

WYLIE LAKES

OWNERS ASSOCIATION

MANAGEMENT COMPANY:

LONE STAR ASSOCIATION MANAGEMENT, INC.

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I.
WELCOME TO
WYLIE LAKES
OWNERS ASSOCIATION

We're happy to have you as a neighbor and would like to be the first to Welcome You Home!

We are confident that the days and years ahead will be exciting and fulfilling as you enjoy your new home.

As a homeowner, you are automatically a member of Wylie Lakes Owners Association and you will enjoy planned community living at its best. Some of the advantages of choosing a planned community lifestyle include: amenities and services that are shared at a low cost, the enhancement of property values and the enforcement of protective standards.

We are pleased to present you with this "Welcome Package", which has been designed to answer any questions you may have about community association life. It will explain how you may become involved in the day-to-day activities of the community. This welcome package was prepared to make reference information easily accessible. Please take your time to review its contents and keep it handy. In the event that you decide to sell your home, you will want to pass this information along to the new homeowners.

Enclosed in this package are: the Declaration, Bylaws and Articles of Incorporation which define your rights and the rights of your neighbors. Please refer to these documents when questions regarding assessments, voting rights, architectural regulations, annual meetings, insurance requirements and any other community governing concerns arise.

The "Owners Survey Form" is also enclosed in your welcome package and was designed to help us learn a little about you and enables us to maintain efficient record keeping.

Your property manager is available to answer questions relating to common area oversight, deed restriction enforcement, and architectural application.

Your accounting manager is available to answer questions relating to your HOA account, and the association's fiscal operation.

II.
HOMEOWNER'S ASSOCIATION
CONCEPT

The homeowner's association is the cornerstone of a planned residential community. The association gives continuity to the community, preserves architectural integrity and maintains the common properties. In addition, the association promotes the community concept and protects the community's property values. And in many cases, makes available recreational and other facilities that might not otherwise be affordable or available to homeowners and residents. The homeowner's association can be the vehicle for community communication and can protect and maintain the common easements and common services that exist for the benefit of each member of the association.

Automatic and mandatory homeowner's associations are part of the overall concept of residential property ownership. Purchase of the home or lot brings with it membership in the association which provides the structure for operation and management of the residential community concept. Membership includes certain mandatory obligations, financial responsibilities and commitment to abide by the use restrictions and rules of the association.

Members of the homeowner's association have two responsibilities: one to themselves and to their individually owned property, and the other to the association and the community concept. The individual responsibility requires the member to occupy, maintain and use the property in accordance with the restrictive covenants. The collective goal of the members of the homeowners association is to maintain the quality of the property and the lifestyle envisioned by the planned residential development.

III.
BOARD OF DIRECTORS
AND OTHER OFFICERS

Wylie Lakes Owners Association acts through its officers and agents. The board of directors makes the policies for the association, but the officers and agents carry out these policies and administrative functions for the community. All of the officers have an affirmative obligation to act with utmost good faith towards the association and cannot deal in the funds of the property of the association to their own advantage.

President: The president assumes general charge of the day-to-day administration of the association. It is generally presumed that he or she will preside at all meetings of the board and the membership. The president will execute contracts, orders and other documents in the name of the association as agent.

Vice President: The vice president is vested with all of the powers which are required to perform the duties of the association president in the absence of the president.

Secretary: The secretary is responsible for keeping and maintaining a record of all meetings of the board and the membership and is the custodian for most of the office records of the association.

Treasurer: The treasurer is the custodian of the funds, securities and financial records of the homeowner's association.

Registered Agent and Office: The registered agent is a ministerial office of the association and it is an office that is required of all corporations by statute. The registered agent receives all formal service of legal papers on behalf of the homeowner's association.

IV.
DECLARATION

DECLARATION

The declaration of covenants, conditions and restrictions is the document or set of documents that establish the formal regulations for all of the property in the residential community. They restrict its use and govern the conduct and activity of its residents. The declaration of covenants and restrictions is the foundation document for the planned and well-ordered residential housing concept. The declaration establishes the basic rights and responsibilities for each owner, resident and guest. The restrictions and covenants grant easements and use rights to owners and guests, they provide services and privileges to residents of the community and they set the standards for maintenance and upkeep of all the property. As a member and owner, each individual must abide by the policies of the association and the conditions imposed by the restrictions.

The declaration of covenants, conditions and restrictions outlines the financial obligations of each owner and the right which each owner has to take in the affairs of the community. The recorded declaration creates the owners association and generally the organizational document of the association is attached as an exhibit or is incorporated by reference.



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**DECLARATION OF
COVENANTS, CONDITIONS
& RESTRICTIONS
FOR
WYLIE LAKES**

Wylie, Collin County, Texas

Declarant

D. R. Horton - Texas, Ltd.

**DECLARATION OF
COVENANTS, CONDITIONS & RESTRICTIONS
FOR
WYLIE LAKES**

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During the Development Period, Appendix C has priority over the main body of this Declaration.

DECLARATION OF COVENANTS, CONDITIONS & RESTRICTIONS FOR WYLIE LAKES

This Declaration of Covenants, Conditions & Restrictions for Wylie Lakes is made by D. R. Horton - Texas, Ltd., a Texas limited partnership ("**Declarant**"), on the date signed below. Declarant owns the real property described in Appendix A of this Declaration, together with the improvements thereon.

Declarant desires to establish a general plan of development for the planned community to be known as Wylie Lakes. Declarant also desires to provide a reasonable and flexible procedure by which Declarant may expand the Property to include additional real property, and to maintain certain development rights that are essential for the successful completion and marketing of the Property.

Declarant further desires to provide for the preservation, administration, and maintenance of portions of Wylie Lakes, and to protect the value, desirability, and attractiveness of Wylie Lakes. As an integral part of the development plan, Declarant deems it advisable to create a property owners association to perform these functions and activities more fully described in this Declaration and the other Governing Documents described below.

Declarant DECLARES that the property described in Appendix A, and any additional property made subject to this Declaration by recording one or more amendments of or supplements to this Declaration, will be owned, held, transferred, sold, conveyed, leased, occupied, used, insured, and encumbered subject to the terms, covenants, conditions, restrictions, and easements of this Declaration, including Declarant's representations and reservations in the attached Appendix C, which run with the real property and bind all parties having or acquiring any right, title, or interest in any part of the property, their heirs, successors, and assigns, and inure to the benefit of each Owner of any part of the property.

INTRODUCTORY COMMENT

The City of Wylie, Texas, approved the plats of Wylie Lakes for development as a residential neighborhood with **two types of homes** - traditional detached single family houses, and attached single family homes in duplex buildings. This Declaration pertains to both types of homes. Some provisions of this Declaration pertain only to the paired duplex lots because homes that are attached to each other may have somewhat different needs for maintenance, insurance, and architectural control.

ARTICLE 1 **DEFINITIONS**

The following words and phrases, whether or not capitalized, have specified meanings when used in the Governing Documents, unless a different meaning is apparent from the context in which the word or phrase is used.

During the Development Period, Appendix C has priority over the main body of this Declaration.

1.1. **"Additional Land"** means real property which may be added to the Property and subjected to this Declaration by Declarant, as described in Section C.5.1 of Appendix C of this Declaration.

1.2. **"Applicable Law"** means the statutes and public laws and ordinances in effect at the time a provision of the Governing Documents is applied, and pertaining to the subject matter of the Governing Document provision. Statutes and ordinances specifically referenced in the Governing Documents are "Applicable Law" on the date of the Governing Document, and are not intended to apply to the Project if they cease to be applicable by operation of law, or if they are replaced or superceded by one or more other statutes or ordinances.

1.3. **"Architectural Reviewer"** means the entity having jurisdiction over a particular application for architectural approval. During the Development Period, the Architectural Reviewer is Declarant, Declarant's designee, or Declarant's delegatee. Thereafter, the board-appointed Architectural Control Committee is the Architectural Reviewer.

1.4. **"Assessment"** means any charge levied against a lot or owner by the Association, pursuant to the Governing Documents or State law, including but not limited to Regular Assessments, Special Assessments, Individual Assessments, and Deficiency Assessments, as defined in Article 9 of this Declaration.

1.5. **"Association"** means the association of owners of all lots in the Property, and serving as the "property owners' association" defined in Section 202.001(2) of the Texas Property Code. The initial name of the Association is Wylie Lakes Owners Association.

1.6. **"Board"** means the board of directors of the Association.

1.7. **"Builder"** is defined in Appendix C of this Declaration.

1.8. **"City"** means the City of Wylie, Texas, in which the Property is located.

1.9. **"Common Area"** means portions of real property and improvements thereon that are owned and/or maintained by the Association, as described in Article 5 below. Portions of the common area may be allocated to certain lots as limited common area.

1.10. **"Declarant"** means D. R. Horton - Texas, Ltd., a Texas limited partnership, which is developing the Property, or the successors and assigns of D. R. Horton - Texas, Ltd., which are designated a Successor Declarant by D. R. Horton - Texas, Ltd., or by any such successor and assign, in a recorded document, executed by both Declarant and Successor Declarant in the case of a voluntary assignment.

1.11. **"Declarant Control Period"** is defined in Appendix C of this Declaration.

1.12. **"Declaration"** means this document, as it may be amended from time to time.

1.13. **"Development Period"** is defined in Appendix C of this Declaration.

During the Development Period, Appendix C has priority over the main body of this Declaration.

1.14. "**Duplex Building**" means the two-family building that is constructed on Paired Duplex Lots, and which contains two Homes that are attached. All components of a Duplex Building are owned by the owners of the Paired Duplex Lots.

1.15. "**Governing Documents**" means, singly or collectively as the case may be, this Declaration, the Plat, the Bylaws of the Association, the Association's Articles of Association, and (if any) the Rules of the Association, as any of these may be amended from time to time. An appendix, exhibit, schedule, or certification accompanying a Governing Document is a part of that Governing Document.

1.16. "**Home**" means the principle improvement on a lot, being a detached single family dwelling on a House Lot, or an attached single family dwelling on a Paired Duplex Lot. Where the context indicates or requires, "Home" includes the lot on which the Home is located.

1.17. "**Lot**" means a portion of the Property intended for independent ownership, as shown on the Plat, on which there is or will be constructed a Home. As shown on Appendix A, the Property has 2 types of lots -- **House Lots** and **Paired Duplex Lots**. As a defined term, "lot" does not refer to common areas, even if platted and numbered as a lot. Where the context indicates or requires, "lot" includes all improvements thereon and any portion of a right-of-way that customarily is used exclusively by and in connection with the lot.

1.18. "**Majority**" means more than half. A reference to "a majority of owners" in any Governing Document or applicable law means "owners of at least a majority of the lots," unless a different meaning is specified.

1.19. "**Member**" means a member 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. In the context of votes and decision-making, each lot has only one membership, although it may be shared by co-owners of a lot.

1.20. "**Owner**" means a 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 nonjudicial foreclosure are owners. Persons or entities having ownership interests merely as security for the performance of an obligation are not owners. Every owner is a member of the Association. A reference in any Governing Document or applicable law to a percentage or share of owners or members means owners of at least that percentage or share of the lots, unless a different meaning is specified. For example, "a majority of owners" means owners of at least a majority of the lots.

1.21. "**Plat**" means all plats, singly and collectively, recorded in the Real Property Records of Collin County, Texas, and pertaining to the real property described in Appendix A of this Declaration, including all dedications, limitations, restrictions, easements, notes, and reservations shown on the plat, as it may be amended from time to time. The amended initial plats of the Property were recorded on January 31, 2007, as Document No. 20070131010000260, in Cabinet 2007, Slides 36-37, and as Document No. 20070131010000270, in Cabinet 2007, Slides 38-39, Plat Records, Collin County, Texas.

During the Development Period, Appendix C has priority over the main body of this Declaration.

1.22. **"Paired Duplex Lots"** means the two adjoining "paired" lots that share one Duplex Building.

1.23. **"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 Wylie Lakes. The Property is located on land described in Appendix A to this Declaration, as it may be amended or supplemented from time to time, and includes every lot and any common area thereon.

1.24. **"Resident"** means an occupant of a Home, regardless of whether the person owns the lot.

1.25. **"Rules"** means rules and regulations of the Association adopted in accordance with the Governing Documents or applicable law. The initial Rules may be adopted by Declarant for the benefit of the Association.

ARTICLE 2

PROPERTY SUBJECT TO DOCUMENTS

2.1. **PROPERTY.** The real property described in Appendix A is held, transferred, sold, conveyed, leased, occupied, used, insured, and encumbered subject to the terms, covenants, conditions, restrictions, liens, and easements of this Declaration, including Declarant's representations and reservations in the attached Appendix C, which run with the Property and bind all parties having or acquiring any right, title, or interest in the Property, their heirs, successors, and assigns, and 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 as permitted in Appendix C. Annexation of additional property is accomplished by recording a declaration of annexation, including an amendment of Appendix A, in the Real Property Records of Collin County, Texas.

2.3. **LAKE LAVON CORRIDOR.** As stated in the below-referenced City Ordinance, the Property is adjacent to the Lake Lavon Public Lands. Prospective owners and residents are encouraged to inform themselves about aspects of being in close proximity to Lake Lavon and how that may be expected to affect their use and enjoyment of the Property.

2.4. **RAILROAD DISCLOSURE.** On the date of this Declaration, a section of a railroad line is adjacent to Wylie Lakes. Prospective owners and residents are encouraged to inform themselves about aspects of being in close proximity to a railroad line that may be expected to affect their use and enjoyment of the Property. As stated in the below-referenced City Ordinance, the Property is adjacent to a railroad yard and corridor. By acquiring an ownership or occupancy interest in the Property, each owner and resident acknowledges that Declarant, the Association, and their respective directors, officers, committees, agents, and employees have no control over adjacent land uses, including without limitation, the railroad line.

During the Development Period, Appendix C has priority over the main body of this Declaration.

2.5. CITY ORDINANCE. Among the city ordinances to which the Property is subject is the ordinance by which the city approved development of the Property - Ordinance No. 2003-18, adopted by the City of Wylie on August 26, 2003.

2.6. LAND USE. Although this Declaration contains a limited number of disclosures about the Property and its location on the date of this Declaration, Declarant makes no representation that these are the only noteworthy features of the Property or its location. A prospective owner or resident must make his own inspection of the Property and its location, and make inquiries of anything that concerns him. Except for the express disclosures stated in this Declaration, Declarant makes no representation of any kind as to current or future uses - actual or permitted - of any land that is adjacent to or near the Property, regardless of what the plat shows as potential uses of adjoining land. Declarant, Builders, and the Association can not and do not guaranty scenic views, volumes of traffic on streets around and through the Property, availability of schools or shopping, or any other aspect of the Property that is affected by the uses or conditions of adjacent or nearby land, water, or air.

2.7. RESTRICTIONS, EASEMENTS & PLAT DEDICATIONS. In addition to the easements and restrictions contained in this Declaration, the Property is subject to all restrictions, easements, licenses, leases, and encumbrances of record, including any shown or referenced on the plat, each of which is incorporated herein by reference. 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 be bound by prior-recorded restrictions, easements, licenses, leases, and encumbrances, and further agrees to maintain any easement that crosses his lot and for which the Association does not have express responsibility.

2.8. STREETS WITHIN PROPERTY. Because streets, alleys, and cul de sacs within the Property (hereafter "**streets**") may be capable of being converted from publicly dedicated to privately owned, and vice versa, this Section addresses both conditions. Private streets, if any, are part of the common area which is governed by the Association. Public streets are part of the common area only to the extent a governmental body, such as the city or county, authorizes or delegates to the Association.

2.8.1. Public Streets. As to public streets, the Association, acting through the board, is specifically authorized (1) to accept from a governmental body any delegation of street-related duties, and (2) to act as attorney in fact for the owners in executing instruments required by public ordinance or public law to impose, modify, or remove restrictions or traffic devices (such as speed bumps) on public streets in the Property.

2.8.2. Private Streets. **Only if and when the Property has private streets**, the Association, acting through the board, is specifically authorized to adopt, amend, repeal, and enforce rules, regulations, and procedures for use of any private streets in the Property - including but not limited to (1) designation of parking or no-parking areas, (2) limitations or prohibitions on curbside parking, (3) removal or prohibition of vehicles that violate applicable rules and regulations, (4) fines for violations of applicable rules and regulations, and (5) programs for controlling access through entrance gates, if any.

During the Development Period, Appendix C has priority over the main body of this Declaration.

ARTICLE 3
PROPERTY EASEMENTS AND RIGHTS

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

3.2. **EASEMENT FOR ENTRY FEATURE & SCREENING WALL.** The Association is hereby granted a perpetual easement (the "**Screening Wall Easement**") over each lot that abuts or contains a portion of the Property's formal entrances or the Property's screening feature along Forest Ross Road, for the purposes stated in this Section, regardless of whether or how the plat shows the easement, entry features, or screening feature.

3.2.1. **Purpose of Easement.** The purpose of the Screening Wall Easement is to provide for the existence, repair, improvement, and replacement of the Property's formal entrances and screening features, to be maintained by the Association as a common area. In exercising this Screening Wall Easement, the Association may construct, maintain, improve, and replace improvements reasonably related to the screening or entrance of a residential subdivision, including: screening walls, fences and/or berms; planter beds, landscaping, and plant material; electrical and water meters and equipment, including light fixtures and sprinkler systems; and signage relating to the Property.

NOTICE
LOTS ALONG FOREST ROSS ROAD
ARE SUBJECT TO A SCREENING WALL EASEMENT.

3.2.2. **Rights Reserved.** The owners of the lots burdened with the Screening Wall Easement will have the continual use and enjoyment of their lots for any purpose that does not interfere with and prevent the Association's use of the Screening Wall Easement.

3.2.3. **Temporary Easement.** In addition to the easement granted herein, the Association has the temporary right, from time to time, to use as much as the surface of a burdened lot as may be reasonably necessary for the Association to perform its contemplated work on the Screening Wall Easement.

3.2.4. **Duration, Termination & Assignment of Easement.** This easement is perpetual. The Screening Wall Easement will terminate when the purpose of the easement ceases to exist, is abandoned by the Association, or becomes impossible to perform. The Association may assign this easement, or any portion thereof, to the city if the city agrees to accept the assignment.

3.3. **OWNER'S EASEMENT OF ENJOYMENT.** Every owner is granted a right and easement of enjoyment over the common areas and to use of improvements therein, subject to other rights and easements contained in the Governing Documents.

3.4. **OWNER'S INGRESS/EGRESS EASEMENT.** Every owner is granted a perpetual easement over the Property's streets, as may be reasonably required, for vehicular ingress to and egress from his lot.

During the Development Period, Appendix C has priority over the main body of this Declaration.

3.5. OWNER'S RIGHT TO BUILD. That a lot remains vacant and unimproved for a period of years, even decades, does not diminish the right of the lot owner to construct improvements on the lot. Nor does a vacant lot enlarge the rights of owners of neighboring lots, who may have become so accustomed to the open space that they expect it to remain unimproved forever.

3.6. OWNER'S ENCROACHMENT EASEMENT. Every owner is granted an easement for the existence and continuance of any encroachment by any improvement on his lot on any adjoining lot or common area now existing or which may come into existence hereafter, as a result of construction, repair, shifting, settlement, or movement of any portion of a building, or as a result of condemnation or eminent domain proceedings, so that the encroachment may remain undisturbed so long as the improvement stands.

3.7. RIGHTS OF CITY. The City of Wylie, including its agents and employees, has the right of immediate access to the common areas at all times if necessary for the welfare or protection of the public, to enforce City ordinances, or to improve the appearance of or to preserve public property, public easements, or public rights of way. If the Association fails to maintain the common areas to a standard acceptable to the City, the City may give the Association a written demand for maintenance. If the Association fails or refuses to perform the maintenance within a reasonable period of time after receiving the City's written demand (at least 90 days), the City may maintain the common areas at the expense of the Association after giving written notice of its intent to do so to the Association. The City may give its notices and demands to any officer, director, or agent of the Association, or alternatively, to each owner of a lot as shown on the City's tax rolls. To fund the City's cost of maintaining the common areas, the City may levy an assessment against every lot in the Property in the same manner as if the Association levied a special assessment against the lots. The Association hereby indemnifies and holds harmless the City of Wylie from any and all costs, expenses, suits, demands, liabilities or damages, including attorney's fees and costs of suit, incurred or resulting from the City's exercise of its rights under this Declaration or under the City's Code. The rights of the City under this Section are in addition to other rights and remedies provided by law.

3.8. ASSOCIATION'S ACCESS EASEMENT. Each owner, by accepting an interest in or title to a lot, whether or not it is so expressed in the instrument of conveyance, grants to the Association an easement of access and entry over, across, under, and through the Property, including without limitation all common areas and the owner's lot and all improvements thereon - including the home and yards - for the below-described purposes.

3.8.1. Purposes. Subject to the limitations stated below, the Association may exercise this easement of access and entry for the following express purposes:

- a. To inspect the property for compliance with maintenance and architectural standards.
- b. To perform maintenance that is permitted or required of the Association by the Governing Documents or by applicable law.
- c. To perform maintenance that is permitted or required of the owner by the Governing Documents or by applicable law, if the owner fails or refuses to perform such maintenance.

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- d. To enforce architectural standards.
- e. To enforce use restrictions.
- f. The exercise of self-help remedies permitted by the Governing Documents or by applicable law.
- g. To enforce any other provision of the Governing Documents.
- h. To respond to emergencies.
- i. To grant easements to utility providers as may be necessary to install, maintain, and inspect utilities serving any portion of the Property.
- j. To perform any and all functions or duties of the Association as permitted or required by the Governing Documents or by applicable law.

3.8.2. No Trespass. In exercising this easement on an owner's lot, the Association is not liable to the owner for trespass.

3.8.3. Limitations. If the exercise of this easement requires entry onto an owner's lot, including into an owner's fenced yard, the entry will be during reasonable hours and after notice to the owner. This Subsection does not apply to situations that - at time of entry - are deemed to be emergencies that may result in imminent damage to or loss of life or property.

3.9. UTILITY EASEMENT. The Association may grant permits, licenses, and easements over common areas for utilities, roads, and other purposes necessary for the proper operation of the Property. A company or entity, public or private, furnishing utility service to the Property, is granted an easement over the Property for ingress, egress, meter reading, installation, maintenance, repair, or replacement of utility lines and equipment, and to do anything else necessary to properly maintain and furnish utility service to the Property. Utilities may include, but are not limited to, water, sewer, trash removal, electricity, gas, telephone, master or cable television, and security.

3.10. MINERAL INTERESTS. In the era in which this Declaration is written, there is renewed interest in oil and gas exploration.

3.10.1. Mineral Interests Reserved. On the date of this Declaration, it is expected that all mineral interests and water rights will have been reserved by a prior owner of the Property or conveyed pursuant to one or more deeds or other instruments recorded in the Real Property Records of Collin County, Texas, including but not limited to rights to all oil, gas, or other minerals and water lying on, in, or under the Property and surface rights of ingress and egress. Because the instruments conveying or reserving mineral interests and water rights were recorded prior to this Declaration, those interests in the Property are superior and are not affected by any provision to the contrary in this Declaration. By accepting title to or interest in a lot, every owner acknowledges the existence of the mineral and water rights and/or reservations referenced in this Section and the attendant rights in favor of the owner or owners of the mineral interests.

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3.10.2. Mineral Reservation by Declarant. In the event (1) a mineral interest or water right for any part of the Property has not been reserved or conveyed prior to Declarant's conveyance of the Property, or (2) a reservation or conveyance of mineral interests and water rights is determined to be invalid or to have terminated, Declarant hereby reserves for itself all right, title, and interest in and to the oil, gas, and other minerals and water in, on, and under and that may be produced from the Property, to have and to hold forever.

3.10.3. Association as Trustee. By accepting title to or interest in a lot, each owner acknowledges that any oil, gas, mineral, water, or other natural element in, on, under, or over any part of the Property that has not previously been reserved or conveyed is owned by the Association for the collective and undivided benefit of all owners of the Property. In support of that purpose, each owner - by accepting title to or interest in a lot - irrevocably appoints the Association, acting through the board, as his trustee to negotiate, receive, administer, and distribute the proceeds of any interest in oil, gas, mineral, water, or other natural element in, on, under, or over the owner's lot and that may be produced from the owner's lot for the collective and undivided benefit of all owners of the Property.

3.11. NOTICE OF LIMITATION ON LIABILITY. The development of the Property occurs during a period when many local governments are trying to be absolved of liability for flood damage to private property. As a condition of plat approval, a governmental entity may require a plat note that not only disavows the entity's liability for flood damage, but affirmatively assigns the liability to the Association. Declarant does not intend or desire to impose such absolute liability on the nonprofit association of lot owners. Notwithstanding plat notes or public codes or ordinances now in existence or hereafter created, the Association cannot and should not be liable for acts of God or for property damage that is not the result of the Association's negligence or wilful misconduct. On behalf of the Association, Declarant hereby gives notice that the Association does not accept liabilities imposed by any governmental entity for which the Association cannot obtain insurance at a reasonable cost, or for which its members refuse to fund reserve accounts at levels sufficiently high to pay the damages for which the governmental entity may seek to make the Association liable. This notice is not intended to create a liability for any governmental entity. Further, this notice may not be construed to create a duty for the Association to obtain insurance or to fund reserve accounts for damage from rising waters.

**PLEASE CAREFULLY READ SECTIONS 3.11 + 3.12
WHICH LIMIT THE ASSOCIATION'S LIABILITY**

3.12. 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, Builders, the Association, and their respective 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 sole responsibility to provide security for his own person and property, and assumes all risks for loss or damage to same. Each owner and resident further acknowledges that Declarant, Builders, the Association, and their respective directors, officers, committees, agents, and employees have made no representations or warranties, nor has the owner 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

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systems recommended or installed, or any security measures undertaken within the Property. Each owner and resident acknowledges and agrees that Declarant, Builders, the Association, and their respective directors, officers, committees, agents, and employees may not be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken.

ARTICLE 4
ATTACHED HOMES (HALF-DUPLEXES)

4.1. **GENERAL.** Many of the lots in Wylie Lake are designed to be paired for Duplex Buildings. Each Duplex Building sits on two Paired Duplex Lots that share a lot line. The "**Shared Lot Line**" means the actual platted boundary between the Paired Duplex Lots, although the boundary may not be apparent on the site. The walls and fences that separate the homes in a Duplex Building, being those walls and fences located on or near the Shared Lot Line, are "**Party Walls**".

4.2. **PURPOSES.** As a general rule, the owner of a lot has the sole and exclusive use of his lot - from boundary to boundary, and is solely responsible for the maintenance of all portions of his lot and all of the improvements on his lot - from boundary to boundary. The concept of homes in Duplex Buildings at Wylie Lakes modifies that general rule. One purpose of this Article is to address the rights and responsibilities of the owners of the Paired Duplex Lots. Another purpose is to encourage a cooperative relationship between the owners of the Paired Duplex Lots.

4.3. **ATTACHED HOME EASEMENT.** Every owner of a lot on which a Duplex Building is located is hereby granted a perpetual easement over, under, and through the adjoining Paired Duplex Lot and the other home in the same Duplex Building for the following limited purposes: (1) access to maintain, repair, or replace the home and other improvements on the lot, (2) to maintain, repair, or replace a gutter, wire, cable, conduit, or pipe that serves his home, but only to the extent that use of this easement is reasonable and necessary, and further provided that exercise of the easement does not damage or materially interfere with the use of the adjoining Paired Duplex Lot. Reciprocally, the owner of a home that contains wire, cables, conduit, or pipes that serve the other Home in the Duplex Building has a duty to refrain from interfering with or damaging those items. Requests for entry to the adjoining Paired Duplex Lot must be made to the owner of the Paired Duplex Lot, in advance, for a time reasonably convenient for the adjoining owner, who may not unreasonably withhold consent. If an owner damages an adjoining lot, or any improvements or personal property on the lot, in exercising this easement, the owner is obligated to restore the damaged property to its original condition, at his expense, within a reasonable period of time. In the event of dispute, the board is the arbiter of whether the anticipated use of this easement is reasonable and necessary.

4.4. **LIMITATIONS.** The reservations and easements created by this Article are subject to and conditioned by the following restrictions.

4.4.1. **Access Request.** Except in case of an emergency, access to and use of the other lot by the owner of a Paired Duplex Lot requires a request to the owner of the other lot, in advance, for a time reasonably convenient for the other lot owner. The other lot owner may not refuse to provide access.

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4.4.2. Structural Change. The owner of either Paired Duplex Lot may not make any change to the Duplex Building or do or fail to do any act that interferes with the structural support of the Duplex Building.

4.4.3. Damage to Party Wall. The owner responsible for damage to or destruction of a Party Wall will bear the entire cost of repair, reconstruction, or replacement. If the responsible 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 Real Property Records of Collin County, Texas, and has the right to foreclose the lien as if it were a mechanic's lien. The right of an owner to contribution from another owner under this Section is appurtenant to the land and passes to the owner's successors in title.

4.4.4. Damage to Property. If an owner damages the adjoining lot or the attached home, or damages or destroys any improvement or personal property on the adjoining lot, in exercising the easements and reservation created by this Article, the owner is obligated to restore the damaged property to its original condition (just prior to the damage), at his expense, within a reasonable period of time.

4.4.5. Preventing Damage. To help protect the Duplex Building from damage, the owner of a Paired Duplex Lot must:

- a. Avoid planting or permitting the volunteer growth of trees with root systems that are destructive to the Duplex Building or its subsurface utility lines.
- b. Avoid allowing the ground to be so wet or so dry as to create a significant moisture imbalance for the foundation of the Duplex Building.
- c. Prevent trees from damaging the roof of the Duplex Building.
- d. Treat or allow the owner of the adjoining home to treat the Duplex Building for termites or other wood destroying pests if the owner has reason to believe that such treatment is necessary to prevent termite damage to the Duplex Building.

4.4.6. Drainage Issues. The owners of the Paired Duplex Lots are required to cooperate to prevent or reduce drainage problems on either lot. If the owners fail or refuse to cooperate in a joint solution to a drainage problem that adversely affects either lot, the owner of the adversely affected lot is hereby authorized to fix the problem, even if it requires maintenance, repair, replacement, or improvement of components or grading on the other lot.

4.5. COOPERATION. *(If only this Declaration could guarantee that neighbors would work together on matters affecting their adjoining properties.)* Each owner of a Paired Duplex Lot will endeavor to exercise his rights under this Article in a manner calculated to respect the rights, privacy, and privileges of the owner of the adjoining Paired Duplex Lot. Each owner will make a diligent effort to be cooperative, responsive, and civil in communications pertaining to the purposes of this Article. No provision of this Article may be interpreted as authority for one owner to harass, inconvenience, tyrannize, or otherwise impose himself on the other owner or the owner's lot. If a dispute arises between the owners of the Paired Duplex Lots on a matter pertaining to this Article, the owners will employ the dispute resolution procedures of Article 17 of this Declaration.

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4.6. ARCHITECTURAL ISSUES. The Duplex Buildings are not designed for diversity and exterior expressions of individuality for each of the two homes. Accordingly, each Duplex Building will be maintained with an eye towards uniformity and architectural harmony of the two homes under its roof. This Section is necessitated by periods during which the Association may be lax about enforcing architectural uniformity.

- a. The exterior of each Duplex Building must be maintained and repaired as a whole. For example, if the exterior trim on one home is painted, the exterior trim on the other home in the Duplex Building must also be painted.
- b. If an owner or the Association desires to upgrade an exterior component of a Duplex Building, such as replacing aluminum windows with wood windows, the decision to change must be approved by the Architectural Reviewer as the new building standard that will apply to repairs or replacement of the component, as needed, on other Duplex Buildings.
- c. Unless a change of component has been approved by the Architectural Reviewer, repairs, replacement, and additions to the exteriors of a Duplex Building must conform to the original construction. For example, if the Duplex Building was constructed with bronze colored window frames, replacement windows with white frames may not be used unless (1) white frames have been approved by the Architectural Reviewer as the new standard for the Duplex Building and (2) all the windows in the Duplex Building are changed at approximately the same time to preserve a uniform appearance for the Duplex Building.
- d. Ideally, all Duplex Buildings in the Property will have the same architectural requirements, without building-to-building individuality. Nothing in this Section may be construed to prevent the Association from requiring uniform architectural standards for the entire Property. This Section may not be construed as authority for one Duplex Building to "do its own thing."

4.6.1. Duplex Foundation. The foundation of each Duplex Building must be maintained, repaired, and replaced as a single shared component of the two homes in the Duplex Building. Accordingly, the cost of foundation work will be shared by the owners of the two attached homes.

4.6.2. Duplex Roofs. The roof of each Duplex Building must be maintained, repaired, and replaced as a single shared component of the two homes in the Duplex Building. Accordingly, the cost of roof work will be shared by the owners of the two attached homes.

4.6.3. Duplex Drainage. The surface water drainage system on Paired Duplex Lots must be maintained, repaired, and replaced as a single shared component of the two homes in the Duplex Building. The surface water drainage system includes, without limitation, gutters, downspouts, swales, and french drains, if any.

4.7. OWNER COOPERATION REQUIRED. When homes are attached, there are certain components that may require maintenance and repair in a cooperative manner. Shared or continuous

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roofs, shared foundations, termite treatment and pest control in party walls, and surface water drainage, are examples of components that may warrant cooperative efforts. Each owner will endeavor to cooperate with the other owner in the Duplex Building to effect the purposes and intent of this Article.

4.7.1. Applicability. Generally, each owner is solely responsible for maintenance of his home and Lot. This Section applies if a particular condition affects both homes or if a particular repair or act of maintenance requires the participation of owners of both homes in a Duplex Building.

4.7.2. Mutual Agreement. The scope of work, cost of the repair, and the choice of contractor will be decided by and divided between the owners of the two homes in the Duplex Building based on any mutually agreeable allocation. If the owners agree on everything except the allocation of costs, the expense will be shared evenly and the owner of each home will pay an equal share.

4.7.3. Association as Intermediary. If the owners of homes that share a Duplex Building cannot cooperate, either owner may ask the Association to perform the required repairs and to levy individual assessments against the Paired Duplex Lots and their owners for reimbursement of the work. The Association may, but is not required, to respond affirmatively to such a request. The Association may perform an independent inspection and evaluation of the condition and may rely on its findings in any action taken by the Association.

4.7.4. Owner Goes It Alone. If the owner of one Paired Duplex Lot fails or refuses to pay his share of costs of repair to the Duplex Building, the owner of the other Paired Duplex Lot may pay the entire cost while reserving a right to reimbursement. The right of an owner to contribution from another owner under this Section is appurtenant to the land and passes to the owner's successors in title. The owner advancing monies has a right to (1) request reimbursement from the Association, which may pay the money and seek reimbursement from the nonpaying owner by levying an individual assessment against the lot and owner; or (2) file a claim of lien for the monies advanced in the Real Property Records of Collin County, Texas, and has the right to foreclose the lien as if it were a mechanic's lien.

4.7.5. Dispute Resolution. If the owners and the Association disagree about the scope of work, the nature or time of the repair, the choice of contractor, or any other aspect of the task that one owner considers essential, the Dispute Resolution Article of this Declaration will apply. However, if the condition of the Duplex Building requires prompt attention to prevent further deterioration or damage, nothing in this Article may be construed to prevent an owner from taking recommended and necessary action to protect the owner's property.

ARTICLE 5 COMMON AREA

5.1. APPLICABILITY. This Article applies only to the extent the Property has common areas, and may not be construed to require common areas for the Property. On the date of this Declaration, Wylie Lakes has no platted land that is identified as common areas. The plats of Wylie Lakes identify open spaces that are dedicated - by the plats - to the City of Wylie. Wylie

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Lakes does have certain entry and screening features which are maintained by the Association as common areas, although located on individually owned residential lots.

5.2. OWNERSHIP. The designation of real property as a common area is determined by the plat and this Declaration, and not by the ownership of the property. This Declaration contemplates that the Association will eventually hold title to every common area capable of independent ownership by the Association. Declarant may install, construct, or authorize certain improvements on common areas in connection with the initial development of the Property, and the cost thereof is not a common expense of the Association. Thereafter, all costs attributable to common areas, including maintenance, property taxes, insurance, and enhancements, are automatically the responsibility of the Association, regardless of the nature of title to the common areas, unless this Declaration elsewhere provides for a different allocation for a specific common area.

5.3. ACCEPTANCE. By accepting an interest in or title to a lot, each owner is deemed (1) to accept the common area of the Property, and any improvement thereon, in its then-existing "as is" condition; (2) to acknowledge the authority of the Association, acting through its board of directors, for all decisions pertaining to the common area; (3) to acknowledge that transfer of a common area's title to the Association by or through the Declarant is a ministerial task that does not require acceptance by the Association; and (4) to acknowledge the continuity of maintenance of the common area, regardless of changes in the Association's board of directors or management.

5.4. CONVEYANCE. The Association, acting through its board of directors, may accept or convey real property interests from or to, as the case may be, a governmental entity or agency, if the conveyance is required by the governmental entity or agency, or if the board deems such a conveyance to be in the best collective interest of the Association. Property interest capable of conveyance include fee title to all or part of a common area, an easement across real property, and a lease or license of real property.

5.5. COMPONENTS. The common area of the Property consists of the following components on or adjacent to the Property, even if located on a lot or a public right-of-way:

- a. All of the Property, save and except the residential Lots.
- b. The formal entrances to the Property, including (if any) the signage, landscaping, electrical and water installations, planter boxes and fencing.
- c. The screening feature along Forest Ross Road side of the Property.
- d. Landscaping on islands, if any, to the extent it is not maintained by the city.
- e. Any modification, replacement, or addition to any of the above-described areas and improvements.
- f. Personal property owned by the Association, such as books and records, office equipment, and supplies.

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ARTICLE 6
ARCHITECTURAL COVENANTS AND CONTROL

6.1. PURPOSE. Because the lots are part of a single, unified community, this Declaration creates rights to regulate the design, use, and appearance of the lots and common areas in order to preserve and enhance the Property's value and architectural harmony. One purpose of this Article is to promote and ensure the level of taste, design, quality, and harmony by which the Property is developed and maintained. Another purpose is to prevent improvements and modifications that may be widely considered to be radical, curious, odd, bizarre, or peculiar in comparison to then existing improvements. A third purpose is to regulate the appearance of every aspect of proposed or existing improvements on a lot, including but not limited to dwellings, fences, landscaping, retaining walls, yard art, sidewalks and driveways, and further including replacements or modifications of original construction or installation. During the Development Period, a primary purpose of this Article is to reserve and preserve Declarant's right of architectural control.

6.2. ARCHITECTURAL CONTROL DURING THE DEVELOPMENT PERIOD. During the Development Period, neither the Association, the board of directors, nor a committee appointed by the Association or board (no matter how the committee is named) may involve itself with the approval of new homes on vacant lots. During the Development Period, the Architectural Reviewer for new homes on vacant lots is the Declarant or its delegates.

6.2.1. Declarant's Rights Reserved. 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 that Declarant has a substantial interest in ensuring that the improvements within the Property enhance Declarant's reputation as a community developer and do not impair Declarant's ability to market its property or the ability of Builders to sell homes in the Property. Accordingly, each owner agrees that - during the Development Period - no improvements will be started or progressed on owner's lot without the prior written approval of Declarant, which approval may be granted or withheld at Declarant's sole discretion. In reviewing and acting on an application for approval, Declarant may act solely in its self-interest and owes no duty to any other person or any organization. Declarant may designate one or more persons from time to time to act on its behalf in reviewing and responding to applications.

6.2.2. Delegation by Declarant. During the Development Period, Declarant may from time to time, but is not obligated to, delegate all or a portion of its reserved rights under this Article to (1) a modifications or architectural committee appointed by Declarant or by the board, (2) a modifications or architectural committee elected by the owners, or (3) a committee comprised of architects, engineers, or other persons who may or may not be members of the Association. Any such delegation must be in writing and must specify the scope of delegated responsibilities. Any such delegation is at all times subject to the unilateral rights of Declarant (1) to revoke such delegation at any time and reassume jurisdiction over the matters previously delegated and (2) to veto any decision which Declarant in its sole discretion determines to be inappropriate or inadvisable for any reason.

