



BYLAWS OF LAKEGROVE HOMEOWNERS ASSOCIATION, INC.,
A NONPROFIT CORPORATION

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ARTICLE I. NAME AND LOCATION

The name of the corporation is Lakegrove Homeowners Association, Inc. The principal office of the corporation shall reside with the current secretary and shall change from time to time as the Secretary of the corporation changes. The corporation shall maintain a post office box for official correspondence with its members. 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.

ARTICLE II. DEFINITIONS

- 2.01. "Association" means and refers to Lakegrove Homeowners Association, Inc, its successors and assigns.
- 2.02. "Common area" means all real property owned by the association for the common use and enjoyment of the owners.
- 2.03. "Declarant" means and refers to the developer of Lakegrove Subdivision John Howell, as described in the subdivision plat recorded in Cabinet A, Slide 752 and 754 of the Plat Records of Ellis County, Texas and Declaration of Building and Use Restrictions on file at volume 641, page 727 of the deed records of the County Clerk of Ellis County, Texas, as well as its successors and assigns if such successors or assigns should acquire more than one undeveloped lot from the Declarant for the purpose of development.
- 2.04. "Deed Restrictions" means and refers to Declaration of Building and Use Restrictions on file at volume 641, page 727 of the deed records of the County Clerk of Ellis County, Texas.
- 2.05. "Lot" means and refers to any of the 124 Building Locations shown on the recorded subdivision plat, and such additions to that tract as may be brought within the jurisdiction of the association pursuant to the provisions of the Deed Restrictions, with the exception of the common area.
- 2.06. "Member" means and refers to those persons entitled to membership in the association as provided in the Deed Restrictions.

2.07. "Owner" means and refers to the record owner, whether one or more persons or entities, of the fee simple title to any lot which is a part of the subdivision, including contract sellers, but excluding those holding title merely as security for the performance of an obligation.

2.08. "Subdivision" means and refers to that certain tract of real property described in subdivision plat recorded in Cabinet A, Slide 752 and 754 of the Plat Records of Ellis County, Texas and Declaration of Building and Use Restrictions on file at volume 641, page 727 of the deed records of the County Clerk of Ellis County, Texas, and in the Declaration of Building and Use Restrictions on file at volume 641, page 727 of the deed records of the County Clerk of Ellis County, Texas., and such additions to that tract as may be brought within the jurisdiction of the association pursuant to the provisions of the Deed Restrictions.

2.09. "Architecturally compatible" a continuity or agreeable relationship of architectural style, mass, proportion, scale, materials, color and design detail with existing and planned improvements on adjacent properties and in the neighborhood.

2.10. "Out-building" means and refers to an auxiliary enclosed structure that is located away from a house or principal building

2.11. "Other buildings" means and refers to any out-building greater than 120 square feet in internal area.

2.12. "Single family Residence" means and refers to a structure designed for the residential use of a single family, but excluding apartments.

2.13. "Garage" means and refers to a building or enclosure primarily designed to house motorized vehicles. It can be either attached to the main house or detached.

2.14. "Side entry" means and refers to the garage access incorporated into one of the side facades of the primary structure.

2.15. "Rear entry" means and refers to the garage access incorporated into the rear facade of the primary structure.

2.16. "Slab" means and refers to a concrete foundation built directly on soil with no basement or crawl space.

2.17. "Easement" means and refers to a physical right given to a third party to use a portion of the property for certain purposes, such as power lines or water mains.

ARTICLE III. MEMBERS

3.01. Classes of Members. The corporation will have one class of members. The rights of the members of such class will be as follows:

3.02. Admission. An applicant will be admitted to membership in the corporation solely by virtue of being or becoming an owner of a fee simple interest in the Lakegrove Subdivision. At such time the member accepts and agrees to operate within the Deed Restrictions and these Bylaws.

3.03. Voting Rights. In the event a lot is owned by more than one person or entity, the membership rights held by the entire ownership of such lot shall constitute one membership. Each member will be entitled join other fee simple owners of the lot in which they have the requisite right title or interest, to vote the one vote allocated to each lot, on each matter submitted to a vote of the members. In no case shall fractional votes be allowed.

