

LAKES OF ARGYLE HOMEOWNER ASSOCIATION



ARGYLE, TEXAS



Secure Association Management

Service - Integrity - Affordability

Raising the Standard of Homeowner Association Management

Lakes of Argyle HOA
Argyle, TX 76226

Re: Association Management

Dear Homeowner,

As managing agent for your homeowner's association, we would like to welcome you to your new home at the Lakes of Argyle Homeowners Association Inc. Our firm has been hired by your association to provide professional management for your community. We provide information on rights and responsibilities of ownership and assist your Board of Directors with enforcement of the deed restrictions, to which each homeowner is subject. Homeowner involvement is the key to the success of the homeowner's association.

Another phase of the management services we provide involves routine inspections of your community to monitor compliance with the deed restrictions. We also appreciate hearing from you if you feel a condition exists that requires our attention.

The billing for your homeowner dues will be sent out approximately thirty (30) days before the payments are due. You will receive a billing statement to remit with your payment. The billing will show the amount owed, the date due, and any late date and charge information. Your initial billing statement from us may include charges that were not collected at your closing.

In the event you are unfamiliar with the workings of a community association, we have enclosed a short guide, Community Association Living, which you may find helpful in understanding how your association functions and your role as a member.

We can be reached at (940) 497-SECURE (7328) between the hours of 9:00 a.m.-5:00 p.m., Monday through Friday. You may also contact us by email address john@secure-mgmt.com or submit a request from our website www.secure-mgmt.com.

We are grateful for the opportunity to represent your association and look forward to working with you over the weeks and months ahead. Any suggestions or comments you may have would be greatly appreciated.

We hope you enjoy your new home and look forward to working with you.

Sincerely,

John Mackenzie, President

SECURE ASSOCIATION MANAGEMENT

(www.secure-mgmt.com)

PO Box #51555

Denton, TX 76206

Phone 940-497-SECURE (7328)

HOMEOWNER'S INFORMATION LETTER

The Lakes of Argyle Homeowners Association, Inc. is a non-profit corporation organized for the collection, expenditure as well as management of the Maintenance Funds and general overall supervision. The Association also exists for the promotion of the health, safety and welfare of the residents, as well as enforcement of provisions of the Declarations. Included are other rights and duties and responsibilities as may be conferred upon or granted to such representative organization by Declarant or the Owners. Membership is mandatory and each owner automatically becomes a member of the Association upon acquiring a home in the subdivision. The Association is governed by the Declaration of Covenants, Conditions, Restrictions and Bylaws. These documents should be read by every homeowner.

The major responsibilities of the Association are to protect the investment and enhance the value of the property owned by its members, the homeowners. The Association provides for the physical maintenance and operation of the common elements and the facilities. The Association is also responsible for enforcing the legal documents and may do anything lawful to protect, beautify, or benefit the property under its jurisdiction, such as enforce restrictions.

All owners are required to pay Association Fees in accordance with the governing documents of the Association. The fees may be due annually or quarterly. They fund the operation and maintenance of the common property which provide services for the benefit of all owners. An example of what your Association Fees may be used for are common area landscape maintenance, insurance for the Association, as well as provide for capital improvements desired by the Association

The affairs of the Association are managed by a Board of Directors and any committees they may appoint. The Association officers are elected annually by the Boards of Directors. The Board of Directors is required to determine the policy of the association and each of the directors must use his or her own discretion as well as exercise the utmost care and diligence in the performance of his or her duties. The Directors do not receive any compensation from their services.

The Architectural Control Committee is organized to provide and maintain uniformity and harmony in the construction of improvements to the homes in the Lakes of Argyle Homeowners Association, Inc. Any improvements made to the exterior of your home or property must have prior approval by the committee, which requires an ACC Application to be submitted. Please refer to your governing documents or ACC Guidelines and allow the committee thirty (30) days to review the Application.

All lots or units shall be maintained in a sanitary, healthful, and attractive manner by the owner(s). Weeds pulled, grass must be cut and lawns edged. Lots shall not be used for storage of materials and/or equipment other than normal residential requirements or for the construction of improvements as permitted by the Deed Restrictions.

Your community has a website for the use of your Association's residents!

To access the website go to: www.LakesofArgyleHOA.com

REVIEW PURPOSES
This document is for review only and is not to be used for any other purpose. It is subject to change without notice. The information contained herein is for informational purposes only and does not constitute an offer or recommendation of any securities or financial products. The information is provided for your information only and should not be relied upon for any investment decision. The information is provided for your information only and should not be relied upon for any investment decision.

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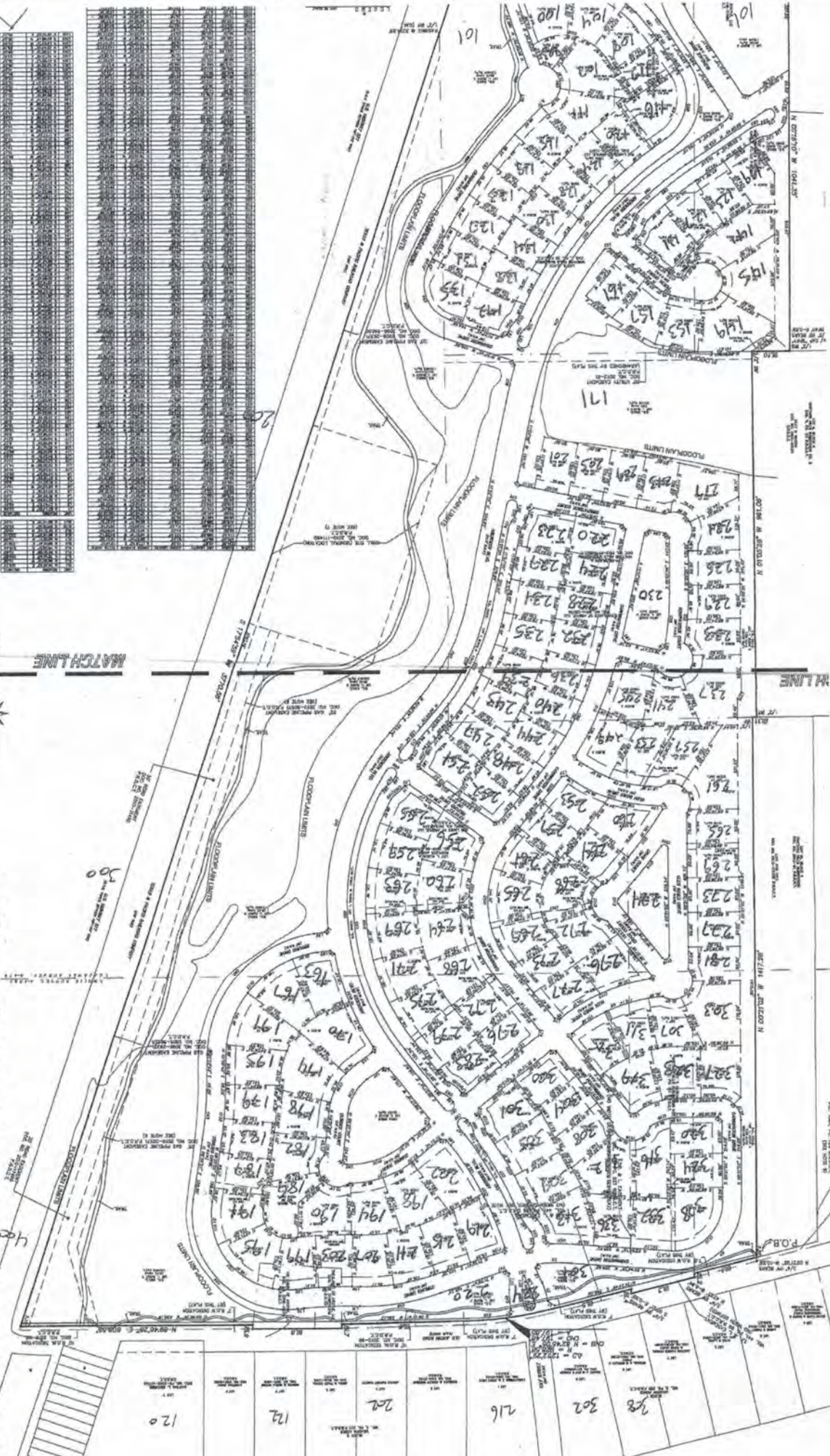
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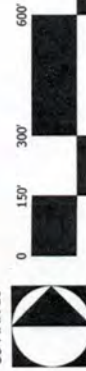
Hat Creek
DEVELOPMENT

Hat Creek Development
P.O. Box 92747
Southlake, Texas 76092
TEL 817-329-3111
Contact: Kosse Maykus

Planner:

SAGE GROUP, INC.
Master Planning
Urban Design
Architecture
Landscape Architecture
1130 N. Carroll Ave., Ste. 200
Southlake, Texas 76092
TEL 817-421-2626

30 MAR 18



Master Plan

Lakes of Argyle

Argyle, Texas

Community Association Living Guide

What does the Association do?

Answer: The Association is a nonprofit corporation managed by a Board of Directors. During the development phase of the Association the Board is made up of the development company. Once the developer is ready to transition the Association to the homeowners an election will take place and homeowners will be voted in to serve on the Board of Directors. The Board is responsible for the oversight of the Association's funds, the enforcement of the deed restrictions, collection of assessments and the maintenance of common area property.

Why do I have to pay Association Fees and what do they cover?

Answer: When you purchased your home you agreed to be a part of a homeowners Association. All owners are required to pay Association Fees in accordance with the governing documents of the Association. The fees may be due annually or monthly. They fund the operation and maintenance of the common property which provide services for the benefit of all owners. An example of what your Association Fees may be used for are common area landscape maintenance, insurance for the Association, and they provide for capital improvements desired by the Association as well as repair and maintenance of pools, playgrounds and equipment.

What does the management company do and what is their authority?

Answer: The management company is contracted by the Board of Directors to handle the day to day operations of the Association and to provide guidance to the Board. The Board of Directors make the final decisions regarding the Association and the management company is tasked with implementing the Board's decisions and/or instructions.

What are the Governing Documents?

Answer: The "Governing Documents" for your association are the Articles of Incorporation, Bylaws, Declaration of Covenants, Conditions and Restrictions plus any Rules and Regulations, Resolutions or guidelines that have been established by your Association Board.

Where can I get a copy of the Governing Documents?

Answer: You should have received a full copy at, or prior to, closing on your home. If you need a copy you may log on to your Association website to print a copy. The Governing Documents are recorded instruments so they are also available through the County in which your Association is located.

What is a deed restriction and why do I have to comply?

Answer: It is part of the Declaration of Covenants, Conditions and Restrictions that you agreed to when you bought your home. Through this document, you agreed to certain standards of maintenance, upkeep and behavior in order to make the community as attractive as possible for yourself and your neighbors, as well as to maintain or enhance your property values. When you purchase a home in a deed-restricted community you automatically agree to comply with the restrictions then in place or that are properly established.

Why do I have to get the Association's permission for home improvement?

Answer: This process ensures that your intended improvement meets with your community's standards as set forth in the Governing Documents and avoids the problems that arise from the construction of improvements as well as the use of colors or styles that conflict with others in your neighborhood.

What is the "common area"?

Answer: It is the land owned by the Association for the use and enjoyment of the members and their invited guests. This includes facilities such as pools and playgrounds in single-family communities and hallways, exercise facilities and building structures in condominium/town homes.

What is the role of the President?

Answer: The President is the most important role as the leader of the board. The president should encourage the other board members to contribute to association operations. The president should also look to board members for leadership guidance. Challenged by new tasks, board members realize their capabilities, gain a better understanding of association operations and eventually take the place of the president as business and community leader.

What is the role of the Treasurer?

Answer: The treasurer is the chief financial officer of the association. The duties of the treasurer include preparing financial reports and understanding budget operations and replacement reserve funds. The president should work closely with the treasurer to confirm that his or her knowledge and understanding of finances is sufficient to maintain association accounts. The budgeting process requires input from the president as well as the board and community manager. Together, the president and treasurer set timelines for completion of each step in the process. It is essential for the president to work closely with the treasurer since the budget is linked so closely to the success of association business.

What is the role of the Vice President?

Answer: The vice president substitutes for the presidents in his or her absence. The person in the position also conducts meetings and presides over the board meeting when the president chooses to

stand down from the chair. The vice president should be informed about programs, agendas, etc., so that he or she is prepared to chair the meeting in the event of an emergency. Refer to association bylaws for additional duties of the vice president.

What is the role of the Secretary?

Answer: The secretary, the “official recorder” of the association’s activities, is responsible for ensuring that board meeting minutes are taken. Other duties include filing documents and attesting to the validity of documents by signing them. The duties of the secretary are outlined in the association’s bylaws as well as in the states not-for-profit corporation laws. At the beginning of the secretary’s term, the president should discuss the specifics of the position and go over a schedule of tasks. One task is to determine when a meeting’s minutes should be distributed to other board members. Timely writing and distribution of minutes remind board members of actions taken on authorized projects.

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**Denton County
Juli Luke
County Clerk**

Instrument Number: 129119

ERecordings-RP

RESTRICTIONS

Recorded On: November 01, 2018 11:56 AM

Number of Pages: 3

" Examined and Charged as Follows: "

Total Recording: \$34.00

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

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

File Information:

Document Number: 129119
Receipt Number: 20181101000270
Recorded Date/Time: November 01, 2018 11:56 AM
User: Diana P
Station: Station 38

Record and Return To:

eRx



STATE OF TEXAS
COUNTY OF DENTON

I hereby certify that this Instrument was FILED In the File Number sequence on the date/time
printed hereon, and was duly RECORDED in the Official Records of Denton County, Texas.

Juli Luke
County Clerk
Denton County, TX

**FIRST AMENDMENT TO DECLARATION OF
COVENANTS, CONDITIONS, AND RESTRICTIONS FOR
LAKES OF ARGYLE ADDITION
ARGYLE, TEXAS**

STATE OF TEXAS §
 §
COUNTY OF DENTON §

This FIRST AMENDMENT to the DECLARATION OF RESTRICTIVE COVENANTS, CONDITIONS, AND RESTRICTIONS (“Amendment”) is made as of July 2, 2018 (the “Effective Date”) by The Lakes of Argyle, LLC, a Texas limited liability company (“Declarant”).

RECITALS

WHEREAS, the Original Declaration of Covenants, Conditions and Restrictions (the “Declaration”) was recorded on April 17, 2018 as Document No. 42991 in the Official Public Records of Denton County, State of Texas; and

WHEREAS, Declarant desires to amend the Declaration, as is set forth in this Amendment. All defined terms used and not otherwise defined herein will have the meaning set forth in the Declaration.

Now, therefore, for good and valuable consideration, the Declaration is amended pursuant to Section 6.02(a) of The Lakes of Argyle Addition’s Declaration of Covenants, Conditions and Restrictions which states, “during the time Declarant holds title to 50% of more of the Lots. Declarant may amend or change this Declaration in any manner deemed necessary or appropriate by the Declarant.” Declarant, as of the date of this Amendment, holds title to more than 50% of the Lots and hereby amends The Lakes of Argyle’s Declaration of Covenants, Conditions and Restrictions by adding the following language:

1. 8.05 Special Care Assessments and Special Individual Assessments.

(c) Declarant has authorized a Special Acquisition Assessment. At any time, record title to a Lot is transferred by any new Owner (excluding Custom Builders), an Acquisition Assessment shall be paid to the Association by such Owner at closing in the amount of Six Hundred Fifty and No/100 Dollars (\$650.00) for each Lot so acquired. Acquisition assessment shall be in addition to, not in lieu of, the annual assessment and shall not be considered an advance payment of such assessment. Acquisition Assessments shall be deposited into a separate account and disbursed therefrom by the Association for used in covering capital replacements, reserve expenses and other such expenses incurred by the Association pursuant to the terms of this Declaration, the Bylaws of the Association, including any amendments thereof or supplements thereto.

2. The Declaration, as amended by this this Amendment, is in full force and effect and represents a valid and enforceable obligation. Upon execution of this Amendment the term "Declaration" will mean the Declaration as amended by this Amendment. In the event of a conflict between this Amendment and the Declaration, this Amendment will control. A facsimile copy or electronic copy (including PDF copy) of the signature of the person executing this Amendment will be effective as an original signature and will cause the facsimile copy or electronic copy (including PDF copy) of this Amendment to be legally binding and effective as an execution counterpart of this Amendment.

IN WITNESS WHEREOF, the Declarant has executed this Declaration as of the Effective Date first written above

DECLARANT:

The Lakes of Argyle, LLC

a Texas limited liability company

By: _____

Name: H Creek Development, LLC, its Manager

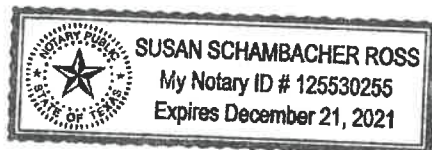
By: Kosse Maykus, its Manager

STATE OF TEXAS §

§

COUNTY OF DENTON §

This instrument was acknowledged before me on Oct. 30, 2018 by Kosse Maykus, Manager of H Creek Development, LLC a Texas limited liability company, on behalf of the limited liability company, the Manager of The Lakes of Argyle, LLC a Texas limited liability company, on behalf of the limited liability company.



Notary Public – State of Texas

Denton County
Juli Luke
County Clerk

Instrument Number: 33085

ERecordings-RP

RESTRICTIONS

Recorded On: March 12, 2020 09:54 AM

Number of Pages: 3

" Examined and Charged as Follows: "

Total Recording: \$34.00

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

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

File Information:

Document Number: 33085
Receipt Number: 20200312000142
Recorded Date/Time: March 12, 2020 09:54 AM
User: Samantha G
Station: Station 10

Record and Return To:

eRecording Partners



STATE OF TEXAS
COUNTY OF DENTON

I hereby certify that this Instrument was FILED In the File Number sequence on the date/time
printed hereon, and was duly RECORDED in the Official Records of Denton County, Texas.

Juli Luke
County Clerk
Denton County, TX

Trinity Title/Southlake/ *Courtesy* DFW

SECOND AMENDMENT TO THE DECLARATION
OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR
LAKES OF ARGYLE
ARGYLE, TEXAS

STATE OF TEXAS

COUNTY OF DENTON

This SECOND AMENDMENT to the DECLARATION OF RESTRICTIVE COVENANTS, CONDITIONS AND RESTRICTIONS ("Amendment") is made as of March 1, 2020 (the "Effective Date") by the Lakes of Argyle, LLC, a Texas limited liability company ("Declarant").

RECITALS

WHEREAS, the Original Declaration of Covenants, Conditions and Restriction (the "Declaration") was recorded on April 17, 2018 as Document No. 42991 in the Official Public Records of Denton County, State of Texas; and

WHEREAS, Declarant desires to amend the Declaration, as is set forth in this Amendment. All defined terms used and not otherwise defined herein will have the meaning set forth in the Declaration.

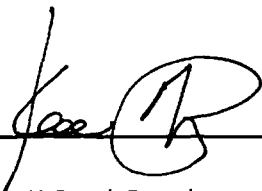
Now, therefore, for good and valuable consideration, the Declaration is amended pursuant to Section 6.02(a) of the Lakes of Argyle Addition's Declaration of covenants, Conditions and restrictions which states, "during the time Declarant holds title to 50% of more of the Lots. Declarant may amend or change this Declaration in any manner deemed necessary or appropriate by the Declarant." Declarant, as of the date of the Amendment, holds title to more than 50% of the Lots and hereby amends the Lakes of Argyle's Declaration of Covenants, Conditions and Restrictions as follows

1. Removing Section 8:07 (a) and 8.07 (b) from the Declaration, of Covenants, Conditions and Restrictions as recorded on April 17, 2018.
2. The Declaration, as amended by this Amendment, is in full force and effect and represents a valid and enforceable obligation. Upon execution of this Amendment the term "Declaration" will mean the Declaration as amended by this Amendment. In the event of a conflict between this Amendment and the Declaration, this Amendment will control. A facsimile copy or electronic copy (including PDF copy) of the Amendment to be legally binding and effective as an execution counterpart of this Amendment.

IN WITNESS WHEREOF, the Declarant has executed this Declaration as of the Effective Date first written above

DECLARANT:

The Lakes of Argyle, LLC
a Texas limited liability company

By: _____

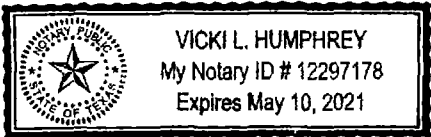
Name: H Creek Development, LLC, its Manager

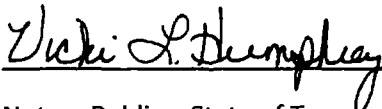
By: Kasse Maykus, its Manager

STATE OF TEXAS

COUNTY OF ~~DENTON~~ Tarrant

This instrument was acknowledged before me on March 9, 2020 by Kasse Maykus, Manager of H Creek Development, LLC at Texas limited liability company, on behalf of the limited liability company, the Manager of The Lakes of Argyle, LLC at Texas limited liability company, on behalf of the limited liability company.