6.3. ARCHITECTURAL CONTROL BY ASSOCIATION. Unless and until such time as Declarant delegates all or a portion of its reserved rights to the Architectural Control Committee (the "**ACC**"), or the Development Period is terminated or expires, the Association has no jurisdiction over architectural matters. On termination or expiration of the Development Period, or earlier if delegated

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in writing by Declarant, the Association, acting through the ACC will assume jurisdiction over architectural control. The ACC will consist of at least 3 but not more than 7 persons appointed by the board, pursuant to the Bylaws. Members of the ACC serve at the pleasure of the board and may be removed and replaced at the board's discretion. At the board's option, the board may act as the ACC, in which case all references in the Governing Documents to the ACC are construed to mean the board. Members of the ACC need not be owners or residents, and may but need not include architects, engineers, and design professionals whose compensation, if any, may be established from time to time by the board.

6.4. **LIMITS ON LIABILITY.** The Architectural Reviewer has sole discretion with respect to taste, design, and all standards specified by this Article. The Architectural Reviewer and each of its members has no liability for decisions made in good faith by the Architectural Reviewer, and which are not arbitrary or capricious. The Architectural Reviewer is not responsible for: (1) errors in or omissions from the plans and specifications submitted to the Architectural Reviewer, (2) supervising construction for the owner's compliance with approved plans and specifications, or (3) the compliance of the owner's plans and specifications with governmental codes and ordinances, state and federal laws.

**BEFORE MAKING AN IMPROVEMENT OR ALTERATION TO THE
STRUCTURE OR EXTERIOR APPEARANCE OF A LOT OR HOME,
A BUILDER OR OWNER MUST APPLY FOR WRITTEN APPROVAL.**

6.5. **PROHIBITION OF CONSTRUCTION, ALTERATION & IMPROVEMENT.** Without the Architectural Reviewer's prior written approval, a person may not construct a dwelling or make an addition, alteration, improvement, installation, modification, redecoration, or reconstruction of or to the Property, if it will be visible from a street, another lot, or the common area. The Architectural Reviewer 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.

6.6. **DUPLEX BUILDINGS.** Regarding homes in Duplex Buildings, the terms and provisions of Article 4 that pertain to appearance of the Duplex Building control over anything to the contrary in this Article.

6.7. **ARCHITECTURAL APPROVAL.** To request architectural approval, an owner must make written application to the Architectural Reviewer and submit 2 identical sets of plans and specifications showing the nature, kind, shape, color, size, materials, and locations of the work to be performed. In support of the application, the owner may but is not required to submit letters of support or non-opposition from owners of lots that may be affected by the proposed change. The application must clearly identify any requirement of this Declaration for which a variance is sought. The Architectural Reviewer will return one set of plans and specifications to the applicant marked with the Architectural Reviewer's response, such as "Approved," "Denied," or "More Information Required." The Architectural Reviewer will retain the other set of plans and specifications, together with the application, for the Architectural Reviewer's files. Verbal approval by an Architectural Reviewer, the Declarant, an Association director or officer, a member of the ACC, or the Association's manager does not constitute architectural approval by the appropriate Architectural Reviewer, which must be in writing.

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6.7.1. Deemed Approval. Under the following limited conditions, the applicant may presume that his request has been approved by the Architectural Reviewer:

- a. If the applicant or a person affiliated with the applicant has not received the Architectural Reviewer's written response - approving, denying, or requesting additional information - within 60 days after delivering his complete application to the Architectural Reviewer.
- b. If the proposed improvement or modification strictly conforms to requirements and construction specifications contained in this Declaration and in any design guidelines for the Property in effect at the time of application.

If those conditions are satisfied, the owner may then proceed with the improvement, provided he adheres to the plans and specifications which accompanied his application, and provided he initiates and completes the improvement in a timely manner. In exercising deemed approval, the burden is on the owner to document the Architectural Reviewer's actual receipt of the owner's complete application. Under no circumstance may approval of the Architectural Reviewer be deemed, implied, or presumed for an improvement or modification that would require a variance from the requirements and construction specifications contained in this Declaration and in any design guidelines for the Property in effect at the time of application.

6.7.2. No Approval Required. No approval is required to repaint exteriors in accordance with the color scheme approved by the Architectural Reviewer, or to rebuild a dwelling in accordance with originally approved plans and specifications. Nor is approval required for an owner to remodel or repaint the interior of a dwelling.

6.7.3. Building Permit. If the application is for work that requires a building permit from a governmental body, the Architectural Reviewer's approval is conditioned on the issuance of the appropriate permit. The Architectural Reviewer's approval of plans and specifications does not mean that they comply with the requirements of the governmental body. Alternatively, governmental approval does not ensure Architectural Reviewer approval.

6.7.4. Neighbor Input. The Architectural Reviewer may solicit comments on the application, including from owners or residents of lots that may be affected by the proposed change, or from which the proposed change may be visible. Whether to solicit comments, from whom to solicit comments, and whether to make the comments available to the applicant is solely at the discretion of the Architectural Reviewer. The Architectural Reviewer is not required to respond to the commenters in ruling on the application.

6.7.5. Declarant Approved. Notwithstanding anything to the contrary in this Declaration, any improvement to the Property made or approved by Declarant during the Development Period is deemed to have been approved by the Architectural Reviewer. If the improvement is of a nature that would require a variance by the Architectural Reviewer, such variance is deemed to have been granted.

6.8. ARCHITECTURAL GUIDELINES. Declarant during the Development Period, and the Association thereafter, may publish architectural restrictions, guidelines, and standards, which may be revised from time to time to reflect changes in technology, style, and taste.

During the Development Period, Appendix C has priority over the main body of this Declaration.

ARTICLE 7
CONSTRUCTION AND USE RESTRICTIONS

7.1. **VARIANCE**. The use of the Property is subject to the restrictions contained in this Article, and subject to rules adopted pursuant to this Article. The board or the Architectural Reviewer, as the case may be, may grant a variance or waiver of a restriction or rule on a case-by-case basis when unique circumstances dictate, and may limit or condition its grant. To be effective, a variance must be in writing. The grant of a variance does not effect a waiver or estoppel of the Association's right to deny a variance in other circumstances. Approval of a variance or waiver may not be deemed, implied, or presumed under any circumstance.

7.2. **CONSTRUCTION RESTRICTIONS**. Without the Architectural Reviewer's prior written approval for a variance, improvements constructed on every lot must have the characteristics described in Appendix B, which may be treated as the minimum requirements for improving and using a lot. The Architectural Reviewer and the board may promulgate additional rules and restrictions, as well as interpretations, additions, and specifications of the restrictions contained in this Article. An owner should review the Association's architectural restrictions, if any, before planning improvements, repairs, or replacements to his lot and dwelling.

7.3. **LIMITS TO RIGHTS**. No right granted to an owner by this Article or by any provision of the Governing Documents is absolute. The Governing Documents grant rights with the expectation that the rights will be exercised in ways, places, and times that are customary for the neighborhood. This Article and the Governing Documents as a whole do not try to anticipate and address every creative interpretation of the restrictions. For example, an owner's right to have a sign advertising the home for sale is not the right to mount the sign on the chimney and illuminate it with pulsating neon lights. The right of access to a home is not the right to land helicopters on the lot. The rights granted by this Article and the Governing Documents are at all times subject to the board's determination that a particular interpretation and exercise of a right is significantly inappropriate, unattractive, or otherwise unsuitable for the neighborhood, and thus constitutes a violation of the Governing Documents. In other words, the exercise of a right or restriction must comply with the spirit of the restriction as well as with the letter of the restriction.

7.4. **SUBJECTIVE STANDARDS**. Standards for some rules and restrictions are inherently subjective, such as what is unattractive or offensive. The Association is not required to honor every resident's individual tolerances. On lifestyle-related rules, the Association may refrain from acting on a perceived violation unless the board determines the violation to be significant or a community-wide problem. The Association may not be compelled by one resident to enforce rules and restrictions against another resident. Residents are expected to deal directly and peaceably with each other about their differences.

DON'T PUSH THE ENVELOPE, PLEASE.

7.5. **ASSOCIATION'S RIGHT TO PROMULGATE RULES**. The Association, acting through its 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 restrictions contained in this Article, each lot is owned

During the Development Period, Appendix C has priority over the main body of this Declaration.

and occupied subject to the right of the board to establish Rules, and penalties for infractions thereof, governing:

- a. Use of common areas.
- b. Hazardous, illegal, or annoying materials or activities on the Property.
- c. The use of Property-wide services provided through the Association.
- d. The consumption of utilities billed to the Association.
- e. The use, maintenance, and appearance of exteriors of dwellings and lots.
- f. Landscaping and maintenance of yards.
- g. The occupancy and leasing of dwellings.
- h. Animals.
- i. Vehicles.
- j. Disposition of trash and control of vermin, termites, and pests.
- k. Anything that interferes with maintenance of the Property, operation of the Association, administration of the Governing Documents, or the quality of life for residents.

GET ARCHITECTURAL APPROVAL *BEFORE* YOU SHOP FOR A STORAGE SHED.

7.6. **ACCESSORY SHEDS.** Accessory structures are prohibited (not allowed) without the prior written approval of the Architectural Reviewer. Examples of accessory structures are dog houses, gazebos, storage sheds, playhouses, and greenhouses. To be eligible for approval by the Architectural Reviewer, an accessory structure must have the following features, in addition to any others adopted by the Architectural Reviewer from time to time:

- a. Only one per lot.
- b. Designed for outdoor use.
- c. Less than 6 feet in height at the ridge line of the roof.
- d. Less than 100 square feet of floor space (e.g. 10' x 10').
- e. Visually harmonious with the home or fence to which it is most visually related or physically attached, such as matching dominant colors.
- f. Screened by a fence or acceptable landscape material so it is not visible to a person standing on the surface of an adjoining lot or street.
- g. Not located in front yards or in unfenced portions of side yards facing streets.
- h. **NO METAL SHEDS.**

If an accessory structure is installed in violation of this Section, the Architectural Reviewer reserves the right to determine that the accessory structure is unattractive or inappropriate or otherwise unsuitable for the Property, and may require the owner to screen it or to remove it. If the Architectural Reviewer grants approval for an accessory structure, the approval may be revoked if the structure is not maintained or becomes unsightly.

7.7. **ANIMAL RESTRICTIONS.** No animal, bird, fish, reptile, or insect of any kind may be kept, maintained, raised, or bred anywhere on the Property for any commercial purpose or for food. The only animals permitted on the Property are customary domesticated household pets, which may be kept for personal companionship subject to rules adopted by the board. The board may adopt, amend, and repeal rules regulating the types, sizes, numbers, locations, and behavior of animals at the Property. If the rules fail to establish animal occupancy quotas, no more than 4 dogs and/or cats

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may be maintained on each lot. Pets must be kept in a manner that does not disturb the peaceful enjoyment of residents of other lots. Pets must be maintained inside the dwelling, and may be kept in a fenced yard only if they do not disturb residents of other lots. Resident is responsible for the removal of his pet's wastes from the Property. Unless the Rules provide otherwise, a resident must prevent his pet from relieving itself on the common area or the lot of another owner.

FEW FRIENDLY FASTIDIOUS FIDOS FAVORED

7.8. **ANNOYANCE.** No lot or 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 of other lots; (4) may result in the cancellation of insurance on the Property; or (5) violates any law. The board has the sole authority to determine what constitutes an annoyance.

7.9. **APPEARANCE.** Both the lot and the dwelling must be maintained in a manner so as not to be unsightly when viewed from the street or neighboring lots. The Architectural Reviewer is the arbitrator of acceptable appearance standards.

7.10. **BUSINESS USE.** A resident may use a dwelling for business uses, such as telecommuting, personal business, and professional pursuits, provided that: (1) the uses are incidental to the primary use of the dwelling as a residence; (2) the uses conform to applicable governmental ordinances; (3) the uses do not entail visits to the lot by employees or the public in quantities that materially increase the number of vehicles parked on the street; and (4) the uses do not interfere with the residential use and enjoyment of neighboring lots by other residents.

7.11. **COLOR CHANGES.** The colors of buildings, fences, exterior decorative items, window treatments, and all other improvements on a lot are subject to regulation by the Architectural Reviewer. Because the relative merits of any color are subjective matters of taste and preference, the Architectural Reviewer determines the colors that are acceptable to the Association. Do not change or add colors that are visible from the street, a common area, or another lot without the prior written approval of the Architectural Reviewer.

7.12. **DECLARANT PRIVILEGES.** Declarant has reserved a number of rights and privileges to use the Property in ways that are not available to other owners and residents, as provided in Appendix C of this Declaration. Declarant's exercise of a Development Period right that appears to violate a rule or a use restriction of this Article does not constitute waiver or abandonment of the restriction by the Association as applied to owners other than Declarant.

7.13. **DRAINAGE.** No person may interfere with the established drainage pattern over any part of the Property unless an adequate alternative provision for proper drainage has been approved by the board.

7.14. **DRIVEWAYS.** The driveway portion of a lot may not be used for any 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: (1) for storage purposes, including storage of boats, trailers, and inoperable vehicles; or (2) for repair or restoration of vehicles.

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7.15. **FENCES.** Collectively, fences on individual lots create the "face" of the neighborhood from certain directions. Although each owner is solely responsible for the fencing on his lot, a portion of his fencing may serve as a segment in the continuous border around the Property or along a stretch of roadway or common area. This Section is subject to the Architectural Reviewer's right to adopt additional or different specifications for construction or reconstruction of fences. If a fence is installed or modified in violation of this Section, **the Architectural Reviewer reserves the right to determine that the fence is unattractive or inappropriate or otherwise unsuitable for the Property, and may require the owner to modify it or to remove it.** Because the value of uniformity may not be apparent when a small number of variances are granted or a small number of violations are ignored, this Section controls over specific approvals and authorizations granted by the Architectural Reviewer to individual owners over time, and also controls over violations that have been tolerated for long periods of time.

7.15.1. **Height & Location.** The average height of fences must be 6 feet. For certain locations and uses, the Architectural Reviewer may approve fence heights as low as 4 feet, or as tall as 8 feet. Fences may not be constructed between a dwelling's front building line and the street.

7.15.2. **Transitions.** Fences that adjoin or connect must appear to be the same height or must be designed and constructed with transitions between the differing heights to reduce the appearance effect of the height change.

GOOD FENCES MAKE GOOD NEIGHBORS

7.15.3. **Finish Side "Out".** The Architectural Reviewer may require that new or replacement fences visible from a street, a common area, or a neighboring development, public park, school site, or undeveloped tract of land have a "finished side" appearance on the outward face of the fence.

7.15.4. **Condition.** Each owner must maintain the fences and gates on his lot in a condition and appearance that is standard for the neighborhood.

7.15.5. **Permitted Materials.** Fences must be made of masonry, wood, or other Architectural Reviewer-approved material. Retaining walls must be constructed entirely with Architectural Reviewer-approved materials.

7.15.6. **Prohibited Materials.** Barbed wire and chain link fencing are prohibited. Barbed wire and chain link are not included within the meaning of "iron," "metal," or "steel" fence materials or components if those terms are used and permitted in the Governing Documents. Railroad ties may not be used for a retaining wall visible from a street or common area.

7.15.7. **Fence Stain.** Wood fences may be left in their natural state. No wood fence may be stained to alter the fence color from a natural wood color. Without prior approval of the Architectural Reviewer, clear sealants may be applied. The Architectural Reviewer may specify one or more brands and/or colors of stain to be used. **The use or application of (1) a stain that cures in a solid color or (2) paint is prohibited.** This Subsection is subject to the

During the Development Period, Appendix C has priority over the main body of this Declaration.

following "Uniformity" provision and may not be construed to require the Association to stain or seal wood fences on owners' lots.

7.15.8. Uniformity. Notwithstanding anything to the contrary in any instrument pertaining to the Property or elsewhere in this Declaration, even in this Section, the Architectural Review may require that all fences along a particular stretch within the Property, such as along or visible from a road or common area, be uniform in height, color, material, and appearance, including use of a particular sealant or stain. Further, the Architectural Reviewer may require certain treatments for transitions between fences and at changes in grade or elevation.

7.15.9. Fences by Declarant or Builder. As the Architectural Reviewer, Declarant may authorize variations of this Section's requirements for fences constructed by Declarant or by Builders in connection with new home construction during the Development Period. Any fence installed by Declarant is deemed to have been approved by the Architectural Reviewer.

7.16. FLAGS. Each owner and resident of Wylie Lakes has a right to fly the flag on his lot. The United States flag ("Old Glory") and/or the Texas state flag ("Lone Star Flag") may be displayed in a respectful manner on each lot, subject to reasonable standards adopted by the Association for the height, size, illumination, location, and number of flagpoles. All flag displays must comply with public flag laws. No other types of flags, pennants, banners, kites, or similar types of displays are permitted on a lot if the display is visible from a street or common area. Unless the Rules provide otherwise, a flag must be wall-mounted to the first floor facade of the home, and no in-ground flag pole is permitted on a lot.

7.17. GARAGES. Without the board's prior written approval, the original garage area of a lot may not be enclosed or used for any purpose that prohibits the parking of two standard-size operable vehicles therein. Garage doors are to be kept closed at all times except when a vehicle is entering or leaving.

7.18. "GARAGE SALES". The Association may adopt rules limiting the frequency, location, and signage of garage sales, yard sales, estate sales, rummage sales, and other types of merchandise sales activities that may be expected to attract the public to the Property.

7.19. GUNS. Hunting and shooting are not permitted anywhere on or from the Property. The Association is not required to enforce this provision by confronting an armed person.

7.20. LANDSCAPING. No person may perform landscaping, planting, or gardening on the common area without the board's prior written authorization.

7.21. LEASING OF HOMES. An owner may lease the dwelling on his lot. Whether or not it is so stated in a lease, every lease is subject to the Governing Documents. An owner is responsible for providing his tenant with copies of the Governing Documents and notifying him of changes thereto. Failure by the tenant or his invitees to comply with the Governing Documents, 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

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or state law for the default, including eviction of the tenant. The owner of a leased lot is liable to the Association for any expenses incurred by the Association in connection with enforcement of the Governing 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 Governing Documents against the owner's tenant.

7.22. **LIGHTS.** Exterior light sources on a lot should be unobtrusive, shielded to prevent glare, directed away from neighboring homes and yards, with little if any spillover light on neighboring property. All visible exterior light fixtures on a lot should be consistent in style and finish with the architecture of the home. The wattage of building-mounted exterior lighting may not exceed 150 watts per fixture.

7.23. **NOISE & ODOR.** A 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 lots. The Rules may limit, discourage, or prohibit noise-producing activities (such a garage bands) and the use of noise-producing items (such as security devices and windchimes).

7.24. **OCCUPANCY.** Other than the completed principal dwelling, no thing or structure on a lot may be occupied as a residence at any time by any person. This provision applies, without limitation, to the garage, mobile homes, campers, and storage sheds.

Yes, there are lots of rules!
EVERY RESIDENT OF WYLIE LAKES
IS EXPECTED TO COMPLY WITH THESE RULES
AND WITH RULES ADOPTED BY THE BOARD OF DIRECTORS.

7.25. **RESIDENTIAL USE.** The use of a residential lot is limited exclusively to residential purposes or any other use permitted by this Declaration, including limited business uses described above.

7.26. **SCREENING.** The Architectural Reviewer may require that the following items must be screened from the view of the public and neighboring lots and dwellings, if any of these items exists on the lot: (1) satellite reception equipment; (2) clotheslines, drying racks, and hanging clothes, linens, rugs, or textiles of any kind; (3) yard maintenance equipment; (4) wood piles and compost piles; (5) accessory structures that do not have prior approval of Architectural Reviewer; (6) garbage cans and refuse containers; (7) anything determined by the board to be unsightly or inappropriate for a residential subdivision. Screening may be achieved with fencing, or with plant material, such as trees and bushes, or any combination of these. If plant material is used, a reasonable period of time is permitted for the plants to reach maturity as an effective screen. As used in this Section, "screened from view" refers to the view of a person in a passenger vehicle driving on a street or alley, or the view of a person of average height standing in the middle of a yard of an adjoining lot. "Screened from view" does not pertain to the view from a second floor window.

7.27. **SIGNS.** Except as permitted below, no sign or unsightly object may be erected, placed, or permitted to remain on the Property or to be visible from windows in the dwelling without the board's prior written approval. The board's approval may specify the location, nature, appearance,

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dimensions, number, and time period of a sign or object. Without liability for trespass or any other liability connected with the removal, the board may effect the immediate removal of any sign or object (1) that violates this Section, (2) which the board deems inconsistent with neighborhood standards, or (3) which the board deems an abuse of the below-permitted sign uses. As used in this Section, "sign" includes, without limitation, lettering, images, symbols, pictures, shapes, lights, banners, and any other representation or medium that conveys a message.

7.27.1. Contractor Signs Prohibited. If the rules fail to establish standards for temporary signs advertising the contractor or material manufacturer working at a home, all such contractor signs are prohibited without the prior written approval of the board.

7.27.2. Event Signs. A resident may erect or install on his lot - for up to 24 hours - one temporary sign identifying his home as the site of a social event.

7.27.3. Inflammatory Signs Prohibited. Even among the categories of permitted signs, the board may disallow, prohibit, and remove a particular sign that the Association directors unanimously consider to be (1) provocative, vulgar, or profane for the sensitivities of the Property's residents, (2) likely to incite violence, fear, or disruptive counter-activity, (3) denigrating of a resident or owner, or category of residents or owners, (4) likely to negatively affect the image of the Property as a desirable place to own and occupy, or (5) otherwise unsuitable for the Property.

NO "FOR RENT" SIGNS - NO SIGNS IN WINDOWS

7.27.4. Lease Signs Prohibited. The right to lease a home is not the right to post a "for lease" sign on the Property - even on the yard of the home that is available for lease. Without the board's prior written permission, which may be withheld for any reason or no reason, a person may not post or maintain a sign anywhere on the Property that advertises a home for rent or for lease. This blanket prohibition includes, without limitation, yard signs, signs in or on windows, and signs on vehicles.

7.27.5. Political Signs. If public law - such as Texas Property Code Section 202.009 and local ordinances - grants an owner the right to place political signs on the owner's lot, the Association may not prohibit an owner's exercise of such right. The Association may adopt and enforce Rules regulating every aspect of political signs on owners' lots to the extent not prohibited or protected by public law. Unless the Rules or public law provide otherwise (1) a political sign may not be displayed more than 90 days before or 10 days after an election to which the sign relates; (2) a political sign must be ground-mounted; (3) an owner may not display more than one political sign for each candidate or ballot item; and (4) a political sign may not have any of the attributes itemized in Texas Property Code Sec. 202.009(c), to the extent that statute applies to the lot.

7.27.6. Sale Signs. An owner who is actively marketing his lot for sale may place in the front yard one professionally-made traditional yard sign of not more than 5 square feet advertising the lot for sale. Only one such sign is allowed per lot, and only on the lot that is being actively marketed. All aspects of the sign, including the height, shape, color, material, wording, and placement must be customary for the neighborhood.

During the Development Period, Appendix C has priority over the main body of this Declaration.

7.27.7. Security Signs. One professionally made security service sign of not more than one square foot is permitted per lot.

7.27.8. Spirit Signs. A resident may erect or install temporary yard signs celebrating a family event, such as a baby's arrival or a child's school achievement. A spirit sign must be tasteful, modest in size, maintained in good condition, and removed by resident after a reasonable period.

7.27.9. Window Signs Prohibited. A sign in a window, on a window, or visible through a window is prohibited if the sign is visible from the street or from a neighboring home. "Window" includes a door, lite, or pane that is transparent.

7.28. TELEVISION. Each 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. Antennas, satellite or microwave dishes, and receiving or transmitting towers that are visible from a street or from another lot are prohibited within the Property, except (1) reception-only antennas or satellite dishes designed to receive television broadcast signals, (2) antennas or satellite dishes that are one meter or less in diameter and designed to receive direct broadcast satellite service (DBS), or (3) antennas or satellite dishes that are one meter or less in diameter or diagonal measurement and designed to receive video programming services via multipoint distribution services (MDS) (collectively, the "**Antenna**") are permitted if located (a) inside the structure (such as in an attic or garage) so as not to be visible from outside the structure, (b) in a fenced yard, or (c) attached to or mounted on the rear wall of a structure below the eaves. If an owner determines that an Antenna cannot be located in compliance with the above guidelines without precluding reception of an acceptable quality signal, the owner may install the Antenna in the least conspicuous location on the lot where an acceptable quality signal can be obtained. The Association may adopt reasonable rules for the location, appearance, camouflaging, installation, maintenance, and use of the Antennas to the extent permitted by public law.

7.29. TEMPORARY STRUCTURES. Except for "accessory sheds" as described above, improvements or structures of a temporary or mobile nature, such as tents, portable sheds, and mobile homes, may not be placed on a lot if visible from a street or another lot. However, an owner or owner's contractor may maintain a temporary structure (such as a portable toilet or construction trailer) on the lot during construction of the dwelling.

7.30. TRASH. Each resident will endeavor to keep the Property clean and will dispose of all refuse in receptacles designated specifically by the Association or by the city for that purpose. Trash must be placed entirely within the designated receptacle. The board may adopt, amend, and repeal rules regulating the location and visibility of trash receptacles and the disposal and removal of trash from the Property.

7.31. VEHICLES. All vehicles on the Property, whether owned or operated by the residents or their families and guests, are subject to this Section and Rules adopted by the board. The board may adopt, amend, and repeal rules regulating the types, sizes, numbers, conditions, uses, appearances, and locations of vehicles on the Property. The board 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.

During the Development Period, Appendix C has priority over the main body of this Declaration.

7.31.1. Parking in Street. The following subsection may not be construed to prohibit the parking of all vehicles on public streets. Vehicles that are not prohibited below may park on public streets if the city allows curbside parking, subject to the continuing right of the Association to adopt reasonable rules if circumstances warrant.

7.31.2. Prohibited Vehicles. Without prior written board approval, the following types of vehicles and vehicular equipment - mobile or otherwise - may not be kept, parked, or stored anywhere on the Property - including overnight parking on streets and driveways - if the vehicle is visible from a street or from another lot: mobile homes, motor homes, buses, trailers, boats, aircraft, inoperable vehicles, commercial truck cabs, trucks with tonnage over one ton, vehicles which are not customary personal passenger vehicles, and any vehicle which the board deems to be a nuisance, unsightly, or inappropriate. This restriction does not apply to vehicles and equipment temporarily on the Property in connection with the construction or maintenance of a dwelling. Vehicles that transport inflammatory or explosive cargo are prohibited from the Property at all times.

7.32. WINDOW TREATMENTS. All window treatments within the dwelling that are visible from the street or another dwelling must be maintained in good condition and must not detract from the appearance of the Property. The Architectural Reviewer may require an owner to change or remove a window treatment that the Architectural Reviewer determines to be inappropriate or unattractive. The Architectural Reviewer may prohibit the use of certain colors or materials for window treatments.

***Just because a fancy store sells it
doesn't mean you can display it at Wylie Lakes***

7.33. YARD ART. The Association is interested in the appearance of all portions of a residential lot that are visible from the street or from a neighboring lot, including yards, porches, sidewalks, window sills, and chimneys (hereafter, collectively, the "**yard**"). Some changes or additions to a yard may defy easy categorization as an improvement, a sign, or landscaping. This Section confirms that all aspects of a visible yard are within the purview of the Architectural Reviewer, including, without limitation, the installation of religious, cultural, or educational items; the shape of pruned shrubs; the number, shapes, and uses of flower beds; and the integration of items such as wheelbarrows, boulders, and driftwood into the landscaping. The use of any decoration, sculpture, fountain, flag, and similar items on any portion of the yard is prohibited without the prior written approval of the Architectural Reviewer unless (1) the item is expressly permitted by this Declaration, or (2) the item is placed within a fenced yard, (3) the item is no taller than the fence, and (4) the fence blocks the view of the item at ground level.

ARTICLE 8 ASSOCIATION OPERATIONS

8.1. THE ASSOCIATION. The existence and legitimacy of the Association is derived from this Declaration and the Bylaws of the Association.

8.1.1. Type. The Association must be a nonprofit organization, and may be unincorporated or incorporated, as the Association decides from time to time. If the Association

During the Development Period, Appendix C has priority over the main body of this Declaration.

is incorporated, the subsequent failure of the Association to maintain its corporate charter from time to time does not affect the existence or legitimacy of the Association.

8.1.2. Applicability. The Association is subject to the Texas Business Organizations Code ("**TBOC**"). Because provisions of this Declaration address issues covered by the TBOC, this Declaration is a "Governing Document" as defined by TBOC, and any such provision herein is a "Bylaw" as defined by TBOC. When incorporated, the Association is subject to TBOC Chapter 22 - the Nonprofit Corporation Law. When unincorporated, the Association is subject to TBOC Chapter 252 - the Uniform Unincorporated Nonprofit Association Act.

8.1.3. Name. A name is not the defining feature of the Association. Although the initial name of the Association is Wylie Lakes Owners Association, the Association may operate under any name that is approved by the board and (1) registered by the board with the County Clerk of Collin County, Texas, as an assumed name, or (2) filed by the Association with the Secretary of State as the name of the filing entity. The Association may also change its name by amending the Governing Documents. Another legal entity with the same name as the Association, or with a name based on the name of the Property is not the Association, which derives its authority from this Declaration.

8.1.4. Duties. The duties and powers of the Association are those set forth in the Governing Documents, together with the general and implied powers of a property owners association and, as applicable, an unincorporated nonprofit association or a nonprofit corporation organized 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 Governing Documents.

8.1.5. Duration. The Association comes into existence on the later to occur of the two following events: (1) the date on which this Declaration is recorded in the Real Property Records of Collin County, Texas, or (2) the date on which a deed is recorded in the Real Property Records of Collin County, Texas, evidencing diversity of ownership in the Property (that the Property is not owned entirely by Declarant or its affiliates). The Association will continue to exist at least as long as this Declaration, as it may be amended, is effective against all or part of the Property.

**EVERY OWNER OF A WYLIE LAKES LOT AUTOMATICALLY
JOINS A MANDATORY MEMBERSHIP ASSOCIATION.**

8.2. BOARD. The Association is governed by a board of directors. Unless the Association's Bylaws or Articles of Association provide otherwise, the board will consist of at least 3 persons elected by the members at the annual meeting of the Association, or at a special meeting called for that purpose. Unless the Governing Documents expressly reserve a right, action, or decision to the owners, Declarant, or another party, the board acts in all instances on behalf of the Association. Unless the context indicates otherwise, references in the Governing Documents to the "Association" may be construed to mean "the Association acting through its board of directors."

During the Development Period, Appendix C has priority over the main body of this Declaration.

8.3. **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. 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 attributable to his lot until fee title to the lot is transferred.

8.4. **DECISION-MAKING.** Any decision or act of the Association may be made by or at the direction of the board, unless the Governing Documents reserve the decision or act to the members, the Declarant, or any other person or group. Unless the Governing Documents or applicable law provide otherwise, any action requiring approval of the members may be approved (1) at a meeting by owners of at least a majority of the lots that are represented at the meeting, provided notice of the meeting was given to an owner of each lot, or (2) in writing by owners of at least a majority of all lots, provided the opportunity to approve or disapprove was given to an owner of each lot.

8.5. **MANAGER.** The board may delegate the performance of certain functions to one or more managers or managing agents of the Association. Notwithstanding a delegation of its functions, the board is ultimately responsible to the members for governance of the Association.

8.6. **COMMUNICATIONS.** This Declaration is drafted in an era of rapidly changing communication technologies. Declarant does not intend to limit the methods by which the Association, owners, and residents communicate with each other. Such communications may be by any method or methods that are available and customary. For example, if the Association is required by the Governing Documents or applicable law to make information available to owners of all lots, that requirement may be satisfied by posting the information on the Association's website or by using electronic means of disseminating the information, unless applicable law requires a specific method of communication. It is foreseeable that meetings of the Association and voting on issues may eventually be conducted via technology that is not widely available on the date of this Declaration. As communication technologies change, the Association may adopt as its universal standard any technology that is used by owners of at least 85 percent of the lots. Also, the Association may employ multiple methods of communicating with owners and residents.

8.7. **VOTING.** One indivisible vote is appurtenant to each lot. The total number of votes equals the total number of lots in the Property. If the Property contains unplatted tracts of land, each tenth of an acre is allotted one vote. When the unplatted tracts are platted, the number of votes in the Property will be automatically adjusted by the number of platted lots - with one vote per lot, regardless of its size. If additional property is made subject to this Declaration, the total number of votes will be increased automatically by the number of additional lots or by the calculator for unplatted tracts. Each vote is uniform and equal to the vote appurtenant to every other lot, except during the Declarant Control Period as permitted in Appendix C. Cumulative voting is not allowed. Votes may be cast by written proxy, according to the requirements of the Association's Bylaws.

8.8. **BOOKS & RECORDS.** The Association will maintain copies of the Governing Documents and the Association's books, records, and financial statements. The Association will make its books

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and records available to members, on request, for inspection and copying pursuant to the requirements of applicable law.

8.9. **INDEMNIFICATION.** The Association indemnifies every officer, director, committee chair, and committee member (for purposes of this Section, "**Leaders**") against expenses, 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 present or former Leaders may be entitled. The Association may maintain general liability and directors and officers liability insurance to fund this obligation. Additionally, the Association may indemnify a person who is or was an employee, trustee, agent, or attorney of the Association, against any liability asserted against him and incurred by him in that capacity and arising out of that capacity. Additionally, the Association may indemnify a person who is or was an employee, trustee, agent, or attorney of the Association, against any liability asserted against him and incurred by him in that capacity and arising out of that capacity.

8.10. **OBLIGATIONS OF OWNERS.** Without limiting the obligations of owners under the Governing Documents, each owner has the following obligations:

8.10.1. **Pay Assessments.** Each owner will pay assessments properly levied by the Association against the owner or his lot, and will pay regular assessments without demand by the Association.

8.10.2. **Transfers.** Each owner will pay the applicable HOA Sale Fees described in Article 8 and Appendix D of this Declaration.

8.10.3. **Comply.** Each owner will comply with the Governing Documents as amended from time to time.

8.10.4. **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, guests, employees, contractors, agents, or invitees.

8.10.5. **Liability.** Each owner is liable to the Association for violations of the Governing Documents by the owner, a resident of the owner's lot, or the owner or resident's family, guests, employees, agents, or invitees, and for costs incurred by the Association to obtain compliance, including attorney's fees whether or not suit is filed.

8.11. **NEW HOME SALES.** The sale by Declarant or a Builder to a homeowner of (1) a lot that is improved with a newly constructed home or (2) a lot with a contract for construction of the first home, is considered a "New Home Sale" for purposes of this Declaration. New Home Sales are not resales. The obligations for HOA Sale Fees for New Home Sales are described in Article 8 and in Appendix D of this Declaration.

8.12. **HOME RESALES.** For purposes of this Declaration, a "**resale**" is every sale or conveyance of a lot (or of an interest in a lot) that is improved with a home, other than the initial sale by

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Declarant or Builder of the lot with the newly constructed home to the initial homeowner. This Section applies to every resale of a lot.

8.12.1. Resale Certificate. An owner intending to sell his home will notify the Association and will request a resale certificate from the Association. The resale certificate provided by the Association or its manager must contain the Notice of HOA Sale Fees then in effect, and an itemization of the types and amounts of HOA Sale Fees that may be collected at or prior to closing.

8.12.2. No Right of First Refusal. The Association does not have a right of first refusal and may not compel a selling owner to convey the owner's lot to the Association.

8.12.3. HOA Sale Fees. At time of transfer, the HOA Sale Fees described in the Notice of HOA Sale Fees then in effect are due and payable by buyer and/or seller. The initial Notice of HOA Sale Fees is attached to this Declaration as Appendix D.

8.12.4. Information. Within 30 days after acquiring an interest in a lot, an owner will provide the Association with the following information: a copy of the settlement statement or deed by which owner has title to the lot; the owner's email address (if any), U. S. postal address, and phone number; any mortgagee's name, address, and loan number; the name and phone number of any resident other than the owner; the name, address, and phone number of owner's managing agent, if any.

8.12.5. Exclusions. This requirements of this Section, do not apply to the following transfers: (1) foreclosure of a mortgagee's deed of trust lien, a tax lien, or the Association's assessment lien; (2) conveyance by a mortgagee who acquires title by foreclosure or deed in lieu of foreclosure; (3) transfer to, from, or by the Association; (4) voluntary transfer by an owner to one or more co-owners, or to the owner's spouse, child, or parent; (5) a transfer by a fiduciary in the course of administering a decedent's estate, guardianship, conservatorship, or trust; (6) a conveyance pursuant to a court's order, including a transfer by a bankruptcy trustee; or (7) a disposition by a government or governmental agency.

ARTICLE 9 COVENANT FOR ASSESSMENTS

9.1. PURPOSE OF ASSESSMENTS. The Association will use assessments for the general purposes of preserving 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 purposes for which the Property was developed. If made in good faith, the board's decision with respect to the use of assessments is final.

9.2. PERSONAL OBLIGATION. An owner is obligated to pay assessments levied by the board against the owner or his lot. An owner makes payment 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 other 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 area or by abandonment of his lot. An

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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.

**IF YOU OWN A WYLIE LAKES LOT, YOU MUST
PAY ASSESSMENTS TO THE ASSOCIATION.**

9.3. CONTROL FOR ASSESSMENT INCREASES. This Section of the Declaration may not be amended without the approval of owners of at least two-thirds of the lots. In addition to other rights granted to owners by this Declaration, owners have the following powers and controls over the Association's budget:

9.3.1. 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 that event, the last-approved budget will continue in effect until a revised budget is approved.

9.3.2. 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 majority of the lots disapprove the special assessment by petition or at a meeting of the Association.

9.4. TYPES OF ASSESSMENTS. There are 4 types of assessments: Regular, Special, Individual, and Deficiency.

9.4.1. 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 last 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 common area.
- 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 Association's income taxes.

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- e. Management, legal, accounting, auditing, and professional fees for services to the Association.
- f. Costs of operating the Association, such as telephone, postage, office supplies, printing, meeting expenses, and educational opportunities of benefit to the Association.
- g. Premiums and deductibles on insurance policies and bonds deemed by the board to be necessary or desirable for the benefit of the Association, including fidelity bonds and directors and officers liability insurance.
- h. Contributions to the reserve funds.
- i. Any other expense which the Association is required by law or the Governing 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 Governing Documents.

9.4.2. 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:

- a. Acquisition of real property, other than the purchase of a lot at the sale foreclosing the Association's lien against the lot.
- b. Construction of additional improvements within the Property, but not replacement of original improvements.
- c. Any expenditure that may reasonably be expected to significantly increase the Association's responsibility and financial obligation for operations, insurance, maintenance, repairs, or replacement.

9.4.3. 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 costs on delinquent assessments; reimbursement for costs incurred in bringing an owner or his lot into compliance with the Governing Documents; fines for violations of the Governing Documents; insurance deductibles; transfer-related fees and resale certificate fees; fees for estoppel letters and project documents; reimbursement for damage or waste caused by willful or negligent acts; common expenses that benefit fewer than all of the lots, which may be assessed according to benefit received; fees or charges levied against the Association on a per-lot basis; and "pass through" expenses for services to lots provided through the Association and which are equitably paid by each lot according to benefit received.

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9.4.4. Deficiency Assessments. The board may levy a deficiency assessment against all lots for the purpose of defraying, in whole or in part, the cost of repair or restoration if insurance proceeds or condemnation awards prove insufficient.

9.5. BASIS & RATE OF ASSESSMENTS. The share of liability for common expenses allocated to each lot is uniform for all lots, regardless of a lot's location or the value and size of the lot or dwelling; subject, however, to the exemption for Declarant provided below and in Appendix C.

9.6. DECLARANT OBLIGATION. Declarant's obligation for and exemption from assessments is described in Appendix C. Unless Appendix C creates an affirmative assessment obligation for Declarant, a lot that is owned by Declarant during the Development Period is exempt from mandatory assessment by the Association. Declarant has a right to reimbursement for any assessment paid to the Association by Declarant during the Development Period, but only after the Declarant Control Period. This provision may not be construed to prevent Declarant from making a loan or voluntary monetary donation to the Association, provided it is so characterized.

9.7. 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 the budget or its 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 owners who make written request and pay a reasonable copy charge.

9.8. 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.

9.9. RESERVE FUNDS. The Association will establish, maintain, and accumulate reserves for operations and for replacement and repair. The Association must budget for reserves and may fund reserves out of regular assessments.

