

Lakeshore Village Homeowners Association Rules and Regulations

(A compilation of all pertinent HOA documents)

Caveat: This document is being provided solely for the convenience of the owners and residents of Lakeshore Village. It is not a legal document. It does contain the pertinent documents that most owners and residents will need to review and be aware of for HOA Association rules and regulations. It DOES NOT contain all of the legal documents normally associated with an HOA restricted community. It DOES NOT contain all the legal property descriptions, NOR the court approvals on each document, as well as other related information or information deemed redundant or not affecting HOA rules and regulations. No guarantee is given that the following is an exact copy of the HOA legal documents. For legal and Association purposes, only the filed, approved and posted legal documents will be used.



Table of Contents

ARTICLES OF INCORPORATION OF LAKESHORE VILLAGE HOMEOWNERS ASSOCIATION, INC.....	6
CORPORATIONS SECTION	6
DECLARATION OF COVENANTS, CONDITIONS & RESTRICTIONS.....	8
DEFINITIONS	8
PROPERTY SUBJECT TO DOCUMENTS	10
PROPERTY EASEMENTS AND RIGHTS	10
OWNER'S MAINTENANCE EASEMENT.....	11
TOWNHOME EASEMENT.....	12
PARTY WALLS & FENCES.	12
SECURITY.....	13
MAINTENANCE AND REPAIR OBLIGATIONS	14
ASSOCIATION'S MAINTENANCE OF LOT OR TOWNHOME	16
OWNERS RESPONSIBILITY.	16
OWNER'S DEFAULT IN MAINTENANCE.....	16
ARCHITECTURAL COVENANTS AND CONTROL	17
ARCHITECTURAL CONTROL COMMITTEE.	17
PROHIBITION OF CONSTRUCTION ALTERATION & IMPROVEMENT	17
ACC APPROVAL	17
USE RESTRICTIONS.....	17
ANIMAL RESTRICTIONS.	18

ANNOYANCE 18

APPEARANCE 19

BARBECUES..... 19

DRAINAGE 19

DRIVEWAYS..... 19

FENCES..... 19

GARAGES..... 19

LANDSCAPING 19

LEASING OF HOMES 19

NOISE & ODOR..... 20

TOWNHOMES 20

RESIDENTIAL USE 20

SIGNS 20

STRUCTURAL INTEGRITY 21

TELEVISION 21

TEMPORARY STRUCTURES 21

VEHICLES 21

WINDOW TREATMENTS..... 21

YARDS 22

ASSOCIATION AND MEMBERSHIP RIGHTS 22

 MEMBERSHIP..... 22

 VOTING 22

 PAY ASSESSMENTS 23

COVENANT FOR ASSESSMENTS..... 24

 PERSONAL OBLIGATION 24

 CONTROL FOR ASSESSMENT INCREASE 24

 TYPES OF ASSESSMENTS 25

 ANNUAL BUDGET 27

 RESERVE FUNDS..... 27

 ASSESSMENT LIEN 27

 FORECLOSURE OF LIEN..... 28

EFFECT OF NONPAYMENT OF ASSESSMENTS AND VIOLATION OF THE DOCUMENTS 28

 COLLECTING DELINQUENT ASSESSMENTS 28

ENFORCING THE DOCUMENTS.....	30
NOTICE AND HEARING	30
INSURANCE	31
OWNER'S RESPONSIBILITY FOR INSURANCE	32
RECONSTRUCTION OR REPAIR AFTER LOSS.....	33
OWNER'S DUTY TO REPAIR	34
MORTGAGEE PROTECTION	35
MORTGAGEE RIGHTS	35
MEDIATION AND BINDING ARBITRATION	38
SUPPLEMENTAL DEVELOPMENT REQUIREMENTS	39
MAINTENANCE AND REPAIR OBLIGATIONS	41
BYLAWS OF LAKESHORE VILLAGE HOMEOWNERS' ASSOCIATION, INC	41
DEFINITIONS	42
MEMBERSHIP	42
PROPERTY RIGHTS AND RIGHTS OF ENJOYMENT OF THE COMMON AREAS	43
DIRECTORS.....	43
MEETINGS OF THE BOARD OF DIRECTORS	45
NOMINATION AND ELECTION OF DIRECTORS.....	45
COMMITTEES	46
NOTICES	46
OFFICERS.....	47
THE PRESIDENT	47
VICE PRESIDENTS	48
THE SECRETARY.....	48
THE TREASURER	48
MEETINGS OF MEMBERS	48
ASSESSMENTS.....	51
BOOKS AND RECORDS.....	51
INDEMNIFICATION	51
FIRST SUPPLEMENTAL NOTICE OF FILING OF DEDICATORY INSTRUMENTS FOR LAKESHORE VLLAGE.....	52
EXEMPTED ACTIONS/REMEDIES	53
ESTABLISHMENT OF VIOLATION	53

REPORT OF VIOLATION	54
FINING.....	54
REQUEST FOR A HEARING	55
CURE OF VIOLATION DURING ENFORCEMENT	57
COLLECTION POLICY	57
REFERRAL TO ATTORNEY/COLLECTION AGENCY.....	58
PET POLICY	59
POOL RULES AND REGULATIONS	60
FIRST AMENDMENT TO THE FIRST SUPPLEMENTAL NOTICE OF FILING	61
PARKING RULES	61
AMENDED AND RESTATED PARKING RULES	62
DEFINITIONS.	62
REGISTRATION OF PERSONAL RESIDENTIAL VEHICLES.....	62
COMMERCIAL/RECREATIONAL VEHICLE RESTRICTIONS; SERVICE AND DELIVERY RESTRICTIONS....	63
PERSONAL RESIDENTIAL VEHICLE RESTRICTIONS.....	63
STREET PARKING AND GUEST PARKING	64
GENERAL PARKING RESTRICTIONS.....	65
REMEDIES.....	65
AUTHORITY TO TOW	65
NOTICE OF VIOLATION	66
EXCEPTIONS TO THE NOTICE REQUIREMENT	66
MULTIPLE VIOLATIONS	66
FINING, LAWSUIT, PROPERTY DAMAGE	67
EMERGENCY SITUATIONS	67
GUEST VEHICLES	67
NOTICES	68
CURE OF VIOLATION DURING ENFORCEMENT	68
USING THE RESIDENT AND GUEST PARKING WEB BASED SYSTEM	70
TOWNHOME ENTRIES, DECKS, BALCONIES, AND PATIO GUIDELINES	71
APPEARANCE	71
DECORATIONS.....	71
POTTED PLANTS.....	71
STORAGE.....	71

CLOTHES DRYING	71
AWNINGS.....	72
ENTRIES.....	72
PATIO/PORCH ENCLOSURES	72
SUN SHADES	72
INGRESS AND EGRESS	73
ADDITIONAL ITEMS REQUIRING PRIOR ARCHITECTURAL APPROVAL.....	73
NUISANCES	73
LEASING AND OCCUPANCY RULES	74
DEFINITION	74
GENERAL.....	75
NOTICE OF INTENT TO LEASE	75
OCCUPANCY.....	76
REVIEW AND NOTICE FROM BOARD OF RIGHT TO LEASE OR DENIAL OF LEASE	76
CONTENTS OF LEASE	77
NONCOMPLIANCE.....	77
LAKESHORE VILLAGE HOMEOWNERS ASSOC., INC.....	79
BOARD ELECTION PROCEDURES.....	79
NOMINATION COMMITTEE.....	79
VOLUNTEERS TO SERVE	79
CANDIDATE INFORMATION FOR VOTERS.....	80
ELECTION	80
DOCUMENTS NOT INCLUDED	81
APPROVED PLATS AND PLANS	81
AMENDMENTS TO COVENANTS.....	81
SECOND SUPPLEMENTAL NOTICE OF FILING	81

ARTICLES OF INCORPORATION OF LAKESHORE VILLAGE HOMEOWNERS ASSOCIATION, INC.

ARTICLE ONE

The name of the corporation is LAKESHORE VILLAGE HOMEOWNERS ASSOCIATION, NC.

ARTICLE TWO

The corporation is a nonprofit corporation.

ARTICLE THREE

The period of its duration is perpetual.

ARTICLE FOUR

The purpose for which the corporation is organized is to administer, repair, and maintain common areas owned by the corporation for the benefit of all residents of Lakeshore Village subdivision.

ARTICLE FIVE

The street address of the initial registered office of the corporation is 321 Exchange Dr., Arlington, Texas 76011, and the name of its initial registered agent at such address is Doug Huffman.

CORPORATONS SECTION

ARTICLE ONE

The name of the Corporation is Lakeshore Village Homeowners Assoc., Inc. ("the Corporation").

ARTICLE Two

The Corporation is a non-profit corporation.

ARTICLE THREE

The period of its duration is perpetual.

ARTICLE FOUR

The Corporation is organized exclusively for charitable, religious, educational, or scientific purposes, including, for such purposes, the making of distributions to organizations that qualify exempt organizations under section of the Internal Revenue Code, or the corresponding section of any future federal tax code.

ARTICLE FIVE

The street address of its initial Registered Office, and the name of its initial Registered Agent this address, is as follows:

(see legal document)

ARTICLE SIX

The number of initial Directors is three. The names and addresses of the initial directors are:

(names not included – see legal document)

ARTICLE SEVEN

No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to its members, directors, officers, or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article Four hereof. No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation; and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office.

ARTICLE EIGHT

Notwithstanding any other provision of these Articles, the Corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from Federal Income Tax under Section 501 (c)(3) of the Internal Revenue Code, or the corresponding provisions of any future Federal Tax Code, or (b) by a corporal contributions to which are deductible under Section 170 (c)(2) of the Internal Revenue Code, or the corresponding section of any future Federal Tax Code.

ARTICLE NINE

Upon the Dissolution of the Corporation, assets shall be distributed for one or more exempt purposes within the meaning of Section 501 of the Internal Revenue Code, or the corresponding section of any future Federal Tax Code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not so disposed of shall be disposed of by a court to a competent jurisdiction of the county in which the principal office of the Corporation is then located, exclusively for such purposes or to such organization(s), as said Court shall determine, which are organized and operated for such purposes.

DECLARATION OF COVENANTS, CONDITIONS & RESTRICTIONS

FOR LAKESHORE VILLAGE TOWNHOMES

GRAND PRAIRIE, DALLAS AND TARRANT COUNTIES, TEXAS

This Declaration of Covenants, Conditions & Restrictions (the "Declaration") for Lakeshore Village Townhomes ("LV") is made by Destination Lifestyles at Lakeshore Village L.L.C. a Texas limited liability company ("Declarant"), on the date signed below Declarant owns the real property described in Appendix A of this Declaration, together with the improvements thereon.

Declarant further desires to provide for the preservation and maintenance of portions of "LV", and to protect the value, desirability, and attractiveness of "LV", Declarant deems it advisable to establish the Covenants, Conditions and Restrictions as set forth herein and to create an Association to perform the functions and activities, as more fully described in this Declaration.

ARTICLE 1

DEFINITIONS

DEFINITIONS. The following words and phrases have the specified meaning when used in the Documents, meaning is apparent from the context in which the word or phrase is being used.

- 1.1 "ACC" means the Architectural Control Association.
- 1.2 "Area of Common Responsibility" means the Common Areas and portions of Lots and Townhomes that are maintained by the Association, as described in section 4.2 below.
- 1.3 "Assessment" means that charge levied against a Lot or Owner by the Association, pursuant to the Documents or state law-
- 1.4 "Assessment Lien" shall have the meaning described in Section 8.10 hereof.
- 1.5 "Association" means the Lakeshore Village Homeowners' Association, Inc., initially organized as a Texas nonprofit corporation, and serving as the "property owners' association" as defined in Section 202.001 (2) of the Texas Property Code.
- 1.6 "Board" means the board of directors of the Association.
- 1.7 "City" means the City of Grand Prairie, Dallas and Tarrant Counties, Texas, in which the Property is located.
- 1.8 "Common Areas" means all land in the Property other than the numbered Lots intended for Townhomes, and includes Common Area Lots. Notwithstanding the foregoing, any streets or off-street parking areas located within the boundaries of any numbered Lots shall be Common Areas for purposes of this definition.

1.9 "Declarant" means Destination Lifestyles at Lakeshore Village, a Texas Limited liability company, which is developing the Property, or the successors and assigns of Destination Lifestyles at Lakeshore Village L.L.C., which acquire any portion of the Property for the purpose of development and which are designated a "Successor Declarant" by Destination Lifestyle, or by any such successor and assign, in a recorded document.

1.10 "Declarant Control Period" means that the date this Declaration is recorded, during which operation of the Association. The Declarant Control date that Declarant holds fifty percent (50%) or less of Lots.

1.11 "Declaration" means this document, as time to time.

1.12 "Development Period" means that period date this Declaration is recorded, during which Declarant for expansion of the Property, and the developing, build-up of Lots, with such Development Period Townhome and Common Area construction.

1.13 "Documents" means, singly or collectively as the case may be, this Declaration, the Plat, the bylaws, the Association's articles of incorporation, any rules promulgated by the Association, as any of these may be amended from time to time. An appendix, exhibit, schedule or certification accompanying a Document is a part of that Document.

1.14 "Lot" or "Lots" means a portion of the Property intended for independent Ownership, on which there is or will be constructed a Townhome, as shown on the Plat. Where the context indicates or requires, "Lot" or "Lots", as the case may be, includes all improvements thereon.

1.15 "Majority" means more than half.

1.16 "Members" means a member or members, as the case may be, of the Association; each member being an Owner of a Lot, unless the context indicates that member means a member of the Board or a member of a committee of the Association.

1.17 "Owner" means the holder of recorded fee simple title to a Lot. Declarant is the initial Owner of all Lots. Contract sellers and mortgagees who acquire title to a Lot through a deed in lieu of foreclosure or through judicial or non-judicial foreclosure become Owners after acquiring title to the subject Lot. Persons or entities having an Ownership interest merely as security for the performance of an obligation are not Owners. Every Owner is a member of the Association as long as such person is an Owner. "Owners" means more than one Owner. "Co-Owners" means joint holders of recorded fee simple title to a Lot.

1.18 "Party Walls" means a fence or Townhouse wall described in Section 3.6 hereof.

1.19 "Person" means an individual, partnership, association, corporation, limited liability company or other entity.

1.20 "Plat" means all Plats, singly or collectively, recorded or to be recorded in the Real Property Records of Dallas and Tarrant Counties, Texas, and pertaining to Lakeshore Village Townhomes, a subdivision of the City of Grand Prairie, including all dedications, limitations, restrictions, easements and reservations shown on the Plat, as it may be amended from time to time. The final titled "Lakeshore Villages, " was recorded on (see legal document)

1.21 "Property" means all the land subject to this Declaration and all improvements, easements, rights, and appurtenances to the land. The name of the Property is Lakeshore Village Townhomes. The Property is located on land described in Appendix A to this Declaration. and includes every Lot thereon.

1.22 "Resident" means an occupant of a Townhome, regardless of whether the person owns the Lot.

1.23 "Rules" means rules and regulations adopted from time to time by the Board in accordance with the Documents.

1.24 "Streets" means the Fire lane, Utility & Access Easement shown on the Plat, which serves the Property as private streets Vienna Drive, Villa di Lago Drive and Piazza Court, and which includes off-street parking areas and other areas within portions of Lots and Common Areas.

1.25 "Townhome" means the attached single-family dwelling constructed on a Lot. Where the context indicates or requires, "Townhome" includes its exterior appurtenances, such as fences, porches, and sidewalks. "Townhomes" means more than one Townhome.

1.26 "Townhome Commons" has the same meaning described in Section 4.3 hereof.

1.27 "Underwriting Lender" means Federal Home Loan Mortgage Corporation (Freddie Mac), Federal Housing Administration (FHA), Federal National Mortgage Association (Fannie Mae) Veterans Administration (VA), singly or collectively. The use of this term and the institutions may not be constructed as a limitation on an Owner's financing options nor as a representation that the Property is approved by any institution.

ARTICLE 2

PROPERTY SUBJECT TO DOCUMENTS

2.1 PROPERTY. The real property described is held, transferred, sold, conveyed, leased, occupied, used, insured, and encumbered subject to the terms, covenants, conditions, restrictions, liens, and easements of this Declaration and of the other Documents, which run with the real Property and bind all parties having or acquiring any right, title, or interest in the Property, including their heirs, successors, and assigns, and shall inure to the benefit of each Owner of the Property.

2.2 ADDITIONAL PROPERTY. Additional real property may be annexed to the Property and subjected to the Declaration and the jurisdiction of the Association on approval of Owners representing at least two-thirds of the Lots in the Property, or, during the Development Period, by Declarant. Annexation of additional property is accomplished by recording a declaration of annexation, including an amendment of Appendix A, in the county's real property records.

ARTICLE 3

PROPERTY EASEMENTS AND RIGHTS

3.1 GENERAL. In addition to other easements and rights established by the Documents, the Property is subject to the easements and rights contained in the article.

3.2 STREET EASEMENT. As shown on the Plat, every Lot and the Common Areas in the Property is burdened with a Firelane, Utility & Access Easement. On recording this Declaration Declarant hereby

grants to the Association a perpetual easement (the "Street Easement") over each Lot and the Common Areas for the maintenance, repair, use, governance, and control of the Streets in the Property.

3.2.1 Purpose of Easement. The purpose of the Street Easement is to provide for the existence, maintenance, repair and control of the Property's Streets, to be maintained by the Association, as an Area of Common Responsibility- In exercising this Street Easement, the Association may do anything reasonably related to the use, maintenance, repair, operation, and governance of the Streets. To the extent not prohibited by public law, the Association, acting through the Board, is specifically authorized to adopt, amend, repeat, and enforce rules, regulations, and procedures for use of the Streets, including but not limiting to:

- Identification of vehicles used by Residents and their families and
- Designation of speed limits and parking or no-parking areas.
- Removal or prohibition of vehicles that violate applicable rules and
- Imposing fines for violation of applicable rules and regulations.
- Adopting and implementing programs for controlling access through

3.2.2 Temporary Easements. In addition to the easement granted herein, the Association has the temporary right, from time to time, to use as much of the surface of each Lot as may be reasonably necessary for the Association to perform its contemplated work on the Street Easement.

3.2.3 Assignment. The Association may assign this easement, or any portion thereof, to the City if the City agrees to accept the assignment.

On recording this Declaration, Declarant grants to the Association a perpetual easement (the "Parking Easement") over any lots containing off-street parking areas (the "Parking Lot"), for the maintenance, repair, use, governance, and control of the off-street parking areas shown on the Plat as Parking Easements.

3.3.1 Purpose of Easement. The purpose of the Parking Easement is to provide for the existence, maintenance, and control of the Property's off-street parking, to be maintained by the Association as an Area of Common Responsibility. In exercising this Parking Easement, the Association may do anything reasonably related to the use, maintenance, and governance of off-street parking spaces, including— without limitation— signage, striping, assignments for specific purposes, and limitations of uses.

3.3.2 Temporary Easement. In addition to the easement granted herein, the Association has the temporary right, from time to time to use as much of the surface of the Parking Lot as may be reasonably necessary for the Association to perform its contemplated work on the Parking Easement.

NOTICE - CERTAIN LOTS IN LAKESHORE VILLAGE TOWNHOMES ARE SUBJECT TO A PARKING EASEMENT
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3.4

OWNER'S MAINTENANCE EASEMENT. Every Owner is granted an access easement over adjoining Lots and Common Areas for the maintenance or improvements on his Lot, providing exercise of the easement does not damage or interfere with the use of the adjoining lot or common areas. Requests for

entry to an adjoining Lot or Common Owner of the adjoining Lot, or the Association in the case of Common areas in advance for a time reasonably convenient for the adjoining owner, and such consent may not unreasonably be withheld. If an owner damages an adjoining lot in exercising this easement, the owner is obligated to restore the damage the property to its original condition, at his expense, within a reasonable period of time.

3.5

TOWNHOME EASEMENT. Every owner is granted an easement over, under, and through every other building in which his Townhome is located, for the limited purpose of installing, maintaining, and replacing wire, cables, conduit, pipes and meter that serve his Townhome, but only to the extent that use of this easement is reasonable and necessary. (the "Townhome Easement"). Reciprocally, the Owner of a Lot that contains wire, cables, conduit, pipes, or meters that serve one or more other Townhomes has a duty to refrain from interfering with or damaging those items. The procedures and liabilities of the preceding Owners Maintenance Easement apply to this Townhome Easement.

3.6

PARTY WALLS & FENCES. A fence or Townhome wall on or near the dividing line between two Lots ("Adjoining Lots") constitutes a "Party Wall" and, to the extent not inconsistent with the provisions of this Section 3.6, is subject to the general rules of law regarding party wall liability for Property damage due to negligence, willful acts, or omissions.

3.6.1 Encroachments & Easements. If the Party Wall is on one Lot or another due to an error in construction, the midpoint of the Party Wall is nevertheless deemed to be on the dividing line for purposes of this Section 3.6. Each Adjoining Lot sharing a Party Wall is subject to an easement for the existence and continuance of any encroachment by the Party Wall as a result of construction, repair, shifting, settlement, or movement in any portion of the Party Wall, so that the encroachment may remain undisturbed as long as the Party Wall stands. Each Adjoining Lot is subject to a reciprocal easement for the maintenance, repair, replacement, or reconstruction of the Party Wall.

3.6.2 Right to Repair. If the Party Wall is damaged or destroyed for any cause, the Owner of either Adjoining Lot may repair or rebuild the Party Wall to its previous condition, and the Owners of both Adjoining Lots, their successors and assigns, have the right to the full use of the repaired or rebuilt Party Wall.

3.6.3 Maintenance Costs. The Owners of the Adjoining Lots share equally the costs of enlargement, reconstruction, or replacement of the Party Wall, subject to the right of one Owner to call for larger contribution from the other under any rule of law regarding liability for negligence or willful acts or omissions, and subject to the responsibility for interior walls below. If an Owner is responsible for damage to or destruction of the Party Wall, that Owner will bear the entire cost of repair, reconstruction, or replacement. If an Owner fails or refuses to pay his share of costs of repair or replacement of the Party Wall, the Owner advancing monies has a right to file a claim of lien for the monies advanced in the county's real property records, and, after notice and approval by a majority of the Board, has the right to foreclose the lien as if it were a mechanic's lien. The right of an Owner to seek contribution from another Owner under this Section 3.6.3 is appurtenant to the land and passes to the Owner's successors in title.

