

BYLAWS

KENSINGTON GARDENS LAKEWOOD
HOMEOWNERS ASSOCIATION, INC.

(a Texas non-profit Corporation)

Executed this 15th day of September, 2014

**BYLAWS
OF
KENSINGTON GARDENS LAKEWOOD
HOMEOWNERS ASSOCIATION, INC.**

**ARTICLE I
INTRODUCTION**

The name of the corporation is Kensington Gardens Lakewood Homeowners Association, Inc., a Texas non-profit corporation, hereinafter referred to as the "Association". The principal office of the Association shall be located in Dallas County, Texas, but meetings of Members and Directors may be held at such places within the State of Texas, as may be designated by the Board of Directors.

The Association is organized to be a nonprofit corporation.

Notwithstanding anything to the contrary in these Bylaws, a number of provisions are modified by the Declarant's reservations in that certain Declaration of Covenants, Conditions, and Restrictions for Kensington Gardens Lakewood recorded in the Official Public Records of Dallas County, Texas, including the number, qualification, appointment, removal, and replacement of Directors.

**ARTICLE II
DEFINITIONS**

Unless the context otherwise specifies or requires, the following words and phrases when used in these Bylaws shall have the meanings hereinafter specified:

Section 2.1. Assessment. "Assessment" or "Assessments" shall mean assessment(s) levied by the Association under the terms and provisions of the Declaration

Section 2.2. Association. "Association" shall mean and refer to Kensington Gardens Lakewood Homeowners Association, Inc., a Texas non-profit corporation.

Section 2.3. Association Property. "Association Property" shall mean all real or personal property now or hereafter owned by the Association, including without limitation, all easement estates, licenses, leasehold estates and other interests of any kind in and to real or personal property which are now or hereafter owned or held by the Association.

Section 2.4. Association Restrictions. "Association Restrictions" shall mean the Declaration of Covenants, Conditions and Restrictions for Kensington Gardens Lakewood

Homeowners Association, Inc. (“Declaration”) as the same may be amended from time to time, together with the Certificate, Bylaws, and Association Rules from time to time in effect.

Section 2.5. Association Rules. “Association Rules” shall mean the rules and regulations adopted by the Board pursuant to the Declaration, as the same may be amended from time to time. The Declarant or the Board of Directors shall have the sole right and discretion to adopt, amend and repeal Rules and Regulations of the Association. Association Rules shall be adopted, amended, or repealed by Board Resolution and must be posted to the Association’s website, if available and a copy mailed to each Owner of record.

Section 2.6. Board. “Board” shall mean the Board of Directors of the Association.

Section 2.7. Bylaws. “Bylaws” shall mean the Bylaws of the Association which may be adopted by the Board and as the same may be amended from time to time.

Section 2.8. Certificate. “Certificate” shall mean the Certificate of Formation of Kensington Gardens Lakewood Homeowners Association, Inc., a Texas non-profit corporation, filed in the office of the Secretary of State of the State of Texas, as the same may from time to time be amended.

Section 2.9. Declarant. “Declarant” shall mean CADG Shady Side, LLC, a Texas limited liability company, and its duly authorized representatives or their successors or assigns; provided that any assignment of the rights of Declarant must be expressly set forth in writing and the mere conveyance of a portion of the Property without written assignment of the rights of Declarant shall not be sufficient to constitute an assignment of the rights of Declarant hereunder.

Section 2.10. Declaration. “Declaration” shall mean the “Declaration of Covenants, Conditions and Restrictions for Kensington Gardens Lakewood Homeowners Association, Inc.”, recorded in the Official Public Records of Dallas County, Texas, as the same may be amended from time to time.

Section 2.11. Development. “Development” shall mean and refer to the property subject to the terms and provisions of the Declaration.

Section 2.12. Manager. “Manager” shall mean the person, firm, or corporation, if any, employed by the Association pursuant to the Declaration and delegated the duties, powers, or functions of the Association.