9.9.1. Operations Reserves. The Association will endeavor to maintain operations reserves at a level determined by the board to be sufficient to cover the cost of operational or maintenance emergencies or contingencies, such as the full amount of deductibles on insurance policies maintained by the Association.

9.9.2. Replacement & Repair Reserves. The Association will endeavor to maintain replacement and repair reserves at a level that anticipates the scheduled replacement or major repair of components of the common area.

9.10. DECLARANT'S RIGHT TO INSPECT & CORRECT ACCOUNTS. For a period of 5 years after termination of the Declarant Control Period, Declarant reserves for itself and for Declarant's accountants and attorneys, the right, but not the duty, to inspect, correct, and adjust the Association financial records and accounts from the Declarant Control Period. The Association may not refuse to accept an adjusting or correcting payment made by or for the benefit of Declarant. By way of illustration but not limitation, Declarant may find it necessary to recharacterize an expense or

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payment to conform to Declarant's obligations under the Governing Documents or applicable State law. This Section may not be construed to create a duty for Declarant or a right for the Association, and may not be amended without Declarant's written and acknowledged consent. In support of this reservation, each owner, by accepting an interest in or title to a lot, hereby grants to Declarant a right of access to the Association's books and records that is independent of Declarant's rights during the Declarant Control and Development Periods.

9.11. ASSOCIATION'S RIGHT TO BORROW MONEY. The 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 right 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.

9.12. LIMITATIONS 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 Governing Documents or any other document or agreement executed or made in connection with the Association's collection of assessments, 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 a sum in excess of the maximum rate permitted by law, the excess amount will be applied to the reduction of unpaid special and regular assessments, or reimbursed to the owner if those assessments are paid in full.

9.13. HOA SALE FEES. This Section addresses the expenses, fees, charges, and contributions (hereafter, collectively, the "**HOA Sale Fees**") that are charged by the Association or its manager, and that arise at the time of a home's sale or purchase. As used in this Section, "HOA Sale Fees" does not include a buyer's prepaid and/or pro-rata assessments. HOA Sale Fees are not refundable by the Association or the Association's manager, and may not be regarded as a prepayment of or credit against assessments. HOA Sale Fees generally fall into two types of categories - budget enhancing fees, such as contributions to the reserve or operating funds of the Association, and administrative fees, such as fees for resale certificates, estoppel certificates, copies of governing documents, compliance inspections, ownership record changes, and priority processing.

9.13.1. Notice of HOA Sale Fees. The Association will publicly record a Notice of HOA Sale Fees. The initial Notice is recorded with this Declaration as Appendix D. The Notice may be recorded independent of the Declaration, and may be recorded as part of the Management Certificate.

9.13.2. Waiver. The Association and its manager may waive some or all HOA Sale Fees on a transfer by transfer basis, without waiving the right to charge such fees on future transfers.

9.13.3. Manager's Fees. HOA Sale Fees may be charged by the Association's manager, managing director, or managing agent (collectively, "**manager**"), pursuant to a contract between the Association and the manager, and provided there is no duplication of fees by type or amount with fees charged by the Association. This Article does not obligate the manager to levy HOA Sale Fees. The number, types, and amounts of HOA Sale Fees charged by a manager

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(1) must have the prior written approval of the board, (2) are not subject to the Association's assessment lien, (3) should not exceed what is customary in amount, kind, and number for the local marketplace, and (4) are not payable by the Association unless the management contract so stipulates.

9.13.4. Amendment of Notice. Although the initial Notice of HOA Sale Fees is recorded as an appendix of this Declaration, the Notice is not subject to the requirements of Amendments Article of this Declaration. The board, without a vote of the owners, may amend the Notice of HOA Sale Fees for the following two purposes: (1) to change a stated amount or formula for a HOA Sale Fee, or (2) to conform the Notice of HOA Sale Fees with applicable law regarding HOA Sale Fees. Any other amendment of the Notice requires the approval of owners of two-thirds of the lots represented at a meeting of the Association at which a quorum is present, provided notice of the proposed amendment is given with the notice of meeting. During the Development Period, any amendment of the Notice of HOA Sale Fees must have the written and acknowledged consent of Declarant.

9.13.5. Effective. To be effective, an amendment or restatement of the Notice of HOA Sale Fees by the owners or by the board must be in the form of a written instrument (1) referencing the name of the Property, the name of the Association, the recording data of the Declaration, and the recording data of the previously recorded Notice of HOA Sale Fees, (2) signed and acknowledged by an officer of the Association, certifying the requisite approval of owners or directors, and (3) recorded in the Real Property Records of Collin County, Texas.

9.13.6. Applicability. If the amended or restated Notice of HOA Sale Fees results in an overall reduction of HOA Sale Fees for a conveyance that is pending at the time of the amendment, the lower rate is effective immediately for any closing that occurs after the date the amendment is publicly recorded. If the amended or restated Notice of HOA Sale Fees results in an overall increase of HOA Sale Fees for the lot being conveyed, the increased amount is not effective until the 90th day after the date on which the amended or restated Notice of HOA Sale Fees is publicly recorded.

9.13.7. Distribution. Within 60 days after the amended or restated Notice of HOA Sale Fees is publicly recorded, a copy or report of, or electronic link to, the recorded amended Notice of HOA Sale Fees must be delivered or made available to an owner of each lot.

ARTICLE 10 **ASSESSMENT LIEN**

10.1. 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 is a charge 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.

10.2. SUPERIORITY OF ASSESSMENT LIEN. The assessment lien is 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 deed of trust or vendor's lien recorded before this Declaration, (3) a recorded deed of trust lien securing a loan for construction of the original dwelling,

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and (4) a purchase money vendor's lien or purchase money deed of trust lien recorded before the date on which the delinquent assessment became due. The assessment lien is subordinate and inferior to a recorded deed of trust lien that secures a purchase money mortgage, an FHA-insured mortgage, or a VA-guaranteed mortgage.

10.3. **EFFECT OF MORTGAGEE'S FORECLOSURE.** Foreclosure of a superior lien extinguishes the Association's claim against the lot for unpaid assessments that became due before the sale, but does not extinguish the Association's claim against the former owner. The purchaser at the foreclosure sale of a superior lien is liable for assessments coming due from and after the date of the sale, and for the owner's pro rata share of the pre-foreclosure deficiency as an Association expense.

Yes, the HOA *can* foreclose!
If you fail to pay assessments to the Association, you may lose title to your home if the Association forecloses its assessment lien against your lot.

10.4. **NOTICE AND RELEASE OF NOTICE.** The Association's lien for assessments 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 lien is required. However, the Association, at its option, may cause a notice of the lien to be recorded in the Real Property Records of Collin County, Texas. If the debt is cured after a notice has been recorded, the Association will record a release of the notice at the expense of the curing owner.

10.5. **POWER OF SALE.** By accepting an interest in or title to 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. The appointment must be in writing and may be in the form of a resolution recorded in the minutes of a board meeting.

10.6. **FORECLOSURE OF LIEN.** The assessment lien may be enforced by judicial or nonjudicial foreclosure. A foreclosure must comply with the requirements of applicable law, such as Chapter 209 of the Texas Property Code. A nonjudicial foreclosure must be conducted in accordance with the provisions applicable to the exercise of powers of sale as set forth in 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 costs and expenses for the proceedings, including reasonable attorneys' fees, subject to applicable provisions of the Bylaws and applicable law, such as Chapter 209 of the Texas Property Code. The Association has the power to bid on the lot at foreclosure sale and to acquire, hold, lease, mortgage, and convey same. The Association may not foreclose the assessment lien if the debt consists solely of fines and/or a claim for reimbursement of attorney's fees incurred by the Association.

ARTICLE 11
EFFECT OF NONPAYMENT OF ASSESSMENTS

An assessment is delinquent if the Association does not receive payment in full by the assessment's due date. The Association, acting through the board, is responsible for taking action to collect

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delinquent assessments. The Association's exercise of its remedies is subject to applicable laws, such as Chapter 209 of the Texas Property Code, and pertinent provisions of the Bylaws. From time to time, the Association may delegate some or all of the collection procedures and remedies, as the board in its sole discretion deems appropriate, to the Association's manager, an attorney, or a debt collector. Neither the board nor the Association, however, is liable to an owner or other person for its failure or inability to collect or attempt 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.

11.1. 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.

11.2. LATE FEES. Delinquent assessments are subject to reasonable late fees, at a rate to be determined by the board from time to time.

11.3. COSTS 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 attorneys fees and processing fees charged by the manager.

11.4. ACCELERATION. If an owner defaults in paying an assessment that is payable in installments, the Association may accelerate the remaining installments on 10 days' written notice to the defaulting owner. The entire unpaid balance of the assessment becomes due on the date stated in the notice.

11.5. SUSPENSION OF USE AND VOTE. If an owner's account has been delinquent for at least 30 days, the Association may 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.

11.6. MONEY JUDGMENT. The Association may file suit seeking a money judgment against an owner delinquent in the payment of assessments, without foreclosing or waiving the Association's lien for assessments.

11.7. NOTICE TO MORTGAGEE. The Association may notify and communicate with the holder of any lien against a lot regarding the owner's default in payment of assessments.

11.8. FORECLOSURE OF ASSESSMENT LIEN. As provided by this Declaration, the Association may foreclose its lien against the lot by judicial or nonjudicial means.

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

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ARTICLE 12
ENFORCING THE DOCUMENTS

12.1. **NOTICE AND HEARING.** Before the Association may exercise certain of its remedies for a violation of the Governing Documents or damage to the Property, the Association must give an owner written notice and an opportunity for a hearing, according to the requirements and procedures in the Bylaws and in applicable law, such as Chapter 209 of the Texas Property Code. Notices are also required before an owner is liable to the Association for certain charges, including reimbursement of attorneys fees incurred by the Association.

STATE LAW APPLIES
to many of the Association's enforcement rights and remedies.

12.2. **REMEDIES.** The remedies provided in this Article for breach of the Governing Documents are cumulative and not exclusive. In addition to other rights and remedies provided by the Governing Documents and by law, the Association has the following right to enforce the Governing Documents, subject to applicable notice and hearing requirements (if any):

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

12.2.2. **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, guests, employees, agents, or contractors violate a provision of the Governing 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 obligations under the Governing Documents.

12.2.3. **Suspension.** The Association may suspend the right of owners and residents to use common areas for any period during which the owner or resident, or the owner or resident's family, guests, employees, agents, or contractors violate the Governing Documents. A suspension does not constitute a waiver or discharge of the owner's obligations under the Governing Documents.

12.2.4. **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 improvement, thing, animal, person, vehicle, or condition that violates the Governing 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 costs of abatement against the lot and owner as an individual assessment. The board will make reasonable efforts to give the violating owner prior notice of its intent to exercise self-help. The notice may be given in any manner likely to be received by the owner. Prior notice is not required (1) in the case of emergencies, (2) to remove violative signs, (3) to remove violative debris, or (4) to remove any other violative item or to abate any other violative condition that is easily removed or abated and that is considered a nuisance, dangerous, or an eyesore to the neighborhood.

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12.2.5. Suit. Failure to comply with the Governing Documents will be grounds for an action to recover damages or for injunctive relief to cause any such violation to be remedied, or both. Prior to commencing any legal proceeding, the Association will give the defaulting party reasonable notice and an opportunity to cure the violation.

12.3. BOARD DISCRETION. The board may use its sole discretion in determining whether to pursue a violation of the Governing Documents, provided the board does not act in an arbitrary or capricious manner. In evaluating a particular violation, the board may determine that under the particular circumstances (1) the Association's position is not sufficiently strong to justify taking any or further action; (2) the provision being enforced is or may be construed as inconsistent with applicable law; (3) although a technical violation may exist, it is not of such a material nature as to be objectionable to a reasonable person or to justify expending the Association's resources; or (4) that enforcement is not in the Association's best interests, based on hardship, expense, or other reasonable criteria.

12.4. NO WAIVER. The Association and every owner has the right to enforce all restrictions, conditions, covenants, liens, and charges now or hereafter imposed by the Governing Documents. Failure by the Association or by any owner to enforce a provision of the Governing Documents is not a waiver of the right to do so thereafter. If the Association does waive the right to enforce a provision, that waiver does not impair the Association's right to enforce any other part of the Governing Documents at any future time. No officer, director, or member of the Association is liable to any owner for the failure to enforce any of the Governing Documents at any time.

12.5. RECOVERY OF COSTS. The costs of curing or abating a violation are at the expense of the owner or other person responsible for the violation. If legal assistance is obtained to enforce any provision of the Governing Documents, or in any legal proceeding (whether or not suit is brought) for damages or for the enforcement of the Governing Documents or the restraint of violations of the Governing Documents, the prevailing party is entitled to recover from the nonprevailing party all reasonable and necessary costs incurred by it in such action, including reasonable attorneys' fees.

ARTICLE 13

MAINTENANCE AND REPAIR OBLIGATIONS

13.1. ASSOCIATION MAINTAINS. The Association's maintenance obligations will be discharged when and how the board deems appropriate. The Association maintains, repairs, and replaces, as a common expense, the portions of the Property listed below, regardless of whether the portions are on lots or common areas.

- a. The common areas.
- b. Any real and personal property owned by the Association but which is not a common area, such as a lot owned by the Association.
- c. Any property adjacent to Wylie Lakes if maintenance of same is deemed to be in the best interests of the Association, and if not prohibited by the owner or operator of said property.

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- d. Any area, item, easement, or service - the maintenance of which is assigned to the Association by this Declaration or by the plat.

13.2. OPEN SPACES. As shown on plats of the Property, a number of open space tracts are labeled "Dedicated to the City of Wylie." On the date of this Declaration the long term use, maintenance, and improvement of those open spaces is not certain. The Association has the right, but not the duty, to maintain and improve the open space tracts to the extent permitted, or not prohibited, by the City of Wylie. The Association, acting through its board of directors, also has the right to enter into contracts with the City of Wylie regarding the use, maintenance, and improvement of the open spaces.

13.3. OWNER RESPONSIBILITY. Every owner has the following responsibilities and obligations for the maintenance, repair, and replacement of the Property, subject to the architectural control requirements of Article 6 and the use restrictions of Article 7:

13.3.1. House Maintenance. Each owner, at the owner's expense, must maintain all improvements on the lot, including but not limited to the home, fences, sidewalks, and driveways. Maintenance includes preventative maintenance, repair as needed, and replacement as needed. Each owner is expected to maintain his lot's improvements at a level, to a standard, and with an appearance that is commensurate with the neighborhood. Specifically, each owner must repair and replace worn, rotten, deteriorated, and unattractive materials, and must regularly repaint all painted surfaces.

13.3.2. Yard Maintenance. Each owner, at the owner's expense, must regularly maintain the yards on his lot at a level, to a standard, and with an appearance that is commensurate with the neighborhood. "Yards" means all parts of the lot other than the dwelling, including fenced and unfenced portions of the lot. All yards that are visible from a street must be maintained in a neatly manicured, healthy, and well-groomed condition. Owner must remove plant material that is diseased, dying, or dead, and promptly replace it with plants of a quality and appearance that are similar or superior to those removed. Owner must keep the yard irrigation system in good repair - repairing or replacing sprinkler heads, irrigation lines, and other irrigation equipment as needed for optimum landscape maintenance. Owner may not construe a law, ordinance, or public policy that requires or encourages xeriscaping as authority to allow the grounds to "go to weed" under the pretext of "adapted native landscaping." Owner will keep his yard free of litter, trash, and debris. Additionally, each owner must:

- a. Maintain an attractive ground cover or lawn on all yards visible from a street.
- b. Edge the street curbs at regular intervals.
- c. Mow the lawns and grounds at regular intervals.
- d. Prevent lawn weeds or grass from exceeding 6 inches in height.
- e. Not plant vegetable gardens that are visible from a street.
- f. Maintain an attractive appearance for shrubs and trees visible from a street.

13.3.3. Alleys. The area between the alley pavement and the back yard fence, if any, is a yard area for which the owner is responsible, regardless of whether some or all of that area is in the alley right-of-way. The owner must (1) maintain an attractive ground cover or lawn in any yard area along the alley behind or next to his lot, (2) trim the alley edge at regular intervals, and (3) maintain an attractive appearance of shrubs and trees visible from a street.

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13.3.4. Avoid Damage. An owner may not do any work or to fail to do any work which, in the reasonable opinion 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.

13.3.5. Responsible for Damage. An owner is responsible for his own willful or negligent acts and those of his or the resident's family, guests, agents, employees, or contractors when those acts necessitate maintenance, repair, or replacement to the common areas or the property of another owner.

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

13.5. WALLS & FENCES BETWEEN LOTS. A house wall, fence or retaining wall shared by adjoining lots is hereafter referred to as a "Party Wall" and, to the extent not inconsistent with the provisions of this Section, is subject to the general rules of law regarding party walls and liability for property damage due to negligence, willful acts, or omissions.

13.5.1. Encroachments & Easement. If the Party Wall is on one lot or another due to an error in construction, the Party Wall is nevertheless deemed to be on the dividing line for purposes of this Section. The owner of the lot on each side of the Party Wall hereby grants to the owner of the lot on the other side of the Party Wall the following easements across his lot:

- a. A reciprocal access easement for maintenance, repair, replacement, or reconstruction of the Party Wall, as appropriate and necessary to effect the purposes and provisions of this Section.
- b. 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.

13.5.2. Right to Repair. If the Party Wall is damaged or destroyed from any cause, the owner of either lot may repair or rebuild the Party Wall to its previous condition, and the owners of both lots, their successors and assigns, have the right to the full use of the repaired or rebuilt Party Wall.

13.5.3. Maintenance Costs. The owners of the adjoining lots share equally the costs of repair, 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

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willful acts or omissions. 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 Real Property Records of Collin County, Texas, and has the right to foreclose the lien as if it were a mechanic's lien; provided the claim of lien is filed within 90 days after the date of repairs or replacements to the Party Wall, and suit is filed within one year after the date the lien is filed. The right of an owner to contribution from another owner under this Section is appurtenant to the land and passes to the owner's successors in title.

13.5.4. Alterations. The owner of a lot sharing a Party Wall may not alter or change the Party Wall in any manner that affects the use, condition, or appearance of the Party Wall to the other lot, without the prior written consent of the owner of the other lot. The Party Wall will always remain in the same location as when erected, unless a change of location is approved by the owners of both lots.

13.5.5. Retaining Walls - General. The portions of this Section that pertain to retaining walls apply only if adjoining lots in portions of Wylie Lakes have elevations that are sufficiently different to require a retaining wall, such as occurs in properties with rolling or sloping terrain. Two adjoining lots with significantly different elevations may have a retaining wall located on or near the dividing line between the two lots and intended to benefit both lots. The lot having the higher elevation is referred to in this Section as the "**Higher Lot**," and the lot having the lower elevation is referred to as the "**Lower Lot**."

13.5.6. Retaining Walls - Use & Maintenance by Lower Lot Owner. The owner of the Lower Lot is hereby granted a non-exclusive and perpetual right and easement of enjoyment and use over the exterior surface of the Party Wall for use as a perimeter wall or fence of the Lower Lot. The owner of the Lower Lot is responsible for maintaining the grounds up to the Party Wall, even if the Party Wall is inside the boundaries of the Higher Lot.

13.5.7. Retaining Walls - Additional Fences Used with. The owner of either the Higher Lot or the Lower Lot may construct a fence in connection with the retaining wall. The owner of the Higher Lot may construct or install a fence inside the Party Wall on the elevated surface of the Higher Lot, or, with the prior approval of the Lower Lot owner, on the Party Wall itself. The owner of the Lower Lot may construct or install a fence on his lot, provided the fence does not interfere with his duty to maintain the grounds up to the Party Wall. The fences permitted by this Subsection are not considered a part of the Party Wall for purposes of the remainder of this Section.

ARTICLE 14 **INSURANCE**

14.1. GENERAL PROVISIONS. All insurance affecting the Property is governed by the provisions of this Article, with which the board will make every reasonable effort to comply. The cost of insurance coverages and bonds maintained by the Association is an expense of the Association. Insurance policies and bonds obtained and maintained by the Association must be issued by responsible insurance companies authorized to do business in the State of Texas. The Association must be the named insured on all policies obtained by the Association. Each owner irrevocably

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appoints the Association, acting through its board, as his trustee to negotiate, receive, administer, and distribute the proceeds of any claim against an insurance policy maintained by the Association. Additionally:

14.1.1. 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 the insured.

14.1.2. 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.

14.2. PROPERTY. To the extent it is reasonably available, the Association will obtain blanket all-risk insurance for insurable common area improvements. If blanket all-risk insurance is not reasonably available, then the Association will obtain an insurance policy providing fire and extended coverage. Also, the Association will insure the improvements on any lot owned by the Association.

ARE YOU COVERED?

The Association does NOT insure the individual homes or their contents.

14.3. GENERAL LIABILITY. The Association will maintain a commercial general liability insurance policy over the common areas - expressly excluding the liability of each owner and resident within his lot - for bodily injury and property damage resulting from the operation, maintenance, or use of the common areas. 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.

14.4. DIRECTORS & OFFICERS LIABILITY. To the extent it is reasonably available, the Association will maintain directors and officers liability insurance, errors and omissions insurance, indemnity bonds, or other insurance 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.

14.5. OTHER COVERAGES. 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 bond requested and required by an Underwriting Lender for planned unit developments as long as an Underwriting Lender is a mortgagee or an owner.

14.6. OWNER'S RESPONSIBILITY FOR INSURANCE. Each owner will obtain and maintain property insurance on all insurable improvements on his lot, 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. Further, each owner will obtain and maintain general liability insurance on his lot. Each owner will provide the Association with proof or a certificate of insurance on request

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by the Association from time to time. If an owner fails to maintain required insurance, or to provide the Association with 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 dwelling and on the lot, including furnishings, vehicles, and stored items.

DUPLEX OWNERS MUST COOPERATE TO INSURE THE WHOLE BUILDING

14.7. **DUPLEX BUILDINGS.** When two homes are attached, owners of both homes are interested in knowing that the entire Duplex Building is adequately insured. In addition to the foregoing insurance requirement, each owner of a Paired Duplex Lot has the right, from time to time, to obtain proof of insurance from the owner of the adjoining lot, and has a duty to furnish such proof of insurance to the owner of the adjoining lot if so requested from time to time. An annual request for proof of insurance is reasonable. If an owner fails to maintain required insurance, or to provide the owner of the adjoining lot with proof of same, the owner of one Paired Duplex Lot may obtain insurance on behalf of the owner of the adjoining Paired Duplex Lot, who will be obligated for reimbursement of the cost. Alternatively, if an owner fails to maintain or provide proof of the required insurance, the owner of the adjoining lot may petition the Association to purchase the required insurance and to levy the cost of same as an individual assessment on the lot of the owner who fails or refuses to cooperate in maintaining insurance or in providing proof of same. The Association may, but is not required, to serve as a conduit for soliciting and delivering proofs of insurance between owners. This Section may not be construed to create a duty for the Association to supervise the insurance coverage on Duplex Buildings.

**ARTICLE 15
MORTGAGEE PROTECTION**

15.1. **INTRODUCTION.** This Article establishes certain standards for the benefit of Mortgagees, as defined below.

15.1.1. **"Mortgagee"** means a holder, insurer, or guarantor of a purchase money mortgage secured by a recorded senior or first deed of trust lien against a lot, or any renewal, modification, or refinancing thereof. In dealing with the Association, a Mortgagee may be represented by a mortgage servicer, agent, or representative.

15.1.2. **"Eligible Mortgagee"** 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 so long as the Eligible Mortgagee holds a mortgage on the lot. The board will maintain this information.

15.1.3. **"Underwriting Lender"** means Federal Home Loan Mortgage Corporation (Freddie Mac), Federal Housing Administration (HUD/FHA), Federal National Mortgage Association (Fannie Mae), or U. S. Department of Veterans Affairs (VA), singly or collectively.

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The use of this term and these institutions may not be construed as a limitation on an owner's financing options nor as a representation that the Property is approved by any institution.

15.2. MORTGAGEE RIGHTS.

15.2.1. Lien Superiority. As stated in the Assessment Lien Article of this Declaration, the lien in a Mortgagee's recorded deed of trust is superior to the Association's lien for assessments.

15.2.2. Termination. An action to terminate the legal status of the Property after substantial destruction or condemnation 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 two-thirds of Eligible Mortgagees.

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

15.2.4. 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.

15.2.5. 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 or foreclosure of a deed of trust lien.

15.2.6. Amending Governing Documents. 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 Governing Documents, as necessary, to meet the requirements of the Underwriting Lender. This Article is supplemental to, not a substitution for, any other provision of the Governing Documents. In case of conflict, this Article controls.

15.2.7. Attend Meetings. A representative of an Eligible Mortgagee may attend and address any meeting which an owner may attend.

15.2.8. Insurance. If an Underwriting Lender is a Mortgagee or an owner, at the request of the Underwriting Lender the Association will 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.

15.3. LIMITS ON ASSOCIATION'S DUTIES.

15.3.1. Which Mortgagees? The Association's affirmative obligations to Mortgagees under the Governing Documents extend only to those Mortgagees of whom the Association has actual knowledge. This Article may not be construed to require the Association to perform title research to ascertain the existence and identify of a Mortgagee on a lot. Any duty of the

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Association to a Mortgagee is conclusively satisfied if performed for Mortgagees known to the Association, without regard to other holders of liens on lots. The Association may rely on the information provided by owners and mortgagees.

15.3.2. Communications with Mortgagee. If the Governing Documents or public law require the consent of Mortgagees for an act, decision, or amendment by the Association, the approval of a Mortgagee is implied when the Mortgagee 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.

ARTICLE 16 AMENDMENTS

16.1. CONSENTS REQUIRED. As permitted by this Declaration, certain amendments of this Declaration may be executed by Declarant alone, or by the board alone. Otherwise, amendments to this Declaration must be approved by owners of at least a majority of the lots. Approval of owners does not require that the amendment be signed by the consenting owners, or that consents be executed and acknowledged by the approving owners.

16.2. 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.

16.3. EFFECTIVE. To be effective, an amendment approved by the owners or by the board must be in the form of a written instrument (1) referencing the name of the Property, the name of the Association, and the recording data of this Declaration and any amendments hereto; (2) signed and acknowledged by an officer of the Association, certifying the requisite approval of owners or directors and, if required, Eligible Mortgagees; and (3) recorded in the Real Property Records of Collin County, Texas, except as modified by the following section.

16.4. DECLARANT PROVISIONS. Declarant has an exclusive right to unilaterally amend this Declaration for the purposes stated in Appendix C. An amendment that may be executed by Declarant alone is not required to name the Association or to be signed by an officer of the Association. 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.

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16.5. 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 a merger or consolidation of the Association with another association, the property, rights, and obligations of another association may, by operation of law, be added to the properties, rights, and obligations of the Association as a surviving association

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pursuant to the merger. The surviving or consolidated association may administer the provisions of the Governing 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.

16.6. **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 two-thirds 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.

16.7. **CONDEMNATION.** In any proceeding, negotiation, settlement, or agreement concerning condemnation of the common area, the Association will be the exclusive representative of the owners. The Association may use condemnation proceeds to repair and replace any damage or destruction of the common area, real or personal, 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 17

DISPUTE RESOLUTION

17.1. **INTRODUCTION & DEFINITIONS.** The Association, the owners, Declarant, Builders, all persons subject to this Declaration, and any person not otherwise subject to this Declaration who agrees to submit to this Article (collectively, the "**Parties**") agree to encourage the amicable resolution of disputes involving the Property and to avoid the emotional and financial costs of litigation if at all possible. Accordingly, each Party hereby covenants and agrees that this Article applies to all claims as hereafter defined. As used in this Article only, the following words, when capitalized, have the following specified meanings:

17.1.1. "**Claim**" means any claim, grievance, or dispute between Parties involving the Properties, except Exempt Claims as defined below, and including without limitation:

- a. Claims arising out of or relating to the interpretation, application, or enforcement of the Governing Documents.
- b. Claims relating to the rights and/or duties of Declarant as Declarant under the Governing Documents.
- c. Claims relating to the design, construction, or maintenance of the Property.

17.1.2. "**Claimant**" means any Party having a Claim against any other Party.

17.1.3. "**Exempt Claims**" means the following claims or actions, which are exempt from this Article:

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- a. The Association's claim for assessments, and any action by the Association to collect assessments.
- b. An action by a Party to obtain a temporary restraining order or equivalent emergency equitable relief, and such other ancillary relief as the court deems necessary to maintain the status quo and preserve the Party's ability to enforce the provisions of this Declaration.
- c. Enforcement of the easements, architectural control, maintenance, and use restrictions of this Declaration.
- d. A suit to which an applicable statute of limitations would expire within the notice period of this Article, unless a Party against whom the Claim is made agrees to toll the statute of limitations as to the Claim for the period reasonably necessary to comply with this Article.

17.1.4. "**Respondent**" means the Party against whom the Claimant has a Claim.

17.2. **MANDATORY PROCEDURES.** Claimant may not file suit in any court or initiate any proceeding before any administrative tribunal seeking redress or resolution of its Claim until Claimant has complied with the procedures of this Article.



17.3. **NOTICE.** Claimant must notify Respondent in writing of the Claim (the "**Notice**"), stating plainly and concisely: (1) the nature of the Claim, including date, time, location, persons involved, and Respondent's role in the Claim; (2) the basis of the Claim (i.e., the provision of the Governing Documents or other authority out of which the Claim arises); (3) what Claimant wants Respondent to do or not do to resolve the Claim; and (4) that the Notice is given pursuant to this Section.

17.4. **NEGOTIATION.** Claimant and Respondent will make every reasonable effort to meet in person to resolve the Claim by good faith negotiation. Within 60 days after Respondent's receipt of the Notice, Respondent and Claimant will meet at a mutually-acceptable place and time to discuss the Claim. At such meeting or at some other mutually-agreeable time, Respondent and Respondent's representatives will have full access to the property that is subject to the Claim for the purposes of inspecting the property. If Respondent elects to take corrective action, Claimant will provide Respondent and Respondent's representatives and agents with full access to the property to take and complete corrective action.

17.5. **MEDIATION.** If the parties negotiate but do not resolve the Claim through negotiation within 120 days from the date of the Notice (or within such other period as may be agreed on by the parties), Claimant will have 30 additional days within which to submit the Claim to mediation under the auspices of a mediation center or individual mediator on which the parties mutually agree. The mediator must have at least 5 years of experience serving as a mediator and must have technical knowledge or expertise appropriate to the subject matter of the Claim. If Claimant does not submit

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the Claim to mediation within the 30-day period, Claimant is deemed to have waived the Claim, and Respondent is released and discharged from any and all liability to Claimant on account of the Claim.

17.6. TERMINATION OF MEDIATION. If the Parties do not settle the Claim within 30 days after submission to mediation, or within a time deemed reasonable by the mediator, the mediator will issue a notice of termination of the mediation proceedings indicating that the Parties are at an impasse and the date that mediation was terminated. Thereafter, Claimant may file suit or initiate administrative proceedings on the Claim, as appropriate.

17.7. ALLOCATION OF COSTS. Except as otherwise provided in this Section, each Party bears all of its own costs incurred prior to and during the proceedings described in the Notice, Negotiation, and Mediation sections above, including its attorneys fees. Respondent and Claimant will equally divide all expenses and fees charged by the mediator.

17.8. ENFORCEMENT OF RESOLUTION. Any settlement of the Claim through negotiation or mediation will be documented in writing and signed by the Parties. If any Party thereafter fails to abide by the terms of the agreement, then the other Party may file suit or initiate administrative proceedings to enforce the agreement without the need to again comply with the procedures set forth in this Article. In that event, the Party taking action to enforce the agreement is entitled to recover from the non-complying Party all costs incurred in enforcing the agreement, including, without limitation, attorneys fees and court costs.

17.9. GENERAL PROVISIONS. A release or discharge of Respondent from liability to Claimant on account of the Claim does not release Respondent from liability to persons who are not party to Claimant's Claim. A Party having an Exempt Claim may submit it to the procedures of this Article.

17.10. LITIGATION APPROVAL & SETTLEMENT. To encourage the use of alternate dispute resolution and discourage the use of costly and uncertain litigation, the initiation of any judicial or administrative proceeding by the Association is subject to the following conditions in addition to and notwithstanding the above alternate dispute resolution procedures. 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 be bound by this Section. This Section may not be amended without the approval of owners of at least 75 percent of the lots.

17.10.1. Owner Approval. The Association may not initiate any judicial or administrative proceeding without the prior approval of owners of at least a majority of the lots, except that no such approval is required (1) to enforce provisions of this Declaration, including collection of assessments; (2) to challenge condemnation proceedings; (3) to enforce a contract against a contractor, vendor, or supplier of goods or services to the Association; (4) to defend claims filed against the Association or to assert counterclaims in a proceedings instituted against the Association; or (5) to obtain a temporary restraining order or equivalent emergency equitable relief when circumstances do not provide sufficient time to obtain the prior consents of owners in order to preserve the status quo.

17.10.2. Higher Approval of Certain Suits. Also, the Association may not initiate any judicial or administrative proceeding against Declarant, a Builder, Association officers and directors, or the managing agent of the Association without the approval of owners representing at least 75 percent of the lots.

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17.10.3. Funding Litigation. Except in the case of a temporary restraining order or equivalent emergency equitable relief when circumstances do not provide sufficient time to levy a special assessment, the Association must levy a special assessment to fund the estimated costs of litigation prior to initiating a judicial or administrative proceeding. The Association may not use its annual operating income, reserve funds, or savings to fund litigation, unless the Association's annual budget or a savings account was established and funded from its inception as a litigation reserve fund.

17.10.4. Settlement. The board, on behalf of the Association and without the consent of owners, is hereby authorized to negotiate settlement of litigation, and may execute any document related thereto, such as settlement agreements and waiver or release of claims.

17.11. CONSTRUCTION-RELATED DISPUTES. In addition to the above procedures, a claim relating to an alleged construction defect may be governed by Texas statutes relating to residential construction, such as:

17.11.1. RCLA. Under Chapter 27 of the Texas Property Code, the Residential Construction Liability Act, if an owner has a complaint concerning an alleged construction defect, and if the alleged defect has not been corrected through normal warranty service, the owner must provide the notice required by Chapter 27 of the Texas Property Code to the Builder or contractor by certified mail, return receipt requested, not later than the 60th day before the date owner files suit to recover damages in a court of law or initiate arbitration. The notice must refer to Chapter 27 of the Texas Property Code and must describe the alleged construction defect. If requested by the Builder or contractor, the owner must provide the Builder or contractor an opportunity to inspect and cure the defect as provided by Section 27.004 of the Texas Property Code.

17.11.2. TRCCA. Under Chapters 401 et. seq. of the Texas Property Code, the Texas Residential Construction Commission Act (TRCCA), alleged construction defects in units constructed as townhouses, duplexes, and detached single family houses are subject to the policies and procedures of the TRCCA. The Commission maintains a website with information for home owners.

ARTICLE 18

GENERAL PROVISIONS

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

18.2. HIGHER AUTHORITY. The Governing Documents are subordinate to federal and state law, and local ordinances. Generally, the terms of the Governing Documents are enforceable to the extent they do not violate or conflict with local, state, or federal law or ordinance. In the event of a conflict between the Governing Documents, the hierarchy of authority is as follows: this Declaration (highest), Association's Articles of Association, Bylaws, and the Rules (lowest). Within the Declaration, Appendix C has the highest authority.

During the Development Period, Appendix C has priority over the main body of this Declaration.

18.3. **NOTICE.** Any demand or written notice required or permitted by this Declaration may be sent by electronic, ordinary, or certified mail, postage prepaid, or by any other method or combination of methods permitted or required by applicable law. If mailed, the notice is deemed delivered when deposited in the U.S. mail addressed to the member at the address shown on the Association's records. If transmitted by fax or email, the notice is deemed delivered on successful transmission of the facsimile or electronic correspondence. The notice must be sent to the party's last known address as it appears on the records of the Association at the time of transmission. If an owner fails to give the Association an effective address, the notice may be sent to the address of the owner's lot. If the Association properly transmits the notice, the owner is deemed to have been given notice whether or not he actually receives it.

18.4. **CHANGING TECHNOLOGY.** The Governing Documents are drafted at the end of an era that uses ink on paper to communicate, to give notice, and to memorialize decisions. The next era of communications may be paperless, relying on electronic communications for many activities that are customarily papered on the date of this Declaration. As technology changes, the terms of the Governing Documents that pertain to communications, notices, and documentation of decisions may be interpreted and applied in ways that are consistent with and customary for the then-current technology for standard business practices, without necessity of amending the Governing Document.

DRAFTER'S DICTUM

Users of this document should periodically review statutes and court rulings that may modify or nullify provisions of this document or its enforcement, or may create rights or duties not anticipated by this document.

18.5. **LIBERAL CONSTRUCTION.** The terms and provision of each Governing Document are to be liberally construed to give effect to the purposes and intent of the Governing Document. All doubts regarding a provision, including restrictions on the use or alienability of property, will be resolved first to give effect to Declarant's intent to protect Declarant's interests in the Property, and second in favor of the operation of the Association and its enforcement of the Governing Documents, regardless which party seeks enforcement.

18.6. **SEVERABILITY.** Invalidation of any provision of this 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.

18.7. **CAPTIONS.** In all Governing Documents, the captions of articles and sections are inserted only for convenience and are in no way to be construed 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.

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

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

During the Development Period, Appendix C has priority over the main body of this Declaration.

18.10. PREPARER. This Declaration was prepared in the law offices of Sharon Reuler of SettlePou, 3333 Lee Parkway, Eighth Floor, Dallas, Texas 75219.

18.11. APPENDIXES. The following appendixes are attached to this Declaration and incorporated herein by reference:

- A - Description of Subject Land
- B - Construction Specifications
- C - Declarant Representations & Reservations
- D - Notice of HOA Sale Fees
- E - Purchasers 10 Covenants During Development Period

(Executed on Next Page.)

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During the Development Period, Appendix C has priority over the main body of this Declaration.

SIGNED AND ACKNOWLEDGED

SIGNED on this 2nd day of July 2007.


D. R. HORTON - TEXAS, LTD., a Texas limited partnership

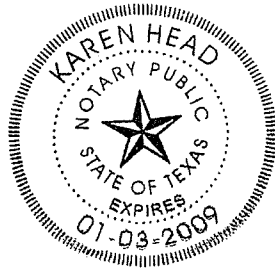
By: D. R. HORTON, INC., a Delaware corporation, its authorized agent

By: 
David L. Booth, Assistant Vice President

THE STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on this 2nd day of July 2007 by David L. Booth, Assistant Vice President of D. R. Horton, Inc., a Delaware corporation, on behalf of said corporation in its capacity as authorized agent for D. R. Horton - Texas, Ltd., a Texas limited partnership, on behalf of the limited partnership.


Notary Public, The State of Texas



During the Development Period, Appendix C has priority over the main body of this Declaration.

APPENDIX A
DESCRIPTION OF SUBJECT LAND

PHASE 1A OF WYLIE LAKES

The 37.285-acre tract described by metes and bounds on the Amended Plat, Wylie Lakes, Phase 1A, recorded on January 31, 2007, as Document No. 20070131010000260, in Cabinet 2007, Slides 36-37, Plat Records, Collin County, Texas, having been previously recorded on November 1, 2006, as Document No. 20061101010004710, in Cabinet 2006, Slide 721, Plat Records, Collin County, Texas, including the following 108 House Lots:

HOUSE LOTS

BLOCK A: LOTS 1 - 22
BLOCK B: LOTS 1 - 51
BLOCK C: LOTS 1 - 14
BLOCK D: LOTS 1 - 17
BLOCK E: LOTS 1 - 4

SAVE & EXCEPT, and **EXCLUDING** the following "Open Spaces"
to be dedicated to the City of Wylie, Texas, as noted on the Plat:

LOT 23, BLOCK A (*1.220 Acres*)
LOT 24, BLOCK A (*0.077 Acres*)
LOT 52, BLOCK B (*0.145 Acres*)
LOT 18, BLOCK D (*0.109 Acres*)
LOT 19, BLOCK D (*0.066 Acres*)

PHASE 1B OF WYLIE LAKES

The 13.287-acre tract described by metes and bounds on the Amended Plat, Wylie Lakes, Phase 1B, recorded on January 31, 2007, as Document No. 20070131010000270, in Cabinet 2007, Slides 38-39, Plat Records, Collin County, Texas, having been previously recorded on November 1, 2006, as Document No. 20061101010004720, in Cabinet 2006, Slide 723, Plat Records, Collin County, Texas, including the following solo House Lot and 54 Paired Duplex Lots:

HOUSE LOT

LOT 47, BLOCK E

PAIRED DUPLEX LOTS

BLOCK E: LOTS 5 - 46 & 48 - 58

SAVE & EXCEPT, and **EXCLUDING** the following "Open Spaces"
to be dedicated to the City of Wylie, Texas, as noted on the Plat:

LOT 19, BLOCK D (*4.502 Acres*)
LOT 60, BLOCK E (*0.975 Acres*)

APPENDIX B
CONSTRUCTION SPECIFICATIONS

All improvements on a lot must (1) comply with any applicable city ordinances and codes, (2) have a building permit issued by the city, if the type of improvement requires a permit, and (3) have the Architectural Reviewer's prior written approval. These 3 requirements are independent - one does not ensure or eliminate the need for another. The lot owner and/or owner's contractor must comply with all 3 requirements. Without the Architectural Reviewer's prior written approval for a variance, improvements constructed on every lot must have the following characteristics:

B.2. **LOTS**. The size of each lot must comply with the requirements of applicable ordinances.

