions of Section 10.3 above, the Board may at any time ratably increase or decrease the amounts of regular annual assessments in accordance with this Declaration to such level as shall be reasonably necessary in the judgment of the Board to cover obligations of the Association under this Declaration, including provisions for reasonable reserves. So long as the Board exercises business judgment in determining the amount or necessity of the reserve fund, the amount held in reserves shall be considered adequate.

10.15.2 The Association may establish a working capital fund for the initial operation of the Common Properties in such amount as the Board shall determine. No such fund shall be a mandatory requirement upon the Association during the Declarant Control Period notwithstanding, thereafter, the Board shall endeavor to establish Reserve Funds in amounts deemed necessary to aid in the repair and replacement costs which may be required or anticipated as a future expense to the Association.

Section 10.16 Exempt Property.

The following property subject to this Declaration shall be exempted from the assessments, charges and liens created herein:

10.16.1 All properties dedicated and accepted by the local public authority and devoted to public use; and

10.16.2 All Common Properties.

Section 10.17 Declarant Subsidy.

Declarant may, but shall not be obligated to, pay a subsidy to the Association (in addition to any amounts paid by Declarant under Section 10.18 below) in order to reduce the total annual assessment which would otherwise be necessary to be levied against all Lots to cover the estimated expenses of the Association (excluding reserve contributions). Any such subsidy shall be disclosed as a line item in the income portion of the budget. **The subsidy may be treated by the Declarant, in its sole discretion, as**

a loan from the Declarant to the Association or as an advance against future assessments due or as a contribution.

Section 10.18 Declarant's Assessment.

Notwithstanding any provision of this Declaration or the Articles of Incorporation or Bylaws to the contrary, so long as there is Class B membership in the Association, **the Declarant may, on an annual basis, during the Declarant Control Period elect either to pay annual assessments on its unsold Lots at the rate of seventy percent (70%) of that of a Class A Members annual assessments, or pay the difference between: (a) the Association's operating expenses otherwise to be funded by annual assessments (after applying all income received by the Association from all sources); and (b) the sum of the revenues of the Association from all sources.** Upon ninety (90) days' notice to the Association, the Declarant may change its election hereunder during the fiscal year. "All sources" includes, but is not limited to, revenues from the operation of Common Properties, capital contributions, accounting service fees, property management fees, guest fees, user fees, and the assessments levied against the owners of Lots, other than the Declarant. Such difference, herein called the "deficiency", shall not include any reserve for replacements, operating reserves, depreciation reserves, capital expenditures or special assessments, and ***Declarant shall not be responsible, in any event, for any reserve for replacements, operating reserves, depreciation reserves, capital expenditures or special assessments.*** Any sums paid by the Declarant to the Association to fund the "deficiency" or any sums paid by the Declarant to the Association in excess of the annual assessment otherwise due on the Declarant's unsold Lots may be considered by the Declarant to be the payment of a subsidy to the Association pursuant to Section 10.17 of this Article. Declarant's obligations hereunder may be satisfied in the form of cash or by "in kind" consideration of services or materials, or by a combination of these. After termination of the Class B membership, Declarant shall pay assessments on its unsold Lots in the same manner as any other Owner.

**ARTICLE XI
GENERAL POWERS OF THE
BOARD OF DIRECTORS OF THE ASSOCIATION**

Section 11.1 Power and Duties.

Except as provided in Article XII below, the Board, for the benefit of the Association, the Property and the Owners shall have the right to do all things which are necessary or advisable in connection with enforcing the provisions of this Declaration. Such powers shall include, but shall not be limited to, the following:

11.1.1 Paying assessments and charges for sewer, water and garbage pickup services for the Properties, if any, the installation and maintenance charges for street lighting for the Property, if any, and taxes, assessments and other

charges which shall properly be assessed or charged against the Common Properties.

11.1.2 Performing maintenance on the Common Properties which may include, without limitation, the following: (a) maintenance of any driveways, private roadways, jogging paths, walkways and sidewalks; (b) maintenance of grounds, including care of trees, shrubs and grass, lighting systems, sprinkler systems (if installed) and similar facilities on the Common Properties; and (c) maintenance of the entry monument(s) and any screening walls or fences constructed around the perimeter of the Property; provided, further, that in the event that the need for maintenance or repair is caused through the willful or negligent act of any Owner, his family, his guests or invitees, the cost of such maintenance or repairs shall be added to and become a part of the assessment to which such Lot is subject.

11.1.3 Managing and maintaining the Common Properties and full maintenance of a utility service for the Common Properties; the furnishing and upkeep of any desired personal property for use in the Common Properties.

11.1.4 Purchasing a policy or policies of insurance insuring the Association against any liability to the public or to the Owners (and/or invitees or tenants) incident to the operation of the Association, in an amount not less than \$250,000.00 to indemnify against the claim of one person, \$500,000.00 against the claims of two or more persons in any one occurrence, and property damage insurance in an amount not less than \$50,000.00 per occurrence; which policy or policies shall contain an endorsement providing that the rights of the named insured shall not be prejudiced with respect to actions against other named insureds; provided, that under no circumstances shall the Board be authorized to provide or pay for fire, casualty, or other insurance insuring the interest of any Owner in his Lot.

11.1.5 Executing all replats of the Property and all declarations of ownership for tax assessment purposes with regard to the Common Properties on behalf of all Owners.

11.1.6 Borrowing funds to pay costs of operation, secured by assignment or pledge of rights against delinquent Owners, if the Board sees fit.

11.1.7 Entering into contracts, maintaining one or more bank accounts, and generally exercising all the powers necessary or incidental to the operation and management of the Association, expressly including the power to enter into management and maintenance contracts. After the Declarant control period ends, all new Vendor contracts must include a minimum of a thirty (30) day cancellation clause applicable for the Association as well as the Vendor. All cancellations must be submitted in writing.

11.1.8 Protecting or defending the Common Properties from loss or damage by suit or otherwise, and to provide adequate reserves for replacements.

11.1.9 Making reasonable rules and regulations for the operation of the Common Properties and amend them from time to time, provided that any rule or regulation may be amended or repealed by the Owners with a vote of at least sixty-seven percent (67%) of those Members present, in person or by proxy, at a meeting called for such purpose (without limiting the generality of the foregoing language, the rules and regulations may provide for limitations on use of the Common Properties during certain periods by youthful persons, visitors or otherwise).

11.1.10 Adjusting the amount, collecting and using any insurance proceeds to repair damage or replace lost property, and if proceeds are insufficient to repair damage or replace lost property, assessing the Members in proportionate amounts to cover the deficiency.

11.1.11 Enforcing the provisions of this Declaration, the Design Guidelines, any Community-Wide Standard, and any rules made hereunder, and to enjoining and seeking damages from any Owner for violation of such provisions or rules.

11.1.12 Exercising the rights granted to the Association in this Declaration, including, without limitation, all rights of the Board, the Association, and the ACC relating to architecture, design, and construction review and inspections under Article III.

The Association may exercise any right or privilege given to it expressly or by reasonable implication by this Declaration, the Bylaws, or the Articles of Incorporation, and may take action reasonably necessary to effectuate any such right or privilege. Except as otherwise specifically provided in such documents or by law, all of the Association's rights and powers may be exercised by the Board without a vote of the membership.

The Board may institute, defend, settle, or intervene on the Association's behalf in mediation, binding or non-binding arbitration, litigation, or administrative proceedings in matters pertaining to the Common Properties, enforcement of this Declaration, or any other civil claim or action. However, the Board shall exercise business judgment in determining whether to take any such action under particular circumstance and shall have no legal duty to institute litigation under any circumstances on behalf of or in the name of the Association or the Members.

Section 11.2 Board Power, Exclusive.

The Board shall have the exclusive right to contract for all goods, services and insurance, payment for which is to be made from the maintenance fund, and the exclusive

right and obligation to perform the functions of the Board, except as otherwise provided herein.

Section 11.3 Owner's Obligations to Repair.

Except for those portions of each Lot constituting the Common Properties, each Owner shall at his sole cost and expense, maintain and repair his Lot and the improvements situated thereon, keeping the same in good condition and repair. In the event that any Owner shall fail to maintain and repair his Lot and such improvements as required hereunder, the Association, in addition to all other remedies available to it hereunder or by law, and without waiving any of said alternative remedies, shall have the right but not the obligation, subject to the notice and cure provisions of Section 6.1 above, through its agents and employees, to enter upon said Lot and to repair, maintain and restore the Lot and the exterior of the buildings and any other improvements erected thereon; and each Owner (by acceptance of a deed for his Lot) hereby covenants and agrees to repay to the Association the cost thereof immediately upon demand, and the failure of any such Owner to pay the same shall carry with it the same consequences as the failure to pay any assessments hereunder when due.

Section 11.4 Maintenance Contracts with Owners.

The Board, on behalf of the Association, shall have full power and authority to contract with any Owner for the performance by or for the Association of services pursuant to the terms hereof (including, but not limited to, the maintenance and repair of fences owned by any such Owner), such contracts to be upon such terms and conditions and for such consideration as the Board may deem proper, advisable and to the best interest of the Association; provided, however, that same must be commercially reasonable in all circumstances.

Section 11.5 Liability of the Board of Directors.

The Association shall indemnify every officer, director, and committee member against all damages and expenses, including attorneys' fees, reasonably incurred in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding if approved by the Board of Directors at the time of such settlement) to which he or she may be a party by reason of being or having been an officer, director, or committee member.

OFFICERS, DIRECTORS, AND COMMITTEE MEMBERS SHALL NOT BE LIABLE FOR ANY MISTAKE OF JUDGMENT, NEGLIGENCE OR OTHERWISE, EXCEPT FOR THEIR OWN INDIVIDUAL WILLFUL MISFEASANCE, MALFEASANCE, MISCONDUCT, OR BAD FAITH. The Association's officers and directors shall have no personal liability with respect to any contract or other commitment made or action taken in good faith on behalf of the Association. The Association shall indemnify and forever hold each such

officer, director, and committee member harmless from any and all liability to others on account of any such contract, commitment, or action. This right to indemnification shall not be exclusive of any other rights to which any present or former officer, director, or committee member may be entitled. The Association shall, as an Association expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

Section 11.6 Notice and Hearing Procedures Prior to the Initiation of Certain Types of Actions by the Association.

Except as set forth in paragraph (c) below, prior to filing suit to enforce the provisions of this Declaration, the Design Guidelines, the Street Tree Guidelines, any Community-Wide Standard or rules promulgated hereunder, the Association shall comply with the notice and hearing procedures set forth in subsections (a) and (b) below.

(a) **Notice.** The Association shall serve the alleged violator with a minimum of one (1) written notices allowing not less than ten (10) days or more than twenty (20) in which to correct the violation. The First Notice shall contain at minimum (i) the nature of the alleged violation and the amount of time Owner has to correct, (ii) the second notice which may be the Fine Warning Notice shall include the nature of the alleged violation, the amount of time Owner has to correct, and any action which the Association proposes or intends to take unless the violation is corrected within a reasonable time after the date of the written notice, and shall include a period of not less than thirty (30) calendar days within which the alleged violator may present a written request for a hearing. If the violation is abated within the time period set forth in the written notice, the Association shall suspend the proposed action unless a similar violation occurs within six (6) months from the date of the written notice. Such suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions and rules by any Owner.

(b) **Hearing.** If a hearing is requested within the allotted thirty (30) day period, the hearing shall be held before a committee of not less than three (3) persons appointed by the Board or during the Declarant Control Period, before representatives of the Declarant. A representative of the Association shall be afforded a reasonable opportunity to make a statement describing the alleged violation and to present any evidence or witnesses to support its statement. The alleged violator shall also be afforded a reasonable opportunity to be heard and to present any evidence or witnesses on his or her behalf. At the conclusion of all statements and presentations, the hearing committee may close the hearing and retire to discuss the evidence and to render a judgment as to whether, in fact, a violation has occurred. The committee shall notify the Association and the alleged violator in writing of its determination within ten (10) days after the hearing. If the committee determines that a violation has occurred, the Association may pursue any and all remedies described in its original notice of the violation. The alleged violator shall have the opportunity to appeal the decision of the

committee to the Board in accordance with Section 209.007 of the Texas Residential Property Owners Act, Texas Property Code, as it may be amended.

(c) Applicability. The notice and hearing procedures set forth in this Section shall not apply to any claim: (i) upon which the Board deems it necessary to obtain emergency injunctive relief; (ii) pertaining to the collection of assessments; or (iii) where the Association decides to exercise its right of self-help to cure the violation after written notice to the Owner and an opportunity to cure.

ARTICLE XII AUTHORITY AND CONTROL BY DECLARANT

Section 12.1 Declarant Rights.

Notwithstanding anything herein to the contrary, so long as Declarant owns at least one (1) Lot, Declarant shall have the sole right, but not the obligation, in its sole discretion, at any time, effective as of the date hereof, to control, perform and/or conduct the following:

- (1) amend the Street Tree Guidelines, the Design Guidelines and the Community-Wide Standard, in whole or in part;
- (2) enforce the provisions of this Declaration; appoint and remove all Board of Directors;
- (3) review, determine and enforce the architectural control of the Lots; and
- (4) assigns its rights and obligations under this Declaration to any entity at any time, in whole or in part.

Declarant's rights set forth above are absolute in its sole discretion and do not require the approval, consent, or joinder of (i) any Owner, (ii) the Association, (iii) the Board of Directors, or (iv) any committees or other parties which may be established with respect hereto. At such time as Declarant no longer owns a Lot within the Property, all of such rights of enforcement shall revert to the Board of Directors of the Association.

In the event any other provision in this Declaration is in contradiction to this Article XII, in whole or in part, this Article XII shall prevail.

Section 12.2 Easement to Inspect and Right to Correct.

Declarant reserves for itself and others it may designate the right, but not the obligation, to inspect, monitor, test, redesign, and correct any structure, improvement, or

condition which may exist on any portion of the Property, including Lots, and a nonexclusive easement of access throughout the Property to the extent reasonably necessary to exercise such right. Except in an emergency, entry onto a Lot shall be only after reasonable notice to the Owner and no entry into a dwelling or other structure on a Lot shall be permitted without the Owner's consent, which consent shall not unreasonably be withheld, conditioned, or delayed. The failure or refusal to permit reasonable access to the Lot for the purposes contemplated under this paragraph shall excuse Declarant or its designee from responsibility for repairs or damages relating to defective workmanship or materials.

Section 12.3 Right to Develop.

Declarant and its employees, agents, and designees shall have a right of access and use and an easement over and upon all of the Property for the purpose of making, constructing, and installing such improvements to the Property, as Declarant deems appropriate in its discretion.

Section 12.4 Construction Activities.

All Owners, occupants, and users of Lots are hereby placed on notice that Declarant, and/or its agents, contractors, subcontractors, licensees, and other designees, shall conduct development and construction activities within the Property and that such activities shall be conducted in phases and may cause disturbance and disruption which impact the use and enjoyment of a Lot.

By the acceptance of a deed or other conveyance or mortgage, leasehold, license, or other interest, and by using any portion of a Lot or the Property generally, the Owners and all occupants and users of Lots acknowledge, stipulate, and agree: (a) that such activities shall not be deemed nuisances, or noxious or offensive activities, under any applicable covenants or at law generally; (b) not to enter upon, or allow their children or other persons under their control or direction to enter upon, or allow their children or other persons under their control or direction to enter upon (regardless of whether such entry is a trespass or otherwise) any property within or in proximity to the Lot where such activities are being conducted (even if not being actively conducted at the time of entry, such as at night or otherwise during non-working hours); (c) that Declarant and all of its agents, contractors, subcontractors, licensees, and other designees, shall not be liable but, rather, shall be held harmless for any and all losses, damages (compensatory, consequential, punitive, or otherwise), injuries, or deaths arising from or relating to the aforesaid activities; (d) that any purchase or use of any portion of a Lot has been and will be made with full knowledge of

the foregoing; and (e) this acknowledgment and agreement is a material inducement to Declarant to sell, convey, lease, and/or allow the use of Lots within the Property.

Section 12.5 Changes in Master Plan.

Each Owner acknowledges that North Lake Estates is a planned community, the development of which is likely to extend over many years, and agrees that the Association shall not engage in, or use Association funds to support any protest, challenge, or other form of objection to (a) changes in uses or density of property within the Property, or (b) changes in the master plan of North Lake Estates, including, without limitation, the enlargement of the master plan and the acquisition or revision of regulatory approvals to reflect the annexation of real property, without Declarant's prior written consent, which consent may be granted or withheld in Declarant's discretion.

Each Owner acknowledges and agrees that the present plans and themes for the Property's development may change and that it has not relied on any representation, warranty, or assurance by any person: (a) that any Lots, or other property or facilities will or will not be added, modified, or eliminated within the Property; or (b) as to the financial or other impact of such action on any Owner. Each Owner acknowledges and agrees that it is not entitled to rely upon and has not received or relied upon any representations, warranties, or guarantees whatsoever as to: (a) the design, construction, completion, development, use, benefits, or value of the Property; or (b) the number, types, sizes, prices, or designs of any residential structures or improvements built or to be built in any part of the Property.

Section 12.6 Dispute Resolution Involving Declarant.

(a) **Right to Correct.** Prior to the Association or any Member commencing any proceeding to which Declarant is a party, including but not limited to an alleged defect of any improvement, Declarant shall have the right to be heard by the Members, or the particular Member, and to access, inspect, correct the condition of, or redesign any portion of any improvement as to which a defect is alleged or otherwise correct the alleged dispute.

(b) **Alternative Method for Resolving Disputes.** Declarant, its officers, directors, employees and agents; the Association, its officers, directors and committee members; all persons subject to this Declaration; any Builder, its officers, directors, employees and agents; and any person not otherwise subject to this Declaration who agrees to submit to this Section 12.6 (each such entity being referred to as a "Bound Party") agree to encourage the amicable resolution of disputes, without the emotional and financial costs of litigation. Accordingly, each Bound Party covenants and agrees to submit those claims, grievances or disputes described in Section 12.6 (c) (collectively, the "Claims") to the mandatory procedures set forth in Section 12.6 (d).

(c) Claims. Those Claims between any of the Bound Parties, regardless of how the same might have arisen, relating to the quality of design or construction of improvements within the Property including the Common Properties or based upon any statements, representations, promises, or warranties made by or on behalf of any Bound Party, shall be subject to the provisions of this Section 12.6.

(d) Mandatory Procedures.