_____
Notary Public – State of Texas

Denton County
Juli Luke
County Clerk

Instrument Number: 42991

ERecordings-RP

DECLARATION

Recorded On: April 17, 2018 01:07 PM

Number of Pages: 39

" Examined and Charged as Follows: "

Total Recording: \$178.00

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

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

File Information:

Document Number: 42991
Receipt Number: 20180417000386
Recorded Date/Time: April 17, 2018 01:07 PM
User: Chris P
Station: Station 42

Record and Return To:

eRx



STATE OF TEXAS
COUNTY OF DENTON

I hereby certify that this Instrument was FILED In the File Number sequence on the date/time
printed hereon, and was duly RECORDED in the Official Records of Denton County, Texas.

Juli Luke
County Clerk
Denton County, TX

Lakes of
GF# Argyle / Closer 15 / Stewart / 224
DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS FOR THE LAKES OF ARGYLE ADDITION

THE STATE OF TEXAS
COUNTY OF DENTON

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE LAKES OF ARGYLE ADDITION (the "Declaration") is made this 17 day of April, 2018, by The Lakes of Argyle, LLC (herein referred to as "Declarant").

WITNESSETH:

WHEREAS, Declarant is the owner of the real property referred to in Article II hereof and described on Exhibit "A" attached hereto and made a part hereof for all purposes, and desires to create thereon a residential community including, but not limited to, residential lots, open spaces, landscaping, sprinkler system, streets, common lighting, fencing, drives, screening walls, and other common improvements for the benefit of the community; and

WHEREAS, Declarant desires to provide for, among other matters, the preservation of the values and amenities in said community and for the maintenance of said open spaces, landscaping, sprinkler systems, streets, common lighting, fencing, drives, screening walls, and any and all other common improvements; and, to this end, desires to subject the real property referred to in Article II, together with such additions as may hereafter be made thereto (as provided in Article II) to the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are for the benefit of said property and each and every owner of any part thereof,

NOW, THEREFORE, Declarant declares that the real property referred to in Article II, and such additions thereto as may hereafter be made pursuant to Article II hereof, is and shall be held, transferred, sold, conveyed and occupied only as expressly subject to the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth in this Declaration.

ARTICLE I
DEFINITIONS

The following words when used in this Declaration or any Supplemental Declaration (unless the context shall otherwise prohibit) shall have the following meanings:

(a) **"ACC", "Architectural Control Committee" or "Committee"** shall mean and refer to the architectural control committee described in Article IV hereof.

(b) **"Lot"** shall mean and refer to any plot or tract of land shown upon any recorded Properties map(s) or "Plat(s)" of the Properties, as amended from time to time, which is designated as a lot thereon and which is or will be improved with a residential dwelling. For all purposes hereof, the "Plat" of the Property and the Subdivision shall be deemed to be the final, recorded plat or plats of the Subdivision attached hereto as Exhibit A, and all additions and/or amendments thereto, and shall also include any and all supplemental or later-recorded plat(s) reflecting any Property and/or any adjacent or contiguous Property or Properties to the Property reflected on Exhibit A hereto, such supplemental or later-recorded plat or plats also to be included within the purview of, and to be included as Property subject to, this Declaration.

(c) **"Owner"** shall mean and refer to every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject to this Declaration. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation.

(d) **"Property" or "Properties"** shall mean and refer to the Properties subject to this Declaration as described on Exhibit "A" attached hereto. The Property may also be referred to herein as the "Subdivision".

ARTICLE II PROPERTY SUBJECT TO DECLARATION

2.01 Properties. The Properties which are, and shall be, held, transferred, sold, conveyed, and occupied subject to this Declaration shall be all property included in the Plat of the Subdivision, according to the Final Plat of Lakes of Argyle Addition, Town of Argyle, Denton County, Texas, filed for record February 23, 2018 as Document No. 2018-100, Official Plat Records of Denton County, Texas, such Plat being graphically depicted on Exhibit "A" attached hereto and incorporated herein by reference for all purposes.

2.02 Common Area Ownership. The designation of real property as a common area (collectively "Common Area") is determined by the Plat and this Declaration, and not by the ownership of such property. Except as stated herein, this Declaration contemplates that the Association will eventually hold title to all Common Areas capable of independent ownership by the Association. All costs attributable to the Common Areas, including maintenance, property taxes, insurance, and enhancements are the responsibility of the Association. Unless specifically modified by Declarant in Declarant's sole discretion, the Common Area shall not include the Water Well Lot referenced in Section 2.06 below.

2.03 Acceptance. By accepting an interest in or title to a Lot, each Owner is deemed (1) to accept the Common Area, and any improvement thereon, in its then-existing "as is" condition; (2) to acknowledge the authority of the Association for all decisions pertaining to the Common Area; and (3) to acknowledge the continuity of maintenance of the Common Area, regardless of changes in the Association's Board of Directors ("Board") or management.

2.04 Common Area Components. The Common Area of the Subdivision consists of the following components on or adjacent to the Property, even if located on a Lot or public right-of-way:

- a) The land described in Exhibit "A" as Common Area and all improvements thereon;
- b) Any area shown on the Plat as common area or an area to be maintained by the Association;
- c) The formal entrances to the Subdivision, including the signage, landscaping, electrical and water installations, planter boxes and fencing (if any);
- d) The Town of Argyle, Texas (the "Town") approved Park Pavilion on Lot 1, Block G, the Town approved fishing pier located within Lot 1, Block C, the Town approved trail pavilion located within Lot 1, Block C and the USPS required mail kiosk on Lot 1, Block C with its associated parking; and
- e) Any modification, replacement or addition to any of the above-described areas and improvements.

2.05 Specific Exclusion of Lot 1, Block S. Notwithstanding any other provision of this Declaration, Lot 1, Block S, otherwise known as 180 Harpole, Argyle, Texas is specifically excluded from this Declaration and any Assessments for the maintenance of the Common Properties or otherwise, and the Owner(s) of such Lot shall not be Members of, or subject to, the Association.

2.06 Water Well Lot. Included in the Subdivision, the Property and the Plat is Lot F, Block 20 (the "Water Well Lot"). The Water Well Lot is and shall continue to be owned solely by Declarant. As of recording of this Declaration, the Water Well Lot includes a water well and related assets, equipment and apparatus, wherever located, and shall include any and all future such assets, equipment and apparatus, wherever located (collectively the "Water Well"). Notwithstanding any other provision of this Declaration, at all times and for all purposes: (i) Declarant shall own the Water Well and all related assets, (ii) the Water Well Lot shall not be subject to Assessments of any type, (iii) Declarant shall have an ongoing

easement upon, across and under real property in the Subdivision, including any Common Areas, for all purposes relating to the Water Well and the extraction, collection, movement, handling, sale or transfer of water, pursuant to the Groundwater Rights Warranty Deed and Easement Agreement between Declarant as Grantor, and Declarant as Grantee, attached to this Declaration as Exhibit B and incorporated by reference herein; and (iv) the Water Well Lot and the Water Well shall be maintained and operated solely by and at the discretion of Declarant and/or Declarant's assigns and/or representatives, for the sole benefit of Declarant and/or Declarant's assigns and/or representatives, to the exclusion of all other persons or entities, unless and until Declarant, in Declarant's sole and absolute discretion pursuant to valid written and recorded instrument and/or valid written document executed by Declarant, deems otherwise. Notwithstanding the foregoing, Declarant as "Water Provider" and the Association have entered into the Water Use Agreement attached to this Declaration as Exhibit C and incorporated by reference herein. Declarant and the Association may in their mutual sole discretion modify the Water Use Agreement in the future. In addition to the foregoing, Declarant may from time to time enter into such other agreements and related or other arrangements regarding the Water Well Lot, the Water Well and/or any and all water extracted therefrom with any and all third parties, including without limitation the Association and/or any Lot Owner, as Declarant deems appropriate in Declarant's sole and absolute discretion.

ARTICLE III USE OF PROPERTIES AND LOTS; PROTECTIVE COVENANTS

3.01 Residential Purposes. Except as stated herein, each Lot (including land and improvements) shall be used and occupied for single family residential purposes only. No Owner or other occupant shall use or occupy such Owner's Lot, or permit the same or any part thereof to be used or occupied, for any purpose other than as a private single family detached residence and related improvements thereon (collectively the "Home") for the Owner or such Owner's tenant and their families and domestic servants employed on the premises. As used herein the term "single family residential purposes" shall be deemed to prohibit specifically, but without limitation, the use of any Lot for a duplex, duplex apartment, garage apartment, or other apartment use, commercial or professional use.

3.02 Minimum Lot Area. No Lot shall be subdivided; provided, however, that Declarant shall have, and hereby reserves the right, at any time, or from time to time, upon the joinder and consent of the appropriate county and/or municipal authorities, and with the joinder and consent of the directly affected Owners (if any) to file a re-plat of the Plat to effect a re-subdivision or reconfiguration of any Lots then owned by Declarant, so long as such re-plat results in each re-subdivided Lot containing not less than the minimum lot size prescribed by the requirements of the Town. Owners shall not unreasonably withhold or delay their joinder in or consent to the re-plat or amendments to the Plat. The privilege to re-plat Lots owned by Declarant reserved herein shall be exercisable only by the Declarant.

3.03 Minimum Floor Space. All Home floor areas referenced below are for air-conditioned floor areas, exclusive of porches, garages, patios, terraces or breezeways attached to the main Home. Each Home constructed on any Lot shall contain a minimum of two thousand five hundred (2,500) square feet of heat and air conditioned floor space.

3.04 Combining Lots. Combining of Lots into a single building site is prohibited.

3.05 Setback Requirements and Building Location. All front, side and rear setbacks must be approved by, and must meet the requirements of the Town, including without limitation the Town's "PUD" Ordinance regarding the Property (the "PUD"), and the requirements of the Plat. The location of the Home on each Lot and the facing of the main elevation with respect to the applicable Street (as identified on the Plat), shall be subject to the written approval of the ACC. No building or structure of any type shall be erected on any Lot nearer to the property lines indicated by the minimum building setback line on the Plat.

3.06 Height. The maximum height for any building or structure on any Lot shall be two and one-half stories, (2 1/2) stories and 35'. Such height to be measured and determined in accordance with the method approved by the Town.

3.07 Driveways, Walk Ups & Sidewalks. A four foot sidewalk shall be built by the builder of the Home on the Lot (the "Builder") in the right of way ("ROW") of the adjacent Street as the Homes are built on the Lots. Each Lot must be accessible to the adjoining Street by a driveway suitable for such purposes. All driveways and walk ups shall be salt finished, brushed concrete or exposed aggregate. Any other finish must be approved in writing by the ACC and approved in writing as to design, materials and location before the Home located on such Lot may be occupied or used.

3.08 Access. No driveways or roadways may be constructed on any Lot to provide access to any adjoining Lot except as expressly provided on the Plat, or otherwise approved in writing by the ACC.

3.09 Drainage. Neither the Declarant nor its successors or assigns shall be liable for any loss of, use of, or damage done to, any shrubbery, trees, flowers, improvements, fences, walks, sidewalks, driveways, or buildings of any type or the contents thereof on any Lot caused by any water levels, rising waters, or drainage water. After the Home to be constructed on a Lot has been substantially completed, the Lot will be graded so that surface water will flow to streets, private drainage systems, drainage easements, or Common Properties, and in conformity with the Lot grading plan and the general drainage plans for the Subdivision.

3.10 Retaining Walls. Wooden retaining walls are not permitted. Retaining walls shall be structurally engineered and designed walls, constructed of reinforced concrete, natural stone or engineered stone as established by the Town and/or the ACC. The stone veneer shall be a random laid Milsap Stone to conform to any and all retaining walls and related materials installed by Declarant (the "Community Retaining Wall"). It shall be the intent of Declarant and the ACC to promote visual continuity in and around the Properties. No drains or conduits shall be located with or pass through any retaining wall without the prior written approval of the ACC.

If an Owner modifies or alters or causes or permits the modification or alteration of any Community Retaining Wall located on, at or adjacent to the property line of such Owner's Lot without the prior written approval of the Association or the ACC, such retaining wall shall no longer be included in the Community Retaining Walls maintained by the Association hereunder and such Owner shall be solely liable and responsible for the maintenance and repair of such retaining wall and any and all drainage conditions resulting therefrom.

3.11 Mailboxes and Address Plaques. The Town requires all mailboxes to be uniform and have an antique, cast iron appearance. In accordance with applicable regulations, there is to be a central mail kiosk. Address plaques shall be attached to each Home prior to occupancy. All address plaques permanently fixed to a Home shall be made of pre-cast stone.

3.12 Utilities. Each Home situated on a Lot shall be connected to the water and sewer lines as soon as practicable after same are available at the Lot line. No privy, cesspool, or septic tank shall be placed or maintained upon or in any Lot. However, portable toilets will be required of Builders during Home construction and should be accessible by each Builder's individual construction site. The installation and use of any propane, butane, LP Gas or other gas tank, bottle or cylinder of any type (except portable gas grills), shall require the prior written approval of the ACC, and, if so approved, the ACC shall require that such tank, bottle or cylinder be installed underground. Any control boxes, valves, connections, utility risers or refilling or refueling devices shall be completely landscaped with shrubbery so as to obscure their visibility from the Streets within or adjoining the Properties or from any other Lot.

3.13 Construction Requirements

(a) A minimum of 25% of the Front Elevation of all Homes shall be set back a minimum of an additional 3 feet from the Front Yard Setback as shown in the Plat. The exterior surface of all Homes

shall be constructed of glass, engineered siding, stone, stone veneer, brick, brick veneer or other materials approved by the ACC. It is specifically required that the exterior wall area of each Home located within the Properties will have not less than eighty percent (80%) masonry coverage. To encourage the use of new products, this requirement may be reviewed on a regular basis by the ACC. Exterior paint and stain colors shall be subject to the written approval of the ACC.

(b) The ACC will only approve roofing materials which are of the requisite grade and quality and which are consistent with the external design, color and appearance of other improvements within the Subdivision. Two hundred forty (240) pound, thirty (30) year warranty is the minimum standard of quality for roofing material to be used in the Properties. Metal standing seam or tile roofs satisfactory to the ACC are also acceptable. The roof pitch of any structure shall be 8" x 12", unless architectural style dictates otherwise in the sole discretion of the ACC. No flat roofs shall be allowed. Any deviation of roof pitch or color must be approved in writing by the ACC.

(c) No above ground-level swimming pools shall be installed on any Lot.

(d) All exterior construction of the primary Home, including garage, porches and any other appurtenances or appendages of every kind and character on any Lot and all interior construction (including, but not limited to, all electrical outlets in place and functional, all shall be covered by paint, wallpaper, paneling, or the like, and all floors covered by wood, carpet, tile or other similar floor covering) shall be completed not later than one (1) year following the commencement of construction. For the purposes hereof, the term "commencement of construction" shall be deemed to mean the date on which the Home's foundation forms are set.

(e) No projections of any type shall be placed or permitted to remain above the roof of any Home or other residential building, with the exception of one or more chimneys and one or more vent stacks, without the written permission of the ACC.

(f) All windows are to be low E vinyl. All windows facing a Street shall be divided unless an alternative is dictated by architectural style, in the sole discretion of the ACC. The ACC's review and approval will not review compliance with the Town's PUD, zoning or other ordinances, which shall be the responsibility of the Owner.

(g) All front door selections are to be a minimum of 8' in height and have a decorative architectural style. The ACC's review and approval will not review compliance with the Town's PUD, zoning or other ordinances, which shall be the responsibility of the Owner.

(h) All mechanical equipment, such as HVAC condensers, shall be located away from the Street-side elevation, and screened from view from either the Streets, Common Areas and/or open space areas.

3.14 Garages and Servants Quarters. Each Home erected on a Lot shall provide garage space for a minimum of two (2) conventional automobiles. All garages shall be one of the following: 1) Side located, 2) Rear located, front facing garages separate from the primary structure (with 5' side and rear lot line setbacks), 3) a "Porte Cochere" style driveway/garage court, screened from view from the Street, or 4) Three car garages where the third, front-facing garage door is located at least 20 feet behind the Front Building Setback (behind the 2, side-facing garage doors). No "J-swings" or regular "Front-facing" garages shall be allowed.

All garage doors are to be wood clad, painted or stained depending on the style of the Home. Carriage Style doors with Ornamental Iron and wood plaquing are also acceptable in the sole discretion of the ACC.

All garage doors shall be closed at all times when not in use. Detached garages, carports, servant's quarters, and storage rooms must be approved in writing by the ACC. No garage shall ever be changed, altered, reconstructed or otherwise converted for any purpose inconsistent with the garaging of

automobiles. All garages shall have the prior written consent of the ACC. Porte cocheres must be approved in writing by the ACC.

3.15 Landscaping. All Lots shall be fully landscaped with a combination of trees, shrubs, flowering plants and turf grass. All beds shall be mulched with natural materials, and be edged with metal, stone or brick. Each Home will be required to have a minimum of two, 3-1/2" caliper shade trees planted in the front yard. An automatic irrigation system is required for all landscaped areas visible from the ROW, Common Areas, open spaces and other private properties in and adjacent to the Subdivision.

Any and all plans for the landscaping of front yards and of side yards not enclosed by solid fencing, including alterations changes or additions thereto, shall be subject to the written approval of the ACC. Weather permitting, each Lot shall be fully landscaped within sixty (60) days after the occupancy of the Home constructed thereon. Each Lot Owner shall be responsible for maintaining such Lot Owner's own landscaping in a healthy condition.

3.16 Fences. All Lots siding or backing to Common Area or open space lots shall be fenced with a 5' high ornamental metal fence using an ACC approved design. All front yard fences parallel to the ROW shall also be of 5' ornamental metal. Fencing between Lots shall be 6' high, stained cedar wood fence, with a cap. Individual drive gates must be approved in writing by the ACC.

3.17 Trash Receptacles and Collection. Each Lot Owner shall make or cause to be made appropriate arrangements with the Town for collection and removal of garbage and trash on a regular basis and be consistent with the regulations or requirements promulgated by the Town in connection with the storage and removal of trash and garbage. All Lots shall at all times be kept in a healthful, sanitary and attractive condition. No Lot shall be used or maintained as a dumping ground for garbage, trash, junk or other waste matter. All trash, garbage, or waste matter shall be kept in adequate containers which shall be constructed of metal or plastic, with tightly-fitting lids, or other containers approved by the Town, and which shall be maintained in a clean and sanitary condition.

An Owner may place trash on the street curb abutting the Owner's Lot only on those days designated by the Town as trash collection days. No Lot shall be used for open storage of any materials whatsoever, except that new building materials used in the construction of improvements erected on any Lot may be placed upon such Lot at the time construction is commenced and may be maintained thereon for a reasonable time, so long as the construction progresses without unreasonable delay, until completion of the improvements, after which the materials shall either be removed from the Lot or stored in a suitable enclosure on the Lot. No garbage, trash, debris, or other waste matter of any kind shall be burned on any Lot.

3.18 Exterior Lighting. No exterior lighting, including landscape lighting, shall be installed or maintained on any Lot without prior written approval of the ACC. Further, and notwithstanding such prior written approval, upon being given notice by the ACC that any exterior light is objectionable, the Owner of the Lot on which same is located will immediately remove said light or shield the same in such a way that it is no longer objectionable.

3.19 Window Coolers. No window or wall type air-conditioners or water coolers shall be permitted to be used, erected, placed or maintained on or in any Home or other improvement on any part of the Properties.

3.20 Antennas Restrictions. No radio or television aerial wires or antennas shall be maintained on the outside of any Home or other building nor shall any free standing antennas of any style be permitted without the prior approval of the ACC. All radio or television aerial wires or antennas must be built within the main structure and must not be visible from outside of such structure. No satellite dish shall be permitted over 24" in diameter.

3.21 Temporary Structures and Vehicles. No temporary structure of any kind shall be erected or placed upon any Lot. No trailer, mobile, modular or prefabricated home, tent, shack, barn or any other

structure or building, other than the Home to be built thereon, shall be placed on any Lot, either temporarily or permanently, and no Home, garage or other structure appurtenant thereto shall be moved upon any Lot from another location, except for a sale, pre-sale or construction trailer; provided, however, that ancillary storage buildings may be allowed at the sole discretion and approval of the ACC. In no event will ancillary storage buildings be allowed without the prior written consent of the ACC. Declarant reserves the exclusive right to erect, place and maintain, such facilities in and upon the Property as in its sole discretion may be necessary or convenient during the period of and in connection with the sale of Lots, construction and selling of Homes and constructing other improvements on the Properties. Such facilities may include, but are not necessarily limited to, a temporary sales or construction office or model home during the period of and in connection with the construction and sales operations on the Properties, subject to applicable regulations of the Town.