3.6.4 Alteration. The Owner of an Adjoining Lot sharing a Party Wall may not cut openings in the Party Wall or alter or change the Party Wall in any manner that affects the use, conditions, or appearance of the Party Wall to the Adjoining Lot. The Party Wall will always remain in the same location as when erected.

3.6.5 Interior Walls. The walls between the Townhomes are designed to be two independent wall systems, each of which must be maintained by the Owner of the Townhome it serves, solely at his expense.

3.7 OWNER'S INGRESS/EGRESS EASEMENT. Every Owner is granted an easement over the Property, as may be reasonably required, for ingress to and egress from his Lot.

3.8 OWNER'S ENCROACHMENT EASEMENT. Every Owner is granted an easement for the existence and continuance of any encroachment by his Lot on any Adjoining Lot or Common Areas now existing or which may come into existence hereafter, or as a result of condemnation or eminent domain proceedings, so that the encroachment may remain undisturbed so long as the improvement stands.

3.9 ASSOCIATION'S ACCESS EASEMENT. The Association is granted an easement of access and entry to every Lot and the Common Areas to perform maintenance, to enforce architectural and use restrictions, to respond to emergencies, and to perform any other duties required by the Documents.

3.10 OWNER'S EASEMENT OF ENJOYMENT. Every Owner is granted the right and easement of enjoyment over the Common Areas, Streets, and the Parking Easement and to the use of improvements therein, subject to other rights and easements contained in the Documents. An Owner may delegate this right of enjoyment to the Residents of his Lot.

3.11 UTILITY EASEMENT. The Association may grant permits, licenses, and easements over the Streets and Common Areas for utilities, roads, and other purposes necessary for the operation of the property. A company or entity, public or private furnishing utility services to the property is granted an easement for the purposes of ingress, egress, meter reading, installation, repair or the replacement of utility lines and equipment and to do anything else necessary to properly maintain and furnish Property; provided however, this easement may not be exercised without prior notice to the Board. Utilities may include, but are not limited to trash removal, electricity, gas, telephone, master or security.

3.12 OTHER EASEMENTS. Each Lot shall be subject to encroachments created by construction, settling and overhang, previously existing or as designed and constructed by Declarant or as an improvement pursuant to this Declaration. A valid easement for such encroachments and for the maintenance of same, so long as they exist, shall and does exist. in the event any improvement that is partially or totally destroyed, and then rebuilt, the Owners agree that minor encroachments of parts of adjacent Townhomes due to construction shall be permitted and that a valid easement for said encroachment and the maintenance thereof shall exist so long as the improvements shall stand.

3.13

SECURITY. The Association may, but is not obligated to, maintain or support certain activities within the Property designed, either directly or indirectly, to improve safety in or on the Property. Each Owner and Resident acknowledges and agrees, for himself and his guests, that Declarant, the Association and their directors, officers, committees, agents, and employees are not providers, insurers, or guarantors of

security within the Property. Each Owner and Resident acknowledges and accepts his role and responsibility to provide security for his own person and Property, and assumes all risk for loss or damage to same. Each Owner and Resident further acknowledge that Declarant, the Association, and their directors, officers, committees, agents, and employees have made no representations or warranties, nor has the or Resident relied on any representation or warranty, express or implied, including any warranty of merchantability or fitness for any particular purpose, relative to any fire, burglar, and/or intrusion systems recommended or installed, or any security measures undertaken within the Property. EACH OWNER AND RESIDENT ACKNOWLEDGES AND AGREES DECLARANT, THE ASSOCIATION, AND THEIR DIRECTORS, OFFICERS, COMMITTEES, AGENTS, AND EMPLOYEES NOT BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF MEASURES UNDERTAKEN.

ARTICLE 4

MAINTENANCE AND REPAIR OBLIGATIONS

4.1 INTRODUCTION. Generally, the Association maintains the Common Areas, the Streets, and off-street parking areas, and the owner maintains his lot and Townhome. This Declaration contains a mechanism by which the owner may delegate some of their individual responsibilities to the Association. For example, during one 20-year span the Owners may want the association to maintain the roofs of all the Townhomes, which otherwise is the responsibility of each Lot Owner. During the next 20 years, the Owners prefer to handle roof maintenance on an individual basis. The Owners have that collective option under this Declaration's concept of "Townhome Commons" as described below. The shift of maintenance from Owner's to the Association creates a higher annual budget for the Association, and higher regular assessments for the Owners. A designation of Townhome Commons by the Declarant is intended to shift many of the Owners' responsibilities to the Association in the response to consumers' preference for a "low maintenance" lifestyle.

4.2 AREA OF COMMON RESPONSIBILITY. The Area of Common Responsibility consists of the following components on or adjacent to the Property, even if located on a Lot or a public right of way:

- a. The Common Areas and all improvements, signage, and equipment thereon.
- b. All fences and walls along the perimeter of the Property.
- c. All Streets in the Property.
- d. All fixtures and improvements on or appurtenant to the Streets which are intended for the use, operation, or maintenance of the Streets, including but not limited to curbs, street lamps, street signs, and traffic signs.
- e. Any off-street parking spaces or those spaces shown on the Plat as "parking easements."
- f. Grouped curbside mailboxes.
- g. Any right, title, or interest in real property that is held by the Association for the use and benefit of Owners or Residents of the Property, including any Lot owned by the Association.
- h. Any personal property owned by the Association.

i. The Townhome Commons, being those components of Lots or Townhomes designated - from time to time - by the Association for common maintenance, pursuant to Section 4.3 of this Article titled "Townhome Commons. "

j. Any modification, replacement or addition to any of the above described areas and improvements.

4.3 TOWNHOME COMMONS. The Association acting through its Members has the right but not the duty to designate, from time to time, portions of Townhomes as Townhome Commons for maintenance by the Association as expense. The cost of maintaining Townhome Commons as Areas of Common Responsibility is added to the annual budget and assessed uniformly against all Lots as a regular assessment, unless Owners of at least a majority of the lots decide to assess the cost as individual assessments.

4.3.1 Change in Designation. The Association may, from time to time change or eliminate the designation of the components or Lots as Townhome Commons. Because the designation is subject to change, the Association will maintain at all times a dated list of the Townhome Commons for distribution to the Owners and prospective purchasers. Additions, deletions or changes in designation must be (1) approved by the Owners of at least a majority of the Lots, (2) published and distributed to an Owner of each Lot, and (3) reflected in the Association's annual budget and reserve funds.

4.3.2 Initial Designation. There is no initial designation of Townhome Commons made as of the date of this Declaration. Future designations of Townhome Commons need not be publicly recorded, but must be available from the Association to Owners and prospective purchasers.

4.3.3 Disputes. If a dispute arises regarding the allocation of maintenance or repair responsibilities by this Declaration, or by further designation of Townhome Commons, the dispute shall be submitted to the Board for resolution. If the dispute is not resolved by the Board, such dispute shall be submitted to binding arbitration. Townhome and Lot maintenance and repair responsibilities that are allocated to the Association are intended to be interpreted narrowly to limit and confine the responsibility. It is the intent of this article that all areas and components not expressly delegated to the Association are the responsibility of the individual Owner.

4.4 TOWNHOME FOUNDATION. Each Owner is solely responsible for foundation maintenance and repair of the foundation on his Lot. However, if a licensed structural engineer determines that the failure to repair the Townhome may adversely affect one or more other Townhomes then the cost of the foundation repair will be divided among the Townhomes in the building, and the Owners of each of these an equal share. If an Owner fails or refuses to pay his share the foundation, the Owner advancing monies has a right to file a claim for the line for the monies advanced in the county's real property records, approval by a majority of the Board, has the right to foreclose as if it were a mechanic's lien. The right of an Owner to contribution from another Owner under this section is appurtenant and passes to the owners and successors in title.

ASSOCIATION'S MAINTENANCE OF LOT OR TOWNHOME IS SUBJECT TO CHANGE

4.5 ASSOCIATION MAINTAINS. The Association maintains, repairs, and replaces as a common expense, the Areas of Common Responsibility, regardless of whether located on Lots or Common Areas. The Association's maintenance obligations will be discharged when and how the Board deems appropriate.

4.6

OWNERS RESPONSIBILITY. Every Owner has the following responsibilities and obligations for the maintenance, repair, and replacement of the Property:

4.6-1 Lot Each Owner, at the Owner's sole expense, must maintain all aspects of his Lot and Townhome, except an area or component designated as an Area of Common Responsibility or Townhome Commons. Maintenance includes preventative maintenance, repair as needed, and replacement as needed. Each Owner is expected to maintain his Lot and Townhome at a level to a standard and with an appearance that is commensurate with the neighborhood.

4.6.2 Avoid Damage. An Owner may not do any work or to fail to do any work which, in the reasonable opinion of a majority of the Board, would materially jeopardize the soundness and safety of the Property, reduce the value of the Property, adversely affect the appearance of the Property, or impair any easement relating to the Property.

4-6.3 Responsible for Damage. An Owner is responsible for his own willful or negligent acts and those of his or the Residents family, guest, agents, the employees, or contractors when those acts necessitate maintenance, repair, or replacement to the Common Areas, the Area of Common Responsibility, or the Property of another Owner.

4.7

OWNER'S DEFAULT IN MAINTENANCE. If a majority of the Board determines that an Owner has failed to properly discharge his obligations to maintain, repair, and replace items for which the owner is responsible, the Board may give the Owner written notice of the Associations intent to provide the necessary maintenance at the Owner's expense. The notice must state, with reasonable peculiarity, the maintenance deemed necessary and a reasonable period of time in which to complete the task. If the Owner fails or refuses to timely perform the maintenance, the Association may do so at the Owner's expense, which shall be deemed an individual assessment against the Owner and his Lot. In case of an emergency, however, the Board's written notice may be waived and the Board may take any action it deems necessary to protect persons or property, and the cost of any such action shall be the Owner's expense.

4.8 DECLARANT MAINTAINS. During the Declarant Control Period, the Declarant shall maintain, repair, and replace as a common expense, the Areas of Common Responsibility. Upon the termination of the Declarant Control Period, the Association shall assume such obligations pursuant to Section 4.5 hereof.

ARTICLE 5

ARCHITECTURAL COVENANTS AND CONTROL

5.1 PURPOSE. Because the Lots are part of a single, unified community, the Association has the right to regulate the design, use, and appearance of the Lots, Townhomes, and Common Areas in order to preserve and enhance the Property's value and architectural harmony. The purpose of this Article 5 is to promote and ensure the level of taste, design, quality, and harmony by which the Property is developed.

5.2

ARCHITECTURAL CONTROL COMMITTEE. Architectural Control Committee (the "ACC") consists of 3 persons appointed by Declarant during the Declarant Control Period. After the Declarant Control Period, the ACC shall consist of 3 persons appointed by the Board, pursuant to the bylaws, or at the Board's option, the Board may act as the ACC. If the Board acts as the ACC, all references in the Documents to the ACC are construed to mean the Board. Members of the ACC need not be Owners or Residents.

5.3

PROHIBITION OF CONSTRUCTION ALTERATION & IMPROVEMENT. Without the ACC's prior approval, a person may not construct a Townhome or make an addition, alteration, improvement, installation, modification, redecoration, or reconstruction of or to the Property, if it will be visible from the street, another Lot, or the Common Areas. The ACC has the right but not the duty to evaluate every aspect of construction, Landscaping, and Property use that may adversely affect the general value or appearance of the Property.

BEFORE MAKING ANY IMPROVEMENT OR ALTERATION TO A LOT OR TOWNHOME, A BUILDER OR OWNER MUST OBTAIN THE ACC'S PRIOR WRITTEN APPROVAL.

5.4

ACC APPROVAL. To request ACC approval, an Owner must make written application and submit two identical sets of plans and specifications showing the nature, kind, shape, color, size, materials, and locations of the work to be performed. The application must clearly identify any requirement of this Declaration for which a variance is sought. The ACC will return one set of plans and specifications to the applicant marked with the ACC's response, such as "Approved" or "Denied." The ACC will retain the other set of plans and specifications, together with the application, for the Association's file. Verbal approval from a director, officer, member of the ACC, or the Association's manager does not constitute ACC approval, which must be in writing. If the application is for work that requires a building permit from the City, the ACC's approval is conditioned on the City's issuance of the appropriate permit. The ACC's approval of plans and specifications does not mean that they comply with the City's requirements. ACC approval may not be "deemed" from its actions or failure to act.

ARTICLE 6

USE RESTRICTIONS

6.1 ASSOCIATION'S RIGHT TO PROMULGATE RULES. The Association, acting through the Board, is granted the right to adopt, amend, repeal, and enforce reasonable rules, and penalties for infractions

thereof, regarding the occupancy, use, disposition, maintenance, appearance, and enjoyment of the Property. In addition to the restriction contained in this Article 6, each Lot is owned and occupied subject to the right of the Board to establish rules, and penalties for infractions thereof, governing:

- a. Use of Common Areas
- b. Use and appearance of the Area of Common Responsibility.
- c. Hazardous, illegal, or annoying materials or activities on the Property.
- d. The use of Property-wide services provided through the Association.
- e. The consumption of utilities billed to the Association.
- f. The use, maintenance, and appearance of portions of Townhomes and Lots that are visible from the Streets, Common Areas, or other Townhomes, such as roofs, windows, doors, garages, patios, porches, and unfenced yards.
- g. Landscaping and maintenance of all unfenced yards.
- h. The occupancy and leasing of Townhomes.
- i. The types, sizes, numbers, locations, and behaviors of animals at the Property.
- j. The types, sizes, numbers, conditions, uses, appearances, and locations of motorized and recreational vehicles on the Property.
- k. Disposition of trash and control of vermin, termites, and pests.
- l. Anything that interferes with maintenance of the Property, operation of the Association, administration of the Documents, or the quality of life for Residents.

6.2

ANIMAL RESTRICTIONS. No animal, bird, reptile, or of any kind may be kept, maintained, raised, or bred anywhere on the Property for any commercial purpose. Customary domesticated household pets may be kept, subject to the Rules which may regulate the type, size, number, and disposition of animals, and which may authorize removal of an animal that violates the Rules. A household pet means a house dog, a house cat, a small caged bird, or aquarium fish. In the event the Rules fail to establish animal occupancy quotas, no more than 2 dogs or cats, or 1 dog and 1 cat, may be maintained in each Townhome. Permission to maintain other types or additional numbers of household pets must be obtained in writing from the Board.

6.3

ANNOYANCE. No Lot common area may be used in any way that: (1) may reasonably be considered annoying to neighbors; (2) may be calculated to reduce the desirability of the Property as a residential neighborhood; (3) may endanger the health or safety of Residents; (4) may result in the cancellation of insurance on the Property; or (5) will violate any law. The Board has the sole authority to determine what constitutes an annoyance.

6.4

APPEARANCE. Both the Lot and Townhome must be maintained in a manner so as not to be unsightly when viewed from the Streets or neighbors' Lots. The ACC is the arbitrator of acceptable appearance standards.

6.5

BARBECUES. No exterior fires are permitted on the Property. Barbeque grills which are prohibited by the City are also prohibited by this Declaration. To the extent the City authorizes barbeque grills, the Association may regulate their location and use.

6.6

DRAINAGE- No person may interfere with the established drainage pattern over any part of the Property unless the Board has approved an adequate alternative provision for proper drainage.

6.7

DRIVEWAYS. The driveway portion of a Lot may not be used for any other purpose that interferes with its ongoing use as a route of vehicular access to the garage. Without the Board's prior approval, a driveway may not be used for storage purposes or for restoration of vehicles.

6.8

FENCES. The Property is being developed as an open environment with a minimum of private fenced yards. Without the prior written consent of the ACC, no Lot or portion of a Lot may be fenced. This general prohibition against fencing does not apply to Lots on which Declarant constructs fences as part of the original development. The Owners of those Lots are responsible for the maintenance and replacement of the fences, other than the Property's perimeter fence.

6.9

GARAGES. Without the Board's prior written approval, the original garage area of a Lot may not be enclosed or used for any purpose (including storage) that prohibits the parking of two operable automobiles therein. The automatic garage door opener is to be maintained by its Owner. Garage doors are to be kept closed at all times except when a vehicle is entering or leaving.

6.10

LANDSCAPING. No person may perform landscaping, planting, or gardening in the Area of Common Responsibility without the Board's prior written authorization.

6.11

LEASING OF HOMES. An Owner may lease his Townhome. Whether or not it is so stated in a lease, every lease is subject to the Documents. An Owner is responsible for providing his tenant with copies of the Documents and notifying him of changes thereto. Failure by the tenant or his invitees to comply with the Document, federal or state law, or local ordinance is deemed to be a default under the lease. When the Association notifies an Owner of his tenant's violation, the Owner will promptly obtain his

tenant's compliance or exercise his rights as a landlord for tenant's breach of lease. If the tenant's violation continues or is repeated, and if the Owner is unable, unwilling, or unavailable to obtain his tenant's compliance, then the Association has the power and right to pursue the remedies of a landlord under the lease or state of the default, including eviction of the tenant. The Owner of a leased Townhome is liable to the Association for any expenses incurred by the Association in connection with enforcement of the Documents against his tenant. The Association is not liable to the Owner for any damages, including lost rents, suffered by the Owner in relation to the Association's enforcement of the Documents against the Owner's tenants.

6.12

NOISE & ODOR. An Owner or Resident must exercise reasonable care to avoid making or permitting to be made loud, disturbing, or objectionable noises or noxious odors that are likely to disturb or annoy Residents of neighboring Townhomes. The rules may prohibit the use of noise-producing security devices and wind chimes.

6.13

TOWNHOMES. Other than the completed Townhome, no thing or structure on a Lot (including the garage) may be occupied as a residence at any time by any person. The Board may adopt rules regarding the occupancy of Townhomes. If the Rules fail to establish occupancy standards, no more than 2 persons per bedroom may occupy a Townhome, subject to the Association's occupancy standard for Residents who qualify for familial status protection under the fair housing laws may not be more restrictive than the minimum (i.e., the fewest people per unit) permitted by the U. S. Department of Housing and Urban Development. A person may not occupy a Townhome if the person constitutes a direct threat or safety of other persons, or if the occupancy would result in substantial physical damage to the Property of others.

6.14

RESIDENTIAL USE. The use of a Lot is limited exclusively to residential purposes or any other use permitted by this Declaration. This residential restriction does not, however, prohibit a Resident from using a Townhome for personal business or professional pursuits provided that: (1) the uses are incidental to the use of the Townhome as a residence; (2) the uses conform to all applicable governmental ordinances; (3) there is no external evidence of the uses; (4) the uses do not entail visits to the Townhome by employees or the public in quantities that materially increase the number of vehicles parked on the Property; and (5) the uses do not interfere with Residents' use and enjoyment of neighboring Townhomes.

6.15

SIGNS. No signs advertising the Townhomes for sale or lease, other advertising signs, or unsightly objects may be erected, placed, or permitted to remain on the Property or to be visible from windows in the Townhome without the Board's prior written approval. The Board's approval may specify the location, nature, appearance, dimensions, number, and time period of any advertising sign. The Association may effect the removal of any sign that violates this Section 6.15 without liability for trespass or any other Liability connected with the removal. Notwithstanding the foregoing, an Owner

may erect, per Lot, one professionally-made standard sign of not more than 5 square feet advertising the Townhome for sale.

6.16

STRUCTURAL INTEGRITY. No person may directly or indirectly impair the structural soundness or integrity of a building or another Townhome, nor do any work that will impair an easement or hereditament.

6.17

TELEVISION. Each Owner or Resident of the Property will avoid doing or permitting anything to be done that may unreasonably interfere with the television, radio, telephonic, electronic, microwave, cable, or satellite reception on the Property. Without the prior written consent of the ACC, no person may install the following equipment on a Lot if it would be visible from the street: an antenna, microwave or satellite dish, receiving or transmitting tower; provided, however, that (1) reception-only TV antennas, (2) direct broadcast satellites (DBS) that are one meter or less in diameter, and (3) multipoint distribution service (MDS) antennas that are one meter or less in diameter may be installed, subject to the right of the Association to adopt reasonable rules for the location, appearance, camouflaging, installation, maintenance, and use of the antennas, masts, and dishes to the extent permitted by public law.

6.18

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TEMPORARY STRUCTURES. Improvements or structures of a temporary and mobile nature, such as sheds, doghouses, greenhouses, and playhouses may not be placed on a Lot. However, the ACC may authorize an Owner or an Owner's contractor to maintain a temporary structure (such as a portable toilet or construction trailer) on the Lot during construction, repairs or maintenance of Townhomes.

6.19

VEHICLES. All vehicles on the Property, whether owned or operated by the Owners, Residents or their families or guests, are subject to this Section 6 and rules as may be adopted by the Board, No truck with tonnage over 3-quarters of a ton, vehicle with advertising signage, mobile home, motor home, camper, bus, trailer, boat, aircraft, inoperable vehicle, or any other similar vehicle equipment, mobile or otherwise, which the Board deems to be a nuisance, unsightly, or inappropriate may be kept, parked, or stored anywhere on the Property without Board approval. The foregoing restriction does not apply to vehicles and equipment temporarily on the Property in connection with the construction or maintenance of a Townhome. Vehicles that transport inflammatory or explosive cargo are prohibited at all times. The Association may effect the removal of any vehicle in violation of this Section or the Rules without liability to the Owner or operator of the vehicle.

6.20

WINDOW TREATMENTS. Without the ACC's prior written approval, all window treatments within the Townhome that are visible from the Streets or another Townhome must appear to be white in color.

6.21

YARDS. Lakeshore Village Townhomes is being developed as an open environment without private fenced yards. Every aspect of the use and appearance of unfenced yards is subject to regulation by the Association, including without limitation patio furniture, yard decks, landscape Lighting, yard decorations, stored items, plantings, and efforts to define Lot boundaries.

ARTICLE 7

ASSOCIATION AND MEMBERSHIP RIGHTS

7.1 THE ASSOCIATION. The duties and powers of the Association are those set forth in the documents, together with the general and implied powers of a property owners' association and a nonprofit corporation under the laws of the State of Texas. Generally, the Association may do any and all things that are lawful and necessary, proper, or desirable in operating for the peace, health, comfort, and general benefit of its Members, subject only to the limitations on the exercise of such powers as stated in the Documents. The Association comes into existence on the issuance of its corporate charter and will continue to exist at least as long as the Declaration is effective against the Property, regardless of whether its corporate charter lapses from time to time.