(i) Notice. Any Bound Party having a Claim ("Claimant") against any other Bound Party ("Respondent") (the Claimant and Respondent referred to herein being individually, as a "Party", or, collectively, as the "Parties") shall notify each Respondent in writing (the "Notice"), stating plainly and concisely:

(a) the nature of the Claim, including the persons involved and Respondent's role in the Claim;

(b) the legal basis of the Claim (*i.e.*, the specific authority out of which the Claim arises;

(c) the proposed remedy; and

(d) the fact that Claimant will meet with Respondent to discuss in good faith ways to resolve the Claim.

(ii) Negotiations and Mediation.

(a) The parties shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation. If requested in writing, accompanied by a copy of the Notice, the Board may appoint a representative to assist the Parties in negotiation.

(b) If the parties do not resolve the Claim within thirty (30) days after the date of the Notice (or within such other period as may be agreed upon by the Parties) ("Termination of Negotiations"), Claimant shall have two (2) days to submit the Claim to mediation under the auspices of the American Arbitration Association ("AAA") in accordance with the AAA's Commercial or Construction Industry Mediation Rules, as appropriate.

(c) If Claimant does not submit the Claim to mediation within such time, or does not appear for mediation, Claimant shall be deemed to have waived the Claim, and Respondent shall be released and discharged from any and all liability to Claimant on account of such Claim; provided,

nothing herein shall release or discharge Respondent from any liability to any Person other than the Claimant.

(d) Any settlement of the Claim through mediation shall be documented in writing by the mediator and signed by the Parties. If the Parties do not settle the Claim within thirty (30) days after submission of the matter to the mediation, or within such other time as determined by the mediator or agreed to by the Parties, the mediator shall issue a notice of termination of the mediation proceedings ("Termination of Mediation"). The Termination of Mediation Notice shall set forth that the Parties are at an impasse and the date that mediation was terminated.

Each Party shall bear its own costs of the mediation, including attorneys' fees, and each Party shall share equally all charges rendered by the mediator. If the Parties agree to a resolution of any Claim through negotiations or mediation in accordance with this Section and any Party thereafter fails to abide by the terms of such agreement, then any other Party may file suit or initiate arbitration proceedings to enforce such agreement, without the need to again comply with the procedures set forth in this Section. In such event, the Party taking action to enforce the agreement shall be entitled to recover from the non-complying Party (or if more than one non-complying Party, from all such Parties pro rata) all costs incurred in enforcing such agreement, including, without limitation, attorneys' fees and court costs.

(iii) Binding Arbitration.

(a) Upon Termination of Mediation, Claimant shall thereafter be entitled to initial final, binding arbitration of the Claim under the auspices of the AAA in accordance with the AAA's Commercial or Construction Industry Arbitration Rules, as appropriate. Such Claims shall not be decided by or in a court of law. Any judgment upon the award rendered by the arbitrator may be entered in and enforced by any court having jurisdiction over such Claim. If the claimed amount exceeds \$250,000, the dispute shall be heard and determined by three (3) arbitrators. Otherwise, unless mutually agreed to by the Parties, there shall be one (1) arbitrator. Arbitrators shall have expertise in the area(s) of dispute, which may include legal expertise if legal issues are involved.

(b) Each Party shall bear its own costs and expenses and an equal share of the arbitrator's and administrative fees or arbitration. Notwithstanding the foregoing, if a Party unsuccessfully contests the validity or scope of arbitration in a court of law, the non-contesting Party shall be awarded reasonable attorneys' fees and expenses incurred in defending such contest. All decisions respecting the arbitrability of any Claim shall be decided by the arbitrator(s).

(c) The award of the arbitrator(s) shall be accompanied by detailed written findings of fact and conclusions of law. Except as may be required by law or for confirmation of an award, neither a Party nor an arbitrator may disclose the existence, content, or results of any arbitration hereunder without the prior written consent of both Parties.

ARTICLE XIII OBLIGATIONS OF BOARD OF DIRECTORS

Section 13.1 Obligations of Board of Directors.

Notwithstanding anything herein to the contrary, and so long as Declarant is acting on behalf of the Board of Directors as further described in Section 13.2 below, 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.

Section 13.2 Liability for Association Operations.

The Association shall, to the fullest extent permitted by law, indemnify, defend, and hold harmless Declarant (including its successors, and assigns) from and against any and all losses, claims, demands, damages, costs, and expenses of whatever kind or nature (including, without limitation, reasonable attorneys' fees and costs at all tribunal levels and whether or not suit is instituted, including those incurred in establishing the right to be indemnified, defended, and held harmless pursuant hereto), which relate to or arise out of Association management and operations, including, without limitation, improvement, maintenance, and operation of amenities and other portions of the Common Properties and the collection of assessments.

Section 13.3 No Liability for Acts of Third Party.

OWNERS AND OCCUPANTS OF LOTS, AND THEIR RESPECTIVE GUESTS AND INVITEES, ARE RESPONSIBLE FOR THEIR OWN PERSONAL SAFETY AND FOR THEIR PROPERTY WITHIN THE PROPERTY. THE ASSOCIATION MAY BUT IS NOT OBLIGATED TO MAINTAIN OR SUPPORT CERTAIN ACTIVITIES WITHIN THE PROPERTY WHICH PROMOTE OR ENHANCE SAFETY OR SECURITY WITHIN THE PROPERTY. HOWEVER, THE ASSOCIATION, AND DECLARANT SHALL NOT IN ANY WAY BE CONSIDERED INSURERS OR GUARANTORS OF SAFETY OR SECURITY WITHIN THE PROPERTY, NOR SHALL THEY BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO

PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN.

NO REPRESENTATION OR WARRANTY IS MADE THAT ANY SYSTEMS OR MEASURES, INCLUDING FIRE PROTECTION, BURGLAR ALARM, OR OTHER SECURITY MONITORING SYSTEMS, OR ANY MECHANISM OR SYSTEM FOR LIMITING ACCESS TO THE PROPERTY, CANNOT BE COMPROMISED OR CIRCUMVENTED, NOR THAT ANY SUCH SYSTEMS OR MEASURES UNDERTAKEN WILL IN ALL CASES PREVENT LOSS OR PROVIDE THE DETECTION OR PROTECTION FOR WHICH THE SYSTEM IS DESIGNED OR INTENDED. EACH OWNER ACKNOWLEDGES, UNDERSTANDS, AND SHALL BE RESPONSIBLE FOR INFORMING ITS TENANTS AND ALL OCCUPANTS OF ITS LOT THAT THE ASSOCIATION, THE BOARD AND ITS COMMITTEES, AND DECLARANT ARE NOT INSURERS OR GUARANTORS OF SECURITY OR SAFETY AND THAT EACH PERSON WITHIN THE PROPERTY ASSUMES ALL RISKS OF PERSONAL INJURY AND LOSS OR DAMAGE TO PROPERTY, INCLUDING LOTS AND THE CONTENTS OF LOTS, RESULTING FROM ACTS OF THIRD PARTIES.

**ARTICLE XIV
EXPANSION OF THE PROPERTY**

Section 14.1 Expansion of the Property.

Declarant, in its sole discretion and without the approval of any other party, may from time to time subject this Declaration to additional real property by recording in the Real Property Records of the County, a Supplemental Declaration describing the additional real property to be subjected to this Declaration. Any such Supplemental Declaration which is executed by Declarant and the owner of such additional property, if other than Declarant, and recorded in the Real Property Records of the County shall not require the consent or approval of any other Owner or other person in order to be fully enforceable and effective to cause such additional real property to be incorporated herein. Nothing in this Declaration shall be construed to require Declarant to subject additional real property to this Declaration.

Section 14.2 Additional Covenants and Easements.

Declarant, in its sole discretion and without the approval of any other party, may from time to time subject any portion of the Property, whether now or hereafter a part of this Declaration, to additional covenants and easements, including, without limitation, covenants obligating the Association to maintain and insure such property and authorizing the Association to recover its costs through the assessments, as described in Article X hereof. Such additional covenants and easements may be set forth either in a Supplemental Declaration subjecting such property to this Declaration or in a separate Supplemental Declaration referencing property previously subjected to this Declaration.

Any such Supplemental Declaration may supplement, create exceptions to, or otherwise modify the terms of this Declaration as it applies to the Property, whether now or hereafter a part of this Declaration, in order to reflect the different character and intended use of such Property. Any such Supplemental Declaration which is executed by Declarant and recorded in the Real Property Records of the County shall not require the consent or approval of any other Owner or other person in order to be fully enforceable and effective to cause such additional covenants and easements to be incorporated herein.

Section 14.3 Effect of Recording Supplemental Declaration.

A Supplemental Declaration shall be effective upon the recording of same in the Real Property Records of the County unless otherwise specified in such Supplemental Declaration. On the effective date of the Supplemental Declaration, any additional property subjected to this Declaration shall be assigned voting rights in the Association and assessment liability in accordance with the provisions of this Declaration.

**ARTICLE XV
GENERAL PROVISIONS**

Section 15.1 Mortgages.

It is expressly provided that the breach of any of the conditions contained herein shall not defeat or render invalid the lien of any mortgage or deed of trust made in good faith and for value, as to the same premises or any part thereof encumbered by such mortgage or deed of trust, but said conditions shall be binding thereto as to Lots acquired by foreclosure, trustee's sale or otherwise, as to any breach occurring after such acquisition of title.

Section 15.2 Term.

This Declaration shall be enforceable by Declarant, the Association, any aggrieved Owner, and their respective legal representatives, heirs, successors, and assigns until December 31, 2050, after which time this Declaration shall extend automatically for successive 10-year periods unless at least sixty-seven percent (67%) of the then Owners have signed, within a six month period preceding the end of the initial term or any extension, an instrument which terminates this Declaration and such instrument is recorded in the Real Property Records of the County prior to the end of the term.

Section 15.3 Severability.

If any provision herein contained shall be invalid, which invalidity shall not be presumed until the same is determined by the final (*i.e.*, non-appealable) judgment or order of a court of competent jurisdiction, such invalidity shall in no way affect any other provision hereof, each of which shall remain in full force and effect.

Section 15.4 Binding Effect.

This Declaration is for the mutual benefit of, and shall be binding upon, each and every person acquiring any part of the Property, it being understood that the covenants, conditions, restrictions, easements, and other provisions contained in this Declaration are not for the benefit of the owner of any land except that which is a part of the Property. This Declaration, when executed, shall be filed of record in the Real Property Records of the County, so that each and every Owner or purchaser of any portion of the Property is on notice of the covenants, conditions, restrictions, easements, and other provisions herein contained.

Section 15.5 Notices.

Any notices or correspondence to an Owner shall be addressed to the street address of the Lot or to such other address as is specified by any such Owner in writing to the Association. The burden shall be on the Owner to prove that such written notification was duly given and delivered to the Association as provided below. Any notices or correspondence to the Association shall be addressed to the registered office of the Association as shown by the records of the Secretary of State for the State of Texas or to such other address as is specified by the Association in writing to the Owners.

Except as this Declaration or the Bylaws otherwise provide, all notices, demands, bills, statements, or other communications under this Declaration or the Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or by private carrier; if sent by United States mail; or, if the intended recipient has given its prior written authorization to use such method of delivery, by facsimile or electronic mail with written confirmation of transmission.

Notices sent in accordance with this Declaration shall be deemed to have been duly given and effective:

- (i) sent by United States mail, when deposited with the U.S. Postal Service, correctly addressed, with first class postage prepaid;
- (ii) if delivered personally or by private carrier, when actually delivered to the address of the intended recipient, as evidenced by the signature of the person at such address who accepts such delivery; or
- (iii) if sent by facsimile or electronic mail, upon transmission, as evidenced by a printed confirmation.

Section 15.6 Transfer Under Deed of Trust.

Upon any transfer of Declarant's interest in and to the Property, or any part thereof, under the terms of any deed of trust lien upon the Property, whether voluntary or involuntary, by foreclosure, deed in lieu of foreclosure or otherwise, all rights, title and interests of Declarant under this Declaration, shall be transferred to and devolve upon the party to whom the Property or any part thereof, is thereby conveyed.

Section 15.7 Notice of Transfer.

If at any time a Lot is sold, the new Owner shall have the sole obligation to promptly notify the Association of the name and address of the new Owner and shall be responsible for any cost, charge or expense added to the account of such Owner which may have otherwise been avoided if the above information was promptly delivered to the Association.

Section 15.8 No Liability for Trespass.

Whenever the Association, the Board of Directors or Declarant exercises any right hereunder and in connection therewith enters upon any Lot, such parties shall not be liable for trespass upon such Lot.

Section 15.9 Lien Priority.

Notwithstanding any other provision of the Declaration, the lien to secure the payment of assessments and any other lien which the Association may have on any Lot pursuant to the Declaration for (a) assessments or other charges becoming payable on or after the date of recordation of the first mortgage or deed of trust on any Lot, or (b) any fees, late charges, fines or interest that may be levied by the Association in connection with unpaid assessments, shall be subordinate to the lien or equivalent security interest of any legitimate third-party first lien mortgage or deed of trust on any Lot, if any. Any foreclosure of any such superior lien under the power of sale of any mortgage, deed of trust or other security instrument, or through court proceedings in which the Association has been made a party, shall extinguish the liens securing maintenance charges or assessments which became due and payable prior to such foreclosure date, but no such foreclosure shall free any Lot from the liens securing assessments thereafter becoming due and payable, nor shall the liability of any Owner personally obligated to pay maintenance charges or assessments which become due prior to such foreclosure be extinguished by any foreclosure, nor shall the lien for future assessments or charges be affected in any manner. Any such maintenance charges or assessments which are extinguished pursuant to the foregoing provision shall be reallocated and assessed to all Lots as a common expense.

Section 15.10 Use of Recreational Facilities and Other Common Properties.

The property made subject to this Declaration will contain common recreational facilities available for the use and enjoyment of Owners of property, including lots and homes, within North Lake Estates, their families, tenants and other occupants of their property, and the guests of any such persons. EACH OWNER, BY ACCEPTANCE OF A DEED TO ANY PORTION OF THE PROPERTY MADE SUBJECT TO THIS DECLARATION, ACKNOWLEDGES THAT THE USE AND ENJOYMENT OF ANY RECREATIONAL FACILITY OR ANY OTHER PORTION OF THE COMMON PROPERTIES INVOLVES RISK OF PERSONAL INJURY OR DAMAGE TO PROPERTY.

Each Owner acknowledges, understands, and covenants to inform his or her family members, and tenants and other occupants of Owner's property that Declarant, the Association, the Board and any committees, and Builders constructing homes and other improvements within North Lake Estates are not insurers of personal safety. EACH PERSON USING SUCH RECREATIONAL FACILITIES OR ANY OTHER PORTION OF THE COMMON PROPERTIES ASSUMES ALL RISKS OF PERSONAL INJURY, DEATH, AND LOSS OR DAMAGE TO PROPERTY, RESULTING FROM THE USE AND ENJOYMENT OF ANY RECREATIONAL FACILITY OR OTHER PORTION OF THE COMMON PROPERTIES. Each Owner agrees that Declarant, the Association, the Board and committees, and builders within the community shall not be liable to any person claiming any loss or damage, including, without limitation, indirect, special or consequential loss or damage arising from personal injury or death, destruction of property, trespass, loss of enjoyment, or any other wrong or entitlement to remedy based upon, due to, arising from, or otherwise relating to the use of any recreational facility or other portions of the Common Properties, including, without limitation, any claim arising in whole or in part from the negligence of Declarant, the Association, or any Builder within the community. THE FOREGOING RELEASE IS INTENDED TO RELEASE THE SPECIFIED PARTIES FROM LIABILITY FOR THEIR OWN NEGLIGENCE.

EACH OWNER ACKNOWLEDGES AND AGREES THAT THE ABOVE RELEASE FROM LIABILITY IS CONSIDERATION FOR, AND A CONDITION TO, THE USE AND ENJOYMENT OF THE RECREATIONAL FACILITIES AND OTHER COMMON PROPERTIES WITHIN NORTH LAKE ESTATES AND THAT THIS ACKNOWLEDGMENT AND AGREEMENT IS A MATERIAL INDUCEMENT TO DECLARANT AND BUILDERS TO SELL, CONVEY, LEASE, AND/OR ALLOW THE USE OF LOTS WITHIN NORTH LAKE ESTATES. ANY VIOLATION OF THIS RELEASE AGREEMENT BY AN OWNER, OR ANY OF OWNER'S FAMILY MEMBERS, TENANTS AND OTHER OCCUPANTS OF OWNER'S PROPERTY, OR THEIR RESPECTIVE GUESTS SHALL BE GROUNDS FOR THE SUSPENSION OR TERMINATION OF ALL OF SUCH PERSONS' USE PRIVILEGES IN SUCH FACILITIES.

Section 15.11 Construction of Declaration and All Association Documents.

The provisions of this Declaration and all other documents of the Association shall be liberally construed to give effect to its intended purpose. All doubts regarding the meaning, significance or effect of a provision in this Declaration or other documents of the Association, shall be resolved in favor of the operation of the Association and its enforcement of the Declaration.

[Signature page follows on the next page]

Executed this 4 day of October, 2017.

CADG Property Holdings III, LLC,
a Texas limited liability company

By: CADG Holdings, LLC,
a Texas limited liability company
Its Sole Managing Member

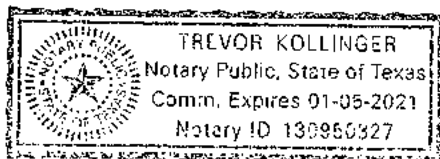
By: MMM Ventures, LLC,
a Texas limited liability company
Its Manager

By: 2M Ventures, LLC,
a Delaware limited liability company
Its Manager

By: [Signature]
Name: Mehrdad Moayedi
Its: Manager

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on the 4 day of October, 2017 by Mehrdad Moayedi, Manager of 2M Ventures, LLC, as Manager of MMM Ventures, LLC, as Manager of CADG Holdings, LLC, as Sole Managing Member of CADG Property Holdings III, LLC, a Texas limited liability company on behalf of said company.