3.04. Suspension or Expulsion of Members. The board of directors may suspend the voting privileges and the speaking privileges at meetings of the corporation of any member who is in default in the payment of dues until such time that the member has paid all delinquent dues and assessments including any administrative fees associated with the filing and reporting of delinquent accounts.

3.05. Resignation. Any member may resign by filing a written resignation with the secretary. Resignation will not relieve the resigning member of requirements set forth in the deed restrictions, bylaws, and other rules of

the corporation or the obligation to pay any past, current or future dues, assessments, or other charges accrued and unpaid at the time.

3.06. Reinstatement. On written request signed by a former or suspended member and filed with the secretary, the board of directors may reinstate by majority vote, the former member to membership.

3.07. Transfer of Membership. Membership in this corporation is not transferable or assignable if it is not part of the sale and assignment of the fee simple ownership interest in a lot. No such transfer will become effective until the secretary of the corporation is notified of the transfer in writing. The secretary must then record the transfer in the membership book.

3.08. Termination of Membership. Membership will terminate on the death or resignation of a member, the transfer of his or her membership in accordance with these bylaws. Upon such termination, any right, title, or interest of the member in or to the property and assets of the corporation will cease.

3.09. Annual Meetings. Annual meetings of the members will be held when possible during the month of March each calendar year on a date, and at a time and place to be announced by the Board of Directors. An annual meeting shall not be required. Failure to hold the annual meeting at the designated time shall not work a dissolution of the corporation. In the event the board of directors fails to call the annual meeting at the designated time, any member may make demand that such meeting be held within a reasonable time, such demand to be made in writing by registered mail directed to any officer of the corporation. Should the annual meeting not be called within sixty (60) days following such a demand than the annual meeting may be called by the members as defined in 3.10 of these bylaws.

3.10. Special Meetings. Special meetings of members may be called at any time by the president or by the board of directors, or on written request of members who are entitled to vote one fourth (1/4th) of all votes of the membership.

3.11. Notice of Meetings. Written notice of each meeting of members will be given by, or at the direction of, the secretary or other person authorized to call the meeting, either by personal delivery or by mailing a copy of such notice, postage prepaid, at least 10 but not more than 60 days before such meeting to each member entitled to vote, addressed to the member's address last appearing on the books of the association or supplied by such member to the association for the purpose of receiving notice. The notice will specify the day, hour, and place of the meeting, and in the case of a special meeting, the purpose of the meeting. Notice shall be deemed to be delivered when deposited into the United States Mail, postage pre-paid.

3.12. Quorum. The presence at the meeting, in person or by proxy, of members entitled to cast twenty (20%) percent of the votes of the membership will constitute a quorum for authorization of any action. If a quorum is not present at any meeting, the members entitled to vote will have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present.

3.13. Proxies. At all meetings of members, each member may vote in person or by proxy. No limitation shall be placed as to who a member assigns their proxy. Proxies may be either general proxies or specific proxies or any combination thereof. All proxies will be in writing and filed with the secretary by the beginning of the meeting. Proxies that specify a particular vote on a particular agenda item will be cast during that vote by the secretary. Proxies will be revocable, and the proxy of any owner will automatically terminate on conveyance by such owner of his or her lot.

ARTICLE IV. BOARD OF DIRECTORS

4.01 Number and Qualifications: The day to day affairs of the association will be managed by a board of no more than five (5) directors and no less than (3) directors, who are active members of the association.

4.02. Nomination. Nomination for election to the board of directors may be by nominating committee, and may also be made from the floor at any annual meeting of members. The nominating committee will consist of a chairperson who is a member of the board of directors, and two or more members of the association. The committee will be appointed by the board of directors prior to each annual meeting to serve from the close of such meeting until the close of the next annual meeting, and such appointment will be announced at each annual meeting. The nominating committee will make as many nominations for election to the board of

directors as it will in its discretion determine, but in no event will it nominate less than the number of vacancies to be filled.

4.03. Election. Election to the board of directors will be by open ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Deed Restrictions. Persons receiving the largest number of votes will be elected.