Section 2.13. Member. “Member” or “Members” shall mean any person(s), entity or entities holding membership privileges in the Association as provided in the Declaration.

Section 2.14. Mortgage. "Mortgage" or "Mortgages" shall mean any mortgagees or deed(s) of trust covering any portion of the Property given to secure the payment of a debt.

Section 2.15. Mortgagee. "Mortgagee" or "Mortgagees" shall mean the holder or holders of any lien or liens upon any portion of the Property.

Section 2.16. Owner. "Owner" or "Owners" shall mean the person(s), entity or entities, including Declarant, holding a fee simple interest in any Lot, but shall not include the Mortgagee of a Mortgage.

ARTICLE III

MEETING OF MEMBERS

Section 3.1. Annual Meetings. The first annual meeting of the Members shall be held within one (1) year from the date Declarant control period has ended. Each subsequent regular annual meeting of the Members shall be held on a day and month to be determined by the Board of Directors. No meeting may be held on a Sunday, or legal holiday.

Section 3.2. Special Meetings. Special meetings of the Members may be called at any time by the President or by a majority vote of the Board of Directors, or upon written request of the Members who are entitled to vote fifty-one percent (51%) or more of the votes of the Association.

Section 3.3. Place of Meetings. Meetings of the Association may be held at the Development or at a suitable place convenient to the Members, as determined by the Board.

Section 3.4. Notice of Meetings. At the direction of the Board, written notice of meetings of the Association, excluding Board Meetings, will be given to the Members at least ten (10) days but not more than sixty (60) days prior to the meeting. Notices of meetings will state the date, time, and place the meeting is to be held. Notices will identify the type of meeting as annual or special, and will state the particular purpose of a special meeting. Notices may also set forth any other items of information deemed appropriate by the Board.

Section 3.5. Voting Member List. The Board will prepare and make available a list of the Association's voting Members in accordance with Section 22.158 of the Texas Business Organizations Code.

Section 3.6. Quorum. The presence at any regular or special meeting of the Members entitled to cast, or of proxies entitled to cast, twenty-five percent (25%) of the total votes of the membership shall constitute a quorum for any action, except as otherwise provided in the Certificate, the Declaration, or these Bylaws. If, however, such quorum is not present or represented at any meeting, the quorum for subsequent meeting(s) shall reduce by twenty percent (20%) until a sufficient number for meeting quorum is achieved. Members entitled to vote at the meeting shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented.

Section 3.7. Proxies. Votes may be cast in person or by written proxy. To be valid, each proxy must: (i) be signed and dated by a Member or his attorney-in-fact; (ii) identify the Lot to which the vote is appurtenant; (iii) name the person or title (such as "presiding officer") in favor of whom the proxy is granted, such person having agreed to exercise the proxy; (iv) identify the meeting for which the proxy is given; (v) not purport to be revocable without notice; and (vi) be delivered to the secretary, to the person presiding over the Association meeting for which the proxy is designated, or to a person or company designated by the Board. Unless the proxy specifies a shorter or longer time, it terminates eleven (11) months after the date of its execution. Perpetual or self-renewing proxies are permitted, provided they are revocable. To revoke a proxy, the granting Member must give actual notice of revocation to the person presiding over the Association meeting for which the proxy is designated. Unless revoked, any proxy designated for a meeting which is adjourned, recessed, or rescheduled is valid when the meeting reconvenes. A proxy may be delivered by fax. However, a proxy received by fax may not be counted to make or break a tie-vote unless: (a) the proxy has been acknowledged or sworn to by the Member, before and certified by an officer authorized to take acknowledgments and oaths; or (b) the Association also receives the original proxy within five (5) days after the vote.

Section 3.8. Conduct of Meetings. The president, or any person designated by the Board, presides over meetings of the Association. The secretary keeps, or causes to be kept, the minutes of the meeting which should record all resolutions adopted and all transactions occurring at the meeting, as well as a record of any votes taken at the meeting. The person presiding over the meeting may appoint a parliamentarian. Votes should be tallied by tellers appointed by the person presiding over the meeting.