EVERY OWNER OF A LAKESHORE VILLAGE TOWNHOMES LOT AUTOMATICALLY JOINS A MANDATORY MEMBERSHIP ASSOCIATION

7.2 GOVERNANCE. The Association will be governed by a board of directors initially appointed by Declarant that will serve until the expiration of the Declarant Control Period. Upon the expiration of the Declarant Control Period, the board of directors will be elected by and from the Members. Unless the Association's bylaws or articles of incorporation provided otherwise, the Board will consist of at least 3 persons elected at the annual meeting of the Association, or at a special meeting called for that purpose. The Association will serve in accordance with the bylaws. Unless the Documents provide otherwise, any action requiring approval of the Members may be approved in writing by Owners of at least a majority of all Lots, or at a meeting by Owners of at least a majority of the Lots that are represented at the meeting.

7.3

MEMBERSHIP. Each Owner is a Member of the Association, Ownership of a Lot being the sole qualification for Membership. Membership is appurtenant to and may not be separated from Ownership of the Lot: provided, however, there shall be only one vote appurtenant to each Lot. The Board may require satisfactory evidence of transfer of Ownership before a purported Owner is entitled to vote at meetings of the Association. If a Lot is owned by more than one person or entity, each Co-Owner is a Member of the Association and may exercise the Membership rights appurtenant to the Lot. A Member who sells his Lot under a contract for deed may delegate his Membership rights to the contract purchaser, provided a written assignment is delivered to the Board. However, the contract seller remains Liable for all assessments attributed to his Lot until fee title to the Lot is transferred.

7.4

VOTING. One vote is appurtenant to each Lot. -The Lot number of votes equals the total number of Lots in the Property. Each vote is uniform and equal to the vote appurtenant to every other Lot. Cumulative

voting is not allowed. Votes may be cast by written proxy, according to the requirements of the Association's bylaws.

7.5 VOTING BY CO-OWNERS. The one vote appurtenant to a Lot is not divisible. If only one of the multiple Co-Owners of a Lot is present at a meeting of the Association, that person may cast the vote allocated to the Lot. If more than one of the Co-Owners is present, the Lot's one vote may be cast with the Co-Owners unanimous agreement. [Co-Owners are in unanimous agreement if one of the Co-Owners casts the vote and no other Co-Owner makes prompt protest to the person presiding over the meeting.] Any Co-Owner of a Lot may vote by ballot or proxy, and may register protest to the casting of a vote by ballot or proxy by the other Co-Owners. If the person presiding over the meeting or balloting receives evidence that the Co-owners disagree on how the one appurtenant vote will be cast, the vote will not be counted.

7.6 BOOKS & RECORDS. The Association will maintain copies of the Documents and the Association's books, records, and financial statements. Books and records of the Association will be made available for inspection and copying pursuant to Section B, Article 2-23 of the Texas Non-Profit Corporation Act. (Article 1396-2.23. B, Vernon's Texas Civil Statutes)

7.7 INDEMNIFICATION. The Association shall indemnify every officer, director, and committee member (for purposes of this Section, "Leader") against expense, including attorney's fees, reasonably incurred by or imposed on the Leader in connection with an action, suit, or proceeding to which the Leader is a party by reason of being or having been a Leader. A Leader is not liable for a mistake of judgment, negligent or otherwise. A Leader is liable for his willful misfeasance, malfeasance, misconduct, or bad faith. This right to indemnification does not exclude any other rights to which a present or former Leader may be entitled. As a common expense, the Association may maintain adequate general liability and directors and officer's liability to fund this obligation, if it is reasonably available.

7.8 OBLIGATIONS OF OWNERS. Without limiting the obligations of Owners under the Documents, each Owner has the following obligations:

7.8.1 Information. Within 30 days after acquiring an interest in a Lot, or within 30 days after the Owner has notice of a change in any information required by this Subsection, and on request by Association from time to time, an Owner will provide the Association with the following information: (1) a copy of the recorded deed by which Owner has title to the Lot; (2) the Owner's address, phone number, and driver's license number, if any; (3) any mortgagee's name, address, and loan number; (4) the name and phone number of any Resident other than the Owner; (5) the name, address, and phone number of the Owner's managing agent, if any.

7.8.2

PAY ASSESSMENTS. Each Owner, excluding Declarant, will pay assessments properly levied by the Association, against the owner or his lot, and will pay regular assessments without demand by the Association.

7.8.3 Comply. Each Owner will comply with the Documents as amended from time to time.

7.8.4 Reimburse. Each Owner will pay for damage to the Property caused by the negligence or willful misconduct of the Owner, a Resident of the Owner's Lot, or the Owner or Resident's family, guest, employees, contractors, agents, or invitees.

7.8.5 Each Owner is Liable to the Association for violations of the Documents by the Owner, a Resident of the Owner's Lot, or the Owner or Resident's family, guests, employees, agents, or invites, and for costs incurred by the Association to obtain compliance, including attorney's fees whether or not suit is filed.

7.9 TRANSFER FEE. To help subsidize the costs of maintaining ownership records for purposes of assessment and voting, the Board may levy, as an individual assessment, a charge for the transfer of a significant estate or fee simple title of a Lot. A transfer fee is not refundable and may not be regarded as a prepayment of or credit against regular or special assessments. Transfer fees apply to every transfer of title except the following: (1) foreclosure of a deed of trust lien, tax lien, or the Association's assessments lien; (2) transfer to, from, or by the Association; (3) voluntary transfer by an Owner to one or more Co-Owners, or to the Owner's spouse, child, or parent. (4) transfer to, from or by the Declarant. This Section does not obligate the Board to levy transfer fees. The levy of a transfer fee does not prevent the Association from charging for preparation and issuance of a resale certificate.

ARTICLE 8

COVENANT FOR ASSESSMENTS

8.1 PURPOSE OF ASSESSMENTS. The Association will use assessments for the general purpose of preserving, repairing, maintaining and enhancing the Property, and for the common benefit of Owners and Residents, including but not limited to maintenance of real and personal property, management and operation of the Association, and any expense reasonably related to the purpose for which the Property was developed. If made in good faith, the Board's decision with respect to use of assessments is final.

8.2

PERSONAL OBLIGATION. An Owner is obligated to pay assessments levied by the Board against the Owner of his Lot. Provided however, that Declarant shall not be required to pay any assessment, even if Declarant qualifies as an Owner. Assessment payments shall be made to the Association at its principal office or at any other place the Board directs. Payments must be made in full regardless of whether an Owner has a dispute with the Association, another Owner, or any person or entity regarding any matter to which this Declaration pertains. No Owner may exempt himself from his assessment liability by waiver of the use or enjoyment of the Common Areas or by abandonment of his Lot. An Owner's obligation is not subject to offset by the Owner, nor is it contingent on the Association's performance of the Association's duties. Payment of assessments is both a continuing affirmative covenant personal to the Owner and a continuing covenant running with the Lot.

8.3

CONTROL FOR ASSESSMENT INCREASE. This Section 8.3 of the Declaration may not be amended without the approval of Owners of at least 67 percent of the Lots. In addition to other rights granted to

Owners by this Declaration, Owners have the following powers and control over the Association's budget:

8.3.1 Veto Increased Dues. At least 30 days prior to the effective date of an increase in regular assessments, the Board will notify an Owner of each Lot of the amount of, the budgetary basis for, and the effective date of the increase. The increase will automatically become effective unless Owners of at least a majority of the Lots disapprove the increase by petition or at a meeting of the Association. In such event, the approved budget will continue in effect until a revised budget is approved.

8.3.2 Veto Special Assessment. At Least 30 days prior to the effective date of a special assessment, the Board will notify an Owner of each Lot of the amount of, the budgetary basis for, and the effective date of the special assessment. The special assessment will automatically become effective unless Owners of at least a majority of the Lots disapprove the special assessment by petition or at a meeting of the Association.

8.4

TYPES OF ASSESSMENTS. There are 3 types of assessments: Regular, Special, and Individual.

8.4.1 Regular Assessments. Regular assessments are based on the annual budget. Each Lot is liable for its equal share of the annual budget. If the Board does not approve an annual budget or fails to determine new regular assessments for any year, or delays in doing so, Owners will continue to pay the regular assessment as determined. If during the course of a year the Board determines that regular assessments are insufficient to cover the estimated common expenses for the remainder of the year, the Board may increase regular assessments for the remainder of the fiscal year in an amount that covers the estimated deficiency. Regular assessments are used for common expenses related to the reoccurring, periodic, and anticipated responsibilities of the Association, including but not limited to:

- a. Maintenance, repair, and replacement, as necessary, of the Area of Common Responsibility.
- b. Utilities billed to the Association.
- c. Services billed to the Association and serving all lots
- d. Taxes on property owned by the association and the Associations income taxes.
- e. Maintenance, Legal, Accounting, Auditing, and professional fees for services to the Association.
- f. Costs of operating the Association, such as telephone, postage, meeting expenses, and educational opportunities for the Association.
- g. Premiums and deductions on insurance policies and bonds deemed or desirable for the benefit of the Association, including fidelity bonds and directors and officer's liability insurance.
- h. Contributions to the reserve funds.
- i. Any other expense which the Association is required by Law or the Documents to pay, or which in the opinion of the Board is necessary or proper for the operation and maintenance of the Property or for enforcement of the Documents.

j. Acquisition of real property, other than for the purpose of a Lot foreclosing the Association's lien against the Lot.

k. Construction of additional improvements within the Property, but not replacement of original improvements.

l. Any expenditure that may reasonably be expected to significantly increase the Association's responsibility and financial obligation for operations, insurance, maintenance, repairs, or replacements.

8.4.2 Special Assessments. In addition to regular assessments, and subject to the Owners' control for assessment increases, the Board may levy one or more special assessments against all Lots for the purpose of defraying, in whole or in part, common expenses not anticipated by the annual budget or reserve funds. Special assessments do not require the approval of the Owners except that special assessments for the following purposes must be approved by Owners of least a majority of the Lots:

8.4.3 Individual Assessments. In addition to regular and special assessments, the Board may levy an individual assessment against a Lot and its Owner. Individual assessments may include, but are not limited to: interest, late charges, and collection cost on delinquent assessments; reimbursement for cost incurred in bringing an Owner or his Lot into compliance with the Documents; fines for violations of the Documents; insurance deductibles; reimbursement for damage or waste caused by willful or negligent acts; transfer and resale certificate fees; common expenses that benefit fewer than all of the Lots, which may be assessed according to benefit received; and "pass through" expenses for services to Lots provided through the Association and which are equitably paid by each Lot according to the benefit received.

BASIS & USE OF ASSESSMENTS. The share of liability for common expenses allocated to each Lot shall be uniform, regardless of a Lot's or Townhome's location, value or size, subject to Lower rates of assessment for vacant Lots. The rates of assessment are as follows:

8-5.1 Improved Lot. A Lot that has been improved with a Townhome for which the City has issued the initial certificate of occupancy will at all times thereafter be assessed at the full rate, as same may be amended from time to time. As of the date of the recording of this Declaration, the full rate of regular assessment for an improved Lot is thirty-five dollars (\$35.00) per month or four hundred and twenty dollars (\$420.00) annually.

8.5.2 Vacant Lot. A Lot that is vacant or on which a Townhome is under construction is assessed at half of the full rate. A vacant Lot becomes subject to assessment at the full rate on the first day of the month following the month in which the City issues a certificate of occupancy. The Board may revoke the reduced-rate status of a vacant Lot if it becomes necessary or desirable for the Association to spend money on or for the Lot, or if the Board determines that a completed Townhome is eligible for a certificate of occupancy. As of the date of the recording of this Declaration, the rate of regular assessment for a vacant Lot is seventeen dollars and fifty cents (\$17.50) per month or two hundred and ten dollars (\$210.00) annually.

8.5.3 Declarant and Builder Lots. Notwithstanding preceding subsections, that is owned by Declarant is exempt from the assessments identified in this declaration.

8.6

ANNUAL BUDGET. The Board will prepare and approve an estimated annual budget for each fiscal year. The budget will take into account the estimated income and expenses for the year, contributions to reserve funds, and a projection for uncollected receivables. The Board will make its budget summary available to an Owner of each Lot, although failure to receive a budget or summary does not affect an Owner's liability for assessments. The Board will provide copies of the detailed budget to those who make written request and pay a reasonable copy charge.

8.7 DUE DATE. The Board may levy regular assessments on any periodic basis annually, semi-annually, quarterly, or monthly. Regular assessments are due on the first day of the period for which levied. Special and individual assessments are due on the date stated in the notice of assessment or, if no date is stated, within 10 days after notice of the assessment is given- Assessments are delinquent if not received by the Association on or before the due date.

8.8

RESERVE FUNDS. The Association will establish, maintain, and accumulate reserves and use its best efforts to fund reserves out of Regular Assessments.

8.8.1 Operations Reserves. The Association will maintain operations reserves at a level sufficient to cover the cost of operational or maintenance emergencies, including the full amount of deductibles on insurance policies maintained by the Association.

8.8.2 Replacement & Repair Reserves. The Association will maintain replacement and repair reserves at a level that anticipates the scheduled replacement or major repair of components of the Area of Common Responsibility.

8.9 ASSOCIATION'S RIGHT TO BORROW MONEY. Association is granted the right to borrow money, subject to the consent of Owners of at Least a majority of Lots and the ability of the Association to repay the borrowed funds from assessments. To assist its ability to borrow, the Association is granted the right to encumber, mortgage, pledge, or deed in trust any of its real or personal property, and the right to assign its rights to future income, as security for money borrowed or debts incurred, provided that the rights of the lender in the pledged property are subordinate and inferior to the rights of the Owners hereunder.

8.10

ASSESSMENT LIEN- Each Owner, by accepting an interest in or title to a Lot, whether or not it is so expressed in the instrument of conveyance, covenants and agrees to pay assessments to the Association. Each assessment lien is a charge (the "Assessment Lien") on the Lot and is secured by a continuing lien on the Lot. Each Owner, and each prospective Owner, is placed on notice that his title may be subject to the continuing lien for assessments attributable to a period prior to the date he purchased his Lot. Notwithstanding the foregoing; Declarant shall not pay any assessment nor shall any Assessment Lien shall be levied on any Lot owned by Declarant-

8.10.1 Superiority of Assessment Lien. Assessment Lien is and shall be superior to all other liens and encumbrances on a Lot, except only for (1) real property taxes and assessments levied by governmental

and taxing authorities, (2) a recorded deed of trust lien securing a loan for construction of the original Townhome, and (3) a first senior purchase money vendor's lien or deed of trust lien recorded before the date on which the delinquent assessment became due.

8.10.2 Effect of Foreclosure. Foreclosure of a superior lien extinguishes the Association's claim against the Lot for unpaid assessments that become due before the sale, but does not extinguish the Association's claim against the former Owner. The purchaser at a foreclosure sale liable for assessments coming due from and after the date of the sale, and for the pro rata share of the pre-foreclosure deficiency as an Association expense.

NOTICE - THE HOA CAN FORECLOSE

If you fail to pay assessments to the Association you may lose title to your Townhome if the association forecloses its assessment lien against your Lot.

8.10.3 Perfection of Lien. The Association's Assessment Lien is created by recordation of this Declaration, which constitutes record notice and perfection of the lien. No other recordation of a lien or notice of a lien is required. However, the Association, at its option, may cause a notice of the lien to be recorded in the county's real property records. If the debt is cured after a notice has been recorded, the Association will record a release of that notice at the expense of the curing Owner.

8.10.4 Power of State. By accepting an interest in or title of a Lot, each Owner grants to the Association a private power of nonjudicial sale in connection with the Association's Assessment Lien. The Board may appoint, from time to time, any person, including an officer, agent, trustee, substitute trustee, or attorney, to exercise the Association's lien rights on behalf of the Association, including the power of sale on behalf of the Association. The appointment must be in writing and may be in the form of a resolution recorded in the minutes of a Board meeting.

8.10.5

FORECLOSURE OF LIEN The Assessment Lien may be enforced by judicial or nonjudicial foreclosure as provided in Section 9.1.9 of this Declaration. Additionally, nonjudicial foreclosure must be conducted in accordance with the provisions applicable to the exercise of powers of sale as set forth on Section 51.002 of the Texas Property Code, or in any manner permitted by law. In any foreclosure, the Owner is required to pay the Association's cost and expenses for the proceedings, including reasonable attorney's fees. The Association has the power to bid on the Lot at foreclosure sale and to acquire, hold, lease, mortgage, and convey same.

ARTICLE 9

EFFECT OF NONPAYMENT OF ASSESSMENTS AND VIOLATION OF THE DOCUMENTS

9.1

COLLECTING DELINQUENT ASSESSMENTS. Owners who honor their obligations to the Association should not be burdened by Owners who default. The Board is responsible for taking action to collect delinquent assessments. Neither the Board nor the Association, however, is liable to an Owner or other person for its failure or inability to collect an assessment. The following remedies are in addition to and not in substitution for all other rights and remedies which the Association has.

9.1.1 Delinquency. An assessment is delinquent if the Association does not receive payment in full by the assessment's due date.

9.1.2 Interest. Delinquent assessments are subject to interest from the due date until paid, at a rate to be determined by the Board from time to time, not to exceed the lesser of 18 percent or the maximum permitted by law. If the Board fails to establish a rate, the rate is 10 percent per annum. Interest is an individual assessment.

9.1.3 Late Fees. Delinquent assessments are subject to reasonable late fees, at a rate to be determined by the Board from time to time. Late fees are an individual assessment.

9.1.4 Cost of Collection. The Owner of a Lot against which assessments are delinquent is liable to the Association for reimbursement of reasonable costs incurred by the Association to collect the delinquent assessments, including attorney's fees and processing fees (subject to Section 209.008 of the Texas Property Code) charged by the manager. Collection costs are an individual assessment.

9.1.5 Acceleration. If an Owner defaults in paying an assessment that is payable in installments, the Board may accelerate the remaining installments after 10 days' written notice to the defaulting Owner. The entire unpaid balance of the assessment becomes due on the date stated on the notice.

9.1.6 Suspension of Use and Vote. If an Owner's account has been delinquent for at least 30 days, the Board may suspend the right of Owners and Residents to use Common Areas and common services during the period of delinquency. The Board may not suspend the Owner or Resident's right of access to his Lot. The Board may also suspend the right to vote appurtenant to the Lot. Suspension does not constitute a waiver or discharge of the Owner's obligation to pay assessments.

9.1.7 Money Judgment. The Association may file a suit seeking a money judgment against an Owner delinquent in the payment of assessments, without foreclosing or waiving the Association's lien for assessments.

9.1.8 Foreclosure of Assessment Lien. As provided by the Association may foreclose its lien against the Lot nonjudicial means subject to Section 209.009 of the Texas and the notice provisions set forth in the Declaration in

9.1.9 Application of Payments. The Board may adopt and amend policies regarding the application of payments. The Board may refuse to accept partial payment, i.e., less than the full amount due. The Board may also refuse to accept payments to which the payer attaches conditions or directions contrary to the Board policy for applying payments. The Board's policy may provide that endorsement of a payment does not constitute acceptance by Association, and that the acceptance occurs when the Association posts the payment account.

9.1.10 Notice to Mortgagee. The Association may notify and communicate with any holder of a lien against a Lot regarding the Owner's default in payment of assessments, without any liability of any kind to the Owner of the Lot which the assessment is delinquent.

9.2

ENFORCING THE DOCUMENTS. The remedies provided in this Section 9.2 for breach of the Documents are cumulative and not exclusive. In addition to other rights and remedies provided by the Documents and by the law, the Association has the following rights to enforce the Documents:

9.2.1 Nuisance. The result of every act or omission that violates any provision of the Documents is a nuisance, and any remedy allowed by law against nuisance, either public or private, is applicable against the violation.

9.2.2 Fine. The Association may levy reasonable charges, as an individual assessment, against an Owner and his Lot if the Owner or Resident, or the Owner or Resident's family, guest, employees, agents, or contractors violate a provision of the Documents. Fines may be levied for each act of violation or for each day a violation continues, and does not constitute a waiver or discharge of the Owner's obligation under the Documents.

9.2.3 The Association may suspend the right of any Owner and Resident to use Common Areas for any period during which the Owner or Resident, or the Owner or Resident's family, guest, employees, agents, or contractors violate the Documents. A suspension does not constitute a waiver or discharge of the Owner's obligation under the Documents.

9.2.4 Self-Help. The Association has the right to enter any part of the Property, including Lots, to abate or remove, using force as may reasonably be necessary, any erection, thing, animal, person, vehicle, or condition that violates the Documents. In exercising this right, the Board is not trespassing and is not liable for damages related to the abatement. The Board may levy its cost of abatement against the Lot and Owner as an individual assessment. Unless an emergency situation exists in the good faith opinion of the Board, the Board must comply with Section 9.3 regarding notice of its intent to exercise self-help.

9.2.5 No Waiver. The Association and every Owner has the right to enforce restrictions, conditions, covenants, liens, and charges now or hereafter imposed by the Documents. Failure by the Association or by the Owner to enforce a provision of the Documents is not a waiver of the right to do so thereafter.

9.3

NOTICE AND HEARING. Before Levying a fine, suspending an Owner's right to use Common Areas, filing suit against an owner, foreclosing a lien, Levying an individual assessment for Property damage or taking any other action to enforce the Documents, except as stated in Section 9.2-4, the Association must give written notice to the Owner by certified mail, return receipt requested. Such written notice must contain: (1) a description of the violation or Property damage; (2) the amount of the proposed fine assessment, or damage charge; (3) a statement that not later than the 30th day after the date of notice, the Owner may request a hearing before the Board to contest the fine or charges; and (4) a stated date by which the Owner may cure the violation to avoid the fine - unless the owner was given notice and reasonable opportunity to cure a similar violation within the preceding 12 months. The Association may also give a copy of the notice to the Resident. The Association shall not be required to give such notice when filing a lawsuit against an Owner to collect a regular or special assessment. Pending the hearing, the Association may continue to exercise its 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 a fine or damage charge. If the Owner requests a hearing, such hearing shall comply with all requirements of

Section 209.007 of the Texas Property Code. The Owner may attend the hearing in person, or may be represented by another person or may present written communication. The Board may adopt additional procedures and requirements for notices and hearing.

9.4 LIMITS OF INTEREST. The Association, and its officers, directors, managers and attorneys, intend to conform strictly to the applicable usury laws of the State of Texas. Notwithstanding anything to the contrary in the Declaration, the bylaws, the Association's collection, policies and resolutions, or any other document or agreement executed or made in connection with any of these, the Association will not in any event be entitled to receive or collect, as interest, a sum greater than the maximum amount permitted by applicable law. If from any circumstances whatsoever, the Association ever receives, collects or applies as interest any sum in excess of the maximum rate permitted by law, the excess amount will be applied to the reduction of unpaid special, individual or regular assessments, or reimbursed to the Owner if those assessments are paid in full.