B.3. **HOUSES**. The principal improvement on a House Lot must be one detached single family dwelling. On Paired Duplex Lots the principal improvement is a Duplex Building with two attached homes. The dwelling size, setbacks, and exterior materials must comply with the applicable ordinances and with any higher standards established by the Architectural Reviewer.

B.4. **NEW CONSTRUCTION**. The dwelling must be constructed on the lot. A dwelling or addition constructed elsewhere may not be moved onto a lot. Factory-built homes are not permitted, even though assembled or finished on the lot. However, components of homes (such as roof trusses) may be manufactured off-site. The construction of a dwelling must be started promptly after the Architectural Reviewer approves the dwelling's plans and specifications. At the start of construction - but not before - building material to be used in the construction may be stored on the lot. Once started, the dwelling and all improvements on the lot must be completed with due diligence.

B.5. **MASONRY**. For purposes of this Appendix, the following materials qualify as masonry: conventional brick and brick veneer, stone and stone veneer, glass block or brick, and lathed or sprayed stucco. The following materials do not qualify as masonry for purposes of this Appendix, subject to the right of the Architectural Reviewer to grant a variance on a case by case basis: pressed or poured concrete forms, concrete block, and cement fiber board products, such as HardiPlank siding.

B.6. **EXTERIOR WALL MATERIALS**. The type, quality, and color of exterior wall materials must be approved by the Architectural Reviewer. Generally, at least 75 percent of the dwelling's total exterior area, minus windows and doors, must be masonry or masonry veneer, such as brick, stone, or stucco.

B.7. **ROOFS**. Roofs must be covered with material having a manufacturer's warranty of at least 20 years, such as GAF Sentinal or its equivalent. The use of fiberglass shingles is permitted. The color of roofing material must be weatherwood or an equivalent earth tone color. The Architectural Reviewer may permit or require other weights, materials, and colors.

B.8. **GARAGE & DRIVEWAY**. Each dwelling must have attached garage space for at least two standard-size cars. If the lot has alley access, the garage must be a rear or side entry using the alley for access. The driveway must be surfaced with concrete.

B.9. **CARPORTS**. No carport may be installed, constructed, or maintained on the front of any lot or dwelling, with or without approval of the Architectural Reviewer. No carport may be installed,

constructed, or maintained on any other portion of a lot without the Architectural Reviewer's prior written consent. In other words, all carports require the written approval of the Architectural Reviewer, and carports on the front sides or front yards of dwellings are expressly prohibited and may not be authorized.

B.10. ACCESSORIES. Installation of all exterior items and surfaces, including address numbers, decorative hardware, external ornamentation, lights fixtures, and exterior paint and stain, is subject to the Architectural Reviewer's prior approval, including approval of design, color, materials, and location.

B.11. MAILBOXES. Each lot improved with a home must have a curbside mailbox on a masonry pedestal with brick or stone surfaces that are compatible with the brick or stone materials used on the front of the home. To the extent possible, two homes will be served by a single pedestal, located on or near their shared boundary, and constructed of brick or stone that matches one of the two homes served.

B.12. UTILITIES. All utility lines and equipment must be located underground, except for: (1) elevated or surface lines or equipment required by a public utility or the city; (2) elevated or surface lines or equipment installed by Declarant as part of the development plan; and (3) surface equipment necessary to maintain, operate, or read underground facilities, such as meters, risers, service pedestals, and transformers. The Architectural Reviewer may require that utility meters, risers, pedestals, and transformers be visually screened from the street and neighboring lots. Each lot will use city water and sewage systems. Individual water supply and sewage disposal systems are not permitted.

B.13. AIR CONDITIONERS. Air conditioning equipment may not be installed in the front yard of a dwelling. Window units are prohibited. The Architectural Reviewer may require that air-conditioning equipment and apparatus be visually screened from the street and neighboring lots.

B.14. NO SUBDIVISION. No lot may be subdivided. One or more lots may be replatted with the approval of all owners of the lots directly affected by the replatting, and subject to the approval of the city. The parties executing the replat will provide a copy of the recorded replat to the Association. Replatting of lots may not alter the number of votes and assessments allocated to the lots as originally platted. If replatting reduces the number of lots by combining lots, the joined lot will have the votes and assessments allocated to the lots as originally platted.

B.15. DEBRIS. No lot or other part of the Property may be used a dumping ground. Waste materials incident to construction or repair of improvements on a lot may be stored temporarily on the lot during construction while work progresses and must be removed when construction or repair is complete.

[End of Appendix B]

APPENDIX C
DECLARANT REPRESENTATIONS & RESERVATIONS

C.1. GENERAL PROVISIONS.

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

C.1.2. General Reservation & Construction. Notwithstanding other provisions of the Governing Documents to the contrary, nothing contained therein may be construed to, nor may any mortgagee, other owner, or the Association, prevent or interfere with the rights contained in this Appendix which Declarant hereby reserves exclusively unto itself and its successors and assigns. In case of conflict between this Appendix and any other Governing Document, this Appendix controls. This Appendix may not be amended without the prior written consent of Declarant. The terms and provisions of this Appendix must be construed liberally to give effect to Declarant's intent to protect Declarant's interests in the Property.

C.1.3. Purpose of Development and Declarant Control Periods. This Appendix gives Declarant certain rights during the Development Period and the Declarant Control Period to ensure a complete and orderly buildout and sellout of the Property, which is ultimately for the benefit and protection of owners and mortgagees. Declarant may not use its control of the Association and the Property for an advantage over the owners by way of retention of any residual rights or interests in the Association or through the creation of any contractual agreements which the Association may not terminate without cause with 90 days' notice.

C.1.4. Amendment. Because this Appendix C benefits Declarant's interest in the Property, it may not be amended without Declarant's written approval as evidenced by Declarant's acknowledged signature on the instrument of amendment.

C.2. DEFINITIONS. As used in this Appendix and elsewhere in the Governing Documents, the following words and phrases have the following specified meanings:

C.2.1. **"Builder"** means a person or entity which purchases, or contracts to purchase, a lot from Declarant or from a Builder for the purpose of constructing a dwelling for resale or under contract to an owner other than Declarant. As used in this Declaration, Builder does not refer to Declarant or to a home building or home marketing company that is an affiliate of Declarant.

C.2.2. **"Declarant Control Period"** means that period of time during which Declarant controls the operation and management of the Association. The duration of the Declarant Control Period will be from the date this Declaration is recorded for a maximum period not to exceed the earlier of (1) ten years from date this Declaration is recorded, or (2) four months after title to 85 percent of the lots that may be created in the Property and on the Additional Land has been conveyed to owners other than Builders. Declarant may terminate the Declarant Control Period at any time by recording a notice of termination.

C.2.3. "**Development Period**" means the 15-year period beginning the date this Declaration is recorded, during which Declarant has certain rights pursuant to this Appendix, such as rights relating to development, construction, expansion, and marketing of the Property. The Development Period is for a term of years and does not require that Declarant own land described in Appendix A. The Development Period is different from and longer than the Declarant Control Period. Declarant may terminate the Development Period at any time by recording a notice of termination.

C.2.4. "**Unilaterally**" means that the Declarant may take the authorized action without the consent, approval, vote, or joinder of any other person, such as owners, mortgagees, Builders, and the Association. Certain provisions in this Appendix and elsewhere in the Governing Documents authorize the Declarant to act unilaterally. Unilateral action by Declarant is favored for purposes of efficiency and to protect the interests of Declarant.

C.3. DECLARANT CONTROL PERIOD RESERVATIONS - GOVERNANCE. Declarant reserves the following powers, rights, and duties during the Declarant Control Period:

C.3.1. Incorporation of Association. Declarant will incorporate the Association as a Texas nonprofit corporation before the end of the Declarant Control Period.

C.3.2. Officers & Directors. During the Declarant Control Period, the Board may consist of 3 persons. During the Declarant Control Period, Declarant may appoint, remove, and replace any officer or director of the Association, none of whom need be members or owners, and each of whom is indemnified by the Association as a "Leader." Declarant's unilateral right to remove and replace officers and directors applies to officers and directors who were elected or designated by lot owners other than Declarant, as well as to Declarant's appointees.

C.3.3. Weighted Votes. During the Declarant Control Period, the vote appurtenant to each lot owned by Declarant is weighted 3 times that of the vote appurtenant to a lot owned by another owner. In other words, during the Declarant Control Period, Declarant may cast the equivalent of 3 votes for each lot owned by Declarant on any issue before the Association. On termination of the Declarant Control Period and thereafter, the vote appurtenant to Declarant's lots is weighted uniformly with all other votes.

C.3.4. Association Meetings. During the Declarant Control Period, meetings of the Association may be held at a location, date, and time that is convenient to Declarant, whether or not it is mutually convenient for the owners.

C.3.5. Transition Meeting. Within 60 days after the end of the Declarant Control Period, or sooner at the Declarant's option, Declarant will call a transition meeting of the members of the Association for the purpose of electing, by vote of the owners, directors to the board. Written notice of the transition meeting must be given to an owner of each lot at least 10 days before the meeting. For the transition meeting, owners of 10 percent of the lots constitute a quorum. The directors elected at the transition meeting will serve until the next annual meeting of the Association or a special meeting of the Association called for the purpose of electing directors, at which time the staggering of terms will begin.

C.4. DECLARANT CONTROL PERIOD RESERVATIONS - FINANCIAL. Declarant reserves the following powers, rights, and duties during the Declarant Control Period:

C.4.1. Association Budget. During the Declarant Control Period, the Declarant-appointed board will establish a projected budget for the Property as a fully developed, fully phased, full constructed, and fully occupied residential community with a level of services and maintenance that is typical for similar types of developments in the general area of the Property, using cost estimates that are current for the period in which the budget is prepared. The Association budget may not include enhancements voluntarily provided by Declarant or by Builders to facilitate the marketing of new homes in the Property.

C.4.2. Budget Funding. During the Declarant Control Period only, Declarant is responsible for the difference between the Association's actual operating expenses and the regular assessments received from owners other than Declarant, and will provide any additional funds necessary to pay actual cash outlays of the Association. On termination of the Declarant Control Period, Declarant will cease being responsible for the difference between the Association's operating expenses and the assessments received from owners other than Declarant.

C.4.3. Enhancements. During the Declarant Control and Development Periods, Declarant - solely at Declarant's discretion - may voluntarily provide enhancements for the Property, such as higher levels of maintenance, management, insurance, seasonal color in landscaping, and recreational personnel. Such enhancements are not included in the Association's annual operating budget or, alternatively, if included are identified as Declarant enhancements.

C.4.4. Declarant Assessments & Reserves. During the Declarant Control Period, any real property owned by Declarant is not subject to assessment by the Association. During the Declarant Control Period, Declarant is not required to make contributions to the Association's reserve funds for the lots owned by Declarant. Declarant's obligation to fund the difference in the Association's operating expenses may not be construed to require Declarant to fund reserve accounts.

C.4.5. Commencement of Assessments. During the initial development of the Property, Declarant may elect to postpone the Association's initial levy of regular assessments until a certain number of lots are sold. During the Declarant Control Period, Declarant will determine when the Association first levies regular assessments against the lots. Prior to the first levy, Declarant will be responsible for all operating expenses of the Association.

C.4.6. Expenses of Declarant. Expenses related to the completion and marketing of the Property will be paid by Declarant or by Builders and are not expenses of the Association.

C.4.7. Budget Control. During the Declarant Control Period, the right of owners to veto assessment increases or special assessments is not effective and may not be exercised.

C.5. DEVELOPMENT PERIOD RESERVATIONS. Declarant reserves the following easements and rights, exercisable at Declarant's sole discretion, at any time during the Development Period:

C.5.1. Expansion. The Property is subject to expansion. During the Development Period, Declarant may - but is not required to - annex any real property: (1) any portion of which is contiguous with, adjacent to, or within 1,000 feet of any real property that is subject to this Declaration, (2) in any addition or subdivision platted by the City of Wylie as a phase or section of Wylie Lakes, or (3) located in a planned development district created by the City of Wylie for the property subject to this Declaration. Declarant annexes real property by subjecting it to the Declaration and the jurisdiction of the Association by recording a supplement or an amendment of this Declaration, executed by Declarant, in the Real Property Records of Collin County, Texas. The supplement or amendment of annexation must include a description of the additional real property or a reference to the recorded plat that describes the additional real property. Declarant's right to annex land is for a term of years and does not require that Declarant own land described in Appendix A at the time or times Declarant exercises its right of annexation.

C.5.2. Withdrawal. During the Development Period, Declarant may withdraw real property from the Property and the effect of this Declaration (1) if the owner of the withdrawn property consents to the withdrawal, and (2) if the withdrawal does not significantly and detrimentally change the appearance, character, operation, or use of the Property.

C.5.3. Different Standards. Declarant has the right (1) to establish specifications for the construction of all initial improvements in the Property, (2) to establish different specifications for each neighborhood within the Property, and (3) to grant variances or waivers from community-wide standards to certain neighborhoods of the Property.

C.5.4. Changes in Development Plan. Declarant may modify the initial development plan to respond to perceived or actual changes and opportunities in the marketplace. Subject to approval by (1) a governmental entity, if applicable, and (2) the owner of the land or lots to which the change would directly apply (if other than Declarant), Declarant may (a) change the sizes, dimensions, and configurations of lots and streets; (b) change the minimum dwelling size; (c) change the building setback requirements; and (d) eliminate or modify any other feature of the Property.

C.5.5. Builder Limitations. Declarant may require its approval (which may not be unreasonably withheld) of all documents and materials used by a Builder in connection with the development and sale of lots, including without limitation promotional materials; deed restrictions; forms for deeds, lot sales, and lot closings. Without Declarant's prior written approval, a Builder other than a Declarant-affiliate may not use a sales office or model in the Property to market homes, lots, or other products located outside the Property or the Additional Land.

C.5.6. Architectural Control. During the Development Period, Declarant has the absolute right to serve as the Architectural Reviewer pursuant to Article 6. Declarant may from time to time, but is not obligated to, delegate all or a portion of its reserved rights under Article 6 and this Appendix to (1) an architectural control committee appointed by the board, or (2) a committee comprised of architects, engineers, or other persons who may or may not be members of the Association. Any such delegation must be in writing and must specify the scope of delegated responsibilities. Any such delegation is at all times subject to the unilateral rights of Declarant (1) to revoke such delegation at any time and reassume jurisdiction over the

matters previously delegated and (2) to veto any decision which Declarant in its sole discretion determines to be inappropriate or inadvisable for any reason. Declarant also has the unilateral right to exercise architectural control over vacant lots in the Property. Neither the Association, the board of directors, nor a committee appointed by the Association or board (no matter how the committee is named) may involve itself with the approval of new homes and related improvements on vacant lots.

Declarant can amend Governing Documents **UNILATERALLY.**

C.5.7. Amendment. During the Development Period, Declarant may amend this Declaration and the other Governing Documents, without consent of other owners or any mortgagee, **for any purpose**, including without limitation the following purposes:

- a. To add real property to the Property.
- b. To withdraw real property from the Property.
- c. To create lots, easements, and common areas within the Property.
- d. To subdivide, combine, or reconfigure lots.
- e. To convert lots into common areas.
- f. To modify the construction and use restrictions of this Declaration.
- g. To modify the construction specifications of Appendix B of this Declaration.
- h. To modify the HOA Sale Fees of Appendix D of this Declaration.
- i. To merge the Association with another property owners association.
- j. To comply with requirements of an underwriting lender.
- k. To resolve conflicts, clarify ambiguities, and to correct misstatements, errors, or omissions in the Governing Documents.
- l. To enable any reputable title insurance company to issue title insurance coverage on the lots.
- m. To enable an institutional or governmental lender to make or purchase mortgage loans on the lots.
- n. To change the name or entity of Declarant.
- o. To change the name of the addition in which the Property is located.
- p. To change the name of the Association.
- q. For any other purpose, provided the amendment has no material adverse effect on any right of any owner.

C.5.8. Completion. During the Development Period, Declarant has (1) the right to complete or make improvements indicated on the plat; (2) the right to sell or lease any lot owned by Declarant; and (3) an easement and right to erect, construct, and maintain on and in the common area and lots owned or leased by Declarant whatever Declarant determines to be necessary or advisable in connection with the construction, completion, management, maintenance, leasing, and marketing of the Property, including, without limitation, parking areas, temporary buildings, temporary fencing, portable toilets, storage areas, dumpsters, trailers, and commercial vehicles of every type.

C.5.9. Easement to Inspect & Right to Correct. During the Development Period, Declarant reserves for itself and for Builders the right, but not the duty, to inspect, monitor, test, redesign, correct, and relocate any structure, improvement, or condition that may exist on any

portion of the Property, including the lots, and a perpetual nonexclusive easement of access throughout the Property to the extent reasonably necessary to exercise this right. Declarant or Builder, as applicable, will promptly repair, at its sole expense, any damage resulting from the exercise of this right. By way of illustration but not limitation, relocation of a screening wall located on a lot may be warranted by a change of circumstance, imprecise siting of the original wall, or desire to comply more fully with public codes and ordinances. This Section may not be construed to create a duty for Declarant, a Builder, or the Association.

C.5.10. Promotion. During the Development Period, Declarant reserves for itself an easement and right to place or install signs, banners, flags, display lighting, potted plants, exterior decorative items, seasonal decorations, temporary window treatments, and seasonal landscaping on the Property, including items and locations that are prohibited to other owners and residents, for purposes of promoting, identifying, and marketing the Property and/or Declarant's homes, lots, developments, or other products located outside the Property. Declarant reserves an easement and right to maintain, relocate, replace, or remove the same from time to time within the Property. Declarant also reserves the right to sponsor marketing events - such as open houses, MLS tours, and brokers parties - at the Property to promote the sale of lots. During the Development Period, Declarant also reserves (1) the right to permit Builders to place signs and promotional materials on the Property and (2) the right to exempt Builders from the sign restriction in this Declaration.

DIFFERENT RULES

The developer has rights and privileges to use the property in ways that are not available to other owners and residents.

C.5.11. Offices. During the Development Period, Declarant reserves for itself the right to use dwellings owned or leased by Declarant as models, storage areas, and offices for the marketing, management, maintenance, customer service, construction, and leasing of the Property and/or Declarant's developments or other products located outside the Property. Also, Declarant reserves for itself the easement and right to make structural changes and alterations on and to lots and dwellings used by Declarant as models, storage areas, and offices, as may be necessary to adapt them to the uses permitted herein.

C.5.12. Access. During the Development Period, Declarant has an easement and right of ingress and egress in and through the Property for purposes of constructing, maintaining, managing, and marketing the Property and the Additional Land, and for discharging Declarant's obligations under this Declaration. Declarant also has the right to provide a reasonable means of access for the homebuying public through any existing or future gate that restricts vehicular access to the Property or to the Additional Land in connection with the active marketing of lots and homes by Declarant or Builders, including the right to require that the gate be kept open during certain hours and/or on certain days. This provision may not be construed as an obligation or intent to gate the Property.

C.5.13. Utility Easements. During the Development Period, Declarant may grant permits, licenses, and easements over, in, on, under, and through the Property for utilities, roads, and other purposes necessary for the proper development and operation of the Property. Declarant reserves the right to make changes in and additions to the easements on any lot, as

shown on the plat, to more efficiently or economically install utilities or other improvements. Utilities may include, but are not limited to, water, sewer, trash removal, electricity, gas, telephone, television, cable, internet service, and security. To exercise this right as to land that is not a common area of the Property or not owned by Declarant, Declarant must have the prior written consent of the land owner.

C.5.14. Assessments. For the duration of the Development Period, any lot owned by Declarant is not subject to mandatory assessment by the Association until the date Declarant transfers title to an owner other than Declarant. If Declarant owns a lot on the expiration or termination of the Development Period, from that day forward Declarant is liable for assessments on each lot owned by Declarant in the same manner as any owner.

C.5.15. Land Transfers. During the Development Period, any transfer of an interest in the Property to or from Declarant is not subject to any transfer-related provision in the Governing Documents, including without limitation an obligation for transfer or resale certificate fees, and the transfer-related provisions of Article 8 of this Declaration. The application of this provision includes without limitation Declarant's lot take-downs, Declarant's sale of lots to Builders, and Declarant's sale of lots to homebuyers.

C.6. DIFFERENT STANDARDS. Declarant has the right (1) to establish specifications for the construction of all initial improvements in the Property, (2) to establish different specifications for each phase of the Property, and (3) to grant variances or waivers from community-wide standards to certain phases of the Property. That Declarant includes Builders in the development of specifications for a particular phase of the Property does not entitle those Builders to approve or disapprove specifications for other portions of the Property.

C.7. RELATIONSHIP WITH BUILDERS. Declarant, in its own name or through its affiliates, intends to construct dwellings on the lots in connection with the sale of the lots. However, Declarant may, without notice, sell some or all of the lots to one or more Builders to improve the lots with dwellings to be sold and occupied. This Section applies in the event Declarant sells lots to Builders. Declarant reserves the following rights, exercisable at Declarant's sole discretion, at any time during the Development Period:

C.7.1. Builders. From time to time, Declarant may invite a Builder to share in the exercise of any, some, or all of its easements and rights, without any formality other than the consent of Declarant and Builder. Notwithstanding such sharing, a Builder will not become a Successor Declarant, or assume the duties and liabilities of Declarant under this Declaration unless Builder and Declarant join in an instrument that assigns and transfers Declarant rights and duties under this Declaration, signed and acknowledged by both Declarant and Builder, and recorded in the Real Property Records of Collin County, Texas.

C.7.2. Builder Obligations. During the Declarant Control Period only, Declarant has the right but not the duty (1) to reduce or waive the assessment obligation of a Builder, and (2) to exempt a Builder from any or all liabilities for transfer-related fees charged by the Association or its manager, provided the agreement is in writing. Absent such an exemption, any Builder who owns a lot is liable for all assessments and other fees charged by the Association in the same manner as any owner.

C.7.3. Builder Transfer Fees. During the Declarant Control Period only, Declarant has the right but not the duty to exempt a Builder from any or all liabilities for transfer-related fees charged by the Association or its manager, provided the agreement is in writing.

C.7.4. Approval of Builder Plans. If a Builder intends to construct a number of pre-designed homes in a phase of the Property, the Builder may submit the set of house plans and elevations to Declarant for approval by the Architectural Reviewer. Such plans may be submitted and approved prior to Builder's purchase of lots in the Property. House plans and elevations that are pre-approved by Declarant for use by Builder in a particular phase of the Property may be constructed by Builder without re-submitting plans on a lot by lot basis as the homes are constructed, unless the actual plan or elevation deviates substantially from the pre-approved plan and elevation. Examples of substantial deviation include (1) reversing a garage from rear entry to front entry, or vice versa, (2) reducing the size of the dwelling by more than 15 percent, (3) reducing the amount of masonry exterior material by more than 15 percent, (4) changing the style of the front elevation, such as from Cape Cod to Spanish, and (5) replacing a garage with a porte cochere or carport.

C.7.5. Individual Lot Application. Builder must apply to the Architectural Reviewer for approval of any substantial modifications or variations from or additions to the pre-approved plans for the Property, as well as the plot plan for each home. Builder may presume that its request has been approved by the Architectural Reviewer if Builder has not received the Architectural Reviewer's written response - approving, denying, or requesting additional information - within 45 calendar days after delivering his complete application to the Architectural Reviewer.

C.7.6. Builder Signs. During the Development Period, Declarant also reserves (1) the right to permit Builders to place signs and promotional materials on the Property and (2) the right to exempt a Builder from the sign restriction in this Declaration. Any sign used by Builders in the Property may be approved in writing by Declarant prior to installation, and is subject to summary removal if not approved and if Declarant finds it objectionable. As used in this Section, "sign" includes, without limitation, lettering, images, symbols, pictures, shapes, lights, banners, and any other representation or medium that conveys a message.

The number, style, location, quality, size, nature, appearance, and ownership of to-be-built common area improvements or community features is subject to change.

C.8. COMMUNITY FEATURES. During the Development Period, the initial plans for use and development of the Property may change in response to a number of circumstances, influences, and opportunities that may not be apparent or applicable at the inception of the development. An owner who acquires a lot while the Property is being developed is hereby given notice that a common area improvement or community feature that is not installed at the time an owner contracts is subject to change. Representations given to a prospective purchaser about a proposed community feature are based on a development plan that makes assumptions that are subject to change.

C.8.1. Open Space or Park. As used on a plat, "open space," "park," "green space," or "common green" are imprecise terms for a piece of land that will not be improved with

homes, and which may or may not have recreational features, landscaping, irrigation, and lighting. The use of these terms - alone - may not be construed to require certain improvements.

C.8.2. Private v. Public. As used in connection with a common area, "private" means that it is not available to the general public. The terms "public" and "private" to label a platted tract may not be construed to limit the ultimate disposition of the tract. A tract platted as "public park" may ultimately be conveyed to the Association as a private park. Similarly, a tract platted as "private park" or "open space" may ultimately be conveyed to the City as a public park.

C.8.3. Screening. "Landscape and screening easement" (or similar) is an imprecise term used in the platting process for a piece of land that may be improved with xeriscaping, irrigated landscaping, and/or a screening feature, such as a berm, fence, wall, poles, or other item that creates a visual demarcation of the Property's boundaries or primary thoroughfares. "Screening" may not be construed to require a feature that completely conceals an area of the Property. A screening feature may be "see through," "see over," or "see under."

C.9. MARKETING OTHER LOCATIONS. This Declaration grants to Declarant a number of significant rights to market the Property. Declarant hereby reserves for itself and its affiliates the right to use each and every such right and privilege for the additional purposes of promoting, identifying, and marketing off-site developments of Declarant or its affiliates for the duration of the Development Period, even though Declarant may have completed the marketing of lots or homes in the Property. Additionally, Declarant - at Declarant's sole option and discretion - may extend the effect of this Section for up to 24 months after the end of the Development Period by paying the Association \$4,000.

HOME BUYERS !

Even after all the homes are built and sold, the developer may continue to use Wylie Lakes to help market another project.

C.10. COMMON AREAS. This Section applies only if the Property has common areas, and may not be construed to require the creation of common areas. Declarant will convey title to the common areas, if any, to the Association by one or more deeds - with or without warranty. Any initial common area improvements will be installed, constructed, or authorized by Declarant, the cost of which is not a common expense of the Association. At the time of conveyance to the Association, the common areas will be free of encumbrance except for the property taxes accruing for the year of conveyance. Declarant's conveyance of title is a ministerial task that does not require and is not subject to acceptance by the Association or the owners. The transfer of control of the Association at the end of the Declarant Control Period is not a transfer of common areas requiring inspection, evaluation, acceptance, or approval of common area improvements by the owners.

C.11. SUCCESSOR DECLARANT. Declarant may designate one or more Successor Declarants for specified designated purposes and/or for specified portions of the Property, or for all purposes and all of the Property. To be effective, the designation must be in writing, signed and acknowledged by Declarant and Successor Declarant, and recorded in the Real Property Records of Collin County, Texas. Declarant (or Successor Declarant) may subject the designation of Successor

Declarant to limitations and reservations. Unless the designation of Successor Declarant provides otherwise, a Successor Declarant has the rights of Declarant under this Section and may designate further Successor Declarants.

C.12. PARDON OUR DUST. A person who occupies a home during the construction phase of the Property is living in a construction site that may experience periodic and temporary inconveniences during the build-out and sell-out of the Property, such as those listed below. Declarant - for itself and the Builders - apologizes in advance for these disturbances, many of which cannot be avoided. The sooner the construction work is completed, the sooner owners will be able to enjoy the community of which they are a part. Declarant hopes the construction and marketing of the Property occurs swiftly and with minimal disruption of residents' lives and households. Declarant thanks residents in advance for their patience and tolerance of what may be a relatively short but difficult period for the Wylie Lakes community.

- ▶▶ Construction sounds, smells, dust, and debris
- ▶▶ Power surges
- ▶▶ Water stoppages
- ▶▶ Tradespeople performing construction work
- ▶▶ Trucks and materials on the Property
- ▶▶ Mud on the streets
- ▶▶ City inspections in the Property
- ▶▶ Dumpsters filled with construction debris

[End of Appendix C]

APPENDIX D
NOTICE OF HOA SALE FEES

THE COSTS OF BUYING & SELLING HOMES IN WYLIE LAKES

GENERAL. This Notice addresses certain fees and expenses that may be charged by the Wylie Lakes Owners Association, or by its managing agent, at the time of a home's sale or purchase other than (not including) the home buyer's prepaid and/or pro-rata assessments. The HOA Sale Fees described in this Notice are not refundable by the Association or its manager, and may not be regarded as a prepayment of or credit against assessments. HOA Sale Fees generally fall into two types of categories - budget enhancing fees, such as contributions to the reserve or operating funds of the Association, and administrative fees, such as fees for resale certificates, estoppel certificates, copies of governing documents, compliance inspections, ownership record changes, and priority processing.

WHO PAYS? HOA Sale Fees may be paid by either the seller or the buyer, per their negotiations, and are typically collected at closing. If the HOA Sale Fees are not collected at closing, the buyer remains liable to the Association or to the manager, as applicable, for the fee until the fee is received. HOA Sales Fees may not be avoided by effecting the transfer without the services of a title company.

EXCLUSIONS. The following transfers are not subject to or liable for HOA Sale Fees: (1) foreclosure of a mortgagee's deed of trust lien, a tax lien, or the Association's assessment lien; (2) conveyance by a mortgagee who acquires title by foreclosure or deed in lieu of foreclosure; (3) transfer to, from, or by the Association; (4) voluntary transfer by an owner to one or more co-owners, or to the owner's spouse, child, or parent; (5) a transfer by a fiduciary in the course of administering a decedent's estate, guardianship, conservatorship, or trust; (6) a conveyance pursuant to a court's order, such as transfer by a bankruptcy trustee; or (7) a disposition by a government or governmental agency.

THE BUILDER OF A NEW HOME. The obligation of a Builder who buys lots from Declarant for HOA Sale Fees is determined by private contract between Declarant and the Builder. Declarant may, but is not required, to publicly record a memorandum of such obligation. Any other lot sales, such as from Builder to Builder, are subject to the same requirements as "The Initial Buyer of a New Home."

THE INITIAL BUYER OF A NEW HOME. Every transfer of a new home by Declarant or a Builder is liable for the following HOA Sale Fees, if any, in effect at the time of purchase: (1) to the Association, a one-time contribution in the amount of **\$150.00 for the Association's reserve funds**, (2) to the Association, a one-time contribution in the amount of **\$150.00 for the Association's operating funds**, and (3) to the Association's manager, its customary HOA Sale Fees. The contribution to the Association's operating funds may be used to defray Declarant's obligation, if any, for the Association's operating expenses that are not funded by regular assessments received from other owners during the Declarant Control Period. After the Declarant Control Period, the Association will transfer to Declarant the initial operating fund contributions received from initial buyers of new homes.

THE BUYER OF A RESALE HOME. Every transfer of a used home (a "resale") by an owner other than the Declarant is liable for the following HOA Sale Fees, if any, in effect at the time of purchase: (1) to the Association, a one-time contribution to the Association's reserve funds, in the amount of the equivalent of **one-half the annual assessment** for each lot purchased, and (2) to the Association's manager, its customary HOA Sale Fees.

EFFECTIVE. The date of this Notice is the date on which the Declaration is recorded. This Notice remains in effect until amended or restated by Declarant during the Development Period, and thereafter by the Association's Board, and the later-dated amendment and/or restatement of this Notice is publicly recorded.

APPENDIX E
PURCHASERS 10 COVENANTS
DURING DEVELOPMENT PERIOD
OF WYLIE LAKES

Each owner of a home in Wylie Lakes, **by the act of accepting** an interest in or title to a lot during the Development Period, whether or not it is so expressed in the instrument of conveyance, acknowledges, understands, covenants, and agrees to each of the following statements:

- 1.** Owner has read and understands the significance of the Declaration of Covenants, Conditions & Restrictions for Wylie Lakes, which contains important information about the nature of Wylie Lakes and owner's obligations.
- 2.** Wylie Lakes is a planned community, the initial development and marketing of which is likely to extend over several years.
- 3.** During the Development Period, Declarant has rights and opportunities for marketing Wylie Lakes and the homes that are not available to individual homeowners who desire to market their homes for sale. If owner tries to resell his home during the Development Period he will be competing against Declarant and/or Builders with new homes and a marketing advantage.
- 4.** The Development Period for Wylie Lakes covers the first 15 years of Wylie Lakes, beginning on the date this Declaration is recorded, unless Declarant voluntarily terminates the Development Period by executing an instrument that is publicly recorded. The Development Period is described in Appendix C of the Declaration.
- 5.** Annual assessments (the "dues") are subject to change and WILL change over time, at the direction of the Association's board of directors.
- 6.** Declarant has reserved for itself the right to control the Association until Wylie Lakes is fully phased and developed, and after 85 percent of the lots are improved with homes that have been sold and closed to homebuyers. The "Declarant Control Period" is different from the Development Period.
- 7.** Declarant or its appointees are the Architectural Reviewer during the Development Period. Neither the owners nor the Association have a voice in the architectural review and approval of new homes on vacant lots.

- 8.** In purchasing his lot, owner has not relied on any representation, warranty, or assurance - verbal or otherwise - by any person as to (1) the design, construction, completion, development, use, benefits, or value of Wylie Lakes; (2) the number, types, sizes, prices, or designs of homes to be built in any part of Wylie Lakes; or (3) the existence, type, number, or quality of common area improvements.
- 9.** Owner understands that he cannot do "anything he wants" with his yard and the outside of his home. Even the color of his fence stain must conform to the architectural standards for Wylie Lakes.
- 10.** Whether or not executed by owner, these *Purchasers 10 Covenants During Development Period of Wylie Lakes* run with the land and bind owner's lot, owner, and owner's successors and assigns.

AFTER RECORDING, PLEASE RETURN TO:

Ms. Sharon Reuler SettlePou • Attorneys
3333 Lee Parkway, Eighth Floor
Dallas, Texas 75219

Filed and Recorded
Official Public Records
Stacey Kemp
Collin County, TEXAS
07/03/2007 12:20:23 PM
\$316.00 DLAIRD
20070703000911700



Stacey Kemp

WYLIE LAKES

CORRECTION AMENDMENT OF APPENDIX A

RE: LOT 59, BLOCK E, WYLIE LAKES PHASE 1B

A. Lot 59, Block E, Wylie Lakes Phase 1B was inadvertently omitted from the itemization of Paired Duplex Lots in Appendix A of the Declaration of Covenants, Conditions & Restrictions for Wylie Lakes, recorded on July 3, 2007, as Document No. 20070703000911700, Real Property Records, Collin County, Texas (the "**Declaration**").

B. As the **Declarant** of Wylie Lakes, a planned development in Wylie, Texas, D. R. Horton - Texas, Ltd., hereby amends the Declaration for the purpose of confirming that Lot 59, Block E, Wylie Lakes Phase 1B, is contained within the land that is subject to the Declaration.

C. During the Development Period, which expires on July 2, 2022, Declarant has the unilateral right to amend the Declaration to correct omissions, pursuant to Section C.5.7 of Appendix C of the Declaration.

AMENDMENT

The description of "Paired Duplex Lots" of Wylie Lakes Phase 1B, as stated in Appendix A of the Declaration, is hereby amended and restated as follows:

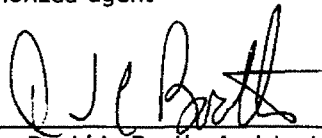
PAIRED DUPLEX LOTS

BLOCK E: LOTS 5 - 46 & 48 - 59

SIGNED on the 29th day of August 2007.

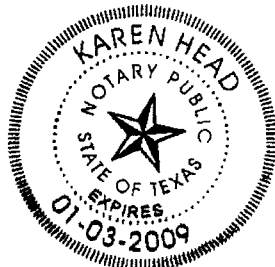
D. R. HORTON - TEXAS, LTD., a Texas limited partnership

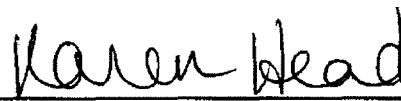
By: D. R. HORTON, INC., a Delaware corporation, its authorized agent

By: 
David L. Booth, Assistant Vice President

THE STATE OF TEXAS §
§
COUNTY OF DALLAS §

This instrument was acknowledged before me on this 29th day of August 2007 by David L. Booth, Assistant Vice President of D. R. Horton, Inc., a Delaware corporation, on behalf of said corporation in its capacity as authorized agent for D. R. Horton - Texas, Ltd., a Texas limited partnership, on behalf of the limited partnership.




Notary Public, The State of Texas
i:\06-7920\docs\WL-Amend Appendix A_v1Shrt rd=8/28/07 pd=8/28/07

AFTER RECORDING, PLEASE RETURN TO:
Ms. Sharon Reuler • SETTLEPOU
3333 Lee Parkway, Eighth Floor
Dallas, Texas 75219



Filed and Recorded
Official Public Records
Stacey Kemp
Collin County, TEXAS
08/31/2007 01:48:37 PM
\$20.00 DLAIRD
20070831001218210

Stacey Kemp

THE STATE OF TEXAS §
 §
COUNTY OF COLLIN §

OPEN SPACE DEED TO CITY OF WYLIE
WYLIE LAKES - PHASES 1A + 1B

EFFECTIVE DATE: December 17, 2007

GRANTOR: D. R. Horton - Texas, Ltd.
ADDRESS: 4306 Miller Road, Suite A, Rowlett, Texas 75088

GRANTEE: City of Wylie
ADDRESS: Attn: City Secretary, 2000 State Highway 78 North, Wylie, Texas 75098

PROPERTY (including any improvements):

The following Open Spaces in **WYLIE LAKES, PHASE 1A**, an addition to the City of Wylie, Texas, according to the amended plat thereof recorded on January 31, 2007, as Document No. 20070131010000260, in Cabinet 2007, Slides 36-37, Plat Records, Collin County, Texas:

- **LOT 23, BLOCK A**
- **LOT 24, BLOCK A**
- **LOT 52, BLOCK B**
- **LOT 18, BLOCK D**
- **LOT 19, BLOCK D**

The following Open Spaces in **WYLIE LAKES, PHASE 1B**, an addition to the City of Wylie, Texas, according to the second amended plat thereof recorded on September 12, 2007, as Document No. 20070912010003320, in Cabinet 2007, Slides 498-499, Plat Records, Collin County, Texas:

- **LOT 19, BLOCK D**
- **LOT 60, BLOCK E**

On October 31, 2006, the City of Wylie, Texas, signed the approved plats for Phases 1A and 1B of Wylie Lakes, with the expectation that the above-referenced Open Spaces would be dedicated to the City. This conveyance is a ministerial task that fulfills an expectation of the City of Wylie under the two plats referenced above.


For good and valuable consideration, Grantor does **GRANT, SELL, AND CONVEY** unto Grantee all the Property, **TO HAVE AND TO HOLD** the Property, together with all and singular the rights and appurtenances thereto in any wise belonging, to Grantee, Grantee's heirs, executors, administrators, successors, or assigns forever, subject to the matters herein stated.