3.22 Parking. Any truck, bus, boat, boat trailer, trailer, mobile home, camp-mobile, camper or any vehicle other than a conventional automobile shall, if brought within the Properties, must be stored, placed, or parked within the garage of the appropriate Owner, unless otherwise approved by the ACC.

All vehicles belonging to Owners must be parked overnight in the Owner's garage. All vehicles belonging to guests of Owners must be parked in the Owner's garage or driveway. Parking in driveways, behind the front building setback line, is permitted. In no case may the vehicles of Owners, or guests of Owners, be parked in the Streets of the Subdivision or within the any portion of the yard of the Lot. Trucks with tonnage in excess of one half (1/2) ton shall not be permitted to park overnight on the Streets or driveways. No vehicle of any size which transports inflammatory explosive cargo may be parked or stored within the Property at any time.

Any truck, bus, boat, boat trailer, trailer, mobile home, camp-mobile, camper or any vehicle other than a conventional automobile belonging to Owners may be parked in the Owner's driveway or in the Street in front of the Owner's Lot for the purpose of loading or unloading for a period of time not to exceed twenty four (24) hours. On-Street parking is restricted to approved deliveries, pick-up or short-time guests and invitees and shall be subject to such reasonable rules and regulations as shall be adopted by the Board.

3.23 Signs. No signs or flags shall be displayed to the public view on any Lot without the prior written approval of the ACC, with the following exceptions: (i) Declarant may erect and maintain a sign or signs for the construction, development, operation, promotion and sale of the Lots; and (ii) holiday or patriotic flags may be displayed by the Declarant or Owners. Notwithstanding anything herein contained to the contrary, any and all signs, if allowed, shall comply with all sign standards of the Town and the Association, as such standards may be applicable to the Properties.

3.24 Removal of Dirt. The digging of dirt or the removal of any dirt from any Lot is prohibited, except as necessary in conjunction with landscaping or construction of improvements thereon. Any dirt removed from a Lot shall be deposited in a location outside the Subdivision or in a location approved in advance by Declarant or the ACC. Minimum finished floor elevations established on the Plat shall be maintained.

3.25 Swimming. No wading or swimming shall be allowed in any water feature or drainage way situated within the Properties.

3.26 Drilling and Mining Operations. No oil drilling, or development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any Lot, nor shall oil wells, water wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any Lot, except for Declarant's Water Well Lot and Water Well activities as stated herein. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any Lot.

3.27 Offensive Activities. No noxious or offensive activity shall be conducted on any Lot nor shall anything be done thereon which is or may become an annoyance or nuisance to the other Owners. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot, except dogs, cats or

other household pets (not to exceed three (3) adult animals) may be kept, provided that they are not kept, bred or maintained for commercial purposes.

3.28 Duty of Maintenance.

(a) **Association's Responsibility.** The Association shall maintain and keep in good repair the Common Areas and any Association perimeter fencing. The Association shall maintain and keep in good repair all improvements located on the Common Areas, including but not limited to any concrete walkways or other improvements later made on any part of the Common Areas.

(b) Each Owner and occupant (including lessees) of any Lot shall, jointly and severally, have the duty and responsibility, at their sole cost and expense, to keep the Lot so owned or occupied, including Home, buildings, improvements grounds or drainage easements or other rights-of-way appurtenant thereto, and vacant land, in a well-maintained, safe, clean and attractive condition at all times. Such maintenance includes, but is not limited to, the following:

- (i) Prompt removal of all litter, trash, refuse and waste;
- (ii) Lawn mowing on a regular basis of any areas that are enclosed by a private fence creating a private yard space for the Owner thereof.
- (iii) Tree and shrub pruning;
- (iv) Watering landscaped areas and maintenance of any sprinkler systems;
- (v) Keeping exterior lighting and maintenance facilities in working order;
- (vi) Keeping lawn and garden areas alive, free of weeds and attractive;
- (vii) Keeping parking areas, driveways, curbs and roads in good repair;
- (viii) Complying with all government health and police requirements;
- (ix) Repair of exterior damages to improvements;
- (x) Cleaning of landscaped areas lying between Streets and Lot lines, unless such Streets or landscaped areas are expressly designated to be Common Areas maintained by applicable governmental authorities or the Association; and
- (xi) Repainting of improvements.

3.29 Tennis Courts. No tennis courts or batting cages shall be erected, placed or altered on any Lot without the prior approval of the ACC.

3.30 Building Permits. No Owner shall commence construction of any improvements on the Lot owned by such Owner until the plans and specifications for the improvements to be constructed have been approved by the ACC in accordance with this Declaration and the Owner has obtained a building permit from the appropriate governmental authorities allowing the construction of such improvements.

3.31 Common Areas. All Common Areas within the Property are hereby restricted as follows: No light fixtures, athletic fields, athletic scoring posts, or any other structures, improvements or amenities shall be installed, constructed or placed upon the Common Areas; save and except for the sprinkler systems and landscaping located upon such Common Areas as of the date hereof or later installed by Declarant or the Association or their representatives, except as approved in writing by the ACC.

3.32 Lease Restrictions. A residence may be leased for a lease term of no less than one (1) year. All leases must be in writing and a copy of the lease delivered to the Board within ten (10) days after its execution. All tenants shall be bound by this Declaration, but the lease of a Home or Lot does not discharge the Owner from compliance with any of the obligations and duties of the Owner. All leases shall make reference to this Declaration and the leasing Owner shall provide its tenants with a copy of this Declaration. All leases shall be subject to this Declaration and the other documents of the Association, regardless of whether the lease makes specific reference to them or whether the Owner delivers this Declaration to the tenant.

3.33 Outdoor Living Structures. Any outdoor living structure, including without limitation a pergola, arbor, children's play set, or storage or other building, enclosure or improvement (limited to six (6) feet above the ground), must be constructed to blend with the existing Home by using materials similar to the Home structure. Only wood or shingle roofs are acceptable and there will be no cloth, canvas or colored roofs. The approved standard stain color is a medium brown, and the outdoor structures must be continually maintained by Owner. All such structures must have prior written approval by the ACC.

3.34 Prohibition of Building Repetition. The same building elevation and exterior Home color palette may not be repeated on the adjacent 4 neighboring Lots and the Lots across the Street from those Lots (up to 9 Lots on each side of the Street, as many as 18 Lots total) within the same block of the Subdivision. Variation in elevation may be achieved by two of the three following, in the sole discretion of the ACC: 1) the use of different materials (i.e. a change in brick or stone color, or type), 2) a varied window pattern (arched, peaked, flat, eyebrow, etc.) and/or 3) a change to eave, roof or fenestration configuration; or a completely different elevation design and layout using similar materials. Regarding this Section 3.34, the discretion of the ACC, and any requirements of the Town (if and as applicable), shall be binding and final. Owners and not the ACC shall be responsible for meeting any Town requirements.

ARTICLE IV ARCHITECTURAL CONTROL COMMITTEE

4.01 Architectural Control Committee. As long as Declarant holds title to any of the Lots, the Architectural Control Committee, hereinafter called the "ACC", shall be composed of two (2) or more individuals selected and appointed by the Declarant. At such time as Declarant no longer holds title to any of the Lots, the ACC shall be composed of such individuals selected by vote of the Owners, who shall have one (1) vote for each Lot owned. The ACC shall use its best efforts to promote and ensure a high level of quality, harmony and conformity throughout the Properties. The ACC shall function as the representative of the Owners for the purposes herein set forth as well as for all other purposes consistent with the creation and preservation of a first-class residential development.

A majority of the ACC may designate a representative to act for it. In the event of the death or resignation of any member of the ACC, the remaining members shall have full authority to designate and appoint a successor. No member of the ACC, nor their designated representative, shall be entitled to any compensation for services performed hereunder nor be liable for claims, causes or action or damages (except where occasioned by gross negligence or arbitrary and capricious conduct) arising out of services performed, actions taken or inaction in connection with any undertaking, responsibility, or activity hereunder or request for action hereunder. At any time, the Declarant may delegate and assign to the Owners all of the Declarant's power and right to change the membership of the ACC, to withdraw or add powers and duties from or to the ACC, or to restore the powers and duties of the ACC. Such action by the Declarant shall be effective upon recordation of a written instrument properly reflecting same in the Office of the County Clerk of Denton County, Texas.

4.02 Architectural Approval. No Home, building, structure, fence, wall or improvement of any kind or nature shall be erected, constructed, placed, altered, changed or modified on any Lot until the plot plan showing the location of such building, structure, paving or improvement, construction plans and specifications thereof and landscaping and grading plans therefore have been submitted to and approved in writing by the ACC as to: (i) location with respect to Lot lines; topography; finished grades elevation;

effect of location and use on neighboring Lots and improvements situated thereon; and any drainage arrangement, (ii) conformity and harmony of external design, color, texture, type and appearance of exterior surfaces and landscaping with existing structures and existing landscaping, (iii) quality of workmanship and materials; adequacy of the site dimensions; adequacy of structural design; proper facing of main elevation with respect to nearby Streets; and (iv) the other standards set forth within this Declaration (and any amendments hereto) or as may be set forth in bulletins promulgated by the ACC. The ACC is authorized to request the submission of samples of proposed construction materials or colors of proposed exterior surfaces. As long as Declarant holds title to any of the Lots, the ACC shall also approve, in writing, the individual or entity Builder that will construct the Home and all other improvements on any Lot.

Regarding all Lots, final plans, specifications, all supporting documentation, and an ACC Application form (collectively the "ACC Application") shall be submitted to the ACC for approval or disapproval. At such time as the plans and specifications meet the approval of the ACC, one complete set of plans and specifications will be retained by the Committee and the ACC Application will be marked "Approved" and returned to the Owner. If found not to be in compliance with this Declaration or otherwise unacceptable to the ACC, the ACC Application will be returned marked "Disapproved", accompanied by a reasonable statement regarding such disapproval. Any modification or change to an "Approved" ACC Application which materially affects items (i) through (iv) of the preceding paragraph must again be submitted to the ACC for its inspection and approval. The ACC's approval or disapproval as required herein shall be in writing. If the ACC or its designated representative fails to approve or disapprove an ACC Application within thirty (30) days after the same has been submitted, then ACC approval shall be presumed.

The ACC is authorized and empowered to consider and review any and all aspects of dwelling construction, construction of other improvements and location, quality and quantity of landscaping on the Lots, and may disapprove aspects thereof which may, in the reasonable opinion of the ACC, adversely affect the living enjoyment of one or more Owner(s) or the general value of the Properties. As an example, and not by way of limitation, the ACC may impose limits upon the location of window areas of one residential dwelling which would overlook the enclosed patio area of an adjacent residential dwelling. Also, the ACC is permitted to consider technological advances in design and materials and such comparable or alternative techniques, methods or materials may or may not be permitted, in accordance with the reasonable opinion of the ACC. The ACC may, from time to time, publish and promulgate architectural standards bulletins, and if so, the ACC will use its best efforts that the same be fair, reasonable, uniformly applied and shall carry forward the spirit and intention of this Declaration. Such bulletins (if any) shall supplement this Declaration and be incorporated herein by reference. The ACC shall have the authority to make final decisions in interpreting the general and/or specific intent, effect and purpose of this Declaration.

It is the intent of Declarant that this Declaration and any bulletins issued by the ACC promote harmonious design throughout the Properties. However, approval of any ACC Application by the ACC and compliance with the bulletins issued by the ACC does not insure compliance with building codes, the PUD or any other regulations or restrictions imposed by the Town or other applicable governmental authorities, nor does it insure backyard privacy.

4.03 Nonconforming and Unapproved Improvements. The Declarant or the ACC may require any Owner to restore such Owner's Improvements to the condition existing prior to the construction thereof (including, without limitation, the demolition and removal of any unapproved improvement) if, in Declarant's or the ACC's sole opinion, such improvements were commenced or constructed in violation of this Declaration. In addition, the Declarant or the ACC may, but has no obligation to, cause such restoration, demolition and removal, and levy the full amount of the cost thereof as a special individual assessment against the Lot upon which such improvements were commenced or constructed.

4.04 No Liability. None of Declarant, the ACC, the Association, the Board, any Association committee, nor the officers, directors, members, employees, representatives and/or agents of any of them, shall be liable in damages to any party submitting plans and specifications to any of them for approval, or to any Owner by reason of mistake in judgment, negligence, or nonfeasance arising out of or

in connection with the approval or disapproval or failure to approve or disapprove any ACC Application. Every person or entity who submits an ACC Application and every Owner agrees that such Owner or party will not bring any action or suit against Declarant, the ACC, the Association, the Board, any Association committee, nor the officers, directors, members, employees, representatives or agents of any of them, to recover any such damages, and hereby releases and quitclaims all claims, demands and causes of action arising out of or in connection with any judgment, negligence or nonfeasance, and hereby waives the provisions of any law which provides that a general release does not extend to claims, demands and causes of action not known at the time the release is given. ACC Applications will not be approved for engineering or structural design, adequacy of materials, or quality of workmanship, and by approving any ACC Application, none of the ACC, the members of the ACC, Declarant, the Association, the Board, any Association committee, nor the officers, directors, members, employees, representatives and/or agents of any of them, assumes liability or responsibility therefor.

ARTICLE V EASEMENTS

5.01 General. In addition to the other provisions of this Declaration, the rights and duties of the Owners with respect to sanitary sewer, water, electricity, natural gas, telephone and cable television lines and drainage facilities, and related matters, shall be governed by the following:

(a) Wherever (i) sanitary sewer or water service connections, (ii) natural gas, electricity, telephone or cable television lines, or (iii) drainage facilities are installed within the Properties, which connections, lines or facilities or any portion thereof lie in or upon Lots owned by any party other than the Owner of a Lot served by said connections, lines or facilities, such Owners of Lots served shall have the right and are hereby granted an easement to the full extent necessary therefor, to enter upon the Lots within or upon which said connections, lines or facilities or any portion thereof lie, to repair, replace and generally maintain said connections, lines or facilities, as and when the same may be necessary.

(b) Wherever (i) sanitary sewer or water service connections, (ii) natural gas, electricity, telephone or cable television lines, or (iii) drainage facilities are installed within the Properties, which connections, lines or facilities serve more than one Lot, the Owner of each Lot served by said connections, lines or facilities shall be entitled to the full use and enjoyment of such portions of said connections, lines or facilities which service such Owner's Lot.

5.02 Reservation of Easements. Easements over the Lots and Properties for the installation and maintenance of electric, telephone, cable television, water, gas and sanitary sewer lines and drainage facilities, and related matters, are hereby reserved by the Declarant together with the right to grant and transfer same.

5.03 Surface Areas of Utility Easements. Easements for installation and maintenance of utilities are reserved as shown and provided for on the Plat. Underground electric, storm sewer, sanitary sewer, water, natural gas and telephone service shall be available to all Lots in the Subdivision. Easements for the underground service may be crossed by driveways, walkways, patios, brick walls and fences, provided the Declarant or Builder makes prior arrangements with the utility companies furnishing electric, storm sewer, sanitary sewer, water, natural gas and telephone service and provides and installs any necessary conduit of approved type and size under such driveways, walkways, patios, brick walls or fences prior to construction thereof. Such easements for the underground service shall be kept clear of all other improvements, and neither the grantee nor any utility company using the easements shall be liable for any damage done by either of them or their assigns, their agents, employees or servants, to shrubbery, trees, flowers or other improvements (other than for damages caused in crossing driveways, walkways, patios, brick walls or fences, providing conduit has been installed as outlined above) of the Owner located on the Lot covered by said easements. In addition, the utility easements shall not be used as alleyways.

5.04 Emergency and Service Vehicles. An easement is hereby granted to all police, fire protection, ambulance and other emergency vehicles and other service vehicles to enter upon the Properties, including but not limited to the Lots, in the performance of their duties.

5.05 Universal Easement. The Owner of each Lot (including Declarant so long as Declarant is the Owner of any Lot) is hereby granted an easement not to exceed one (1) foot in width over all adjoining Lots and Properties for the purpose of accommodating any encroachment due to engineering errors, errors in original construction, settlement or shifting of the building, or any other cause. There shall be easements for the maintenance of said encroachment, settling or shifting; provided, however, that in no event shall an easement for encroachment be created in favor of an Owner or Owners if said encroachment occurred due to willful misconduct of said Owner or Owners. Each of the easements hereinabove referred to shall be deemed to be established upon the recordation of this Declaration and shall be appurtenant to the Lot being serviced and shall pass with each conveyance of said Lot.

ARTICLE VI GENERAL PROVISIONS

6.01 Duration. This Declaration shall run with and bind the land, including all Properties, subject to this Declaration, and shall inure to the benefit of and be enforceable by the Declarant and/or any Owner, their respective legal representatives, heirs, successors and assigns, for a term of thirty-five (35) years from the date that this Declaration is recorded in the Office of the County Clerk of Denton County, Texas, after which time this Declaration shall be automatically extended for successive periods of ten (10) years unless an instrument signed by the Owners of eighty percent (80%) of the Lots in the subdivision has been recorded in the Office of the County Clerk of Denton County, Texas, agreeing to abolish or terminate this Declaration, provided, however, that no such agreements to abolish shall be effective unless made and recorded one (1) year in advance of the effective date of such abolishment.

6.02 Amendments. This Declaration may be amended, modified and/or changed as follows:

(a) during the time Declarant holds title to 50% of more of the Lots, the Declarant may amend or change this Declaration in any manner deemed necessary or appropriate by the Declarant;

(b) during the time Declarant holds title to less than 50% of the Lots, the Declarant may amend or change this Declaration with the consent of at least 50% of Owners other than Declarant then owning Lots;

(c) in all other situations, this Declaration may be amended or changed upon the express written consent of at least seventy percent (70%) of the Owners of the Lots.

Any and all amendments to this Declaration shall be recorded in the Office of the County Clerk of Denton County, Texas. Notwithstanding the foregoing, Declarant may at any time execute and record amendment(s) to this Declaration without such consent or approval if such amendment(s) is/are for the purpose of correcting technical or typographical errors or for clarification only.

6.03 Enforcement. Enforcement of this Declaration shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate this Declaration, or to recover damages or to enforce any lien created by this Declaration; and failure by the Declarant, the ACC, the Association, the Board, or any Owner, or any of their representatives, to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

6.04 Severability. Invalidity of any one or more of the Provisions of this Declaration by judgment or court order shall in no wise affect any other provision of this Declaration or the remainder of this Declaration, which shall remain in full force and effect.

6.05 Headings. The headings contained in this Declaration are for reference purposes only and shall not in any way affect the meaning or interpretation of this Declaration.

6.06 Notices to Owners. Any notice required to be given to any Owner under the provisions of this Declaration shall be deemed to have been properly delivered when deposited in the United States mail, postage prepaid, addressed to the last known address of such Owner at the time of such mailing.

6.07 Termination of and Responsibility of Declarant. If Declarant (i) conveys all or any portion of its right, title and interest in and to the Subdivision or any Properties therein and/or this Declaration, and/or (ii) assigns or transfers all or any portion of its rights, benefits and/or obligations as Declarant hereunder, in any case to any entity or entities and/or any individual or individuals, then, in such event, Declarant shall be relieved of the performance of any further duty or obligation hereunder regarding the interest, right, duty or obligation so conveyed, assigned or transferred, and such transferee entity or entities, individual or individuals (as applicable) shall succeed to all of such rights, and shall be obligated to perform all such duties and obligations, of the Declarant so conveyed, assigned or transferred.

ARTICLE VII MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

7.01 Membership. Solely by purchase of a Lot, every Owner of a Lot shall automatically become and thereafter be a "Member" of "Lakes of Argyle HOA, Inc.", or a similarly named entity, a Texas entity formed or to be formed in connection with and in furtherance of this Declaration (the "Association"). Owner Membership in the Association shall be appurtenant to and may not be separated from ownership of any Lot which is subject to this Declaration.

7.02 Voting.

(a) Members shall be entitled to one (1) vote for each Lot in which they hold the interest required for membership. When more than one person holds such interest or interests in any Lot, all such persons shall be Members, and the vote for such Lot shall be exercised as they, among themselves, determine, but in no event shall more than one vote be cast with respect to any such Lot.

(b) Notwithstanding the voting rights within the Association, until the Declarant no longer owns record title to any Lot, the Association shall take no action with respect to any matter whatsoever without the prior written consent of the Declarant.