Section 3.9. Order of Business. Unless the notice of meeting states otherwise or the assembly adopts a different agenda at the meeting, the order of business at meetings of the Association is as follows:

- Determine votes present by roll call or check-in procedure
- Announcement of quorum
- Proof of notice of meeting
- Approval of minutes of preceding meeting Reports of Officers (if any)
- Election of Directors (when required)
- Unfinished or old business
- New business

Section 3.10. Adjournment of Meeting. At any meeting of the Association, a majority of the Members present at that meeting, either in person or by proxy, may adjourn the meeting to another time and place.

Section 3.11. Action without Meeting. Subject to Board approval, any action which may be taken by a vote of the Members at a meeting of the Association may also be taken without a meeting by written consents. The Board may permit Members to vote by any method allowed by the Texas Business Organizations Code, including Section Sec. 22.160 thereof, which may include hand delivery, United States Mail, facsimile, e-mail, or any combination of these. Written consents by Members representing at least a majority of votes in the Association, or such higher percentage as may be required by the Documents, constitutes approval by written consent.

This Section may not be used to avoid the requirement of an annual meeting and does not apply to the election of Directors.

Section 3.12. Telephone Meetings. Members of the Association may participate in and hold meetings of the Association by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in the meeting constitutes presence in person at the meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

ARTICLE IV BOARD OF DIRECTORS

Section 4.1. Authority; Number of Directors.

(a) The affairs of the Association shall be governed by a Board of Directors. The maximum number of Directors shall be five and the minimum number three. The initial Directors shall be three (3) in number and shall be those Directors named in the Certificate. The initial Directors shall serve until their successors are elected and qualified. Except as is provided in the Declaration and in Sections 4.1(b) and 4.1(c) below, Declarant shall have the absolute right to appoint and remove members of the Board of Directors.

(b) From and after the first annual meeting of Members and until the date (the "Transition Date") on which seventy-five (75%) of the Lots have been sold to Class A Members, the Board of Directors shall consist of three (3) persons appointed by Declarant who need not be Members of the Association. On and after the Transition Date, the Board of Directors shall include two (2) persons appointed by Declarant and one (1) person elected by a vote of Class A Members ("Non-Declarant Director"), which Non-Declarant Member shall serve for a period which is the shorter of one (1) year, or until the next annual meeting of the Members at which the Non-Declarant Member (or replacement thereof) shall be elected. The Non-Declarant Director shall be elected at the first annual meeting (or special meeting called for such purpose by the President of the Association) of Members held on or after the Transition Date. On and after the date on which the last Lot is sold to a Class A Member (the "Declarant Turnover Date"), the Board of Directors may but, is not required to increase to five (5) members should the Board of Directors elect to do so. The President of the Association will thereupon call a meeting of the Members of the Association where the Members will elect Directors for a three (3) member board as follows: one (1) Director for a three (3) year term, two (2) Directors for a two (2) year term. For a five (5) member board the terms shall be as follows: two (2) Directors for a three (3) year term and three (3) Directors for a two (2) year term. All seats of the Board shall be staggered regardless of the number of Directors. If the Board of Directors is increased, the Board shall establish the staggered terms for the purpose of continuity. No Director may serve a term greater than three (3) years notwithstanding; there shall be no limit on the number of consecutive terms a Director may serve on the Board when duly elected by the Members. A Director takes office upon the adjournment of the meeting or balloting at which he is elected or appointed and serves will hold office until absent by death, ineligibility, resignation, or removal, or until his / her successor is elected or appointed.

(c) Each Director, other than Directors appointed by Declarant, shall be a Member and resident, or in the case of corporate or partnership ownership of a Lot, a duly authorized agent or representative of the corporate or partnership Owner. The corporate, or partnership Owner shall be designated as the Director in all correspondence or other documentation setting forth the names of the Directors.