ARTICLE 10

INSURANCE

10.1 All insurance affecting the property is governed by the provisions of this Article. The cost of insurance and bonds maintained by the Association is an expense of policies and bonds obtained and maintained by the responsible insurance companies authorized to do business in the state of Texas. The Association must be the named insured on all policies issued to the Association. Each Owner irrevocably appoints the Board, as his trustee to negotiate, receive, administer, and distribute proceeds of any claim against an insurance policy maintained by the Association. Additionally:

10.1.1 Notice of Cancellation or Modification. Each insurance policy maintained by the Association should contain a provision requiring the insurer to give at least 10 days' prior written notice to the Board before the policy may be canceled, terminated, materially modified, or allowed to expire, by either the insurer or insured.

10.1.2 Deductibles. An insurance policy obtained by the Association may contain a reasonable deductible, which will be paid by the party who would be liable for the loss or repair in the absence of insurance. If a loss is due wholly or partly to an act or omission of an Owner or Resident or their invitees, the Owner must reimburse the Association for the amount of the deductible that is attributable to the act or omission and such Owner will be obligated for amount of the deductible as an individual assessment.

10.2 CASUALTY OR HAZARD. To the extent it is reasonably available, the Association will obtain blanket at-risk insurance for the Common Areas and insurable improvements in the Area of Common Responsibility, other than the Townhome Commons. If blanket at-risk insurance is not reasonably available, then the Association will obtain an insurance policy providing fire and extended coverage.

10.3 TOWNHOMES. In addition to insuring the Common Areas and Area of Common Responsibility (other than the Townhome Commons) against casualty loss, the Association may, but is not obligated to, maintain casualty insurance on the Townhomes. However, if substantial portions of the Townhomes are designated as Townhome Commons, then the Association is required to maintain casualty insurance on the Townhomes, to the extent it is reasonably available.

10.4 GENERAL LIABILITY. The Association will maintain a commercial general liability insurance policy over the Common Areas and Area of Common Responsibility - expressly excluding the acts or omissions of each Owner, and Resident or invitees within his Lot - for bodily injury and property damage resulting from the operation, maintenance, or use of the Common Areas or Area of Common Responsibility. If the policy does not contain a severability of interest provision, it should contain an endorsement to preclude the insurer's denial of an Owner's claim because of negligent acts of the Association or other Owners.

10.5 DIRECTORS' & OFFICERS' Liability. To the extent it is reasonably available, the Association will maintain directors' and officers' liability insurance, errors and omission insurance, indemnity bonds, or other insurance that the Board deems advisable to insure the Association's directors, officers, committee members, and managers against liability for an act or omission in carrying out their duties in those capacities.

10.6 OTHER COVERAGE. The Association may maintain any insurance policies and bonds deemed by the Board to be necessary or desirable for the benefit of the Association, including but not limited to worker's compensation insurance, fidelity coverage, and any insurance and bonds requested and required by an Underwriting Lender for planned unit developments as long as an Underwriting Lender is a Mortgagee or an Owner.

10.7

OWNER'S RESPONSIBILITY FOR INSURANCE. To the extent Townhome insurance is provided by the Association, each Owner will obtain and maintain fire and extended coverage on all the improvements on his Lot, in an amount sufficient to cover 100 percent of the replacement cost of any repair or reconstruction in the event of damage or destruction from any insured hazard. Further, each Owner will obtain and maintain general liability insurance on his Lot. Each Owner will provide the Association with proof of a certificate of insurance on request by the Association from time to time. If an Owner fails to maintain required insurance, or to provide required proof of same, the Board may obtain insurance on behalf of the Owner who will be obligated for the cost as an individual assessment. The Board may establish additional minimum insurance requirements, including types and minimum amounts of coverage, to be individually obtained and maintained by Owners if the insurance is deemed necessary or desirable by the Board to reduce potential risks to the Association or other Owners. Each Owner and Resident is solely responsible for insuring his personal property in his Townhome and on the Lot, including furnishings, vehicles, and stored items.

ARTICLE 11

TOWNHOME INSURANCE

1 1.1 GENERAL PROVISIONS. In addition to the prior article, this article applies if the Association insures all the Townhomes as a common expense. The requirements of this article are subject to the availability of insurance coverage, and may be modified by insurance forms and practices that are customary for this type of property. The Association shall provide condominium type coverage as specified in Section 11.3 as a common expense. The Association shall not provide such condominium type coverage until the Declarant has sold all (100%) of the townhomes.

1 1.2 CASUALTY OR HAZARD INSURANCE- The Association, with the majority election of the governing body, may obtain blanket all-risk insurance, if reasonably available, for the Townhomes. If blanket all-

risk insurance is not reasonably available, then at a minimum, the Association will obtain an insurance policy providing fire and extended coverage. This insurance must be in an amount sufficient to cover 100 percent of the replacement cost of any repair or reconstruction in event of damage or destruction from any insured hazard. The Association may insure betterments and improvements installed by current or previous Owners. In insuring Townhomes, the Association may be guided by types of policies customarily available for similar types of properties.

11.3 Condominium TYPE COVERAGE. Notwithstanding the general requirements to "insure the Townhomes" the Association shall provide, at a minimum, casualty coverage to the perimeter shell of the Townhome, requiring the Owner to insure partition walls and floors, fixtures, cabinets, appliances, wall and floor treatments, and all other interior improvements to the structure. When such coverage is in effect, the Association will notify the Owners in writing, at least annually, of the components of the structure that are not insured by the Association and must be insured by the Owner.

11.4 CLAIMS. A claim for any loss covered by the Association's insurance coverage of the Townhomes must be submitted by and adjusted with the Association. The insurance proceeds for that loss must be payable to the Association, and not to any Lot Owner or lienholder-

11.5.1 insurance by Owners. AT THIS TIME THE ASSOCIATION DOES NOT CARRY INSURANCE FOR THE INDIVIDUAL TOWNHOME UNITS. EACH OWNER IS RESPONSIBLE TO OBTAIN OWN CASUALTY AND HAZARD AND GENERAL LIABILITY INSURANCE HOMEOWNER'S POLICY. The Association shall carry insurance for the individual townhomes once all (100%) the Lots have been sold by Declarant. Notwithstanding the foregoing, the Board may establish minimum insurance requirements, including types of minimum amounts of coverage, to be obtained and maintained by the if the insurance is deemed necessary or desirable by the Board to reduce potential risk to the Association or other Owners. If an Owner fails to maintain required insurance, the Board may obtain it on behalf of the Owner who will be obligated for the cost as an individual assessment.

11.5.2 Owner's Responsibilities. On request, an Owner Will give the Board written notification of any and all structural changes, additions, betterments, or improvements to his Townhome, and any other information the Board may require to maintain adequate levels of insurance coverage. Each Owner will comply with a reasonable request by the Board for periodic inspection of the Townhome for purposes of insurance appraisal. Each Owner, at his expense, is entitled to obtain additional insurance coverage of his real property, improvements, and betterments thereto, or personal property.

11.5.3 Association Does Not Insure. At no time will the Association insure an Owner or Resident's personal property. Each Owner and Resident is solely responsible for insuring his property in his Townhome and on the Property, including furnishings, and stored items, The Association strongly recommends that each Owner and Resident purchase and maintain insurance on his belongings.

RECONSTRUCTION OR REPAIR AFTER LOSS. Any insured portion of the Townhomes that is damaged will be promptly repaired or replaced by the Association unless repair or replacement would be illegal under any state or local health or safety statute or ordinance, or if Owners of at least 80 percent of the Lots, including each Owner of a Lot that will not be rebuilt or repaired, vote to not rebuild and the failure to rebuild does not increase any insurer's liability for loss payment obligation under a policy, and the vote does not cause a presumption of total loss. The cost of repair or replacement in excess of the insurance proceeds and reserves is a common expense. If some but not all of the damage to the

Townhomes are not repaired or replaced, the insurance proceeds attributable to Townhomes that are not rebuilt will be distributed to the Owners of those Townhomes or to their mortgagees, as their interest may appear.

11.6.1 Restoration Funds. For purposes of this Section, Restoration Funds include insurance proceeds, condemnation awards, deficiency assessments, individual assessments, and other funds received on account of or arising out of injury or damage to the Townhomes. All funds paid to the Association for purposes of repair or restoration will be deposited in a financial institution through signatures of at least 2 directors or that of an agent duly authorized by the Board.

11.6.2 Sufficient Proceeds. If Restoration Funds obtained from insurance proceeds or condemnation awards are sufficient to repair or restore the damaged or destroyed Townhomes, the Association, as trustee for the Owners, will promptly apply the funds to the repair or restoration.

11.6.3 insufficient Proceeds. If Restoration Funds are not sufficient to pay the estimated or actual costs of restoration as determined by the Board, the Board may levy a deficiency assessment against the Owners to fund the difference. Such deficiency assessment is an individual assessment to be levied against the Owner or Owners who would be responsible for the costs of the restoration.

11.6.4 Surplus Funds. If the Association has a surplus of Restoration Funds after payment of all cost of repair and restoration, the surplus will be applied as follows. If deficiency assessments are a source of Restoration Funds, the surplus will be paid to Owners in proportion to their contributions resulting from the deficiency assessment levied against them; provided that no Owner may receive a sum greater than that actually contributed by him, and further provided that any delinquent assessments owed by the Owner to the Association will first be deducted from the surplus. Any surplus remaining after the disbursement described in the foregoing paragraph will be common funds of the Association to be used as directed by the Board.

11.6.5 Cost and Plans. Promptly after the loss, the Board will obtain reliable and detailed estimates of the cost of restoring the damaged Townhomes. Costs may include premiums for bonds and fees for the services of professionals, as the Board deems necessary, to assist in estimating and supervising the repair. Townhomes will be repaired and restored substantially in accordance with original construction plans and specifications, unless the Association insures betterments and improvements made by Owners, in which case the Townhomes will be repaired and restored substantially as they existed immediately prior to the damage or destruction. Alternate plans and specifications for repair and restoration of the Townhomes must be approved by Owners of at least two-thirds of the Lots and by certain mortgagees if so required by the Mortgagee Protection article of this Declaration.

11.7

OWNER'S DUTY TO REPAIR

11.7.1 Uninsured Loss. Within 60 days after the date of damage, the Owner will begin repair or reconstruction of any portion of his Townhome not covered by the Association's blanket insurance policy, subject to the right of the Association to supervise, approve, or disapprove repair or restoration during the course thereof. Owners may be granted additional time in which to begin repairs or reconstruction by a majority vote of the Board.

11.7.2 Insured Loss. If the loss to a Townhome is covered by the Association's insurance policy, the Owner will begin repair or restoration of damage on receipt of the insurance proceeds or any portion thereof from the Association, subject to the rights of the Association to supervise, approve, or disapprove the repair or restoration during the course thereof.

11.7.3 Failure to Repair. If an Owner fails to repair or restore the damage as required by this Section, the Association may affect the necessary repairs and levy an individual assessment against the Owner and Lot for the cost thereof, after giving the Owner reasonable notice of the Association's intent to do so.

11.8 OWNER'S LIABILITY FOR INSURANCE DEDUCTIBLES. If repair or restoration of a Townhome is required as a result of an insurable loss, the Board may levy an individual assessment, in the amount of the insurance deductible, against the Owner or Owners who would be responsible for the cost of the repair or reconstruction in the absence of insurance.

ARTICLE 12

MORTGAGEE PROTECTION

12.1 INTRODUCTION. This Article establishes certain standards for the benefit of Mortgagees, and is written to comply with the Chapter VI of Fannie Guide in effect at the time of drafting. If a Mortgagee requests from the Association compliance with the guidelines of an Underwriting Lender, the Board, without approval of Owners or Mortgagees, may amend this Article and other provisions of the Documents, as necessary, to meet the requirements of the Underwriting Lender. This Article is a supplement to, not a substitution for, any other provision of the Documents. In case of conflict, this Article controls. Some sections of this Article apply to "Mortgagees," as defined in Article 1. Other sections apply to "Eligible Mortgagees," as defined below.

12.2 KNOWN MORTGAGEES. An Owner who mortgages his Lot will notify the Association, giving the complete name and address of his loan number. An Owner will also provide that information on request by the Association from time to time. The Association's obligations to Mortgagees under the Documents extend only to those Mortgagees known to the Association. All actions and approvals required by Mortgagees will be conclusively satisfied by the Mortgagees known to the Association, without regard to other holders of liens on Lots. The Association may rely on the information provided by the Owners and Mortgagees.

12.3 ELIGIBLE MORTGAGEES. "Eligible Mortgagees" means a Mortgagee that submits to the Association a written notice containing its name and address, the loan number, the identifying number and street address of the mortgaged Lot, and the types of actions for which the Eligible Mortgagee requests timely notice. A single notice per Lot will be valid as long as the Eligible Mortgagee holds a mortgage on the Lot. The Board will maintain this information. A representative of an Eligible Mortgagee may attend and address any meeting which an Owner may attend.

12.4

MORTGAGEE RIGHTS.

12.4.1 Termination. An action to terminate the legal status of the Property after substantial destruction must be approved by at least 51 percent of Eligible Mortgagees, in addition to the required consents of Owners. An action to terminate the legal status for reasons other than substantial destruction or

condemnation must be approved by at least 67 percent of Eligible Mortgagees. The approval of an Eligible is implied when the Eligible Mortgage fails to respond within 30 days after receiving the Association's written request for approval of a proposed amendment, provided the Association's request was delivered by certified or registered mail, return receipt requested.

12.4.2 Inspection of Books. Mortgagees may inspect the Association's books and records, including the Documents, by appointment, during normal business hours.

12.4.3 Financial Statements. If a Mortgagee so requests, the Association will give the Mortgagee an audited statement for the preceding fiscal year within 120 days after the Association's fiscal year-end. A Mortgagee may have an audited statement prepared at its own expense.

12.4.4 Right of First Refusal. Any right of first refusal imposed by the Association with respect to a lease, sale, or transfer of a Lot does not apply to a lease, sale, or transfer by a Mortgagee, including transfer by deed in lieu of foreclosure of a deed of trust lien.

12.5 INSURANCE POLICIES. If an Underwriting Lender is a mortgagee or an Owner, at the request of the Underwriting Lender the Association shall comply with the Underwriting Lender's insurance requirements to the extent the requirements are reasonable and available, and do not conflict with other insurance requirements of this Declaration.

ARTICLE 13

Amendments

13.1 CONSENTS REQUIRED. As permitted by this Declaration, certain amendments of this Declaration may be executed by Declarant alone. Otherwise, amendments to this Declaration must be approved by Owners of at least a majority of the Lots.

13.2 METHOD OF AMENDMENT. For an amendment that requires the approval of Owners, this Declaration may be amended by any method selected by the Board from time to time, pursuant to the bylaws, provided the method gives an Owner of each Lot the substance, if not exact wording of the proposed amendment, a description of the effect of the proposed amendment, and an opportunity to vote for or against the proposed amendment.

13.3 EFFECTIVE. To be effective, an amendment must be in the form of a written instrument (1) referring to the name of the property, the name of the association, and the recording data of this Declaration and any amendments thereto; (2) signed and acknowledged by an officer of the Association, certifying the requisite approval of Owners and, if required, Eligible Mortgagees; (3) recorded in the real property records of Danas and Tarrant Counties, Texas.

13.4 DECLARANT PROVISIONS. No amendment may affect Declarant's rights under this Declaration without Declarant's written and acknowledged consent, which must be part of the recorded amendment instrument. This Section may not be amended without Declarant's written and acknowledged consent.

13.5 MERGER. Merger or consolidation of the Association with another association must be evidenced by an amendment to this Declaration. The amendment must be approved by Owners of at least a majority of the Lots. Upon the merger or consolidation of the Association with another association, the

property, rights, and obligations of another association may, by operation by law, be added to the properties, rights, and obligations of the Association as a surviving corporation pursuant to the merger. The surviving or consolidated association may administer the provisions of the Documents within the Property, together with the covenants and restrictions established upon any other Property under its jurisdiction. No merger or consolidation, however, will effect a revocation, change, or addition to the covenants established by this Declaration within the Property.

13.6 TERMINATION. Termination of the terms of this Declaration and the status of the Property as a planned unit development are according to the following provisions. In the event of substantially total damage, destruction, or public condemnation of the Property, an amendment to terminate must be approved by Owners of at least 67 percent of the Lots. In the event of public condemnation of the entire Property, an amendment to terminate may be executed by the Board without a vote of Owners. In all other circumstances, an amendment to terminate must be approved by Owners of at least 80 percent of the Lots.

13.7 CONDEMNATION. In any proceeding, negotiation, settlement, or agreement concerning condemnation of the Area of Common Responsibility, the Association will be the exclusive representative of the Owners. The Association may use condemnation proceeds to repair and replace any damage or destruction to the Area of Common Responsibility, real or personal property, caused by the condemnation. Any condemnation proceeds remaining after completion, or waiver, of the repair and replacement will be deposited in the Association's reserve funds.

ARTICLE 14

GENERAL PROVISIONS

14.1 COMPLIANCE- The Owners hereby covenant and agree that the administration of the Association will be in accordance with the provisions of the Documents and all applicable laws, regulations, and ordinances, as same may be amended from time to time, of any government or quasi-governmental entity having jurisdiction over the Association or Property.

14.2 NOTICE. All demands or other notices required to be sent to an Owner or Resident by the terms of this Declaration shall be sent by certified mail, postage prepaid, to the party's last known address as it appears on the records of the Association at the time of mailing. If an Owner fails to give the Association an address for mailing, all notices may be sent to the Owner's Lot, and the Owner is deemed to have been given notice whether or not he actually receives it.

14.3 SEVERABILITY. Invalidation of any provision of the Declaration by judgment or court order does not affect any other provision, which remains in full force and effect. The effect of a general statement is not limited by the enumeration of specific matters similar to the general statement.

14.4 CAPTIONS. In all Documents, the captions of articles and sections are inserted only for convenience and are in no way to be constructed as defining or modifying the text to which they refer. Boxed notices are inserted to alert the reader to certain provisions and are not to be construed as defining or modifying the text.

14.5 APPENDIXES. The appendixes listed below are attached to this Declaration and incorporated herein by reference. The appendixes to this Declaration include:

14.6 INTERPRETATION. Whenever used in the Documents, unless the context provides otherwise, a reference to a gender includes all genders. Similarly, a reference to the singular includes the plural, and the plural the singular, where the same would be appropriate.

14.7 DURATION. Unless terminated or amended by Owners as permitted herein, the provisions of this Declaration run with and bind the Property, and remain in effect perpetually to the extent permitted by law.

14.8

MEDIATION AND BINDING ARBITRATION. It is the policy of the State of Texas to encourage the peaceable resolution of disputes through alternative dispute resolution procedures. In that respect, any dispute (whether contract, warranty, tort, statutory or otherwise) arising under, or relating to the Documents including but not limited to any easement, maintenance and repair obligation, architectural covenants and controls, use restrictions, Association and Member Rights, Assessments, foreclosure of a lien or any other matter set forth in the Documents or any note, policy or amendment to the Documents shall first be submitted to the Board for resolution. If the dispute is not resolved by the Board, such dispute shall be submitted to mediation and then binding arbitration and not by or in a court of law. The arbitrator may award to the prevailing party, if any, as determined by the arbitrator, all or any portion of its costs and fees. "Costs and fees" may include reasonable expenses of mediation and/or arbitration, including arbitrator's fees, administrative fees, travel expenses and out-of-pocket expenses such as copying and telephone, court costs, witness fees and reasonable attorney's fees. If the parties to a dispute are unable to agree on the appointment of a mediator and/or arbitrator, either party may petition a court of general jurisdiction in the subject county to appoint a mediator and/or arbitrator. It is stipulated and agreed that the filing of a petition requesting appointment of a mediator and/or arbitrator shall not constitute a waiver of the right to enforce binding arbitration.

In any arbitration proceeding between the parties:

- (a) All applicable Federal and State law shall apply;
- (b) All applicable claims, causes of action, remedies and defenses that would be available in court shall apply;
- (c) The proceeding shall be conducted by a single arbitrator selected by a process designed to ensure the neutrality of the arbitrator;
- (d) The parties shall be entitled to conduct reasonable and necessary discovery; (e) The arbitrator Shall render a written award and, if requested by any party, a reasoned award and;
- (f) Any award rendered in the proceeding shall be final and binding and judgment upon any such award may be entered in any court having jurisdiction.

That all zoning and land use requirements and restrictions for townhome development to be constructed within the Zoning Area shall conform to those requirements prescribed for the "SFT" Single Family Townhome District as established in the Unified Development Code (UDC) with supplemental development requirements as established in Sections III and IV of this ordinance.



SUPPLEMENTAL DEVELOPMENT REQUIREMENTS

1. Residential unit density not to exceed 11 units per net developable acre with a maximum height not to exceed three stories.
2. Minimum unit size to be 1,800 square feet.
3. A separate lot and block shall be shown on the final plat for the area to be maintained by the mandatory property owners' association, including internal access drives. Easements shall also be shown, where necessary, to grant rights to the City, the franchise utilities, and the mandatory property owner association for the maintenance of other site improvements and services.
4. Two car garage-parking spaces shall be provided for each townhome unit. All garage spaces are to be directly accessible to the main living area of the townhome unit.
5. No more than 65% of all garage-parking spaces shall be provided with a double wide (two cars wide) garage door.
6. Garage units shall be used only for the parking of motor vehicles, containing no more than two-wheel axles, which are used as the primary mode of street transportation by the occupant of the townhome unit,
7. All single wide (one car wide) garage doors serving the town home unit shall be offset a minimum of twelve (12) inches from the front building elevation of the townhome unit.
8. All garage doors, both single and double wide, shall have an exterior finish of wood or be of a wood appearance.
9. A minimum five (5) foot side and rear yard building setback shall be required for all perimeter walls of building structures. No part of a perimeter wall shall encroach into the minimum building setback area. This setback provision shall be noted on the final plat for the townhome project.
10. The following material selection options for the exterior walls of buildings shall be permitted:
 - A. A minimum masonry/stone percentage of 80% of total exterior walls measured below the top plate line of the highest story excluding doors and windows.
 - B. A minimum 50% masonry exterior composed of stone material with the remaining 50% of exterior wall surfaces being finished with Portland cement plaster on metal lath.
11. Where modular brick is used as an exterior building material, the same color of modular brick shall not be permitted on consecutive residential cluster buildings.
12. The following material selection options shall be permitted where stone and Portland cement plaster is used as an exterior building material:
 - A. The same color of stone shall be permitted for all buildings within the development.
 - B. The same color of Portland cement plaster shall not be permitted on consecutive residential cluster buildings. A minimum of four (4) color tones of Portland cement plaster shall be utilized to provide color variation between residential cluster buildings.