This Deed is not intended to be a quitclaim deed and is intended to be a conveyance of the Property rather than merely a conveyance of Grantor's interest therein. Notwithstanding anything herein contained to the contrary, this conveyance is made without warranty of title of any kind, whether statutory, express, or implied.

SIGNED to be effective on the date shown above.

D. R. HORTON - TEXAS, LTD., a Texas limited partnership

By: D. R. HORTON, INC., a Delaware corporation, its authorized agent

By: 
David L. Booth, Assistant Vice President

THE STATE OF TEXAS §
§
COUNTY OF DALLAS §

This instrument was acknowledged before me on this 17th day of December 2007 by David L. Booth, Assistant Vice President of D. R. Horton, Inc., a Delaware corporation, on behalf of said corporation in its capacity as authorized agent for D. R. Horton - Texas, Ltd., a Texas limited partnership, on behalf of the limited partnership.


Notary Public, The State of Texas



After recording, please return to:
Wylie City Secretary
2000 State Highway 78 North
Wylie, Texas 75098



**Filed and Recorded
Official Public Records
Stacey Kemp
Collin County, TEXAS
12/20/2007 01:04:02 PM
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20071220001686680**



20090312000282810 03/12/2009 11:24:17 AM NO 1/4

NOTICE OF FILING OF DEDICATORY INSTRUMENTS
FOR
WYLIE LAKES OWNERS ASSOCIATION

STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF COLLIN §

THIS NOTICE OF FILING OF DEDICATORY INSTRUMENTS FOR WYLIE LAKES OWNERS ASSOCIATION (this "Notice") is made this 23 day of February, 2009, by the Wylie Lakes Owners Association (the "Association").

WITNESSETH:

WHEREAS, D. R. Horton - Texas, Ltd. ("Declarant") prepared and recorded an instrument entitled "Declaration of Covenants, Conditions & Restrictions for Wylie Lakes" as Document No. 20070703000911700 of the Real Property Records of Collin County, Texas, as supplemented and amended from time to time (the "Declaration"); and

WHEREAS, the Association is the property owners' association created by the Declarant to manage or regulate the property covered by the Declaration, which property 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 the property is located; and

WHEREAS, the Association desires to record the attached dedicatory instrument in the real property records of Collin County, Texas, pursuant to and in accordance with Section 202.006 of the Texas Property Code.

NOW, THEREFORE, the dedicatory instrument attached hereto as *Exhibit "A"* is a true and correct copy of the original and is hereby filed of record in the real property records of Collin County, Texas, in accordance with the requirements of Section 202.006 of the Texas Property Code.

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

WYLIE LAKES OWNERS ASSOCIATION,
a Texas non-profit corporation

By: *D J Booth*

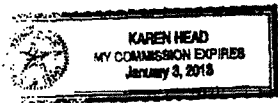
Its: *Officer*

ACKNOWLEDGMENT

STATE OF TEXAS §
 §
COUNTY OF COLLIN §

BEFORE ME, the undersigned authority, on this day personally appeared Daniel Booth, Asst VP of the Wylie Lakes Owners Association, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he/she executed the same for the purposes and consideration therein expressed on behalf of said corporation.

SUBSCRIBED AND SWORN TO BEFORE ME on this 23 day of February 2009.



Karen Head
Notary Public, State of Texas
1/3/13
My Commission Expires

AFTER RECORDING, RETURN TO:
Riddle & Williams, P.C.
3710 Rawlins Street, Suite 1400
Dallas, Texas 75219

GNOTICE.DED/wytilakes.notice

EXHIBIT "A"

Policy Resolution Relating to Payment Application Policy

WYLIE LAKES OWNERS ASSOCIATION
(the "Association")

POLICY RESOLUTION
Relating to Payment Application Policy

WHEREAS, pursuant to Article 11, Section 11.9 of the Declaration of Covenants, Conditions & Restrictions for Wylie Lakes ("Declaration"), the Board of Directors has the power to adopt and amend policies regarding the application of payments received from Owners; and

WHEREAS, the Board of Directors has determined that it is in the best interests of the Association and the Association's members to adopt the following Payment Application Policy.

NOW, THEREFORE, BE IT RESOLVED that payments received from delinquent homeowners will be applied in the following order:

- a. First, to interest charges;
- b. Next, to late charges;
- c. Next, to handling charges, returned check fees and other collection costs incurred by the Association;
- d. Next, to attorney's fees and related costs advanced by the attorney for and on behalf of the Association;
- e. Next, to delinquent Individual Assessments (includes fines);
- f. Next, to delinquent Special Assessments;
- f. Next, to delinquent Regular Assessments;
- g. Next, to outstanding Individual Assessments (includes fines), then to outstanding Special Assessments, though same may not then be delinquent; and
- h. Last, to outstanding Regular Assessments, though same may not then be delinquent.

IT IS FURTHER RESOLVED that, pursuant to Article 11, Section 11.9 of the Declaration, the Association may also refuse to accept partial payments and payments to which the payer attaches conditions or directions contrary to this Policy Resolution Relating to Payment Application Policy. Endorsement and deposit of a payment does not constitute acceptance by the Association. Acceptance occurs when the Association posts the payment to an owner's account.

Board of Directors:

Carl Am
President
J. Booth
Vice President/Treasurer
Alvarez
Secretary

Date: 2/23/09

Resolution effective: April 1, 2009

7/resol/applicationofpayments.wylielakes



Filed and Recorded
Official Public Records
Stacey Kemp, County Clerk
Collin County, TEXAS
03/12/2009 11:24:17 AM
\$28.00 TKING
20090312000282810

Stacey Kemp

20111207001322690 12/07/2011 02:16:22 PM NO 1/27

FIRST SUPPLEMENT TO THE
NOTICE OF FILING OF DEDICATORY INSTRUMENTS
FOR
WYLIE LAKES
PURSUANT TO SECTION 202.006 OF THE TEXAS PROPERTY CODE

STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF COLLIN §

THIS FIRST SUPPLEMENT TO THE NOTICE OF FILING OF DEDICATORY INSTRUMENTS FOR WYLIE LAKES PURSUANT TO SECTION 202.006 OF THE TEXAS PROPERTY CODE (this "Notice") is made this 25th day of NOVEMBER, 2011, by Wylie Lakes Owners Association (the "Association").

WITNESSETH:

WHEREAS, D. R. Horton – Texas, Ltd. ("Declarant") prepared and recorded an instrument entitled "Declaration of Covenants, Conditions & Restrictions for Wylie Lakes" on or about July 7, 2007, under Document No. 20070703000911700 of the Real Property Records of Collin County, Texas (the "Declaration"); and

WHEREAS, the Association is the property owners' association created by the 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 the development is located; and

WHEREAS, on or about March 12, 2009, the Association recorded a Notice of Filing of Dedicatory Instruments for Wylie Lakes Owners Association, under Document Number 20090312000282810 in the Deed Records of Collin County, Texas (the "Notice"); and

WHEREAS, the Association desires to record the dedicatory instruments attached as Exhibit "A" in the Real Property Records of Collin County, Texas, pursuant to and in accordance with Section 202.006 of the Texas Property Code.

NOW, THEREFORE, the dedicatory instruments attached hereto as Exhibit "A" are true and correct copies of the originals and are hereby filed of record in the Real Property Records of Collin County, Texas, in accordance with the requirements of Section 202.006 of the Texas Property Code.

IN WITNESS WHEREOF, the Association has caused this First Supplement to the Notice of Filing of Dedicatory Instruments for Sedona to be executed by its duly authorized agent as of the date first above written.

WYLIE LAKES OWNERS ASSOCIATION,
a Texas non-profit corporation

By: 

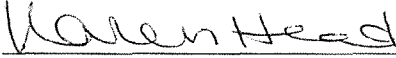
Its: Officer

ACKNOWLEDGMENT

STATE OF TEXAS §
 §
COUNTY OF COLLIN §

BEFORE ME, the undersigned authority, on this day personally appeared David Booth, Officer of Wylie Lakes Owners Association, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that (s)he executed the same for the purposes and consideration therein expressed on behalf of said corporation.

SUBSCRIBED AND SWORN TO BEFORE ME on this 29 day of November, 2011.


Notary Public, State of Texas

My Commission Expires  KAREN HEAD
MY COMMISSION EXPIRES
January 3, 2013

AFTER RECORDING, RETURN TO:
Riddle & Williams, P.C.
3710 Rawlins Street, Suite 1400
Dallas, Texas 75219

Exhibit "A"

Dedicatory Instruments

- A-1 Document Retention Policy
- A-2 Document Inspection and Copying Policy
- A-3 Alternative Payment Plan Policy
- A-4 Rescission of Collection Policies
- A-5 Email Registration Policy
- A-6 Solar Energy Device Guidelines
- A-7 Rainwater Collection Device Guidelines
- A-8 Roofing Materials Guidelines
- A-9 Flag Display Guidelines
- A-10 Religious Item Display Guidelines

WYLIE LAKES OWNERS ASSOCIATION

DOCUMENT RETENTION POLICY

WHEREAS, pursuant to Section 209.005(m) of the Texas Property Code, the Board of Directors of Wylie Lakes Owners Association (the "Association") is required to adopt a document retention policy for the Association's books and records.

NOW, THEREFORE, IT IS RESOLVED, in order to comply with the procedures set forth by Chapter 209 of the Texas Residential Property Owners Protection Act, that the following procedures and practices are established for the maintenance and retention of the Association's books, records and related documents, and the same are to be known as the "Document Retention Policy" of the Association.

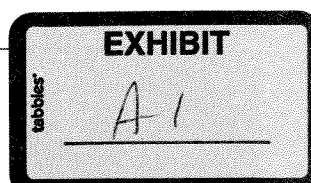
1. Purpose. The purpose of this Document Retention Policy is to ensure that the necessary records and documents of the Association are adequately protected and maintained.

2. Administration. The Association is in charge of the administration of this Document Retention Policy and the implementation of processes and procedures to ensure that the Records Retention Schedule attached as Exhibit "A" is followed. The Board is authorized to make modifications to this Records Retention Schedule from time to time to ensure that it is in compliance with local, state and federal laws and that the schedule includes the appropriate document and record categories for the Association.

3. Suspension of Record Disposal in Event of Litigation or Claims. In the event the Association is served with any subpoena or request for documents or the Association becomes aware of a governmental investigation or audit concerning the Association or the commencement of any litigation against or concerning the Association, all documents relating or pertaining to such investigation, claim or litigation shall be retained indefinitely, and any further disposal of documents shall be suspended and shall not be reinstated until conclusion of the investigation or lawsuit, or until such time as the Board, with the advice of legal counsel, determines otherwise.

4. Applicability. This Document Retention Policy applies to all physical records generated in the course of the Association's operation, including both original documents and reproductions. It also applies to electronic copies of documents. Any electronic files that fall under the scope of one of the document types on the Records Retention Schedule below will be maintained for the appropriate amount of time. Documents that are not listed on Exhibit "A", but are substantially similar to those listed in the Records Retention Schedule, should be retained for a similar length of time.

5. Definitions. The definitions contained in the governing documents of Wylie Lakes Owners Association are hereby incorporated herein by reference.



IT IS FURTHER RESOLVED that this Document Retention Policy is effective upon adoption hereof, to remain in force and effect until revoked, modified or amended.

This is to certify that the foregoing resolution was adopted by the Board of Directors at a meeting of same on 11-25-2011, and has not been modified, rescinded or revoked.

DATE: 11/25/11



Secretary

EXHIBIT A – RECORD RETENTION SCHEDULE

A. GOVERNING DOCUMENTS

All copies of governing documents including but not limited to the Declaration of Covenants, Conditions, & Restrictions for Wylie Lakes (the “Declaration”), the Bylaws of Wylie Lakes Owners Association (the “Bylaws”), the Articles of Incorporation of Wylie Lakes Owners Association (the “Articles”), Design Guidelines, any rules, regulations or resolutions of the Board of Directors, and any amendments and supplements thereto	Permanently
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B. FINANCIAL RECORDS

Financial records, including each year’s budget, tax returns, audits of the Association’s financial books and records, copies of all bills paid by the Association or to be paid, the Association’s checkbooks and check registers	7 years
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C. RECORDS OF OWNERS’ ACCOUNTS

Owners’ account records, including assessment account ledgers, architectural review records, violation records, records of fines and any disputes from the owner	5 years
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D. CONTRACTS

Copies of the final, executed contracts with a term of 1 year or more entered into by the Association (and any related correspondence, including any proposal that resulted in the contract and all other supportive documentation)	4 years after expiration or termination
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E. MEETING MINUTES

Minutes of Annual and Special Meetings of the Members, minutes of Board meetings, and minutes of committee meetings (if any)	7 years
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WYLIE LAKES OWNERS ASSOCIATION

DOCUMENT INSPECTION AND COPYING POLICY

WHEREAS, pursuant to Section 209.005(i) of the Texas Property Code, the Board of Directors of Wylie Lakes Owners Association (the "Association") is required to adopt a records production and copying policy that prescribes the costs the Association will charge for the compilation, production and reproduction of the Association's books and records.

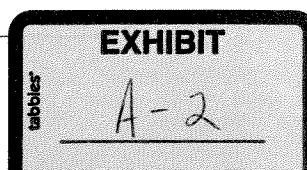
NOW, THEREFORE, IT IS RESOLVED, in order to comply with the procedures set forth by Chapter 209 of the Texas Residential Property Owners Protection Act, that the following procedures and practices are established for the compilation, production and reproduction of the Association's books and records, and the same are to be known as the "Document Inspection and Copying Policy" of the Association (hereinafter the "Policy").

1. Purpose. The purpose of this Policy is to establish orderly procedures for the levying of fees and to notify owners of the costs to be incurred associated with the compilation, production and reproduction of the Association's books and records in response to an owner's request to inspect the Association's records.

2. Records Defined. The Association's books and records available for inspection and copying by owners are those records designated by Section 209.005 of the Texas Property Code. Pursuant to Section 209.005(d) of the Texas Property Code, an attorney's files relating to the Association, excluding invoices, are not records of the Association, are not subject to inspection by owners, or production in a legal proceeding. Further, pursuant to Section 209.005(k), the Association is not required to release or allow inspection of any books and records relating to an employee of the Association, or any books and records that identify the violation history, contact information (other than the address and/or financial information of an individual owner) absent the express written approval of the owner whose information is the subject of the request or a court order requiring disclosure of such information.

3. Individuals Authorized to Inspect Association's Records. Every owner of a lot in the Association is entitled to inspect and copy the Association's books and records in compliance with the procedures set forth in this Policy. An owner may submit a designation in writing, signed by the owner, specifying such other individuals who are authorized to inspect the Association's books and records as the owner's agent, attorney, or certified public accountant. The owner and/or the owner's designated representative are referred to herein as the "Requesting Party."

4. Requests for Inspection or Copying. The Requesting Party seeking to inspect or copy the Association's books and records must submit a written request via certified mail to the Association at the mailing address of the Association or its managing agent as reflected on the Association's current management certificate. This address is subject to change upon notice to the owners, but the Association's current mailing address as of the adoption of this policy is:



Wylie Lakes Owners Association
c/o Lone Star Association Management, Inc
2500 Legacy Drive, Suite 220
Frisco, Texas 75034

The request must contain sufficient detail describing the requested Association's books and records, including pertinent dates, time periods or subjects sought to be inspected. The request must also specify whether the Requesting Party seeks to inspect the books and records before obtaining copies or to have the Association forward copies of the requested books and records to the Requesting Party.

5. Inspection Response. If the Requesting Party elects to inspect the Association's books and records, the Association shall notify the Requesting Party within ten (10) business days after receiving the Requesting Party's request of the dates during normal business hours that the Requesting Party may inspect the requested books and records (the "Inspection Notice").

If the Association is unable to produce the requested books and records by the 10th business day after the date the Association receives the request, the Association must provide written notice to the Requesting Party (the "Inspection Delay Letter") that (1) the Association is unable to produce the information by the 10th business day after the date the Association received the request, and (2) state a date by which the information will be either sent or available for inspection that is not later than fifteen (15) days after the date of the Inspection Delay Letter.

6. Inspection Procedure. Any inspection shall take place at a mutually-agreed upon time during normal business hours. All inspections shall take place at the office of the Association's management company or such other location as the Association designates. No Requesting Party or other individual shall remove original records from the location where the inspection is taking place, nor alter the records in any way. All individuals inspecting or requesting copies of records shall conduct themselves in a businesslike manner and shall not interfere with the operation of the Association's or management company's office or the operation of any other office where the inspection or copying is taking place.

At such inspection, the Requesting Party may identify such books and records for the Association to copy and forward to the Requesting Party. The Association may produce all requested books and records in hard copy, electronic, or other format reasonably available to the Association.

7. Costs Associated with Compilation, Production and Reproduction. The costs associated with compiling, producing and reproducing the Association's books and records in response to a request to inspect or copy documents shall be as follows:

(a) Copy charges.

(1) Standard paper copy. The charge for standard paper copies reproduced by means of an office machine copier or a computer printer is \$0.10 per

page or part of a page. Each side that contains recorded information is considered a page.

(2) Nonstandard copy. The charges in this subsection are to cover the materials onto which information is copied and do not reflect any additional charges, including labor, that may be associated with a particular request. The charges for nonstandard copies are:

- (A) Diskette--\$ 1.00;
- (B) Magnetic tape--actual cost
- (C) Data cartridge--actual cost;
- (D) Tape cartridge--actual cost;
- (E) Rewritable CD (CD-RW)--\$ 1.00;
- (F) Non-rewritable CD (CD-R)--\$ 1.00;
- (G) Digital video disc (DVD)--\$ 3.00;
- (H) JAZ drive--actual cost;
- (I) Other electronic media--actual cost;
- (J) VHS video cassette--\$ 2.50;
- (K) Audio cassette--\$ 1.00;
- (L) Oversize paper copy (e.g.: 11 inches by 17 inches, greenbar, bluebar, not including maps and photographs using specialty paper)--\$0.50;
- (M) Specialty paper (e.g.: Mylar, blueprint, blue-line, map, photographic)--actual cost.

(b) Labor charge for locating, compiling, manipulating data, and reproducing information.

(1) The charge for labor costs incurred in processing a request for information is \$15.00 an hour. The labor charge includes the actual time to locate, compile, manipulate data, and reproduce the requested information.

(2) When confidential information is mixed with non-confidential information in the same page, a labor charge may be recovered for time spent to redact, blackout, or otherwise obscure confidential information in order to release the information. A labor charge shall not be made for redacting confidential information for requests of fifty (50) or fewer pages.

(3) If the charge for providing a copy of information includes costs of labor, the Requesting Party may require that the Association provide a written statement as to the amount of time that was required to produce and provide the copy, signed by an officer of the Association. A charge may not be imposed for providing the written statement to the requestor.

(c) Overhead charge.

(1) Whenever any labor charge is applicable to a request, the Association may include in the charges direct and indirect costs, in addition to the specific labor charge. This overhead charge would cover such costs as depreciation of capital assets, rent, maintenance and repair, utilities, and administrative overhead. If the Association chooses to recover such costs, a charge shall be made in accordance with the methodology described in paragraph (3) of this subsection. Although an exact calculation of costs will vary, the use of a standard charge will avoid complication in calculating such costs and will provide uniformity for charges.

(2) An overhead charge shall not be made for requests for copies of fifty (50) or fewer pages of standard paper records.

(3) The overhead charge shall be computed at twenty percent (20%) of the charge made to cover any labor costs associated with a particular request (example: if one hour of labor is used for a particular request, the formula would be as follows: Labor charge for locating, compiling, and reproducing, \$15.00 x .20 = \$ 3.00).

(d) Postal and shipping charges. The Association may add any related postal or shipping expenses which are necessary to transmit the reproduced information to the Requesting Party.


8. Payment. Upon receipt of a request to inspect and/or copy documents, the Association may require the Requesting Party to pay the estimated costs associated with production and copying in advance. If the estimated cost of compilation, production and reproduction is different from the actual cost, the Association shall submit a final invoice to the owner on or before the 30th business day after the Association has produced and/or delivered the requested information. If the actual cost is greater than the estimated amount, the owner must pay the difference to the Association within thirty (30) business days after the date the invoice is sent to the owner, or the Association will add such additional charges as an assessment against the owner's property in the Association. If the actual cost is less than the estimated amount, the Association shall issue a refund to the owner within thirty (30) business days after the date the invoice is sent to the owner.

9. Definitions. The definitions contained in the Declaration of Covenants, Conditions & Restrictions for Wylie Lakes and the Bylaws of Wylie Lakes Owners Association are hereby incorporated herein by reference.

IT IS FURTHER RESOLVED that this Document Inspection and Copying Policy is effective upon adoption hereof, to remain in force and effect until revoked, modified or amended.

This is to certify that the foregoing resolution was adopted by the Board of Directors at a meeting of same on 11-25-2011, and has not been modified, rescinded or revoked.

DATE: 11/25/11


Secretary

WYLIE LAKES OWNERS ASSOCIATION

ALTERNATIVE PAYMENT PLAN POLICY

WHEREAS, pursuant to Section 209.0062 of the Texas Property Code, the Board of Directors of Wylie Lakes Owners Association (the “Association”) is required to adopt reasonable guidelines regarding an alternate payment schedule in which an owner may make partial payments to the Association for delinquent regular or special assessments or any other amount owed to the Association.

NOW, THEREFORE, IT IS RESOLVED, in order to comply with the procedures set forth by Chapter 209 of the Texas Residential Property Owners Protection Act, that the following guidelines and procedures are established for the establishment of an alternate payment schedule, and the same are to be known as the “Alternate Payment Plan Policy” of the Association (hereinafter the “Policy”).

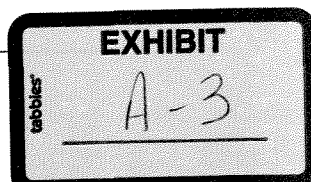
1. Purpose. The purpose of this Policy is to assist Owners in remedying delinquencies and remaining current on the payment of amounts owed to the Association by establishing orderly procedures by which Owners may make partial payments to the Association for amounts owed without accruing additional penalties.

2. Eligibility. To be eligible for a payment plan pursuant to the Association’s alternate payment plan schedule, an Owner must meet the following criteria:

- a) The owner must currently be delinquent in the payment of regular assessments, special assessments, or any other amounts owed to the Association;
- b) The Owner must not have defaulted on a prior payment plan within the prior two year period; and
- c) The Owner must submit a signed payment plan as defined below, along with the Owner’s initial payment to the address designated by the Association for correspondence.

3. Payment Plan Schedule/Guidelines. The Association hereby adopts the following alternate payment guidelines and makes the following payment plan schedule available to owners in order to make partial payments for delinquent amounts owed:

- a) Requirements of Payment Plan Request. Within 30 days of the date of the initial letter which informs the owner of the availability of a payment plan, an owner must submit a signed acceptance of the payment plan schedule described below to the Association’s management company.



- b) Term. The term of the payment plan or schedule is six (6) months and the Owner must make an initial payment of twenty-five percent (25%) of the total amount owed and remaining payments in equal monthly installments.
- c) Date of Partial Payments under Plan. The Owner must submit the first monthly installment payment under the plan contemporaneously with submission of the Owner's payment plan agreement which must be signed by the Owner. The Owner must make all additional monthly installments under the payment plan so that the payments are received by the Association no later than the first (1st) day of each month. The Owner may pay off, in full, the balance under the payment plan at any time. All payments must be received by the Association at the Association's designated mailing address or lock box for all payments. Payments may be made through auto draft bill payment, in check or certified funds, or by credit card (to the extent the Association is set up to receive payment by credit card).
- d) Correspondence. Any correspondence to the Association regarding the amount owed, the payment plan, or such similar correspondence must be sent to the address designated by the Association for correspondence. Such correspondence shall not be included with an Owner's payment.
- e) Amounts Coming Due During Plan. Owners are responsible for remaining current on all assessments and other charges coming due during the duration of the Owner's payment plan and must, therefore, timely submit payment to the Association for any amounts coming due during the duration of the Owner's payment plan.
- f) Additional Charges. An Owner's balance owed to the Association shall not accrue late fees or other monetary penalties (except interest) while such Owner is in compliance with a payment plan under the Association's alternate payment plan schedule. Owners in a payment plan are responsible for reasonable costs associated with administering the plan, and for interest on the unpaid balance, calculated at the highest rate allowed by the governing documents or by law. The costs of administering the plan and interest shall be included in calculating the total amount owed under the payment plan and will be included in the payment obligation. The costs of administering the payment plan may include a reasonable charge for preparation and creation of the plan, as well as a monthly monitoring fee of no less than \$5.00 per month.
- g) Other Payment Arrangements. At the discretion of the Board of Directors, and only for good cause demonstrated by an owner, the Association may accept payment arrangements offered by owners which are different from the above-cited guidelines, provided that the term of payments is no less than three (3) months nor larger than eighteen (18) months. The Association's acceptance of payment arrangements that are different from the approved payment plan

schedule/guidelines hereunder shall not be construed as a waiver of these guidelines nor authorize an owner to be granted a payment plan which differs from the one herein provided.

4. Default. If an Owner fails to timely submit payment in full of any installment payment (which installment payment must include the principal owed, the administration fees assessed to the plan and interest charges), or fails to timely pay any amount coming due during the duration of the plan, the Owner will be in default. If an Owner defaults under a payment plan, the Association may proceed with collection activity without further notice. If the Association elects to provide a notice of default, the Owner will be responsible for all fees and costs associated with the drafting and sending of such notice. In addition, the Owner is hereby on notice that he/she will be responsible for any and all costs, including attorney's fees, of any additional collection action which the Association pursues.

5. Board Discretion. Any Owner who is not eligible for a payment plan under the Association's alternate payment plan schedule may submit a written request to the Board for the Association to grant the Owner an alternate payment plan. Any such request must be directed to the person or entity currently handling the collection of the Owner's debt (i.e. the Association's management company or the Association's attorney). The decision to grant or deny an alternate payment plan, and the terms and conditions for any such plan, will be at the sole discretion of the Association's Board of Directors.

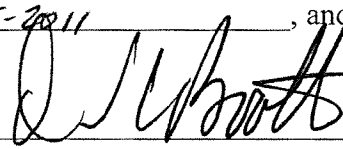
6. Definitions. The definitions contained in the Declaration of Covenants, Conditions & Restrictions for Wylie Lakes and the Bylaws of Wylie Lakes Owners Association are hereby incorporated herein by reference.

7. Severability and Legal Interpretation. In the event that any provision herein shall be determined by a court with jurisdiction to be invalid or unenforceable in any respect, such determination shall not affect the validity or enforceability of any other provision, and this Policy shall be enforced as if such provision did not exist. Furthermore, the purpose of this policy is to satisfy the legal requirements of Section 209.0062 of the Texas Property Code. In the event that any provision of this Policy is deemed by a court with jurisdiction to be ambiguous or in contradiction with any law, this Policy and any such provision shall be interpreted in a manner that complies with an interpretation that is consistent with the law.

IT IS FURTHER RESOLVED that this Alternate Payment Plan Policy is effective on January 1, 2012, to remain in force and effect until revoked, modified or amended.

This is to certify that the foregoing resolution was adopted by the Board of Directors at a meeting of same on 11-25-2011, and has not been modified, rescinded or revoked.

DATE: 11-25-11


Secretary

WYLIE LAKES OWNERS ASSOCIATION

RESCISSION OF COLLECTION POLICIES

WHEREAS, the Texas Legislature passed House Bill 1228 which amends Chapter 209 of the Texas Property Code by adding Sections 209.0092 and 209.0063 effective January 1, 2012; and

WHEREAS, effective January 1, 2012, Section 209.0092 changes the collection procedure for property owners associations by requiring associations to utilize an expedited judicial process in order to foreclose their assessment liens; and

WHEREAS, effective January 1, 2012, Section 209.0063 establishes a statutory priority of payments schedule for payments received by a property owners association from an owner.

WHEREAS, The Board of Directors of Wylie Lakes Owners Association previously recorded a Policy Resolution Relating to Payment Application Policy on or about March 12, 2009 at Vol. 20090312000282810; and

WHEREAS, portions of the Policy Resolution Relating to Payment Application Policy conflict with Section 209.0063.

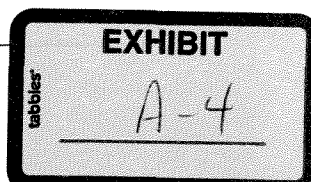
NOW, THEREFORE, IT IS RESOLVED, in order to comply with the policies and procedures set forth by Chapter 209 of the Texas Residential Property Owners Protection Act, as of January 1, 2012, the Board of Directors of Wylie Lakes Owners Association (the "Association") repeals any and all existing collection policies and application of payments policies and replaces them with the procedures set forth in Sections 209.0092 and 209.0063 of the Texas Property Code. Effective January 1, 2012, all collection actions and application of payments will conform to Chapter 209 of the Texas Property Code.

IT IS FURTHER RESOLVED that this Rescission of Collection Policies is effective on January 1, 2012, to remain in force and effect until revoked, modified or amended.

This is to certify that the foregoing resolution was adopted by the Board of Directors at a meeting of same on 11-25-2011, and has not been modified, rescinded or revoked.

DATE: 11/25/11


Secretary



WYLIE LAKES OWNERS ASSOCIATION

EMAIL REGISTRATION POLICY

WHEREAS, pursuant to Section 209.0051(e) of the Texas Property Code, the Board of Directors of Wylie Lakes Owners Association (the "Association") is permitted to send notice of Board meetings to the members via e-mail to each owner who has registered an e-mail address with the Association; and

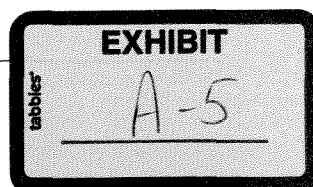
WHEREAS, pursuant to Section 209.0051(f) of the Texas Property Code, it is an owner's duty to keep an updated e-mail address registered with the Association.

NOW, THEREFORE, IT IS RESOLVED, the following procedures and practices are established for the registration of e-mail addresses with the Association, and the same are to be known as the "Email Registration Policy" of the Association.

1. Purpose. The purpose of this Email Registration Policy is to ensure that each owner receives proper notice of regular and special Board meetings of the Association pursuant to Section 209.0051(e) of the Texas Property Code. This Email Registration Policy is also intended to provide the Association with a method to verify the identity of owners who cast electronic ballots in elections via e-mail.

2. Registration. Each owner is responsible to register his or her e-mail address with the Association if he/she desires to receive email notifications of meetings, and it is the owner's responsibility to keep his or her registered e-mail address up-to-date and accurate. An owner may register his or her e-mail address by submitting a request to register or change his or her e-mail address to the Association's property manager via e-mail, mail, or facsimile. Alternatively, the Association may allow an owner to register his or her e-mail address through a form on the Association's website, if any. Please allow seven (7) business days from submission of an e-mail address for the Association to update its records. Please note, correspondence to the Association and/or its property manager from an email address for any other purpose other than an express statement to register an email address is not sufficient to register such email address with the Association.

3. Failure to Register. In the event an owner fails to register an accurate e-mail address with the Association, the owner may not receive e-mail notification of regular and special Board meetings. Also, the Association may use an owner's registered e-mail address for purposes of verifying the owner's identity for electronic voting. If an owner fails to register an e-mail address with the Association or submits an electronic ballot from an e-mail address other than the e-mail address registered with the Association, such owner's electronic ballot may not be counted. The Association has no obligation to actively seek out a current e-mail address for each owner. In addition, the Association has no obligation to investigate or obtain an updated e-mail address for owners whose current registered e-mail address is returning an e-mail delivery failure message/ undeliverable message.

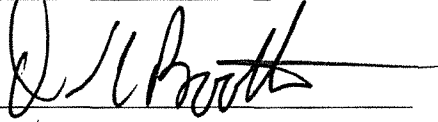


4. Definitions. The definitions contained in the Association's dedicatory instruments are hereby incorporated herein by reference.

IT IS FURTHER RESOLVED that this Email Registration Policy is effective upon adoption hereof, to remain in force and effect until revoked, modified or amended.

This is to certify that the foregoing resolution was adopted by the Board of Directors at a meeting of same on 11-25-2011, and has not been modified, rescinded or revoked.

DATE: 11/25/11


Secretary

WYLIE LAKES OWNERS ASSOCIATION

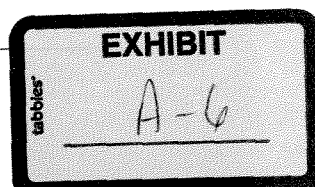
SOLAR ENERGY DEVICE GUIDELINES

WHEREAS, the Texas Legislature passed House Bill 362 which amends Chapter 202 of the Texas Property Code by adding Section 202.010 which precludes associations from adopting or enforcing a complete prohibition on solar energy devices; and

WHEREAS, pursuant to Section 202.010 of the Texas Property Code, the Board of Directors of Wylie Lakes Owners Association (the "Association") is permitted to adopt certain limitations on solar energy devices; and

NOW, THEREFORE, IT IS RESOLVED, in order to comply with Section 202.010 of the Texas Property Code, the Board of Directors hereby repeals any and all prior restrictions on solar energy devices contained in any governing document of the Association which are inconsistent with the new law, and adopts the following guidelines to govern solar energy devices.

- A. An owner may not install a solar energy device that:
 - 1. as adjudicated by a court:
 - a. threatens the public health or safety; or
 - b. violates a law;
 - 2. is located on property owned or maintained by the Association;
 - 3. is located on property owned in common by the members of the Association;
 - 4. is located in an area on the owner's property other than:
 - a. on the roof of the home or of another structure allowed under a dedicatory instrument; or
 - b. in a fenced yard or patio owned and maintained by the owner;
 - 5. if mounted on the roof of the home:
 - a. extends higher than or beyond the roofline;
 - b. is located in an area other than an area designated by the Association, unless the alternate location increases the estimated annual energy production of the device, as determined by using a publicly available modeling tool provided by the National Renewable Energy Laboratory, by more than ten percent (10%) above the energy production of the device if located in an area designated by the Association;
 - c. does not conform to the slope of the roof and has a top edge that is not parallel to the roofline; or

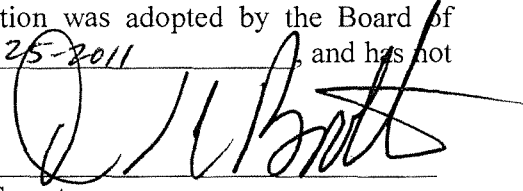


- d. has a frame, a support bracket, or visible piping or wiring that is not in a silver, bronze, or black tone commonly available in the marketplace;
 - 6. if located in a fenced yard or patio, is taller than the fence line;
 - 7. as installed, voids material warranties; or
 - 8. was installed without prior approval by the Association or by a committee created in a dedicatory instrument for such purposes that provides decisions within a reasonable period or within a period specified in the dedicatory instrument.
- B. The definitions contained in the Association's dedicatory instruments are hereby incorporated herein by reference.

IT IS FURTHER RESOLVED that these Solar Energy Device Guidelines are effective upon adoption hereof, to remain in force and effect until revoked, modified or amended.

This is to certify that the foregoing resolution was adopted by the Board of Directors at a meeting of same on 11-25-2011, and has not been modified, rescinded or revoked.

DATE: 11/25/11


Secretary

WYLIE LAKES OWNERS ASSOCIATION

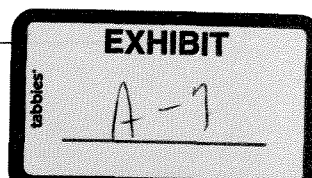
RAINWATER COLLECTION DEVICE GUIDELINES

WHEREAS, the Texas Legislature passed House Bill 3391 which amends Section 202.007(d) of the Texas Property Code which precludes associations from adopting or enforcing certain prohibitions or restrictions on rain barrels and rainwater harvesting systems; and

WHEREAS, pursuant to Section 202.007(d) of the Texas Property Code, the Board of Directors of Wylie Lakes Owners Association (the "Association") is permitted to adopt specific limitations on rain barrels and rainwater harvesting systems.

NOW, THEREFORE, IT IS RESOLVED, in order to comply with Section 202.007(d) of the Texas Property Code, the Board of Directors of Association adopts the following guidelines for rain barrels and rainwater harvesting systems.

- A. An owner may not install a rain barrel or rainwater harvesting system if:
1. such device is to be installed in or on property:
 - (a) owned by the Association;
 - (b) owned in common by the members of the Association; or
 - (c) located between the front of the owner's home and an adjoining or adjacent street; or
 2. the barrel or system:
 - (a) is of a color other than a color consistent with the color scheme of the owner's home; or
 - (b) displays any language or other content that is not typically displayed by such a barrel or system as it is manufactured.
- B. The Association may regulate the size, type, and shielding of, and the materials used in the construction of, a rain barrel, rainwater harvesting device, or other appurtenance that is located on the side of a house or at any other location that is visible from a street, another lot, or a common area if:
1. the restriction does not prohibit the economic installation of the device or appurtenance on the owner's property; and
 2. there is a reasonably sufficient area on the owner's property in which to install the device or appurtenance.
- C. In order to enforce these regulations, an owner must receive written approval from the Board or the architectural control or review committee (if one exists) prior to installing any rain barrel or rainwater harvesting system. Accordingly, prior to installation, an owner must submit plans and specifications to and receive the written approval of the Board or architectural control/review committee. The plans and specifications must show



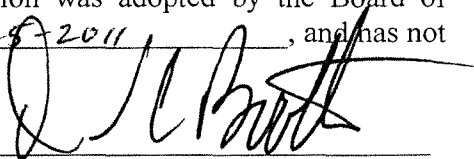
the proposed location, color, material, shielding devices, size and type of such system or device (and all parts thereof). The plans should also identify whether the device or any part thereof will be visible from any street, other lot or common area.

- D. The definitions contained in the Association's dedicatory instruments are hereby incorporated herein by reference.
- E. In the event of any conflict between the new law cited above and any restrictions contained in any governing document of the Association, including design guidelines, policies and the Declaration, the new law and this Rainwater Collection Device Policy control.

IT IS FURTHER RESOLVED that these Rainwater Collection Device Guidelines are effective upon adoption hereof, to remain in force and effect until revoked, modified or amended.

This is to certify that the foregoing resolution was adopted by the Board of Directors at a meeting of same on 11-25-2011, and has not been modified, rescinded or revoked.

DATE: 11/25/11


Secretary

WYLIE LAKES OWNERS ASSOCIATION

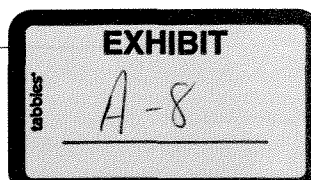
ROOFING MATERIALS GUIDELINES

WHEREAS, the Texas Legislature passed House Bill 362 which amends Chapter 202 of the Texas Property Code by adding Section 202.011 which precludes associations from adopting or enforcing a prohibition or restriction on certain roofing materials; and

WHEREAS, pursuant to Section 202.011 of the Texas Property Code, the Board of Directors of Wylie Lakes Owners Association (the "Association") is permitted to adopt specific limitations on certain roofing materials.

NOW, THEREFORE, IT IS RESOLVED, in order to comply with Section 202.011 of the Texas Property Code, the Board of Directors of Association adopts the following guidelines for certain roofing materials.

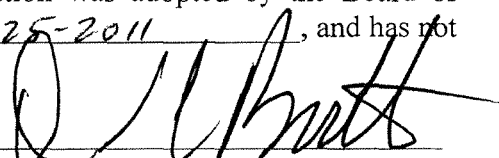
- A. The Association shall not prohibit an owner who is otherwise authorized to install shingles on the roof of the owner's property from installing shingles that:
 - 1. are designed to:
 - (a) be wind and hail resistant;
 - (b) provide heating and cooling efficiencies greater than those provided by customary composite shingles;
 - (c) provide solar generation capabilities; and
 - 2. when installed:
 - (a) resemble the shingles used or otherwise authorized for use on property in the subdivision;
 - (b) are more durable than and are of equal or superior quality to the shingles described by subsection (a) above; and
 - (c) match the aesthetics of the property surrounding the owner's property.
- B. The definitions contained in the Association's dedicatory instruments are hereby incorporated herein by reference.
- C. In the event of any conflict between these provisions and any roofing material restrictions contained in any governing document of the Association, including design guidelines, policies and the Declaration, this Roofing Materials Policy controls.



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

This is to certify that the foregoing resolution was adopted by the Board of Directors at a meeting of same on 11-25-2011, and has not been modified, rescinded or revoked.