Section 4.2. Compensation. The Directors shall serve without compensation for such service.

Section 4.3. Nominations to Board of Directors. Members may be nominated for election to the Board of Directors in either of the following ways:

(a) A Member who is not a Director and who desires to run for election to that position shall be deemed to have been nominated for election upon his filing with the Board of Directors a written petition of nomination (candidate form); or

(b) A Director who is eligible to be re-elected shall be deemed to have been nominated for re-election to the position he holds by signifying his intention to seek reelection in a writing addressed to the Board of Directors.

Section 4.4. Removal of Directors for Cause. If a Director breaches such Director's duties hereunder or violates the terms of the Declaration, the Certificate, the Association Rules or these Bylaws, such Director may be removed by Declarant unless Declarant no longer has the right to appoint and remove Directors in accordance with Section 4.1 of these Bylaws, and then by a majority vote of the remaining Directors after Declarant's right to appoint and remove Directors has expired. No Director shall have any voting rights nor may such Director participate in any meeting of the Board of Directors at any time that such Director is delinquent in the payment of any Assessments or other charges owed to the Association. Any Director that is ninety (90) days delinquent in the payment of Assessments or other charges more than three (3) consecutive times shall be removed as a Director.

Section 4.5. Vacancies on Board of Directors. At such time as Declarant's right to appoint and remove Directors has expired or been terminated, if the office of any elected Director shall become vacant by reason of death, resignation, retirement, disqualification, removal from office or otherwise, the remaining Directors, at a special meeting duly called for this purpose, shall choose a successor who shall fill the unexpired term of the directorship being vacated. If there is a deadlock in the voting for a successor by the remaining Directors, the one Director with the longest continuous term on the Board shall select the successor. At the expiration of the term of his position on the Board of Directors, the successor Director shall be re-elected or his successor shall be elected in accordance with these Bylaws.

Section 4.6. Removal of Directors by Members. Subject to the right of Declarant to nominate and appoint Directors as set forth in Section 4.1 of these Bylaws, an elected Director may be removed, with or without cause, by a majority vote of the Members at any special meeting of the Members of which notice has been properly given as provided in these Bylaws; provided the same notice of this special meeting has also been given to the entire Board of Directors, including the individual Director whose removal is to be considered at such special meeting.

Section 4.7. Consent in Writing. Any action by the Board of Directors, including any action involving a vote on a fine, damage assessment, appeal from a denial or architectural control approval, or suspension of a right of a particular Member before the Member has an

opportunity to attend a meeting of the Board of Directors to present the Member's position on the issue, may be taken without a meeting if all of the Directors shall unanimously consent in writing to the action. Such written consent shall be filed in the Minute Book. Any action taken by such written consent shall have the same force and effect as a unanimous vote of the Directors.

ARTICLE V

MEETINGS OF DIRECTORS

Section 5.1. Regular Meetings. Regular meetings of the Board shall be held at least annually or such other frequency as determined by the Board and at such place and hour as may be fixed from time to time by the Board, notwithstanding; during the period of Declarant control, a Board meeting is not required unless the Declarant Board will be voting on any of the following: (i) assessment increase, (ii) special assessment, (iii) amendment to the Declaration or the Bylaws, (iv) any purpose that shall directly affect an Owner's right with regard to his Lot.

Section 5.2. Special Meetings. Special meetings of the Board shall be held when called by the President of the Association, or by any two Directors, after not less than three (3) days' notice to each Director.

Section 5.3. Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or 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 of Directors.

Section 5.4. Telephone Meetings. Members of the Board or any committee of the Association may participate in and hold meetings of the Board or committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in such meeting constitutes presence in person at the meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

Section 5.6. Action without a Meeting. Any action required or permitted to be taken by the Board at a meeting may be taken without a meeting, if all Directors individually or collectively consent in writing to such action. The written consent must be filed with the minutes of Board meetings. Action by written consent has the same force and effect as a unanimous vote.