(c) Owners of Properties in the Subdivision other than residential Lots, such as all Properties dedicated and accepted by the local public authority and devoted to public use, shall be Members but shall not have voting rights.

7.03 Quorum, Notice and Voting Requirements.

(a) Subject to the Provisions of Paragraph (c) below, of this Section, any action taken at a meeting of the Members shall require the assent of the majority of all of the votes of those who are voting in person or by proxy at a meeting duly called, written notice of which shall be given to all Members not less than ten (10) days nor more than fifty (50) days in advance.

(b) The quorum required for any action referred to in Paragraph (a) of this Section shall be the presence at the initial meeting of Members entitled to cast or of proxies entitled to cast, a majority of the votes of all Members shall constitute a quorum for any action except as otherwise provided in the Certificate of Formation, the Bylaws and/or the other governing documents of the Association (collectively the "Governing Documents") or this Declaration. If the required quorum is not present or represented at the meeting, one additional meeting may be called, subject to the notice requirements herein set forth, and the required quorum at such second meeting shall be one-half (1/2) of the required quorum at the preceding meeting; provided, however, that no such second meeting shall be held more than sixty (60) days following the first meeting.

(c) As an alternative to the procedure set forth above, any action referred to in Paragraph (a) of this Section may be taken without a meeting if a consent in writing approving of the action to be taken, shall be signed by the requisite number of Lots necessary to approve such action.

(d) Except as otherwise specifically set forth in this Declaration, notice, voting and quorum requirements for all actions to be taken by the Association shall be consistent with its Governing Documents, as same may be amended from time to time.

(e) During the period of time that the Association is not yet formed and operating, the Declarant shall have the sole right and option to prescribe reasonable procedures for the meetings (if any) of the Members; provided, however, that prior to Association formation and operation, without the written approval of the Declarant, no Member (other than Declarant) shall have a right to vote on any matter, or to call any meetings of the Members of the Association. Except as specifically set forth in this Declaration, notice, voting and quorum requirements for all action to be taken by the Association when formed and operating shall be consistent with its Governing Documents, as same may be amended from time to time.

ARTICLE VIII COVENANTS AND ASSESSMENTS

8.01 Creation of the Lien and Personal Obligation of Assessments. In all cases, all Lots owned by Declarant shall not be subject to any of the Assessments or related provisions stated herein. Other than Declarant or Lots owned by Declarant, the Owner of each Lot, including any Builder, for each Lot owned by such Owner, hereby covenants and agrees, and each purchaser of any Lot, by acceptance of a deed or other conveyance document creating in such Owner the interest required to be deemed an Owner, whether or not it shall be so expressed in any such deed or other conveyance document, shall be deemed to covenant and agree (and such covenant and agreement shall be deemed to constitute a portion of the consideration and purchase money for the acquisition of the Lot), to pay the Association (or to an entity or collection agency designated by the Association): (1) annual maintenance assessments or charges (as specified in Section 8.04 hereof), such assessments to be fixed, established and collected from time to time as herein provided; (2) special assessments for capital improvements and other purposes (as specified in Section 8.05 hereof), such assessments to be fixed, established and collected from time to time as hereinafter provided; and (3) individual special assessments levied against one or more Owners to reimburse the Association for extra costs for maintenance and repairs caused by the willful or negligent acts or omissions of such Owner or Owners, such Owner's tenants (if applicable) and their respective family, agents, guests and invitees, and not caused by ordinary wear and tear (as specified in Section 8.05 hereof), all of such assessments to be fixed, established and collected from time to time as hereinafter provided. The annual maintenance, special capital, and special individual assessments described in this Section 8.01 (hereinafter, the "Assessment" of the Assessments", together with interest thereon, attorneys' fees, court costs and other costs of collection thereof, as herein provided), shall be a charge on the land and shall be a continuing lien upon each Lot against which any such Assessment is made. Each such Assessment, together with interest thereon, attorneys' fees, court costs, and other costs of collection thereof shall also be the continuing personal obligation of the Owner of such Lot at the time when the assessment becomes due. Further, no Owner may exempt such Owner from liability for such Assessments or waive or otherwise escape liability for the Assessments by non-use of the Common Areas or abandonment of such Owner's Lot. Existing obligations of an Owner to pay Assessments and other costs and charges shall not pass to bona fide first lien mortgagees which become Owners by reason of foreclosure proceedings or in action at law subsequent to the date the Assessment was due; provided; however, any such foreclosure proceeding or action at law shall not relieve such new Owner of such Lot from liability for the amount of any Assessment thereafter becoming due nor from the lien securing the payment of any subsequent Assessment.

8.02 Purpose of Assessments. The Assessments levied by the Association shall be used for (i) the purpose of promoting the recreation, comfort, health, safety and welfare of the Members and Lots and/or the residents within the Properties; (ii) maintaining the Common Areas; (iii) enhancing the quality of life in the Properties and the value of the Properties; (iv) improving and maintaining the common Areas, the

Properties, services, improvements and facilities devoted to or directly related to the use and enjoyment of the Common Areas, including, but not limited to, the payment of taxes on the Common Areas and insurance in connection therewith and the repair, replacement and additions thereto; (v) paying the cost of labor, equipment (including the expense of leasing any equipment) and materials required for, and management and supervision of, the Common Areas; (vi) carrying out the powers and duties of the Board of the Association as set forth in this Declaration and the Governing Documents of the Association; (vii) carrying out the powers and duties relating to the ACC, after Declarant has delegated or assigned such ACC powers and duties to the Association, (ix) enforcing this Declaration and paying legal fees and other costs associated with enforcement of this Declaration.

8.03 Improvement and Maintenance of the Common Areas Prior to Assessments. Initially and except as provided herein, the improvement of the Common Areas shall be the responsibility of the Declarant and shall be undertaken by Declarant at its sole cost and expense with no right to reimbursement from the Association. Except as provided herein, after the initial improvements to the Common Properties are substantially completed and until the date of the Assessments formally commence, the Declarant, on behalf of the Association, shall have the responsibility and duty (with right of reimbursement once Assessments begin) of maintaining the Common Areas, including, but not limited to, the payment of taxes on and insurance in connection with the Common Areas and the cost of repairs, replacements and additions thereto, and for paying the cost of labor, equipment (including the expense of leasing any equipment) and materials required for, and management and supervision of, the Common Areas.

8.04 Annual Maintenance Assessments. For each calendar year or a part thereof during the term of this Declaration, the Board shall endeavor to establish an estimated budget of the expenses to be incurred by the Association for the forthcoming calendar year in performing its duties (collectively, the "Common Expenses"). Based upon such budget, the Association shall then endeavor to assess each Lot an annual fee (the "Maintenance Assessment") which shall be paid by each Owner in advance of the budget year. Assessments are due on January 1 and late on January 31 unless otherwise determined by the Board.

(a) The Board shall endeavor to determine the amount of the annual maintenance assessments for each year, which assessment may include a reserve fund for working capital and for maintenance, repairs and replacements of the Common Areas. The Association shall endeavor to notify each Owner of the Maintenance Assessment for the ensuing year by December 15 of the preceding year, but failure to give such notice shall not relieve any Owner from its obligation to pay Maintenance Assessments.

(b) Subject to the provisions of Section 8.04(c) hereof, the rate of annual Maintenance Assessments may be increased by the Board. The Board may, after consideration of current maintenance, operational and other costs and the future needs of the Association, fix the annual Maintenance Assessments for any year at a lesser amount than that of the previous year.

(c) An increase in the rate of the annual Maintenance Assessments as authorized by Section 8.04(b) hereof in excess of ten percent (10%) of the preceding year's annual Maintenance Assessments must be approved by the Members in accordance with Section 7.03 hereof, except in the event the Board determines that, due to unusual circumstances, the maximum annual Maintenance Assessment even as increased by ten percent (10%) will be insufficient to enable the Association to pay the Common Expenses. In such an event, the Board shall have the right to increase the maximum annual Maintenance Assessment by the amount necessary to provide sufficient fund to cover the Common Expenses.

(d) Annual Maintenance Assessments shall be ascertained, invoiced and paid annually on a calendar year basis. Not later than thirty (30) days prior to the beginning of each calendar year of the Association, the Board shall endeavor to: (i) estimate the total Common Expenses to be incurred by the Association for the forthcoming calendar year, (ii) determine, in a manner consistent with the terms and provisions of this Declaration, the amount of the annual Maintenance Assessments to be paid by each Lot and (iii) establish the date of commencement of the annual Maintenance Assessments. Written notice of

the annual Maintenance Assessments to be paid by each Lot and the date of commencement thereof shall be sent to every Lot, but only to one (1) Lot Owner as reflected in the records of the Association. Each Lot shall thereafter pay to the Association such Lot's annual Maintenance Assessment in such manner as determined by the Board in accordance with this Declaration.

8.05 Special Care Assessments and Special Individual Assessments.

(a) In addition to the annual Maintenance Assessments authorized in Section 8.04 hereof, the Board of the Association may levy in any calendar Assessment year a special capital Assessment (the "Special Capital Assessment") for the purpose of (i) defraying, in whole or in part, the cost of any construction or reconstruction, repair or replacement of improvements upon the Properties, including without limitation any Common Areas, including the necessary fixtures and personal property related thereto (ii) maintaining portions of the Common Areas and improvements thereon, or (iii) carrying out other purposes of the Association; provided, however, that any such Special Capital Assessment levied by the Association shall have the approval of the Members in accordance with Section 7.03 hereof. Any Special Capital Assessment levied by the Association shall be paid by the Members directly to the Association on such date or dates as determined by the Board. All such amounts collected by the Association may only be used for the purposes set forth in this Section 8.05 and shall be deposited by the Board in a separate bank account to be held in trust for such purpose. These funds shall not be commingled with any other funds of the Association.

(b) The Board of the Association may levy special individual assessments (a "Special Individual Assessment") against one or more Owners for (i) reimbursement to the Association of the costs for repairs to the Properties or Common Areas and improvements thereto occasioned by the willful or negligent acts of such Owner or Owners and not ordinary wear and tear; or (ii) for payment of fines, penalties or other charges imposed against an Owner or Owners relative to such Owner's failure to comply with the terms and provisions of this Declaration and/or the Governing Documents of the Association or any rules or regulation promulgated hereunder or thereunder. Any Special Individual Assessment levied by the Association shall be paid by the Owner or Owners directly to the Association. All amounts collected by the Association as Special Individual Assessments under this Section 8.05 shall belong to and remain with the Association.

8.06 Date of Commencement of Assessments; Due Dates; No Offsets. The annual Maintenance Assessments provided for herein shall commence on the date fixed by the Board of the Association to be the date of commencement and, except as hereinafter provided, shall be payable annually, in advance, on the first day of each payment period thereafter, as the case may be and as the Board shall direct. The first annual Maintenance Assessment shall be made for the balance of the calendar year in which it is levied. The amount of the annual Maintenance Assessment which may be levied for the balance remaining in the first year of Assessment shall be an amount which bears the same relationship to the annual Maintenance Assessment provided for in Section 8.04 hereof as the remaining number of months in that year bears to twelve; provided, however, that if the date of commencement falls on other than the first day of a month, annual Maintenance Assessment for such month shall be prorated by the number of days remaining in the month. All Assessments shall be payable in the amount specified by the Association and no offsets against such amount shall be permitted for any reason.

8.07 Obligations of Lot Owners During Construction with Respect to Assessments.

(a) The maximum annual Maintenance Assessment payable by Builder or Owner during construction of a Home on the Lot shall be one-half (1/2) of the then existing Association annual Maintenance Assessment regarding such Lot, and

(b) The maximum annual Maintenance Assessment payable by Builder or Owner on which a Home and related improvements on the Lot have been completed, as determined by the date of the Town-issued certificate of occupancy, shall be the then existing Association annual Maintenance Assessment regarding such Lot.

(c) The maximum fee that may be charged for a "Resale Certificate" to (i) the initial purchaser of a Lot from Declarant, and (ii) the initial purchaser of a Lot with a completed Home thereon from Builder, shall not exceed \$100 per lot.

(d) All Assessments and other fees payable to the Association after completion of the Home and transfer of the Lot and Home to the initial homeowner and thereafter will be payable as provided in the Governing Documents of the Association and this Declaration.

(e) Declarant will charge a \$250 per Home "Application Review Fee" when the initial ACC Application under Section 4.02 above is submitted, regardless of whether approval is granted, payment of which Application Review Fee is required as a condition of such review in addition to the other requirements of Section 4.02. Thereafter, Declarant, the ACC and/or the Association (as applicable) may charge, and require payment of, a reasonable fee as a condition of all subsequent reviews of a party or parties under this Declaration, regardless of whether approval is granted.

8.08 Duties of the Board with Respect to Assessments.

(a) The Board of the Association shall endeavor to fix the date of commencement and the amount of the annual Maintenance Assessment against each Lot for each assessment period at least thirty (30) days in advance of such date or period and shall, at that time, endeavor to prepare a roster of the Lots and Assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Owner.

(b) Written notice of all Assessments shall be delivered or mailed to every Lot subject thereto. Such notice shall be sent to each Lot or Owner at the last address provided by each Lot or Owner, in writing, to the Association. In the absence of prior written notice to the Association otherwise, the notice address for all Lots/Owners shall be the physical address of the Lot.

(c) The omission of the Board to fix any Assessments within the time period set forth above for any year shall not be deemed a waiver or modification in any respect of the provisions of this Declaration, or a release of any Owner from the obligation to pay the Assessments, or any installment thereof for that or any subsequent year, but the Assessment fixed for the preceding year shall continue until a new Assessment is fixed.

8.09 Non-Payment of Assessment.

(a) Delinquency. Any Assessment, or installment thereof, which is not paid in full when due shall be delinquent on the day following the due date (herein, "Delinquency Date") as specified in the notice of such Assessment. The Association shall have the right to reject partial payment of an Assessment and demand full payment thereof. If any Assessment or part thereof is not paid within ten (10) days after the Delinquency Date, the unpaid amount of such Assessment shall bear interest from and after the Delinquency Date until paid at a rate equal to the lesser of (i) eighteen percent (18%) per annum or (ii) the maximum lawful rate.

(b) Lien. The unpaid amount of any Assessment not paid by the Delinquency Date shall, together with the interest thereon as provided herein and the cost of collection thereof, including reasonable attorney's fees, become a continuing lien and charge on the Lot of the non-paying Owner, which shall bind such Lot in the hands of the Owner, and such Owner's heirs, executors, administrators, devisees, personal representatives, successors and assigns. The lien shall be superior to all other liens and charges against the Lot, except only for tax liens and the lien of any bona fide first mortgage or first deed of trust now or hereafter placed upon such Lot. A subsequent sale or assignment of the Lot shall not relieve the Owner from liability for any Assessment made prior to the date of sale or assignment and thereafter becoming due nor from the lien of any such Assessment. The Board shall have the power to subordinate the lien securing the payment of any Assessment rendered by the Association to any other lien. Such power shall be entirely discretionary with the Board. As hereinbefore stated, the personal

obligation of the Owner incurred at the time of such Assessment to pay such Assessment shall remain the personal obligation of such Owner and shall not pass to such Owner's successors in title unless expressly assumed by them in writing. Liens for unpaid Assessments shall not be affected by any sale or assignment of a Lot and shall continue in full force and effect. No Owner may exempt such Owner from liability for such assessment or waive or otherwise escape liability for the Assessments by non-use of the Common Areas or abandonment of such Owner's Lot. To evidence any lien, the Association may prepare a written notice of lien setting forth the amount of the unpaid indebtedness, the name of the Owner of the Lot covered by such lien and a description of the Lot covered by such lien. Such notice may be executed by one of the officers of the Association and be recorded in the Office of the County Clerk of Denton County, Texas. However, such lien shall be effective on the applicable Lot and Owner notwithstanding any lack of such written lien notice and/or recording of such written lien notice.

(c) **Remedies.** The lien securing the payment of the Assessments shall attach to the Lot belonging to such non-paying Owner with the priority set forth in this Declaration. The Association may institute an action at law against the Owner or Owners personally obligated to pay the Assessment and/or for the foreclosure of the aforesaid lien. In any foreclosure proceeding the Owner shall be required to pay the costs, expenses and reasonable attorneys' fees incurred by the Association. In the event an action at law is instituted against the Owner or Owners personally obligated to pay the Assessment, there shall be added to the amount of any such Assessment:

- (i) the interest provided in this Section, plus any service fees charged by any representative of the Association,
- (ii) the costs of preparing and filing the complaint in such action,
- (iii) the reasonable attorneys' fees incurred in connection with such action, and
- (iv) any other costs of collection;

Further, in the event a judgment is obtained, such judgment shall include interest on the Assessment as provided in this Section and a reasonable attorneys' fee to be fixed by the court, together with the costs of the action.

Each Owner, by acceptance of a deed to a Lot, hereby expressly vests in the Association or its agents or trustees the right and power to bring all actions against such Owner personally for the collection of such charges as a debt, and to enforce the aforesaid liens by all methods available for the enforcement of such liens, including without limitation non-judicial foreclosure pursuant to Section 51.002 of the Texas Property Code (and/or other applicable sections), and such Owner hereby expressly grants to the Association the private power of sale in connection with said liens.

(d) **Notice to Mortgagees.** The Association may, and upon the written request of any mortgagee holding a prior lien on any part of the Properties, shall report to said mortgagee any Assessments remaining unpaid for longer than thirty (30) days after the delinquency date of such Assessment.

(e) **Returned or NSF Checks.** Any bank service charges for Returned or NSF checks will be charged to the Owner plus a fee not less than \$20.00 for the Association's or its agent's administrative costs and efforts to collect and process the returned or NSF check.

8.10 Subordination of the Lien to Mortgages. The lien securing the payment of the Assessments shall be subordinate and inferior to the lien of any bona fide first lien mortgage or deed of trust now or hereafter recorded against any Lot; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale, whether public or private, of such property pursuant to the terms and conditions of any such mortgage or deed of trust. Such sale shall not

relieve the new Owner of such Lot from liability for the amount of any assessment thereafter becoming due nor from the lien securing the payment of any subsequent assessment.

8.11 Enforcement Policy. In addition to but not in replacement of the foregoing, attached hereto as Exhibit D and incorporated by reference herein is the Enforcement Policy (as defined in Exhibit D) regarding the matters referenced in Exhibit D.

ARTICLE IX OTHER PROVISIONS

9.01 TO THE EXTENT OF ANY CONFLICT BETWEEN THIS SECTION 9.01 AND ANY OTHER PROVISION OF THIS DECLARATION, THIS SECTION 9.01 SHALL CONTROL. IN SOME INSTANCES, THE MANDATORY REQUIREMENTS OF ANY GOVERNMENTAL ENTITY, STATUTE, RULE, REGULATION, ORDINANCE, PID OR PUD GERMANE TO OR HAVING VALID JURISDICTION OVER THE SUBJECT MATTER OF THIS DECLARATION (COLLECTIVELY THE "GOVERNMENTAL REQUIREMENTS") MAY BE MORE OR LESS RESTRICTIVE THAN THE PROVISIONS OR REQUIREMENTS OF THIS DECLARATION. COMPONENTS OF THE GOVERNMENTAL REQUIREMENTS WILL CHANGE OVER TIME. IN THE EVENT A CONFLICT EXISTS BETWEEN ANY GOVERNMENTAL REQUIREMENT AND ANY PROVISION OR REQUIREMENT OF THIS DECLARATION, THE MOST RESTRICTIVE PROVISION OR REQUIREMENT SHALL PREVAIL, EXCEPT IN CIRCUMSTANCES WHERE COMPLIANCE WITH A MORE RESTRICTIVE PROVISION OR REQUIREMENT OF THIS DECLARATION WOULD RESULT IN VIOLATION OF AN APPLICABLE GOVERNMENTAL REQUIREMENT, IN WHICH EVENT SUCH GOVERNMENTAL REQUIREMENT SHALL APPLY. COMPLIANCE WITH GOVERNMENTAL REQUIREMENTS WILL NOT RESULT IN THE BREACH OF THIS DECLARATION EVEN THOUGH SUCH COMPLIANCE MAY RESULT IN NONCOMPLIANCE WITH PROVISIONS OR REQUIREMENTS OF THIS DECLARATION. WHERE A GOVERNMENTAL REQUIREMENT DOES NOT CLEARLY CONFLICT WITH THE PROVISIONS OR REQUIREMENTS OF THIS DECLARATION, BUT PERMITS (EXPRESSLY OR BY OMISSION) ACTION THAT IS DIFFERENT FROM THAT PROVIDED FOR OR REQUIRED BY THIS DECLARATION, THE PROVISIONS AND REQUIREMENTS OF THIS DECLARATION SHALL PREVAIL AND CONTROL.