[Signature]
Notary Public, State of Texas

EXHIBIT A

THE PROPERTY / LEGAL DESCRIPTION

LEGAL DESCRIPTION
NORTHLAKE ESTATES PHASE I

BEING THAT CERTAIN TRACT OF LAND SITUATED IN THE TEODORO RODRIQUEZ SURVEY, ABSTRACT NO. 1068, IN DENTON COUNTY, TEXAS, ACCORDING TO DEED RECORDED IN DOCUMENT NO. 2015-142324, REAL PROPERTY RECORDS, DENTON COUNTY TEXAS (RPRDCT) SAID TRACT BEING A PART OF SAID DOCUMENT NO. 2015-142324, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A 5/8-INCH IRON ROD WITH CAP MARKED "PETITT RPLS 4087" FOUND AT THE NORTHWEST CORNER OF SAID CADG TRACT, SAID IRON ROD ALSO BEING LOCATED IN THE APPROXIMATE CENTER OF SOUTH PALOMA CREEK BOULEVARD (VARIABLE WIDTH RIGHT-OF-WAY);

THENCE SOUTH 87°51'39" EAST, WITH THE COMMON NORTH LINE OF SAID CADG TRACT AND THE SOUTH LINE OF THAT CERTAIN TRACT OF LAND DESCRIBED IN DEED TO BLOOMFIELD HOMES, L.P., RECORDED IN DOCUMENT NUMBER 2014-23961, OF SAID RPRDCT, A DISTANCE OF 1290.35 FEET TO A 5/8-INCH IRON ROD WITH CAP MARKED "PETITT RPLS 4087" SET FOR CORNER, FROM WHICH A 5/8-INCH IRON ROD WITH CAP MARKED "PETITT RPLS 4087" FOUND ON SAID COMMON LINE BEARS SOUTH 87°51'39" EAST, A DISTANCE OF 1112.59 FEET;

THENCE SOUTH 02°08'21" WEST, LEAVING SAID COMMON LINE, A DISTANCE OF 125.00 FEET TO A 5/8-INCH IRON ROD WITH CAP MARKED "PETITT RPLS 4087" SET FOR CORNER;

THENCE OVER AND ACROSS SAID CADG TRACT TO 5/8-INCH IRON RODS WITH CAPS MARKED "PETITT RPLS 4087" SET FOR CORNER, THE FOLLOWING COURSES:

SOUTH 87°51'39" EAST, A DISTANCE OF 20.00 FEET;

SOUTH 02°08'21" WEST, A DISTANCE OF 50.00 FEET;

NORTH 87°51'39" WEST, A DISTANCE OF 20.00 FEET;

SOUTH 02°15'44" EAST, A DISTANCE OF 134.87 FEET;

AND SOUTH 18°41'43" EAST, A DISTANCE OF 225.62 FEET;

THENCE SOUTH 27°06'04" EAST, CONTINUING OVER AND ACROSS SAID CADG TRACT, A DISTANCE OF 687.82 FEET TO A 5/8-INCH IRON ROD WITH CAP MARKED "PETITT RPLS 4087" FOUND FOR CORNER LOCATED ON THE SOUTHERLY BOUNDARY OF SAID CADG TRACT;

THENCE SOUTH 16°41'33" EAST, WITH SAID SOUTHERN BOUNDARY, A DISTANCE OF 321.77 FEET TO A UNITED STATES ARMY CORPS OF ENGINEERS CONCRETE MONUMENT (C.O.E. MONUMENT) FOUND FOR CORNER;

THENCE SOUTH 04°14'27" WEST, CONTINUING WITH SAID SOUTHERN BOUNDARY, A DISTANCE OF 192.66 FEET TO A C.O.E. MONUMENT FOUND FOR CORNER;

THENCE SOUTH 07°51'46" EAST, CONTINUING WITH SAID SOUTHERN BOUNDARY, A DISTANCE OF 247.20 FEET TO A 5/8-INCH IRON ROD WITH CAP MARKED "PETITT RPLS 4087" SET FOR CORNER ON SAID SOUTHERLY BOUNDARY, FROM WHICH A C.O.E. MONUMENT FOUND BEARS SOUTH 07°51'46" EAST, A DISTANCE OF 239.50 FEET;

THENCE SOUTH 82°08'14" WEST, LEAVING SAID SOUTHERN BOUNDARY, A DISTANCE OF 274.61 FEET TO A 5/8-INCH IRON ROD WITH CAP MARKED "PETITT RPLS 4087" SET FOR CORNER;

THENCE OVER AND ACROSS SAID CADG TRACT TO 5/8-INCH IRON RODS WITH CAPS MARKED "PETITT RPLS 4087" SET FOR CORNER, THE FOLLOWING COURSES:

NORTH 64°50'01" WEST, A DISTANCE OF 163.42 FEET;

SOUTH 25°09'59" WEST, A DISTANCE OF 47.22 FEET;

NORTH 64°50'01" WEST, A DISTANCE OF 50.00 FEET;

NORTH 25°09'59" EAST, A DISTANCE OF 20.00 FEET;

NORTH 64°50'01" WEST, A DISTANCE OF 126.79 FEET;

NORTH 24°08'21" EAST, A DISTANCE OF 150.03 FEET;

NORTH 08°34'11" WEST, A DISTANCE OF 191.20 FEET;

NORTH 25°46'20" WEST, A DISTANCE OF 50.00 FEET, SAID IRON ROD BEING THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT;

NORTHEASTERLY WITH SAID CURVE TO THE LEFT WHICH HAS A CENTRAL ANGLE OF 1°20'26", HAVING A CHORD THAT BEARS NORTH 63°33'26" EAST, A DISTANCE OF 18.31 FEET, WITH A RADIUS OF 782.50 FEET, AND AN ARC LENGTH OF 18.31 FEET TO THE END OF SAID CURVE;

NORTH 27°06'47" WEST, A DISTANCE OF 130.79 FEET;

SOUTH 62°53'13" WEST, A DISTANCE OF 51.66 FEET;

SOUTH 71°57'05" WEST, A DISTANCE OF 103.32 FEET;

SOUTH 76°35'13" WEST, A DISTANCE OF 184.79 FEET;

NORTH 13°24'47" WEST, A DISTANCE OF 128.75 FEET;

SOUTH 76°35'13" WEST, A DISTANCE OF 69.36 FEET;

NORTH 13°24'47" WEST, A DISTANCE OF 50.00 FEET;

NORTH 76°35'13" EAST, A DISTANCE OF 20.00 FEET;

NORTH 13°24'47" WEST, A DISTANCE OF 138.12 FEET;

SOUTH 72°57'33" WEST, A DISTANCE OF 150.24 FEET;

SOUTH 85°49'38" WEST, A DISTANCE OF 98.90 FEET;

NORTH 88°32'30" WEST, A DISTANCE OF 310.00 FEET;

NORTH 01°27'30" EAST, A DISTANCE OF 28.15 FEET;

AND NORTH 88°32'30" WEST, A DISTANCE OF 195.00 FEET, SAID IRON ROD BEING LOCATED ON THE COMMON WEST LINE OF SAID CADG TRACT AND THE EAST LINE OF PALOMA CREEK LAKEVIEW PHASE 2C, AN ADDITION TO DENTON COUNTY, TEXAS, RECORDED IN DOCUMENT NUMBER 2015-288, OF THE PLAT RECORDS OF DENTON COUNTY, TEXAS (PRDCT), FROM SAID IRON ROD A 5/8-INCH IRON ROD WITH CAP MARKED "PETITT RPLS

4087" FOUND BEARS SOUTH 01°27'30" WEST, ALONG SAID COMMON LINE, A DISTANCE OF 198.65 FEET;

THENCE NORTH 01°27'30" EAST, WITH SAID COMMON LINE, PASSING AT A DISTANCE OF 657.35 FEET A 5/8-INCH IRON ROD WITH CAP MARKED "PETITT RPLS 4087" FOUND FOR THE NORTHEAST CORNER OF SAID PALOMA CREEK LAKEVIEW PHASE 2C, AND PASSING AT A DISTANCE OF 1153.38 FEET A 5/8-INCH IRON ROD WITH CAP MARKED "PETITT RPLS 4087" FOUND FOR THE NORTHEAST CORNER OF PALOMA CREEK LAKEVIEW PHASE 1, AN ADDITION TO DENTON COUNTY, TEXAS, RECORDED IN CABINET W, PAGES 588-590 OF SAID PRDCT, CONTINUING IN ALL, A TOTAL DISTANCE OF 1163.25 FEET TO THE POINT OF BEGINNING AND CONTAINING 49.419 ACRES OF LAND.

EXHIBIT "B"

DECLARANT REPRESENTATIONS & RESERVATIONS

B. 1 . GENERAL PROVISIONS.

B.1.1. Introduction. Declarant intends the Declaration to be perpetual and understands that provisions pertaining to the initial development, construction, marketing, and control of the Property will become obsolete when Declarant's role is complete. As a courtesy to future users of the Declaration, who may be frustrated by then-obsolete terms, Declarant is compiling the Declarant-related provisions in this Appendix.

B.1.2. General Reservation & Construction. Notwithstanding other provisions of the Documents to the contrary, nothing contained therein may be construed to, nor may any mortgagee, other Owner, or the Association, prevent or interfere with the rights contained in this Appendix which Declarant hereby reserves exclusively unto itself and its successors and assigns. In case of conflict between this Appendix and any other Document, this Appendix controls. This Appendix may not be amended without the prior written consent of Declarant. To the extent any proposed amendment is for the purpose of either amending the provisions of this Declaration or the Association's Agreements pertaining to the use, operation, maintenance and/or supervision of any facilities, structures, improvements, systems, Common Areas, private Streets or grounds that are the responsibility of the Association, prior written consent of the Town may be required. The terms and provisions of this Appendix must be construed liberally to give effect to Declarant's intent to protect Declarant's interests in the Property.

B.1.3. Purpose of Development and Declarant Control Periods. This Appendix gives Declarant certain rights during the Development Period and the Declarant Control Period to ensure a complete and orderly build out and sellout of the Property, which is ultimately for the benefit and protection of Owners and mortgagees. Declarant may not use its control of the Association and the Property for an advantage over the Owners by way of retention of any residual rights or interests in the Association or through the creation of any contractual agreements which the Association may not terminate without cause with ninety days' notice.

B.1.4. Definitions. As used in this Appendix and elsewhere in the Documents, the following words and phrases, when capitalized, have the following specified meanings:

a. "Builder" means a person or entity which purchases, or contracts to purchase, a Lot from Declarant or from a Builder for the purpose of constructing a Single Family Residence for resale or under contract to an Owner other than Declarant. As used in this Declaration, Builder does not refer to Declarant or to any home building or home marketing company that is an affiliate of Declarant.

b. "Declarant Control Period" means that period of time during which Declarant controls the operation of this Association. The duration of the Declarant Control Period will be from the date this Declaration is recorded for a maximum period not to exceed the earlier of:

(1) fifty (50) years from date this Declaration is recorded.

(2) the date title to the Lots and all other portions of the Property has been conveyed to Owners other than Builders or Declarant.

B.1.5. Builders. Declarant, through its affiliates, intends to construct single family residences on the Lots in connection with the sale of the Lots. However, Declarant may, without notice, sell some or all of the Lots to one or more Builders to improve the Lots with single family residences to be sold and occupied.

B.2. DECLARANT CONTROL PERIOD RESERVATIONS. Declarant reserves the following powers, rights, and duties during the Declarant Control Period:

B.2.1. Officers & Directors. During the Declarant Control Period, the Board may consist of three persons. **During the Declarant Control Period, Declarant may appoint, remove, and replace any officer or director of the Association, none of whom need be Members or Owners, and each of whom is indemnified by the Association as a "Leadern" provided, however,** that on or before the date which is the earlier of (i) one hundred twenty (120) days after Declarant has sold seventy five percent (75%) of the Lots that may be developed within the Property, or (ii) ten (10) years after the date of recordation of this Declaration, at least one-third (1/3) of the directors on the Board shall be elected by non-Declarant Owners.

B.2.2. Weighted Votes. During the Declarant Control Period, the vote appurtenant to each Lot owned by Declarant is weighted twenty (20) times that of the vote appurtenant to a Lot owned by another Owner. In other words, during the Declarant Control Period, Declarant may cast the equivalent of twenty (20) votes for each Lot owned by Declarant on any issue before the Association. On termination of the Declarant Control Period and thereafter, the vote appurtenant to Declarant's Lots is weighted uniformly with all other votes.

B.2.3. Budget Funding. During the Declarant Control Period only, Declarant is responsible for the difference between the Association's operating expenses and the Regular Assessments received from Owners other than Declarant, and will provide any additional funds necessary to pay actual cash outlays of the Association for common operating expenses, ***excluding non-recurring expenses***. At the Declarant's sole discretion, funds provided for the purpose of offsetting a deficit may be treated as a loan. On termination of the Declarant Control Period, Declarant will cease being responsible for the difference between the Association's operating expenses and the Assessments received from Owners other than Declarant.

B.2.4. Declarant Assessments. During the Declarant Control Period, any real property owned by Declarant is not subject to Assessments by the Association.

B.2.5. Builder Obligations. During the Declarant Control Period only, Declarant has the right but not the duty (1) to reduce or waive the Assessment obligation of a Builder, and (2) to exempt a Builder from any or all liabilities for transfer-related fees charged by the Association but, not by its Managing Agent, provided the agreement is in

writing. Absent such an exemption, any Builder who owns a Lot is liable for all Assessments and other fees charged by the Association or its Managing Agent in the same manner as any Owner.

B.2.6. Commencement of Assessments. During the initial development of the Property, Declarant may elect to postpone the Association's initial levy of Regular Assessments until a certain number of Lots are sold. During the Declarant Control Period, Declarant will determine when the Association first levies Regular Assessments against the Lots. Prior to the first levy, Declarant will be responsible for all operating expenses of the Association.

B.2.7. Expenses of Declarant. Expenses related to the completion and marketing of the Property will be paid by Declarant and are not expenses of the Association.

B.2.8. Budget Control. During the Declarant Control Period, the right of Owners to veto Budget projections, Assessment increases or Special Assessments is not effective and may not be exercised.

B.2.9. Organizational Meeting. Within 120-days after the end of the Declarant Control 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. Written notice of the organizational meeting must be given to an Owner of each Lot at least ten days but not more than sixty (60) days before the meeting. For the organizational meeting, Owners of ten percent (10%) of the Lots 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. At this transition meeting, the Declarant will transfer control over all utilities related to the Common Areas owned by the Association and Declarant will provide information to the Association, if not already done so, relating to the total costs to date related to the operation and maintenance of the Common Areas and Areas of Common Responsibility.

B.3. DEVELOPMENT PERIOD RESERVATIONS. Declarant reserves the following easements and rights, exercisable at Declarant's sole discretion, at any time during the Development Period:

B.3.1. Changes in Development Plan. Declarant may modify the initial development plan to respond to perceived or actual changes and opportunities in the marketplace. Subject to approval by (1) a governmental entity, if applicable, and (2) the Owner of the land or Lots to which the change would directly apply (if other than Declarant), Declarant may (a) change the sizes, dimensions, and configurations of Lots and Streets; (b) change the minimum Single Family Residence size; (c) change the building setback requirements; and (d) eliminate or modify any other feature of the Property.

B.3.2. Builder Limitations. Declarant may require its approval (which may not be unreasonably withheld) of all documents and materials used by a Builder in connection with the development and sale of Lots, including without limitation promotional materials; deed restrictions; forms for deeds, Lot sales, and Lot closings. Without Declarant's prior written approval, a Builder may not use a sales office or model in the Property to market homes, Lots, or other products located outside the Property.

B.3.3. Architectural Control. **During the Development Period, Declarant has the absolute right to serve as the Architectural Reviewer pursuant to Article 6.** Declarant may from time to time, but is not obligated to, delegate all or a portion of its reserved rights under Article 6 and this Appendix to (1) an ACC appointed by the Board, or (2) a committee comprised of architects, engineers, or other persons who may or may not be Members of the Association. Any such delegation is at all times subject to the unilateral rights of Declarant (1) to revoke such delegation at any time and reassume jurisdiction over the matters previously delegated and (2) to veto any decision which Declarant in its sole discretion determines to be inappropriate or inadvisable for any reason. Declarant also has the unilateral right to exercise architectural control over vacant Lots in the Property. **The Association, the Board of Directors, nor a committee appointed by the Association or Board (no matter how the committee is named) may involve itself with the approval of new homes and related improvements on vacant Lots.**

B.3.4. Amendment. During the Development Period, Declarant may amend this Declaration and the other Documents, without consent of the Board of Directors, other Owners or mortgagee, for any purpose, including without limitation the following purposes:

- c. To create Lots, easements, and Common Areas within the Property.
- d. To modify the designation of the Area of Common Responsibility.
- e. To subdivide, combine, or reconfigure Lots.
- f. To convert Lots into Common Areas and Common Areas back to Lots.
- g. To modify the construction and use restrictions of Article 7 of this Declaration.
- h. To merge the Association with another property owners association.
- i. To comply with the requirements of an underwriting lender.
- j. To amend the Declaration or the Bylaws, to resolve conflicts, clarify ambiguities, and to correct misstatements, errors, or omissions in the Documents.

- k. To enable any reputable title insurance company to issue title insurance coverage on the Lots.
- l. To enable an institutional or governmental lender to make or purchase mortgage loans on the Lots.
- m. To change the name or entity of Declarant.
- n. To change the name of the addition in which the Property is located.
- o. To change the name of the Association.
- p. For any other purpose, provided the amendment has no material adverse effect on any right of any Owner.

B.3.5. Completion. During the Development Period, Declarant has (1) the right to complete or make improvements indicated on the Plat; (2) the right to sell or lease any Lot owned by Declarant; and (3) an easement and right to erect, construct, and maintain on and in the Common Area, Area of Common Responsibility, and Lots owned or leased by Declarant whatever Declarant determines to be necessary or advisable in connection with the construction, completion, management, maintenance, leasing, and marketing of the Property, including, without limitation, parking areas, temporary buildings, temporary fencing, portable toilets, storage areas, dumpsters, trailers, and commercial vehicles of every type.

B.3.6. Easement to Inspect & Right to Correct. During the Development Period, Declarant reserves for itself the right, but not the duty, to inspect, monitor, test, redesign, correct, and relocate any structure, improvement or condition that may exist on any portion of the Property, including the Lots, and a perpetual nonexclusive easement of access throughout the Property to the extent reasonably necessary to exercise this right. Declarant will promptly repair, at its sole expense, any damage resulting from the exercise of this right. By way of illustration but not limitation, relocation of a screening wall located on a Lot may be warranted by a change of circumstance, imprecise siting of the original wall, or desire to comply more fully with public codes and ordinances. This Section may not be construed to create a duty for Declarant or the Association.