13. The application of Portland cement plaster on exterior walls shall be installed in accordance with the general guidelines and standards depicted in Figures 1 -A and I-B. below.

Figure I-A. — Application standard for Portland cement plaster (CSI 09220)

Figure I-B. — Thickness table for Portland cement plaster (CSI 09220)

14. All fireplace chimneys shall be 100% incased with a masonry product. Hard plank and stucco material or derivations thereof, shall not be permitted as an exterior chimney enclosure.

15. Townhome developments shall contain security gates at all entrances to the complex. Provision for a turnaround must be provided prior to the gate. All gates shall be installed with an opticom device or similar entry device approved by the Fire Department to facilitate emergency access. The security gates shall restrict entry to the privately maintained access drive and be planned and constructed in general conformance with the Concept Plan.

16. All freestanding mailboxes shall be constructed of masonry or of an antique cast iron type design to create a unified design standard throughout the subdivision. A mandatory property owners association shall require maintenance standards for all such mailboxes.

17. A planned development site plan shall be reviewed and approved by the City prior to the issuance of any building permits.

18. Roof shingles to be 30-year warranty type with articulated ridge caps.

Property Owners Association

A mandatory property owners association shall be created to establish and enforce deed restrictions and architectural controls for the development. The association documents shall be reviewed by the City Attorney and subject to approval by the City to ensure that they conform to this and other applicable City ordinances and concerns. The documents shall be filed of record prior to the approval of the final plat. The property-owners association, at its expense, shall also maintain the private parks, trail systems, private access drives and access gates, entrances into the development, fencing, irrigation, and other common areas within the development.

All ordinances or parts of ordinances in conflict herewith are specifically repealed.

That this Ordinance shall be in full force and effect from and after its passage and approval. PASSED AND APPROVED BY CITY COUNCIL OF THE CITY OF GRAND PRAIRIE, TEXAS, this the 2nd day of November 2004.

I. Article 4, Maintenance and Repair Obligations, section 4.6, is amended to include the following:

ARTICLE 4

MAINTENANCE AND REPAIR OBLIGATIONS

4.6 — Owners Responsibility.

4.6.4 — Electrical Utility Service. Owner is responsible for the maintenance and repair of a two-inch galvanized rigid steel electric service riser conduit extending above building foundation within exterior building walls. Owner is responsible for maintenance and repair of electric service PVC conduit below foundation and extending five feet beyond foundation. Owner is also responsible for maintenance and repairs of electric meter socket and must ensure that it will protrude a minimum of one inch from building exterior wall.

2. Article 6, Use Restrictions, is amended to include the following:

ARTICLE 6

USE RESTRICTIONS

6.22 — Electrical Utilities. With respect to electrical utilities and service on the property, (1) Electric service riser must extend above building foundation and within exterior building wall and must be a two inch galvanized rigid steel conduit; (2) Electric service PVC conduit below foundation must extend five feet beyond foundation to permit electrical utility company to tie into conduit and install electric service line Electric meter socket must protrude a minimum of one inch from the building exterior

In witness thereof, the undersigned has executed these Amendments to the Declaration of Covenants, Conditions & Restrictions for Lakeshore Village Destinations Lifestyle at Lakeshore Village L.L.C. on this the 2005.

BYLAWS OF LAKESHORE VILLAGE HOMEOWNERS' ASSOCIATION, INC.

ARTICLE 1

NAME AND LOCATION

The name of the corporation is LAKESHORE VILLAGE HOMEOWNERS' ASSOCIATION, NC. (the "Corporation"). "the Registered Office of the Corporation shall be located at 321 Exchange Dr., Arlington, in Tan-ant County, Texas, 76011 but meetings of Members and directors may be held at such places within the State of Texas as may be designated by the Board of Directors. The Registered Agent shall be Doug Huffman.

ARTICLE 2

DEFINITIONS

The following words, when used in these Bylaws, unless a different meaning or intent clearly appears from the context, shall have the following meanings:

Section 1. "Articles" shall mean and refer to the Articles of Incorporation of the Corporation.

Section 2. "Common Areas" shall mean all land in the Property other than the Lots intended for Townhomes, and includes Common Area Lots, as that term is defined in the Declaration.

Notwithstanding the foregoing, any streets or off-street parking areas located within the Lots shall be Common Areas for purposes of this definition.

Section 3. "Property" shall mean and refer to the land and premises situated in Dallas and Tarrant Counties, Texas, more particularly described on Exhibit "A" to the Declaration for Lakeshore Village Townhomes.

Section 4. "Corporation" shall mean and refer to Lakeshore Village Homeowners' Association, Inc., a Texas nonprofit corporation.

Section 5. "Declarant" means Destination Lifestyles at Lakeshore Village L.L.C., a Texas limited liability company.

Section 6. "Declaration" shall mean that certain Declaration of Covenants, Conditions and Restrictions applicable to the Property and recorded or to be recorded in the deed records of Dallas and Tarrant Counties, Texas, as the same may be amended from time to time.

Section 7. "Member" shall mean and refer to each Owner as provided herein in Article III.

Section 8. "Owner" means a person, other than Declarant, who by means of a voluntary transfer acquired a legal or equitable interest in a Lot other than a leasehold interest or as security for an obligation.

Section 9. "Lot" means a portion of the Property designated for separate ownership or occupancy, the boundaries of which are described in the Plat, as such term is defined in the Declaration.

ARTICLE 3

MEMBERSHIP

Section 1. Every person or entity who is now or hereafter becomes an Owner shall automatically be a Member of the Corporation.

Section 2. The Corporation shall have one class of voting membership. Members shall be entitled to one vote for each Lot in which they hold the interest required for membership. When more than one person holds such interest or interests in any Lot, all such persons shall be Members, and the vote for such Lot shall be exercised as they, among themselves, determine, but in no event shall more than one vote be cast with respect to any one Lot.

Every person or entity who is now or hereafter becomes an Owner shall automatically be a Member of the Corporation, and membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Corporation.

Section 3. The rights of membership are subject to the payment of regular, special and individual assessments levied by the Corporation, the obligation of which assessments is imposed against the Owner of and becomes a lien upon each Lot against which such assessments are made as provided by Article 8 of the Declaration which is hereby incorporated herein and made a part hereof for all purposes.

Section 4. The membership rights of any person whose interest in a Lot is subject to the assessments referred to hereinabove in Article III, Section 3, whether or not he or she is personally obligated to pay such assessments, may be suspended by action of the Board of Directors during the period when such assessments remain unpaid; but, upon payment of such assessment, his rights and privileges shall be automatically restored. If; at any time, the Board of Directors shall have adopted and published rules and regulations governing the use of the Common Areas and facilities, and the personal conduct of Members, their families, and their guests thereon, as provided in Article V, Section 3, they may, in their discretion, for violation of such rules and regulations by a Member or by his family or guests, suspend the rights of such not to exceed sixty (60) days.

ARTICLE 4

PROPERTY RIGHTS AND RIGHTS OF ENJOYMENT OF THE COMMON AREAS

Section 1. Each Member and any family members residing on the Property with said Member shall be entitled to the use and enjoyment of the Common Areas and facilities in accordance with and subject to the terms and conditions set forth in the Declaration.

ARTICLE 5

DIRECTORS

Section 1. The number of directors of the Corporation shall be no less than three (3) and no more than five (5)-. The directors shall be elected at the annual meeting of the Members, except as provided in Section 2 of this Each director elected shall hold office until his resignation or removal or until his successor is elected and qualified. Other than the initial directors, directors need not be residents of the State of Texas, but must be Members of the Corporation.

Section 2. Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining directors though less than a quorum of the Board of Directors. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office. Any directorship to be filled by reason of an increase in the number of directors shall be filled at an annual meeting of the Members or at a special meeting of the Members entitled to vote for that purpose. Any director may be removed from the Board of Directors, with or without cause, by a majority vote of the Members at an annual meeting of the Members or at a special meeting of the Members entitled to vote for that purpose.

Section 3. The business and affairs of the Corporation shall be managed by its Board of Directors which may exercise all such powers of the Corporation and do all such lawful acts and things which are not directed or required by statute or by the Articles or by these Bylaws or by the Declaration to be

exercised and done by the Members. The power and authority of the Board of Directors shall include, but shall not be limited to, and shall not be required to, the power and authority:

- (a) to establish, levy and assess, and collect the assessments referred to in Article III, Section 3 hereof;
- (b) to adopt and publish or cause to be published rules and regulations governing the use of the Common Areas and facilities and the personal conduct of the Members, their families, and their guests thereon;
- (c) to declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from (3) consecutive regular meetings of the Board of Directors;
- (d) to employ managers, independent contractors, or such other employees of the Corporation as it may deem necessary and to prescribe their duties;
- (e) to suspend the voting rights and right to use of the Common Areas, to the extent legally permitted, of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Corporation. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations; and
- (f) to exercise for the Corporation all powers, duties, and authority vested in or delegated to this Corporation and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration.

Section 4. It shall be the duty of the Board of Directors, unless otherwise stated in the Declaration:

- (a) to cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the entire voting membership;
- (b) to supervise all officers, agents, and employees of this Corporation, and to see that their duties are properly performed;
- (c) as more fully provided herein and in the Declaration:
 - (1) to fix the amount of the annual regular assessment against each Lot at least thirty (30) days in advance of each annual assessment period;
 - (2) to cause written notice of each assessment to be sent to every Owner subject thereto at least thirty (30) days in advance of such assessment's collection date;
 - (3) to collect the assessments assessed against each Lot; and

to procure and maintain insurance coverage in conformity with the following, to-wit: a comprehensive policy of public liability insurance or blanket all risk and general liability insurance covering the Common Areas, commercial spaces located on the Property and such other interests as set forth more fully in Article 10 of the Declaration, insuring the Corporation with such limits as may be considered acceptable to first lien holder (not less than \$500,000 covering all claims for personal injury and/or property damage arising out of a single occurrence) as set forth more fully in Article 10 of the Declaration; and to perform or cause to be performed the duties of the Architectural Control Committee in accordance with and subject to the terms and conditions set forth in the Declaration.

ARTICLE 6

MEETINGS OF THE BOARD OF DIRECTORS

Section 1. Meetings of the Board of Directors, regular or special, shall be held within Tarrant County, Texas.

Section 2. The first meeting of each newly elected Board of Directors shall be held at such time and place as shall be fixed by the vote of the Members at the annual meeting of the Members and no notice of such Meeting shall be necessary to the newly elected directors in order to legally constitute the Meeting. In the event of the failure of the Members to fix the time and place Of such first meeting of the newly elected Board of Directors, or in the event that such meeting is not held at the time and place so fixed by the Members, the meeting may be held at such time and place as shall be specified in a notice given as hereinafter provided for special meetings of the Board of Directors or as shall be specified in a written waiver signed by all of the directors.

Section 3. Regular meetings of the Board of Directors shall be held semi-annually, or more frequently if called by the President or by a majority of Board of Directors without notice, at such place and time as may be fixed from time to time by resolution of the Board of Directors, Should the meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 4. Special meetings of the Board of Directors shall be held when called by the President or by any two directors. Written notice of special meetings of the Board of Directors shall be given to each director at least three (3) days before the date of the Meeting. The business to be transacted at any special meeting of the Board of Directors shall be specified in the notice or waiver of notice of such meeting.

Section 5. A majority of the directors shall constitute a quorum for the transaction of business and the act of the majority of the directors' present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless a greater number is required by the Articles. If a quorum shall not be present at any meeting of the Board of Directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 6. Any action required or permitted to be taken at a meeting of the Board of Directors or a committee established by the Board of Directors may be taken without a meeting if a consent in writing, setting forth the action taken, is signed by all of the members of the Board of Directors or the committee, as the case may be, and such consent shall have the same force and effect as a unanimous vote at a meeting.

ARTICLE 7

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination for election of the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a chairman and two or more Members of the Corporation. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting until the close of the next annual

meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled.

Section 2. Election to the Board of Directors shall be by secret written ballot. At such election, the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. (Cumulative voting is not permitted).

ARTICLE 8



COMMITTEES

Section 1. The Board of Directors, by resolution adopted by a majority of the whole Board, may, in its discretion, (i) appoint a Nominating Committee, as provided in these Bylaws, and (ii) designate representatives to perform the duties and exercise the authority of the Architectural Control Committee, as provided in the Declaration. In addition, the Board of Directors may appoint other committees, whose members need not be directors, as deemed appropriate in carrying out its purposes.

Section 2. Vacancies in the membership of any committee appointed by the Board of Directors shall be filled by the Board of Directors at a regular or special meeting of the Board of Directors. Each committee shall keep regular minutes of its proceedings and report the same to the Board when required. The designation of an executive committee, if any, and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any member thereof, of any responsibility imposed upon it or him by law.

Section 3. Members of committees shall hold office until their successors are chosen and qualify. Any officer or agent or member of any committee elected or appointed by the Board of Directors may be removed by a majority vote of the Board of Directors, with or without notice, whenever, in its judgement, the best interest of the Corporation will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

ARTICLE 9

COMPENSATION OF DIRECTORS

The directors of the Corporation and committee members shall serve without compensation. However, any director may be reimbursed for actual expenses incurred in the performance of his duties.

ARTICLE 10



NOTICES

Section 1. Notices to directors and Members and holders of first mortgage liens shall be in writing and delivered personally or mailed to the directors, Members, and holders of first mortgage liens at their addresses appearing on the books of the Corporation. Notice by mail shall be deemed to be given at the time when deposited in the United States mail, addressed to the Member or director at his address as it appears on the books of the Corporation, with postage thereon prepaid. Notice to directors may also be given by telegram and shall be deemed to be given when given to the telegraph company.

Section 2. Whenever any notice is required to be given to any Members director, or holder of a first mortgage lien under the provisions of any statute or of the Articles or of these Bylaws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice.

Section 3. Attendance of any Member, director, or holder of a first mortgage lien at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

ARTICLE 11

OFFICERS

Section 1. The officers of the Corporation shall consist of a President (who shall at all times be a member of the Board of Directors), a Secretary, and a Treasurer, each of whom shall be elected by the Board of Directors. Any two or more offices may be held by the same person, except the offices of President and Secretary and President and Treasurer shall not be held by the same person.

Section 2. The Board of Directors, at the first meeting and after each annual meeting of Members, shall elect the officers of the Corporation.

Section 3. Such other officers and assistant officers and agents as may be deemed necessary may be elected or appointed by the Board of Directors.

Section 4. All officers of the Corporation shall serve without compensation.

Section 5. Each officer of the Corporation shall hold office for one (1) year unless he shall sooner resign or shall be removed or otherwise disqualified to serve. Any officer elected or appointed the Board of Directors may be removed by the Board of Directors without notice whenever, in its judgment, the best interests of the Corporation will be served thereby. Any vacancy occurring in any office of the Corporation by death, resignation, removal, or otherwise shall be filled by the Board of Directors.

Section 6. The Board of Directors may appoint such other officers and agents as it shall deem necessary who shall be appointed for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board

THE PRESIDENT

Section 7. The President shall be the sole executive officer of the corporation, shall preside at all meetings of the Members and the Board of Directors, shall have general and active management of the business of the Corporation and shall carry out such other duties as may be assigned by the Board and shall see that all orders and resolutions of the Board of Directors are carried into effect.

Section 8. He shall execute all contracts, leases, bonds, mortgages, deeds, and other written instrument's and shall co-sign all checks and promissory notes, except where required by law to be otherwise signed and executed or such checks that recur monthly and have been previously approved by the Board.

VICE PRESIDENTS

Section 9. The Vice Presidents, in the order of their seniority, unless otherwise determined by the Board of Directors, shall, in the absence or disability of the President, perform the duties and exercise the powers of the President. They shall perform such other duties and have such other powers as the Board of Directors shall prescribe.

THE SECRETARY

Section 10. The Secretary shall attend all meetings of the Board of Directors and all meetings of the Members and record all the votes and proceedings of the meeting of the Members of the Corporation and of the Board of Directors in a book to be kept for that purpose and shall perform like duties for the standing committees when required. He shall give, or cause to be given, notice of all meetings of the Members and special meetings of the Board of Directors and shall perform such other duties as may be prescribed by the Board of Directors or President, under whose supervision he shall be. He shall keep in safe custody the seal of the Corporation and, when authorized by the Board of Directors, affix the same to any instrument requiring it, and when so affixed, it shall be attested by his signature or by the signature of the Treasurer. He shall keep the appropriate current records showing the ownership of Lots and Members of the Corporation.

THE TREASURER

Section 11. The Treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall receive and deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors.

Section 12. He shall disburse the funds of the Corporation as may be authorized by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the President and the Board of Directors, at its regular meetings or when the Board of Directors so requires, an account of all of his transactions as Treasurer and of the financial condition of the Corporation.

Section 13. He shall co-sign all checks and promissory notes of the Corporation and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting and deliver a copy of each to the Members. He shall cause an annual audit of the Corporation's books to be made by a public accountant at the completion of each fiscal year.

Section 14. If required by the Board of Directors, he shall, at the expense of the Corporation, give the Corporation a bond in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of his office and for the restoration to the corporation, in case of his death, resignation, retirement, or removal from office, of all books, papers, vouchers, money, and other property of whatever kind in his possession or under his control belonging to the Corporation.

ARTICLE 12

MEETINGS OF MEMBERS

Section 1. Meetings of the Members for the election of directors shall be held at the offices of the Corporation in the County of Tarrant, State of Texas, or at such other location within the County of

Tarrant, State of Texas, as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof. Meetings of Members for any purpose may be held at such place within Tarrant County, Texas, and at such time as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof

Section 2. Annual meetings of Members, commencing with the year 2005, shall be held on the first Thursday of May if not a legal holiday, and if a legal holiday, then on the next calendar day following at 7:30 p.m., at which they shall elect, by a plurality vote which shall be by secret written ballot, a Board of Directors and transact such other business as may properly be brought before the meeting.

Section 3. Special meetings of the Members may be called by the President or a majority of the Board of Directors or upon written request of Members entitled to cast one-fourth (1/4) of all of the votes of the entire membership.

Section 4. Written or printed notice stating the place, day, and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than seven (7) nor more than fifty (50) days before the day of the meeting, either personally or by mail, by or at the direction of the President, the Secretary, or the officer or person calling the meeting, to each Member entitled to vote at such meeting.

Section 5. Business transacted at any special meeting shall be confined to the purposes stated in the notice thereof

Section 6. The presence at any meeting of Members entitled to cast one-third (1/3) of the votes of each class of membership, represented in person or by proxy, shall constitute a quorum at meetings of Members except as otherwise provided in the Declaration, the Articles, or -these Bylaws. If, however, a quorum shall not be present or represented at any meeting of the Members, the Members present, in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified.

Section 7. Other than for the election of directors, the vote of Members entitled to cast a majority of the votes thus represented at a meeting at which a quorum is present shall be the act of the Members meeting, unless the vote of a greater number is required by law, the Declaration, the Articles, or these Bylaws.

Section 8. Each Member may cast as many votes as he is entitled to exercise under the terms and provisions of the Articles on each matter submitted to a vote at a meeting of Members, except to the extent that the voting rights of any Member have been suspended in accordance with these Bylaws or the Declaration. At each election for Directors, every Member entitled to vote at such election shall have the right to cast as many votes as he is entitled to exercise under the terms and provisions of the Articles, in person or by proxy, for as many persons as there are directors to be elected and for whose election he has a right to vote, and Members of the Corporation are expressly prohibited from cumulating their votes in any election for directors of the Corporation.

Section 9. A Member may vote, in person or by proxy, executed in writing by the Member or by his duly authorized attorney-in-fact. No proxy shall be valid after eleven (11) months from the date of its

execution unless otherwise provided in the proxy. Each proxy shall be revocable unless expressly provided therein to be irrevocable, and in no event shall it remain irrevocable for a period of more than eleven (11) months from the date of its execution.

Section 10. The officer or agent having charge of the corporate books shall make, at least ten (10) days before each meeting of the Members, a complete list of the Members entitled to vote at such meeting or any adjournment thereof, arranged in alphabetical order with the address of each, which list, for a period often (10) days prior to such meeting, shall be kept on file at the principal office of the Corporation and shall be subject to inspection by any Member at any time during the usual business hours. Such list shall also be Produced and kept open at the time and place of the meeting and shall be subject to the inspection of any Member during the whole time of the meeting.

Section 11. The Board of Directors may fix, in advance, a date not exceeding fifty (50) days preceding the date of any meeting of Members, as a record date for the determination of the Members entitled to notice of and to vote at any such meeting and any adjournment thereof, and in such case, such Members, and only such Members as shall be Members of record on the date so fixed, shall be entitled to such notice of and to vote at such meeting and any adjournment thereof, notwithstanding any change of membership on the books of the Corporation after any such record date fixed as aforesaid.

Section 12. Any action required by the statutes to be taken at a meeting of the Members or any action which may be taken at a meeting of the Members may be taken without a meeting if a consent, in writing, setting forth the action so taken shall be signed by all of the Members required to vote affirmatively with respect to the subject matter thereof, and such consent shall have the same force and effect as the required affirmative vote of Members.

Section 13. Any conflict between one or more provisions of these Bylaws and one or more provisions of the Articles shall be resolved in favor of the provision(s) set forth in the Articles. Any conflict between one or more provisions of these Bylaws and one or more provisions of the Declaration shall be resolved in favor of the provision(s) set forth in the Declaration.

ARTICLE 13

GENERAL PROVISIONS REPORT TO SHAREHOLDERS

Section 1. The Board of Directors must, when requested by Members entitled to cast at least one-third (1/3) of all of the votes of the entire membership, present written reports of the business and condition of the Corporation.

FISCAL YEAR

Section 2. The fiscal year of the Corporation shall be fixed by resolution of the Board of Directors.

SEAL

Section 3. The corporate seal shall have inscribed thereon the name of the Corporation, the year of its organization, and the words "Corporate Seal, State of Texas". The seal may be used by causing it or a facsimile thereof to be impress or affixed or in any other manner reproduced.

ARTICLE 14

ASSESSMENTS

The rights of membership in the Corporation are subject to the payment of regular, special and individual assessments levied by the Corporation, the obligation of which assessments is imposed against the Owner of and becomes a lien upon each Lot against which such assessments are made, as provided in Article 8 of the Declaration, which is incorporated herein by reference and made a part hereof for all purposes.