IN WITNESS WHEREOF, the Declarant has caused this instrument to be executed as of the 17 day of April, 2018.

Lakes of Argyle, LLC (DECLARANT)

By: H Creek Development, Member

By:

Kosse Maykus, Manager

STATE OF TEXAS

COUNTY OF TARRANT

THIS INSTRUMENT was acknowledged before me on this 17 day of April, 2018, by Kosse Maykus, Manager of H Creek Development, LLC, Member of The Lakes of Argyle, LLC, on behalf of said entities.

[Affix Notary Seal]

Vicki L. Humphrey
Notary Public, State of Texas

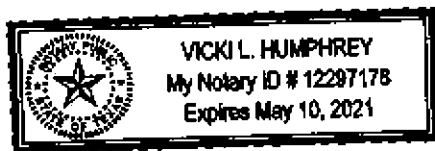
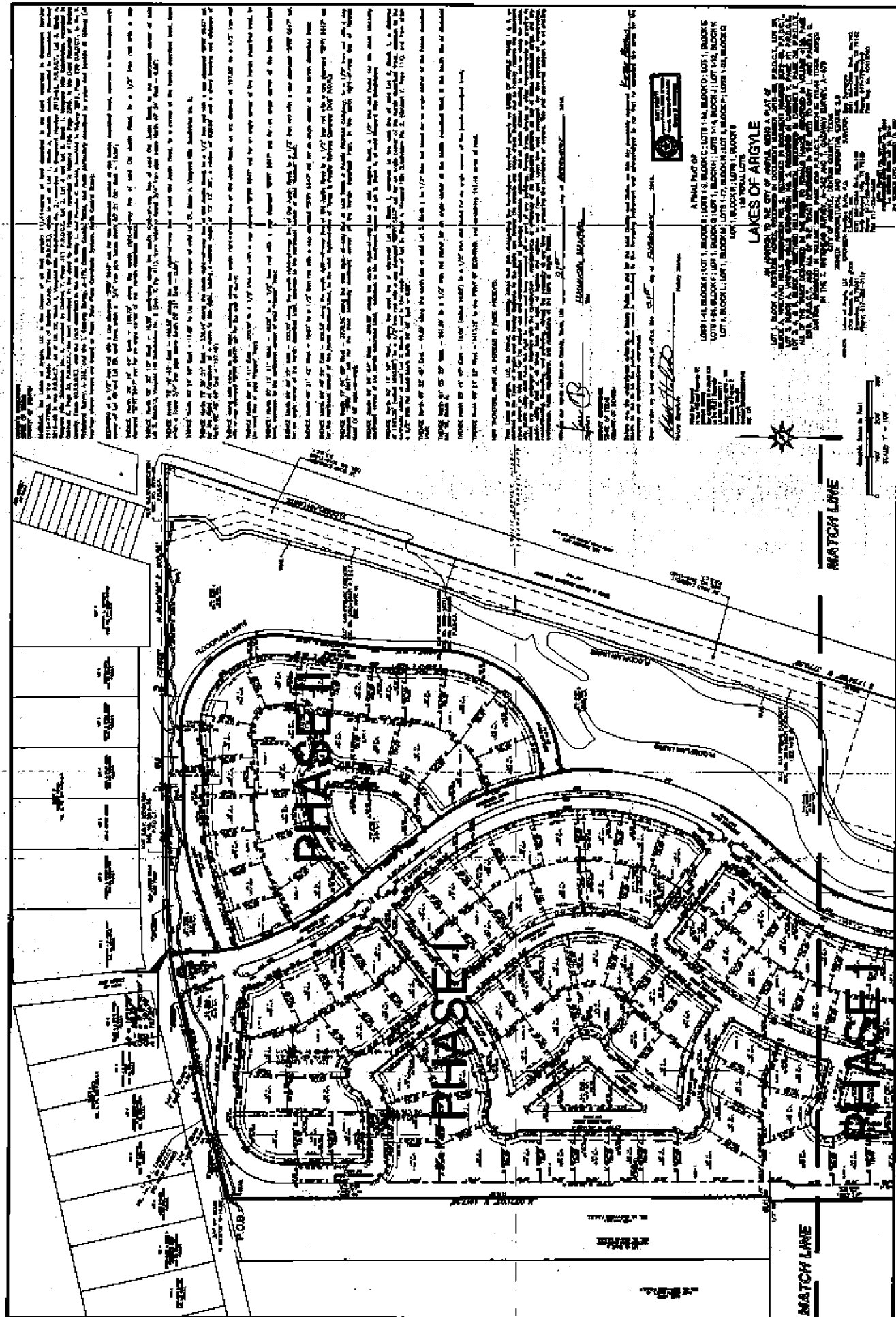


EXHIBIT A TO DECLARATION



[illegible]

EXHIBIT A TO DECLARATION CONTINUED

ALL LOTS WITH SAVE AND EXCEPT (including open space lots):

Plat of Lakes of Argyle including Lots 1-41, Block A ; Lot 1, Block B ; Lots 1-2, Block C ; Lots 1-14, Block D ; Lot 1, Block E; Lots 1-24, Block F ; Lot 1, Block G ; Lot 1, Block H ; Lots 1-14, Block J ; Lot 1-12, Block K; Lot 1, Block L ; Lot 1, Block M ; Lots 1-17, Block N ; Lot 1, Block P ; Lots 1-21, Block Q; Lot 1, Block R

SAVE AND EXCEPT Lot 1, Block S

138 TOTAL LOTS

OPEN SPACE LOTS:

Lot 1 & 2, Block C

Lot 1, Block E

Lot 20, Block F – Water Well Lot

Lot 1, Block G

Lot 1, Block H

Lot 1, Block L

Lot 1, Block M

Lot 1, Block P

Lot 1, Block R

EXHIBIT B

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

GROUNDWATER RIGHTS WARRANTY DEED AND EASEMENT AGREEMENT

EFFECTIVE DATE: April 11, 2018

GRANTOR'S NAME: The Lakes of Argyle, LLC

GRANTOR'S MAILING ADDRESS: The Lakes of Argyle, LLC
P. O. Box 92747
Southlake, TX 76092

GRANTEE'S NAME: The Lakes of Argyle, LLC

GRANTEE'S MAILING ADDRESS: The Lakes of Argyle, LLC
P. O. Box 92747
Southlake, TX 76092

CONSIDERATION: Ten Dollars (\$10) and other good and valuable consideration.

REAL PROPERTY: The real property from which the groundwater is and will be obtained is described as Block F, Lot 20 (the "Water Well Lot"), of Lakes of Argyle Addition, an addition to the Town of Argyle, according to the Final Plat of Lakes of Argyle Addition, Town of Argyle, Denton County, Texas, filed for record February 23, 2018 as Document No. 2018-100, Official Plat Records of Denton County, Texas, and any and all amendments thereto (the "Plat") All property included in the Plat may also be referred to herein as the "Subdivision".

GROUNDWATER:

All of the underground water, percolating water, artesian water, and any other water from any and all depths and reservoirs, formations, depths and horizons beneath the surface of the Real Property, excluding underflow or flow in a defined subterranean channel.

GROUNDWATER RIGHTS:

(1) The Groundwater and the right to test, explore for, drill for, develop, withdraw, capture, or otherwise beneficially use, assign, distribute, sell or otherwise transfer the Groundwater or any portion thereof for any lawful purpose under applicable law; (2) an Easement (as defined below) on, over and beneath all of the Easement Area (as defined below); and (3) all permits, licenses, or other governmental authorizations relating to any of the foregoing.

CONVEYANCE:

Grantor, for the Consideration, grants, sells, and conveys to Grantee the Groundwater Rights, together with all and singular the rights and appurtenances thereto in any way belonging, to have and to hold it to Grantee and Grantee's heirs, successors, and assigns forever. Grantor binds Grantor and Grantor's heirs and successors to warrant and forever defend all and singular the Groundwater Rights to Grantee and Grantee's heirs, successors, and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof, by through or under Grantor but not otherwise.

EASEMENT AGREEMENT FOR GROUNDWATER RIGHTS:

Easement Purpose: The purpose for the Easement to permit the installation, construction, operation, use, maintenance, repair, modification, removal, replacement, and upgrade of Facilities (defined below) on the Easement Area for the exploration, monitoring, testing, drilling, extracting, capturing, collection, development, pumping, treatment, withdrawal, production, transmission, transportation, storage, supply, beneficial use, assignment, distribution, sale or other transfer of the Groundwater. The "Easement Area" shall include the following: (1) all property on, over and beneath all of the Water Well Lot, (2) all property in the Subdivision identified on the Plat as any portion of the "common areas", "open space areas" and similar areas, including all property on the Plat other than the specific Lots identified thereon as "residential homesite" Lots, and (3) for underground Facilities only, the utility easement areas identified on the Plat along (a) the entire side southern Lot line of Block F, Lot 8, and (b) the entire side northern Lot line of Block F, Lot 9.

"Facilities" means aboveground, underground, surface or subsurface pipelines, electric transmission and communication lines and conduits, communication towers, pumps, monitor wells, water wells and well sites (whether production wells or test or exploratory wells), water storage tanks, water treatment facilities, pump station facilities, pumping plant facilities, buildings, machinery, equipment, meters, tangible personal property, roads, gates, bridges, culverts, erosion control structures, fences, and all other necessary, desirable, or convenient installations, appurtenances, facilities, and structures related thereto.

Grant of Easement: Grantor grants, sells, and conveys to Grantee and Grantee's heirs, successors, and assigns an easement over, on, under, and across the Easement Area for the Easement Purpose, together with the right to use roads, drives, and access ways across the Real Property, the Easement Area and the Subdivision for reasonable access to the Easement Area and Grantee's Facilities for the Easement Purpose (collectively, the "Easement"), to have and to hold the Easement to Grantee and Grantee's heirs, successors, and assigns forever. Grantor binds Grantor and Grantor's heirs, successors, and assigns to warrant and forever defend the title to the Easement in Grantee and Grantee's heirs, successors, and assigns against every person whomsoever lawfully claiming or to claim the Easement or any part thereof, by, through or under Grantor, but not otherwise.

Terms and Conditions of Easement: The following terms and conditions apply to the Easement granted by this Groundwater Rights Warranty Deed and Easement Agreement (the "Agreement"):

1. *Character of Easement.* The Easement is perpetual and irrevocable, subject to the terms of this Agreement. The Easement is for the benefit of Grantee and Grantee's heirs, successors, and assigns who at any time own all or any portion of the Groundwater Rights.

2. *Improvement and Maintenance of Easement Area.* Improvement and maintenance of the Easement Area for the Easement Purpose will be at the sole expense of Grantee. Grantee has the right to eliminate any encroachments into the Easement Area. On written request by Grantee, Grantor will execute or join in the execution of easements for electricity or utility facilities serving the Easement Area.

3. *Abandonment of Facilities.* The occurrence of abandonment is to be determined solely by Grantee or by a court of competent jurisdiction. On abandonment of any easement or portion of an easement granted on the Easement Area for the production or transportation of water, Grantee will have one year from and after the date of written notice by Grantor in which to remove the Facilities, at Grantee's option or in accordance with any written agreement regarding removal between Grantor and Grantee, and to restore the site to its approximate original condition to the extent reasonably practicable. If Grantee does not remove the Facilities, Grantor will become the owner of the Facilities, and Grantee will execute and deliver to Grantor all documents reasonably necessary to indicate that the Facilities have been abandoned and that title to the abandoned Facilities and easements and, to the extent owned by Grantee, all communications lines, electric power lines, poles, and appurtenances serving the abandoned Facilities have reverted to Grantor.

4. *Cooperation.* Grantor will cooperate with Grantee as reasonably necessary to enable Grantee to obtain any consents or permits necessary for Grantee to withdraw or produce the Groundwater, provided that Grantor will not be obligated to incur any costs thereby. Grantor and Grantee will cooperate with one another in the use of the Real Property, the Easement Area, and the Groundwater in order to effectuate the terms of this Agreement.

5. *Equitable Rights of Enforcement.* This Agreement may be enforced by restraining orders and injunctions (temporary or permanent) prohibiting interference and commanding compliance. Restraining orders and injunctions will be obtainable on proof of the existence of interference or threatened interference, without the necessity of proof of inadequacy of legal remedies or irreparable harm, and will be obtainable only by the parties to or those benefited by this Agreement, provided, however, that the act of obtaining an injunction or restraining order will not be deemed to be an election of remedies or a waiver of any other rights or remedies provided by this Agreement or available at law or in equity. All rights and remedies provided by this Agreement or available at law or in equity are cumulative, not exclusive, and may be exercised successively or concurrently.

7. *Indemnity.* Grantor and Grantee agree to indemnify, defend, and hold harmless the other party from any loss, attorney's fees, expenses, or claims attributable to (a) breach or default of any provision of this Agreement by the indemnifying party, or (b) the negligent acts or

omissions of the indemnifying party, its employees, agents, representatives, or persons with whom it contracts for the performance of activities on the Easement Area.

6. *Attorney's Fees.* If any party retains an attorney to enforce this Agreement, the party prevailing in litigation is entitled to recover reasonable attorney's fees and court and other costs.

8. *Binding Effect.* This Agreement binds and inures to the benefit of the parties and their respective heirs, successors, and assigns. The covenants and conditions stated in this Agreement run with the land.

EXECUTED effective as of the Effective Date stated above.

GRANTOR:

The Lakes of Argyle, LLC

By: H Creek Development, LLC, Member

By: 

Kosse Maykus, Member

GRANTEE:

The Lakes of Argyle, LLC

By: H Creek Development, LLC, Member

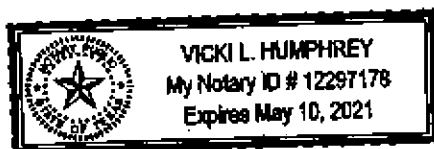
By: 

Kosse Maykus, Member

ACKNOWLEDGEMENT

This instrument was acknowledged before me on the 17 day of April, 2018 by Kosse Maykus, Member of H Creek Development, LLC, Member of The Lakes of Argyle, LLC, on behalf of said entity.

[Notary Seal]




NOTARY PUBLIC, STATE OF TEXAS

EXHIBIT C

WATER USE AGREEMENT

THIS WATER USE AGREEMENT ("Agreement") is made as of April 17, 2018 (the "Effective Date") by The Lakes of Argyle, LLC, a Texas limited liability company ("Water Provider") and Lakes of Argyle HOA, Inc., a Texas non-profit corporation (the "HOA").

RECITALS

A. The HOA is the homeowners association for The Lakes of Argyle Addition, a single family residential development (the "Subdivision") in the Town of Argyle, Texas, according to the Final Plat of Lakes of Argyle Addition, Town of Argyle, Denton County, Texas, filed for record February 23, 2018 as Document No. 2018-100, Official Plat Records of Denton County, Texas, and any and all amendments thereto (the "Plat"). This Water Use Agreement (the "Agreement") is attached as Exhibit C to, is a component of, and is incorporated by reference into, the Declaration of Covenants, Conditions and Restrictions for The Lakes of Argyle Addition, to be recorded in the Real Property Records, Denton County, Texas, as such document may be amended or supplemented from time to time (the "Declaration").

B. Pursuant to the Groundwater Rights Warranty Deed and Easement Agreement (the "Easement Agreement") attached as Exhibit B to, a component of, and incorporated by reference into, the Declaration, Water Provider is the owner of certain groundwater and groundwater rights in the Subdivision. The Easement Agreement is incorporated herein by reference.

C. Water Provider is the owner of (1) an existing water well and existing Facilities (as defined in the Easement Agreement) relating thereto (collectively the "Water Well"), and (2) Block F, Lot 20 of the Subdivision, as reflected on the Plat, the Lot upon which the Water Well is located.

D. The HOA desires to purchase from Water Provider and use raw water owned by Water Provider and produced by the Water Well ("Water") for the HOA's use in connection with water needs regarding the common areas, open space areas and related areas within the Subdivision that are owned and/or maintained by the Association, including without limitation for water supply to ponds and other bodies of water, and water supply for common space or open space landscape irrigation (collectively the "Permitted Use"), to the greatest extent possible given the volume and capacity limits of the Water Well and other applicable criteria.

THEREFORE, in consideration of the mutual covenants contained herein, the receipt and sufficiency of which are hereby acknowledged, Water Provider and the HOA agree as follows:

AGREEMENT

1. Water Well and Water Infrastructure.

(a) Water Provider and the HOA agree that the HOA will:

(i) maintain the Water Well; and

(ii) build and maintain all necessary or appropriate Water infrastructure (including without limitation the Facilities, water meters, pumps, irrigation equipment, water level or flow apparatus, and pipes, above ground and underground, located on the Water Well Lot and/or any common space, open space or related locations) to serve the Subdivision for the Permitted Use (collectively the "Water Infrastructure").

(b) The HOA is solely responsible for the costs and expenses of maintaining the Water Well and the Facilities, and building and maintaining the Water Infrastructure, to serve the Subdivision with Water for the Permitted Use.

2. Water Use.

(a) Water Provider agrees to permit the HOA to withdraw Water from the Water Well and use Water for the Permitted Use. The quantity and/or quality of Water that is available may vary depending on a variety of factors, including weather, drought, future governmental regulation, underground water migration, pumping of groundwater by others, and other factors. The HOA will have no claim or cause of action whatsoever against Water Provider due to the lack of availability of Water for any reason.

(b) The price and rate payable from the HOA to Water Provider for use of the Water will be as follows:

(i) Thirty percent (30%) of the rate per 1000 gallons charged to residential users, based upon monthly usage, by the Argyle Water District for potable water; and

(iii) A monthly administration fee of \$100.00.

Water Provider shall periodically review the above rate, and such rate will be adjusted based on changes to applicable Argyle Water District rate. Water Provider will provide the HOA written notice of changes in the rate.

(c) The HOA has or will install a Water meter on the Water Well Lot. Water Provider will read the Water meter monthly and will furnish an invoice to the HOA for Water use by the HOA since the last Water meter reading. Absent Water Provider's express consent otherwise, all Water Provider invoices will be paid by the HOA within 30 calendar days of receipt of the invoice. In connection with such monthly meter readings, Water Provider will inspect the Water Well and related Facilities and notify the HOA of the need for maintenance or repairs identified by the inspection, the cost of which maintenance or repairs shall be paid by the HOA.

(d) In consideration for the discounted Water rate being charged to the HOA by Water Provider, the HOA agrees that to the greatest extent possible, the HOA will use Water Provider Water for all Permitted Uses within the Subdivision, subject, however, to the capacity and volume of Water available from the Water Well and other appropriate factors, as determined in the sole discretion of Water Provider.

3. Default and Termination.

(a) If either party fails or refuses to perform according to the terms of this Agreement, such party may be declared in default by providing written notice of such default to the defaulting party.

(b) If the HOA is declared in default by Water Provider, the HOA will be allowed a period of 30 calendar days within which to cure said default. In the event the default remains uncured, Water Provider may elect to:

(i) Terminate this Agreement, which termination shall include immediate termination of Water service to the Subdivision, and seek damages; or

(ii) Avail itself of any other remedy at law or equity.

(c) If Water Provider is declared in default, Water Provider will be allowed a period of 30 calendar days within which to cure said default. In the event the default remains uncured, the HOA may elect to:

(i) Terminate this Agreement and seek damages; or

(ii) Avail itself of any other remedy at law or equity.

4. Miscellaneous.

(a) Any notice to be given to either party pursuant to the terms of this Agreement must be in writing and will be deemed to be delivered when received if hand-delivered or, if sent by overnight mail (next day delivery), on the day following deposit with the overnight service, or if sent by mail, when deposited in a U.S. Mail receptacle, postage prepaid, as registered or certified mail, return receipt requested, with a copy via regular U. S. Mail, to the parties at following addresses (which may be changed by either party by giving notice as stated in this paragraph):

If to Water Provider:

The Lakes of Argyle, LLC
P. O. Box 92747
Southlake, TX 76092

If to the HOA:

Lakes of Argyle Homeowners Association, Inc.
P. O. Box 92747
Southlake, TX 76092
Attention: Kosse Maykus

(b) A failure by either party to insist on strict performance of the terms of this Agreement will not be deemed to be a waiver of the right the party has to insist upon strict performance of the terms of this Agreement.

(c) This Agreement contains the entire understanding of the parties regarding the subject matter hereof. This Agreement may be modified only by a written instrument executed by Water Provider and the HOA.

(d) This Agreement is binding on Water Provider and the HOA and their successors and assigns.

(e) This Agreement will be interpreted and construed according to the laws of the State of Texas. Further, the prevailing party in any litigation between the parties will be entitled to recover, as a part of its judgment, its reasonable attorneys' fees. This Agreement is performable in Denton County, Texas and venue for any litigation involving this Agreement shall rest exclusively in the courts located in Denton County, Texas.