B.3.7. Promotion. During the Development Period, Declarant reserves for itself an easement and right to place or install signs, banners, flags, display lighting, potted plants, exterior decorative items, seasonal decorations, temporary window treatments, and seasonal landscaping on the Property, including items and locations that are prohibited to other Owners and Residents, for purposes of promoting, identifying, and marketing the Property and/or Declarant's homes, Lots, developments, or other products located outside the Property. Declarant reserves an easement and right to maintain, relocate, replace, or remove the same from time to time within the Property. Declarant also reserves the right to sponsor marketing events — such as open houses, MLS tours, and broker's parties — at the Property to promote the sale of Lots. During the Development Period, Declarant also reserves (1) the right to permit Builders to place signs and promotional materials on the Property and (2) the right to exempt Builders from the sign restriction in this Declaration.

B.3.8. Offices. During the Development Period, Declarant reserves for itself the right to use Single Family Residences owned or leased by Declarant as models, storage areas, and offices for the marketing, management, maintenance, customer service, construction, and leasing of the Property and/or Declarant's developments or other products located outside the Property. Also, Declarant reserves for itself the easement and right to make structural changes and alterations on and to Lots and Single Family Residences used by Declarant as models, storage areas, and offices, as may be necessary to adapt them to the uses permitted herein.

B.3.9. Access. During the Development Period, Declarant has an easement and right of ingress and egress in and through the Property for purposes of constructing, maintaining, managing, and marketing the Property and the Property Subject to Annexation (as hereinafter defined), and for discharging Declarant's obligations under this Declaration. Declarant also has the right to provide a reasonable means of access for the home buying public through any existing or future gate that restricts vehicular access to the Property in connection with the active marketing of Lots and homes by Declarant or Builders, including the right to require that the gate be kept open during certain hours and/or on certain days. This provision may not be construed as an obligation or intent to gate the Property.

B.3.10. Utility Easements. During the Development Period, Declarant may grant permits, licenses, and easements over, in, on, under, and through the Property for utilities, roads, and other purposes necessary for the proper development and operation of the Property. Declarant reserves the right to make changes in and additions to the easements on any Lot, as shown on the Plat, to more efficiently or economically install utilities or other improvements. Utilities may include, but are not limited to, water, sewer, trash removal, electricity, gas, telephone, television, cable, internet service, and security. To exercise this right as to land that is not a Common Area or not owned by Declarant, Declarant must have the prior written consent of the Owner.

B.3.11. Assessments. For the duration of the Development Period, any Lot owned by Declarant is not subject to mandatory assessment by the Association until the date Declarant transfers title to an Owner other than Declarant. If Declarant owns a Lot on the expiration or termination of the Development Period, from that day forward Declarant is liable for Assessments on each Lot owned by Declarant in the same manner as any Owner.

B.3.12. Land Transfers. During the Development Period, any transfer of an interest in the Property to or from Declarant is not subject to any transfer-related provision in the Documents, including without limitation on an obligation for transfer or Resale Certificate fees, and the transfer-related provisions of Article 8 of this Declaration. The application of this provision includes without limitation Declarant's Lot take-downs, Declarant's sale of Lots to Builders, and Declarant's sale of Lots to homebuyers.

B.4. COMMON AREAS. Declarant will convey title to the Common Areas, including any and all facilities, structures, improvements and systems of the Common Areas owned by Declarant, to the Association by one or more deeds — with or without warranty. Any initial Common Area improvements will be installed, constructed, or authorized by Declarant, the cost of which is not a Common Expense of the Association. At the time of conveyance to the Association, the Common Areas will be free to encumbrance except for the property taxes accruing for the year of

conveyance the terms of this Declaration and the Master Declaration and matters reflected on the Plat. Declarant's conveyance of title is a ministerial task that does not require and is not subject to acceptance by the Association or the Owners. The transfer of control of the Association at the end of the Declarant Control Period is not a transfer of Common Areas requiring inspection, evaluation, acceptance, or approval of Common Area improvements by the Owners.

B.5. WORKING CAPITAL FUND. Declarant may (but is not required to) establish a working capital fund for the Association which is a separate fund from the Acquisition Assessments set forth in this Declaration. Declarant may establish a separate Working Capital Fund set apart from the Acquisition Assessments by requiring purchasers of Lots to make a one-time contribution to this fund, subject to the following conditions;

a. The amount of the contribution to this fund will be \$350.00 and will be collected on the closing of the sale of the Lot to any Owner other than Declarant, a Successor Declarant, Declarant-affiliate.

b. Subject to the foregoing provision, a Lot's contribution should be collected from the Owner at closing upon sale of Lot from Builder to Owner or Owner to Owner. At no time shall the resale and transfer fees charged by or due the Managing Agent be waived or withheld without the Managing Agent's written approval; Declarant acknowledges that this condition may create an inequity among the Owners, but deems it a necessary response to the diversification of marketing and closing Lot sales.

d. Contributions to the fund are not advance payments of Regular Assessments, Acquisition Assessments, or Special Assessments and are not refundable to the contributor by the Association or by Declarant. This may not be construed to prevent a selling Owner from negotiating reimbursement of the contribution from a purchaser.

c. Declarant will transfer the balance of the working capital fund to the Association on or before termination of the Declarant Control Period, if applicable. Declarant may not use the fund to defray Declarant's personal expenses or construction costs however, Declarant may, if necessary, utilize funds for the Association's operating needs in the event of a deficit in the Association's operating budget. **The Declarant is not responsible for the funding of a Reserve or Working Capital Contribution.**

B.6. SUCCESSOR DECLARANT. Declarant may designate one or more Successor Declarants' (herein so called) for specified designated purposes and/or for specified portions of the Property, or for all purposes and all of the Property. To be effective, the designation must be in writing, signed and acknowledged by Declarant and Successor Declarant, and recorded in the Real Property Records of Denton County, Texas. Declarant (or Successor Declarant) may subject the designation of Successor Declarant to limitations and reservations. Unless the designation of Successor Declarant provides otherwise, a Successor Declarant has the rights of Declarant under this Section and may designate further Successor Declarants.

B.7. Declarant's Right to Annex Adjacent Property. Declarant hereby reserves for itself and its affiliates and/or any of their respective successors and assigns the right to annex any real property in the vicinity of the Property and subject to the Master Declaration (the "Property Subject to Annexation") into the scheme of this Declaration as provided in this Declaration. Notwithstanding anything herein or otherwise to the contrary, Declarant and/or such affiliates, successors and/or assigns, subject to annexation of same into the real property subject to the Master Declaration, shall have the exclusive unilateral right, privilege and option (but never an obligation), from time to time, for as long as Declarant owns any portion of the Property or Property Subject to Annexation, to annex (a) all or any portion of the Property Subject to Annexation owned by Declarant, and (b) subject to the provisions of this Declaration and the jurisdiction of the Association, any additional property located adjacent to or in the immediate vicinity of the Property (collectively, the "Annexed Land"), by filing in the Official Public Records of Denton County, Texas, a Supplemental Declaration expressly annexing any such Annexed Land. Such Supplemental Declaration shall not require the vote of the Owners, the Members of the Association, or approval by the Board or other action of the Association or any other Person, subject to the prior annexation of such Annexed Land into the real property subject to the Master Declaration. Any such annexation shall be effective upon the filing of such Supplemental Declaration in the Official Public Records of Denton County, Texas (with consent of Owner(s) of the Annexed Land, if not Declarant). Declarant shall also have the unilateral right to transfer to any successor Declarant, Declarant's right, privilege and option to annex Annexed Land, provided that such successor Declarant shall be the developer of at least a portion of the Annexed Land and shall be expressly designated by Declarant in writing to be the successor or assignee to all or any part of Declarant's rights hereunder.

.7.1. Procedure for Annexation. Any such annexation shall be accomplished by the execution by Declarant, and the filing for record by Declarant (or the other Owner of the property being added or annexed, to the extent such other Owner has received a written assignment from Declarant of the right to annex hereunder) of a Supplemental Declaration which must set out and provide for the following:

- (i) A legally sufficient description of the Annexed Land being added or annexed, which Annexed Land must as a condition precedent to such annexation be included in the real property subject to the Master Declaration;
- (ii) That the Annexed Land is being annexed in accordance with and subject to the provisions of this Declaration, and that the Annexed Land being annexed shall be developed, held, used, sold and conveyed in accordance with, and subject to, the provisions of this Declaration as theretofore and thereafter amended; provided, however, that *if* any Lots or portions thereof being so annexed are to be treated differently than any of the other Lots (whether such difference is applicable to other Lots included therein or to the Lots now subject to this Declaration), the Supplemental Declaration should specify the details of such differential treatment and a general statement of the rationale and reasons for the difference in treatment, and if applicable, any other special or unique covenants, conditions, restrictions, easements or other requirements as may be applicable to all or any of the Lots or other portions of Annexed Land being annexed;

- (iii) That all of the provisions of this Declaration, as amended, shall apply to the Annexed Land being added or annexed with the same force and effect as if said Annexed Land were originally included in this Declaration as part of the Initial Property, with the total number of Lots increased accordingly;
- (iv) That an Assessment Lien is therein created and reserved in favor of the Association to secure collection of the Assessments as provided in this Declaration, and as provided for, authorized or contemplated in the Supplemental Declaration, and setting forth the first year Maintenance Assessments and the amount of any other then applicable Assessments (if any) for the Lots within the Annexed Land being made subject to this Declaration; and
- (v) Such other provisions as the Declarant therein shall deem appropriate.

B.7.2. Amendment. The provisions of this B.7. or its sub-sections may not be amended without the express written consent of Declarant (and Declarant's successors and assigns in accordance with the terms hereof).

B.7.3. No Duty to Annex. Nothing herein contained shall establish any duty or obligation on the part of the Declarant or any Member to annex any property to this Declaration and no Owner of the property excluded from this Declaration shall have any right to have such property annexed thereto.

B.7.4. Effect of Annexation on Class B Membership. In determining the number of Lots owned by the Declarant for the purpose of Class B Membership status the total number of Lots covered by this Declaration and located in such Declarant's portion of the Property, including all Lots acquired by the Declarant and annexed thereto, shall be considered. If Class B Membership has previously lapsed but annexation of additional property restores the ratio of Lots owned by the Declarant to the number required by Class B Membership, such Class B Membership shall be reinstated until it expires pursuant to the terms of the Declaration.

[End of Appendix B]

EXHIBIT C

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR NORTH LAKE ESTATES HOMEOWNERS ASSOCIATION, INC.

DESIGN GUIDELINES

PART ONE: LANDSCAPING, FENCES AND EXTERIOR ELEMENTS

SECTION 1.1 LANDSCAPING:

Upon completion of each dwelling unit, the following landscape elements shall be installed prior to occupancy of the dwelling:

- 1.1.1 Sod: Each dwelling shall have full sod installed for the entire front yard and a minimum of ten (10) feet back from the front wall face for each side yard, or to the side yard fence, whichever is greater. Underground irrigation systems are required. Irrigation systems such as drip systems to all planting beds, tree wells and other areas sufficient for maintaining plant life is required.
- 1.1.2 Trees: A minimum of one (1) tree per thirty feet (30') of front yard Lot width is required. Notwithstanding, all Lots shall have a minimum of one (1) tree in the front yard. Trees shall have a minimum of three inch (3") caliper and be one of the trees listed in **Exhibit C-1** attached hereto. Each homeowner shall be responsible for maintenance and preservation of trees located on their property and shall promptly replace dead trees within thirty (30) days or less when favorable planting weather exists or ninety (90) days or sooner when unfavorable planting conditions exist. Trees must be replaced with a like kind or an approved tree from the Street Tree list provided in **Exhibit C-1**. An Owner should contact the city and check for any changes or additions to the Street Tree Guidelines before planting.
- 1.1.3 Shrubbery and Planting Beds: Each Dwelling shall have a minimum of ten (10) one (1) gallon shrubs planted in a mulched planting bed; the planting bed shall have edging materials to separate the sod and bed mulch areas. Any form of edging material is acceptable so long as it blends with the aesthetic appearance of the exterior of the home and provides aesthetic beauty to the overall theme of the planting bed and yard. The homeowner shall be responsible for the maintenance a preservation of the shrubs and planting bed, and shall promptly replace dead plants within thirty (30) days or less when favorable planting weather exists or ninety (90) days or sooner when unfavorable planting conditions exist.

SECTION 1.2 FENCES:

All fences with the exception of wrought iron or tubular steel shall be wooden fences consisting of spruce or better. All posts must be metal and mounted on the inside so as to not be visible. All Fencing facing a street must be stained. The maximum fence height allowed for any fence without the express written permission of the ACC shall be six feet (6').

- 1.2.1 Major thoroughfares and Corner Lots: All fencing on corner lots facing side streets and Lots backing up to streets and major thoroughfares will be considered major thoroughfare fencing. Fencing shall be enhanced wooden fences, spruce or better, board on board, with continuous 2 x 4 top cap, continuous 1 x 4 band and metal posts. All structural components shall be on the inside so as not to be visible and wall construction shall comply with the details indicated in Exhibit Attachment 1.2.1.1. All such fencing shall be stained and preserved as follows:

Manufacturer:	SealRite
Color:	Medium Brown – Apply per product installation

- 1.2.2 Standard Side and Rear Yard Fences – Interior Lots: For all interior lots, fence and wall construction shall comply with the materials and details indicated in Exhibit Attachment 1.2.2.1, and shall have metal posts. All portions of the fence that are visible from any street shall have all structural components on the inside so as not to be visible and must be stained with the colors specified above at Section 1.2.1
- 1.2.3 Open Space, Greenbelt Areas, Parks, Floodplains, Flowage Easements: Fencing facing any open space, greenbelt area, park, floodplain or flowage easement shall be wrought iron or tubular steel which shall have black finished, rust resistant, forty-eight inch (48") high wrought iron or tubular steel fences for the rear sixteen feet (16') of each side and the full width of rear Lot lines as detailed in Exhibit 1.2.3.2. All fences shall be consistent; no variation of design shall be permitted. Fence areas shall be kept clean and neat in appearance at all times; no peeling or fading allowed. Bent or broken sections must be promptly repaired. Fences must be unobstructed at all times by screening or other materials unless specifically approved by the ACC.

SECTION 1.3 MAIL BOXES:

- 1.3.1 Standard Mail Boxes: Mail Box construction shall be cluster mailboxes constructed according to the Declarant and standards of the U.S. Postal

Service. Location of cluster mailboxes shall be at the sole discretion of the Declarant and the U.S. Postal Service. See attachment 1.3.1 for samples of some approved versions of cluster mailboxes allowed.

SECTION 1.4 FLAGS AND FLAGPOLES

- 1.4.1 The only flags which may be displayed are: (i) the flag of the United States of America; (ii) the flag of the State of Texas; and (iii) an official or replica flag of any branch of the United States armed forces. No other types of flags, pennants, banners, kits or similar types of displays are permitted on a Lot if the display is visible from a street or Common Area. ALL FLAG INSTALLATIONS REQUIRE THE PRIOR WRITTEN APPROVAL OF THE ACC.
- 1.4.2 The flag of the United States must be displayed in accordance with 4 U.S.C. Sections 5-10.
- 1.4.3 The flag of the State of Texas must be displayed in accordance with Chapter 3100 of the Texas Government Code.
- 1.4.4 Any freestanding flagpole, or flagpole attached to a dwelling, shall be constructed of permanent, long-lasting materials. The materials used for the flagpole shall be harmonious with the dwelling, and must have a silver finish with a gold or silver ball at the top. The flagpole must not exceed three (3) inches in diameter.
- 1.4.5 The display of a flag, or the location and construction of the supporting flagpole, shall comply with applicable zoning ordinances, easements, and setbacks of record.
- 1.4.6 A displayed flag, and the flagpole on which it is flown, shall be maintained in good condition at all times. Any flag that is deteriorated must be replaced or removed. Any flagpole that is structurally unsafe or deteriorated shall be repaired, replaced, or removed.
- 1.4.7 Only one flagpole will be allowed per Lot. A flagpole can either be securely attached to the face of the dwelling (no other structure) or be a freestanding flagpole. A flagpole attached to the dwelling may not exceed 4 feet in length. A freestanding flagpole may not exceed 20 feet in height. Any freestanding flagpole must be located in either the front yard or backyard of a Lot, and there must be a distance of at least 5 feet between the flagpole and the property line.
- 1.4.8 Any flag flown or displayed on a freestanding flagpole may be no smaller than 3'x5' and no larger than 4'x6'.

- 1.4.9 Any flag flown or displayed on a flagpole attached to the dwelling may be no larger than 3'x5'.
- 1.4.10 Any freestanding flagpole must be equipped to minimize halyard noise. The preferred method is through the use of an internal halyard system. Alternatively, swivel snap hooks must be covered or "Quiet Halyard" Flag snaps installed. Neighbor complaints of noisy halyards are a basis to have flagpole removed until Owner resolves the noise complaint.
- 1.4.11 The illumination of a flag is allowed so long as it does not create a disturbance to other residents in the community. Solar powered, pole mounted light fixtures are preferred as opposed to ground mounted light fixtures. Compliance with all municipal requirements for electrical ground mounted installations must be certified by Owner. Flag illumination may not shine into another dwelling. Neighbor complaints regarding flag illumination are a basis to prohibit further illumination until Owner resolves complaint.
- 1.4.12 Flagpoles shall not be installed in Common Area or property maintained by the Association.
- 1.4.13 All freestanding flagpole installations must receive prior written approval from the Reviewer.

SECTION 1.5 RAIN BARRELS OR RAINWATER HARVESTING SYTEMS

- 1.5.1 Rain barrels or rain water harvesting systems and related system components (collectively, "Rain Barrels") may only be installed after receiving the written approval of the Reviewer. ALL RAIN BARRELS REQUIRE THE PRIOR WRITTEN APPROVAL OF THE ACC PRIOR TO INSTALLATION OR USE.
- 1.5.2 Rain Barrels may not be installed upon or within common area of the Association.
- 1.5.3 Under no circumstances shall Rain Barrels be installed or located in or on any area within a Lot that is in-between the front of the property owner's home and an adjoining or adjacent street.
- 1.5.4 The rain barrel must be of color that is consistent with the color scheme of the property owner's home and may not contain or display any language or other content that is not typically displayed on such Rain Barrels as manufactured.
- 1.5.5 Rain Barrels may be located in the side-yard or back-yard of an owner's Residential Parcel so long as these may not be seen from a street, another

Lot or any common area of the Association.