ARTICLE VI

POWERS AND DUTIES OF THE BOARD

Section 6.1. Powers. The Board shall have power and duty to undertake any of the following actions, in addition to those actions to which the Association is authorized to take in accordance with the Declaration:

(a) adopt and publish the Association Rules, including regulations governing the use of the Association Property and facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;

(b) suspend the voting rights of a Member and right of a Member to use of the Association Property during any period in which such Member shall be in default in the payment of any Assessment levied by the Association, or after notice and hearing, for any period during which an infraction of the Association Rules by such Member exists;

(c) exercise for the Association all powers, duties and authority vested in or related to the Association and not reserved to the membership by other provisions of the Association Restrictions;

(d) to enter into any contracts or agreements with a municipal agency or utility company to provide electric utility service to all or any portion of the Property;

(e) declare the office of a member of the Board to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board;

(f) employ such employees as they deem necessary, and to prescribe their duties;

(g) as more fully provided in the Declaration, to:

(1) fix the amount of the Assessments against each Lot in advance of each annual assessment period and any other assessments provided by the Declaration; and

(2) foreclose the lien against any property for which Assessments are not paid within thirty (30) days after due date or to bring an action at law against the Owner personally obligated to pay the same;

(h) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any Assessment has been paid and to levy a reasonable charge for the issuance of these certificates (it being understood that if a certificate states that an Assessment has been paid, such certificate shall be conclusive evidence of such payment);

(i) procure and maintain adequate liability and hazard insurance on property owned by the Association;

(j) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and

(k) exercise such other and further powers or duties as provided in the Declaration or by law.

Section 6.2. Duties. It shall be the duty of the Board to:

(a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members upon request or at any special meeting when such statement is requested in writing by Members who are entitled to cast fifty-one percent (51%) of all outstanding votes; and

(b) supervise all officers, agents and employees of the Association, and to see that their duties are properly performed.

ARTICLE VII

OFFICERS AND THEIR DUTIES

Section 7.1. Enumeration of Offices. The officers of the Association shall be a President and a Vice-President, who shall at all times be members of the Board, a Secretary and a Treasurer, and such other officers as the Board may from time to time create by resolution.

Section 7.2. Election of Officers. The election of officers shall take place at the first meeting of the Board following each annual meeting of the Members.

Section 7.3. Term. The officers of the Association shall be elected annually by the Board and each shall hold office for one (1) year unless he resigns sooner, or shall be removed or otherwise disqualified to serve. An Organizational meeting shall be held by the Board for the sole purpose of electing officers positions. An Organizational meeting should take place within thirty (30) days after each election for this purpose.

Section 7.4. 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, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 7.5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. 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 7.6. Vacancies. A vacancy in any office may be filled through appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7.7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 7.4.

Section 7.8. 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 leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

(b) Vice President. The Vice President, if any, shall generally assist the President and shall have such powers and perform such duties and services as shall from time to time be prescribed or delegated to him by the President or the Board.

(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) Assistant Secretaries. Each Assistant Secretary shall generally assist the Secretary and shall have such powers and perform such duties and services as shall from time to time be prescribed or delegated to him or her by the Secretary, the President, the Board or any committee established by the Board.

(e) 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 sign all checks and promissory notes of the Association; keep proper books of account in appropriate form such that they could be audited by a public accountant whenever ordered by the Board or the membership; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular meeting, and deliver a copy of each to the Members.

ARTICLE VIII

OTHER COMMITTEES OF THE BOARD OF DIRECTORS

The Board may, by resolution adopted by affirmative vote of a majority of the number of Directors fixed by these Bylaws, designate two or more Directors (with such alternates, if any, as may be deemed desirable) to constitute another committee or committees for any purpose; provided, that any such other committee or committees shall have and may exercise only the power of recommending action to the Board of Directors and of carrying out and implementing any instructions or any policies, plans, programs and rules theretofore approved, authorized and adopted by the Board. The Board may appoint other committees as it deems necessary and appropriate who shall serve under the direction of the Board or its Managing Agent.