Executed as of the Effective Date stated above.

Water Provider:

The Lakes of Argyle, LLC

By: H Creek Development, LLC, Member

By: 

Kosse Maykus, Member

HOA:

Lakes of Argyle HOA, Inc.

By: 

Kosse Maykus

Title: Director

EXHIBIT D

ENFORCEMENT POLICY

This Exhibit D – Enforcement Policy ("Enforcement Policy") to Declaration of Covenants, Conditions and Restrictions for the Lakes of Argyle Addition, Town of Argyle, Denton County, Texas (the "Declaration") is physically attached to the Declaration and incorporated by reference therein. The Declaration is incorporated by reference herein. All terms capitalized but not defined herein have the meanings given to them in the Declaration, and/or the Association's Bylaws, Minutes, Actions or other governing documents (collectively with the Declaration, the "Governing Documents"), as applicable. This Enforcement Policy provides the policies stated herein in addition to and not in replacement of the matters stated in the Governing Documents.

1. Establishments of a Violation.

- a. **Failure to Obtain Prior Approval.** Any additions, improvements and/or repairs of any kind or nature erected, placed or altered on any Lot which (i) requires the prior approval of the improvement by the Architectural Control Committee (the "ACC") as defined in the Declaration, and (ii) has not been first approved by the ACC is deemed a "Violation" under this Enforcement Policy for all purposes.
- b. **Failure to Abide by the Governing Documents.** Any construction, alteration or modification to any improvement on a Lot which does not in all respects conform to that which had been so approved or any activity or condition allowed to continue or exist on any Lot that is in direct violation of the Governing Documents is also deemed a Violation under this Enforcement Policy for all purposes.
- c. **Fine Schedule.** Exemplar Violations are outlined in Exhibit 1 titled "Fine Schedule" attached hereto and incorporated herein by reference. This is not an exhaustive list of Violations.

2. Notification.

- a. **Initial Notice.** Upon verification of the existence of a Violation by the management staff ("Management") of the Association, Management may send to the Lot Owner a written notice of the existence of the Violation ("Initial Notice"). The Initial Notice will inform the Owner of the following:
 - (i) The nature, description, and location of the Violation;
 - (ii) What needs to be done to cure the Violation, and provide notice that the Violation must be cured within ten (10) days of the date of the Initial Notice to avoid further enforcement measures; and
 - (iii) A statement that if the Violation has already been corrected or plans and specifications for the subject improvement have been submitted to the ACC, to disregard the notice.
- b. **Notice of Violation.** If the Owner has (i) failed to submit plans and specifications for the offending improvement to the ACC, or the ACC has denied the approval of plans and specifications initially submitted, and/or (ii) the Violation is continuing, then no earlier than ten (10) days from the date of the Initial Notice, Management may send to the Owner written notice (the "Notice of Violation") informing the Owner of the following:

- (i) The nature, description and location of the Violation and notification that if the Violation is corrected or eliminated by a specific date (not number of days), no further action will be taken;
- (ii) Notification that if the Violation is not corrected or eliminated by the date specified in Paragraph 2(b)(i), any attorneys' fees incurred by the Association in eliminating or abating the Violation, and any violation fines imposed as determined by the Board, shall be charged to the Owner's account;
- (iii) Notification of the proposed sanction to be imposed and amount due the Association, if any, and a brief description of what needs to be done to cure the Violation;
- (iv) If necessary, work on any improvement not designed to cure the Violation must cease immediately and may not resume without the prior written approval of the ACC;
- (v) Failure to remedy the Violation or cease work on any unauthorized improvement will result in the Association electing to pursue any one or more of the remedies available to the Association under the Governing Documents or this Enforcement Policy;
- (vi) In the event the Violation is deemed to be an incurable violation or violation posing a threat to health or safety, the Association is not required by law to provide an opportunity to cure; and
- (vii) His/her right to assert and protect his/her rights as a member of the Armed Forces of the United States. The protected individual or family member shall send written notice of the active duty military service to the sender of the Notice of Violation immediately.

The Notice of Violation shall be sent to the Owner by certified mail, return receipt requested, and first class U.S. mail, and shall advise the Owner that he or she has the right to make a written request for a hearing on or before the thirtieth (30th) day after the Notice of Violation is mailed, i.e., 33 days after the date of the Notice of Violation. The hearing, if on is requested in a timely manner, will be held before the ACC, if appointed, or the Board. In the event the hearing shall be held before the ACC, the Owner shall be advised of the Owner's right to appeal the ACC's decision to the Board.

- c. **Failure to Remedy and Notice of Fine.** Failure to (i) submit complete plans and specifications showing that the Violation will be remedied, (ii) cease all non-remedial work immediately upon receipt of the Notice of Violation, and/or (iii) remedy the current Violation existing upon the Lot within ten (10) days of the date of the Notice of Violation, shall constitute a continuing Violation and result in one or more of the following: (a) the imposition of violation fines as determined by the Board against the Owner, (b) the suspension of the right to enter upon and/or use any recreational facilities within the Common Area(s), and/or (c) the pursuit of any other remedy available at law or in equity, under the Governing Documents or this Enforcement Policy including, but without limitation, the recording in the County Clerk's Office, of a Notice that the Lot in question is in violation of the Declaration or an action for injunctive relief and civil damages. Management may send, but is under no obligation to send, a notice to the Owner (the "Notice of Fine") informing the Owner of the continuing Violation and the remedy chosen as a result thereof. The date of the Notice of Fine shall be the "Notice of Fine Date."
- d. **Fine Structure.** Any single fine ("Fine") imposed pursuant to the provisions of this Enforcement Policy may not exceed \$500.00 as determined by the Board. Unless otherwise noted, an initial Fine of not less than \$50.00 may be imposed for failure to remedy or cure the Violation. In the event the Owner fails to respond or comply by remedying or curing the Violation within ten (10) days after the initial Fine, the Fine amount will double with each subsequent Violation citing. Fines may be imposed every day that the Violation continues to exist after the Notice of Fine Date. There shall be no limit to the aggregate amount of Fines that may be imposed for the same Violation. The Owner may be notified by Management in writing of the amount of Fines accrued to the Owner's account.

3. **Right to a Hearing.** If Management receives a written request for a hearing on or before the thirtieth (30th) day after the date the Owner received the Notice of Violation, the ACC (if appointed) of the Board shall endeavor to hold a hearing not later than the thirtieth (30th) day after the date Management received the written request for a hearing. Management shall notify the Owner of the date, time and place of the hearing not later than the tenth (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. Additional postponements may only be granted by agreement of the parties. The Owner's presence is not required to hold a hearing under this Paragraph. The Association or Owner may make an audio recording of the hearing.

Prior to the hearing, proof of proper notice of the hearing shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by an Officer, Director or agent who delivered such notice. The notice requirement shall be satisfied if the Owner appears at the meeting. The minutes of the meeting shall contain a statement of the results of the hearing and the sanction, if any, imposed.

4. **Corrective Action.** Notwithstanding the provisions contained in Paragraph 2 hereof, where a Violation of the Declaration or duly promulgated rules and regulations or design/architectural guidelines is determined to exist pursuant to any provision of this Enforcement Policy, Management, with the approval of the Board, may undertake to cause the Violation to be corrected, removed or otherwise abated by qualified contractors if Management, in its reasonable judgment, determines that such Violation may be readily corrected, removed or abated without undue expense and without breach of the peace. Where Management is authorized by the Board to initiate any action by qualified contractors, the following shall apply:

- a. Management must first provide the Owner with an Initial Notice as provided above. Should the Violation not have been remedied by the Owner within ten (10) days from the date of the Initial Notice, then Management must give the Owner, and any third party directly affected by the proposed action, prior written notice of the undertaking of the action ("Notice of Corrective Action"). The Notice of Corrective Action shall include an opportunity for the Owner to cure the Violation or request a hearing before the Board prior to the undertaking of any corrective action. Should the Owner fail to provide Management with a written request for hearing within ten (10) days from the date of the Notice of Corrective Action, that party shall have waived its right to a hearing.
- b. Any cost incurred in correcting or eliminating a Violation shall be charged to the Owner's account.
- c. The Association, the Board, Management and its agents and contractors shall not be liable to the Owner or any third party for any damages or costs alleged to arise by virtue of action taken under this Paragraph 4 where the Association, the Board, Management, its agents and contractors have acted reasonably and in conformity with this Enforcement Policy.

5. **Referral to Legal Counsel.** Where a Violation is determined to exist by Management pursuant to any of the provisions of this Enforcement Policy and where Management deems it to be in the best interests of the Association, Management may, at any time and without prior notice to the Owner under the Enforcement Policy, refer the Violation to legal counsel for purposes of seeking to correct or otherwise abate the Violation, including an action for injunctive relief and/or civil damages against the Owner, or any other legal or equitable remedy that may be available to the Association.

6. Notices.

- a. Any notice required by this Enforcement Policy to be given, sent, delivered or received in writing will be deemed to have been given, sent, delivered or received, as the case may be, upon the earlier to occur of the following:
 - (i) When the notice is delivered by facsimile or electronic transmission, the notice is deemed delivered and received when the sender receives a facsimile or electronic transmission acknowledgement acknowledging delivery of the notice.
 - (ii) When the notice is placed into the care and custody of the United States Postal Service, the notice is deemed delivered and received as of the third day after the notice is deposited into a receptacle of the United States Postal Service with postage prepaid and addressed to the most recent address of the recipient according to the records of the Association. Any Notice of Violation or Notice of Corrective Action shall be sent certified mail, return receipt requested, and First Class U.S. Mail.
- b. Where the Lot is occupied by a tenant, where the interest of an Owner has been handled by a representative or agent of such Owner, or where Owner has otherwise acted so as to put the Association on notice that its interest in a Lot have been and are being handled by a representative or agent, any notice or communication from the Association or Management pursuant to this Enforcement Policy will be deemed full and effective for all purposes if given to such tenant, representative or agent.

7. 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 Management that the Violation has been corrected or eliminated, and any Fines imposed by the Association have been paid, the Violation will be deemed to no longer exist and the Notice of Violation shall be considered cured except as hereinafter provided. Management will endeavor to advise the Owner of the consequences of the future Violation of the same provision of the Governing Documents as set forth in the following Paragraph. The Owner will remain liable for all Fines levied under this Enforcement Policy, which Fines, if not paid upon written demand thereof by Management, will be referred to the Association's legal counsel for collection. The Association, however, in its sole and absolute discretion, reserves the right to suspend or waive some or all of the Fines imposed. The suspension or waiver of Fines shall not constitute a waiver of the right to sanction Violations of the same or other provisions and rules by any person.

8. Repeated Violation of the Same Provision of Governing Documents. Whenever an Owner, who has previously cured or eliminated a Violation after receipt of a Notice of Violation, commits a separate Violation of a similar provision of the Governing Documents within six (6) months from the date of the Notice of Violation, Management may reinstate the Violation, including the Fines previously imposed related to such Violation that were waived, and pursue the procedures set forth herein as if the Violation had never been cured or eliminated. For purposes of illustration only, in the event the Owner cured the Violation after having received an Initial Notice, the second Violation of the same provision may prompt Management to send a Notice of Violation. Similarly, in the event the Owner cured the Violation after having received a Notice of Violation, the second violation may prompt Management to send a Notice of Fine as provided hereunder. In the event an Owner cured the Violation after having received a Notice of Fine, the second Violation may prompt Management to commence the levying of Violation Fines without further notice to the Owner. In the event of a repeated Violation, the Association shall be authorized to double the Fine amount.

9. Authority of Management to Act. The Declarant, and upon transition, the Board, hereby authorizes and empowers Management to do all such things and perform all such acts as are necessary

to implement and effectuate the purposes of this Enforcement Policy and comply with Texas Property Code Section 209.0051(h), including the levying of Violation Fines, without further action by the Declarant, the Association or the Board.

10. **Binding Effect.** The terms and conditions of this Enforcement Policy, as may be amended from time to time by the Declarant, and upon transition, the Board, shall bind all Owners including their heirs, successors, transferees or assigns, and all Lots as defined in the Declaration, and the Properties shall hereafter be held, occupied, transferred, and conveyed subject to the terms and conditions of this Enforcement Policy, as amended.

11. **Adoption.** This Enforcement Policy is hereby adopted by the Declarant and replaces and supersedes, in all respects, any and all prior policies and resolutions with respect to the enforcement of Violations by the Association, and shall remain in force and effect until revoked, modified or amended.

IN WITNESS WHEREOF, the Declarant has caused this Enforcement Policy to be effective and executed by its duly authorized representative as of April 17, 2018.

DECLARANT:

THE LAKES OF ARGYLE, LLC

By: H Creek Development, LLC, Member

By: 
Kosse Maykus, Manager

Exhibit 1

Fine Schedule

Payment of Fine amount does not imply or constitute a waiver of enforcement or the granting of a variance for the Violation. All Violations must be corrected and brought into compliance with the Association's Governing Documents.

When Management observes a Violation, a notification letter may be sent to the Owner advising of the Violation. Approximately ten (10) days after notification or at the next Management inspection drive-thru, if the Violation has not been corrected, Management will endeavor to send a second notice letter, but this will be to advise of the Fine to the Owner based on this Fine Schedule.

If the Violation is not remedied, the Fine amount will double with each subsequent Violation citing, and may include a lien of the Owner's Lot. If applicable, it is the Owner's responsibility to pursue reimbursement of the Fines from the occupant(s) and/or tenant(s) of the Lot. The Violation Fines will be levied each time the Violation is documented on an inspection drive-thru. The Violation Fines are subject to change without further notice and at the discretion of the Board.

Holiday Decorations on homes, yards, tree or fence. Holiday Decorations may only be displayed between October 1 and January 15. (Each time the Violation is observed)	\$ 25.00
Property used for the storage of boats, vehicles, trailers, oversized work trucks and motorhomes or any other oversized vehicle. (Each time the Violation is observed)	\$ 50.00
Trashcans, trash bags and recycling left in the public view past the trash pickup day. Trash/Recycle cans can be placed at the curb the day before. (Each time the Violation is observed)	\$ 25.00
Debris or refuse on the property. (Each time the Violation is observed)	\$ 50.00
Home maintenance/repairs that do not conform with other homes in the Subdivision. (Included but not limited to: rotting wood, replacing missing or dilapidated fences, sagging gutters, damaged garage doors, replacing broken light fixtures, etc.) (Each time the Violation is observed)	\$ 50.00
Exterior painting needed on house, front door, siding, etc. (Each time the Violation is observed)	\$ 50.00
Failing to maintain lawn (overgrown yards or weeds in excess of six (6) inches (for Improved Lots) and twelve (12) inches (for Unimproved Lots), remove weeds from flowerbeds, tree wells; trim bushes, etc. (Each time the Violation is observed)	\$ 50.00
Failing to maintain the Lot (applies to improved and unimproved Lots) (Each time the Violation is observed)	\$ 50.00
Littering in Common Areas. (Each time the violation is observed)	\$ 50.00
Modification, and/or addition made to Lot without prior approval from the ACC.	\$ 100.00
Vehicle parking violations, on street parking daytime is restricted to deliveries, pickup or short-term guests and invitees. Overnight on street parking is prohibited. (Each time the Violation is observed)	\$ 50.00

Vehicle violations, include, but are not limited to any vehicle without a current/or missing license plates or registration sticker, wrecked, dismantled in any way or discarded is considered inoperable. (Each time the Violation is observed)	\$ 50.00
Other Violations in compliance with the Town or Argyle Code Compliance and/or Town Ordinance, and any other Violations as authorized by the Association as deemed necessary in good faith under the Governing Documents. (Each time the Violation is observed)	\$ 50.00
Failing to control, restrain or leash animal(s) when outside of Owner's Home or fenced-in yard. (Each time the Violation is observed)	\$ 50.00
Failing to control, restrain or leash animal(s) resulting in personal injury to another or property damage, in which case the Fine may be increased. (Each time the Violation is observed)	\$ 50.00

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Office of the Secretary of State

January 23, 2018

Attn: Gunter Law Firm PLLC

Gunter Law Firm PLLC
540 Oak Hill Dr., None
Southlake, TX 76092 USA

RE: Lakes of Argyle HOA, Inc.
File Number: 802913018

It has been our pleasure to file the certificate of formation and issue the enclosed certificate of filing evidencing the existence of the newly created nonprofit corporation.

Nonprofit corporations do not automatically qualify for an exemption from federal and state taxes. Shortly, the Comptroller of Public Accounts will be contacting the corporation at its registered office for information that will assist the Comptroller in setting up the franchise tax account for the corporation. Information about franchise tax, and contact information for the Comptroller's office, is available on their web site at <http://window.state.tx.us/taxinfo/franchise/index.html>. For information on state tax exemption, including applications and publications, visit the Comptroller's Exempt Organizations web site at <http://window.state.tx.us/taxinfo/exempt/index.html>. Information on exemption from federal taxes is available from the Internal Revenue Service web site at www.irs.gov.

Nonprofit corporations do not file annual reports with the Secretary of State, but do file a report not more often than once every four years as requested by the Secretary. It is important for the corporation to continuously maintain a registered agent and office in Texas as this is the address to which the Secretary of State will send a request to file a periodic report. Failure to maintain a registered agent or office in Texas, failure to file a change to the agent or office information, or failure to file a report when requested may result in the involuntary termination of the corporation. Additionally, a nonprofit corporation will file documents with the Secretary of State if the corporation needs to amend one of the provisions in its certificate of formation. If we can be of further service at any time, please let us know.

Sincerely,

Corporations Section
Business & Public Filings Division
(512) 463-5555
Enclosure



Office of the Secretary of State

CERTIFICATE OF FILING OF

Lakes of Argyle HOA, Inc.
File Number: 802913018

The undersigned, as Secretary of State of Texas, hereby certifies that a Certificate of Formation for the above named Domestic Nonprofit Corporation has been received in this office and has been found to conform to the applicable provisions of law.

ACCORDINGLY, the undersigned, as Secretary of State, and by virtue of the authority vested in the secretary by law, hereby issues this certificate evidencing filing effective on the date shown below.

The issuance of this certificate does not authorize the use of a name in this state in violation of the rights of another under the federal Trademark Act of 1946, the Texas trademark law, the Assumed Business or Professional Name Act, or the common law.

Dated: 01/22/2018

Effective: 01/22/2018



A handwritten signature in black ink, appearing to read "R. Pablos".

Rolando B. Pablos
Secretary of State

Form 202

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

Filing Fee: \$25

**Certificate of Formation
Nonprofit Corporation**

Filed in the Office of the
Secretary of State of Texas
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Article 1 - Corporate Name

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

Lakes of Argyle HOA, Inc.

Article 2 - Registered Agent and Registered Office

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

KM Properties, Inc.

OR

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

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

Street Address:

2700 William D. Tate #300 Grapevine TX 76051

Consent of Registered Agent

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

OR

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

Article 3 - Management

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

OR

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

Director 1: **Kosse Maykus**

Title: **Director**

Address: **2700 William D. Tate #300 Grapevine TX, USA 76051**

Director 2: **Eason Maykus**

Title: **Director**

Address: **2700 William D. Tate #300 Grapevine TX, USA 76051**

Director 3: **Vicki Humphrey**

Title: **Director**

Address: **2700 William D. Tate #300 Grapevine TX, USA 76051**

Article 4 - Organization Structure

☒ A. The corporation will have members.

or

☐ B. The corporation will not have members.

Article 5 - Purpose

The corporation is organized for the following purpose or purposes:

This nonprofit coporation is formed for any lawful purpose or purposes not expressly prohibited under Chapters 2 or 22 of the Texas Business Organizations Code, including any purposes described by Section 2.002 of the Code.

Supplemental Provisions / Information

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

Effectiveness of Filing

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

OR

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

Organizer

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

Gunter Law Firm, PLLC **1121 S. Carroll Ave. Suite 210 Southlake TX 76092**

Execution

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

Robert Gunter, Attorney for Applicant

Signature of organizer.

FILING OFFICE COPY

**EIN Assistant**

Your Progress: 1. Identity 2. Authenticate 3. Addresses 4. Details 5. EIN Confirmation

Congratulations! Your EIN has been successfully assigned.

EIN Assigned: 82-5196243

Legal Name: LAKES OF ARGYLE HOA INC

Your confirmation letter will be mailed to you. This letter will be your official IRS notice and will contain important information regarding your EIN. Allow up to 4 weeks for your letter to arrive by mail.

We strongly recommend you print this page for your records.

Click "Continue" to get additional information about using your new EIN.

Continue >>

Help Topics

? Can the EIN be used before the confirmation letter is received?