- 1.5.6 In the event the installation of Rain Barrels in the side-yard or back-yard of an owner's property in compliance with paragraph e above is impossible, the Reviewing Body may impose limitations or further requirements regarding the size, number and screening of Rain Barrels with the objective of screening the Rain Barrels from public view to the greatest extent possible. The owner must have sufficient area on their Lot to accommodate the Rain Barrels.
- 1.5.7 Rain Barrels must be properly maintained at all times or removed by the owner.
- 1.5.8 Rain Barrels must be enclosed or covered.
- 1.5.9 Rain Barrels which are not properly maintained become unsightly or could serve as a breeding pool for mosquitos must be removed by the owner from the Lot.

SECTION 1.6 RELIGIOUS DISPLAYS

- 1.6.1 An owner may display or affix on the entry to the owner's or resident's dwelling one or more religious items, the display of which is motivated by the owner's or resident's sincere religious belief.
- 1.6.2 If displaying or affixing of a religious item on the entry to the owner's or resident's dwelling violates any of the following covenants, the Association may remove the item displayed:
 - (1) threatens the public health or safety;
 - (2) violates a law;
 - (3) contains language, graphics, or any display that is patently offensive to a passerby;
 - (4) is in a location other than the entry door or door frame or extends past the outer edge of the door frame of the owner's or resident's dwelling; or
 - (5) individually or in combination with each other religious item displayed or affixed on the entry door or door frame has a total size of greater than 25 square inches
- 1.6.3 No owner or resident is authorized to use a material or color for an entry door or door frame of the owner's or resident's dwelling or make an alteration to the entry door or door frame that is not authorized by the Association's Declaration or otherwise expressly approved by the Reviewer.

PART TWO: DWELLING UNITS

SECTION 2.1 ROOFS / SPECIFIC RESTRICTIONS APPLY BASED ON LOT TYPE/SIZE.

- 2.1.1 Roof Pitch: All major roof lines must be pitched a minimum of 8-in-12. Secondary roof pitches may be 6-in-12 so long as the roof pitch does not conflict with City building requirements. Roof Pitches for certain plans for porches or garage overhangs may be allowed a lower roof pitch upon review and written approval of the ACC.
- 2.1.2 Roofing Materials: Roofing materials shall be of wood shingles, simulated wood, tile, slate, metal or dimensional style composition shingles (no 3-tab shingles are allowed). All wood shingles must be treated with a fire proofing substance, and before installation of wood shingles a certificate from the manufacturer or supplier stating the terms of the warranty of the fire proofing shall be presented with the building plans to the ACC. Asphalt shingles shall have a 30-year rated or better shingle having a minimum weight of 220 pounds per square (100 square feet) and have a weathered brown or gray color. **All roofing materials shall not be used without written approval from the Architectural Control Committee.**
- 2.1.3 Dormers & Above Roof Chimneys: Dormers and Chimney Chases, above roof structure and roofing materials, may be finished with an approved exterior grade siding material. All Chimney Chases facing the front of any residence must be brick on exterior wall. All Fireplace flues shall be enclosed and finished; exposed pre-fabricated metal flue piping is prohibited.

SECTION 2.2 CERTAIN ROOFING MATERIALS

- 2.2.1 Roofing shingles covered by this Section are exclusively those designed primarily to: (i) be wind and hail resistant; (ii) provide heating and cooling efficiencies greater than those provided by customary composite shingles; or (iii) provide solar generation capabilities (collectively, "Roofing Shingles").
- 2.2.2 Roofing Shingles allowed under these Guidelines shall:
 - (1) resemble the shingles used or otherwise authorized for use in the Association;
 - (2) be more durable than and are of equal or superior quality to the shingles used or otherwise authorized for use in the Association; and
 - (3) match the aesthetics of the property surrounding the property of

the owner requesting permission to install the Roofing Shingles.

- 2.2.3 The owner requesting permission to install the Roofing Shingles will be solely responsible for accrediting, certifying and demonstrating to the Reviewer that the proposed installation is in full compliance with paragraphs a and b above.
- 2.2.4 Roofing Shingles shall be installed after receiving the written approval of the Reviewer.
- 2.2.5 Owners are hereby placed on notice that the installation of Roofing Materials may void or adversely other warranties.

SECTION 2.3 SOLAR PANELS

- 2.3.1 Solar energy devices, including any related equipment or system components (collectively, "Solar Panels") **may only be installed after receiving the written approval of the Reviewer.**
- 2.3.2 Solar Panels may not be installed upon or within common area or any area which is maintained by Association.
- 2.3.3 Solar Panels may only be installed on designated locations on the roof of a home, on any structure allowed under any Association dedicatory instrument, or within any fenced rear-yard or fenced-in patio of the owner's property, but only as allowed by the Reviewer. **Solar Panels may not be installed on the front elevation of the home. Exceptions must follow a strict protocol and have the prior written approval of the ACC.**
- 2.3.4 If located on the roof of a home, Solar Panels shall:
 - (1) not extend higher than or beyond the roofline;
 - (2) conform to the slope of the roof;
 - (3) have a top edge that is parallel to the roofline; and
 - (4) have a frame, support bracket, or wiring that is black or painted to match the color of the roof tiles or shingles of the roof. Piping must be painted to match the surface to which it is attached, i.e. the soffit and wall. Panels must blend with the color of the roof to the greatest extent possible.
- 2.3.5 If located in the fenced rear-yard or patio, Solar Panels shall not be taller than the fence line or visible from a Lot, common area or street.
- 2.3.6 The Reviewer may deny a request for the installation of Solar Panels if it determines that the placement of the Solar Panels, as proposed by the

property owner, will create an interference with the use and enjoyment of land of neighboring owners.

2.3.7 Owners are hereby placed on notice that the installation of Solar Panels may void or adversely affect roof warranties. Any installation of Solar Panels which voids material warranties is not permitted and will be cause for the Solar Panels to be removed by the owner.

2.3.8 Solar Panels must be properly maintained at all times or removed by the owner.

2.3.9 Solar Panels which become non-functioning or inoperable must be removed by the owner of the property.

SECTION 2.4 EXTERIOR WALLS / SPECIFIC RESTRICTIONS APPLY BASED ON LOT SIZE.

2.4.1 Exterior Wall Materials: All residences shall be constructed primarily of masonry consisting of brick, stone, cast stone, or stucco. Other materials of equal or similar characteristics may be allowed upon approval of the ACC Reviewer and is subject to approval of the City Building Official. Products made of cement based materials that have an appearance of wood siding do not count towards meeting the minimum requirement for masonry. Any material utilized on the exterior that is not masonry, where applicable, shall be cementitious fiberboard or a similar product:

2.4.1.1 One Story Homes: **For one-story homes and for the first story of two-story homes, 100% of all exterior wall surfaces shall be constructed of masonry**, excluding doors, windows, boxed or bay windows, ornamental trim, formers, areas under covered porches one story in height, and architectural projections.

2.4.1.2 Areas Above First Story of Two-Story Homes: For areas above the first story of two-story homes, a minimum of 80% of all exterior wall surfaces shall be constructed of masonry, excluding doors, windows, boxed or bay windows, ornamental trim, dormers, areas under covered porches not extending to the first floor, and architectural projections. **For all homes, one and two-story, that face major roads, collectors, parks, open spaces and amenity centers shall have 100% of all exterior wall surfaces constructed of masonry**, excluding doors, windows, boxed or bay windows, ornamental trim, dormers, areas above a roof line, areas under covered porches not extending to the first floor, and architectural projections. Homes that back another interior Lot may be considered for 100% cementitious fiberboard on the rear wall notwithstanding, prior written approval of the

ACC is required.

2.4.1.3 Chimneys: Chimney wall structures that are a direct extension of an exterior wall shall match the requirement of said wall.

SECTION 2.5 ELEVATION AND BRICK USAGE

2.5.1 Same Plan with Same Elevation: The repeat of the same floor plan with the same elevation design shall be governed by the following provisions:

2.5.1.1 Height restriction shall not exceed forty feet (40') or two and one-half (2 ½) stories in height.

2.5.2 Single Family floor plans with the same elevation shall vary from Lot to Lot as follows:

2.5.2.1 The same floor plan with the same elevation shall be separated by a minimum of four (4) Lots between them on the same side of the street and by a minimum of two (2) Lots between them on the opposite side of the street.

2.5.2.2 The same floor plan with a different elevation shall be separated by a minimum of one (1) Lot on the same or on the opposite side of the street.

2.5.3 Exterior Material Area Calculations: All Dwelling submittals shall calculate the percentage coverage for each material as follows:

2.5.2.1 Calculation Method: Calculations for material coverage percentages shall include all exposed areas of the wall surface, excluding window and door openings.

2.5.2.2 Calculation Format: Calculations shall indicate the area coverage for front, side, and rear wall areas. Calculations shall be submitted in the following format:

Brick Calculations

Overall	
Total Wall Area	0 sf
Total Brick Area	0 sf
Total Brick Percentage	0%
Front	
Total Wall Area	0 sf
Total Brick Area	0 sf
Total Brick Percentage	0%
Left	
Total Wall Area	0 sf

Total Brick Area	0 sf
Total Brick Percentage	0%
<i>Right</i>	
Total Wall Area	0 sf
Total Brick Area	0 sf
Total Brick Percentage	0%
<i>Rear</i>	
Total Wall Area	0 sf
Total Brick Area	0 sf
Total Brick Percentage	0%

** Openings removed from areas in all calculations

SECTION 2.6 GARAGES.

2.6.1 All residential Lots shall provide a two-car or larger garage. Requirements may differ based on Lot type/size and must be adhered to as required by the City Building and Zoning Ordinance. All garage doors must be approved in writing by the ACC prior to installation. The garage door must match the aesthetics and harmonize with the exterior of the home in color and style. Carriage style garage doors are permitted.

SECTION 2.7 LOT SETBACK REQUIREMENTS

2.7.1 No structure shall be located on a Lot closer to the Lot boundaries than the following setback requirements or such greater setbacks as are required by the Subdivision Plat or Denton County, Texas Ordinances, Notwithstanding the foregoing, the front yard setback shall be a minimum of twenty-five (25) feet from the front property line.

Exhibit Attachment C-1 – Street Tree Guidelines List of Approved Trees

Exhibit Attachment 1.2.1.1 - Fencing on Corner Lots and Major Thoroughfares

Exhibit Attachment 1.2.2.1 - Standard Side and Rear Yard Fences (Interior fencing)

Exhibit Attachment 1.2.3.2 – Open Space, Greenbelt Areas, Parks, Floodplains, Flowage Easements

Exhibit Attachment 1.3.1 – Sample of Cluster Mailboxes

EXHIBIT C-1

STREET TREE GUIDELINES

A minimum of one (1) tree per thirty feet (30') of front yard Lot width is required. Notwithstanding, all Lots shall have at minimum one (1) tree in the front yard. Trees shall be a minimum three inch (3") caliper and be one of the trees listed below to count toward tree requirements.

Tree List

Bald Cypress

Bur Oak

Caddo Maple

Cedar Elm

Chinese Pistachio

Chinkapin Oak

Pear

Pecan

Shumard Oak

Southern Magnolia

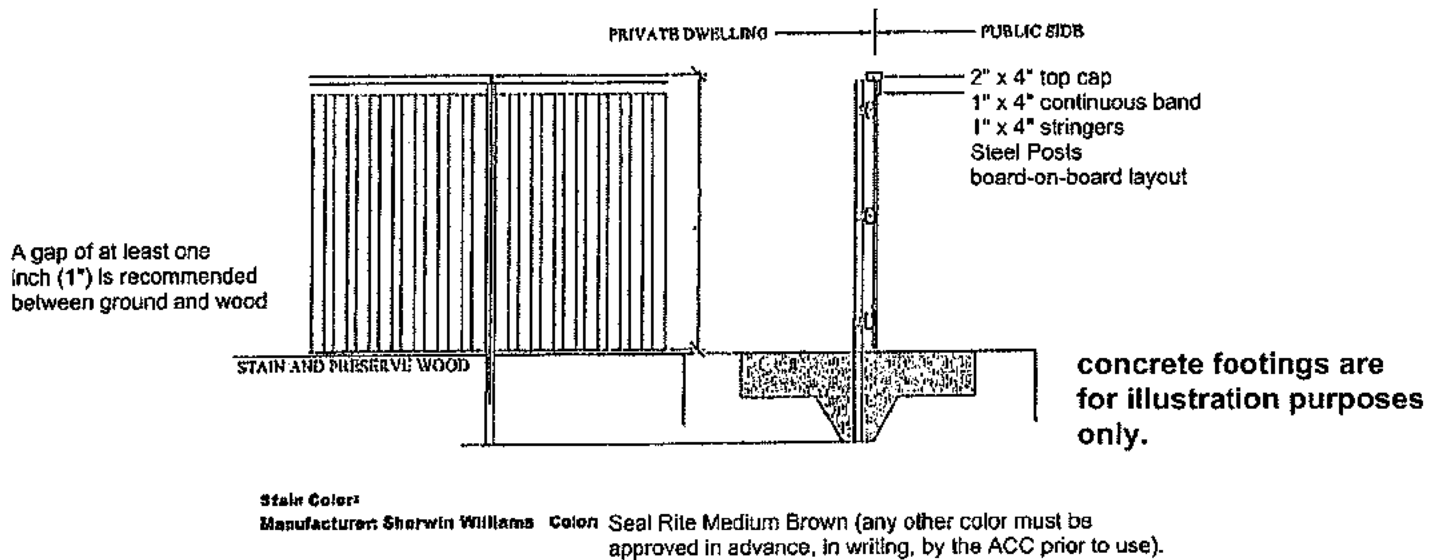
Southern Red Oak

Texas Ash

Truncatus Maple

EXHIBIT ATTACHMENT 1.2.1.1

FENCING MUST BE SPRUCE OR BETTER

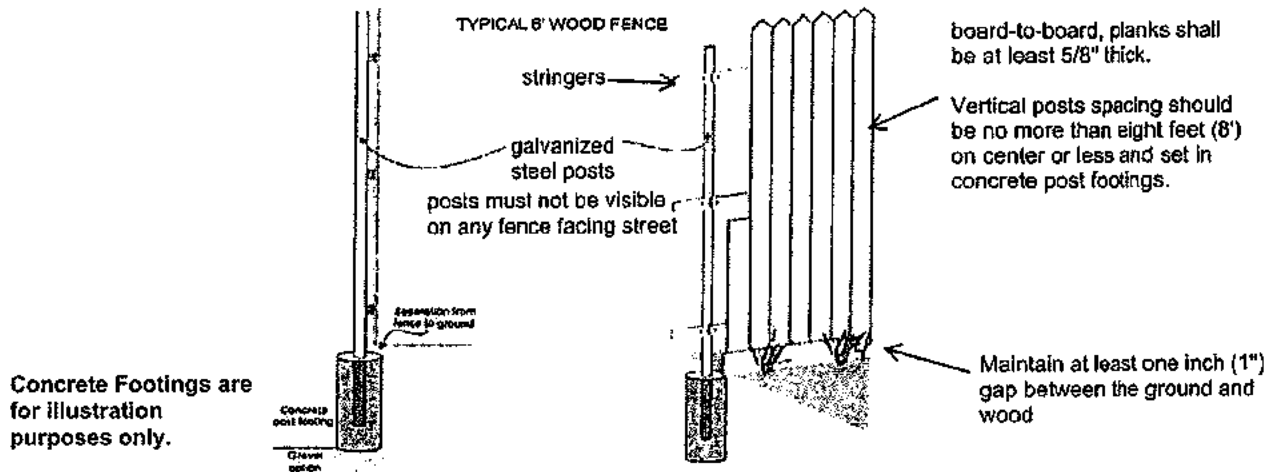


Minimum Fence height shall be six feet (6'). Heights greater than six feet (6') require prior written approval of the ACC. See Section 1.2.1 of the Design Guidelines for more information.

Major Thoroughfare and Corner Lot Fence Details

EXHIBIT ATTACHMENT 1.2.2.1
STANDARD SIDE AND REAR YARD FENCES FOR INTERIOR LOTS.
SEE SECTION 1.2.1 OF THE DESIGN GUIDELINES.

Fences may be constructed of Spruce or better

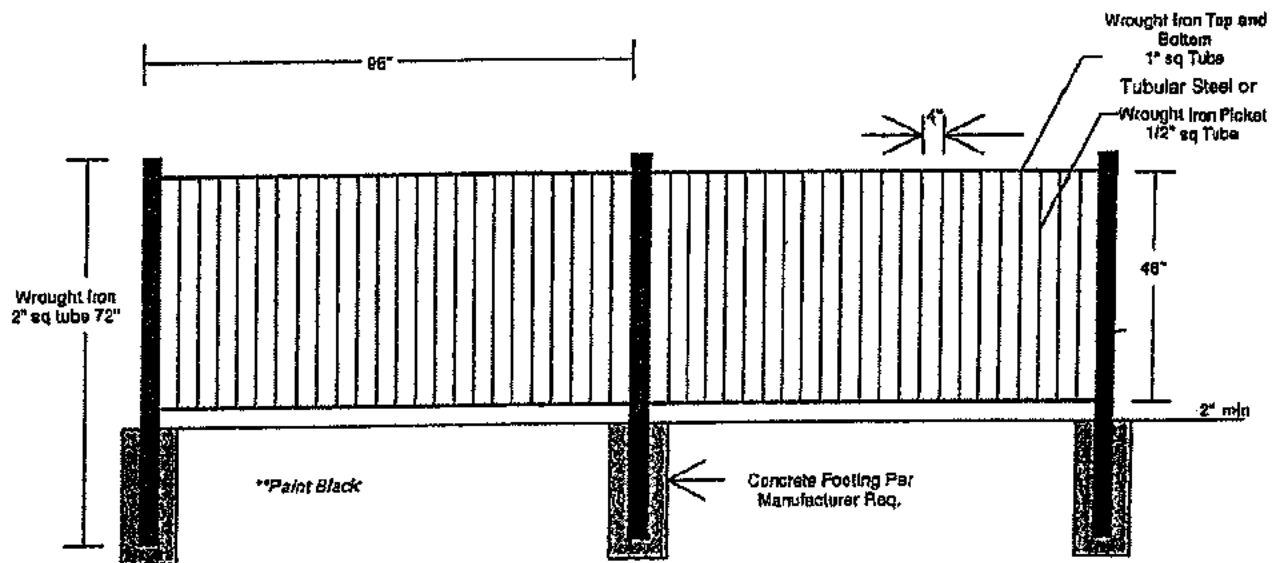


TOP RAIL PREFERRED BUT NOT REQUIRED. TRIM FOR SIDE AND REAR YARD FENCES NOT VISIBLE FROM THE STREET IS OPTIONAL. ALL FENCES MUST BE STAINED WITH THE COLOR SPECIFIED IN SECTION 1.2.1 OF THE DESIGN GUIDELINES.