4.04. Meetings.

(a) Regular Meetings. Regular meetings of the board of directors will be held without notice, at the same place and immediately following the annual membership meeting as may be fixed from time to time by the board.

(b) Special Meetings. Special meetings of the board of directors will be held when called by the president of the association, or by any two directors, after not less than three-day notice to each director.

(c) Quorum. A majority of the directors will constitute a quorum for the transaction of business. Every act performed or decision made by a majority of directors present at a duly held meeting in which a quorum is present will constitute the act or decision of the entire board.

4.05. Powers. The board of directors will have power to:

(a) Adopt and publish rules and regulations governing the use of the common areas and facilities, including the personal conduct of the members and their guests in using them; and to establish penalties for infractions of such rules and regulations;

(b) Suspend the voting rights and right to use of the recreational facilities of any member during any period in which such member is in default in the payment of any assessment levied by the association. Such rights may also be suspended after notice and hearing, for a period not to exceed 90 days for infraction of published rules and regulations;

(c) Exercise on behalf of the association all powers, duties, and authority vested in or delegated to the association and not specifically reserved to the membership by the Deed Restrictions, articles of incorporation, or by other provisions of these bylaws;

(d) Employ on behalf of the association legal representation to both consul the association on legal questions and to if necessary assist the association in the enforcement of these Bylaws and the Deed Restrictions as expressed in the Deed Restrictions.

(e) Declare the office of a member of the board of directors to be vacant in the event that such member is absent from three consecutive regular meetings of the board of directors; and

(f) Employ a manager, independent contractors, and such other employees as they may deem necessary, and to prescribe their duties.

4.06. Duties. It will be the duty of the board of directors to:

(a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement of such acts and affairs to the members at each annual meeting, or at any special meeting at which such a statement is requested in writing by one-fourth of the members entitled to vote at the meeting;

(b) Supervise all officers, agents, and employees of the association and see to it that their duties are properly performed;

(c) As more fully provided in the Deed Restrictions, to:

(1) Should the assessment not be determined at the annual members meeting, fix the amount of the annual assessment against each lot at least 30 days in advance of each annual assessment period;

(2) Send written notice of each assessment to every owner subject to the assessment at least 30 days in advance of each annual assessment period; and

(3) Foreclose the lien against any property for which assessments are not paid within 30 days after the due date, or to bring an action at law against the owner personally obligated to pay the same;

(d) Issue, or cause an appropriate officer to issue, on demand by any person and on imposition of a reasonable charge, a certificate setting forth whether or not any assessment has been paid, a statement in a certificate to the effect that an assessment has been paid constituting conclusive evidence of such payment;

(e) Procure and maintain adequate liability and hazard insurance on all property owned by the association, as it may deem appropriate;

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

(g) Cause the common area to be maintained.

4.07. Term of Office. The members will elect at least three directors for a term of not less than one year and not more than three years. Directors may serve consecutive terms. Regular elections for expiring terms will be held at the annual members meetings.

4.08. Compensation. No director will receive compensation for any service he or she may render to the association. However, any director may be reimbursed for his or her actual expenses incurred in the performance of his duties.

4.09. Removal. Any director may be removed from the board, with or without cause, by a majority vote of the members of the association at large or by a majority of those present or by proxy at any meeting where a quorum is present and directors may be elected. In the event of death, resignation, or removal of a director, his or her successor will be selected by the remaining members of the board and will serve for the unexpired term of his or her predecessor.

ARTICLE V. OFFICERS

5.01. Enumeration of Offices. The officers of the association will be a president and vice president, who will at all times be members of the board of directors, and a secretary/treasurer, and such other officers as the board may from time to time by resolution create.

5.02. Election of Officers. The election of officers will take place at the first meeting of the board of directors following each annual meeting of members.

5.03. Term. The officers of the association will be elected annually by the board. Each will hold office for a term of one (1) year unless he or she will sooner resign, or will be removed or otherwise disqualified to serve. Officers may serve consecutive terms.

5.04. Special Appointments. The board may elect such other officers as the affairs in the association may require, each of whom will hold office for such period, have such authority, and perform such duties as the board may, from time to time, determine.