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**BYLAWS
OF
LAKES OF ARGYLE HOA
A TEXAS NON-PROFIT CORPORATION
May 1, 2018**

The name of the association is LAKES OF ARGYLE HOA (the "Association"). The principal office of the Association shall initially be located at 2700 William D. Tate Avenue #300, Grapevine, Texas 76051 (the location may be changed from time to time, as determined by the Board of Directors).

**ARTICLE I
PURPOSE AND PARTIES**

Section 1.01. Purpose. The purpose for which the Association is formed is to operate, manage, maintain and administer the affairs of a single family residential subdivision known as "LAKES OF ARGYLE" located in the Town of Argyle, Denton County, Texas (sometimes hereinafter referred to as the "Property"), pursuant to that certain Declaration of Covenants, Conditions and Restrictions (the "Declaration") recorded in the Real Property Records of Denton County, Texas, said Declaration and all amendments, modifications, supplements, and restatements thereof being incorporated herein by reference and made a part hereof for all purposes.

Section 1.02. Parties. All present or future Owners, tenants, future tenants of any Lot, or any other person who might use in any manner the facilities of the Property are subject to the provisions and any regulations set forth in these Bylaws. The mere acquisition, lease or rental of any Lot or the mere act of occupancy of a Lot will signify that these Bylaws are accepted, approved, ratified, and will be complied with.

**ARTICLE II
DEFINITIONS**

The definitions contained in the Declaration are incorporated herein by reference and made a part hereof for all purposes.

**ARTICLE III
MEMBERSHIP AND VOTING RIGHTS
IN THE ASSOCIATION**

Section 3.01. Membership. Each and every Owner shall automatically be and must remain a Member of the Association in good standing, subject to the terms of the Declaration, Articles of Incorporation, Bylaws of the Association and the Association rules.

Section 3.02. Transfer. Membership of an Owner in the Association may not be severed from or in any way transferred, pledged, mortgaged or alienated except upon the sale or assignment of said Owner's interest in all or any part of any Lot and then only to the purchaser or assignee as the new Owner thereof. Such membership shall not be severed by the encumbrance by an Owner of all or any part of the Property. Any attempt to make a prohibited severance, transfer, pledge, mortgage or alienation shall be void and of no further force or effect. Any

transfer of the fee title to a lot, tract or parcel of real estate out of or a part of the Property shall automatically operate to transfer the membership to the new Owner thereof. In the event an Owner should fail or refuse to transfer the membership in the Association registered in such Owner's name to the transferee of such Owner's interest in all or any part of any Lot, the Association shall have the right to record the transfer upon the books and records of the Association.

Section 3.03. Membership and Assessments. Each Member of the Association shall be required to pay assessments in accordance with the Declaration.

Section 3.04. Class of Voting Membership and Voting Rights. The Association, after completion of the subdivision, shall have one class of voting membership and voting rights as set forth in the Declaration.

Section 3.05. Suspension of Voting Rights. The voting rights of any Member may be suspended by the Board of Directors of the Association for any period during which any Assessment remains past due.

Section 3.06. Multiple Owner Votes. Votes hereunder may not be cast on a fractional basis between multiple Owners. Only one vote may be cast per lot.

ARTICLE IV MEETINGS OF MEMBERS

Section 4.01. Annual Meetings. The first annual meeting of the Members shall be held in the first September after 50% of the homes are occupied. Subsequent annual meetings of the Members shall be held each year thereafter on a date chosen by the Board of Directors.

Section 4.02. Special Meetings. Special meetings of the Members may be called at any time by a majority of a quorum of the Board of Directors or upon receipt by the Board of a written request for a special meeting signed by Members representing at least sixty percent (60%) of the outstanding votes of the Association.

Section 4.03. Notice. Written notice of all meetings stating the place, day and hour of the meeting, and the purpose or purposes for which the meeting is called shall be delivered in accordance with Section 9.06 of the Declaration. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Member at the address that appears in the records of the Association, with postage thereon prepaid.

Section 4.04. Quorum. The presence of Members, or Members represented by proxy, holding 50% of the votes of membership required under the Declaration shall constitute a quorum at a meeting of Members for any action except as otherwise provided in the Articles of Incorporation, the Declaration or these Bylaws. If a quorum is not present or represented, a majority in interest of the Members entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid is present or represented. At such adjourned meeting any business may be transacted which might have been transacted at the initial meeting. The vote of the Members holding a majority of the votes represented at a meeting at which a quorum is present shall be required for any action taken unless the vote of a greater number is required by law, the Articles of Incorporation, the Declaration, or these Bylaws.

Section 4.05. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary at or before the appointed time of each meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot, or upon receipt of notice by the Secretary of the Board of the death or judicially declared incompetence of such Member.

Section 4.06. Action Without Meeting By Written Ballot. Any action which may be taken by the vote of the Members at a regular or special meeting, may be taken without a meeting. Approval without a meeting shall be valid if the number of votes cast, obtained in writing, equals or exceeds the number that would be required if the action was taken at a meeting where all of the Members were present.

ARTICLE V BOARD OF DIRECTORS

Section 5.01. Number. The affairs of the Association shall be managed by a Board of at least three (3) directors, but not more than nine (9), all of whom must be Owners or representatives of Owners (where such Owner is not an individual person) except for the first directors.

Section 5.02. Term of Office. At the first meeting of the Association, the Members shall elect a minimum of three (3) directors, but not more than nine (9), one for a term of three years, one for a term of two years, and one for a term of one year. At each annual meeting thereafter the Members shall newly elect one director for a two year term to replace the director whose term has expired.

Section 5.03. Removal. An individual director may be removed prior to the expiration of his term of office upon the vote of Members holding at least 67% of the outstanding votes of the Association.

Section 5.04. Vacancies. Vacancies on the Board shall be filled subject to the following provisions:

(a) **Vacancies by Death or Resignation.** In the event of the death or resignation of a director, a successor director shall be selected by a majority of the remaining members of the Board and shall serve for the unexpired term of such director.

(b) **Vacancies by Removal.** Vacancies created by the removal of a director shall be filled only by the vote or written assent of Members holding 51% of the outstanding notes of the Association.

Section 5.05. Indemnification of Officers and Directors. Each Director and Officer shall be indemnified by the Association and the Members against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed upon him or her by judgment or settlement in connection with any proceeding to which he or she may be a party, or may become involved, by reason of being or having been a Director or Officer of the Association, except in cases of fraud, gross negligence or bad faith of the Director or Officer in the performance of duties.

Section 5.06. Nomination. Nomination for election to the Board shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board, and two or more Members of the Association. The Nominating Committee shall be appointed by the Board not less than thirty days prior to each annual meeting of the Members, to serve until the close of such annual meeting. The Nominating Committee shall make as many nominations for election to the Board as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations must be made from among Members.

Section 5.07. No Compensation. No Director shall receive compensation for any service that Director may render to the Association. However, any Director may be reimbursed for actual expenses incurred in the performance of the Director's duties.

Section 5.08. Regular Meetings. Regular meetings of the Board shall be held at least semi-annually at such place within the Property, and at such hour as may be fixed from time to time by resolution of the Board. Notice of the time, day, agenda and place of meeting shall be delivered either personally, by mail, by telephone, telegraph or e-mail to the Board members not less than four days prior to the meeting. However, notice of a meeting need not be given to Board members who have signed a waiver of notice or a written consent to the holding of the meeting.

Section 5.09. Special Meetings. Special meetings of the Board shall be held when called by written notice signed by the President of the Association, or by any two Directors other than the President. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be sent to all Directors by mail not less than 72 hours prior to the scheduled time of the meeting, provided that notice of the meeting need not be given to Board members who have signed a waiver of notice or a written consent to the holding of the meeting. An officer of the Association shall make reasonable efforts to notify all directors of the meeting by telephone.

Section 5.10. Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act performed or decision made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

Section 5.11. Action Without Meeting. Any action which may be taken by the vote of the Board of Directors, may be taken without a meeting. Approval without a meeting shall be valid if a consent is obtained by the number of Directors, in writing, that equals or exceeds the number of votes that would be required to authorize the action if a meeting were held at which all of the Directors were present.

Section 5.12. Powers and Duties. The Board of Directors shall have the powers and duties enumerated in the Declaration.

Section 5.13. Disciplinary Procedure. The Association may impose monetary penalties, temporarily suspend an Owner's rights as a Member of the Association, or impose other appropriate discipline for failure to comply with the governing instruments, provided that any imposition of fines, discipline or suspensions of rights is done according to the following procedure. The Association shall give the accused Member a 20 days written notice of the action to be taken, stating the reasons therefore, and an opportunity to be heard by the Board with

respect to the alleged violation. The notice shall be given personally to such Member or sent by registered mail to the last address of such Member as shown on the records of the Association. The opportunity to be heard may, at the election of such Member, be oral or in writing. If the Member desires to be heard orally, then the Board will designate a committee composed of not less than two of the three Board Members to meet with the Member. The Board shall have exclusive power and authority to reaffirm, alter, or decide that the proposed disciplinary action not be imposed.

ARTICLE VI OFFICERS AND THEIR DUTIES

Section 6.01. Enumeration of Officers. The officers of the Association shall be as follows:

- (a) President, who shall at all times be a member of the Board;
- (b) Vice-President, who may be a member of the Board;
- (c) Secretary, who may be a member of the Board;
- (d) Treasurer, who may be a member of the Board;
- (e) Such other officers as the Board may from time to time by resolution create, who may or may not be members of the Board

Section 6.02. Election of Officers. The election of officers shall take place annually at the meeting of the Board following each annual meeting of the Members.

Section 6.03. Term. The officers of the Association shall hold office for two years unless such officer shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 6.04. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, having such authority, and perform such duties as the Board may, from time to time, determine.

Section 6.05. Resignation and Removal. Any officer may be removed from office by the Board with or without cause. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6.06. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the replaced officer.

Section 6.07. Multiple Offices. The offices of the Association may be held by the same person. No person shall simultaneously hold more than one of the other offices except in the case of special offices created pursuant to the section on "Special Appointments" in this Article.

Section 6.08. Duties. The duties of the officers are as follows:

(a) **President.** The President shall preside at all meetings of the Board; shall see that orders and resolutions of the Board are carried out; shall sign all contracts, leases, mortgages, deeds and other written instruments and shall be designated as one of the officers authorized to co-sign all checks and promissory notes.

(b) **Vice President.** The Vice President shall act in the place and stead of the President in the event of the President's absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required by the Board.

(c) **Secretary.** The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as required by the Board.

(d) **Treasurer.** The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board; shall be designated as one of the officers authorized to co-sign all checks and promissory notes of the Association; shall keep proper books of account.

ARTICLE VII FINANCIAL REPORTS

Section 7.01. The following financial statements for the Association shall be prepared and distributed at a regular or special meeting of the Members and also to each Member requesting the same in writing.

(a) **Budget.** A pro forma operating statement (budget) for each fiscal year shall be distributed to each Member before the beginning of the fiscal year and shall include projected expenses for the Association.

(b) **Annual Report.** An annual report consisting of the following shall be distributed within 60 days after the close of the fiscal year:

- (i) A balance sheet as of the end of the fiscal year;
- (ii) An operating or income statement for the fiscal year; and
- (iii) A statement of any changes in financial position for the fiscal year.

ARTICLE VIII BOOKS AND RECORDS

Section 8.01. Inspection by Members. The membership register, books of account and minutes of meetings of the Members, of the Board and of committees shall be made available for inspection and copying by any Member of the Association, or by the Member's appointed representative, at any reasonable time and for a purpose reasonably related to the Member's

interest, at the office of the Association or at such other place within the Property as the Board shall prescribe.

Section 8.02. Rules for Inspection. The Board shall establish reasonable rules with respect to:

- (a) Notice to be given to the custodian of the records by the Member desiring to make the inspection;
- (b) Hours and days of the week when such an inspection may be made; or
- (c) Payment of the cost of reproducing copies of documents requested by a Member.

Section 8.03. Inspection by Directors. Every Director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical property owned by the Residential Association. The rights of inspection by a Director include the right to make extra copies of documents.

ARTICLE IX AMENDMENTS

Section 9.01. Amendment of Bylaws or the Articles of Incorporation. Any provision of these Bylaws or the Articles of Incorporation may be amended at a regular or special meeting of the Members by a vote (in person or by proxy) or written consent of the Members holding 51% of the outstanding votes of the Association, unless otherwise specified in the Declaration, Bylaws or Articles.

ARTICLE X MISCELLANEOUS

Section 10.01. Fiscal Year. The fiscal year of the Association shall be from time to time determined by the Board of Directors of the Association.

Section 10.02. Interpretation. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control. An interpretation by the Board of Directors shall be final and binding.

CERTIFICATION

I, the undersigned duly acting Director of LAKES OF ARGYLE HOME OWNERS ASSOCIATION, INC., a non-profit corporation, do hereby certify that the foregoing Bylaws were adopted as the Bylaws of the corporation as of April 17, 2018, and that they now constitute the Bylaws of the corporation.

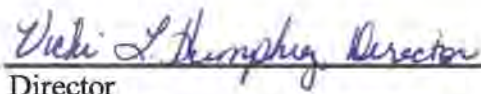

Director

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Denton County
Juli Luke
County Clerk

Instrument Number: 44169

ERecordings-RP

MEMORANDUM

Recorded On: April 19, 2018 02:32 PM

Number of Pages: 7

" Examined and Charged as Follows: "

Total Recording: \$50.00

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

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

File Information:

Document Number: 44169
Receipt Number: 20180419000472
Recorded Date/Time: April 19, 2018 02:32 PM
User: Melissa K
Station: Station 40

Record and Return To:

eRx



STATE OF TEXAS
COUNTY OF DENTON

I hereby certify that this Instrument was FILED In the File Number sequence on the date/time
printed hereon, and was duly RECORDED in the Official Records of Denton County, Texas.

Juli Luke
County Clerk
Denton County, TX

STATE OF TEXAS §
 §
COUNTY OF DENTON §

**PROPERTY OWNERS' ASSOCIATION
MANAGEMENT CERTIFICATE
FOR
LAKES OF ARGYLE HOA, INC.**

This PROPERTY OWNERS' ASSOCIATION MANAGEMENT CERTIFICATE (this "*Certificate*") is made on behalf of LAKES OF ARGYLE HOA, INC., a Texas non-profit corporation (the "*Association*").

W I T N E S S E T H:

WHEREAS, The Lakes of Argyle, LLC, a Texas limited liability company, in its capacity as Declarant, executed and previously placed of record that certain Declaration of Covenants, Conditions and Restrictions for The Lakes of Argyle Addition, filed on April 17, 2018, and recorded as Instrument No. 2018-42991 in the Official Public Records of Denton County, Texas (the "*Declaration*"), including any amendments thereof or supplements thereto are incorporated herein for all purposes.

WHEREAS, the Association has caused this Certificate to be prepared and filed in accordance with the provisions of the Texas Residential Property Owners Protection Act as provided in Section 209.004 of the Texas Property Code.

NOW, THEREFORE, the undersigned hereby certifies as follows on behalf of the Association:

1. **Name of the Subdivision.** The name of the subdivision which is the subject of the Declaration is Lakes of Argyle.
2. **Name of the Association.** The name of the Association is Lakes of Argyle HOA, Inc.
3. **Recording Data for the Subdivision.** The recording data for the subdivision is that certain plats of Lakes of Argyle, an Addition to the Town of Argyle, Denton County, Texas. Please refer to Exhibit A, attached and incorporated herein.
4. **Recording Data for the Declaration.** The Declaration is recorded as Instrument No. 2018-42991, filed in the Official Public Records of Denton County, Texas, including all amendments thereof and supplements thereto.

5. Mailing Address and Telephone/Facsimile Numbers. The current mailing address for the Association is c/o Secure Association Management, P.O. Box #51555, Denton, Texas 76206, telephone (940) 497-7328, and facsimile (940) 497-7328.

6. Other Information.


TO REQUEST A RESALE CERTIFICATE:

**Please contact the above mailing address,
call (940) 497-7328, fax (940) 497-7328,
visit <http://secure-mgmt.com/>,
or e-mail john@secure-mgmt.com.**

IN WITNESS WHEREOF, the undersigned has caused this Certificate to be executed on behalf of the Association in compliance with Section 209.004 of the Texas Property Code.

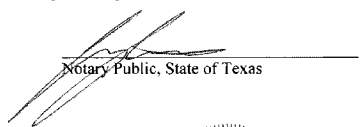
ASSOCIATION:

LAKE OF ARGYLE HOA, INC.
a Texas non-profit corporation

By: 
John MacKenzie, Community Manager

STATE OF TEXAS §
 §
COUNTY OF DENTON §

This instrument was acknowledged before me on the 19 day of April, 2018, by John MacKenzie, Community Manager with Secure Association Management, the Managing Agent of Lakes of Argyle HOA, Inc., a Texas non-profit corporation.


Notary Public, State of Texas

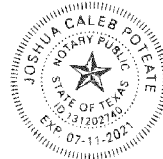


Exhibit A

OWNER'S DEDICATION
STATE OF TEXAS
COUNTY OF DENTON

WHEREAS, The Lakes of Argyle, LLC is the Owner of all that certain 111.41-acres of land described in the deed recorded in Document Number 2016-77883, in the Public Records of Denton County, Texas (P.R.D.C.T.), which is all of Lot 1, Block A, Restless Acres, recorded in Document Number 2010-98 in the P.R.D.C.T., all of Lot 2R, Block A, Vineyard Hills Subdivision No. 2, recorded in Document Number 2012-61, P.R.D.C.T., Lot 3, Block A, Vineyard Hills Subdivision No. 2, recorded in Cabinet Y, Page 111 P.R.D.C.T., Lot 3, Lot 4 and Lot 5, Block 1, Vineyard Hills Subdivision, recorded in Cabinet E, Page 32, P.R.D.C.T., the tract described in the deed to Ronald Harce, recorded in Volume 4126, Page 2315, in the Deed Records of Denton County, Texas (D.R.D.C.T.), and the tract described in the deed to Gary L. and Pamela C. Garton, recorded in Volume 2819, Page 650 D.R.D.C.T., in the T. Whitehead Survey, A-342, and the T. Gozaway Survey, A-479, Denton County, Texas, and more particularly described by metes and bounds as follows: (all bearings shown hereon are based on Texas State Plane Coordinate System, North Central Zone):

BEGINNING at a 1/2" iron rod with a cap stamped "SPRY 5647" set for the northwest corner of the herein described tract, common to the common north corner of Lot 1R and Lot 2R, and from which a 3/4" iron pipe bears North 00° 21' 02" West - 10.28';

THENCE North 76° 10' 43" East - 169.73' along the south right-of-way line of said Old Justin Road, to a 1/2" iron rod with a cap stamped "SPRY 5647" set for an angle corner of the herein described tract;

THENCE North 00° 20' 10" West - 10.28' continuing along the south right-of-way line of said Old Justin Road, to the northwest corner of said Lot 3, Block 3, Vineyard Hill Subdivision No. 2 (Cabb. Y, Pg. 111), from which a found 3/4" iron pipe bears North 47° 51' West - 0.86';

WHICH a found 3/4" iron pipe bears South 00° 21' East - 0.59';

THENCE South 00° 20' 58" East - 10.85' to the northwest corner of said Lot 2R, Block A, Vineyard Hills Subdivision No. 2;

THENCE North 76° 38' 51" East - 239.44' along the south right-of-way line of Old Justin Road, to a 1/2" iron rod with a cap stamped "SPRY 5647" set for the Point of Curvature of a curve to the right, having a central angle of 12° 12' 29", a radius of 928.93' and a chord bearing and distance of North 82° 45' 03" East - 197.48';

THENCE along said curve to the right, continuing along the south right-of-way line of Old Justin Road, an arc distance of 197.85' to a 1/2" iron rod with a cap stamped "SPRY 5647" set for the end of curve;

THENCE North 89° 01' 41" East - 330.19' to a 1/2" iron rod with a cap stamped "SPRY 5647" set for an angle corner of the herein described tract, in the west line of said "Hance" Tract;

THENCE North 00° 12' 11" West - 10.00' to a 1/2" iron rod with a cap stamped "SPRY 5647" set for an angle corner of the herein described tract, common to the northwest corner of said "Hance" Tract;

THENCE North 89° 46' 27" East - 233.10' along the south right-of-way line of Old Justin Road, to a 1/2" iron rod with a cap stamped "SPRY 5647" set for an angle corner of the herein described tract, common to the northeast corner of said "Garton" Tract;

THENCE South 06° 21' 42" West - 10.07' to a 1/2" iron rod with a cap stamped "SPRY 5647" set for an angle corner of the herein described tract;

THENCE North 89° 46' 26" East - 608.55' along the south right-of-way line of Old Justin Road to a 1/2" iron rod with a cap stamped "SPRY 5647" set for the northeast corner of the herein described tract, in the west right-of-way line of Texas & Pacific Railroad Company (100' R.O.W.);

THENCE South 17° 54' 59" West - 3770.56' along the west right-of-way line of said Texas & Pacific Railroad Company, to a 1/2" iron rod with a cap stamped "SPRY 5647" set for the most southerly southeast corner of the herein described tract, in the north right-of-way line of Harpole Road (a 60' right-of-way);

THENCE South 89° 51' 04" West - 848.09' along the north right-of-way line of said Harpole Road, a 1/2" iron rod found for the most southerly southwest corner of the herein described tract, common to the southeast corner of Lot 2, Block 1, of said Vineyard Hills Subdivision;

THENCE North 00° 16' 10" West, along the west line of aforesaid Lot 3, Block 1, common to the east line of said Lot 2, Block 1, a distance of 1041.35' (called 1040.89') to a 1/2" iron rod with a cap stamped "SPRY 5647" set for an angle corner of the herein described tract, common to the northeast corner of said Lot 2, Block 1, and in the south line of Lot 5, Block A, Vineyard Hills Subdivision No. 2 (Cabinet Y, Page 111), and from which a 1/2" iron rod found bears North 06° 40' East - 0.59';

THENCE North 89° 32' 45" East - 99.86' along the north line of said Lot 3, Block 1 to 1/2" iron rod found for an angle corner of the herein described tract;

THENCE North 01° 05' 28" West - 961.06' to a 1/2" iron rod found for an angle corner of the herein described tract, in the south line of aforesaid Lot 1R, Block A;

THENCE North 89° 49' 10" East - 11.06' (called 10.62') to a 1/2" iron rod found for an angle corner of the herein described tract;

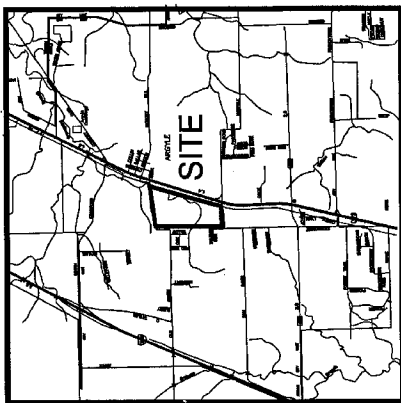
THENCE North 00° 21' 02" West - 1417.28' to the POINT OF BEGINNING, and containing 111.41 acres of land.