DATE: 11/25/11


Secretary

WYLIE LAKES OWNERS ASSOCIATION

FLAG DISPLAY GUIDELINES

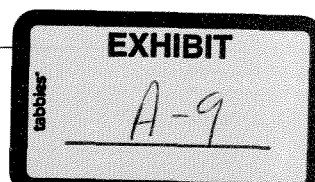
WHEREAS, the Texas Legislature passed House Bill 2779 which amends Chapter 202 of the Texas Property Code by adding Section 202.011 which precludes associations from adopting or enforcing a prohibition or restriction on certain flag displays; and

WHEREAS, pursuant to Section 202.011 of the Texas Property Code, Wylie Lakes Owners Association (the "Association") is permitted to adopt specific limitations on certain flag displays.

WHEREAS, Article 7, Section 7.16 and Section 7.33 of the Declaration of Covenants, Conditions & Restrictions for Wylie Lakes contain flag display provisions which conflict with Section 202.011.

NOW, THEREFORE, IT IS RESOLVED, in order to comply with Section 202.011 of the Texas Property Code, the Board of Directors of Association adopts the following guidelines for flag displays.

- A. An owner or resident may display:
 - 1. the flag of the United States of America;
 - 2. the flag of the State of Texas; or
 - 3. an official or replica flag of any branch of the United States armed forces.
- B. An owner may only display a flag in A. above if such display meets the following criteria:
 - 1. a flag of the United States must be displayed in accordance with 4 U.S. C. Sections 5-10;
 - 2. a flag of the State of Texas must be displayed in accordance with Chapter 3100 of the Texas Government Code;
 - 3. a flagpole attached to a dwelling or a freestanding flagpole must be constructed of permanent, long-lasting materials, with a finish appropriate to the materials used in the construction of the flagpole and harmonious with the dwelling;
 - 4. the display of a flag or the location and construction of the supporting flagpole must comply with applicable zoning ordinances, easements and setbacks of record;
 - 5. a displayed flag and the flagpole on which it is flown must be maintained in good condition and any deteriorated flag or deteriorated or structurally unsafe flagpole must be repaired, replaced or removed;
- C. The Association hereby adopts the following additional restrictions on the display of flags on an owner's lot:



1. an owner may not install a flagpole which is greater than twenty feet (20') in height;
2. an owner may not install more than one flagpole on the owner's property;
3. any flag displayed must not be greater than 3' x 5' in size;
4. an owner may not install lights to illuminate a displayed flag which, due to their size, location or intensity, constitute a nuisance;
5. an owner may not locate a displayed flag or flagpole on property that is:
 - (a) owned or maintained by the Association; or
 - (b) owned in common by the members of the Association.

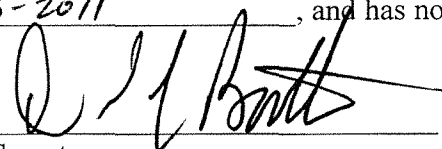
D. Prior to erecting or installing a flag and/or flag pole, an owner must first submit plans and specifications to and receive the written approval of the Board or architectural control/review committee. The plans and specifications must show the proposed location, material, size and type of such flag and flagpole (and all parts thereof, including any lights to illuminate a displayed flag).

E. The definitions contained in the Association's dedicatory instruments are hereby incorporated herein by reference.

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

This is to certify that the foregoing resolution was adopted by the Board of Directors at a meeting of same on 11-25-2011, and has not been modified, rescinded or revoked.

DATE: 11/25/11


Secretary

WYLIE LAKES OWNERS ASSOCIATION

RELIGIOUS ITEM DISPLAY GUIDELINES

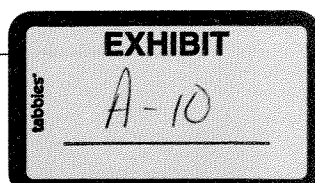
WHEREAS, the Texas Legislature passed House Bill 1278 which amends Chapter 202 of the Texas Property Code by adding Section 202.018 which precludes associations from adopting or enforcing a restrictive covenant which governs an owner's or resident's right to display or affix on the entry to the owner's or resident's dwelling one or more religious items the display of which is motivated by the owner's or resident's sincere religious belief; and

WHEREAS, pursuant to Section 202.018(b) of the Texas Property Code, the Board of Directors of Wylie Lakes Owners Association (the "Association") is permitted to adopt certain limitations on the display of religious items.

WHEREAS, Article 7, Section 7.27.9 and Section 7.33 of the Declaration of Covenants, Conditions & Restrictions for Wylie Lakes contains religious display provisions which conflict with Section 202.018.

NOW, THEREFORE, IT IS RESOLVED, in order to comply with Section 202.018 of the Texas Property Code, the Board of Directors of Association adopts the following guidelines to govern the display of religious symbols.

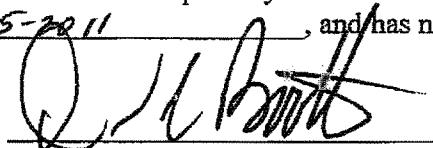
- A. An owner or resident may not display or affix a religious item on the entry to the owner or resident's dwelling which:
 - 1. threatens the public health or safety;
 - 2. violates a law;
 - 3. contains language, graphics, or any display that is patently offensive to a passerby;
 - 4. is in a location other than the entry door or door frame or extends past the outer edge of the door frame of the owner's or resident's dwelling; or
 - 5. individually or in combination with each other religious item displayed or affixed on the entry door or door frame has a total size of greater than 25 square inches;
- B. The definitions contained in the Association's dedicatory instruments are hereby incorporated herein by reference.
- C. In the event of any conflict between Section 202.018(b) of the Texas Property Code and any restrictions contained in any governing document of the Association, including design guidelines, policies and the Declaration, Section 202.018(b) and this Religious Item Display Policy controls.

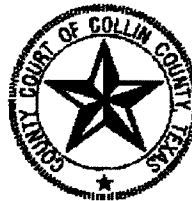


IT IS FURTHER RESOLVED that these Religious Item Display Guidelines are effective upon adoption hereof, to remain in force and effect until revoked, modified or amended.

This is to certify that the foregoing resolution was adopted by the Board of Directors at a meeting of same on 11-25-2011, and has not been modified, rescinded or revoked.

DATE: 11/25/11


Secretary



Filed and Recorded
Official Public Records
Stacey Kemp, County Clerk
Collin County, TEXAS
12/07/2011 02:16:22 PM
\$120.00 DFOSTER
20111207001322690



SECOND SUPPLEMENT
TO
NOTICE OF FILING OF DEDICATORY INSTRUMENTS
FOR
WYLIE LAKES OWNERS ASSOCIATION

STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF COLLIN §

THIS SECOND SUPPLEMENT TO NOTICE OF FILING OF DEDICATORY INSTRUMENTS FOR WYLIE LAKES OWNERS ASSOCIATION (this "First Supplement") is made this 26th day of October, 2011, by the Wylie Lakes Owners Association (the "Association").

WITNESSETH:

WHEREAS, D. R. Horton – Texas, Ltd. ("Declarant") prepared and recorded an instrument entitled "Declaration of Covenants, Conditions & Restrictions for Wylie Lakes" as Document No. 20070703000911700 of the Real Property Records of Collin County, Texas, as supplemented and amended from time to time (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 the planned development is located; and


WHEREAS, on or about March 12, 2009, the Association recorded a Notice of Filing of Dedicatory Instruments for Wylie Lakes Owners Association as Instrument No. 2009-0312000282810 of the Real Property Records, Collin County, Texas (the "Notice"); and

WHEREAS, the Association desires to supplement the Notice to include the dedicatory instrument entitled "Covenant Enforcement and Fining Policy" as set out in Exhibit "1".

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

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

WYLIE LAKES OWNERS ASSOCIATION,
a Texas non-profit corporation

By: 
Its: Officer

ACKNOWLEDGMENT

STATE OF TEXAS §
 §
COUNTY OF COLLIN §

BEFORE ME, the undersigned authority, on this day personally appeared David Booth, Officer of the Wylie Lakes Owners Association, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he/she executed the same for the purposes and consideration therein expressed on behalf of said corporation.

SUBSCRIBED AND SWORN TO BEFORE ME on this 26th day of October, 2011.



Susan G
Notary Public, State of Texas
5/9/15
My Commission Expires

AFTER RECORDING, RETURN TO:
Riddle & Williams, P.C.
3710 Rawlins Street, Suite 1400
Dallas, Texas 75219

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Exhibit "1"

Covenant Enforcement and Fining Policy

WYLIE LAKES OWNERS ASSOCIATION

COVENANT ENFORCEMENT AND FINING POLICY

WHEREAS, pursuant to Article 7 of the Bylaws of the Wylie Lakes Owners Association (the "Bylaws"), the Board of Directors of Wylie Lakes Owners Association is authorized to establish and collect penalties and fines for violations of the restrictive covenants set forth in the Declaration of Covenants, Conditions and Restrictions for Wylie Lakes, as may be amended from time to time (the "Declaration") and as set forth in the Bylaws and the rules and regulations of the association (collectively referred to hereinafter as the "Governing Documents").

NOW, THEREFORE, IT IS RESOLVED, in order to comply with the procedures set forth by Chapter 209 of the Texas Residential Property Owners Protection Act, that the following procedures and practices are established for the enforcement 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") of the Association.

1. 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.

2. Report of Violation. The existence of a Violation will be verified by a field observation conducted by the Board or its delegate. For the purpose of this Enforcement Policy, the delegate of the Board may include Management, an officer or member of the Board, a member of the Architectural Control Committee, or a member of any other committee established by the Board for this purpose. A timely written report shall be prepared by the field observer for each Violation which will include the following information:

- a. Identification of the nature and description of the Violation(s).
- b. Identification by street address or legal description of the Lot on which the Violation exists.
- c. Identification of the authority establishing that the subject improvements, modifications, conduct, conditions, etc. constitute a Violation.
- d. Date of the verification observation and name of the person making such observation.

3. Courtesy Notice (Optional). Within ten (10) calendar days of confirming the Violation, the Board or its delegate may, but is not obligated to, forward to the Owner and/or Occupant of the Lot in question written notice via regular first-class mail or via postcard of the discovery of a Violation (the "Courtesy Notice"). If the Association has an e-mail address for the Owner or Occupant, a copy of the Courtesy Notice may also be sent by e-mail (in addition to



regular mail). The violating Owner or Occupant will have at least ten (10) days from the date the Courtesy Notice is mailed or sent electronically to correct or eliminate the Violation. The Board or its delegate may, in lieu of this Courtesy Notice, proceed immediately to the notice set forth in Paragraph 4 below.

4. Notice of Violation. As soon as practicable after the field observation report is prepared, the Association will forward to the Owner of the Lot in question written notice of the Violation(s) by first class mail or personal delivery and by certified mail, return receipt requested (the "Notice of Violation"). A Notice of Violation need not be sent if the alleged violator has previously received a Notice of Violation relating to a similar Violation within six (6) months of the occurrence of the current Violation and was given a reasonable opportunity to cure the Violation. If the alleged violator was given notice and an opportunity to cure the similar Violation within the previous six (6) months, the Board may impose sanctions as authorized by the Governing Documents and/or this Enforcement Policy without notice to the Owner other than the Final Notice of Violation. The Notice of Violation will state the following:

a. The nature, description and location of the Violation, including a description of any property damage caused by the Owner.

b. The authority for establishing the Violation, including the authority for recovering property damages caused by the Owner.

c. The proposed sanction to be imposed, including the amount of any fine or the amount claimed to be due from the Owner for property damage.

d. If the Violation is corrected or eliminated within a reasonable time after the Owner's receipt of the Notice of Violation that a fine will not be assessed and that no further action will be taken.

e. The recipient may, on or before thirty (30) days from the receipt of the Notice of Violation, deliver to the Association a written request for a hearing.

f. If the Violation is not corrected or eliminated within the time period specified in the Notice of Violation, or if a written request for a hearing is not submitted on or before thirty (30) days from the receipt of the Notice of Violation, that the sanctions delineated in the Notice of Violation may be imposed and that any attorney's fees and costs will be charged to the Owner.

5. Notice of Sanction. A notice of the Violation and the sanction or action to be imposed or taken, including the amount of any fine or the amount of any property damage (the "Notice of Sanction") will be sent by the Association to the Owner by regular first-class mail under any of the following situations:

a. Where, within the time period specified in the Notice of Violation, the Violation has not been corrected or eliminated;

b. Where, within thirty (30) days from the date of receipt by the Owner of the Notice of Violation, the Association has not received a written request for a hearing; or

c. Where, the Owner was previously notified of, and was given a reasonable opportunity to cure, a similar Violation within the preceding six (6) months.

6. Request for a Hearing. If the Owner challenges the proposed action by timely requesting a hearing, the hearing shall be held in executive session of the Board affording the alleged violator a reasonable opportunity to be heard. Such hearing shall be held no later than the 30th day after the date the Board receives the Owner's request for a hearing. The notice requirement shall be deemed satisfied if the alleged violator appears at the meeting. The notice of the hearing shall be sent no later than the 10th day before the date of the hearing. The Board or the Owner may request a postponement, and, if requested, a postponement shall be granted for a period of not more than ten (10) days. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed by the Board. The Board shall notify the Owner in writing of its action within ten (10) days after the hearing. The Board may, but shall not be obligated to, suspend any proposed sanction if the Violation is cured within the ten-day period. Such suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions and rules by any Owner.

7. Correction of Violation. Where the Owner corrects or eliminates the Violation(s) prior to the imposition of any sanction, no further action will be taken (except for collection of any monies for which the Lot Owner may become liable under this Enforcement Policy and/or the Governing Documents). Written notice of correction or elimination of the Violation may be obtained from the Board upon request for such notice by the Owner and upon payment of a fee for same, the amount of which is set by the Board.

8. Corrective Action. Notwithstanding any other provisions contained herein to the contrary, where a Violation is determined or deemed determined to exist, the Board may undertake to cause the Violation to be corrected, removed or otherwise abated if the Board, in its reasonable judgment, determines the Violation may be readily corrected, removed or abated without undue expense and without breach of the peace. Where the Board decides to initiate any such action, the following will apply:

a. The Board must give the Owner and any third party that is known to the Association to be directly affected by the proposed action prior written notice of undertaking of the action.

b. Costs incurred in correcting or eliminating the Violation will be referred to the Association to be recovered from the Owner.

c. The Association and its agents and contractors will not be liable to the Owner or any third party for trespass or any damages or costs alleged to arise by virtue of action taken under this Enforcement Policy and/or the Governing Documents.

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 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 Governing Documents 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 the Governing Documents, the imposition of fines will be on the following bases:

a. Fines will be based on a per notice or Violation charge. For a first Violation, a fine in the amount of \$25.00 will be assessed. In the event the Violation is not cured within thirty (30) days after the date of the Final Notice of Violation, an additional fine of \$75.00 will be assessed and the fine will increase to \$225.00 thereafter for every thirty (30) day period in which the Violation is not corrected.

b. Imposition of fines will be in addition to and not exclusive of any other rights, remedies and recoveries of the Association as created by the Governing Documents or this Enforcement Policy. The Board of Directors may elect to set up a payment arrangement. The Board of Directors may elect to suspend voting privileges and use of the Common Area Amenities. The Board of Directors may elect to proceed to Small Claims Court prior to proceeding to District or County Court.

c. Fines are imposed against Lots and become the personal obligation of the Owners of such lots.

11. Notices. Unless otherwise provided in the 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 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 presumed to have been given, sent, delivered or received, as of the third (3rd) business 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 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 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 a 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 Declaration. 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 as 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 Violation at any time during the pendency of any procedure prescribed by this Enforcement Policy. Upon verification by written report to the Board and sent, where appropriate, to the Board that the Violation has been corrected or eliminated; the Violation will be deemed no longer to exist. The Owner will remain liable for all costs and fines under this Enforcement Policy, which costs and fines, if not paid upon demand therefore by Management, will be referred to the Board of Directors of the Association for collection.

13. Definitions. The definitions contained in the Declaration and Bylaws are hereby incorporated herein by reference.

IT IS FURTHER RESOLVED that this Covenant Enforcement and Fining Policy is effective upon adoption hereof, to remain in force and effect until revoked, modified or amended.

This is to certify that the foregoing resolution was adopted by the Board of Directors at a meeting of same on January 28th, 2011, and has not been modified, rescinded or revoked.

DATE: 1/28/11

D. C. Smith
Director



Filed and Recorded
Official Public Records
Stacey Kemp, County Clerk
Collin County, TEXAS
03/06/2012 02:51:56 PM
\$48.00 DLAIRD
20120306000263510

Stacey Kemp

**THIRD SUPPLEMENT TO THE
NOTICE OF FILING OF DEDICATORY INSTRUMENTS
FOR
WYLIE LAKES
PURSUANT TO SECTION 202.006 OF THE TEXAS PROPERTY CODE
[Assessment Collection Policy]**

STATE OF TEXAS §
 § **KNOW ALL MEN BY THESE PRESENTS:**
COUNTY OF COLLIN §

THIS THIRD SUPPLEMENT TO THE NOTICE OF FILING OF DEDICATORY INSTRUMENTS FOR WYLIE LAKES PURSUANT TO SECTION 202.006 OF THE TEXAS PROPERTY CODE (this "Third Supplement") is made this 29th day of August, 2013, by Wylie Lakes Owners Association (the "Association").

WITNESSETH:

WHEREAS, D. R. Horton – Texas, Ltd. ("Declarant") prepared and recorded an instrument entitled "Declaration of Covenants, Conditions & Restrictions for Wylie Lakes" on or about July 7, 2007, under Document No. 20070703000911700 of the Real Property Records of Collin County, Texas (the "Declaration"); and

WHEREAS, the Association is the property owners' association created by the 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 the development is located; and

WHEREAS, on or about March 12, 2009, the Association recorded a Notice of Filing of Dedicatory Instruments for Wylie Lakes Owners Association, under Document Number 20090312000282810 in the Deed Records of Collin County, Texas (the "Notice"); and

WHEREAS, on or about December 7, 2011, the Association recorded a First Supplement to the Notice of Filing of Dedicatory Instruments for Wylie Lakes, under Document Number 20111207001322690 in the Deed Records of Collin County, Texas (the "First Supplement"); and

WHEREAS, on or about March 6, 2012, the Association recorded a Second Supplement to the Notice of Filing of Dedicatory Instruments for Wylie Lakes Owners Association, under Document Number 20120306000263510 in the Deed Records of Collin County, Texas (the "Second Supplement"); and

WHEREAS, the Association desires to supplement the Notice with the dedicatory instrument attached as Exhibit "A" pursuant to and in accordance with Section 202.006 of the Texas Property Code.

NOW, THEREFORE, the dedicatory instrument attached hereto as *Exhibit "A"* is a true and correct copy of the original and is hereby filed of record in the Real Property Records of Collin County, Texas, in accordance with the requirements of Section 202.006 of the Texas Property Code.

IN WITNESS WHEREOF, the Association has caused this Third Supplement to the Notice of Filing of Dedicatory Instruments for Wylie Lakes to be executed by its duly authorized agent as of the date first above written.

WYLIE LAKES OWNERS ASSOCIATION,
a Texas non-profit corporation

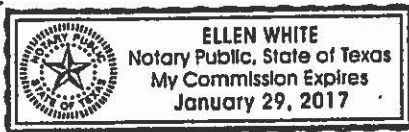
By: *David L. Booth*
Its: DIRECTOR

ACKNOWLEDGMENT

STATE OF TEXAS §
 §
COUNTY OF COLLIN §

BEFORE ME, the undersigned authority, on this day personally appeared DAVID L. BOOTH, Director of Wylie Lakes Owners Association, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that (s)he executed the same for the purposes and consideration therein expressed on behalf of said corporation.

SUBSCRIBED AND SWORN TO BEFORE ME on this 29th day of August, 2013.



Ellen White
Notary Public, State of Texas
January 29, 2017
My Commission Expires

Exhibit "A"

Assessment Collection Policy

WYLIE LAKES OWNERS ASSOCIATION

ASSESSMENT COLLECTION POLICY

WHEREAS, Wylie Lakes Owners Association (the "Association") has authority pursuant to Article 9 of the Declaration of Covenants, Conditions & Restrictions for Wylie Lakes (the "Declaration") to levy assessments against Owners of Lots located within Wylie Lakes, a planned community located in Collin County, Texas (the "Development"); and

WHEREAS, in order to facilitate the timely collection of assessments and other amounts owed by Owners, and in order to comply with the Declaration and state law regarding the collection of unpaid amounts, the Board desires to establish certain procedures for the collection of assessments that remain unpaid beyond the prescribed due dates.

NOW, THEREFORE, IT IS RESOLVED that the following procedures and practices are established for the collection of assessments owing and to become owing by Owners in the Development and the same are to be known as the "Assessment Collection Policy" ("Policy") for the Association:

1. **Generally.** The steps and procedures contained in this Policy serve as a general outline of the Association's collection process. The Association is not bound to follow these exact procedures in every collection matter except as required by the Declaration and the laws that govern collection of assessments. The procedures below are not intended to constitute a prerequisite or condition precedent to the Association's legal ability to collect unpaid assessments and other amounts except as required by the Declaration or law.

2. **Delegation to Management.** To facilitate cost-effective and timely collection of all amounts owed by owners, including but not limited to assessments, dues, charges and/or related costs, the Association may delegate to management those duties determined by the Board in its sole discretion to be necessary to assist collection efforts.

3. **Ownership Interests.** As used herein, the term "Delinquent Owner" refers to that person who held title to a Lot on the date an assessment became due. As used herein, the term "Current Owner" refers to that person who then holds title to a Lot. Unless expressly denoted otherwise, the "Owner" of a Lot refers to the Delinquent Owner or the Current Owner or both, as may be appropriate under the circumstances in question.

4. **Due Dates.** Pursuant to Article 9 of the Declaration, the due date for the Regular Assessment is the first day of the period for which levied. The Board may levy Regular Assessments annually, semi-annually, quarterly or monthly. Currently, the Regular Assessments are levied annually and are due on January 1 of each year. The due date for a Special Assessment, Individual Assessment or Deficiency Assessment is the date stated in the notice of assessment or, if no date is stated, within ten (10) days after the notice of the assessment is given. The due date for any assessment shall be collectively referred to in this Policy as the "Due Date". Any assessment which is not paid in full before the Due Date is delinquent (the "Delinquency



Date”) and shall be assessed late fees, handling charges and interest as provided in Paragraphs 7, 8 and 9 below.

5. Written Notice of Delinquency. Subsequent to an Owner becoming delinquent, and prior to sending the account to the Association’s legal counsel for collection, the Association will send written notice of the delinquency to the Owner via certified mail, return receipt requested (the “Delinquency Notice”). The Delinquency Notice shall: (i) specify each delinquent amount and the total amount owed; (ii) describe the options the Owner has to avoid having the account turned over to the Association’s legal counsel, including the availability of a payment plan; and (iii) provide the Owner a period of at least thirty (30) days to cure the delinquency before further collection action is taken.

6. Payment Plans. Section 209.0062 of the Texas Property Code requires that the Association adopt reasonable guidelines to establish an alternative payment schedule by which an owner may make partial payments for delinquent amounts owed to the Association in certain circumstances. The Board has adopted and recorded a policy which governs payment plans and the Association will follow the policies and procedures contained therein.

7. Interest. In the event any assessment, or any portion thereof, is not paid in full by the Delinquency Date, interest on the principal amount due may be assessed against the Owner, the rate of said interest to be the highest non-usurious rate of interest allowed by Texas law or eighteen percent (18%) per annum, whichever is less, and shall accrue from the Due Date until paid. Such interest, as and when it accrues hereunder, will become part of the assessment upon which it has accrued and, as such, will be subject to recovery in the manner provided herein for assessments.

8. Late Charges. In the event any assessment, or any portion thereof, is not paid in full by the Delinquency Date, a late charge in an amount up to \$100.00 shall be assessed against the Owner and his or her Lot. The Board may, from time to time, without the necessity of seeking Owner approval, change the amount of the late charge. Such late charge, as and when levied, will become part of the assessment upon which it has been levied and, as such, will be subject to recovery in the manner provided herein for assessments. The Board may, in its sole discretion, waive the collection of any late charge; provided, however, that the waiver of any late charge shall not constitute a waiver of the Board’s right to collect any future assessments or late charges.

9. Handling Charges and Return Check Fees. In order to recoup for the Association the costs incurred because of the additional administrative expenses associated with collecting delinquent assessments, collection of the following fees and charges are part of this Policy:

a. Any handling charges, administrative fees, collection costs, postage or other expenses incurred by the Association in connection with the collection of any assessment or related amount owing beyond the Delinquency Date for such assessment will become due and owing by the Delinquent Owner.

b. A charge of \$25.00 per item will become due and payable for any check tendered to the Association which is dishonored by the drawee of such check, the charge being in addition to any other fee or charge which the Association is entitled to recover from an Owner in connection with collection of assessments owing with respect to such Owner's Lot.

c. Any fee or charge becoming due and payable pursuant to this Paragraph 7 will be added to the amount then outstanding and is collectible to the same extent and in the same manner as the assessment, the delinquency of which gave rise to the incurrence of such charge, fee or expense.

10. Application of Funds Received. All monies received by the Association will be applied to the Owner's delinquency in the following order of priority:

- a. First, to any delinquent assessment;
- b. Second, to any current assessment;
- c. Next, to any attorney's fees or third party collection costs incurred by the Association associated solely with assessments or any other charge that could provide the basis for foreclosure;
- d. Next, to any attorney's fees incurred by the Association that are not subject to Subsection 10(c) above;
- e. Next, to any fines assessed by the Association; and
- f. Last, to any other amount owed to the Association.

If the Owner is in default under a payment plan entered into with the Association at the time the Association receives a payment from the Owner, the Association is not required to apply the payment in the order of priority specified in this Section, except that a fine assessed by the Association may not be given priority over any other amount owed to the Association.

11. Ownership Records. All collection notices and communications will be directed to those persons shown by the records of the Association as being the Owner of a Lot for which assessments are due and will be sent to the most recent address of such Owner solely as reflected by the records of the Association. Any notice or communication directed to a person at an address, in both cases reflected by the records of the Association as being the Owner and address for a given Lot, will be valid and effective for all purposes pursuant to the Declaration and this Policy until such time as there is actual receipt by the Association of written notification from the Owner of any change in the identity or status of such Owner or its address or both.

12. Notification of Owner's Representative. 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 interests in a Lot have been and are being handled by a representative or agent, any notice or communication from the Association pursuant

to this Policy will be deemed full and effective for all purposes if given to such representative or agent.

13. Remedies and Legal Actions. If an Owner fails to cure the delinquency within the thirty (30) day period stated in the Delinquency Notice (as provided for above), the Association may, at its discretion and when it chooses, refer the delinquency to legal counsel for the Association. Any attorney's fees and related charges incurred by virtue of legal action taken will become part of the Owner's assessment obligation and may be collected as such as provided herein.

At the direction of Management and/or the Board, legal counsel for the Association may pursue any and all available legal remedies with regard to the delinquencies referred to it including, but not limited to, the following:

a. Notice Letter. As the initial correspondence to a Delinquent Owner, counsel will send a notice letter (the "Notice Letter") to the Owner advising the Owner of the Association's claim for all outstanding assessments and related charges, adding to the charges the attorney's fees and costs incurred for counsel's services.

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

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

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

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

improvements at foreclosure and to acquire, hold, lease, mortgage, convey or otherwise deal with the same.

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

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

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

g. Suspension of Rights to Use Recreational Facilities. If authorized by the Declaration, Bylaws or rules and regulations, and in accordance with Chapter 209 of the Texas Property Code, the Association may suspend an Owner's privileges to use the Association's recreational facilities.

h. Remedies Not Exclusive. All rights and remedies provided in this Policy and hereinabove are cumulative and not exclusive of any other rights or remedies that may be available to the Association, whether provided by law, equity, the Association's governing documents or otherwise.

14. Lock Boxes. The Association may establish a lock box for the receipt of assessment payments. Payments made to the lock box are deposited in the Association's bank account without regard to communications or other notices enclosed with or stated on the payment. Any notice or communication (including, without limitation, a dispute of the debt) enclosed with or stated on the payment to the lock box will be ineffective and not binding on the Association. Any dispute of an assessment or related charge, any proposed tender of an amount less than the entire amount claimed to be due which is intended to satisfy the Owner's debt in full, or any change in the identity, status or address of an Owner, must be in writing, sent to and received by Management at the address listed on the Association's most recent management certificate.

15. Compromise of Assessment Obligations. In order to expedite the handling of collection of delinquent assessments owed to the Association, the Board may, at any time, compromise or waive the payment of any assessment, interest, late charge, handling charge, collection cost, legal fee or any other applicable charge. The Association may, at its option, notify the Internal Revenue Service of the waiver or forgiveness of any assessment obligation.

16. Credit Bureaus. The Association may also notify any credit bureau of an Owner's delinquency. The Association will notify the Owner that it has filed such a report and will comply with any local, state, or federal laws in connection with the filing of such report.

17. Severability and Legal Interpretation. In the event that any provision herein shall be determined by a court with jurisdiction to be invalid or unenforceable in any respect, such determination shall not affect the validity or enforceability of any other provision, and this Policy

shall be enforced as if such provision did not exist. Furthermore, in the event that any provision of this Policy is deemed by a court with jurisdiction to be ambiguous or in contradiction with any law, this Policy and any such provision shall be interpreted in a manner that complies with an interpretation that is consistent with the law. In the event any provision of this Policy conflicts with the Declaration, the Declaration controls.

IT IS FURTHER RESOLVED that this Policy replaces and supersedes in all respects all prior policies and resolutions with respect to the collection of assessments by the Association and is effective upon adoption hereof, to remain in force and effect until revoked, modified or amended.

This is to certify that the foregoing resolution was adopted by the Board of Directors at a meeting of same on 8-29-13, and has not been modified, rescinded or revoked.

DATE: 8-29-13


Secretary

P:\RWBWPF Directory (Association Transactions)\Collection Policies\Wylie Lakes\Wylie Lakes - collection policy (2012 compliant).rtf



Filed and Recorded
Official Public Records
Stacey Kemp, County Clerk
Collin County, TEXAS
08/29/2013 01:30:46 PM
\$48.00 BVINCENT
20130829001225340



**FOURTH SUPPLEMENT TO THE
NOTICE OF FILING OF DEDICATORY INSTRUMENTS
FOR
WYLIE LAKES**

**PURSUANT TO SECTION 202.006 OF THE TEXAS PROPERTY CODE
[Amended Notice of HOA Sale Fees]**

STATE OF TEXAS §
 § **KNOW ALL MEN BY THESE PRESENTS:**
COUNTY OF COLLIN §

THIS FOURTH SUPPLEMENT TO THE NOTICE OF FILING OF DEDICATORY INSTRUMENTS FOR WYLIE LAKES PURSUANT TO SECTION 202.006 OF THE TEXAS PROPERTY CODE (this "Fourth Supplement") is made this 19th day of December, 2013, by Wylie Lakes Owners Association (the "Association").

WITNESSETH:

WHEREAS, D. R. Horton – Texas, Ltd. ("Declarant") prepared and recorded an instrument entitled "Declaration of Covenants, Conditions & Restrictions for Wylie Lakes" on or about July 7, 2007, under Document No. 20070703000911700 of the Real Property Records of Collin County, Texas (the "Declaration"); and

WHEREAS, the Association is the property owners' association created by the 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 the development is located; and

WHEREAS, on or about March 12, 2009, the Association recorded a Notice of Filing of Dedicatory Instruments for Wylie Lakes Owners Association, under Document Number 20090312000282810 in the Deed Records of Collin County, Texas (the "Notice"); and

WHEREAS, on or about December 7, 2011, the Association recorded a First Supplement to the Notice of Filing of Dedicatory Instruments for Wylie Lakes, under Document Number 20111207001322690 in the Deed Records of Collin County, Texas (the "First Supplement"); and

WHEREAS, on or about March 6, 2012, the Association recorded a Second Supplement to the Notice of Filing of Dedicatory Instruments for Wylie Lakes Owners Association, under Document Number 20120306000263510 in the Deed Records of Collin County, Texas (the "Second Supplement"); and

WHEREAS, on or about August 29, 2013, the Association recorded a Third Supplement to the Notice of Filing of Dedicatory Instruments for Wylie Lakes under Document Number 20130829001225340 in the Deed Records of Collin County, Texas (the "Third Supplement"); and

WHEREAS, the Association desires to supplement the Notice with the dedicatory instrument attached as Exhibit "A" pursuant to and in accordance with Section 202.006 of the Texas Property Code.

NOW, THEREFORE, the dedicatory instrument attached hereto as *Exhibit "A"* is a true and correct copy of the original and is hereby filed of record in the Real Property Records of Collin County, Texas, in accordance with the requirements of Section 202.006 of the Texas Property Code.

IN WITNESS WHEREOF, the Association has caused this Fourth Supplement to the Notice of Filing of Dedicatory Instruments for Wylie Lakes to be executed by its duly authorized agent as of the date first above written.

WYLIE LAKES OWNERS ASSOCIATION,
a Texas non-profit corporation

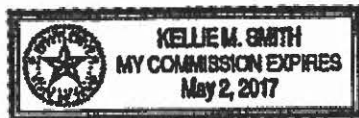
By: *D. Booth*
Its: *Officer*

ACKNOWLEDGMENT

STATE OF TEXAS §
§
COUNTY OF COLLIN §

BEFORE ME, the undersigned authority, on this day personally appeared *David Booth*, *Officer* of Wylie Lakes Owners Association, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that (s)he executed the same for the purposes and consideration therein expressed on behalf of said corporation.

SUBSCRIBED AND SWORN TO BEFORE ME on this *19* day of *December*, 201*3*.



K. Smith
Notary Public, State of Texas
5-2-2017
My Commission Expires

Exhibit "A"

Amended Notice of HOA Sale Fees

WYLIE LAKES OWNERS ASSOCIATION

AMENDED NOTICE OF HOA SALE FEES

WHEREAS, D. R. Horton – Texas, Ltd. ("Declarant") recorded the Declaration of Covenants, Conditions & Restrictions for Wylie Lakes on or about July 3, 2007, as Document No. 20070703000911700, of the Real Property Records of Collin County, Texas (the "Declaration"); and

WHEREAS, Wylie Lakes Owners Association (the "Association") is the property owners' association created by the Declarant to manage and administer to the planned development subject to the Declaration, which development is more particularly described in the Declaration and

WHEREAS, Appendix D to the Declaration contains the initial Notice of HOA Sale Fees; and

WHEREAS, pursuant to Article 9, Section 9.13.4 of the Declaration, the Notice of HOA Sale Fees may be amended, recorded and published separately from the Declaration by the Board of Directors of the Association, without a vote of the owners, to change a stated amount or formula for an HOA Sale Fee; and

WHEREAS, the Board of Directors of the Association desires to amend the Notice of HOA Sale Fees to change the amount of an HOA Sale Fee, and replace such notice with the Amended Notice of HOA Sale Fees attached hereto as Exhibit A.

NOW, THEREFORE, IT IS RESOLVED, that the Notice of HOA Sale Fees attached as Appendix D to the Declaration is amended and replaced by the Amended Notice of HOA Sale Fees attached hereto as Exhibit A.

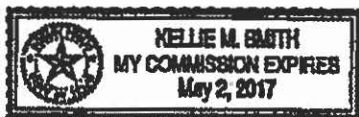
WYLIE LAKES OWNERS ASSOCIATION,
a Texas non-profit corporation

By: David Booth
Its: Officer

ACKNOWLEDGMENT

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on by DAVID BOOTH, the Officer of Wylie Lakes Owners Association, a Texas non-profit corporation, on behalf of said corporation, on the 19th day of December, 2013.



Kellie M. Smith
Notary Public, State of Texas
My Commission Expires: 5-2-2017

Exhibit A

AMENDED NOTICE OF HOA SALE FEES

THE COSTS OF BUYING & SELLING HOMES IN WYLIE LAKES

GENERAL. This Notice addresses certain fees and expenses that may be charged by the Wylie Lakes Owners Association, or by its managing agent, at the time of a home's sale or purchase other than (not including) the home buyer's prepaid and/or pro-rata assessments. The HOA Sale Fees described in this Notice are not refundable by the Association or its manager, and may not be regarded as a prepayment of or credit against assessments. HOA Sale Fees generally fall into two types of categories – budget enhancing fees, such as contributions to the reserve or operating funds of the Association, and administrative fees, such as fees for resale certificates, estoppel certificates, copies of governing documents, compliance inspections, ownership record changes, and priority processing.

WHO PAYS? HOA Sale Fees may be paid by either the seller or the buyer, per their negotiations, and are typically collected at closing. If the HOA Sale Fees are not collected at closing, the buyer remains liable to the Association or to the manager, as applicable, for the fee until the fee is received. HOA Sale Fees may not be avoided by effecting the transfer without the services of a title company.

EXCLUSIONS. The following transfers are not subject to or liable for HOA Sale fees: (1) foreclosure of a mortgagee's deed of trust lien, a tax lien, or the Association's assessment lien; (2) conveyance by a mortgagee who acquires title by foreclosure or deed in lieu of foreclosure; (3) transfer to, from, or by the Association; (4) voluntary transfer by an owner to one or more co-owners, or to the owner's spouse, child, or parent; (5) a transfer by a fiduciary in the course of administering a decedent's estate, guardianship, conservatorship, or trust; (6) a conveyance pursuant to a court's order, including a transfer by a bankruptcy trustee; or (7) a disposition by a government or governmental agency.

THE BUILDER OF A NEW HOME. The obligation, if any, of a Home Builder who buys lots from Declarant for HOA Sale Fees is determined by private contract between Declarant and the Builder. Declarant may, but is not required, to publicly record a memorandum of such obligation. Any other lot sales, such as from Builder to Builder, are subject to the same requirements as "The Initial Buyer of a New Home."

THE INITIAL BUYER OF A NEW HOME. Every transfer of a new home by Declarant is liable for the following HOA Sale Fees, if any, in effect at the time of purchase: (1) to the Association, a one-time contribution in the amount of \$250.00 for the Association's reserve funds, (2) to the Association, a one-time contribution in the amount of \$250.00 for the Association's operating funds, and (3) to the Association's manager, its customary HOA Sale Fees. The contribution to the Association's operating funds may be used to defray Declarant's obligation, if any, for the Association's operating expenses that are not funded by regular assessments received from other owners during the Declarant Control Period. Between the end of the Declarant Control Period and the end of the Development Period, the initial operating fund contributions received from initial buyers of new homes will be transferred by the Association to Declarant.

THE BUYER OF A RESALE HOME. Every transfer of a used home (a "resale") by an owner other than the Declarant is liable for the following HOA Sale Fees, if any, in effect at the time of purchase: (1) to the Association, a one-time contribution to the Association's reserve funds, in the amount of the equivalent of one-half the annual assessment for each lot purchased, and (2) to the Association's manager, its customary HOA Sale Fees.

Filed and Recorded
Official Public Records
Stacey Kemp, County Clerk
Cottlin County, TEXAS
01/15/2014 11:23:24 AM
\$38.00 DFOSTER
20140115000041940



Stacey Kemp

V.
BYLAWS

BYLAWS

The bylaws establish the procedures for carrying out the responsibilities set forth in the articles of incorporation. They define the powers and the manner for exercising those powers for the board of directors and by each of the association's officers. The bylaws create committees and describe how rules and regulations can be made and amended. Stated differently, the actual operation of the homeowner's association is governed by the bylaws of the association.

Among the specifics traditionally found in the bylaws are the policies governing the use of the proxies, the budget and finance procedures, and qualifications and eligibility requirements for the officers and directors. Meetings can be found in the bylaws as well as the dates for the annual and regular meetings.



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07/03/2007 12:20:23 PM BY 1/33

BYLAWS OF WYLIE LAKES OWNERS ASSOCIATION

(A Texas Property Owners Association)

PROPERTY

These Bylaws pertain to Wylie Lakes, a phased planned community in the City of Wylie, Texas, the amended plats of the first two phases - Phases 1A & 1B - having been recorded on January 31, 2007, as Document Nos. 20070131010000260 and 20070131010000270, in Cabinet 2007, Slides 721 and 723, Plat Records, Collin County, Texas. These Bylaws are to be recorded in the Real Property Records of Collin County, Texas.