ARTICLE IX

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Association Restrictions shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE X

ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay to the Association Assessments which are secured by a continuing lien upon the property against which the Assessments are made. Assessments shall be due and payable in accordance with the Declaration.

ARTICLE XI CORPORATE SEAL

The Association may, but shall have no obligation to, have a seal in a form adopted by the Board.

ARTICLE XII DECLARANT PROVISIONS

Section 12.1. Conflict. The provisions of this Article control over any provision to the contrary elsewhere in these Bylaws.

Section 12.2. Board of Directors. As provided in Section 4.1 hereof, Declarant is entitled to appoint and remove certain members of the Board of Directors until the Declarant Turnover Date. Until Declarant's right to appoint certain members of the Board of Directors terminates, the Directors appointed by Declarant need not be Owners or residents and may not be removed by the Owners. In addition, Declarant has the right to fill vacancies in any directorship vacated by a Declarant appointee.

ARTICLE XIII AMENDMENTS

Section 13.1. These Bylaws may be amended by the Declarant or Board of Directors. During the period of Declarant control, Declarant may amend these Bylaws at any time and from time to time, without consent or joinder of the Board of Directors or the Members. After the period of Declarant control has ended the Board of Directors may amend these Bylaws so long as such amendment is for continuity, clarification, correction, or an amendment deemed to be in the best interest of the Association and its Members. A majority vote of the Board is required to amend these Bylaws after the period of Declarant control.

Section 13.2. In the case of any conflict between the Certificate and these Bylaws, the Certificate shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE XIV

INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Association shall indemnify every Director and Officer of the Association against, and reimburse and advance to every Director and Officer for, all liabilities, costs and expenses' incurred in connection with such directorship or office and any actions taken or omitted in such capacity to the greatest extent permitted under the Texas Business Organizations Code and all other applicable laws at the time of such indemnification, reimbursement or advance payment; provided, however, no Director or Officer shall be indemnified for: (a) a breach of duty of loyalty to the Association or its Members; (b) an act or omission not in good faith or that involves intentional misconduct or a knowing violation of the law; (c) a transaction from which such Director or Officer received an improper benefit, whether or not the benefit resulted from an action taken within the scope of directorship or office; or (d) an act or omission for which the liability of such Director or Officer is expressly provided for by statute.

ARTICLE XV

MISCELLANEOUS

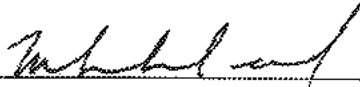
The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year.

I, the undersigned, being the President and Declarant of KENSINGTON GARDENS LAKEWOOD HOMEOWNERS ASSOCIATION, INC. do hereby certify that the foregoing are the Bylaws of said non-profit corporation, as adopted by the Corporation's Board of Directors pursuant to a Unanimous Consent of Directors in Lieu of Organizational Meeting of the Corporation dated to be effective as of the 14th day of September, 2014.

[Signature follows on the next page]

DECLARANT:

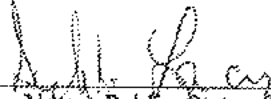
CADG Shady Side, LLC,
a Texas limited liability company

By: 
Mehrdad Moayedi, Declarant / Board
President

STATE OF TEXAS

COUNTY OF DALLAS

This instrument was acknowledged before me on this 22 day of June, 2016, by Mehrdad Moayedi, the President of CADG Shady Side, LLC, a Texas limited liability company, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and as the act and deed of said limited liability company(s), and in the capacity therein stated.


Notary Public, State of Texas

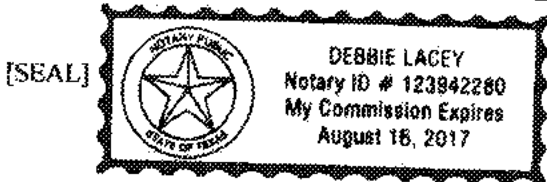


Exhibit "A"

Bylaws

For

Kensington Gardens Lakewood Homeowners Association, Inc.