EXHIBIT ATTACHMENT 1.2.3.2

Sample of acceptable wrought iron or tubular steel fencing allowed.
Refer to 1.2.3 of the Design Guidelines for more information.

Iron Fence Detail



Attachment: 1.2.3.2

EXHIBIT ATTACHMENT 1.3.1

SAMPLE EXHIBIT - CLUSTER STYLE MAILBOXES

FINAL TYPE AND LOCATION OF CLUSTER MAILBOXES IS SUBJECT TO PRIOR WRITTEN APPROVAL OF THE ARCHITECTURAL REVIEWER, THE DECLARANT AND THE "LOCAL POSTAL SERVICE WHEN REQUIRED.

VIIII cluster box units

All Types - 1570 "F" Series

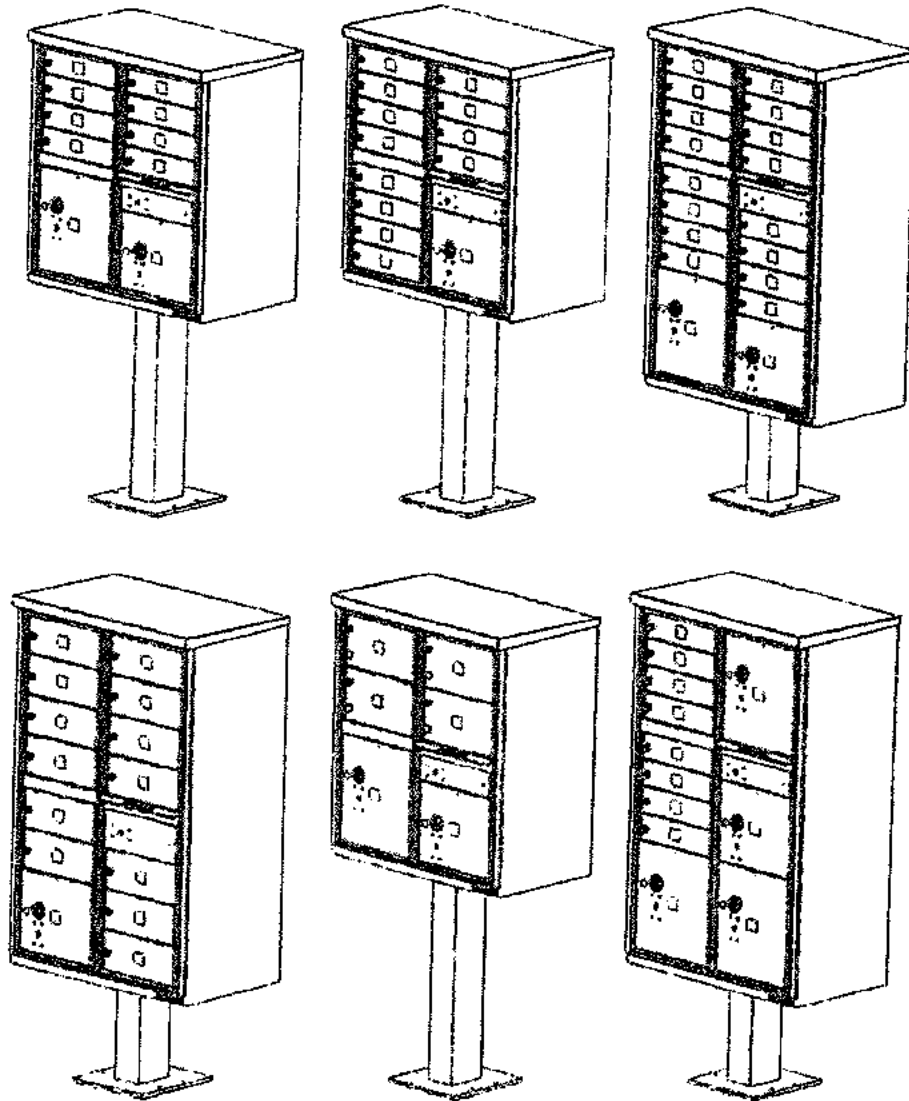


EXHIBIT D

ADDITIONAL RESTRICTIVE COVENANTS AND ANY AMENDMENT THERETO
AS SET FORTH IN A PRIOR AGREEMENT BY
227 NORTH LAKE PARTNERS, A TEXAS LIMITED PARTNERSHIP

BE IT KNOWN that certain covenants contained in the Additional Restrictive Covenants ("Agreement") herein known as Exhibit D may be subject to limited terms such as, but not limited to, Section 2.2 and Section 2.3 of the Agreement which shall become null, void, and without further effect as of January 1, 2019.

The Declarant and thereafter the Board of Directors of North Lake Estates Homeowners Association, Inc. reserves the right after the date of termination of any covenant or portion of the Agreement thereof to amend the Declaration if deemed necessary or appropriate to do so in order to affect changes to certain restrictions or guidelines encumbered by this Agreement. Any such amendment shall require the prior written approval of the Declarant if initiated during the Declarant Control Period.

No amendment may conflict with City building requirements at any time.

DECLARATION OF RESTRICTIVE COVENANTS

This **DECLARATION OF RESTRICTIVE COVENANTS** is executed by **227 NORTH LAKE PARTNERS**, a Texas limited partnership, effective as of November 2nd, 2006, and is as follows:

WHEREAS, Declarant is the owner of the Property (hereinafter defined); and

WHEREAS, Declarant desires to carry out a uniform plan for the Property for the benefit of the present and all future owners thereof and, to that end, desires to subject the Property to the restrictive covenants set forth in this Declaration for the benefit of the Property and each owner thereof.

NOW, THEREFORE, it is hereby declared: (i) that all of the Property shall be held, sold, conveyed, and occupied subject to the following restrictive covenants which are for the purpose of protecting the Property and which shall run with the Property and shall be binding upon all parties having right, title, or interest in or to the Property or any part thereof, their heirs, successors, and assigns and shall inure to the benefit of each owner thereof; and (ii) that each contract, deed, and other instrument which may hereafter be executed with regard to the Property, or any portion thereof, shall conclusively be held to have been executed, delivered, and accepted subject to the following restrictive covenants, regardless of whether or not the same are set out in full or by reference in said contract, deed, or other instrument.

ARTICLE I. DEFINITIONS

1.1. Defined Terms. Unless the context specifies or requires otherwise, the following words and phrases when used in this Declaration shall have the meanings hereinafter specified:

"Declarant" shall mean 227 North Lake Partners, L.P., and its successors or assigns.

"Paloma Creek" shall mean Paloma Creek Development Corp., a Texas corporation

"Declaration" shall mean this instrument as it may be amended from time to time.

"FWSD" shall mean Denton County Fresh Water Supply District No. 11-B, a political subdivision of the State of Texas.

"Home" shall mean an individual residential dwelling unit constructed on any Lot, including any parking garage and the Lot upon which Home is located.

"Lot" or "Lots" shall mean one or more of the subdivided lots within the Property.

"Owner" or "Owners" shall mean the person(s), entity or entities, including Declarant, holding all or a portion of the fee simple interest in any Lot or any portion thereof.

"Property" shall mean that certain tract of land described on Exhibit A attached hereto and made a part hereof for all purposes.

ARTICLE II. COVENANTS

2.1. Maximum Lot Density. The Property will consist of no more than seven hundred (700) Lots.

2.2. Minimum Lot Size. No more than twenty percent (20%) of the Lots within the Property shall have a minimum area of six thousand (6,000) square feet, and the remainder of the Lots within the Property shall have a minimum area of eight thousand four hundred (8,400) square feet.

2.3. Minimum Home Size. Each Home on each Lot shall contain at least 2,000 square feet of air conditioned area, exclusive of all porches, garages or breezeways attached to the main dwelling. However, after January 1, 2009, up to 140 homes constructed on the Property may contain a minimum of 1,800 square feet of air conditioned area.

2.4. Minimum Masonry Material. At least eighty percent (80%) of the total outside wall areas of any Home (including garage) erected on any Lot shall be constructed of brick, stone, brick veneer, stone veneer, stucco type material, or other masonry materials of similar quality (products made of cement based materials that have an appearance of wood siding do not count towards meeting this minimum requirement).

2.5. Roofs. All roofs shall be of wood shingles, simulated wood shingles, tile, slate, metal or dimensional style composition shingles (no 3-tab shingles). All wood shingles must be treated with a fire proofing substance, and before installation of wood shingles a certificate from the manufacturer or supplier stating the terms of the warranty of the fire proofing shall be presented to the Committee. All major roof lines must be pitched a minimum of eight (8) inches in twelve (12) inches.

2.6. Lot Set Back Requirements. No structure shall be located on a Lot closer to the Lot boundaries than the following set back requirements or such greater set backs as are required by the subdivision plat or Denton County, Texas ordinances. Notwithstanding the foregoing, the front yard set back shall be a minimum of twenty-five feet (25') from the front property line.

2.7. Public Streets. All streets within the Property shall be dedicated to public use.

2.8. Fire Protection. In the event that fire protection is funded through the Paloma Creek Homeowners Association, each Owner within the Property shall pay to the Paloma Creek Homeowners Association the then current annual rate for this service. As of the date of this Declaration, the minimum rate is .10 cents per \$100 of home value. The Paloma Creek Homeowners Association has no obligation to fund and/or provide fire protection.

2.9 Fees. The Property is not located within any city's limits, and there are no existing municipality permitting and/or inspection procedures with respect to the Property. To promote a reasonable level of standards, FWSD will have procedures and policies for permitting and inspections. Owner acknowledges and agrees that the Property and any improvements thereon shall be subject to such procedures and policies, and Owners agree to comply with such procedures and policies in constructing improvements on the Property. For every lot developed within the Property, the fees per home constructed for permitting, inspections and taps related to home building, shall be paid to Paloma Creek (or as directed by Paloma Creek) by any third-party Owner who purchases a developed Lot or by Declarant (or its affiliate, if the affiliate has purchased the Lot) at the time a permit is requested for construction of a Home on a developed Lot. The fees are anticipated to be as follows (but are subject to change and/or escalation from time to time, pursuant to the rules of the FWSD):

i.	¾" Water Meter Purchase & Inspection	\$ 500.00
ii.	Permitting & Inspections of Home Construction	\$ 575.00
iii.	Upper Trinity Sewer Charge	\$ 500.00 (1)
iv.	Master Development Fee	\$1,210.00 (2)

- (1) Declarant shall receive a quarterly payment from the FWSD equal to \$450.00 for every \$500.00 payment made during the preceding quarter by sewer applicants within the Property. Such payments to Declarant shall reduce by like amount certain reimbursements due Declarant, as provided in Section 6.18 of the Operating Costs and Facilities Reimbursement Agreement, dated November 2, 2006, among Declarant, the FWSD and Denton 380 Associates, L.P.
- (2) The Master Development Fee shall increase each calendar year commencing January 1, 2007 by 10% of the prior year's fee.

ARTICLE III GENERAL PROVISIONS

3.1. Duration. This Declaration and the covenants, conditions, restrictions, easements, charges, and liens set out herein shall run with and bind the land, and shall inure to the benefit of and be enforceable by every Owner, including Declarant, and their respective legal representatives, heirs, successors, and assigns.

3.2. Amendment. This Declaration may be amended or terminated by the recording in the Official Records of Denton County, Texas, of an instrument setting forth the amendment executed and acknowledged by all of the following: (i) the Declarant and (ii) the holder of each deed of trust secured by any portion of the Property, and (ii) Paloma Creek.

3.3. Gender. Whenever the context shall so require, all words herein in the male gender shall be deemed to include the female or neuter gender, all singular words shall include the plural, and all plural words shall include the singular.

3.4. Enforcement and Nonwaiver. Any Owner of a Lot shall have the right to enforce all of the provisions of this Declaration. Such right of enforcement shall include both damages for and injunctive relief against the breach of any provision hereof. The failure to enforce any provision of this Declaration at any time shall not constitute a waiver of the right thereafter to enforce any such provision or any other provision of this Declaration. No breach hereof shall entitle any Owner to terminate this Declaration.

3.5. Construction. The provisions of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity of any provision or portion hereof shall not affect the validity or enforceability of any other provision. Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular; and the masculine, feminine, or neuter shall each include the masculine, feminine, and neuter. All captions and titles used in this Declaration are intended solely for convenience of reference and shall not enlarge, limit, or otherwise affect that which is set forth in any of the paragraphs, sections, or articles hereof.

3.6. Transfer of Title. The rights and obligations hereunder shall benefit and burden any Owner of a Lot only during and with respect to such Owner's actual period of ownership. Upon the transfer of ownership of a Lot, the transferee of the transferred Lot shall be deemed to have assumed, as of the date of the deed transferring the subject Lot is recorded, all obligations and liabilities arising hereunder with respect to the transferred property effective as of the date of the transfer. Notwithstanding the foregoing, a sale or transfer of a Lot shall not relieve the Owner of any obligations or liabilities under this Declaration arising prior to the date said deed is recorded.

3.7. Choice of Law. This Declaration will be construed under the laws of the state of Texas, without regard to choice-of-law rules in any jurisdiction. Venue is in Denton County, Texas.

3.8. Attorney's Fees. If an Owner retains an attorney to enforce this Declaration, the party prevailing in such litigation will be entitled to recover reasonable attorney's fees and court and other costs.

3.9. Notices. Any notice required or permitted under this Declaration must be in writing. Any notice required by this Declaration will be deemed to be delivered (whether actually received or not) when deposited with the United States Postal Service, postage prepaid, certified mail, return receipt requested, and addressed to the intended recipient at the address shown in this Declaration. Notice may also be given by regular mail, personal delivery, courier delivery, facsimile transmission, or other commercially reasonable means and will be effective when actually received. Any address for notice may be changed by written notice delivered as provided herein.

3.10. Counterparts. If this Declaration is executed in multiple counterparts, all counterparts taken together will constitute this Declaration.

SIGNATURE ON FOLLOWING PAGE

DECLARANT:

227 NORTH LAKE PARTNERS, L.P.
A Texas limited partnership

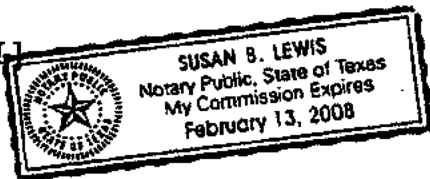
By: Graywood North Lake, Inc.
a Delaware corporation,
its general partner

By: Ben Abraham
Name: G. BEN-ABRAHAM
Title: OFFICER

THE STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on Nov. 2, 2006 by GABRIEL BEN-ABRAHAM
OFFICER of Graywood North Lake, Inc., a Delaware corporation, the general partner of 227
NORTH LAKE PARTNERS, L.P., a Texas limited partnership, on behalf of said corporation, on
behalf of said limited partnership.

[SEAL]



Susan B. Lewis
Notary Public in and for the State of Texas
Printed Name: SUSAN B. LEWIS

My Commission Expires: 2/13/08

**** Electronically Filed Document ****

Denton County
Juli Luke
County Clerk

Document Number: 2015-108071
Recorded As : ERX-AMENDMENT

Recorded On: September 16, 2015
Recorded At: 02:46:54 pm
Number of Pages: 19

Recording Fee: \$98.00

Parties:

Direct- 227 NORTH LAKE PARTNERS LP
Indirect-

Receipt Number: 1339111
Processed By: Terri Bair

***** THIS PAGE IS PART OF THE INSTRUMENT *****

Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY
because of color or race is invalid and unenforceable under federal law.



THE STATE OF TEXAS)
COUNTY OF DENTON)

I hereby certify that this instrument was FILED in the FPA Number sequence on the date/time
printed herein, and was duly RECORDED in the Official Records of Denton County, Texas.

Juli Luke

County Clerk
Denton County, Texas

Senders Title

GR# 1502768-VCJA

FIRST AMENDMENT OF DECLARATION OF RESTRICTIVE CONVENANTS

This First Amendment of Declaration of Covenants, Conditions and Restrictions (this "Amendment") is made effective as of September 10th, 2015.

WHEREAS, on November 2, 2006 **227 North Lake Partners**, a Texas limited partnership, as Declarant (herein so called), executed that certain Declaration of Restrict Covenants (the "Declaration") for that certain Property more particularly described on Exhibit "A" attached hereto and incorporated herein by reference for all purposes, that were recorded on February 27, 2009 as Document Number 2009-23718, Deed Records of Denton County, Texas; and

WHEREAS, Declarant desires to make various amendments to the Declaration as more particularly described herein;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. **Definitions.** Capitalized terms used herein but not defined shall have the meaning prescribed to them in the Declaration.

2. **Amendments to the Declaration.**

(a) Section 2.1 of the Declaration is hereby deleted in its entirety and replaced with the following: Maximum Lot Density. The Property will consist of no more than seven hundred and fifty (750) Lots.

(b) Section 2.2 of the Declaration is hereby amended to insert the following at the end of Section 2.2: The covenant contained in the preceding sentence of this Section 2.2 shall automatically terminate, expire and become null, void and without further effect on January 1, 2019. Notwithstanding the prohibition on Lot size contained herein, Owners may plat the Property, construct improvements, or otherwise prepare the Property for the termination and expiration of this Section 2.2 covenant prior to January 1, 2019. Prior to January 1, 2019, Owners are only prohibited from selling, transferring or conveying any Lots that are not in compliance with this Section 2.2.

(c) Section 2.3 of the Declaration is hereby deleted in its entirety and replaced with the following: Minimum Home Size. Each Home on each Lot shall contain at least 2,000 square feet of air conditioned area, exclusive of all porches, garages or breezeways attached to the main dwelling. However, after January 1, 2009, up to 150 homes constructed on the Property may contain a minimum of 1,800 square feet of air conditioned area. The covenant contained in the preceding sentences of this Section 2.3 shall automatically terminate, expire and become null, void and without further effect on January 1, 2019.



3. Counterparts. This Amendment may be executed in multiple counterparts, each of which shall constitute an original.

4. Continued Validity. Except as amended hereby, each and every term of the Declaration shall remain in full force and effect as originally written and executed.

EXECUTED to be effective as of the date first written above.