**BYLAWS
OF
WYLIE LAKES OWNERS ASSOCIATION**
(A Texas Property Owners Association)

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**BYLAWS
OF
WYLIE LAKES OWNERS ASSOCIATION**

(A Texas Property Owners Association)

**ARTICLE 1
INTRODUCTION**

1.1. **PROPERTY.** These Bylaws provide for the governance of Wylie Lakes, a phased planned community in the City of Wylie, Texas, the amended plats of the first two phases - Phases 1A & 1B - having been recorded on January 31, 2007, as Document Nos. 20070131010000260 and 20070131010000270, in Cabinet 2007, Slides 721 and 723, Plat Records, Collin County, Texas (the "**Property**").

1.2. **DECLARATION.** The Property is subject to a number of publicly recorded documents, including the Declaration of Covenants, Conditions & Restrictions for Wylie Lakes, recorded or to be recorded in the Real Property Records of Collin County, Texas (the "**Declaration**").

1.3. **DEFINITIONS.** Words and phrases defined in the Declaration have the same meanings when used in these Bylaws.

*During the Declarant Control & Development Periods,
Appendix C of the Declaration has priority over these Bylaws.*

1.4. **DECLARANT CONTROL.** Notwithstanding anything to the contrary in these Bylaws, a number of provisions in these Bylaws are modified by Declarant's rights and reservations under the Declaration during the Declarant Control Period and the Development Period, such as the number, qualification, appointment, removal, and replacement of directors, as well as the weight of votes allocated to lots owned by Declarant.

1.5. **PARTIES TO BYLAWS.** All present or future lot owners and all other persons who use or occupy the Property in any manner are subject to these Bylaws, the Declaration, and the other Governing Documents as defined in the Declaration. The mere acquisition of a lot or occupancy of a dwelling will signify that these Bylaws are accepted, ratified, and will be strictly followed.

1.6. **TYPE OF ORGANIZATION.** As an organization of lot owners, the Association is created by the Declaration and these Bylaws. The Association is a nonprofit organization, and may be incorporated or unincorporated.

1.7. **APPLICABLE LAW.** The Association is a legal entity governed by the Texas Business Organizations Code (the "**Code**"). If the Association is not incorporated, it is an unincorporated nonprofit association subject to Chapter 252 of Title 6 of the Code, the Texas Uniform Unincorporated Nonprofit Association Act. If the Association is incorporated, it is a domestic

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nonprofit corporation subject to Chapter 22 of Title 2 of the Code, the Texas Nonprofit Corporation Law. If not incorporated, the Association, at its discretion, may use the Texas Nonprofit Corporation Law for guidance in governing the Association. Sections of the Code that are cited in these Bylaws are incorporated herein by reference, whether or not the Association is incorporated.

1.8. **GENERAL POWERS AND DUTIES.** The Association, acting through the board, has the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of the Property as may be required or permitted by the Governing Documents and applicable law. The Association may do any and all things that are lawful and which are necessary, proper, or desirable in operating for the best interests of its members, subject only to limitations upon the exercise of such powers as may be contained in applicable law or the Governing Documents.

ARTICLE 2 **BOARD OF DIRECTORS**

2.1. **NUMBER AND TERM OF OFFICE.** After the Declarant Control Period, the board will consist of five persons. The number of directors may be changed by amendment of these Bylaws, but may not be less than three. Upon election, each director will serve a term of 2 years. A director takes office upon the adjournment of the meeting or balloting at which he is elected or appointed and, absent death, ineligibility, resignation, or removal, will hold office until his successor is elected or appointed.

2.2. **STAGGERED TERMS.** To maintain staggered terms, two directors will be elected in even-numbered years, and three directors will be elected in odd-numbered years. To establish staggered terms, at the first election after the transition meeting, the candidates receiving the most votes will serve 2-year terms, and the candidates receiving the next-highest votes will serve initial terms of one year. In an odd-numbered year, the three highest vote getters will serve a 2-year term, and the next two highest vote getters will serve 1-year terms. In an even-numbered year, the two highest vote getters will serve 2-year terms, and the next three highest vote getters will serve 1-year terms. Thereafter, their successors will serve 2-year terms. If the board is ever elected en masse, the same method will be used to re-establish staggered terms.

*See Appendix C of the Declaration for the number
and qualifications of directors during the Declarant Control Period.*

2.3. **QUALIFICATION.** The following qualifications apply to the election or appointment of persons to the board to the extent candidates are available and qualified. The following qualifications may be waived or modified on an election by election basis only if an insufficient number of qualified candidates are available.

2.3.1. **Owners.** At least a majority of the directors must be members of the Association, spouses of members, or residents of the Property.

2.3.2. **Entity Member.** If a lot is owned by a legal entity, such as a partnership or corporation, any officer, partner, agent, or employee of that entity member is eligible to serve as a director and is deemed to be a member for the purposes of this Section. If the

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relationship between the entity member and the director representing it terminates, that directorship will be deemed vacant.

2.3.3. Co-Owners. Co-owners of a lot, such as spouses, may not serve on the board at the same time.

2.3.4. Delinquency. No person may be elected or appointed as a director if any assessment against the person or his lot is more than 30 days' delinquent at the time of election or appointment, provided he has been given notice of the delinquency and a reasonable opportunity to cure it.

2.3.5. Violations. No person may be elected or appointed as a director if the person or his lot - at the time of election or appointment - has not cured a violation of the Governing Documents for which the Association has given notice and a reasonable opportunity to cure.

2.3.6. Litigation. No person may be elected or appointed as a director if the person is a party adverse to the Association, the board, or a committee of the Association in pending litigation to which the Association, board, or committee is a party.

2.4. ELECTION. Directors will be elected by the members of the Association. The election of directors will be conducted at the annual meeting of the Association, at any special meeting called for that purpose, or by any method permitted by applicable law, such as Section 22.160(d) of the Code, which may include, without limitation, mail, facsimile transmission, electronic mail, or a combination of any of these.

2.5. VACANCIES. Subject to the exceptions below, vacancies on the board caused by any reason are filled by a vote of the majority of the remaining directors, even though less than a quorum, at any meeting of the board. Each director so elected serves until the next meeting of the Association, at which time a successor will be elected to fill the remainder (if any) of the term that was vacated. The exceptions to board-elected replacements are (1) the removal of a director by a vote of the Association's members, who will elect a replacement, and (2) a vacancy occurring because of an increase in the number of directors, which also will be filled by election of the members.

2.6. REMOVAL OF DIRECTORS.

2.6.1. Removal by Members. At any annual meeting of the Association or at any special meeting of the Association called for the purpose of removing a director, any one or more of the directors may be removed with or without cause by members representing at least two-thirds of the votes present in person or by proxy at the meeting, and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by the members must be given an opportunity to be heard at the meeting.

2.6.2. Removal by Directors. A director may not be removed by the officers or by the remaining directors, except for the following limited reasons for which a director may be removed by at least a majority of the other directors at a meeting of the board called for that purpose:

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- a. The director is a party adverse to the Association, the board, or a committee of the Association in pending litigation to which the Association, board, or committee is a party, provided the Association did not file suit to effect removal of the director.
- b. The director's account with the Association has been delinquent for at least 90 days or has been delinquent at least 3 times during the preceding 12 months, provided he was given notice of the default and a reasonable opportunity to cure.
- c. The director has refused or failed to attend 3 or more meetings of the board during the preceding 12 months, provided he was given proper notice of the meetings.
- d. The director has refused or failed to cure a violation of the Governing Documents for which he has been given notice, a reasonable opportunity to cure, and an opportunity to request a hearing before the board.
- e. The director was an "interested person" in the outcome of a contract, decision, or transaction considered by the board, and (1) failed to fully or timely disclose same to the board, or (2) failed to abstain from voting on the matter.

2.6.3. No Removal by Officers. A director may not be removed by officers of the Association, acting in their capacity of officers of the Association, under any circumstance.

2.7. MEETINGS OF THE BOARD.

2.7.1. Organizational Meeting of the Board. Within 10 days after the annual meeting, the directors will convene an organizational meeting for the purpose of electing officers. The time and place of the meeting will be fixed by the board and announced to the directors.

2.7.2. Place of Board Meetings. The board will conduct its meetings at a location that is reasonably convenient for the greatest number of directors, and at a place or facility that is sufficiently large to accommodate the number of owners who typically attend board meetings as observers. The decision of where to meet may be made on a meeting by meeting basis by the officer or director who calls the meeting, by board resolution, or by any other practice that is customary for property owners associations. The board is not required (1) to conduct its meetings at the Property, (2) to maintain a fixed place for its meetings, (3) to select a location that is convenient to owners, or (4) to select a facility that accommodates a larger number of spectator members than is customary.

2.7.3. Types of Board Meetings. Regular meetings of the board may be held at a time and place that the board determines, from time to time, but at least one such meeting must be held each calendar quarter, with or without notice. Special meetings of the board may be called, with notice, by the president or, if he is absent or refuses to act, by the secretary, or by any 2 directors. In case of emergency, the board may convene an emergency meeting to the purpose of dealing with the emergency after making a diligent attempt to notify each director by any practical method.

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2.7.4. Notice to Directors of Board Meetings. Notice is not required for regular meetings of the board, provided all directors have actual or constructive knowledge of the meeting date, time, and place. Notice of a special meeting must be given at least one day in advance of the meeting. If notice is given, it may be given by any method or combination of methods that is likely to impart the information to the directors.

2.7.5. Informing Members of Board Meetings. The board will try to inform Association members of the time and place of each board meeting. The information may be imparted by any method or combination of methods that is likely to be available or communicated to most if not all members in a timely manner, such as by posting on the Association's website, by broadcast email, by signs posted at the Property, or by hand-delivered fliers. On the written request of an owner, the Association will provide the owner with the time and place of the next regular or special meeting of the board. The failure of the Association to disseminate and the failure of an owner to receive timely or accurate information about the date, time, and place of a meeting does not invalidate the meeting.

2.7.6. Conduct of Meetings. The president presides over meetings of the board and the secretary keeps, or causes to be kept, a record of resolutions adopted by the board and a record of transactions and proceedings occurring at meetings. When not in conflict with applicable law or the Governing Documents, the then current edition of Robert's Rules of Order governs the conduct of the meetings of the board.

2.7.7. Quorum. At meetings of the board, a majority of directors constitutes a quorum for the transaction of business, and the acts of the majority of the directors present at a meeting at which a quorum is present are the acts of the board. If less than a quorum is present at a meeting of the board, the majority of those present may adjourn the meeting from time to time. At any reconvened meeting at which a quorum is present, any business that may have been transacted at the meeting as originally called may be transacted without further notice.

2.7.8. Minutes. The written report of a board meeting is not the minutes of the meeting until approved by the directors at a future meeting. The minutes must report actions taken by the board, but need not report the substance of discussion. The board is not required to distribute minutes of its meetings to the members.

2.7.9. Voting. A director who is also an officer of the Association, even the presiding officer, is expected to participate and to vote in the manner of every other director. The president of the Association is not prohibited from voting and is not limited to tie-breaking votes. Directors may not participate by proxy at meetings of the board.

2.7.10. Open Meetings. Regular and special meetings of the board are open to members of the Association, subject to the following provisions to the extent permitted or required by applicable law:

- a. No audio or video recording of the meeting may be made, except by the board or with the board's prior express consent.

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- b. Members who are not directors may not participate in board deliberations under any circumstances, and may not participate in board discussions unless the board expressly so authorizes at the meeting.
- c. Executive sessions are not open to members.
- d. The board may prohibit attendance by non-members, including representatives, proxies, agents, and attorneys of members.
- e. The board may prohibit attendance by any member who disrupts meetings or interferes with the conduct of board business.
- f. The board may but is not required to publish to members the time, date, and place of board meetings, but will provide the information if requested in writing by a member on a meeting by meeting basis.

2.7.11. Executive Session. The board may adjourn any regular or special meeting of the board and reconvene in executive session, subject to the following conditions:

- a. The nature of business to be considered in executive session will first be announced in open session.
- b. No action may be taken nor decision made in executive session, which is for discussion and informational purposes only.
- c. The limited purposes for which the board may convene in executive session are (1) to confer with the Association's legal counsel, (2) to discuss litigation or resolution of claims with which the Association is threatened or involved, (3) to discuss labor or personnel matters, (4) to discuss a complaint from or an alleged violation by an owner when the board determines that public knowledge would be injurious to the owner, and (5) on advice of counsel, to discuss matters of a particularly sensitive nature.
- d. At the end of the executive session, the board must return to the open meeting and announce the general nature of the business that was considered in executive session. Any vote, act, or decision that would have been made in executive session (but for this requirement) must be made in the open meeting.
- e. The board is not required to make or maintain minutes of executive sessions.

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

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2.8. ACTION WITHOUT MEETING. Any action required or permitted to be taken by the board at a meeting may be taken without a meeting, subject to the following requirements:

2.8.1. Unanimous Consents. If all directors individually or collectively consent in writing to such action, the written consents have the same force and effect as the unanimous approval of directors at a meeting.

2.8.2. Majority Consents. If at least a majority of the directors, individually or collectively, consent in writing to such action, the written consents have the same force and effect as approval by a majority of the directors at a meeting. Prompt notice of the action so approved must be delivered to each non-consenting director.

2.8.3. Procedures. Written consents must state the date of each director's signature. The required number of written consents must be received by the Association within 60 days after the date of the earliest dated consent. Written consents must be filed with the minutes of board meetings. Additional procedures may be required by the Code.

2.9. POWERS AND DUTIES. The board has all the powers and duties necessary for the administration of the Association and for the operation and maintenance of the Property. The board may do all acts and things except those which, by applicable law or the Governing Documents, are reserved to the members and may not be delegated to the board. Without prejudice to the general and specific powers and duties set forth in applicable law or the Governing Documents, or powers and duties as may hereafter be imposed on the board by resolution of the Association, the powers and duties of the board include, but are not limited to, the following:

2.9.1. Appointment of Committees. The board, by resolution, may from time to time designate standing or ad hoc committees to advise or assist the board with its responsibilities. The resolution may establish the purposes and powers of the committee created, provide for the appointment of a chair and committee members, and may provide for reports, termination, and other administrative matters deemed appropriate by the board. Members of committees will be appointed from among the owners and residents. The board may not appoint a committee to act in its place in managing the affairs of the Association.

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

2.9.3. Emergency Powers. An emergency exists for purposes of this Section if a local, state, or national government or governmental entity declares a disaster or state of emergency in the area in which the Property is located, or declares a state of war. In anticipation of, during, or in the aftermath of an emergency, the officers and directors may take or authorize any action they deem necessary or advisable to protect lives and property. A decision or action made in good faith under emergency conditions may not be used to impose liability on an officer, director, employee, or agent of the Association.

2.10. FIDELITY BONDS. Any person handling or responsible for Association funds, including officers, agents, and employees of the Association, must furnish adequate fidelity bonds. The premiums on the bonds may be a common expense of the Association.

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ARTICLE 3 **OFFICERS**

3.1. **DESIGNATION.** The principal officers of the Association are the president, the vice-president, the secretary, and the treasurer. The board may appoint one or more vice-presidents and other officers and assistant officers as it deems necessary. The president and secretary must be directors. Other officers may, but need not, be members or directors. Any two offices may be held by the same person, except the offices of president and secretary. If an officer is absent or unable to act, the board may appoint a director or a committee to perform the duties of that officer and to act in place of that officer, on an interim basis.

3.2. **ELECTION OF OFFICERS.** The officers are elected no less than annually by the directors at the organizational meeting of the board and hold office at the pleasure of the board. Except for resignation or removal, officers hold office until their respective successors have been designated by the board.

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

3.4. **DESCRIPTION OF PRINCIPAL OFFICES.**

3.4.1. **President.** As the chief executive officer of the Association, the president: (1) presides at all meetings of the Association and of the board; (2) has all the general powers and duties which are usually vested in the office of president of an organization; (3) has general supervision, direction, and control of the business of the Association, subject to the control of the board; and (4) sees that all orders and resolutions of the board are carried into effect.

3.4.2. **Vice-President.** The vice-president acts in place of the president in event of the president's absence, inability, or refusal to act. The vice-president also exercises and discharges any duty required of the vice-president by the board.

3.4.3. **Secretary.** The secretary: (1) keeps the minutes of all meetings of the board and of the Association; (2) has charge of such books, papers, and records as the board may direct; (3) maintains a record of the names and addresses of the members for the mailing of notices; and (4) in general, performs all duties incident to the office of secretary.

3.4.4. **Treasurer.** The treasurer: (1) is responsible for Association funds; (2) keeps full and accurate financial records and books of account showing all receipts and disbursements; (3) prepares all required financial data and tax returns; (4) deposits all monies or other valuable effects in the name of the Association in depositories as may from time to time be designated by the board; (5) prepares the annual and supplemental budgets of the Association; (6) reviews the accounts of the managing agent on a monthly basis in the event

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a managing agent is responsible for collecting and disbursing Association funds; and (7) performs all the duties incident to the office of treasurer.

3.5. AUTHORIZED AGENTS. Except when the Governing Documents require execution of certain instruments by certain individuals, the board may authorize any person to execute instruments on behalf of the Association. In the absence of board designation, the president and the secretary are the only persons authorized to execute instruments on behalf of the Association.

ARTICLE 4 **STANDARDS**

4.1. SEPARATE LIABILITY. The Association is a legal entity separate from its members for the purposes of determining and enforcing rights, duties, and liabilities in contract and tort. Members, directors, and officers of the Association are not personally and individually liable for the Association's breach of a contract or for the Association's tort or omission merely because they are members, directors, or officers of the Association. A member has the right to assert a claim against the Association, and the Association has the right to assert a claim against a member.

4.2. GENERAL STANDARDS. The general standards of duty for an officer or director of the Association are the State's standards for officers and directors of a nonprofit corporation, as stated in the Code as it may be amended. On the date of this document, Sections 22.221 and 22.235 of the Code provide the following standards:

- a. A director will discharge the director's duties in good faith, with ordinary care, and in a manner the director reasonably believes to be in the best interest of the Association.
- b. An officer or director is not liable to the Association, its members, or another person for an action taken or not taken as a director if the director acted in compliance with the above-stated standard for discharging duties. A person seeking to establish liability of an officer or director must prove that the officer or director did not act (1) in good faith, (2) with ordinary care, and (3) in a manner the officer or director reasonably believed to be in the best interests of the Association.

4.3. RELIANCE. An officer or director may rely on information prepared or presented by (1) an officer or employee of the Association, (2) an attorney licensed by the State of Texas, (3) a certified public accountant, (4) an investment banker, or (5) a person whom the officer or director reasonably believes to possess professional expertise in the matter, and (6) in the case of a director, a committee of the Association of which the director is not a member. Such reliance must be exercised in good faith and with ordinary care. An officer or director may not rely on such information if he has actual knowledge that makes the reliance unwarranted.

4.4. COMPENSATION. Except as permitted below, a director, officer, member, or resident is not entitled to receive financial or monetary profit from the operation of the Association, and no funds or assets of the Association may be paid as salary or compensation to, or be distributed to, or inure to the benefit of a director, officer, member, or resident. Nevertheless,

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

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- b. A director, officer, member, or resident may, from time to time, be reimbursed for his actual and reasonable expenses incurred on behalf of the Association in connection with the administration of the affairs of the Association, provided the expense has been approved by the board.
- c. The board may budget and use Association funds to purchase awards, certificates, a celebratory meal, or other customary tokens or demonstrations of appreciation for volunteer activities.
- d. This Section does not apply to distributions to lot owners permitted or required by the Declaration, applicable law, or a court order.

4.5. LOANS. The Association may not loan money to or guaranty a loan for an officer or director of the Association.

4.6. CONFLICT OF INTERESTS. If a contract or transaction is fair to the Association, it is not disallowed merely because an officer, director, or member of the Association has a financial interest in the transaction, provided (1) the "interested" officer, director, or member fully and accurately discloses the nature of his interest to the board in a manner that is timely for the board's consideration of the contract or transaction, and (2) the "interested" officer or director does not participate in the vote to approve the contract or transaction, although the "interested" director may be counted toward a quorum at the meeting. Nothing in this Section may be construed to prevent the board from adopting policies and procedures that are more stringent than the requirements of this Section, or of applicable law, such as Sections 1.003, 1.004, and 22.230 of the Code.

ARTICLE 5

MEETINGS OF THE ASSOCIATION

5.1. ANNUAL MEETING. An annual meeting of the Association will be held during the fourth quarter of each calendar year. At annual meetings the members will elect directors in accordance with these Bylaws and may transact such other business of the Association as may properly come before them.

5.2. SPECIAL MEETINGS. It is the duty of the president to call a special meeting of the Association if directed to do so by a majority of the board or by one or more petitions signed by owners of at least 20 percent of the lots in the Property. If the petition process is used, petitions may be in any form that is customary for the time. The board may not require a specific form of petition, nor require that the petition be offered to every member of the Association. Signatures on petitions need not be notarized or witnessed. An electronic or faxed petition is acceptable if the "signer's" identity is reasonably discernible.

5.3. PLACE OF MEETINGS. Meetings of the Association may be held at the Property or at a suitable place convenient to the members, as determined by the board.

5.4. NOTICE OF MEETINGS. Subject to the provisions below, at the direction of the board, written notice of meetings of the Association will be given to an owner of each lot at least 10 days but not more than 60 days prior to the meeting. Notices of meetings will state the date, time, and place the meeting is to be held. Notices will identify the type of meeting as annual or special, and

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will state the particular purpose of a special meeting. Notices may also set forth any other items of information deemed appropriate by the board.

5.4.1. Notice Exception. Individual notice of the regular annual meeting of the Association is not required if (1) the time and place of the meeting is largely unchanged from year to year and (2) information about the time and place is routinely available to all members, such as by year-long posting on the Association's official website or repetitive announcements in the Association's newsletter. This exception does not apply to special meetings of the Association, or to changes in the time and place of the regular annual meeting.

5.4.2. Special Meeting Notice. Within 30 days after the board resolution or receipt of petition, the board must give all members notice of the special meeting. If the board fails or refuses to call the special meeting in a timely manner, an ad hoc committee of owners may do so provided the notice of meeting names the ad hoc committee and its individual members, and further provided that the notice is delivered to an owner of every lot in accordance with these Bylaws. The notice of any special meeting must state the time, place, and purpose of the meeting. No business, except the purpose stated in the notice of the meeting, may be transacted at a special meeting.

5.5. RECORD DATE. Before each meeting of the Association, the board will establish a list of all members for purposes of receiving a meeting notice, and a list or way of identifying members who are ineligible to vote at the meeting because of a delinquent account. These membership lists are described in the Association Records Article below. The "cut off" date on which these lists are based is referred to in the Code as the "Record Date." The Record Date for an Association meeting for which notice is given is 10 calendar days before the date the notice is distributed or published to the members. The Record Date for an Association meeting for which no notice is given is 45 calendar days before the meeting.

Every member may attend Association meetings.

5.6. ELIGIBILITY. Every member is entitled to receive notice of Association meetings, to attend Association meetings, and to be counted towards a quorum, even if the member is ineligible to vote or to stand for election to the board.

5.6.1. Meeting Notice. An owner of each lot in the Property as of the Record Date is eligible to receive notices of meetings of the Association. Because the ownership of lots may change during a year, the ownership as of the Record Date is used to produce the membership list for use in connection with the meeting.

5.6.2. Voting. The board may determine that a member may not vote at a meeting of the Association if the member's financial account with the Association is in arrears on the Record Date, provided (1) the ineligibility applies to every member whose financial account is delinquent, and (2) each ineligible member is given notice of the arrearage and an opportunity to become eligible. The board may specify the manner, place, and time for payment for purposes of restoring eligibility. The Record Date determination of members entitled to vote at a meeting of the Association is effective for any adjournment of the meeting, provided the date of the adjourned meeting is not more than 30 days after the original meeting. The board

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is not required to disqualify owners with delinquent accounts, and may allow all owners to vote regardless of arrearages.

5.7. QUORUM. At any meeting of the Association, the presence in person or by proxy of owners of at least 20 percent of the lots in the Property constitutes a quorum. Members present at a meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal, during the course of the meeting, of members constituting a quorum.

5.8. LACK OF QUORUM. If a quorum is not present at any meeting of the Association for which proper notice was given, members representing at least a majority of the votes present at the meeting, although not constituting a quorum, may vote to recess the meeting for not more than 24 hours in order to attain a quorum, provided the place of the meeting remains as stated in the notice. If the meeting is adjourned without attainment of a quorum, notice of a new meeting for the same purposes within 15 to 30 days may be given to an owner of each lot, at which re-called meeting the quorum requirement is lowered to two-thirds of the number of lots required for the first call of the meeting.

5.9. VOTES. The vote of members representing at least a majority of the votes cast at any meeting at which a quorum is present binds all members for all purposes, except when a higher percentage is required by these Bylaws, the Declaration, or by applicable law. Cumulative voting is prohibited.

5.9.1. Co-Owned Lots. If a lot is owned by more than one member, the vote appurtenant to that lot is cast as follows. If only one of the multiple owners of a lot is present at a meeting of the Association, that person may cast the vote allocated to that lot. If more than one of the multiple owners is present, the vote allocated to that lot may be cast only in accordance with the owners' unanimous agreement. Multiple owners are in unanimous agreement if one of the multiple owners casts the vote allocated to a lot and none of the other owners makes prompt protest to the person presiding over the meeting.

5.9.2. Entity-Owned Lots. If a lot is owned by an entity, such as a corporation or partnership, the vote appurtenant to that lot may be cast by any officer, manager, or partner of the entity in the absence of the entity's written appointment of a specific person to exercise its vote. The person presiding over a meeting or vote may require reasonable evidence that a person voting on behalf of an entity is qualified to vote.

5.9.3. Association-Owned Lots. Votes allocated to a lot owned by the Association may be counted towards a quorum only, and may not be voted.

5.9.4. Lots Owned by Declarant or Builders. Appendix C of the Declaration may establish different voting rights during the Development Period.

5.10. PARTICIPATION. Members may participate in person or by proxy at meetings of the Association. A member who participates is deemed "present" and may be counted towards a quorum unless the member participates for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

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5.11. PROXIES. A member may participate in the affairs of the Association through a power of attorney or through a proxy. To be valid, each proxy must (1) be signed and dated by a member or his attorney-in-fact; (2) identify the lot to which the vote is appurtenant; (3) designate the person or position (such as "presiding officer") in favor of whom the proxy is granted, such person having agreed to exercise the proxy; (4) identify the meeting for which the proxy is given; (5) not purport to be revocable without notice; and (6) be delivered to the secretary, to the person presiding over the Association meeting for which the proxy is designated, or to a person or company designated by the board. Unless the proxy specifies a shorter or longer time, it terminates 11 months after the date of its execution. Perpetual or self-renewing proxies are permitted, provided they are revocable. To revoke a proxy, the granting member must give actual notice of revocation to the person presiding over the Association meeting for which the proxy is designated. Unless revoked, any proxy designated for a meeting which is adjourned, recessed, or rescheduled is valid when the meeting reconvenes. A proxy delivered by email or by fax may be counted if any of the following occurs: (1) the proxy's authenticity can be confirmed to the reasonable satisfaction of the board, (2) the proxy has been acknowledged or sworn to by the member, before and certified by an officer authorized to take acknowledgments and oaths, or (3) the Association also receives the original proxy within 5 days after the vote.

5.12. CONDUCT OF MEETINGS. The president, or any person designated by the board, presides over meetings of the Association. The secretary keeps, or causes to be kept, the minutes of the meeting which should record all resolutions adopted and all transactions occurring at the meeting, as well as a record of any votes taken at the meeting. The person presiding over the meeting may appoint a parliamentarian. The then current edition of Robert's Rules of Order governs the conduct of meetings of the Association when not in conflict with the Governing Documents. Votes should be tallied by tellers appointed by the person presiding over the meeting.

5.13. ORDER OF BUSINESS. Unless the notice of meeting states otherwise, or the assembly adopts a different agenda at the meeting, the order of business at meetings of the Association is as follows:

- Determine votes present by roll call or check-in procedure
- Announcement of quorum
- Proof of notice of meeting
- Approval of minutes of preceding meeting
- Reports
- Election of directors (when required)
- Unfinished or old business
- New business

5.14. ADJOURNMENT OF MEETING. At any meeting of the Association, a majority of the members present at that meeting, either in person or by proxy, may adjourn the meeting to another time and place.

5.15. ACTION WITHOUT MEETING. Subject to board approval, any action which may be taken by a vote of the members at a meeting of the Association may also be taken without a meeting by written consents. The board may permit members to vote by ballots delivered by any method allowed by applicable law, which may include hand delivery, mail, fax, email, electronic balloting, or any combination of these. Written consents by members representing at least a majority of votes

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in the Association, or such higher percentage as may be required by the Governing Documents, constitutes approval by written consent. This Section may not be used to avoid the requirement of an annual meeting.

5.16. **MEETINGS BY REMOTE COMMUNICATIONS.** Members of the Association may participate in and hold meetings of the Association by means of electronic town halls, conference telephone or similar communications equipment by means of which all persons participating in the meeting can communicate concurrently. Participation in the meeting constitutes presence in person at the meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened. By acquiring an interest in a lot, each owner automatically consents to the use of communication technology to effect meetings of the Association, provided the owners of at least 85 percent of the lots in the Property have access to the form of technology chosen by the board, and further provided that the Association arranges a place or method of participation for those who do not have the technology.

ARTICLE 6 **RULES**

6.1. **RULES.** The board has the right to establish and amend, from time to time, reasonable rules and regulations for: (1) the administration of the Association and the Governing Documents; (2) the maintenance, management, operation, use, conservation, and beautification of the Property; and (3) the health, comfort, and general welfare of the residents; provided, however, that such rules may not be in conflict with applicable law or the Governing Documents. The board will, at all times, maintain the then current and complete rules in a written form which can be copied and distributed to the members.

6.2. **ADOPTION AND AMENDMENT.** Any rule may be adopted, amended, or terminated by the board, provided that the rule and the requisite board approval are properly recorded as a resolution in the minutes of the meeting of the board.

6.3. **NOTICE AND COMMENT.** At least 10 days before the effective date, the board will give written notice to an owner of each lot of any amendment, termination, or adoption of a rule, or will publish same in a newsletter, on the Association's website, or in any form or medium that is circulated or available to the members. The board may, but is not required to, give similar notice to residents who are not members. Any member or resident so notified has the right to comment orally or in writing to the board on the proposed action.

6.4. **DISTRIBUTION.** On request from any member or resident, the board will provide a current and complete copy of rules. Additionally, the board will, from time to time, distribute copies of the current and complete rules to owners and, if the board so chooses, to non-member residents.

ARTICLE 7 **ENFORCEMENT**

7.1. **ACTIONS REQUIRING NOTICE AND HEARING.** Before taking any of the below-described actions, the Association must give written notice and an opportunity for a hearing according to the requirements of this Article and the notice and hearing requirements of applicable law, such as

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Chapter 209 Texas Property Code. The following actions by or with the approval of the board, the Association, or the Architectural Reviewer, require notice and hearing as provided by this Article:

- a. Suspension of use of a common area.
- b. Imposition of a fine for violation of any provision of the Governing Documents, other than fines, interest, or collection fees charged for delinquent accounts.
- c. Charging an owner or a lot for property damage.
- d. Filing suit against an owner other than a suit related to the collection of assessments or foreclosure of the Association's assessment lien.

7.2. **NOTICE.** The required written notice must contain (1) the date the violation notice is prepared or mailed; (2) a statement that not later than the 30th day after the date the owner receives the notice, the owner may request a hearing to discuss and verify facts and resolve the matter in issue, pursuant to this Article and applicable law, such as Section 209.007 Texas Property Code; (3) a statement of how or where the request for hearing should be made or delivered; (4) a statement that if the hearing is before a committee or any body other than the board, the owner has the right to appeal the decision to the board by written notice to the board; (5) a statement that the owner may be liable for reimbursement of attorneys fees and costs if the violation continues or the damage is not paid by a stated date; and (6) the following contents applicable to violations or damage claims, as the case may be:

7.2.1. **Notice of Violation.** In the case of a violation of a provision of the Governing Documents, the written notice must also contain the following: (1) a description of the violation; (2) a reference to the rule or provision of the Governing Documents that is being violated, if applicable; (3) a description of the action required to cure the violation; (4) the amount of the fine or charge to be levied, the nature of the common area suspension, and/or the abatement action to be taken; (5) unless the owner was given notice and a reasonable opportunity to cure a similar violation within the preceding 6 months, a statement that the owner may avoid the fine or suspension by curing the violation in a reasonable period of time, which may be specified in the notice.

7.2.2. **Notice of Damage.** In the case of property damage for which the Association seeks reimbursement or imposition of a charge on the owner or the lot, the written notice must also contain (1) a description of the property damage and (2) the amount of the Association's claim against the owner or the lot.

7.2.3. **Notice to Resident.** In addition to giving the violation notice to the owner, the board may also give a copy of the notice to the non-owner resident, if the board deems it appropriate.

7.2.4. **Receipt of Notice.** Unless applicable law provides otherwise, any notice given to an owner pursuant to this Article will be deemed received by the owner (1) on personal delivery to the owner or to a person at the owner's address, or (2) on the third business day after the notice is deposited with the U.S. Postal Service, addressed to the owner at the most

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recent address shown on the Association's records, whether or not the owner actually receives the notice.

7.3. HEARING.

7.3.1. Request for Hearing. To request a hearing, an owner must submit a written request within 30 days after receiving the Association's written notice. Within 10 days after receiving the owner's request for a hearing, and at least 10 days before the hearing date, the Association will give the owner notice of the date, time, and place of the hearing. If the Association or the owner requests a postponement of the hearing, the hearing will be postponed for up to 10 days. Additional postponements may be granted by agreement of the parties.

7.3.2. Pending Hearing. Pending the hearing, the board may continue to exercise the Association's other rights and remedies for the violation, as if the declared violation were valid. The owner's request for a hearing suspends only the action described in the Association's written notice.

7.3.3. Attendance. The hearing may be held with or without the presence of the owner or the owner's representative.

7.3.4. Hearing. The hearing may be held in a closed or executive session of the board. At the hearing, the board will consider the facts and circumstances surrounding the violation. The owner may attend the hearing in person, or may be represented by another person or written communication.

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

7.4. ACTIONS EXEMPT FROM NOTICE AND HEARING REQUIREMENTS. As a general rule, every action other than the above-described actions requiring notice and hearing are impliedly exempt from the requirements of this Article. As permitted by applicable law, such as Section 209.007 of Texas Property Code, the following actions are expressly exempt:

- a. A temporary suspension of a person's right to use common areas if the temporary suspension is the result of a violation that occurred in a common area and involved a significant and immediate risk of harm to others in the Property. The temporary suspension is effective until the board makes a final determination on the suspension action after following the notice and hearing procedures prescribed by this Article.
- b. A lawsuit in which the Association seeks a temporary restraining order or temporary injunctive relief.
- c. A lawsuit filed by the Association that includes foreclosure as a cause of action.

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- d. The collection of delinquent assessments.

7.5. IMPOSITION OF FINE. Within 30 days after levying the fine or authorizing the abatement, the board must give the owner notice of the levied fine or abatement action. If the fine or action is announced at the hearing at which the owner is actually present, the notice requirement will be satisfied. Otherwise, the notice must be in writing.

7.5.1. Amount. The board may set fine amounts on a case by case basis, provided the fine is reasonable in light of the nature, frequency, and effects of the violation. The board may establish a schedule of fines for certain types of violations. The amount and cumulative total of a fine must be reasonable in comparison to the violation. If the board allows fines to accumulate, it may establish a maximum amount for a particular fine, at which point the total fine will be capped.

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

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

7.6. REIMBURSEMENT OF EXPENSES AND LEGAL FEES. In addition to any other rights set forth in the Governing Documents for violation of a provision of the Governing Documents, the board may levy and collect individual assessments for reimbursement of reasonable fees and expenses, including without limitation legal fees, incurred by the Association to enforce the Governing Documents, including the collection of delinquent assessments, subject to the following conditions:

7.6.1. Notice. The Association must give the owner written notice that the owner will be liable for reimbursement of any such fees and expenses incurred by the Association if the delinquency or violation continues after a date certain that is stated in the notice. This notice requirement does not apply to legal fees incurred by the Association in connection with the Association's counterclaim in a lawsuit to which an owner is a plaintiff.

7.6.2. Hearing. If legal fees are incurred by the Association for an action requiring notice and hearing, the owner is not liable for reimbursement of legal fees incurred (1) before the date by which the owner must request a hearing, if the owner does not request a hearing, or (2) before conclusion of the hearing, if the owner does request a hearing.

7.6.3. Records. By written request, an owner may obtain from the Association copies of any invoices for charges, including legal fees, for which the Association seeks reimbursement.

7.6.4. Foreclosure. In connection with a nonjudicial foreclosure of the Association's assessment lien, applicable law, such as Chapter 209 of the Texas Property Code, may establish a limit for the amount of attorneys fees that the Association may include in its lien.

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7.7. **ADDITIONAL ENFORCEMENT RIGHTS.** Notwithstanding the notice and hearing requirement, the board may take immediate and appropriate action, without giving the notices required in this Article, against violations of the Governing Documents which, in the board's opinion, are (1) self-evident, such as vehicles parked illegally or in violation of posted signs; (2) threatening to life or property; or (3) repeat violations of the same provision by the same owner to whom prior notices and demands have been given for the same violation. Further, the provisions of this Article do not apply to specific remedies provided in the Governing Documents for certain violations, such as nonpayment of assessments.

ARTICLE 8 OBLIGATIONS OF THE OWNERS

8.1. **NOTICE OF SALE.** Any owner intending to sell or convey his lot or any interest therein must give written notice to the board of his intention, together with (1) the address or legal description of the lot being conveyed, (2) the name and address of the intended purchaser, (3) the name, address, and phone number of the title company or attorney designated to close the transaction, (4) names and phone numbers of real estate agents, if any, representing seller and purchaser, and (5) scheduled date of closing. An owner will furnish this information to the board at least 10 business days before the scheduled date of closing or conveyance. The requirements of this Section may be satisfied by giving the Association a copy of an accepted resale contract in connection with the owner's request to the Association for a resale certificate.

8.2. **PROOF OF OWNERSHIP.** Except for those owners who initially purchase a lot from Declarant, any person, on becoming an owner of a lot, must furnish to the board evidence of ownership in the lot, which copy will remain in the files of the Association. A copy of the recorded deed is the customary evidence. The Association may refuse to recognize a person as a member unless this requirement is first met. This requirement may be satisfied by receipt of a board-approved form that is completed and acknowledged by a title company or attorney at time of conveyance of the lot or any interest therein.

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

8.4. **MAILING ADDRESS.** The owner or the several co-owners of a lot must register and maintain one mailing address to be used by the Association for mailing of notices, demands, and all other communications. If an owner fails to maintain a current mailing address with the Association, the address of the owner's lot is deemed to be his mailing address.

8.5. **REGISTRATION OF MORTGAGEES.** Within 30 days after granting a lien against his lot, the owner must provide the Association with the name and address of the holder of the lien and the loan number. The owner must notify the Association within 30 days after he has notice of a change in the information required by this Section. Also, the owner will provide the information on request by the Association from time to time.

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8.6. ASSESSMENTS. All owners are obligated to pay assessments imposed by the Association to meet the common expenses as defined in the Declaration. A member is deemed to be in good standing and entitled to vote at any meeting of the Association if he is current in the assessments made or levied against him and his lot.

8.7. COMPLIANCE WITH DOCUMENTS. Each owner will comply with the provisions and terms of the Governing Documents, and any amendments thereto. Further, each owner will always endeavor to observe and promote the cooperative purposes for which the Property was established.

ARTICLE 9 ASSOCIATION RECORDS

9.1. INSPECTION OF BOOKS AND RECORDS. Books and records of the Association will be made available for inspection and copying pursuant to applicable law, such as Section 22.351 of the Code and Section 209.005 Texas Property Code.

9.1.1. Proper Purpose. The board may require a member to submit a written demand for inspection, stating the purpose for which the member will inspect the books and records. The board has the following rights: (1) to determine whether the member's purpose for inspection is proper; (2) to deny the request if the board determines that the member's purpose is not proper; (3) if granting the request, to identify which books and records are relevant to the member's stated purpose for inspection.