Records Production and Copying Policy and

Records Retention Policy

RECORDS PRODUCTION AND COPYING POLICY
FOR
KENSINGTON GARDENS LAKEWOOD HOMEOWNERS ASSOCIATION, INC.
(the "Association")

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

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

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

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

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

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

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

RECORDS RETENTION POLICY
FOR
KENSINGTON GARDENS LAKEWOOD HOMEOWNERS ASSOCIATION, INC.
(the "Association")

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

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

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

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

Exhibit "B"

Bylaws

For

Kensington Gardens Lakewood Homeowners Association, Inc.

Payment Plan Policy

KENSINGTON GARDENS LAKEWOOD HOMEOWNERS ASSOCIATION, INC.

PAYMENT PLAN POLICY AND
APPLICATION OF PAYMENTS

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

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

Payment Plans:

1. The Association will allow payment plans for repayment of delinquent amounts with a minimum of three (3) months duration.
2. Terms for repayment of delinquent amounts shall not exceed twelve (12) months without Board approval.
3. Assessments that become due and are added to the homeowner's account during the term of the payment plan must be paid when due in addition to repayment of delinquent amounts.
4. A one-time fee of Thirty-Five and No/100 Dollars (\$35.00) shall be charged to the Owner's account which shall serve to reimburse the Association and / or its Managing Agent for its efforts to negotiate, establish, and initiate a payment plan for the owners' delinquent balance. This charge shall be paid by Owner and shall be due along with the first installment payment.
5. The plan must include the total debt owed to the Association, including late fees, interest, fines and/or other collection costs.
6. There shall be no waiver of any charges on the homeowner's account unless the owner submits a written request for consideration and approval has been obtained by the Board.
7. To be eligible for a payment plan, the homeowner must not have defaulted on a prior payment plan within a two (2) year period preceding the request for a payment plan. If such a default exists, the Board may, but is not obligated, to allow a payment plan. The Board shall review and determine every request on a case by case basis.
8. Interest, late and/or collection charges shall not accrue during the payment plan so long as the Owner remains current on payments throughout the duration of the payment plan. Should the Owner default on his/her payment plan, the Association and its Managing Agent shall be entitled to add any interest, late and/or collection fees due up to and through the date the Owner defaulted and forward unless the payment plan

reinstates which shall be at the sole discretion of the Board of Director's or its Managing Agent. As stated in Subsection 7 above, Owner's who default on a payment plan may not be entitled to another payment plan for a minimum of two (2) years.

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

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

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

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

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

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

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

Should the homeowner default on a payment plan:

1. The outstanding balance shall become due and payable immediately and may require payment in certified funds. The Association and its Managing Agent shall be entitled to add any interest, late and/or collection fees due up to and through the date the Owner defaulted and forward.

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

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

Exhibit "C"

Bylaws

For

Kensington Gardens Lakewood Homeowners Association, Inc.

Notice and Fining Policy

Kensington Gardens Lakewood Homeowners Association, Inc.

NOTICE AND FINING POLICY

Kensington Gardens Lakewood Homeowners Association has adopted the following Notice and Fining Policy for the enforcement of the Association's Governing Documents (to include the CC&R's, By-Laws, and Rules & Regulations). This policy shall prevail over the Covenants, Conditions, and Restrictions and is subject to amendment by the Declarant or Board of Directors at their sole discretion. The amending of this policy shall not require the consent or joinder of the Members notwithstanding, any amendment shall be posted to the HOA's website, if applicable, and a copy shall be mailed to each Owner via regular U.S. mail.