DECLARANT:

227 NORTH LAKE PARTNERS, L.P.
A Texas limited partnership

By: Graywood North Lake, Inc.
a Delaware corporation,
its general partner

By: [Signature]
Name: Nick DiGiuseppe
Title: Vice President/Authorized Signatory

THE STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on Sept. 16, 2015 by Nick DiGiuseppe Authorized Signatory of Graywood North Lake, Inc., a Delaware corporation, the general partner of 227 NORTH LAKE PARTNERS, L.P., a Texas limited partnership, on behalf of said corporation, on behalf of said limited partnership.

[SEAL]



Karen Lea Willow
Notary Public in and for the State of Texas
Printed Name: _____

My Commission Expires: _____

After Recording, Please Return To:

APPROVED BY:

Paloma Creek Development Corp.
a Texas corporation

By: [Signature]
Name: Julian Hannes Jr.
Its: Vice President

THE STATE OF TEXAS

§
§
§

COUNTY OF DALLAS

This instrument was acknowledged before me on September 10, 2015 by Julian Hannes, Jr.
Vice President of Paloma Creek Development Corporation, on behalf of said corporation.

[SEAL]



[Signature]
Notary Public in and for the State of Texas
Printed Name: Kristen Steinbrecher

My Commission Expires: 4/8/18

Exhibit "A"

Property Legal Description

EXHIBIT "A"
Page 1 of 14

DENTON COUNTY FRESH WATER SUPPLY DISTRICT No. 11-B
165.062 ACRE ANNEXATION TRACT LEGAL DESCRIPTION

BEING A TRACT OF LAND SITUATED IN THE T. RODRIGUEZ SURVEY, ABSTRACT NO. 1068, THE ALEXANDER COOPER SURVEY, ABSTRACT NO. 250 AND JOHN M. MCNEIL SURVEY, ABSTRACT NO. 884 IN DENTON COUNTY, TEXAS, SAID TRACT BEING A PORTION OF A CALLED 173.158 ACRE TRACT OF LAND DESCRIBED IN A DEED TO 227 NORTH LAKE PARTNERS, L.P., RECORDED IN DOCUMENT NUMBER 2008-75701, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS, AND A PORTION OF A CALLED 54.6487 ACRE TRACT OF LAND DESCRIBED IN A DEED TO 227 NORTH LAKE PARTNERS, L.P., RECORDED IN DOCUMENT NUMBER 2008-87732 OF SAID REAL PROPERTY RECORDS, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE APPROXIMATE CENTER OF GAMMON ROAD (UNDEDICATED PUBLIC ROAD) FOR THE NORTHWEST CORNER OF SAID CALLED 173.158 ACRE TRACT;

THENCE SOUTH 87 DEGREES 51 MINUTES 39 SECONDS EAST, ALONG THE NORTH LINE OF SAID 173.158 ACRE TRACT, A DISTANCE OF 3,801.54 FEET TO A POINT IN THE APPROXIMATE CENTERLINE OF SALT BRANCH ROAD (UNDEDICATED PUBLIC ROAD) FOR THE NORTHEAST CORNER OF SAID 173.158 ACRE TRACT;

THENCE SOUTH 01 DEGREE 36 MINUTES 58 SECONDS WEST, ALONG THE APPROXIMATE CENTER OF SALT BRANCH ROAD AND THE MOST EASTERLY LINE OF SAID 173.158 ACRE TRACT, A DISTANCE OF 767.27 FEET TO A POINT IN THE APPROXIMATE 537 CONTOUR LINE;

THENCE, ALONG SAID APPROXIMATE 537 CONTOUR LINE, FOLLOWING COURSES AND DISTANCES:

SOUTH 59 DEGREES 08 MINUTES 29 SECONDS WEST, A DISTANCE OF 28.50 FEET TO A POINT;

SOUTH 23 DEGREES 59 MINUTES 25 SECONDS WEST, A DISTANCE OF 39.02 FEET TO A POINT;

SOUTH 56 DEGREES 54 MINUTES 40 SECONDS WEST, A DISTANCE OF 38.17 FEET TO A POINT;

SOUTH 37 DEGREES 58 MINUTES 30 SECONDS WEST, A DISTANCE OF 40.93 FEET TO A POINT;

SOUTH 64 DEGREES 55 MINUTES 30 SECONDS WEST, A DISTANCE OF 56.31 FEET TO A POINT;

SOUTH 59 DEGREES 40 MINUTES 23 SECONDS WEST, A DISTANCE OF 75.04 FEET TO A POINT;

EXHIBIT "A"
Page 2 of 14

SOUTH 63 DEGREES 48 MINUTES 18 SECONDS WEST, A DISTANCE OF 75.25 FEET TO A POINT;

SOUTH 62 DEGREES 35 MINUTES 43 SECONDS WEST, A DISTANCE OF 67.86 FEET TO A POINT;

SOUTH 72 DEGREES 07 MINUTES 16 SECONDS WEST, A DISTANCE OF 62.71 FEET TO A POINT;

SOUTH 74 DEGREES 42 MINUTES 00 SECONDS WEST, A DISTANCE OF 74.25 FEET TO A POINT;

SOUTH 73 DEGREES 40 MINUTES 29 SECONDS WEST, A DISTANCE OF 54.88 FEET TO A POINT;

SOUTH 60 DEGREES 51 MINUTES 34 SECONDS WEST, A DISTANCE OF 8.90 FEET TO A POINT IN A SOUTHERLY LINE OF SAID 173.158 ACRE TRACT;

THENCE NORTH 87 DEGREES 48 MINUTES 04 SECONDS WEST, ALONG SAID SOUTHERLY LINE, A DISTANCE OF 689.38 FEET TO POINT;

THENCE SOUTH 01 DEGREE 20 MINUTES 52 SECONDS WEST, CONTINUING ALONG SAID SOUTHERLY LINE, A DISTANCE OF 560.45 FEET TO A POINT IN THE APPROXIMATE 537 CONTOUR LINE;

THENCE, ALONG SAID APPROXIMATE 537 CONTOUR LINE, THE FOLLOWING COURSES AND DISTANCES:

SOUTH 58 DEGREES 29 MINUTES 16 SECONDS WEST, A DISTANCE OF 9.88 FEET TO A POINT;

SOUTH 27 DEGREES 55 MINUTES 58 SECONDS WEST, A DISTANCE OF 25.48 FEET TO A POINT;

SOUTH 14 DEGREES 55 MINUTES 17 SECONDS WEST, A DISTANCE OF 37.37 FEET TO A POINT;

SOUTH 18 DEGREES 25 MINUTES 37 SECONDS WEST, A DISTANCE OF 54.90 FEET TO A POINT;

SOUTH 38 DEGREES 41 MINUTES 27 SECONDS WEST, A DISTANCE OF 56.56 FEET TO A POINT;

SOUTH 43 DEGREES 42 MINUTES 33 SECONDS WEST, A DISTANCE OF 47.82 FEET TO A POINT;

SOUTH 35 DEGREES 35 MINUTES 04 SECONDS WEST, A DISTANCE OF 44.15 FEET TO A POINT;

EXHIBIT "A"
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SOUTH 32 DEGREES 50 MINUTES 10 SECONDS WEST, A DISTANCE OF 48.77 FEET TO A POINT;

SOUTH 35 DEGREES 54 MINUTES 23 SECONDS WEST, A DISTANCE OF 50.38 FEET TO A POINT;

SOUTH 10 DEGREES 54 MINUTES 32 SECONDS WEST, A DISTANCE OF 73.97 FEET TO A POINT;

SOUTH 22 DEGREES 41 MINUTES 48 SECONDS WEST, A DISTANCE OF 57.22 FEET TO A POINT;

NORTH 88 DEGREES 22 MINUTES 10 SECONDS WEST, A DISTANCE OF 24.39 FEET TO A POINT;

NORTH 34 DEGREES 55 MINUTES 11 SECONDS WEST, A DISTANCE OF 78.78 FEET TO A POINT;

NORTH 18 DEGREES 02 MINUTES 38 SECONDS WEST, A DISTANCE OF 71.53 FEET TO A POINT;

NORTH 22 DEGREES 18 MINUTES 13 SECONDS WEST, A DISTANCE OF 82.89 FEET TO A POINT;

NORTH 18 DEGREES 34 MINUTES 52 SECONDS WEST, A DISTANCE OF 98.22 FEET TO A POINT;

NORTH 23 DEGREES 02 MINUTES 27 SECONDS WEST, A DISTANCE OF 85.28 FEET TO A POINT;

NORTH 18 DEGREES 38 MINUTES 19 SECONDS WEST, A DISTANCE OF 70.35 FEET TO A POINT;

NORTH 14 DEGREES 18 MINUTES 40 SECONDS WEST, A DISTANCE OF 85.74 FEET TO A POINT;

NORTH 14 DEGREES 48 MINUTES 44 SECONDS WEST, A DISTANCE OF 93.84 FEET TO A POINT;

NORTH 18 DEGREES 08 MINUTES 27 SECONDS WEST, A DISTANCE OF 115.74 FEET TO A POINT;

NORTH 08 DEGREES 52 MINUTES 55 SECONDS WEST, A DISTANCE OF 44.20 FEET TO A POINT;

NORTH 20 DEGREES 37 MINUTES 41 SECONDS EAST, A DISTANCE OF 78.59 FEET TO A POINT;

NORTH 47 DEGREES 53 MINUTES 48 SECONDS EAST, A DISTANCE OF 41.78 FEET TO A POINT;

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NORTH 58 DEGREES 01 MINUTES 43 SECONDS WEST, A DISTANCE OF 54.25 FEET TO A POINT;

NORTH 59 DEGREES 29 MINUTES 51 SECONDS WEST, A DISTANCE OF 52.85 FEET TO A POINT;

NORTH 89 DEGREES 52 MINUTES 35 SECONDS WEST, A DISTANCE OF 67.85 FEET TO A POINT;

NORTH 44 DEGREES 38 MINUTES 14 SECONDS WEST, A DISTANCE OF 53.06 FEET TO A POINT;

NORTH 52 DEGREES 32 MINUTES 18 SECONDS EAST, A DISTANCE OF 32.41 FEET TO A POINT;

NORTH 48 DEGREES 12 MINUTES 45 SECONDS WEST, A DISTANCE OF 25.77 FEET TO A POINT;

NORTH 88 DEGREES 09 MINUTES 08 SECONDS WEST, A DISTANCE OF 46.82 FEET TO A POINT;

NORTH 42 DEGREES 28 MINUTES 31 SECONDS WEST, A DISTANCE OF 59.82 FEET TO A POINT;

NORTH 02 DEGREES 07 MINUTES 28 SECONDS EAST, A DISTANCE OF 2.27 FEET TO A POINT;

NORTH 19 DEGREES 30 MINUTES 54 SECONDS WEST, A DISTANCE OF 50.88 FEET TO A POINT;

NORTH 44 DEGREES 49 MINUTES 08 SECONDS EAST, A DISTANCE OF 47.84 FEET TO A POINT;

NORTH 22 DEGREES 24 MINUTES 07 SECONDS EAST, A DISTANCE OF 19.47 FEET TO A POINT;

SOUTH 67 DEGREES 10 MINUTES 43 SECONDS WEST, A DISTANCE OF 14.39 FEET TO A POINT;

SOUTH 74 DEGREES 07 MINUTES 14 SECONDS WEST, A DISTANCE OF 28.31 FEET TO A POINT;

SOUTH 88 DEGREES 54 MINUTES 15 SECONDS WEST, A DISTANCE OF 33.85 FEET TO A POINT;

NORTH 82 DEGREES 39 MINUTES 26 SECONDS WEST, A DISTANCE OF 39.90 FEET TO A POINT;

NORTH 50 DEGREES 33 MINUTES 59 SECONDS WEST, A DISTANCE OF 44.23 FEET TO A POINT;

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NORTH 40 DEGREES 36 MINUTES 43 SECONDS WEST, A DISTANCE OF 131.64 FEET TO A POINT;

NORTH 10 DEGREES 00 MINUTES 24 SECONDS WEST, A DISTANCE OF 28.42 FEET TO A POINT;

NORTH 01 DEGREE 12 MINUTES 44 SECONDS WEST, A DISTANCE OF 43.45 FEET TO A POINT;

NORTH 31 DEGREES 45 MINUTES 35 SECONDS EAST, A DISTANCE OF 19.35 FEET TO A POINT;

NORTH 27 DEGREES 04 MINUTES 05 SECONDS WEST, A DISTANCE OF 16.83 FEET TO A POINT;

NORTH 29 DEGREES 23 MINUTES 23 SECONDS WEST, A DISTANCE OF 41.87 FEET TO A POINT;

NORTH 30 DEGREES 57 MINUTES 02 SECONDS WEST, A DISTANCE OF 44.40 FEET TO A POINT;

NORTH 11 DEGREES 09 MINUTES 26 SECONDS WEST, A DISTANCE OF 17.80 FEET TO A POINT;

NORTH 02 DEGREES 13 MINUTES 44 SECONDS WEST, A DISTANCE OF 31.25 FEET TO A POINT;

NORTH 01 DEGREE 21 MINUTES 12 SECONDS WEST, A DISTANCE OF 38.62 FEET TO A POINT;

NORTH 21 DEGREES 21 MINUTES 07 SECONDS EAST, A DISTANCE OF 46.64 FEET TO A POINT;

NORTH 04 DEGREES 02 MINUTES 37 SECONDS EAST, A DISTANCE OF 34.98 FEET TO A POINT;

NORTH 02 DEGREES 01 MINUTES 43 SECONDS EAST, A DISTANCE OF 39.59 FEET TO A POINT;

NORTH 52 DEGREES 37 MINUTES 22 SECONDS WEST, A DISTANCE OF 44.82 FEET TO A POINT;

NORTH 52 DEGREES 02 MINUTES 24 SECONDS WEST, A DISTANCE OF 33.52 FEET TO A POINT;

NORTH 29 DEGREES 49 MINUTES 38 SECONDS WEST, A DISTANCE OF 17.36 FEET TO A POINT;

NORTH 88 DEGREES 05 MINUTES 51 SECONDS WEST, A DISTANCE OF 21.85 FEET TO A POINT;

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NORTH 60 DEGREES 34 MINUTES 12 SECONDS WEST, A DISTANCE OF 32.31 FEET TO A POINT;

NORTH 54 DEGREES 48 MINUTES 24 SECONDS WEST, A DISTANCE OF 26.69 FEET TO A POINT;

SOUTH 78 DEGREES 00 MINUTES 44 SECONDS WEST, A DISTANCE OF 23.66 FEET TO A POINT;

SOUTH 29 DEGREES 18 MINUTES 11 SECONDS WEST, A DISTANCE OF 49.32 FEET TO A POINT;

SOUTH 25 DEGREES 05 MINUTES 25 SECONDS EAST, A DISTANCE OF 45.42 FEET TO A POINT;

SOUTH 82 DEGREES 38 MINUTES 54 SECONDS EAST, A DISTANCE OF 39.43 FEET TO A POINT;

SOUTH 20 DEGREES 43 MINUTES 41 SECONDS WEST, A DISTANCE OF 68.22 FEET TO A POINT;

SOUTH 08 DEGREES 56 MINUTES 40 SECONDS EAST, A DISTANCE OF 46.31 FEET TO A POINT;

SOUTH 32 DEGREES 00 MINUTES 01 SECONDS WEST, A DISTANCE OF 37.91 FEET TO A POINT;

SOUTH 34 DEGREES 27 MINUTES 50 SECONDS WEST, A DISTANCE OF 45.23 FEET TO A POINT;

SOUTH 12 DEGREES 59 MINUTES 43 SECONDS WEST, A DISTANCE OF 34.46 FEET TO A POINT;

SOUTH 31 DEGREES 51 MINUTES 06 SECONDS WEST, A DISTANCE OF 43.27 FEET TO A POINT;

SOUTH 18 DEGREES 43 MINUTES 19 SECONDS WEST, A DISTANCE OF 39.99 FEET TO A POINT;

SOUTH 09 DEGREES 28 MINUTES 28 SECONDS WEST, A DISTANCE OF 58.44 FEET TO A POINT;

SOUTH 14 DEGREES 35 MINUTES 30 SECONDS EAST, A DISTANCE OF 54.13 FEET TO A POINT;

SOUTH 08 DEGREES 35 MINUTES 21 SECONDS EAST, A DISTANCE OF 76.44 FEET TO A POINT;

SOUTH 00 DEGREES 37 MINUTES 49 SECONDS EAST, A DISTANCE OF 48.50 FEET TO A POINT;

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SOUTH 37 DEGREES 32 MINUTES 49 SECONDS EAST, A DISTANCE OF
54.08 FEET TO A POINT;

SOUTH 41 DEGREES 08 MINUTES 51 SECONDS EAST, A DISTANCE OF
47.29 FEET TO A POINT;

SOUTH 34 DEGREES 47 MINUTES 53 SECONDS EAST, A DISTANCE OF
66.33 FEET TO A POINT;

SOUTH 75 DEGREES 20 MINUTES 58 SECONDS EAST, A DISTANCE OF
76.40 FEET TO A POINT;

SOUTH 09 DEGREES 48 MINUTES 56 SECONDS EAST, A DISTANCE OF
68.36 FEET TO A POINT;

SOUTH 28 DEGREES 40 MINUTES 02 SECONDS EAST, A DISTANCE OF
64.17 FEET TO A POINT;

SOUTH 13 DEGREES 17 MINUTES 46 SECONDS EAST, A DISTANCE OF
106.48 FEET TO A POINT;

SOUTH 21 DEGREES 44 MINUTES 23 SECONDS EAST, A DISTANCE OF
61.96 FEET TO A POINT;

SOUTH 28 DEGREES 58 MINUTES 06 SECONDS EAST, A DISTANCE OF
63.00 FEET TO A POINT;

SOUTH 02 DEGREES 47 MINUTES 27 SECONDS WEST, A DISTANCE OF
62.54 FEET TO A POINT;

SOUTH 00 DEGREES 13 MINUTES 54 SECONDS EAST, A DISTANCE OF
70.79 FEET TO A POINT;

SOUTH 80 DEGREES 44 MINUTES 40 SECONDS EAST, A DISTANCE OF
51.58 FEET TO A POINT;

SOUTH 16 DEGREES 38 MINUTES 44 SECONDS WEST, A DISTANCE OF
65.58 FEET TO A POINT;

SOUTH 22 DEGREES 19 MINUTES 14 SECONDS WEST, A DISTANCE OF
63.87 FEET TO A POINT;