ARTICLE 15

BOOKS AND RECORDS

The books, records, and papers of the Corporation shall, at all times, during reasonable business hours, be subject to inspection by all Members or holders of first mortgage liens. The Declaration, the Articles, and the Bylaws of the Corporation shall be available for inspection by any Member or holder at the principal office of the Corporation, where copies may be purchased at reasonable cost.

ARTICLE 16

INDEMNIFICATION

Section 1. The Corporation shall have the power to indemnify any director or officer or former director or officer of the Corporation for expenses and costs (including attorneys' fees) actually and necessarily incurred by him in connection with any claim asserted against him, by action in court or otherwise, by reason of his being or having been such director or officer, except in relation to matters as to which he shall have been guilty of negligence or misconduct in respect of the matters in which indemnity is sought.

Section 2. If the Corporation has not fully indemnified him, the court in the proceeding in which any claim against such director or officer has been asserted or any court having the requisite jurisdiction of any action instituted by such director or officer on his claim for indemnity, may assess indemnity against the Corporation, its receiver, or trustee, for the amount paid by such director or officer in satisfaction of any judgement or in compromise of any such claim (exclusive in either case of any amount paid to the Corporation), and any expenses and costs (including attorneys' fees) actually and necessarily incurred by him in connection therewith to the extent that the court shall deem reasonable and equitable, provided, nevertheless, that indemnity may be assessed under this Section only if the court finds that the person indemnified was not of negligence or misconduct in respect of the matter in which indemnity is sought.

ARTICLE 17

AMENDMENTS

These Bylaws may be altered, amended, or repealed by a two-third (2/3) of members at any regular meeting of the Members or at any special meeting of the Members if notice of such proposed action be contained in the notice of such special meeting. Further, no amendment of the Bylaws shall be made to

authorize a meeting of the Members of the Corporation outside of Tarrant County, Texas, without first obtaining consent from 100% of the Members and any first lien holders.

IN WITNESS WHEREOF, we, being all of the directors of Lakeshore Village Homeowners' Association, Inc., have hereunto set our hands this day of January 2005.

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FIRST SUPPLEMENTAL NOTICE OF FILING OF DEDICATORY INSTRUMENTS FOR LAKESHORE VLLAGE

Covenant Enforcement and Fining Policy; Parking Rules; Bylaws; Articles; Subordination

Agreements; Collection Policy; Pet Rules; Pool Rules

WHEREAS, Destination Lifestyles at Lakeshore Village L.L.C., a Texas sited liability company, ("Declarant") recorded an instrument entitled "Declaration of Covenant, Conditions & Restrictions for Lakeshore Village Townhomes" on or about February 24, 2005, s Instrument No. D205052749 of the Real Property Records of Tarrant County, Texas, an at Volume 2005038, Page 05738 et seq. of the Real Property Records of Dallas County, Texas, as amended and supplemented (the "Declaration"); and

WHEREAS, the Association is the property owners' association created by e Declarant to manage or regulate the planned development subject to the Declaration, which development is more particularly described in the Declaration; and

WHEREAS, Section 202.006 of the Texas Property Code provides that a property owners' association must file each dedicatory instrument governing the association that has not been previously recorded in the real property records of the county in which he planned development is located; and

WHEREAS, on July 1 1, 2016, the Association recorded a Notice of Filing o Dedicatory

Instruments for Lakeshore Village under Document No. D216152588 of the De d Records, Tarrant County, Texas (the "Notice") which included the Pet Rules and Pool Rules; d

WHEREAS, the Association desires to supplement the Notice to include the documents as set forth on Exhibit "1" attached hereto and incorporated by reference.

NOW, THEREFORE, the dedicatory instruments attached hereto as Exhibit "1" are true and correct copies of the originals and are hereby filed of record in the R al Property Records of Tarrant and Dallas Counties, Texas, in accordance with the requirement of Section 202.006 of the Texas Property Code.

FIRST SUPPLEMENTAL NOTICE OF FILING OF DEDICATORY INSTRUMENTS - Page I

IN WITNESS WHEREOF, the Association has caused this First supplemental to be executed by its duly authorized agent as of the date first above written.

LAKESHORE VILLAGE HOMEOWNE INC., a Texas non-profit corporation

FIRST SUPPLEMENTAL NOTICE OF FILING OF DEDICATORY INSTRUMENTS

LAKESHORE VLLAGE HOMEOWNERS ASSOCIATION, COVENANT ENFORCENENT AND FINING POLICY

WHEREAS, the Lakeshore Village Homeowners Association, Inc. (the "As is authorized to enforce the covenants, conditions and restrictions contained in the Declaration of Covenants, Conditions & for Lakeshore Village Townhomes (the declaration") and any rules and regulations adopted by the Association (collectively, the Governing Documents"); and

WHEREAS, pursuant to Article xx, Sections 9,204 and 9.3 of the Declartion, the Association is authorized to enforce the terms, provisions and conditions of the Declaration, the By-Laws and the rules and regulations of the Association, including the imposition reasonable monetary fines for violations of the Governing Documents; and

WHEREAS, in order to comply with the requirements of Sections 209.006 d 209.007 of the Texas Residential Property Owners Protection Act (the "Act"), the Board of Directors of the Association desires to promulgate the following rules establishing proceed for the enforcement of the restrictive covenants set forth in the Governing Documents and for the levying of fines against violating owners.

NOW, THEREFORE, IT IS RESOLVED that the following procedures and practices are established for the enforcement of the Governing Documents and for the curing f violations of the Governing Documents and the same are to be known as the "Covenant Enforcement and Fining Policy" (to be referred to herein as the "Enforcement Policy").

1.

EXEMPTED ACTIONS/REMEDIES This Enforcement Policy and the procedures herein does not apply if the Association files suit seeking a temporary restraining order or temporary injunctive relief, files suit to collect a regular or special assessment or foreclosure under the Association's lien, or is pursuing a self-help remedy. This Enforcement Policy and the procedures herein do not apply to collection of assessments and to the extent the Governing Documents and/or other Policies adopted require notice before the Association may pursue the remedy of self-help, and/or policies will control and the Association shall comply with them.

2. The steps and procedures contained in general outline of the procedures to follow for enforcement of the covenants, and rules contained in the Governing Documents; provided, however, Policy does not apply to collection of assessments and related costs and is not bound to follow the exact procedures in every enforcement matter by the Governing Documents or the Act. The procedures in this Enforcement to constitute a prerequisite or condition precedent to the remedy to enforce against any violation or to obtain any legal relief or remedy by the Act.

3.

ESTABLISHMENT OF VIOLATION Any condition, use, activity or improvement which does not comply with the provisions of the Governing Documents shall constitute a "Violation" under this Policy for all purposes. A Violation is considered a threat to public health or safety if the Violation could materially affect the physical health or safety of an ordinary resident. A Violation is considered incurable

if the Violation has occurred but is not a continuous action or condition capable of being remedied by affirmative action. The non-repetition or a one-time Violation or other Violation that is not ongoing is not considered an adequate remedy to the Association with respect to the enforcement of such Violation.

4.

REPORT OF VIOLATION Upon discovery of a Violation, the Board or its delegate may, but is not obligated to, forward to the Owner of the Lot in question written notice via regular first-class mail or via postcard of the discovery of a Violation(s) (the "Courtesy Notice"). The Owner will have at least ten (10) days from the date of the Courtesy Notice to correct or eliminate the Violation(s). The Board or its delegate may, in lieu of this notice, proceed immediately to the notice set forth in Paragraph 5 below.

5. If the Violation is not corrected or eliminated within the time period specified in the Courtesy Notice, or if the Board or its delegate deem it appropriate to proceed without the Courtesy Notice, the Association will forward to the Owner of the Lot in question written notice of the Violation(s) by certified mail (the "Notice of Violation"). A Notice of Violation letter is not required if the alleged violator was previously given a Notice of Violation within six (6) months of the current Violation and was given the opportunity to exercise any rights listed below in the preceding six (6) months. In such event, the Board may impose sanctions as authorized by the Declaration and/or this Enforcement Policy without notice to the Owner other than the Notice of Sanction/Fine described below. A Notice of Violation is also not required if the Act does not require it. The Notice of Violation, if required, state the following:

- a. The description of the Violation, including any property damage caused by the Owner, and state any amount due to the Association from the Owner.
- b. The proposed sanction to be imposed, including, but not limited to, the amount of any fine, suspension of rights to use Common Area, or the amount claimed to be due from the owner for property damage.
- c. That the Owner is entitled to a reasonable period to cure the violation and avoid the fine or sanction if the Violation is of a curable nature and does not pose a threat to public health or safety, and a description of the action required to cure the Violation, as well as specify the date by which the owner must cure the violation.
- d. A statement that the Owner may have special rights or relief related to the enforcement under federal law, including the Servicemembers Civil Relief t (50 U.S.C. app. Section 501 et seq.) if the owner is serving on active military duty.

FINING

e. The recipient may, on or before thirty (30) days after the notice of the of Violation (the date of mailing), deliver to the Association a written request for a hearing.

If a curable Violation is not corrected or eliminated within the time period specified in the Notice of Violation, or if the conduct which constitutes a Violation is committed again, or if a request for a hearing is not made on or before thirty (30) days from the receipt of the Notice of Violation, that the sanctions

or actions delineated in the Notice of Violation may be imposed or taken and that any attorney's fees and costs will be charged to the Owner.

If the hearing described in e. above is to be held before a committee or delegate of the Board, the Notice of Violation will state that the Owner has the right to appeal the decision of the committee or delegate to the Board

6. Notice of Sanction/Fine. A formal notice of the sanction, fine or sanction to be imposed or taken, including the amount of any fine or the amount of any property damage (the "Notice of Sanction/Fine") will be sent by the Association to the Owner by regular first-class mail and by certified mail where, within the time period specified in the Notice of violation, the Violation has not been corrected or eliminated (or, in the case of a recurring Violation, the Violation has reoccurred) or the Association has not timely received a written request for a hearing.

7.

REQUEST FOR A HEARING If the Owner timely requests a hearing, the hearing shall be held in executive session of the Board or a committee appointed by the Board ordering the alleged violator a reasonable opportunity to be heard. The Association will notify the Owner in writing of its decision and action.

8. Appeal. Following a hearing before a committee of the Board, the Owner shall have the right to appeal the decision to the Board. To perfect this right, a written notice of appeal must be received by the manager, president or secretary of the Association within thirty (30) days after the date of the Association's notice to the Owner of the results of the hearing. Any hearing before the Board shall be held in the same manner as provided above for hearings before a committee appointed by the Board.

9. Referral to Legal Counsel. Where a Violation is determined or deemed determined to exist and where the Board deems it to be in the best interests of the association to refer the Violation to legal counsel for appropriate action, the Board may do so at any time. Such legal action may include, without limitation, sending demand letters to the violating Owner, filing a notice of violation or non-compliance against the Lot in the real property records, seeking injunctive relief against the Owner to correct or otherwise abate the Violation, and/or filing suit to collection fines and/or costs incurred to cure Violations or repair property damage. Attorney's fees and all costs incurred by the Association in enforcing the Declaration and administering this Enforcement Policy shall become the personal obligation of the owner.

10. Fines. Subject to the provisions of this Enforcement Policy and/or e Governing Documents, the imposition of fines will be on the following basis:

a. In the event that the Owner has not cured the Violation within the requested time period (or, in the case of a recurring Violation, the Violation has reoccurred), has not made a timely written request for a hearing, or the Board subsequent to a hearing decides to levy a fine, then the Board may impose a fine up to the amount of \$50.00 against the owner and the Lot. In the event that the Board imposes a fine against an Owner and a Lot, the Board or its delegate will send a formal notice of the imposition of a fine (the "Notice of Fine") to e Owner.

If the Violation is still not corrected or cured within thirty (30) days from the date of the Notice of Fine, then the Board may impose a second fine up to the amount of \$100.00 against the owner and the Lot. In the event the Board imposes a second fine against the owner and the Lot, it shall so notify the Owner in writing.

c. In the event that the Violation is not cured within thirty (30) days from the date of the notice of the second fine, the Board may impose a third fine up to the amount of \$200.00 against the owner and the Lot, In the event the Board imposes a second fin against the owner and the Lot, it shall so notify the Owner in writing.

d. In the event that the Violation is not cured within ten (10) s from the date of the notice of the third fine, the Board may impose additional fines against the owner and the Lot for every ten (10) days the violation exists in an amount determined by the Board with the aggregate not exceeding \$800.00.

e. Improvements made without first obtaining approval that are temporary in nature, including, but not limited to, solar screens, storm windows, landscaping, painting, and the like, will incur a \$200.00 fine.

f. Improvements made without first obtaining ACC approval that are of a permanent nature, including, but not limited to, replacing fences, covers, sheds, gutters, roof replacement, and all concrete expansions, will incur a \$500.00 fine.

g. The Violation Fines, together with interest at the highest lawful rate per annum and any costs of collection, including attorney's fees, shall be a continuing lien upon the Lot against which such Violation Fines are made.

11. Notices. Unless otherwise provided in this Enforcement Policy all notices required by this Enforcement Policy shall be in writing and shall be deemed to have been duly given if delivered personally and/or if sent by United States Mail, first-class postage prepaid, to the Owner at the address which the Owner has designated in writing and filed with the Secretary of the Association or, if no such address has been designated, to the address of the Lot of the Owner.

a. Where the notice is directed by personal delivery, notice is to be deemed to have been given, sent, delivered or received upon actual receipt by any person accepting delivery thereof at the address of the recipient as set forth in such notice or if no person is there, by leaving the notice taped to the front door of the residence.

b. Where the notice is placed into the care and custody of the United States Postal Service, notice shall be presumed to have been given, sent, delivered or received, as of the third (3rd) calendar day following the date of postmark of such notice bearing postage prepaid and the appropriate name and address as required herein unless otherwise shown by the recipient to have been received at a later date.

c. Where a day required for an action to be taken or a notice be given, sent, delivered or received, as the case may be, falls on a Saturday, Sunday or United States Postal Service holiday, the required date for the action or notice will be extended to the first day following which is neither a Saturday, Sunday or United States Postal Service holiday.

d. Where the Board has actual knowledge that an enforcement action would directly affect a third party (e.g. a tenant or a neighbor) or involves a Violation by party other than the Owner, notices required under this Enforcement Policy may be given, if possible, to such third party in addition to the Owner. Notwithstanding any notice sent to a third party, the Owner remains the party responsible for compliance with the requirements of the Governing Documents. The Board shall accept a response from any such third party only upon the written direction of the Owner of the Lot upon which the Violation exists.

e. Where the interests of an Owner in a Lot have been handled by a representative or agent of such Owner or where an Owner has otherwise acted so to put the Association on notice that its interest in a Lot has been and are being handled by a representative or agent, any notice or communication from the Association pursuant to this Enforcement Policy will be deemed full and effective for all purposes if given to such representative or agent.

f. Where an Owner transfers record title to a Lot at any time during the pendency of any procedure prescribed by this Enforcement Policy, such Owner shall remain personally liable for all costs and fines under this Enforcement Policy. As soon as practical after receipt by the Association of a notice of a change in the record title to a Lot which is the subject of enforcement proceedings under this Enforcement Policy, the Board may begin enforcement proceedings against the new Owner in accordance with this Enforcement Policy. The new Owner shall be personally liable for all costs and fines under this Enforcement Policy which are the result of the new Owner's failure and/or refusal to correct or eliminate the Violation in the time and manner specified under this Enforcement Policy.

12.

CURE OF VIOLATION DURING ENFORCEMENT. An Owner may correct or eliminate a curable Violation at any time during the pendency of any procedure prescribed by this Enforcement Policy. If the Owner corrects or eliminates a curable Violation before the cure period provided for in the Notice of Violation, a fine may not be assessed for the Violation. If the Owner corrects or eliminates a curable Violation after the cure period provided for in the Notice of Violation, the Owner will remain liable for all costs and fines incurred or levied under this Enforcement Policy. Upon verification by the Board that the Violation has been corrected or eliminated, the Violation will be deemed to no longer exist.

13. **Definitions.** The definitions contained in the Association's Governing Documents are hereby incorporated herein by reference.

COLLECTION POLICY

The Lakeshore Village Homeowners Association ("Association") acting through its Board of Directors has certain responsibilities regarding the care and maintenance of Common Elements. In order to meet the responsibilities and protect the assets of all Owners, the Association must levy assessments and special assessments and ensure timely receipt of such. The purpose of this policy is to establish procedures by which they achieve uniformity and non-discrimination in the collection of both monthly and special assessments, as permitted in its governing documents.

The Association's annual assessments are due and payable in two equal installments on January 1 and July 1 of each year. Any annual assessment not paid when due, will be delinquent. If any such assessment is not paid within (10) ten days after the due date a delinquency shall be charged a late

charge. Pursuant to Article 9 Section 9.13 of the Declaration, the Board hereby sets a late charge at \$25 along with a 10% per annum interest charge on the unpaid balance.

Special assessments may be levied to meet common expenses, as deemed necessary by the Board of Directors and as allowed in the Declaration and Bylaws. Special assessments are due and payable as stated in the assessment notice. Any special assessment not paid within ten (10) days beyond the due date stated in the assessment notice is considered delinquent. The delinquent special assessment shall bear interest from the due date, until paid, at the rate of 10% per annum.

If an Owner fails to make payment of a monthly or special assessment within ten (10) days beyond the due date of such, the Association will send a late notice to the Owner. Such notice will state that an assessment is outstanding, and include the name and telephone number of a person who may be contacted regarding payment of the assessment.

If an Owner fails to make payment of a monthly or special assessment within thirty (30) days beyond the due date of such, the Association will send a delinquency notice to the Owner. Such notice will be sent by certified mail, and shall state that the Owner is responsible for all late fees and interest, as calculated above.

REFERRAL TO ATTORNEY/COLLECTION AGENCY

If an Owner fails to make payment of a monthly or special assessment within sixty (60) days beyond the due date of such, the Association will send a (30) thirty-day notice to Owner of intention to refer the delinquent account to an attorney/collection agency.

Owner shall be made aware of payment plan options at the time such letter is sent. Such will be sent by certified mail. Subsequently upon the decision of the Board of Directors on behalf of the Association, the delinquent account will be forwarded to the attorney / agency for collection in full.

If an owner with a delinquent account fails to respond to the attorney/collection agency, the Board reserves the right to commence a lawsuit against the Owner, file a notice of lien against the property of the delinquent Owner, and/or foreclosure proceedings pursuant to current Texas law.

The Association shall be entitled to recover from the Owner its reasonable attorney's fees and collection costs incurred in the collection of delinquent accounts. Such fees shall be due and payable from the Owner immediately when incurred, upon demand.

In the event that any check payable to the Association is not honored by the payee's bank or returned by the bank for reason, including insufficient funds, the Owner shall be assessed a \$75.00 returned check fee.

All funds received by or on behalf of Owners will be applied in the following order:

1. delinquent assessment
2. current assessment
3. attorney's fee or third-party collection costs incurred by the solely for assessments or any other share that could provide the basis for foreclosure

4. attorney fees incurred by the Association that are not subject to the preceding subpart
5. fines; and
6. any other amounts owed to the Association

An Owner who is unable to make timely payment of assessments because of personal hardship may request a waiver by submitting a written request to the Association. The Owner's request for waiver should specify the nature of the personal hardship, and the relief that is sought. The Association will consider such request for waiver and issue a written response, indicating whether relief is granted and any conditions associated with relief. Relief may only be granted by a majority vote of the Board of Directors,

The Association will notify all Owners of this collection policy by sending a copy via US. mail and recording it in the deed records.

This collection policy shall take effect on January 1, 2012, and shall remain in full force and effect until revoked, modified or amended by majority vote of the Board of Directors.

The Association will notify all owners by mailing a copy of the notice and by recording it in the deed records.

PET POLICY

The following pet policies are to be respected by all pet owners:

- 1) All dogs must be on a leash when on the common elements.
- 2) Pet owners must immediately pick up droppings from their pets anywhere on the common elements, including, but not limited to, driveways, guest parking spaces, or the streets, and dispose of accordingly.
- 3) No pets may be leashed or chained on the exterior of a unit.
- 4) No food or water may be left outside of a unit or on the patio or balcony of a unit for any animal.
- 5) Pets must be properly vaccinated and have tags which comply with the requirements of the City of Grand Prairie. We recommend that all pets have tags with owner's name and phone number for identification.
- 6) No pets are allowed in the pool area.
- 7) Pet owners (and their parents if the owner is a minor) are solely liable for any damages caused by their pets.
- 8) No animal, bird, reptile, or insect of any kind may be kept, maintained, raised, or bred anywhere on the Property for any commercial purpose. Customary domesticated household pets may be kept subject to the Rules which may regulate the type, size, number, and disposition of animals, and may authorize removal of an animal that violates the Rules. A household pet means a house dog, a house cat,

a small caged bird, or aquarium fish. In the event the Rules fail to establish animal occupancy quotas, no more than 2 dogs or cats, or 1 dog and 1 cat, may be maintained in each Townhome. Permission to maintain other types or additional numbers of household pets must be obtained in from the Board.

Any animal found on the common elements unattended will be relinquished to the city pound, If a pet is deemed by the Board to be a disturbance to other residents, the Board may permanently prohibit that pet from entering or residing anywhere on the property.

Should the Association incur any expenses or financial obligations in the removal of a pet, the owner of the unit where the pet resides will be liable for reimbursement of any such expense.

POOL RULES AND REGULATIONS

WARNNG -NO LIFEGUARD ON DUTY. SWIM AT OWN RISK

Pool Hours: 6:00 A.M. TO 10:00 PM

POOL RULES

1. Persons using pool facilities do so at their own risk. The Association assumes no responsibility for accident or injury.
2. The pool is for the use of Lakeshore Village residents and their guests. Residents are responsible for the conduct of their guests at all times. The resident must accompany guests. A maximum of four guests are permitted per unit. Guest must be with Owner or occupant sponsor at all times.
3. No running, horseplay, fighting, dangerous conduct or noise, which disturbs the other residents or guests, is allowed in the pool area, Due to the extreme danger, no one may play or dive into the negative edge pool.
4. No one under 16 years of age shall be allowed in the pool at any time, unless accompanied and supervised by a parent, guardian or a person over the age of 18 years who has been given written authority by the parent or guardian to supervise the child and who has assumed responsibility for such supervision.
5. Pool gates may not be propped open or otherwise rendered inoperable, even temporarily. Texas Department of State Health Services rules for swimming pools and spas prohibit propping open pool yard gates. Gates in need of repair should immediately be reported to the managing agent,
6. Safety equipment is to be used only in case of an emergency.
7. Pool furniture may not be removed from the pool area. Owners may not leave their own personal property in the pool area but should return such personal property to their own unit when leaving the pool area.
8. Voices shall be kept at normal conversational levels; only personal listening devices are allowed with the use of earphones. Cursing or abrasive language is not permitted.
9. Large parties, defined as more than four (4) persons, must be cleared through the Board of Directors, in writing, no less than 48 hours in advance.