5.05. Resignation and Removal. Any officer may be removed from office by the board at any time 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 will take effect on the date of receipt of such notice or at any later time specified in the notice, and unless otherwise specified in the notice, the acceptance of such resignation will not be necessary to make it effective.

5.06. Vacancies. A vacancy in any office may be filled by appointment of the board. The officer appointed to such vacancy will serve for the unexpired term of the officer he or she replaces.

5.07. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person will simultaneously hold more than one of any of the other offices, except in the case of special offices created pursuant to Section 4 of this Article.

5.08. Duties. The duties of the officers are as follows:

(a) President. The president will preside at all meetings of the board and of the members, will see that orders and resolutions of the board are carried out, will sign all leases, mortgages, deeds, and other instruments, and will cosign all checks and promissory notes.

(b) Vice President. The vice president will act in the place of the president in the event of his or her absence, inability, or refusal to act, and will exercise and discharge such other duties as may be required of him or her by the board.

(c) Secretary. The secretary will maintain the registered address and registered agent of the corporation with the state and file renewal forms with the Secretary of State as required. The secretary will record the votes and keep the minutes of all meetings and proceedings of the board and of the members, keep the corporate seal of the association and affix it to all papers so requiring; serve notice of meetings of the board and of members, keep appropriate current records showing the members of the association together with their addresses, and perform such other duties as may be required by the board or by law.

(d) Treasurer. The treasurer will receive and deposit in appropriate bank accounts all funds of the association, and will disburse such funds as directed by resolution of the board of directors; will sign all checks and promissory notes of the association; will keep proper books of account; will cause an annual audit of the association books to be made by a certified public accountant at the completion of each fiscal year; and will prepare an annual budget and statement of income and expenditures, a copy of which documents will be delivered to each member, and a report on which will be given at the regular annual meeting of members.

ARTICLE VI. COMMITTEES

6.01 The association will appoint an Architectural Control Committee (ACC), as provided in the Deed Restrictions or amendments thereto.

6.02. Policies of the ACC shall include:

A. Policy for processing requests for construction

1. All requests are required to be in writing and must include at minimum the following:
 - a. Floor plan showing the exterior wall configuration.
 - b. Diagram showing the new construction placed on the property with distances to property line and orientation of building clearly indicated.
 - c. Materials list clearly indicating Siding, Roofing, Exterior finish.
 - d. Primary function of Construction. (ie Storage, garage, residence)
 - e. Name / address / telephone of the current property owner.
 - f. Name / telephone of Builder if known.
2. Record receipt of the request on the ACC Submitted Plans Log.
3. Make copies of or schedule a time when all members of the ACC can review the request. If all members cannot be contacted than a majority of the members should review the request.
4. If after review there is NO VIOLATION
 - a. Use the current approval letter for type of request as a template and circulate it among the members for signature.
 - b. Return a signed copy to the property owner. Include current Deed Restrictions and a copy of the approved plans with any notations or agreed modifications.
 - c. Inform the property owner that a POST CONSTRUCTION SIGNOFF is required to complete the approval process.
 - d. File the signed original approval in the ACC Approved plans file.

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Ratified June 15, 2004
Amended March 31, 2005

- e. Update the ACC Submitted Plans Log.
- 5. If after review there IS A PROBABLE VIOLATION
 - a. Decide whether there is an actual violation.
 - 1. On subjective matters like Architectural Compatibility and general aesthetics; ALL reviewing members must agree that there is a violation.
 - 2. On Objective items like easement obstruction or percentage of brick required; a majority of the reviewing members must agree that there is a violation.
- 6. Contact the property owner and inform them of the violation.
 - a. IF modifications to the plans occur.
 - 1. Note modifications on the existing construction plan submission if possible. If not then request that new construction plans be submitted.
 - 2. Review the modifications as in step 3 above.
 - b. IF the owner disagrees with the Violation determination.
 - 1. Use the current Disapproval letter for type of request as a template and circulate it among the members for signature.
 - 2. Return a signed copy to the property owner. Include current Deed Restrictions and a copy of the disapproved construction plans.
 - 3. Inform the owner that he has the right to appeal the decision to the Board of Directors or a committee created by the Board or request a committee be created by the Board to address the appeal.
 - 4. Update the ACC Submitted Plans Log.