SOUTH 29 DEGREES 40 MINUTES 25 SECONDS WEST, A DISTANCE OF
70.04 FEET TO A POINT;

SOUTH 08 DEGREES 51 MINUTES 15 SECONDS WEST, A DISTANCE OF
54.41 FEET TO A POINT;

SOUTH 28 DEGREES 03 MINUTES 03 SECONDS EAST, A DISTANCE OF
72.36 FEET TO A POINT;

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SOUTH 53 DEGREES 07 MINUTES 41 SECONDS EAST, A DISTANCE OF
58.87 FEET TO A POINT;

SOUTH 53 DEGREES 58 MINUTES 12 SECONDS EAST, A DISTANCE OF
98.69 FEET TO A POINT;

SOUTH 40 DEGREES 54 MINUTES 33 SECONDS EAST, A DISTANCE OF
48.31 FEET TO A POINT;

SOUTH 09 DEGREES 05 MINUTES 55 SECONDS EAST, A DISTANCE OF
68.53 FEET TO A POINT;

SOUTH 23 DEGREES 18 MINUTES 58 SECONDS EAST, A DISTANCE OF
68.14 FEET TO A POINT;

SOUTH 10 DEGREES 49 MINUTES 27 SECONDS EAST, A DISTANCE OF
52.07 FEET TO A POINT;

SOUTH 18 DEGREES 48 MINUTES 52 SECONDS EAST, A DISTANCE OF
65.30 FEET TO A POINT;

SOUTH 35 DEGREES 14 MINUTES 20 SECONDS WEST, A DISTANCE OF
18.38 FEET TO A POINT;

SOUTH 65 DEGREES 07 MINUTES 24 SECONDS WEST, A DISTANCE OF
12.80 FEET TO A POINT;

SOUTH 18 DEGREES 09 MINUTES 15 SECONDS EAST, A DISTANCE OF
8.41 FEET TO A POINT;

SOUTH 40 DEGREES 18 MINUTES 29 SECONDS EAST, A DISTANCE OF
18.15 FEET TO A POINT;

SOUTH 18 DEGREES 34 MINUTES 30 SECONDS WEST, A DISTANCE OF
41.10 FEET TO A POINT;

SOUTH 03 DEGREES 58 MINUTES 17 SECONDS EAST, A DISTANCE OF
53.14 FEET TO A POINT;

SOUTH 00 DEGREES 57 MINUTES 20 SECONDS WEST, A DISTANCE OF
65.52 FEET TO A POINT;

SOUTH 45 DEGREES 09 MINUTES 08 SECONDS WEST, A DISTANCE OF
28.44 FEET TO A POINT;

SOUTH 20 DEGREES 39 MINUTES 19 SECONDS EAST, A DISTANCE OF
35.50 FEET TO A POINT;

SOUTH 45 DEGREES 37 MINUTES 40 SECONDS WEST, A DISTANCE OF
20.45 FEET TO A POINT;

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SOUTH 48 DEGREES 30 MINUTES 53 SECONDS EAST, A DISTANCE OF
18.11 FEET TO A POINT;

SOUTH 13 DEGREES 08 MINUTES 28 SECONDS WEST, A DISTANCE OF
63.74 FEET TO A POINT;

SOUTH 03 DEGREES 56 MINUTES 28 SECONDS WEST, A DISTANCE OF
56.17 FEET TO A POINT;

SOUTH 05 DEGREES 44 MINUTES 09 SECONDS WEST, A DISTANCE OF
84.81 FEET TO A POINT;

SOUTH 13 DEGREES 23 MINUTES 56 SECONDS WEST, A DISTANCE OF
88.72 FEET TO A POINT;

SOUTH 13 DEGREES 48 MINUTES 18 SECONDS WEST, A DISTANCE OF
97.03 FEET TO A POINT;

SOUTH 14 DEGREES 18 MINUTES 10 SECONDS WEST, A DISTANCE OF
64.74 FEET TO A POINT;

SOUTH 33 DEGREES 47 MINUTES 21 SECONDS WEST, A DISTANCE OF
63.10 FEET TO A POINT;

SOUTH 73 DEGREES 18 MINUTES 15 SECONDS WEST, A DISTANCE OF
87.22 FEET TO A POINT;

NORTH 61 DEGREES 02 MINUTES 42 SECONDS WEST, A DISTANCE OF
75.01 FEET TO A POINT;

NORTH 64 DEGREES 18 MINUTES 58 SECONDS WEST, A DISTANCE OF
66.68 FEET TO A POINT;

NORTH 48 DEGREES 46 MINUTES 17 SECONDS WEST, A DISTANCE OF
56.65 FEET TO A POINT;

SOUTH 52 DEGREES 53 MINUTES 27 SECONDS WEST, A DISTANCE OF
38.60 FEET TO A POINT;

SOUTH 85 DEGREES 16 MINUTES 18 SECONDS WEST, A DISTANCE OF
36.98 FEET TO A POINT;

SOUTH 49 DEGREES 25 MINUTES 06 SECONDS WEST, A DISTANCE OF
19.35 FEET TO A POINT;

SOUTH 14 DEGREES 31 MINUTES 28 SECONDS EAST, A DISTANCE OF
28.97 FEET TO A POINT;

SOUTH 11 DEGREES 08 MINUTES 22 SECONDS EAST, A DISTANCE OF
25.24 FEET TO A POINT;

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SOUTH 22 DEGREES 38 MINUTES 13 SECONDS WEST, A DISTANCE OF 25.15 FEET TO A POINT;

SOUTH 52 DEGREES 32 MINUTES 52 SECONDS WEST, A DISTANCE OF 14.30 FEET TO A POINT;

SOUTH 29 DEGREES 31 MINUTES 10 SECONDS WEST, A DISTANCE OF 30.85 FEET TO A POINT;

SOUTH 04 DEGREES 19 MINUTES 11 SECONDS WEST, A DISTANCE OF 68.52 FEET TO A POINT;

SOUTH 36 DEGREES 29 MINUTES 08 SECONDS EAST, A DISTANCE OF 31.53 FEET TO A POINT;

SOUTH 38 DEGREES 59 MINUTES 26 SECONDS EAST, A DISTANCE OF 62.49 FEET TO A POINT;

SOUTH 27 DEGREES 43 MINUTES 03 SECONDS EAST, A DISTANCE OF 68.48 FEET TO A POINT;

SOUTH 07 DEGREES 45 MINUTES 52 SECONDS EAST, A DISTANCE OF 39.79 FEET TO A POINT;

SOUTH 00 DEGREES 55 MINUTES 52 SECONDS EAST, A DISTANCE OF 45.24 FEET TO A POINT;

SOUTH 03 DEGREES 24 MINUTES 05 SECONDS WEST, A DISTANCE OF 37.52 FEET TO A POINT;

SOUTH 10 DEGREES 31 MINUTES 53 SECONDS WEST, A DISTANCE OF 58.61 FEET TO A POINT;

SOUTH 41 DEGREES 58 MINUTES 48 SECONDS EAST, A DISTANCE OF 22.22 FEET TO A POINT;

SOUTH 31 DEGREES 41 MINUTES 47 SECONDS WEST, A DISTANCE OF 14.85 FEET TO A POINT;

SOUTH 51 DEGREES 56 MINUTES 14 SECONDS WEST, A DISTANCE OF 24.42 FEET TO A POINT;

SOUTH 52 DEGREES 54 MINUTES 55 SECONDS WEST, A DISTANCE OF 14.82 FEET TO A POINT;

SOUTH 29 DEGREES 27 MINUTES 01 SECONDS EAST, A DISTANCE OF 22.32 FEET TO A POINT;

SOUTH 39 DEGREES 46 MINUTES 40 SECONDS EAST, A DISTANCE OF 28.48 FEET TO A POINT;

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SOUTH 39 DEGREES 35 MINUTES 03 SECONDS WEST, A DISTANCE OF 20.15 FEET TO A POINT;

SOUTH 44 DEGREES 53 MINUTES 35 SECONDS WEST, A DISTANCE OF 15.31 FEET TO A POINT;

SOUTH 23 DEGREES 13 MINUTES 17 SECONDS WEST, A DISTANCE OF 49.13 FEET TO A POINT;

SOUTH 47 DEGREES 35 MINUTES 54 SECONDS EAST, A DISTANCE OF 27.75 FEET TO A POINT;

SOUTH 17 DEGREES 07 MINUTES 03 SECONDS WEST, A DISTANCE OF 33.08 FEET TO A POINT;

SOUTH 41 DEGREES 09 MINUTES 30 SECONDS WEST, A DISTANCE OF 44.53 FEET TO A POINT;

SOUTH 28 DEGREES 12 MINUTES 06 SECONDS WEST, A DISTANCE OF 18.12 FEET TO A POINT;

SOUTH 17 DEGREES 08 MINUTES 38 SECONDS WEST, A DISTANCE OF 67.82 FEET TO A POINT;

SOUTH 02 DEGREES 11 MINUTES 10 SECONDS WEST, A DISTANCE OF 42.85 FEET TO A POINT;

SOUTH 08 DEGREES 32 MINUTES 25 SECONDS WEST, A DISTANCE OF 33.28 FEET TO A POINT;

SOUTH 18 DEGREES 15 MINUTES 06 SECONDS EAST, A DISTANCE OF 38.83 FEET TO A POINT;

SOUTH 28 DEGREES 14 MINUTES 04 SECONDS EAST, A DISTANCE OF 92.82 FEET TO A POINT;

NORTH 43 DEGREES 13 MINUTES 12 SECONDS WEST, A DISTANCE OF 63.02 FEET TO A POINT;

NORTH 53 DEGREES 47 MINUTES 44 SECONDS WEST, A DISTANCE OF 111.94 FEET TO A POINT;

NORTH 48 DEGREES 07 MINUTES 31 SECONDS WEST, A DISTANCE OF 49.63 FEET TO A POINT;

SOUTH 86 DEGREES 39 MINUTES 34 SECONDS WEST, A DISTANCE OF 39.84 FEET TO A POINT;

NORTH 71 DEGREES 51 MINUTES 03 SECONDS WEST, A DISTANCE OF 63.82 FEET TO A POINT;

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SOUTH 87 DEGREES 04 MINUTES 18 SECONDS WEST, A DISTANCE OF 74.44 FEET TO A POINT;

NORTH 79 DEGREES 41 MINUTES 26 SECONDS WEST, A DISTANCE OF 62.90 FEET TO A POINT;

NORTH 72 DEGREES 44 MINUTES 18 SECONDS WEST, A DISTANCE OF 82.80 FEET TO A POINT;

NORTH 78 DEGREES 01 MINUTES 11 SECONDS WEST, A DISTANCE OF 48.80 FEET TO A POINT;

NORTH 75 DEGREES 08 MINUTES 20 SECONDS WEST, A DISTANCE OF 117.40 FEET TO A POINT;

NORTH 78 DEGREES 42 MINUTES 47 SECONDS WEST, A DISTANCE OF 50.54 FEET TO A POINT;

NORTH 70 DEGREES 23 MINUTES 23 SECONDS WEST, A DISTANCE OF 38.05 FEET TO A POINT;

NORTH 43 DEGREES 28 MINUTES 06 SECONDS WEST, A DISTANCE OF 53.46 FEET TO A POINT;

NORTH 53 DEGREES 02 MINUTES 00 SECONDS WEST, A DISTANCE OF 51.28 FEET TO A POINT;

NORTH 54 DEGREES 31 MINUTES 42 SECONDS WEST, A DISTANCE OF 59.48 FEET TO A POINT;

NORTH 47 DEGREES 02 MINUTES 02 SECONDS WEST, A DISTANCE OF 55.59 FEET TO A POINT;

NORTH 48 DEGREES 59 MINUTES 58 SECONDS WEST, A DISTANCE OF 48.50 FEET TO A POINT;

NORTH 22 DEGREES 42 MINUTES 50 SECONDS WEST, A DISTANCE OF 64.23 FEET TO A POINT;

NORTH 38 DEGREES 37 MINUTES 21 SECONDS WEST, A DISTANCE OF 59.31 FEET TO A POINT;

NORTH 28 DEGREES 02 MINUTES 10 SECONDS WEST, A DISTANCE OF 52.15 FEET TO A POINT;

NORTH 20 DEGREES 18 MINUTES 38 SECONDS WEST, A DISTANCE OF 41.48 FEET TO A POINT;

NORTH 00 DEGREES 37 MINUTES 08 SECONDS WEST, A DISTANCE OF 55.43 FEET TO A POINT;

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NORTH 22 DEGREES 10 MINUTES 58 SECONDS EAST, A DISTANCE OF 58.11 FEET TO A POINT;

NORTH 09 DEGREES 51 MINUTES 53 SECONDS EAST, A DISTANCE OF 54.02 FEET TO A POINT;

NORTH 33 DEGREES 39 MINUTES 59 SECONDS EAST, A DISTANCE OF 53.67 FEET TO A POINT;

NORTH 12 DEGREES 38 MINUTES 12 SECONDS EAST, A DISTANCE OF 60.74 FEET TO A POINT;

NORTH 13 DEGREES 44 MINUTES 55 SECONDS EAST, A DISTANCE OF 59.88 FEET TO A POINT;

NORTH 08 DEGREES 48 MINUTES 50 SECONDS EAST, A DISTANCE OF 56.60 FEET TO A POINT;

NORTH 05 DEGREES 56 MINUTES 23 SECONDS EAST, A DISTANCE OF 65.14 FEET TO A POINT;

NORTH 05 DEGREES 09 MINUTES 51 SECONDS WEST, A DISTANCE OF 55.31 FEET TO A POINT;

NORTH 06 DEGREES 24 MINUTES 19 SECONDS WEST, A DISTANCE OF 58.14 FEET TO A POINT;

NORTH 21 DEGREES 47 MINUTES 36 SECONDS EAST, A DISTANCE OF 59.71 FEET TO A POINT;

NORTH 04 DEGREES 20 MINUTES 28 SECONDS WEST, A DISTANCE OF 72.65 FEET TO A POINT;

NORTH 12 DEGREES 29 MINUTES 02 SECONDS WEST, A DISTANCE OF 22.69 FEET TO A POINT;

NORTH 88 DEGREES 02 MINUTES 34 SECONDS WEST, A DISTANCE OF 125.84 FEET TO A POINT;

SOUTH 29 DEGREES 32 MINUTES 05 SECONDS WEST, A DISTANCE OF 61.49 FEET TO A POINT;

SOUTH 20 DEGREES 20 MINUTES 46 SECONDS WEST, A DISTANCE OF 57.06 FEET TO A POINT;

SOUTH 38 DEGREES 55 MINUTES 24 SECONDS WEST, A DISTANCE OF 58.14 FEET TO A POINT;

SOUTH 19 DEGREES 57 MINUTES 07 SECONDS WEST, A DISTANCE OF 34.13 FEET TO A POINT;

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SOUTH 23 DEGREES 32 MINUTES 25 SECONDS WEST, A DISTANCE OF 46.15 FEET TO A POINT;

SOUTH 09 DEGREES 12 MINUTES 59 SECONDS WEST, A DISTANCE OF 59.68 FEET TO A POINT;

SOUTH 24 DEGREES 25 MINUTES 03 SECONDS WEST, A DISTANCE OF 57.40 FEET TO A POINT;

SOUTH 38 DEGREES 48 MINUTES 10 SECONDS WEST, A DISTANCE OF 49.86 FEET TO A POINT;

SOUTH 40 DEGREES 38 MINUTES 14 SECONDS WEST, A DISTANCE OF 51.08 FEET TO A POINT;

SOUTH 47 DEGREES 39 MINUTES 13 SECONDS WEST, A DISTANCE OF 47.09 FEET TO A POINT;

SOUTH 59 DEGREES 34 MINUTES 34 SECONDS WEST, A DISTANCE OF 28.85 FEET TO A POINT;

NORTH 87 DEGREES 54 MINUTES 32 SECONDS WEST, A DISTANCE OF 14.38 FEET TO A POINT;

SOUTH 39 DEGREES 28 MINUTES 54 SECONDS WEST, A DISTANCE OF 15.53 FEET TO A POINT;

SOUTH 10 DEGREES 34 MINUTES 57 SECONDS WEST, A DISTANCE OF 42.52 FEET TO A POINT;

SOUTH 63 DEGREES 55 MINUTES 50 SECONDS WEST, A DISTANCE OF 8.12 FEET TO A POINT IN THE WEST LINE OF SAID 54.6487 ACRE TRACT AND THE APPROXIMATE CENTER OF SAID GAMMON ROAD;

THENCE NORTH 03 DEGREES 07 MINUTES 38 SECONDS WEST, ALONG THE WEST LINE OF SAID 54.6487 ACRE TRACT AND THE APPROXIMATE CENTER OF SAID GAMMON ROAD, A DISTANCE OF 409.33 FEET TO A POINT;

THENCE NORTH 01 DEGREE 44 MINUTES 41 SECONDS WEST, CONTINUING ALONG THE WEST LINE OF SAID 54.6487 ACRE TRACT AND THE APPROXIMATE CENTER OF SAID GAMMON ROAD, A DISTANCE OF 289.37 FEET TO A POINT FOR THE SOUTHWEST CORNER OF SAID 173.158 ACRE TRACT AND THE NORTHWEST CORNER OF SAID 54.6487 ACRE TRACT;

THENCE NORTH 01 DEGREE 27 MINUTES 30 SECONDS EAST, ALONG THE WEST LINE OF SAID 173.158 ACRE TRACT AND CONTINUING ALONG THE APPROXIMATE CENTER OF SAID GAMMON ROAD, A DISTANCE OF 2588.10 FEET TO THE POINT OF BEGINNING AND CONTAINING 8,496,882 SQUARE FEET, OR 195.082 ACRES OF LAND, MORE OR LESS.



EXHIBIT E

BYLAWS

EXHIBIT E
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.

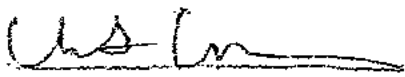

Victor Tannous, Secretary

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:

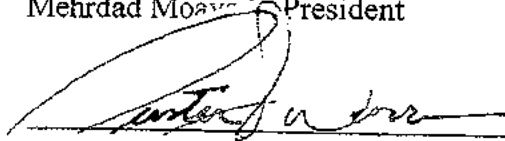
Mehrdad Moayed, President
Ronald Corcoran, Essex Association Management, LP
Anna Corcoran, Essex Association Management, L.P

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