9.1.2. Copies. A member, at member's expense, may obtain photocopies of books and records for which the board grants the right of inspection. The board has the right to retain possession of the original books and records, to make copies requested by the member, and to charge the member a reasonable fee for copying.

9.1.3. Member's Agent. A member's inspection of the books and records may be assisted or performed by the member's agent, accountant, or attorney.

9.1.4. Records of Attorneys and Accountants. The files and records of an attorney or accountant who performs services for the Association are not records of the Association, are not subject to inspection by members, and are not subject to production in a legal proceeding.

9.2. RESALE CERTIFICATES. Any officer may prepare, or cause to be prepared, assessment estoppel certificates or resale certificates pursuant to applicable law, such as Chapter 207 of the Texas Property Code, titled Disclosure of Information by Property Owners Association. The Association may charge a reasonable fee for preparing such certificates, and may refuse to furnish such certificates until the fee is paid. Any unpaid fees may be assessed against the lot for which the certificate is furnished. The Association may delegate the responsibility for a resale certificate to its managing agent, if any.

9.3. MANAGEMENT CERTIFICATE. As required by applicable law, such as Section 209.004 of the Texas Property Code, the Association will maintain a current management certificate in the county's public records. When the Association has notice of a change in any information in the recorded certificate, the Association will prepare a restated or amended certificate and deliver it to the county clerk for filing. Absent gross negligence, the Association is not liable for a delay or failure

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to record a certificate. The Association may delegate the responsibility for a management certificate to its managing agent, if any.

9.4. **MEMBERSHIP LIST.** The board must maintain a comprehensive list of Association members for compliance with the Code as well as the Governing Documents. The Association must make the membership list available to any owner on written request, and may charge a reasonable fee for cost of copying and delivering the owners list.

9.4.1. **Types of Information.** At a minimum, the Association must maintain for each lot the name and mailing address of at least one owner, and a description of the lot owned (if different from the mailing address). The Association may also maintain, as an Association record, additional contact information for owners, such as phone numbers, fax numbers, email addresses, places of employment, emergency contact information, mortgage information, and any other items of information provided by owners or obtained by the Association.

9.4.2. **Source of Ownership Information.** In compiling the ownership or membership list, the Association may rely on any combination of (1) public records, such as tax rolls, (2) documentation provided by title insurance companies, (3) self-reporting by owners and residents, and (4) any other reasonably reliable and customary source of ownership information. The requirement of maintaining ownership records may not be construed to require the Association to affirmatively investigate or research title to a lot.

9.4.3. **Information Available to Members.** Membership information to be maintained by the Association is similar to what is typically available to the public on the website of the appraisal district, and may not be considered confidential, private, or protected information as between the Association and its members. Neither the Association nor a member of the Association may sell or otherwise market the Association's membership information without the express prior consent of the owners. Each owner, by acquiring an ownership interest in a lot, acknowledges that the owner's contact information is a record of the Association that is available to all members of the Association.

9.4.4. **Inspection List.** In accordance with applicable law, the Association will prepare a list of owners of all lots in the Property for inspection by the members prior to the meeting. The purpose of the list is to enable members to communicate with each other about the meeting. The inspection list must be available for inspection by the members from the second business day after the date notice of the meeting is given until adjournment of the meeting for which it was prepared. The list may be inspected or copied by an owner or the owner's attorney or agent. The inspection list must have the following characteristics:

- a. The list must be in alphabetical order of owners' surnames, or in numerical order of street addresses.
- b. The list must contain the name of at least one owner of each lot, or an indication that the current ownership cannot be determined and the identify of the last known owner.
- c. The list must contain an address for each member.

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- d. The list must identify how many lots are owned by each owner, if that cannot otherwise be determined from the list.
- e. If all lots do not have uniform votes, such as lots owned by Declarant during the Declarant Control Period, the list must identify the number or weight of votes attached to each lot.
- f. The list must identify which owners or lots are ineligible to vote at the meeting due to an assessment delinquency or other disqualifying condition.

ARTICLE 10 **NOTICES**

10.1. **CO-OWNERS.** If a lot is owned by more than one person, notice to one co-owner is deemed notice to all co-owners. Similarly, notice to one resident of a lot is deemed notice to all residents of the lot.

10.2. **DELIVERY OF NOTICES.** Any written notice required or permitted by these Bylaws may be given personally, by mail, by fax, by email, or by any other method permitted by applicable law, such as the Texas Business Organizations Code. If mailed, the notice is deemed delivered when deposited in the U.S. mail addressed to the member at the address shown on the Association's records. If transmitted by fax or email, the notice is deemed delivered on successful transmission of the facsimile or electronic correspondence. The notice must be sent to the party's last known address as it appears on the records of the Association at the time of transmission. If an owner fails to give the Association an effective address, the notice may be sent (1) to the address of the owner's lot and/or (2) to the owner's address shown on the then-current property tax rolls for the lot. If the Association properly transmits the notice, the owner is deemed to have been given notice whether or not he actually receives it.

10.3. **WAIVER OF NOTICE.** Whenever a notice is required to be given to an owner, member, or director, a written waiver of the notice, signed by the person entitled to the notice, whether before or after the time stated in the notice, is equivalent to giving the notice. Attendance by a member or director at any meeting of the Association or board, respectively, constitutes a waiver of notice by the member or director of the time, place, and purpose of the meeting. If all members or directors are present at any meeting of the Association or board, respectively, no notice is required and any business may be transacted at the meeting.

ARTICLE 11 **INDEMNIFICATION**

11.1. **GENERAL.** The purpose of this Article is to mandate some of the permissive provisions of Chapter 8 of the Code, and to indemnify Association Leaders whether or not the Association is incorporated at the time indemnification is needed. The definitions of Chapter 8 of the Code are hereby incorporated by reference, without regard to the corporate status of the Association. As used in this Article, "**Association Leader**" means a person who is a current or former officer or director of the Association, or a current or former committee chair or committee member of the Association.

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11.2. MANDATORY INDEMNIFICATION. The Association will indemnify an Association Leader who was, is, or is threatened to be made a named defendant or respondent in a proceeding because the person is or was an Association Leader, if the following determinations are made.

11.2.1. Determinations. It must be determined that the person acted in good faith, and that:

- a. the person reasonably believed (1) in the case of conduct in the person's official capacity, that the person's conduct was in the Association's best interest, or (2) in any other case, that the person's conduct was not opposed to the Association's best interests;
- b. in the case of a criminal proceeding, the person did not have a reasonable cause to believe the person's conduct was unlawful;
- c. with respect to expenses, the amount of expenses other than a judgment is reasonable; and
- d. indemnification should be paid.

11.2.2. Effect of Proceeding Termination. A person does not fail to meet the determination standard solely because of the termination of a proceeding by judgment, order, settlement, conviction, or a plea of nolo contendere or its equivalent.

11.2.3. How Determinations Are Made. If all of the directors are disinterested and independent, as defined in the Code, the determinations required under this Section will be made by a special legal counsel selected by the board. Otherwise, the determinations will be made by the owners of a majority of lots in the Property, other than lots owned by persons who are not disinterested and independent as defined in the Code, or by a special legal counsel selected by those owners.

11.3. EXCEPTIONS TO MANDATORY INDEMNIFICATION. A person who is found liable to the Association or is found liable because the person improperly received a personal benefit is not entitled to indemnification under this Article if, in a legal proceeding, the person has been found liable for (1) wilful or intentional misconduct in the performance of the person's duty to the Association, (2) breach of the person's duty of loyalty owed to the Association, or (3) an act or omission not committed in good faith that constitutes a breach of a duty owed by the person to the Association. In all other instances, indemnification of a person who is found liable to the Association is limited to reasonable expenses actually incurred by the person in connection with the proceeding, excluding a judgment, a penalty, a fine, or any other type of sanction. A person indemnified by the Association is considered to have been found liable in relation to a claim, issue, or matter only if the liability is established by an order, including a judgment or decree of a court, and all appeals of the order are exhausted or foreclosed by applicable law.

11.4. EXPENSES. The indemnification provided by this Article covers reasonable expenses and costs, such as legal fees, actually and necessarily incurred by the indemnified person in connection with a qualified claim.

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11.4.1. Advancement of Expenses. The Association may pay or reimburse reasonable expenses incurred by an indemnified person who was, is, or is threatened to be made a respondent in a proceeding in advance of the final disposition of the proceeding without making the determinations required under the Section above titled "Mandatory Indemnification," after the Association receives a written affirmation by the person of the person's good faith belief that the person has met the standard of conduct necessary for indemnification under this Article, and a written undertaking by or on behalf of the person to repay the amount paid or reimbursed if the final determination is that the person has not met that standard or that indemnification is prohibited by this Article. The required written undertaking must be an unlimited general obligation of the person but need not be secured and may be accepted by the Association without regard to the person's ability to make repayment.

11.4.2. Witness Expenses. The Association may pay or reimburse reasonable expenses incurred by an Association Leader, member, employee, agent, or other person in connection with that person's appearance as a witness or other participation in a proceeding at a time when the person is not a respondent in the proceeding.

11.5. INDEMNIFICATION OF OTHER PERSONS. Subject to the same limitations, determinations, and exceptions for Association Leaders, the Association may indemnify and advance expenses to a person who is not otherwise covered by this Article's indemnification as provided by (1) a provision in a Governing Document of the Association, (2) a contract to which the Association is a party, (3) common law, (4) a board resolution, or (5) a resolution approved by the Association's members. A person indemnified under this Section may seek indemnification or advancement of expenses from the Association to the same extent that an Association Leader may seek indemnification or advancement of expenses under this Article.

ARTICLE 12 DECLARANT PROVISIONS

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

12.2. BOARD OF DIRECTORS. During the Declarant Control Period, Appendix C of the Declaration governs the number, qualification, and appointment of directors. The initial directors will be appointed by Declarant and need not be owners or residents. Directors appointed by Declarant may not be removed by the owners and may be removed by Declarant only. Declarant has the right to fill vacancies in any directorship vacated by a Declarant appointee.

12.3. TRANSITION MEETING. As provided by Appendix C of the Declaration, within 60 days after the end of the Declarant Control Period, or sooner at Declarant's option, Declarant will call a meeting of the members of the Association for the purpose of electing directors, by ballot of members. Notice of the transition meeting will be given as if it were notice of an annual meeting.

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ARTICLE 13
AMENDMENTS TO BYLAWS

13.1. **AUTHORITY.** Although the general authority for amending the Bylaws resides with the members of the Association, certain amendments may be made by the board or by Declarant, without a vote of the members.

13.1.1. **Amendments by Board.** For the following limited purposes, the board may amend these Bylaws with or without approval by the members, provided the proposed amendment has the prior unanimous approval of the directors:

- a. To correct mistakes in the Bylaws.
- b. To conform the Bylaws to changes in controlling law applicable to any topic addressed in these Bylaws.
- c. To change the name of the Association.
- d. To restate previously amended Bylaws for the sole purpose of incorporating the amendments into the body of the Bylaws.

13.1.2. **Amendments by Declarant.** As provided by Appendix C of the Declaration, during the Development Period, Declarant may amend these Bylaws with or without approval by the board or the members, **for any purpose.**

13.1.3. **Amendments by Members.** All other amendments of these Bylaws must be approved by the members according to the terms of this Article.

13.2. **AMENDMENTS BY MEMBERS.**

13.2.1. **Proposal.** The Association will provide or make available to an owner of each lot a description, if not exact wording, of any proposed amendment. The proposed amendment, description of the proposed amendment, or instructions for obtaining a copy of the proposed amendment at no cost will be included in the notice of any annual or special meeting of the Association at which the proposed amendment is to be considered.

13.2.2. **Consents.** Subject to the following limitation, an amendment of these Bylaws must be approved by members representing at least a majority of the votes present (in person or by proxy) at a properly called meeting of the Association for which a quorum is obtained. In other words, if a quorum is present (in person or by proxy) at an Association meeting, the owners of a majority of the lots represented at the meeting (in person or by proxy) -- even if less than a majority of the total lots -- may approve an amendment to these Bylaws. This Section, however, may not be amended without the approval of owners representing at least a majority of the total lots in the Property.

13.3. **EFFECTIVE.** To be effective, an amendment must be in the form of a written instrument (1) referencing the name of the Property, the name of the Association, and the recording data of these Bylaws and any amendments hereto; (2) signed and acknowledged by at least one officer of

During the Development & Declarant Control Periods, Appendix C of the Declaration has priority over these Bylaws.

the Association, certifying the requisite authority and/or approvals; and (3) recorded in the Real Property Records of Collin County, Texas. An amendment may be effective immediately if adopted at an Association meeting at which owners of two-thirds of the lots are represented. Otherwise, an amendment is not effective until 10 days after an owner of each lot is notified of the amendment and provided with a copy of the amendment or instructions for obtaining a copy.

13.4. **MORTGAGEE PROTECTION.** If a provision in a Governing Document or applicable law requires notices to and consent of mortgagees for certain actions and amendments, the Association must give the required notices to and obtain the required approvals from applicable mortgagees.

13.5. **DECLARANT PROTECTION.** During the Development Period, no amendment of these Bylaws may affect Declarant's rights herein without Declarant's written and acknowledged consent. Specifically, this Section, the article titled "Declarant Provisions," and the sections titled "Declarant Control" and "Drafter's Intent" may not be amended during the Development Period without prior written approval of Declarant. Declarant's written consent must be part of the amendment instrument.

ARTICLE 14 GENERAL PROVISIONS

14.1. **DRAFTER'S INTENT.** Because Declarant intends these Bylaws to serve the Association for many years beyond the initial development, construction, and marketing of the Property, Declarant purposefully did not draft these Bylaws from its own perspective. Instead, as a courtesy to future users of these Bylaws, Declarant compiled most of the Declarant-related provisions in Appendix C of the Declaration. Although Declarant is initially an owner and a member of the Association, Declarant is intentionally exempt from a number of obligations that apply to other owners, and has a number of rights that other owners do not have. These Bylaws are to be construed liberally to give effect to the drafter's intent of favorable and preferential treatment of Declarant.

DRAFTER'S DICTUM

Users of this document should periodically review statutes and court rulings that may modify or nullify provisions of this document or its enforcement, or may create rights or duties not anticipated by this document.

14.2. **CONFLICTING PROVISIONS.** If any provision of these Bylaws conflicts with any provision of the applicable laws of the State of Texas, the conflicting Bylaws provision is null and void, but all other provisions of these Bylaws remains in full force and effect. If a provision of the Association's certificate of formation or Articles of Association conflicts with these Bylaws, the certificate of formation or Articles controls. In the case of any conflict between the Declaration and these Bylaws, the Declaration controls.

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

During the Development & Declarant Control Periods, Appendix C of the Declaration has priority over these Bylaws.

14.4. CONSTRUCTION. The effect of a general statement is not limited by the enumerations of specific matters similar to the general. The captions of articles and sections are inserted only for convenience and are in no way to be construed as defining or modifying the text to which they refer. The singular is construed to mean the plural, when applicable, and the use of masculine or neuter pronouns includes the feminine.

14.5. EFFECTIVE COMMUNICATIONS. These Bylaws are drafted in an era of expanding and distracting modes of communication - written, voice, visual, and electronic - with emerging security and screening technologies that impede some transmissions without the sender's knowledge. In such an era, the burden may be on the sender (1) to bring important pieces of information to the attention of the recipient in a manner that helps the recipient recognize the importance and purpose of the communication, and (2) to confirm that the message was received and its importance recognized. For example, a change of address that is buried in the fifth paragraph of an owner's letter about a potpourri of issues may be overlooked by the Association. Similarly, a notice of assessment increase that is buried in a chatty Association newsletter or website may be overlooked by the owner. Although there is no way to guaranty what will be noticed by another person, each sender should try to communicate effectively. If the Association specifies a mode of communications for a certain purpose, it benefits the owner to use the specified mode for the intended purpose.

14.6. FISCAL YEAR. The fiscal year of the Association will be set by resolution of the board, and is subject to change from time to time as the board determines. In the absence of a resolution by the board, the fiscal year begins July 1 and ends June 30 of each year, so that the annual assessment does not become due and payable during the "holiday season."

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

14.8. EXHIBIT. The attached Exhibit A is hereby incorporated into these Bylaws by reference for the duration of the Declarant Control Period, as defined in the Declaration.

14.9. PREPARER. These Bylaws were prepared in the law offices of Sharon Reuler of SETTLEPOU, 3333 Lee Parkway, Eighth Floor, Dallas, Texas 75219.

[Executed on next page.]

During the Development & Declarant Control Periods, Appendix C of the Declaration has priority over these Bylaws.

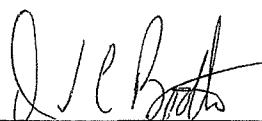
CERTIFICATION & ACKNOWLEDGMENT

As the Declarant of Wylie Lakes, I certify that the foregoing Bylaws of Wylie Lakes Owners Association were adopted for the benefit of Wylie Lakes Owners Association by Declarant and by the Declarant-appointed Board of Directors of Wylie Lakes Owners Association, and that these Bylaws are one of the initial Governing Documents of Wylie Lakes.

SIGNED this 2nd day of July 2007.


D. R. HORTON - TEXAS, LTD., a Texas limited partnership

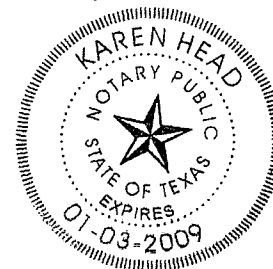
By: D. R. HORTON, INC., a Delaware corporation, its authorized agent

By: 
David L. Booth, Assistant Vice President

THE STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on this 2nd day of July 2007 by David L. Booth, Assistant Vice President of D. R. Horton, Inc., a Delaware corporation, on behalf of said corporation in its capacity as authorized agent for D. R. Horton - Texas, Ltd., a Texas limited partnership, on behalf of the limited partnership.


Notary Public, The State of Texas



During the Development & Declarant Control Periods, Appendix C of the Declaration has priority over these Bylaws.

**EXHIBIT A TO BYLAWS
NOTICE OF GOVERNANCE AND
PURCHASER'S COVENANTS DURING DECLARANT CONTROL PERIOD**

Each owner of a home in Wylie Lakes, by the act of accepting an interest in or title to a lot during the Declarant Control Period, whether or not it is so expressed in the instrument of conveyance, acknowledges, understand, covenants, and agrees to each of the following statements:

NOTICE OF GOVERNANCE

1. Wylie Lakes is a planned community, the development and marketing of which may extend over several years, even decades. Declarant has reserved for itself the right to control the Association until Wylie Lakes is fully phased, substantially complete, and close to being "sold out" and closed to homebuyers.
2. Because the Declarant Control Period is a short span of time in the potentially perpetual life of the Property and the Association, Declarant intentionally adopted Governing Documents designed for the long era in which homeowners will control the Association, instead of tailoring the Governing Documents for the relatively brief Declarant Control Period.
3. Written for a homeowner-controlled Association, some provisions in these Bylaws are inapplicable or inappropriate for the Declarant Control Period. For example, Association directors appointed by Declarant are likely to be Declarant's employees or officers, who make decisions for the Association in the ordinary course of their daily work - without formality of called meetings, notices, and minutes.

PURCHASER'S COVENANTS

1. Purchaser has read and understands the significance of this Exhibit to the Bylaws, and Appendix C of the Declaration of Covenants, Conditions & Restrictions for Wylie Lakes, both of which contain important information about how the Association will be governed during the Declarant Control Period.
2. Purchaser understands that a provision in Appendix C of the Declaration controls over a provision in these Bylaws that addresses the same topic.
3. Purchaser understands that owners will not have a voice in the operation and governance of the Association during the Declarant Control Period, except to the extent (if any) granted by Declarant.
4. Purchaser will execute a version of this Exhibit at or prior to closing if so requested by Declarant, although failure to execute the document does not affect the validity of this Exhibit, these Bylaws, or the application of this Exhibit and these Bylaws to Purchaser and his lot.

AFTER RECORDING, PLEASE RETURN TO:
Ms. Sharon Reuler • SettlePou Attorneys
3333 Lee Parkway, Eighth Floor
Dallas, Texas 75219

Filed and Recorded
Official Public Records
Stacey Kemp
Collin County, TEXAS
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Stacey Kemp

VI.
ARTICLES OF INCORPORATION

ARTICLES OF INCORPORATION

The article of incorporation or “corporate charter” is the document that formally establishes the entity responsible for the maintenance, management and operation of the community property and the community concept. This entity is the homeowners association. The articles of incorporation provide the framework for the association’s organization, they define its membership and the voting rights of its members, and they create the officers and directors who will act on behalf of the organization. The charter establishes the association’s responsibility to administer to the shared community facilities and to promote and preserve harmony and uniformity within the residential community.



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FILED
In the Office of the
Secretary of State of Texas

JUN 14 2007

**ARTICLES
OF
WYLIE LAKES OWNERS ASSOCIATION**

Corporations Section

MAY BE FILED WITH THE SECRETARY OF STATE OF TEXAS AS
A CERTIFICATE OF FORMATION FOR A DOMESTIC NONPROFIT CORPORATION

REAL PROPERTY

Wylie Lakes is a phased residential development in the City of Wylie, Texas. These Articles pertain to all **Real Property** that is made subject to the Declaration of Covenants, Conditions & Restrictions for Wylie Lakes, recorded or to be recorded in the Real Property Records of Collin County, Texas, as it may be amended, supplemented, and restated from time to time (the "**Declaration**"). The plats of the first two phases - Phases 1A & 1B - were recorded on November 1, 2006, as Document Nos. 20061101010004710 and 20061101010004720, in Cabinet 2006, Slides 721 and 723, Plat Records, Collin County, Texas. *(The property description is provided to enable recording in Collin County's Public Records.)*

ARTICLE 1. NAME & TYPE. The name of this domestic nonprofit entity is **Wylie Lakes Owners Association** (hereafter, the "**Association**"). This entity is the mandatory nonprofit property owners association created by the Declaration to govern the above-referenced Real Property. The filing of these Articles with the Secretary of State as a certificate of formation creates a nonprofit corporation status for the Association.

ARTICLE 2. REGISTERED AGENT & ADDRESS. See Articles 20 and 21.

ARTICLE 3. MANAGEMENT BY BOARD. The management and affairs of the Association are vested in the board of directors, except for those matters expressly reserved to others in the Governing Documents. The Declaration or Bylaws may determine the number and qualification of directors; the term of office of directors; the methods of electing, removing, and replacing directors; and the methods of holding a board meeting and obtaining consents. Directors may not vote by proxy at meetings of the board. See Article 19 for the names and addresses of the initial directors.

ARTICLE 4. MEMBERSHIP. The Association is a nonstock membership organization - the owners of lots in Wylie Lakes being the members of the Association. The Declaration or Bylaws will determine the number and qualifications of members of the Association; any classes of membership; the voting rights and other privileges of membership; and the obligations and liabilities of members. Cumulative voting is not allowed.

ARTICLE 5. PURPOSES. The general purposes for which the Association is formed are (1) to exercise the rights and powers and to perform the duties and obligations of a Texas property owners association, in accordance with the Governing Documents and applicable State law, as each may be amended from time to time, and (2) for any lawful purpose not expressly prohibited under

Chapters 2 or 22 of the Texas Business Organizations Code (the "**Code**"), including any purpose described by Section 2.002 of the Code.

ARTICLE 6. MANNER OF DISTRIBUTION. The Association is authorized on its winding up to distribute its assets in a manner other than as provided by Section 22.304 of the Code. The manner of distribution is as follows. In the event of winding up, the assets of the Association will belong to the members of the Association at the time of winding up and will be distributed, liquidated, or conveyed in accordance with the terms of a termination agreement approved by owners to whom 80 percent or more of the votes in the Association are allocated at the time of winding up.

ARTICLE 7. DURATION. The duration of the Association is perpetual.

ARTICLE 8. POWERS. In furtherance of its purposes, the Association has the following powers which, unless indicated otherwise by the Governing Documents or applicable State law, may be exercised by the board of directors: (1) all rights and powers conferred on nonprofit entities by applicable State law in effect from time to time; (2) all rights and powers conferred on property owners associations by applicable State law, in effect from time to time; (3) all powers necessary, appropriate, or advisable to perform any purpose or duty of the Association as set out in the Governing Documents or applicable State law.

ARTICLE 9. MEETING LOCATION. Unless the Declaration or Bylaws provides otherwise, meetings of members of the Association will be held at a suitable place convenient to the members, as determined by the board.

ARTICLE 10. LIMITATIONS ON LIABILITY. A director of the Association is not liable to the Association or its members for monetary damages for acts or omissions that occur in the person's capacity as a director, except to the extent a person is found liable for (1) a breach of the director's duty of loyalty to the Association or its members; (2) an act or omission not in good faith that constitutes a breach of duty of the director to the Association; (3) an act or omission that involves intentional misconduct or a knowing violation of the law; (4) a transaction from which the director receives an improper benefit, whether or not the benefit resulted from an action taken within the scope of the person's office; or (5) an act or omission for which the liability of a director is expressly provided by an applicable statute. If the director is a member of the Association, this limitation on liability does not eliminate or modify that person's pro rata share of the Association's liability as a member of the Association.

ARTICLE 11. INDEMNIFICATION. As provided by the Bylaws, the Association will indemnify a person who was, is, or is threatened to be made a named defendant or respondent in a proceeding because the person is or was a director, officer, committee chair, or committee member of the Association. Additionally, the Association may indemnify a person who is or was an employee, trustee, agent, or attorney of the Association, against any liability asserted against him and incurred by him in that capacity and arising out of that capacity.

ARTICLE 12. IMMUNITY FOR VOLUNTEERS. To preserve the protections for Association volunteers afforded by the Charitable Immunity and Liability Act of 1987 (Chapter 84, Texas Civil Practice & Remedies Code), the Association will operate in a manner that preserves the Association's status as a homeowners association as defined by Section 528(c) of the Internal Revenue Code of 1986, as amended.

ARTICLE 13. AMENDMENT OF ARTICLES. These Articles may be amended or restated subject to the following:

Section 13.1. General Provisions. (1) An amendment may not conflict with the Declaration, the Bylaws, or applicable State law. (2) An amendment may not impair or dilute a right granted to a person by the Declaration, without that person's written consent. (3) If the Association is incorporated by the State of Texas at the time of amendment, an amendment must be in accordance with applicable provisions of the Code.

Section 13.2. Amendment by Board. The board of directors may unilaterally amend or restate these Articles, without a vote of the owners, for the following limited purposes: (1) to delete the names and addresses of the initial directors, (2) to delete the name and address of the initial registered agent or office, provided a statement of change is on file with the Secretary of State, and (3) to change the name of the Association with the Secretary of State by adding, deleting, or changing a geographical attribute to the name.

Section 13.3. Amendment by Members. For all other purposes, an amendment must be approved by the board and by at least two-thirds of the votes or voting interests present, in person or by proxy, at a properly called meeting of the Association for which a quorum is obtained.

ARTICLE 14. AMENDMENT OF BYLAWS. The Bylaws of the Association may be amended or repealed according to the amendment provision of the Bylaws, which reserve those powers to the members, with limited exceptions for the board acting alone.

ARTICLE 15. ACTION WITHOUT MEETING. Subject to the additional requirements of Code Section 6.202, any action required by the Code or by the Governing Documents to be taken at a meeting of members or owners may be taken without a meeting if a consent in writing, setting forth the action to be taken, is signed by a sufficient number of members or owners as would be necessary to take that action at a meeting at which the required number of owners or members were present and voted.

ARTICLE 16. DECLARANT CONTROL PERIOD. The Declaration provides for a Declarant Control Period during which Declarant determines the number and qualification of officers and directors, who serve at the pleasure of Declarant, who is empowered by the Declaration to appoint, remove, and replace the officers and directors of the Association. The Declaration also determines the weight or numbers of votes allocated to lots owned by Declarant. Because Declarant has powers, rights, and duties in addition to those of other members, Declarant may constitute a membership "class" as described by the Code, the other lot owners constituting a different "class."

ARTICLE 17. CHANGE OF STATUS. The continuing existence of the Association as described in its Governing Documents is vested in its members - the owners of the Real Property - not in its corporate status, its name, or its filing number. During any period in which the Association is not incorporated, it will be subject to the Texas Uniform Unincorporated Nonprofit Association Act (Chapter 252 of the Code), and these Articles will continue to be effective as a Governing Document of the Association.

ARTICLE 18. TERMINOLOGY. Capitalized terms used in these Articles, such as Association, Declarant, Declarant Control Period, Declaration, and Governing Documents, have the same meanings as defined in Article 1 of the Declaration. "Articles" and "Articles of Association" have the

same meaning as "Articles of Incorporation," wherever used. As applied to this Association, the following terms which are defined or used in the Code are construed as follows:

Section 18.1. "Governing Documents," as defined by the Code, is construed by the Association to mean the "Governing Documents," as defined by the Declaration, even though Governing Documents may have been initially adopted by the Declarant of the Real Property for the benefit and use of the members of the Association, rather than having been adopted by the Association, as indicated by the Code's definition of Governing Documents.

Section 18.2. "each member entitled to vote at the meeting," as used in the Code, is construed by the Association to mean that if a lot is co-owned, even though all the co-owners are members of the Association, the co-owners share one membership per lot for notification and voting purposes. Therefore, votes and memberships are tabulated on a lot basis, rather than on a headcount of owners and co-owners.

ARTICLE 19. INITIAL BOARD OF DIRECTORS. The initial board consists of three directors who serve at the pleasure of Declarant during the Declarant Control Period, and who will serve as directors until the earlier of (1) their successors are appointed by Declarant, or (2) their successors are elected by the members of the Association after the Declarant Control Period. The number of directors after the Declarant Control Period is determined by the Bylaws, and may be changed from time to time by amendment of the Bylaws. The name and address of each initial director are as follows:

<u>Name</u>	<u>Address</u>
Derek Ammerman	4306 Miller Road, Suite A, Rowlett, Texas 75088
David L. Booth	4306 Miller Road, Suite A, Rowlett, Texas 75088
H. Jessica Mayraz	4306 Miller Road, Suite A, Rowlett, Texas 75088

ARTICLE 20. INITIAL REGISTERED AGENT. The name of the Association's initial registered agent is CT Corporation System.

ARTICLE 21. OFFICE OF INITIAL REGISTERED AGENT. The address of the Association's initial registered agent is 350 N. St. Paul, Suite 2900, Dallas, Texas 75201.

ARTICLE 22. ORGANIZER. The name of the organizer is Sharon Reuler. The organizer's address is c/o SETTLEPOU, 3333 Lee Parkway, Eighth Floor, Dallas, Texas 75219.

ARTICLE 23. EFFECTIVENESS OF FILING. This document becomes effective as a certificate of filing for a nonprofit corporation when the document is filed by the Secretary of State.

(Executed on next page.)

EXECUTION

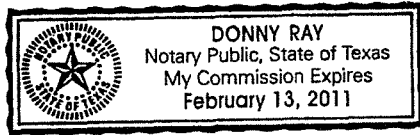
The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument.

SIGNED this 13th day of June 2007.


Sharon Reuler

THE STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on this 13th day of June 2007 by Sharon Reuler.




Notary Public, The State of Texas

AFTER RECORDING, PLEASE RETURN TO:

Ms. Sharon Reuler ■ SettlePou • Attorneys
3333 Lee Parkway, Eighth Floor
Dallas, Texas 75219

Filed and Recorded
Official Public Records
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Collin County, TEXAS
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A handwritten signature in cursive script that reads "Stacey Kemp".

**Wylie Lakes Owners Association
Identity Theft Prevention Program
Policy and Procedures
Policy**

Wylie Lakes Owners Association (“Association”) strictly complies with all federal and state laws and reporting requirements regarding identity theft, including the federal Red Flags Rule, which implements Section 114 of the Fair and Accurate Credit Transactions Act of 2003. This policy outlines the Association’s Identity Theft Prevention Program (“Program”), which is mandated by the Red Flags Rule and governs how Association will (1) identify, (2) detect and (3) respond to “red flags.” A “red flag” is defined as a pattern, practice, or specific account or record activity that indicates possible identity theft.

The Program must be approved by Association *Board of Directors* as of January 31, 2011, and the Program must be reviewed and updated at least once a year in order to ensure that the Program keeps current with identity theft risks. In doing so, Association *Board of Directors* will consider the Association’s experiences with identity theft situations and similar experiences for other entities in the community association industry, changes in identity theft methods, changes in identity theft detection and prevention methods, and changes in Association’s business arrangements with other entities.

It is the Association’s policy that the Director of Community Management/Accounting is assigned the responsibility of overseeing, developing, implementing, and administering the Program. Association is committed to ensuring that this individual, designated as Association’s privacy official, be provided with sufficient resources and authority to fulfill these duties.

Association requires that its business associates be contractually bound to protect sensitive client information to the same degree as set forth in this policy. Business associates of the Association who violate their agreement will be dealt with first by an attempt to address the problem, and if that fails, by termination of the agreement and discontinuation of services by the business associate.

Association’s workforce must be trained on the policies and procedures governing compliance with the Red Flags Rule, and new workforce members are required to receive training on these matters within a reasonable amount of time after they have been hired. Should any policy or procedure related to the Red Flags Rule materially change, the Association shall provide further training within a reasonable amount of time after the policy or procedure materially changes. All training sessions are to be documented, indicating participants, date, and subject matter.

Procedures

I. Identify red flags. While providing community services to homeowners, the Association may encounter inconsistent or suspicious documents, information, or activity that suggests the possibility of identity theft. The following are identified as potential red flags:

1. Notice from a homeowner, a victim of identity theft, a law enforcement agency, or someone else that an account has been opened or used fraudulently
2. A dispute of a bill or assessment by a homeowner who claims to be the victim of any type of identity theft
3. Suspicious documents, such as paperwork that appears altered or forged, and information on the identification that is inconsistent with other information, like a signature card or recent check

4. Suspicious personal identifying information, such as inconsistencies with what is already known and inconsistencies in the information the homeowner has already provided.
5. Suspicious account activity, such as an account that is used in a way inconsistent with established patterns, an account that has been inactive for a long time that is suddenly used again, and information that the homeowner is not receiving their account statements in the mail

II. Detect Red Flags. Employees of the Association will be alert for discrepancies in documents and homeowner information that suggest risk of identity theft or fraud. The Association staff will verify homeowner identity and address before services are provided and billed. Specifically, the procedures for detecting red flags are as follows:

1. When somebody notifies the Association that an account has been opened or used fraudulently, employees are required to report such notifications to their immediate supervisor or the designated privacy official. If reported to a supervisor, that supervisor should relay the information to the privacy official
2. When verifying the identity of a homeowner who is opening a new account, Association staff are required to obtain a name, address, and identification number and, for in-person verification, to check a current government-issued identification card, such as a driver's license or passport
3. Regarding existing accounts, the Association staff is expected to verify the identification of homeowners if they request information, and verify the validity of change-of-address requests and changes in banking information given for billing purposes
4. In general, Association staff should be alert for the possibility of identity theft in the following situations:
 - a. The photo identification submitted by the homeowner does not resemble the homeowner
 - b. Identifying information submitted by the homeowner appears to be altered or forged.
 - c. Information on one form of identification the homeowner has submitted is inconsistent with information on another form of identification or with information already in the records kept by Association
 - d. An address or telephone number is discovered to be incorrect, non-existent, or fictitious
 - e. The homeowner fails to provide identifying information or documents
 - f. The homeowner's signature does not match a signature in the homeowner's records

III. Respond to Red Flags. If any employee of Association detects fraudulent activity or if a homeowner claims to be a victim of identity theft, Association will respond to and investigate the situation.

If potentially fraudulent activity (a red flag) is detected by an employee of the Association:


1. The employee should gather all documentation and report the incident to his or her immediate supervisor or the designated privacy official. If reported to a supervisor, that supervisor should relay the information to the privacy official
2. The privacy official will determine whether the activity is fraudulent or authentic
3. If the activity is determined to be fraudulent, then Association should take immediate action, which may include the following:

- a. Canceling the transaction;
- b. Closing an existing account;
- c. Reopening an account with a new account number;
- d. Not opening a new account;
- e. Not trying to collect on an account or not selling an account to a debt collector;
- f. Notifying appropriate law enforcement;
- g. Notifying the affected homeowner; and
- h. Changing any passwords or other security devices that permit access to accounts.

If a homeowner claims to be a victim of identity theft, the following procedures should be followed:

- 1. The homeowner should be encouraged to file a police report for identity theft if the homeowner has not done so already.
- 2. The homeowner should be encouraged to complete the ID Theft Affidavit developed by the Federal Trade Commission, along with supporting documentation.
- 3. Association will compare the homeowner's documentation with personal information in the homeowner's records.
- 4. If, following investigation, it appears that the homeowner has been a victim of identity theft, the Association will promptly consider what further remedial act/notifications may be needed under the circumstances.
- 5. If, following investigation, it does not appear that the homeowner has been a victim of identity theft, the Association will take whatever action it deems appropriate.

Approved 28th day of January, 2011.



President

Secretary

THE STATE OF TEXAS §
 §
COUNTY OF COLLIN §

**WYLIE LAKES
PROPERTY OWNERS ASSOCIATION
MANAGEMENT CERTIFICATE**
As Required By Section 209.004, Texas Property Code

NOTICE IS HEREBY GIVEN that the below property is controlled by a mandatory homeowners association.

1. **NAME OF PROPERTY OWNERS ASSOCIATION:** Wylie Lakes Owners Association

2. **SUBDIVISION INFORMATION:** Wylie Lakes is a two-phase addition to the City of Wylie, Texas, according to the plats thereof recorded on January 31,2007, as (Phase IA) Document No. 20070131010000260, in cabinet 2007, Slides 36-37, and as (Phase IB) Document No. 20070131010000270, in cabinet 2007, Slides 38-39, Plat Records, Collin County, Texas.

3. **DECLARATION INFORMATION:** Wylie Lakes is a two-phase addition to the City of Wylie, Texas, according to the plats thereof recorded on January 31,2007, as (Phase IA) Document No. 20070131010000260, in cabinet 2007, Slides 36-37, and as (Phase IB) Document No. 20070131010000270, in cabinet 2007, Slides 38-39, Plat Records, Collin County, Texas.

4. **ASSOCIATION NAME AND MAILING ADDRESS:**

Wylie Lakes Owners Association
c/o Lone Star Association Management, Inc.
2500 Legacy Drive, Suite 220
Frisco, Texas 75034
Phone: (469)-384-2088
Fax: (469)-384-4653
Website: www.lonestarmanagement.com

5. **ASSOCIATION'S MANAGING AGENT NAME AND MAILING ADDRESS:**

Lone Star Association Management, Inc. Phone: (469)-384-2088
2500 Legacy Drive, Suite 220 Fax: (469)-384-4653
Frisco, Texas 75034 Website: www.lonestarmanagement.com

6. **OTHER INFORMATION:** Wylie Lakes contains two types of homes - detached single family houses, and duplex homes. A duplex consists of two individually-owned homes, each on its own lot. Because the duplex homes are attached, the owners of both sides are expected to cooperate on certain aspects of maintenance and insurance. The HOA performs no maintenance on the homes.

DATED October 18, 2013

WYLIE LAKES OWNERS ASSOCIATION,
a Texas property owners association

By: LONE STAR ASSOCIATION MANAGEMENT, INC.,
a Texas corporation, its managing agent

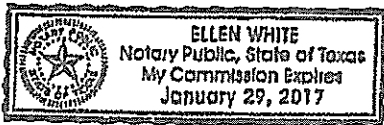
By: *Susan Garrett*
Susan Garrett, Director

ACKNOWLEDGEMENT

THE STATE OF TEXAS §
 §
 §
COUNTY OF COLLIN §

BEFORE ME, the undersigned notary public, on this day personally appeared Susan Garrett, known to me to be the person whose name is subscribed to the foregoing instrument and who acknowledged to me that s/he executed the same for the purposes and consideration set forth therein and in the capacity therein stated.

SUBSCRIBED AND SWORN TO BEFORE ME, on this the 18th day of October, 2013.



Ellen White
NOTARY PUBLIC IN AND FOR
THE STATE OF TEXAS

AFTER RECORDING PLEASE RETURN TO:
Lone Star Association Management, Inc.
2500 Legacy Drive, Suite 220
Frisco, Texas 75034



Filed and Recorded
Official Public Records
Stacey Kemp, County Clerk
Collin County, TEXAS
10/22/2013 08:16:36 AM
\$20.00 DLAIRD
2013102200144670

Stacey Kemp