10. Only proper swimsuits are permitted. Diapers, cut-offs, or thongs are not allowed. Infants and incontinent persons shall be in appropriate swim attire,
11. Long hair shall be constrained by ponytails, braids, or swim caps,
12. No smoking allowed in pool area.
13. No pets are permitted in the pool or pool area.
14. The Association is not responsible for personal items that are lost, damaged, or stolen.
15. Pool users shall be responsible for paying clean-up expenses, repair costs, and damages they or their guests cause.
16. Residents and guests should feel free to respectfully request others to cease any violation of these rules. These rules apply to owners, residents, occupants, guests, and their children.
17. Each resident is responsible for cleaning up the area used. This includes removing any beverages from the area and cleaning off chairs. All articles brought to the pool area, including but not limited to, trash, towels, books, magazines, and newspapers shall be removed.

FIRST AMENDMENT TO THE FIRST SUPPLEMENTAL NOTICE OF FILING

OF DEDICATORY INSTRUMENTS FOR LAKESHORE VILLAGE -AMENDED AND RESTATED

PARKING RULES

WHEREAS, on September 21, 2016, the Association recorded the First Supplemental Notice of Filing of Dedicatory Instruments for Lakeshore Village under Document No. D2162211 17 of the Real Property Records of Tarrant County, Texas and under Document No. 201600264590 of the Real Property Records of Dallas County, Texas ("First Supplement") which included parking rules.

WHEREAS, the Association desires to delete and replace the parking rules filed with the First Supplement with the Amended and Restated Parking Rules attached hereto as Exhibit 1 and incorporated by reference.

NOW, THEREFORE, the dedicatory instrument attached hereto as Exhibit "1" is true and correct copy of the original and is hereby filed of record in the Real Property Records of Tarrant and Dallas Counties, Texas, in accordance with the requirements of Section 202.006 of the Texas Property Code.

IN WITNESS WHEREOF, the Association has caused this First Amendment to the First Supplemental Notice to be executed by its duly authorized agent as of the date first above written.

LAKESHORE VILLAGE HOMEOWNERS ASSOCIATION, INC.

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AMENDED AND RESTATED PARKING RULES

WHEREAS, Article VI, Section 6.} (j) of the Declaration of Covenants, Conditions, and Restrictions for Lakesh01t: Village Townhomes (the "Declaration") and Article V, Section 3(b) of the Bylaws of Lakeshore Village Homeowners' Association, Inc. (the "Bylaws") grant the Board of Directors (the "Board") of the Lakeshore Village Homeowners Association, Inc. ("Association") the authority to make and amend reasonable rules and regulations, including rules regulating the parking of vehicles; and

WHEREAS, the Board previously promulgated and recorded the Parking Rules.

WHEREAS, the Board finds there is a need to delete and replace the Parking Rules for the parking of vehicles on the private streets located within the Association.

NOW, THEREFORE, IT IS RESOLVED that the following rules and regulations amend and restate the Parking Rules and arc established for the enforcement of the packing of vehicles within Lakeshore Village and the same to be hereby known as the "Lakeshore Village Parking Rules" of the Association:

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DEFINITIONS.

Resident Parking: Resident Packing shall mean and refer to the enclosed garage spaces provided for each individual Townhome.

Guest Parking: Guest Parking shall mean and refer to the thirty-six (36) cut-out spaces located along the private streets within the Association that are designated on the spaces as "Guest Parking."

Guest Vehicle: Guest Vehicle shall mean and refer to any vehicle within the community that is not a Personal Residential Vehicle or Commercial/Recreational Vehicle as defined below.

Driveway(s): Driveways shall mean and refer to the pull through areas in front of each set of townhomes adjacent to the private streets and the areas immediately in front of a Townhome's enclosed garage.

Commercial/Recreational Vehicle: Unless otherwise provided herein, Commercial/Recreational Vehicle shall mean and refer to non-owner operated trucks with tonnage over 3/4 of a ton, vehicles with advertising signage, trailers, or any other similar vehicle equipment, mobile homes, motor homes, campers, buses, boats, aircraft, or other similar vehicles, mobile or otherwise, used for a commercial purpose, which the Board deems to be a nuisance, unsightly, or inappropriate.

Personal Residential Vehicles: Unless otherwise provided herein, Personal Residential Vehicles shall mean and refer to any type of passenger vehicle, whether motorized or non-motorized, mobile or otherwise, including, but not limited to, vehicles such as automobiles, trucks, vans, motorcycles, jeeps, sport utility vehicles, bicycles and other like vehicles which are owned, used, otherwise controlled, and/or operated by Owners, tenants, occupants, residents, or the child/children of the same in the Association. Personal Residential Vehicles do not include mobile homes, motor homes, campers, buses, boats, aircraft, or other similar vehicles.

2.

REGISTRATION OF PERSONAL RESIDENTIAL VEHICLES. All Personal Residential Vehicles owned, used, otherwise controlled, and/or operated by Owners, tenants, occupants, residents, or the child/children of

the same in the Association, must be registered with the Association within 15 days after recordation of these rules and mailing to the record owner of the Townhome, upon an individual, individuals, or entity obtaining legal title to a Townhome, and/or upon an individual or individuals obtaining title to a new vehicle or bringing into the Association a new vehicle for which an Owner, tenant, occupant, resident or the child/children of the same will regularly use, operate, control, keep, or maintain on Association property, and have a community registration sticker affixed to the lower right-hand corner of the vehicles rear windshield, clearly identifying the vehicle as belonging to an Owner, tenant, occupant, resident, or the child/children of the same. Failure to with the Association all vehicles owned, used, or otherwise under the control of the Owner, tenant, occupant, resident, or the child/children of the same constitutes a violation of these rules and is subject to sanctions including, but not limited to, fining and towing, and such vehicles, whether or not registered and/or stickered, will be considered and treated as a Personal Residential Vehicle for the purposes of these parking rules.

3.

COMMERCIAL/RECREATIONAL VEHICLE RESTRICTIONS; SERVICE AND DELIVERY RESTRICTIONS

Service/Recreational Vehicles may not be kept, parked, or stored anywhere on the Property without Board approval, except as follows:

- a. Service and delivery vehicles may be parked in the Driveway of a Townhome to which they are servicing or making a delivery for such period of time as is reasonably necessary to provide the service or make the delivery to the applicable townhome, but in no event shall the parking exceed four (4) hours between the hours of 8:00 a.m. and 5:00 p.m.
- b. Commercial/Recreational Vehicles may be parked in a Driveway for so long as necessary for loading or unloading or passengers or personal property, but in no event shall parking exceed four (4) hours between the hours of 8:00 a.m. and 5:00 p.m.

Parking of Commercial Vehicles that transport inflammatory or explosive cargo is prohibited at all times.

Parking of Commercial Vehicles and/or equipment temporarily on the Property in connection with the construction or maintenance of a Townhome is not subject to this restriction.

4.

PERSONAL RESIDENTIAL VEHICLE RESTRICTIONS, The parking of Personal Residential Vehicles of any type, whether motorized or non-motorized, including, but not limited to, vehicles such as automobiles, trucks, vans, motorcycles, jeeps, sport utility vehicles, bicycles and other type vehicles, is governed by the following rules:

- a. Personal Residential Vehicles are strictly prohibited from parking in Guest Parking. The parking of Personal Residential Vehicles is restricted to the garage spaces provided with each Townhome.
- b. Parking in the unmarked spaces is provided on a temporary basis. Resident vehicles shall not occupy these spaces for a period extending beyond 2 hours between 7:00 AM and 7:00 PM. Between 7:00 PM and 7:00 AM all resident vehicles shall be parked in the enclosed garage of the Townhome or the unmarked spaces, Any Personal Residential Vehicle found in a guest space will be deemed in violation of this policy.

- c. In instances of emergencies, and upon Board written approval, Personal Residential Vehicles will be limited to a total of 3 (three) nights during a calendar month, not to exceed a total of 9 (nine) nights in a calendar year.
 - d. The garage area of each Townhome may not be enclosed or used for any other purpose (including storage) that prohibits the parking of two Personal Residential Vehicles therein unless otherwise provided in writing by the Board.
 - e. Except as provided in Section 3 above, the Driveway of each Townhome may not be used for any purpose that interferes with its ongoing use as a route of vehicular access to the garage of each Townhome. Without the Board's prior approval, a driveway may not be used for storage purposes, for the restoration of vehicles, or for guest parking.
- 5.

STREET PARKING AND GUEST PARKING

- a. Boats or other watercraft, buses, motor homes, mobile homes, campers, trailers, inoperable vehicles, Guest Vehicles, Personal Residential Vehicles and Commercial/Recreational Vehicles may not be parked on the private streets of Lakeshore Village.
- b. The guest of an Owner, tenant, occupant, or resident of the Association must park his or her Guest Vehicle in one of the thirty-six (36) Guest Parking spaces found throughout the Lakeshore Village community. Any vehicle, including Personal Residential Vehicles or a Commercial/Recreational Vehicle, other than a Guest Vehicle parked in Guest Parking will be deemed to be in violation of these parking rules.
 - i. Prior to obtaining an overnight parking permit, the home owner or agent must have a completed Unit Registration form on file with the Association's managing agent for the current year. The Unit Registration form must accurately identify all vehicles and occupants associated with that particular address.
 - ii. The Owner or Resident must also provide a Parking Permit Request form to the Association's managing agent. This form must be submitted by the Unit Owner. If the Unit is rented, the tenant is authorized to submit the parking permit request form, provided the tenant is identified by name on the Unit Registration Form.
 - iii. Use of the parking permit is limited to 10 nights per Townhome per month. A vehicle that uses the permit more than 10 nights in a month will be considered a Personal Residential Vehicle and will be subject to the vehicle registration guidelines and parking restrictions.
- c. Guests are permitted to park his or her Guest Vehicle on the street with or without placard between the hours of 7:00 AM and 11:59 PM. Vehicles in guest parking must be removed by 12:00 AM/midnight or display a valid parking permit issued by the Association. Vehicles without valid permits will be considered in violation.
- d. Any vehicle lawfully parked in Guest Parking must be parked according to the following rules:
 - i. The vehicle must be parked in the direction of the normal traffic flow;

- ii. The vehicle must be parked so that both curbside tires are within twelve (12) inches of the curb (unless parked in a street circle in which case the vehicle must be parked so as to not impede or interfere with the normal traffic flow);
- iii. For the two (2) Parking spaces located by the main entrance gate that are in front of the mailboxes, no vehicle shall block or hinder access to any mailbox between the hours of 8:00 AM to 7:00 PM weekdays and Saturdays. If a vehicle is parked such that the postal carrier must exit his or her vehicle, then it will be considered hindering access.

6.

GENERAL PARKING RESTRICTIONS. In addition to the above parking restrictions and unless otherwise provided herein, the following parking restrictions shall also apply to all vehicles parked within Lakeshore Village:

- a. No vehicle may be parked within 15 feet of a fire hydrant (Texas Transportation Code 545.302(b)(2)).
- b. No vehicle may be parked on a sidewalk, crosswalk, or within an intersection
- c. No vehicle may be parked in any manner that blocks vehicle access to a Driveway.
- d. No vehicle may be parked within 15 feet of the approach to any stop sign.
- e. No vehicle may be parked on the roadway side of any vehicle stopped or parked at the edge or curb of a roadway (double parking).
- f. No vehicle may be parked on any grass covered Lot or surface within Lakeshore Village.
- g. No vehicle may be parked at any place where official signs posted by the Lakeshore Village Homeowners Association prohibit parking or stopping.

7.

REMEDIES. The Association possesses enforcement remedies included in the Declaration to cure violations of the covenants, conditions, restrictions, and rules the Board promulgates, including these parking rules. In particular, the Association possesses the following remedies, in addition to those in the Declaration, related to parking of vehicles in the Association:

a.

AUTHORITY TO TOW. Pursuant to Article IX, Section 9.2.4 of the Declaration, any vehicle, including a Personal Residential Vehicle, Commercial/Recreational Vehicle, or Guest Vehicle, which is parked, stored or kept on any private street, Driveway, Guest Parking space, Lot or Common Property (as defined by the Declaration or these parking rules) in violation of the Declaration or the Lakeshore Village Parking Rules may be towed by or at the direction of the Association to a vehicle storage facility or other location listed on the no parking signs located at the entrance to the community and other locations throughout Lakeshore Village, subject to the provisions of these rules. The legal owner of the vehicle will be liable for all charges associated with the towing and storage of the vehicle.

- b. Fine. The Association may levy of \$50.00 fine against an Owner, tenant, occupant, or resident who violates these parking rules.

8.

NOTICE OF VIOLATION. Pursuant to Article [X, Section 9.3 of the Declaration and Section 209.006 of the Texas Property Code as it may apply, except as hereinafter provided and in the event of an emergency situation, prior to towing an unauthorized or illegally parked vehicle and/or levying a fine for the same, the Association or its delegate will deliver to the Owner, tenant, occupant, or resident to which the vehicle is registered written notice of the violation (the "Notice"). This Notice will inform the Owner, tenant, occupant, or resident as follows:

- a. The nature, description and location of the parking violation.
- b. The authority for establishing that the vehicle in question is unauthorized or illegally parked.
- c. The proposed sanction to be imposed, including, but not limited to, the amount of any fine, suspension of rights to use Common Area, the use of self-help remedies (i.e. towing) or the amount claimed to be due from the owner for properly damage.
- d. That the Owner is entitled to a reasonable period to cure the Violation and avoid the fine, sanction, or other enforcement remedy (i.e. towing) if the Violation is of a curable nature and does not pose a threat to public health or safety, a description of the action required to cure the Violation, and a date by which the Owner must cure the violation.
- e. A statement that the Owner may have special rights or relief related to the enforcement action under federal law, including the Service members Civil Relief Act (50 U.S.C. app. Section 501 et seq.) if the owner is serving on active military duty.

The recipient may, on or before thirty (30) days after the date of the Notice (the date of mailing), deliver to the Association a written request for a hearing.

If a curable Violation is not corrected or eliminated within the time period specified in the Notice, or if the conduct which constitutes a Violation is committed again, or if a written request for a hearing is not made on or before thirty (.30) days from the receipt of the Notice, that the sanctions, actions, or enforcement remedies delineated in the Notice may be imposed or taken and that any attorney's fees and costs will be charged to the Owner.

9.

EXCEPTIONS TO THE NOTICE REQUIREMENT in Item 8. The following are exceptions

Item 8 above wherein the Association must send the Owner, tenant, occupant, or resident the Notice which, in part, describes the violation and provide the Owner, tenant, occupant, or resident an opportunity to cure the violation. In the event that one or all of the following exceptions are in place, the Association is not obligated to send the violating Owner, tenant, occupant, or resident the Notice described above and the Association may immediately pursue an enforcement remedy, including towing, described above.

MULTIPLE VIOLATIONS

1. Towing - In the event that an Owner has been sent a Notice, and should an Owner again be deemed to be in violation of these parking rules within twelve (12) months from the date of the Notice the

Association shall not be required to send a new or an additional Notice for the subsequent Violation, but may first proceed with immediately towing the vehicle in violation. The same procedure shall also apply to any subsequent Violations thereafter occurring within this twelve (12) month period of the initial Notice. The mailing of the Notice will not be required if after the Notice is transmitted to the Owner, tenant, occupant, or resident that person subsequently leaves or parks the vehicle in another location where parking is unauthorized for the vehicle according to the notice.

2

FINING, LAWSUIT, PROPERTY DAMAGE - In the event that an Owner has been sent a Notice, and should an Owner again be deemed to be in violation of these parking rules within six (6) months from the date of the Notice, the Association shall not be required to send a new or an additional Notice for the subsequent Violation, but may first proceed with immediately levying a fine, filing suit, or assessing costs for property damage against the Owner. The same procedure shall also apply to any subsequent Violations thereafter occurring within this six (6) month period of the initial Notice. The mailing of the Notice will not be required if after the Notice is transmitted to the Owner, tenant, occupant, or resident that person subsequently leaves or parks the vehicle in another location where parking is unauthorized for the vehicle according to the notice.

b.

EMERGENCY SITUATIONS. Pursuant to Article IX, Section 9.2.4 of the Declaration, the Board may use self-help without sending the Notice to remedy a violation of the Declaration or the rules and regulations of Lakeshore Village if, in the good faith opinion of the Board, an emergency situation exists. Emergency situations shall include, but are not limited to, situations involving the dispatch of law enforcement, fire or emergency medical personnel to any Townhome or other location within Lakeshore Village. Vehicles found to be parked or stored in violation of these rules will be towed immediately in the event of an Emergency situation without prior notice.

c.

GUEST VEHICLES. Because a guest is not subject to the notice requirements in these parking rules or the Declaration, the Association is not obligated to provide a guest prior notice of a violation and the ability to cure the violation prior to exercising its right to tow a Guest Vehicle. Accordingly, in the event a Guest Vehicle is parked in violation of these parking rules or restrictions in the Declaration, the Association is authorized to automatically tow the Guest Vehicle without providing the Notice described above to the guest.

10. Referral to Legal Counsel. The Board may engage legal counsel at any time to protect, preserve and enforce the restrictive covenants, Bylaws and Rules of the Association, or the Board may determine to levy a fine for a violation of the Declaration, Bylaws or Rules of the Association regarding the parking of vehicles in violation of these parking rules. In such event, the provisions or the Association's covenant enforcement and fining policy, if any, shall control the notice and hearing requirements. Where a violation is determined or deemed determined to exist and where the Association deems it to be in the best interests of the Association to refer the violation to legal counsel for appropriate action, the Association may do so at any time. Such legal action may include, without limitation, sending demand letters to the violating Owner and/or seeking injunctive relief against the owner to correct or otherwise

abate the violation. Attorney's fees and all costs incurred by the Association in enforcing the Declaration and administering these parking rules shall become the personal obligation of the Owner.

11.

NOTICES Unless otherwise provided in these parking rules, all notices required by this rule shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States Mail, first-class postage pre-paid, to the owner at the address which the owner has designated in writing and filed with the Secretary or the Association or, if no such address has been designated, to the address of the owner's Townhome.

a. Where the notice is directed by personal delivery, notice shall be deemed to have been given, sent, delivered or received upon actual receipt by any person accepting delivery thereof at the address of the recipient as set forth in such notice or if no person is there, by leaving the notice taped to the front door of the residence.

b. Where the notice is placed into the care and custody of the United States Postal Service, notice shall be deemed to have been given, sent, delivered or received, as of the third (3rd) calendar day following the date of postmark of such notice bearing postage prepaid and the appropriate name and address as required herein.

c. Where a day required for an action to be taken or a notice to be given, sent, delivered or received, as the case may be, falls on a Saturday, Sunday or United States Postal Service holiday, the required date for the action or notice will be extended to the first day following which is neither a Saturday, Sunday or United States Postal Service holiday,

d. Where the interests of an owner in a lot have been handled by a representative or agent of such owner or where an owner has otherwise acted so as to put the Association on notice that its interest in a lot has been and is being handled by a representative or agent, any notice or communication from the Association or its delegate pursuant to these parking rules will be deemed full and effective for all purposes if given to such representative or agent.

12.

CURE OF VIOLATION DURING ENFORCEMENT. Any owner may correct or eliminate a violation at any time during the pendency of any procedure prescribed by this Lakeshore Village Parking Policy; provided, however, the owner will remain liable for all costs under this Lakeshore Village Parking Policy, which costs, if not paid upon demand, will be referred to the Board of Directors of the Association for collection as an Individual Assessment, according to Article VI II, Section 8.4.3 of the Declaration.

13. **Definitions.** All capitalized words shall have the same meaning as that set forth in the Declaration unless otherwise defined.

14. **General.** These Rules supplement and are in addition to the Declaration and Bylaws of the Association and, to the extent there is any conflict between these Rules and the Declaration or Bylaws, the Declaration and Bylaws, as appropriate, shall govern. Any capitalized terms not otherwise defined herein shall have the meaning given them in the Declaration and Bylaws, as appropriate. These Rules shall take upon their recording in the Deed Records of Dallas County, Texas, and a copy distributed to Members.

IT IS FURTHER RESOLVED that these Rules effective upon adoption hereof, to remain in force and effect until revoked, modified or amended.

USING THE RESIDENT AND GUEST PARKING WEB BASED SYSTEM

(NOT AN HOA LEGAL DOCUMENT – PLACED HERE FOR CONVENIENCE OF RESIDENTS)

1. Lakeshore Village is now using a web-based solution for parking within the neighborhood.
2. Guest vehicles are required to be registered for any overnight parking.
3. Resident vehicles are not allowed to park outside overnight.
4. Lakeshore Village employs a professional “Courtesy Patrol” that monitors all overnight parking within the neighborhood.
5. All parking services on may be accessed by going to the following website:
<https://lakeshorevillage.parkingattendant.com>
6. Residents are required to register their vehicles in the system. To register a vehicle, obtain a Qr parking sticker from the HOA Management company. They can be reached at 817-640-2064. Either scan the parking sticker with a QR enabled smartphone, or go to the following website:
<https://lakeshorevillage.parkingattendant.com>
 - a. Click on “Activate Smart Decal” and follow the instructions. It is not required but recommended to place the sticker on the rear window of your registered vehicle.
7. To register a guest vehicle for overnight parking, access the website and click on “Register Vehicle.” Follow the instructions for registering the guest vehicle.
 - a. To obtain your passcode, please contact the HOA Management company or send an email to Lakeshorevillageparking@gmail.com
 - b. The system allows for 10 nights per month per townhome. These nights can be used in any way the townhome chooses. 1 vehicle for 10 nights, 2 vehicles at the same time for 5 nights, etc.
 - c. Some users may encounter a “banned” townhome. If the townhome is not aware of the reason for the ban, please contact the HOA management group or send an email to Lakeshorevillageparking@gmail.com.
8. The email address of Lakeshorevillageparking@gmail.com is staffed by volunteers. Answers to your emails may be slightly delayed due to their schedules but will be answered usually within 48 hours.
9. If a resident or guest receives a parking violation sticker, please follow the instructions on the sticker to determine the cause of the violation notice.
 - a. Currently, and until further notice, after two violation stickers, regardless of time frame between violations, the vehicle is banned and will be towed on any subsequent parking violation.