NOW THEREFORE, KNOW ALL PERSONS BY THESE PRESENTS:

That Lakes of Argyle, LLC, the Owner, does hereby adopt that plat designating the hereinabove described property as LAKES OF ARGYLE PHASE I & II, on addition to the Town of Argyle and do hereby dedicate to the public use forever the streets and alleys shown thereon and do hereby reserve the easement strips shown on this plat for the mutual use and accommodation of garbage collection agencies and all public utilities desiring to use or using the same. Any public utility shall have the right to remove and keep removed all or part of any buildings, fences, trees, shrubs or other improvements or growths in which any way endorser or interfere with the construction, maintenance or efficiency of its respective systems on any of these easement strips, and any public utility shall at all times have the right of ingress and egress to and from and upon the said easement for the purpose of constructing, reconstructing, inspecting, and patrolling, without the necessity at any time of procuring the permission of anyone. This plat approved subject to all platting ordinances, rules, regulations, and resolutions of the Town of Argyle, Texas.

Witness our hands at Denton County, Texas, this 21ST day of FEBRUARY, 2018.





- NOTES**
1. Unless otherwise noted, all boundary and/or lot corners for the subject property shown hereon are 1/2" iron rods set with a cap stamped "SPRY 5647".
 2. Selling a portion of this addition by metes and bounds is a violation of the city Subdivision Ordinance and State platting statutes and is subject to fines and withholding of utilities and building permits.
 3. According to the Flood Insurance Rate Map No. 481210505 G, published by the Federal Emergency Management Agency, dated April 18, 2011, a portion of the surveyed property shown hereon lies within the special flood hazard area designated as Zone "A", which is defined as areas of 100-year flooding with no base flood elevations determined. Further, local permitting agencies may require actual topographic support data for final determination of flood limits, regarding construction permits.
 4. The basis of bearing for the property shown hereon is the Texas State Plane Coordinate System, North Central Zone.
 5. The floodplain line depicted hereon is an approximate location scaled off the Flood Insurance Rate Map No. 481210505G published by the Federal Emergency Management Agency, dated April 18, 2011.
 6. The tract shown hereon is subject to the Right-Of-Way Agreement, recorded in Document No. 2006-29371, and Document No. 2006-56020, P.R.D.C.T.
 7. The tract shown hereon is subject to the oil, gas, and mineral lease recorded in Document No. 2009-135567, P.R.D.C.T., Document No. 2010-80602, P.R.D.C.T., and Document No. 2010-111490, P.R.D.C.T.
 8. All Open Space Lots shall be owned and maintained by the Home Owners Association. All public facilities within Open Space Lots shall be maintained by the Town of Argyle.
 9. Easements to be abandoned:
A. Texas Power & Light Volume 443, Page 527, P.R.D.C.T.
B. 20' Utility Easement Document Number 2012-61, P.R.D.C.T.

Parkland Dedication Lots	
Lot	Block
1	A
96	A
41	A
1	B
1	C
2	C
1	E
1	G
1	H
1	L
1	M
1	P
13	Q
1	R

Summary Table		
Number of lots	Phase 1	Phase 2
85	53	138
Number of lots per zoning category	85	53
Total acreage	53.15	58.76
Total parkland dedication acreage	9.48	33.13
Minimum lot size	90x135	90x135
Minimum dwelling unit size		1.24
Density per acre		1.24

Approved by the Town of Argyle Planning and Zoning Commission.



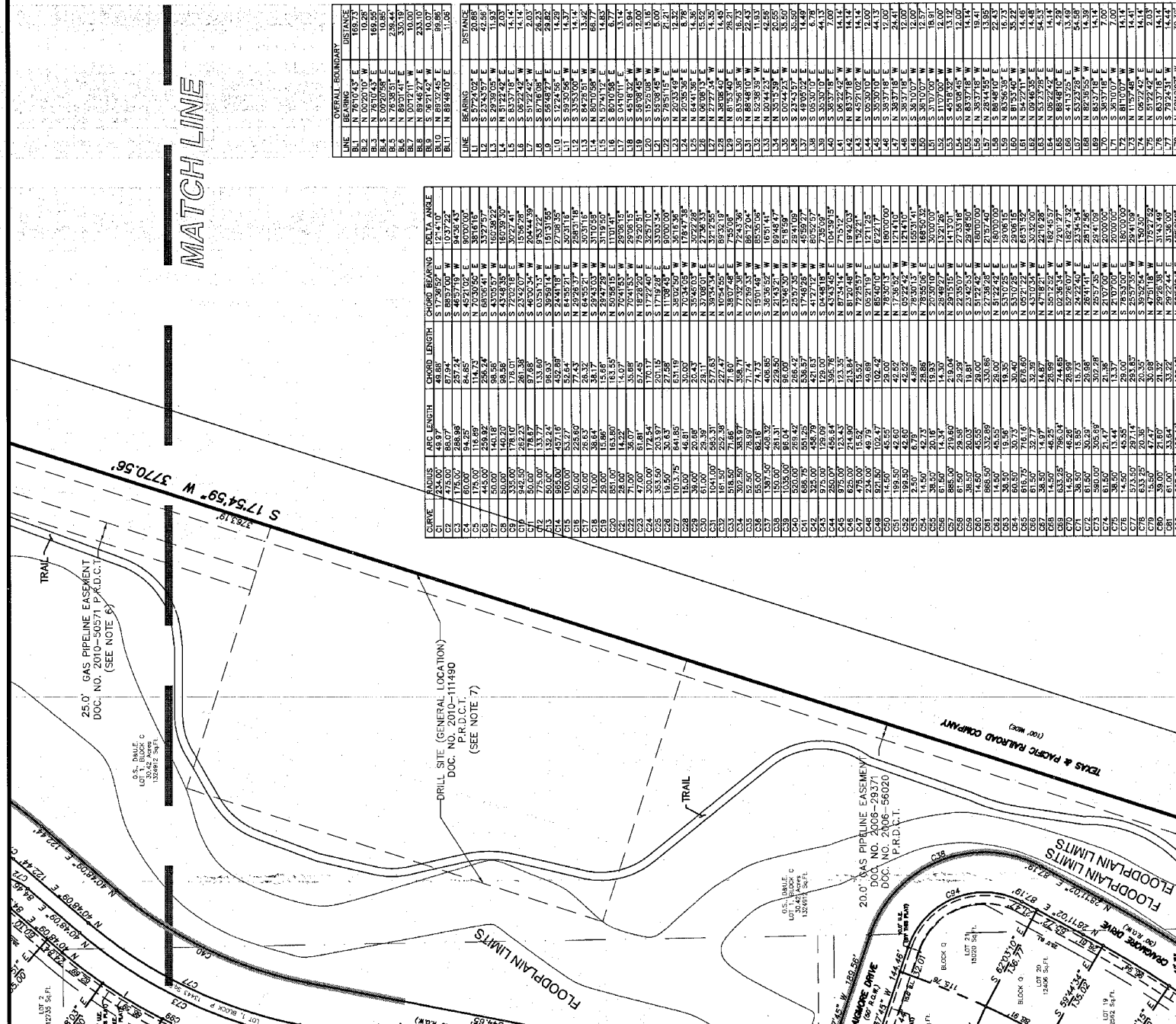
Chairman: *F. J. [Signature]*
Secretary: *[Signature]*
Date: *March 7, 2017*

SURVYOR CERTIFICATE

That I, David Carlton Lewis, a Registered Professional Land Surveyor licensed in the State of Texas, do hereby certify that I have prepared this plat from an actual on the ground survey of the land and the monuments shown hereon were found and/or placed under my personal supervision and in accordance with the Platting Rules and Regulations of the City Plan Commission of the Town of Argyle, Texas.



[Signature]
David Carlton Lewis, R.P.L.S.
Texas Registration No. 5647



CURVE	RADIUS	ARC LENGTH	CHORD LENGTH	CHORD BEARING	DELTA ANGLE
C1	475.00'	88.07'	87.94'	S 88°57'00" W	103°27'00"
C2	475.00'	288.99'	257.24'	S 46°57'19" W	94°58'43"
C3	176.00'	288.99'	257.24'	S 46°57'19" W	94°58'43"
C4	80.00'	94.79'	94.85'	S 42°13'50" E	90°00'00"
C5	80.00'	94.79'	94.85'	S 42°13'50" E	90°00'00"
C6	445.00'	259.32'	258.24'	S 60°06'41" W	332°57'57"
C7	50.00'	140.18'	98.95'	S 43°05'57" W	165°08'52"
C8	50.00'	140.18'	98.95'	S 43°05'57" W	165°08'52"
C9	342.50'	262.23'	261.38'	S 23°43'07" W	155°56'28"
C10	342.50'	262.23'	261.38'	S 23°43'07" W	155°56'28"
C11	50.00'	78.67'	97.65'	S 46°00'34" W	204°44'59"
C12	775.00'	133.77'	133.60'	S 03°50'17" W	1°53'16"
C13	775.00'	133.77'	133.60'	S 03°50'17" W	1°53'16"
C14	865.00'	427.17'	426.88'	S 24°41'18" E	27°08'50"
C15	100.00'	53.27'	52.64'	S 84°58'21" E	26°31'18"
C16	50.00'	225.50'	74.43'	S 22°52'37" W	26°31'18"
C17	50.00'	225.50'	74.43'	S 22°52'37" W	26°31'18"
C18	71.00'	38.84'	38.17'	S 22°52'37" W	31°02'58"
C19	26.00'	15.86'	15.86'	S 25°47'29" W	31°19'50"
C20	83.00'	163.80'	163.55'	N 50°48'13" W	20°11'51"
C21	71.00'	38.07'	37.40'	S 70°41'53" W	20°08'19"
C22	71.00'	38.07'	37.40'	S 70°41'53" W	20°08'19"
C23	47.00'	61.81'	57.45'	N 18°28'20" E	79°20'51"
C24	335.00'	72.84'	72.11'	S 17°15'30" E	3°00'54"
C25	19.50'	36.63'	21.98'	N 11°08'45" E	9°00'00"
C26	101.75'	64.65'	51.19'	S 38°02'50" W	58°18'36"
C27	15.00'	46.81'	31.24'	S 76°43'03" W	37°27'58"
C28	15.00'	46.81'	31.24'	S 76°43'03" W	37°27'58"
C29	61.00'	29.39'	29.11'	N 37°08'01" E	27°56'53"
C30	164.00'	583.31'	577.63'	S 38°54'34" E	37°27'58"
C31	164.00'	583.31'	577.63'	S 38°54'34" E	37°27'58"
C32	183.50'	724.88'	717.77'	S 38°54'34" E	37°27'58"
C33	183.50'	724.88'	717.77'	S 38°54'34" E	37°27'58"
C34	302.50'	583.97'	558.71'	N 77°32'58" W	72°43'36"
C35	52.50'	78.99'	71.74'	S 22°55'33" W	86°12'04"
C36	153.71'	82.19'	481.46'	S 36°35'57" W	15°01'41"
C37	153.71'	82.19'	481.46'	S 36°35'57" W	15°01'41"
C38	150.00'	261.31'	228.50'	N 21°43'27" W	99°48'47"
C39	150.00'	261.31'	228.50'	N 21°43'27" W	99°48'47"
C40	280.00'	261.31'	228.50'	S 13°46'50" W	5°18'59"
C41	280.00'	261.31'	228.50'	S 13°46'50" W	5°18'59"
C42	325.00'	488.79'	421.63'	S 41°27'02" W	80°52'57"
C43	975.00'	129.09'	129.00'	S 04°44'18" W	7°35'07"
C44	250.00'	455.47'	131.76'	N 81°14'14" E	7°35'07"
C45	250.00'	455.47'	131.76'	N 81°14'14" E	7°35'07"
C46	925.00'	214.80'	213.84'	S 81°20'48" W	19°42'03"
C47	475.00'	15.52'	15.52'	N 72°28'57" E	1°52'21"
C48	235.00'	487.79'	102.82'	S 85°14'01" E	6°27'17"
C49	14.50'	45.55'	25.00'	N 78°35'15" E	18°00'00"
C50	14.50'	45.55'	25.00'	N 78°35'15" E	18°00'00"
C51	189.50'	42.60'	42.62'	N 17°35'52" W	17°14'10"
C52	190.50'	42.60'	42.62'	N 17°35'52" W	17°14'10"
C53	190.50'	42.60'	42.62'	N 17°35'52" W	17°14'10"
C54	14.50'	42.73'	19.83'	S 20°50'07" E	30°00'00"
C55	38.50'	20.16'	19.83'	S 20°50'07" E	30°00'00"
C56	61.50'	14.33'	14.33'	S 20°50'07" E	30°00'00"
C57	61.50'	29.38'	21.29'	S 22°35'07" E	27°33'18"
C58	38.50'	20.03'	19.81'	S 23°42'53" E	28°48'50"
C59	14.50'	45.55'	25.00'	S 21°14'30" W	20°54'00"
C60	14.50'	45.55'	25.00'	S 21°14'30" W	20°54'00"
C61	14.50'	45.55'	25.00'	N 51°22'42" E	18°00'00"
C62	38.50'	18.35'	18.35'	S 53°10'25" E	28°08'18"
C63	61.50'	20.77'	20.77'	N 09°46'35" E	16°37'57"
C64	61.50'	20.77'	20.77'	N 09°46'35" E	16°37'57"
C65	61.50'	32.77'	32.36'	S 43°10'34" W	50°38'00"
C66	38.50'	14.97'	14.67'	N 47°16'21" E	22°10'28"
C67	38.50'	14.97'	14.67'	N 47°16'21" E	22°10'28"
C68	14.50'	45.55'	25.00'	S 02°45'34" W	1°53'16"
C69	14.50'	45.55'	25.00'	S 02°45'34" W	1°53'16"
C70	14.50'	45.55'	25.00'	N 52°28'07" W	18°24'32"
C71	38.50'	18.35'	18.35'	N 22°22'40" E	28°34'54"
C72	38.50'	18.35'	18.35'	N 22°22'40" E	28°34'54"
C73	38.50'	18.35'	18.35'	N 20°57'28" E	20°10'00"
C74	61.50'	21.47'	21.36'	S 21°07'00" W	20°00'00"
C75	38.50'	13.44'	13.37'	N 21°07'00" W	20°00'00"
C76	14.50'	29.714'	29.613'	S 23°53'03" W	28°41'00"
C77	61.50'	20.30'	20.35'	S 39°58'54" W	1°50'30"
C78	61.50'	20.30'	20.35'	S 39°58'54" W	1°50'30"
C79	15.50'	47.47'	47.47'	N 47°51'18" W	17°52'52"
C80	81.00'	33.94'	33.22'	N 20°22'44" E	14°44'
C81	81.00'	33.94'	33.22'	N 20°22'44" E	14°44'

ALL LOTS WITH SAVE AND EXCEPT (including open space lots):

Plat of Lakes of Argyle including Lots 1-41, Block A ; Lot 1, Block B ; Lots 1-2, Block C ; Lots 1-14, Block D ; Lot 1, Block E ; Lots 1-24, Block F ; Lot 1, Block G ; Lot 1, Block H ; Lots 1-14, Block J ; Lot 1-12, Block K ; Lot 1, Block L ; Lot 1, Block M ; Lots 1-17, Block N ; Lot 1, Block P ; Lots 1-21, Block Q ; Lot 1, Block R

SAVE AND EXCEPT Lot 1, Block S

138 TOTAL LOTS

OPEN SPACE LOTS:

Lot 1 & 2, Block C

Lot 1, Block E

Lot 20, Block F – Water Well Lot

Lot 1, Block G

Lot 1, Block H

Lot 1, Block L

Lot 1, Block M

Lot 1, Block P

Lot 1, Block R



CERTIFICATE OF PROPERTY INSURANCE

DATE (MM/DD/YYYY)
7/8/2019

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

PRODUCER CCIM, Inc dba Capitol City Insurance 8030 North Mopac Expressway Austin TX 78766	CONTACT NAME: Chrisina McCafferty	
	PHONE (A/C, No, Ext): 512-343-0280	FAX (A/C, No): 512-343-0347
INSURED Lakes of Argyle HOA, Inc. PO Box 51555 Denton TX 76206	E-MAIL ADDRESS: christinam@ccinsurance.com	
	PRODUCER CUSTOMER ID: LAKEOFA-01	
	INSURER(S) AFFORDING COVERAGE	
	INSURER A: Security National Insurance Co	
	INSURER B:	
	INSURER C:	
INSURER D:		
INSURER E:		
INSURER F:		

COVERAGES

CERTIFICATE NUMBER: 1270326443

REVISION NUMBER:

LOCATION OF PREMISES / DESCRIPTION OF PROPERTY (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
Covers Common Areas Only

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	COVERED PROPERTY	LIMITS
A	<input checked="" type="checkbox"/> PROPERTY	SPP1777778 00	5/15/2019	5/15/2020	BUILDING	\$
	CAUSES OF LOSS	DEDUCTIBLES			PERSONAL PROPERTY	\$
	<input type="checkbox"/> BASIC	BUILDING			BUSINESS INCOME	\$
	<input type="checkbox"/> BROAD	CONTENTS			EXTRA EXPENSE	\$
	<input checked="" type="checkbox"/> SPECIAL				RENTAL VALUE	\$
	<input type="checkbox"/> EARTHQUAKE				BLANKET BUILDING	\$
	<input checked="" type="checkbox"/> WIND				BLANKET PERS PROP	\$
	<input type="checkbox"/> FLOOD				BLANKET BLDG & PP	\$
	<input checked="" type="checkbox"/> Deductible				<input checked="" type="checkbox"/> Common Areas	\$ 100,000
	<input checked="" type="checkbox"/> Hail					\$
	<input type="checkbox"/> INLAND MARINE	TYPE OF POLICY				\$
	CAUSES OF LOSS					\$
	<input type="checkbox"/> NAMED PERILS	POLICY NUMBER				\$
	<input type="checkbox"/> CRIME					\$
	TYPE OF POLICY					\$
	<input type="checkbox"/> BOILER & MACHINERY / EQUIPMENT BREAKDOWN					\$
A	Replacement Cost	SPP1777778 00	5/15/2019	5/15/2020	<input checked="" type="checkbox"/> Included	\$
						\$

SPECIAL CONDITIONS / OTHER COVERAGES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Secure Association Management is Additional insured on General liability as required by written contract

CERTIFICATE HOLDER

CANCELLATION

Secure Association Management
PO Box 51555
Denton TX 76206

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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