1. **Violation Notice (Warning):** Homeowners will be notified when a violation occurs and will be given a time period of not more than ten (10) days in which to correct the violation. Violations which present hazards for residents, are damaging property, creating an ongoing nuisance or can be considered an emergency requiring immediate correction shall be subject to self-help actions by the Association as described in the Declaration of Covenants, Conditions and Restrictions (the "CCR's") should Owner fail to cure the violation. Self Help actions considered an emergency requiring immediate attention will be addressed within seventy-two (72) hours or less by the Association. A notice in the case of an emergency may be delivered by hand, electronic mail, or U.S. mail. Any costs for initiating Self Help to cure a violation including the costs of postage and handling shall be assessed to the Owner's account. **The Association may, but is not obligated, to provide more than one initial notice of violation as set forth in the CCR's and this Fining Policy. Should additional violation notices be sent, each notice shall allow a period of not more than ten (10) days in which to correct the violation.**
2. **Assessment of Fine (Hearing Notice):** If after the initial notice (or subsequent notices if given) the violation continues, the Owner will be notified that a fine will be levied against his/her account. This notice shall include the amount of the fine to be levied and shall contain verbiage pursuant to Section 209.006 of the Texas Property Code regarding an Owner's right to request a hearing before a committee (or the Board in the absence of a committee). Owner shall have thirty (30) days to request a hearing in writing from the date of notice. The Association or its Managing Agent shall set the hearing within thirty (30) days of receipt of the written request and the Owner shall be notified in writing of the hearing date, time and place not less than ten (10) days prior to the hearing date.
3. **"Damage Assessment":** Violations that result in property damage or cause the Association to incur cleanup costs will result in a "Special Assessment" on the homeowner's account. Non-payment of this type of assessment may result in additional fees, and collection actions as allowed by law. Any attorney fees or other costs incurred by the Association will be assessed to the Owner's account.

FINE SCHEDULE

Each fine notice shall contain the verbiage as required by the Texas State Property Code or the Declaration and Bylaws.

- 1st Fine:** First fine for a violation not cured by the Owner after the initial fine warning notice has been given shall be \$50.00, then;
- 2nd Fine:** After seven (7) days, the Board or its Managing Agent shall inspect the Owner's property for compliance. If the violation remains, a letter shall be sent to the violating Owner advising that a second fine in the amount of \$75.00 shall be assessed to the Owner's account, then;
- 3rd Fine:** After five (5) additional days, the Board or its Managing Agent shall inspect the Owner's property for compliance. If the violation remains, a letter shall be sent to the violating Owner advising that a third fine in the amount of \$100.00 shall be assessed to the Owner's account.
- 4th & After:** If compliance is not met after the end of five (5) days from the date the third fine letter is sent, the Owner will receive one (1) final notice advising that fines shall escalate at the rate of \$50.00 every week for each week the violation remains until the maximum fine amount of \$500.00 is reached at which time the violation process shall start over and shall be treated as a recurring violation subject to additional fines as outlined in this section ("4th and After") so long as the violation remains.

- 4. The maximum fine amount is based on a per violation occurrence and can be assessed each time a violation occurs whether or not it is the same type or kind or whether it is a recurring violation. Based on the severity of the violation or a history of recurring violations, the Association or its Board of Directors shall, in their sole discretion, have the right to issue a one-time fine for the maximum amount allowed of \$500.00.

If Owner submits a written request for a hearing, all fines shall be suspended until after the hearing. The committee or the Board of Directors shall provide written notice to the Owner with copies to the Association and its Managing Agent which shall outline the findings and subsequent results of the hearing. The Association or its Managing Agent shall immediately proceed and comply with any instructions and/or with the findings and results as written in the notification received. If the hearing is held by a committee appointed by the Board, the Owner shall have the right to appeal the decision of the committee to the Board of Directors and the decision of the Board of Directors is final. If the hearing is held by the Board of Directors in the absence of a committee, the decision of the Board of Directors is final.

Note: All fines are subject to collections and will be collected in the same manner as are the association dues.

**Filed and Recorded
Official Public Records
John F. Warren, County Clerk
Dallas County, TEXAS
06/08/2016 02:50:57 PM
\$118.00
201600153287**