TOWNHOME ENTRIES, DECKS, BALCONIES, AND PATIO GUIDELINES

1.

APPEARANCE: All Units' front entries, decks, balconies, and other areas visible from the common elements must be kept in a neat and tidy order, free of trash, trash containers, debris, toys, and sports equipment. This includes (but is not limited to) immediate pickup of animal excrement, cigarette butts, toys and storing trash out of sight in sealed bags/covered containers.

2.

DECORATIONS: No sculptures, statues, or other significant display items are allowed, with the exception of holiday decorations which must be of a reasonable size and nature. Decorations cannot be replaced in or on the entries, decks, balconies, and patios more than four (4) weeks prior to the holiday and must be removed no more than two (2) weeks after the holiday has occurred.

3.

POTTED PLANTS: No more than two (2) potted plants per area are allowed on any entry, deck, balcony, or patio. Pots must be matching ceramic or stone and must compliment the aesthetic of the community. Pots must contain live plant material and any dead plant material must be removed immediately. Empty pots or pots without live plant material must be stored where they will not be visible from the streets or from the common elements.

4.

STORAGE: Entries, decks, balconies, and other areas visible from the common elements cannot be used for storage. Storage of personal items on decks or patios is prohibited with the exception of reasonable patio furniture, a BBQ grill and two (2) potted plants. "Reasonable amount" is determined within the Board of Director's sole discretion. Any item that would pose a hazard or attracts insects is strictly prohibited. Interior furniture is not permitted for use or storage on the exterior of a unit. When not in use, all personal articles must be stored inside the unit.

Personal items are prohibited from being stored in the common areas. The Association is not responsible or liable for any articles left in the Common Areas.

Automotive parts, fluids and items and tires are not permitted.

5.

CLOTHES DRYING: Residents are not to dry clothes, towels, or other items on upper decks, patios, balconies, fences, or in the Common areas.

6.

AWNINGS: No awnings or other projections are to be attached to an exterior wall on any building.

7.

ENTRIES: No architectural changes of any kind may be made to the front entry of the townhome.

8.

PATIO/PORCH ENCLOSURES: Rear patios and porches may be enclosed under the following conditions:

a. A detailed description of the color and finished enclosure along with color photographs of the manufactured product to be used must be provided to the Architectural Control Committee of the HOA and the townhome owner must receive written permission from the ACC prior to beginning any construction work.

b. The enclosure must consist of a product that has been expressly manufactured and constructed for the sole purpose of enclosures of patios and porches. The source of the product must be included in the request for enclosure to the ACC. The enclosure must be professionally installed. No handyman nor do-it-yourself structures will be allowed.

c. The enclosure cannot add any additional dimension to the original footprint of the patio or deck. No box windows or any extension of the walls or enclosure is allowed.

d. Once a patio or deck has been enclosed, the homeowner will be liable for all repair, maintenance, upkeep and any damage caused to the townhome due to the addition of the enclosure. (It is anticipated that upon completion of all townhomes within Lakeshore Village, that the HOA will entertain the possibility of maintaining the exterior of all townhomes. Any architectural additions to the original townhome will not be included in this coverage.)

e. The ACC will determine if any full or partial enclosures, walls, screens or other similar items have not received prior written approval, or if the finished product of the approved design is not reasonably similar to the proposal submitted. If the enclosure does not comply with these rules and regulations, the townhome owner will be sent a notice to remove the entire structure within 30 days. After 30 days, if the townhome owner has not complied, the owner will be fined an amount not to exceed \$200 a month, every month, until the enclosure or structure is removed to the satisfaction of the ACC.

f. The Board, or appointed committee, acting as the Architectural Control Committee, shall approve or disapprove any submissions within thirty (30) days after the submission date. If the Board, acting as the ACC fails to approve any submissions within thirty (30) days after the submission date, such submission shall be deemed to be disapproved.

9.

SUN SHADES: Sun shades may be used on rear porches or patios if they are of a pull-down type, or a standing shade. The pull-down shade must not be visible when retracted. The shade must be

completely retracted or the standing shade must be completely removed and stored inside the townhome immediately after use.

10.

INGRESS AND EGRESS: Items may not be present that pose a safety risk or prohibit an easy and safe path from the threshold to the main sidewalk and steps. Requests to have any additional installations or displays must be submitted, in writing, to the Architectural Committee prior to the installation or display of any additional items. Items installed or displayed without written consent or approval from the Architectural Committee are subject to removal at Owner's expense.

ADDITIONAL ITEMS REQUIRING PRIOR ARCHITECTURAL APPROVAL

1. Owner actions that require prior written approval of the Architectural Committee include, but are not limited to:

- a. All changes, alterations, or installations to the exterior of the unit.
- b. Any change in exterior appearance of the Unit, such as touch-up painting, installing yard ornaments, wind chimes, or yard items that may be viewed by others.
- c. Changing the landscaping adjacent to one's Unit by the addition or removal of any items, including fences, landscaping, rock material, bark/mulch material, shrubs, etc.
- d. Installation of any exterior lighting on the home, porch, balcony or in the Common Elements; this is to include string lights and rope lighting (with the exception of holiday lighting), solar stake lighting, porch lights, etc.
- e. Installation of windows, window screens, if the style and the color is changing. Storm screens or door, front or back entry doors, sliding glass doors must have prior written approval of the Architectural Committee before any installation, regardless of style, color or finish.

Lakeshore Village Homeowners Association, Inc. Rules Regarding

NUISANCES

Strictly prohibited items include, but are not limited to: items that create excessive noise, any condition deemed to be unsightly, any condition which creates a liability or monetary cost to the Association, any condition that endangers the health or safety of one's neighbors, any condition that poses a fire hazard (including failure to properly extinguish cigarettes, leaving cigarettes and/or lighters outside, etc.) or produces any noxious or offensive odors, and the storage of any item that may attract insect or other parasitic infestation.

1. No noxious or offensive activity shall be carried out upon any Unit nor shall anything be done or placed on any Unit, which is or may become a nuisance or cause embarrassment, disturbance, or annoyance to others.
2. No activities shall be conducted on the Properties and on improvements constructed on the Properties, which are or might be unsafe or hazardous to any person or property. No firearms shall be discharged (not to exclude bebe guns and air pellet rifles/guns), no open fires shall be lit or permitted on the property.
3. No light shall be emitted from any Unit, which is unreasonably bright or causes unreasonable glare; no sound shall be emitted from any Unit, which is unreasonably loud or annoying; music, television, or other sound emitting devices may not be played at a volume that may be heard by neighboring units or may be heard on the exterior of the unit.
4. No odor shall be emitted from any Unit, which is noxious or offensive to others or may cause health risks to others, including cigarette/tobacco smoke or other types of smoke exhaled by individuals. Cigarettes may not be smoked within 20 feet of a surrounding unit's front/back doors.

LAKESHORE VILLAGE HOMEOWNERS ASSOC., INC.

LEASING AND OCCUPANCY RULES

WHEREAS, pursuant to Article 6, Section 6.1 of the Declaration of Covenants, Conditions & Restrictions for Lakeshore Village Townhomes (the "Declaration"), the Lakeshore Village Homeowners Assoc., Inc. (the "Association"), acting through its Board, is granted the right to adopt, amend, repeal, and enforce reasonable rules, and penalties for infractions thereof, governing occupancy leasing and use of the Property, among other things; and

WHEREAS, Article 6, Section 6.1 of the Declaration further specifically grants the Board the right to establish rules, and penalties for infractions thereof, governing, among other things, the occupancy and leasing of Townhomes.

NOW, THEREFORE, pursuant to the authority in Article 6, Section 6.1 of the Declaration, the Board hereby adopts the following Leasing and Occupancy Rules governing the leasing and occupancy of Townhomes on Lots (the "Rules").

Leasing and Occupancy Rules

The leasing of Townhomes on Lots shall be governed by the following provisions:

(1)

DEFINITION

"Leasing," as used in this Section, is defined as regular, exclusive occupancy of the Townhome on a Lot by any person other than the Owner for which the Owner, or any designee of the Owner, receives any

consideration or benefit, including, but not limited to, a fee, service, gratuity or emolument. For purposes of this Section, if a lot is owned by a trust and the beneficiary of the trust is living in the Townhome, that lot shall be considered Owner occupied rather than leased. "Leasing" shall not include a lease back in connection with the sale of a Lot, where the seller of the Lot transfers title to the Lot and then leases the Lot back from the purchaser.

(2)

GENERAL

Townhomes may be leased only in their entirety. All leases shall be in writing and provide that the terms of the lease are subject to the provisions of the Declaration, Bylaws and Rules and Regulations of the Association. No short-term rentals or transient tenants may be accommodated on a Lot. For purposes of this Section, "short term rentals" shall mean lease/rental periods of less than thirty-one (31) days, including leasing a Townhome on a nightly basis. Owners may not list their Townhomes as for lease on short-term rental websites such as www.airbnb.com, www.vrbo.com, www.homeaway.com or other vacation or short-term rental website.

All leases must be for an initial term of twelve (12) months unless otherwise approved by the Board in writing, and must satisfy the standards and criteria set out in the below paragraphs. Thereafter, leases may be renewed on an annual basis, provided the Owner must notify the Board of his intent to renew the lease on the Townhome. and obtain the Board's written notice that the Owner may lease a Lot pursuant to this Paragraph. The Owner must make available to the lessee copies of the declaration, Bylaws and the Rules and Regulations of the Association, and the lease must contain a statement initialed by the tenant that the tenant has received a copy of the Declaration, Bylaws and the Rules and Regulations of the Association, The Owner must provide a copy of the lease to the Association but may redact sensitive personal information. "Sensitive personal information" is defined as a social security number, driver's license number, government issued identification number, bank account/credit card/debit card number,

(3) In order to preserve the quality of life of other residents and high standards of maintenance and care of the Common Areas, and to promote the Townhome and/or leasing of Townhomes by responsible individuals, a Townhome may be leased in accordance with the following provisions:

(a)

NOTICE OF INTENT TO LEASE. Whenever the Owner of a Lot has received a bona fide offer to lease his or her Townhome and desires to accept such offer, the Owner shall give the Board written notice of his or her desire to accept such offer, and provide, at the Owner's sole cost and expense, a copy of the Tenant Registration Form which is available from the Association's management company. Owners will be responsible for submitting a security deposit to the Association (the "Security Deposit") in an amount established by the Board from time to time, which will be used to cover the costs of any fines or property damage charges levied against the Owner or his/her Lot during the time period the Lot is subject to a valid lease agreement. If the terms of the lease do not satisfy the standards and criteria in these Rules, the Board will notify the Owner that the lease fails to meet the requirements. The Owner

shall not lease to or allow anyone to reside in the Townhome if the lease does not meet the standards and criteria of these Rules.

(b)

OCCUPANCY Each Townhome may be occupied by only one family consisting of any number of persons related by blood, adoption or marriage or no more than two unrelated persons living together as a single housekeeping unit, together with any household servants or caregivers to one or more occupants.

(4) From the date of the adoption of these Rules, no more than twenty percent (20%) of the total Townhomes located in Lakeshore Village may be leased at any point in time. The goal is to preserve Lakeshore Village as one of predominantly owner-occupied Townhomes. An Owner seeking to lease his or her Townhome must notify the Board in writing of his or her desire to lease the Townhome. If the twenty percent (20%) cap has not been reached, then the Board will notify the Owner that he/she may enter the lease. If the lease would exceed the twenty percent (20%) cap, or if twenty percent (20%) of the total Townhomes are already under lease, then the Board will notify the Owner that he/she may not enter the lease at this time. The right to lease is granted on a first come, first serve basis. Upon the expiration of a lease term, the Owner of the Townhome must again notify the Board of his or her desire to renew the lease on the Townhome in order to give an equal opportunity to all Owners to lease their Townhomes,

In addition, once fifteen percent (15%) or more of the total Townhomes are subject to a valid lease, owners of multiple Lots will no longer be entitled to lease additional Townhomes. If the fifteen percent (15%) cap has been reached and an owner of multiple Lots notifies the Board in writing of his or her desire to lease the Townhome on the Lot, the Board will notify the Owner that he/she may not enter the lease at this time. The goal is to give as many Owners as possible the opportunity to lease their Townhomes.

(5)

REVIEW AND NOTICE FROM BOARD OF RIGHT TO LEASE OR DENIAL OF LEASE Applications shall be accepted and reviewed by the Board on a first-come, first-served basis. Applications from Owners who own only a single Lot in Lakeshore Village may be given first consideration over Owners who own multiple Lots in Lakeshore Village as noted in Section (4) above. The Board will maintain an up-to-date written record of Townhomes subject to a current lease in order to document the owner-occupancy ration. The Board will also maintain a list of Owners with pending applications.

If the terms of the lease do not meet the standards and criteria described in these Rules, then the Board may notify the Owner that the lease fails to meet the requirements of these Rules. Owner shall not lease to or allow anyone to reside in the Townhome if the lease does not meet the standards and criteria set out in these Rules.

(6) Notwithstanding any provision to the contrary, the Board shall be empowered to allow leasing of one or more Townhomes prior to the twelve (12) month leasing ban or in excess of the leasing cap above upon written application by an Owner to avoid undue hardship. Those Owners who have demonstrated that the inability to lease their Lot would result in undue hardship and have obtained the requisite approval of the Board may lease their Lot for such duration as the Board reasonably determines is necessary to prevent undue hardship.

(7)

CONTENTS OF LEASE Each Owner acknowledges and agrees that any lease of his or her Lot shall be deemed to contain the following language and that if such language is not expressly contained in the lease, then such language shall be incorporated into the lease by existence of this paragraph. In addition, the terms and requirements contained herein automatically become a part of any lease and/or an addendum to the lease. These provisions shall also be attached to any lease as an addendum and, again, are a part of the lease regardless of whether or not physically attached to the lease. Any lessee, by occupancy of a Townhome, agrees to the applicability of this section and incorporation of the following language into the lease:

The lessee shall comply with all provisions of the Declaration, Bylaws and Rules and Regulations of the Association and shall control the conduct of all other occupants and guests of the leased Lot in order to ensure their compliance. Any violation of the Declaration, Bylaws or Rules and Regulations by the lessee, any occupant or any person living with the lessee, is deemed to be a default under the terms of the lease and authorizes the Owner to terminate the lease without liability and to evict the lessee in accordance with Texas law, the Owner hereby delegates and assigns to the Association, acting through the Board, the power and authority of enforcement against the lessee for breaches resulting from the violation of the Declaration, Bylaws and the Rules and Regulations of the Association, including the power and authority to evict the lessee as attorney in-fact on behalf and for the benefit of the Owner.

The Owner transfers and assigns to the lessee, for the term of the lease, any and all rights and privileges that the Owner has to use the common area including, but not limited to, the use of all recreational facilities and other amenities.

(8) The leasing limitations contained in Sections (2) and (4) shall not apply to the Association or to any institutional lender, insurer or guarantor of a mortgage who takes title to any Lot pursuant to the remedies set forth in its mortgage or security instrument, provided, however, that it shall apply to any leases by any purchaser from such mortgagee and any successor to such purchaser

(9) With respect to Townhomes which are subject to a valid written lease as of the effective date hereof, the above restrictions do not apply. Notwithstanding this exemption for Townhomes already subject to a valid written lease on the effective date hereof, upon the sale or conveyance of title to the Lot, the new Owner must comply with the above 'rules. Owners should advise any purchaser or prospective purchaser of the existence of these Rules.

(10)

NONCOMPLIANCE Subject to the exclusions provided in Sections (8) and (9), from the date of the adoption of these Rules, any lease of a Lot or Townhome entered into without complete and full compliance with the terms herein shall be deemed void and of no force and effect and shall confer not title or interest in a Townhome to the purported lessee or purchaser. The Association shall have the power and authority to enforce these Rules in any legal manner available, as the Board deems appropriate, including, without limitation, taking action to evict the occupants of any Lot which does not comply with the requirements and restrictions hereof. In addition, any other Owner of a Lot in Lakeshore Village may enforce these Rules in a court of law should the Association not take such action; however, such owner shall do so at his or her own expense and shall not be entitled to recover any

attorney's fees or costs associated with the enforcement action from the Association. EACH OWNER HEREBY APPOINTS THE ASSOCIATION AS ITS ATTORNEY,,IN-FACT FOR THE PURPOSE OF TAKING LEGAL ACTION TO DISPOSSESS, EVICT OR OTHERWISE REMOVE THE OCCUPANTS OF HIS OR HER LOT AS NECESSARY TO ENFORCE COMPLIANCE WITH THIS PARAGRAPH.

In the event the Association proceeds to evict the lessee, any costs, including attorney's fees and court costs associated with the eviction, shall be assessed as an assessment against the lot and the Owner, such being deemed an expense which benefits the leased lot and the Owner thereof. For violations of the above provisions, the Board may impose a reasonable fine not to exceed \$500.00 per month each month in which the violation remains uncured. The Owner shall pay the fine upon notice from the Association, and if the Owner fails to do so, the Association may deduct the amount of the fine from the Security Deposit paid by the Owner.

In addition, the Association may suspend an Owner's ability to lease his or her Lot or renew a lease on his or her Lot where an excessive number of violations have occurred in connection with the Lot during the prior lease term. What constitutes an "excessive" number of violations shall be determined by the Board, in its sole discretion, and shall take into account the number and severity of such violations, as well as the impact of those violations on the Lakeshore Village community and its residents.

This is to certify that the foregoing Leasing and Occupancy Rules were adopted by the Board of Directors at a meeting of same on and has not been modified, rescinded or revoked.



LAKESHORE VILLAGE HOMEOWNERS ASSOC., INC.

BOARD ELECTION PROCEDURES

These **BOARD ELECTION PROCEDURES** are adopted by the Board of Directors of Lakeshore Village Homeowners Assoc., Inc., a Texas non-profit corporation (the "Association"), as of the ____ day of _____, 201__.

NOW, THEREFORE, the election of directors to the Board of Directors shall be substantially in accordance with the following:

NOMINATION COMMITTEE

On or about March 1 – When directed to do so by the Board, the Communications Committee will send out an email to all owners asking for volunteers to serve on the Nomination Committee. This email will afford owners at least 10 days to respond.

- Any owner can serve on the Nomination Committee.
- The Communications Committee must retain copies of all emails received from owners that volunteer to serve on the Nomination Committee. These copies must remain in storage until at least three months after the new Board is elected.
- The Board appoints a chairman and two or more committee members to the Nominating Committee from the list of volunteers.

VOLUNTEERS TO SERVE

On or about March 15 – Nomination Committee meets with current Board Members to understand the roles and responsibilities of the Association's Board of Directors. The Nomination Committee then will send out a notification to all owners soliciting candidates interested in running for a position on the Board. The notification will be sent either (1) by email to each owner who has registered an email address with the Association and by posting in a conspicuous manner on the Association's website or common area OR (2) by mail to each owner.

- The notification must contain instructions for how eligible candidates may notify the Association of the candidate's request to be placed on the ballot, as well as the deadline to submit the request. The deadline to submit requests cannot be less than 10 days after the date of the notice from the Nominating Committee soliciting candidates.
- The Nominating Committee should include in its letter a brief understanding of what will be required from the director during the year, including a copy of the directors' roles and responsibilities as outlined in the Bylaws. This may be provided by a link to the Lakeshore Village website. It is hoped that by providing such information to the candidates that persons elected to the Board will have a clear understanding of the position and are willing, able, and have the time to dedicate to the position for the following year.

- The Nomination Committee must retain copies of all responses received from owners that desire to run for a position on the Board. These copies must remain in storage until at least three months after the new Board is elected.
- Anyone can run for a Board position as long as they are an owner in the community.

CANDIDATE INFORMATION FOR VOTERS

On or about April 1 – Nomination Committee requests from each candidate a brief outline of who they are and why they wish to serve on the Board. The candidate need not provide contact information on the outline.

- The outline must be limited to one page (MS Word, Letter Size, Arial font, 14-point type)
- The outline can say whatever the candidate wishes to communicate to the owners who are voting.
- Current Board members are highly encouraged, but not required to also include their outline if they wish to be considered for re-election.

ELECTION

First Thursday of May – The Association holds its annual meeting to elect directors, among other things. If the first Thursday of May is a legal holiday, the annual meeting shall be held on the next calendar day.

- According to Lakeshore Village Bylaws there must be a quorum for voting to be held.
 - o The Association’s Management Company will certify that a quorum is present before voting commences.
 - o A quorum may be achieved by an owner being present, or through the use of signed proxies or ballots.
- If a quorum is not present, the Association shall adjourn the meeting and recall the annual meeting for a later date and time in order to obtain a quorum.
- Prior to the annual meeting as well as at the annual meeting, owners will receive a copy of the outlines provided by each candidate.
- The Board will call for the election and ask if there are owners in attendance who wish to nominate a candidate from the floor.
 - o Any persons nominated from the floor at the meeting may provide their own outline, if desired, but it must follow the same rules as the declared candidates. If not, then the outline cannot be used or passed out.
- The election of directors shall be conducted by secret written ballot.
 - o A person who is a candidate for the Board, or who is related to a candidate for the Board within the third degree of consanguinity or affinity, may not tabulate or otherwise be given access to the ballots cast in the election.
 - o Any request for a recount of the vote at the annual meeting will be performed pursuant to Section 209.0057 of the Texas Property Code.
- Following the vote on election of directors, the officer presiding over the meeting will announce the winning candidates for the Board.

- The prior Board and officers will continue to serve until the close of the Annual Meeting. Following the Annual Meeting, the newly-elected directors shall begin their service on the Board.
- The new Board may desire to meet with the previous Board members to facilitate transition, but it is not required to do so.
- At the Annual Meeting, the owners will also be asked to fix the time and place of the first meeting of the newly-elected Board, at which time the Board will elect the officers of the Association for the upcoming year.

This is to certify that the foregoing procedures were adopted by the Board of Directors at a meeting of same on _____, 2018, and have not been modified, rescinded or revoked.

DATE: _____

 Director

DOCUMENTS NOT INCLUDED

The following documents have not been included in this synopsis, as they were deemed to not contain any information pertinent to the rules and regulations of the HOA.

APPROVED PLATS AND PLANS

AMENDMENTS TO COVENANTS

SECOND SUPPLEMENTAL NOTICE OF FILING (This filing contains the exact language found in the Bylaws)