B. Policy for processing COMPLAINTS of Violation

- 1. Record receipt of the request on the ACC COMPLAINTS Log.
 - a. Name / address of person initiating complaint.
 - b. Date of complaint.
 - c. Name / address / telephone of the current property owner.
 - d. Description of complaint
 - e. Specific reference to which restriction is violated.
- 2. Complete a Complaint Investigation Report
- 3. Make copies of or schedule a time when all members of the ACC can review the complaint. If all members cannot be contacted then a majority of the members should review the complaint. If the complaint is about a member of the ACC then they shall be excluded from the review process.
- 4. If after review there is NO VIOLATION
 - a. Use the current Complaint Response as a template and circulate it among the members for signature.
 - b. Return a signed copy to the person filing the complaint
 - c. Inform the property owner that a Complaint was filed and that and no violation was discovered. Include the name of the person filing the complaint.
 - d. File the signed original Complaint Response in the ACC Complaints Resolved file.
 - e. Update the ACC COMPLAINT Log.
- 5. If after review there IS A PROBABLE VIOLATION
 - a. On subjective matters like Architectural Compatibility and general aesthetics; ALL reviewing members must agree that there is a violation.
 - b. On Objective items like easement obstruction or percentage of brick required; a majority of the reviewing members must agree that there is a violation.
- 6. Contact the property owner and inform them of the violation use the Notice of Violation Form as a template. The property owner is allowed 10 days to respond.
- 7. IF the owner presents a plan to correct the violation.
 - a. If the corrections require construction or significant modifications then a plans should be reviewed using the approval process. (6.02.A)

- b. If the corrections are minor or insignificant modifications then the corrections should be noted on the complaint investigation report and a POST CORRECTION SIGNOFF should be scheduled.
- 8. IF the owner disagrees with the Violation assessment. Inform the owner that he has the right to appeal the decision to the Board of Directors or a committee created by the Board or request a committee be created by the Board to address the appeal.
- 9. Update the ACC COMPLAINT Log.

C. Policy for processing Owner request for property inspection

- 1. Record receipt of the request on the ACC COMPLAINTS Log.
 - a. Date of request.
 - b. Name / address / telephone of the property owner.
 - 2. Complete a Property Inspection Report
 - 3. Make copies of or schedule a time when all members of the ACC can review the request. If all members cannot be contacted then a majority of the members should review the request. If the request is from a member of the ACC then they shall be excluded from the review process.
 - 4. If after review there is NO VIOLATION
 - a. Use the current Property Inspection Response as a template and circulate it among the members for signature.
 - b. Return a signed copy to the property owner that submitted the request.
 - c. File the signed original Property Inspection Response in the ACC Complaints Resolved file.
 - d. Update the ACC COMPLAINT Log.
 - 5. If after review there IS A PROBABLE VIOLATION
 - a. On subjective matters like Architectural Compatibility and general aesthetics; ALL reviewing members must agree that there is a violation.
 - b. On Objective items like easement obstruction or percentage of brick required; a majority of the reviewing members must agree that there is a violation.
 - 6. Contact the property owner and inform them of the violation use the Notice of Violation Form as a template. The property owner is allowed 10 days to respond.
 - 7. IF the owner presents a plan to correct the violation.
 - a. If the corrections require construction or significant modifications then a plans should be reviewed using the approval process. (6.02.A)
 - b. If the corrections are minor or insignificant modifications then the corrections should be noted on the property inspection report and a POST CORRECTION SIGNOFF should be scheduled.
 - 8. IF the owner disagrees with the Violation assessment. Inform the owner that he has the right to appeal the decision to the Board of Directors or a committee created by the Board or request a committee be created by the Board to address the appeal.
 - 9. Update the ACC COMPLAINT Log.
- 6.03. The Board of Directors will appoint a nominating committee as provided in Article IV of these bylaws.
- 6.04. The board of directors may appoint such other committees as it may deem appropriate in the performance of its duties.

ARTICLE VII. ASSESSMENTS

As more fully provided in the Deed Restrictions, each member is obligated to pay to the association annual and special assessments which are secured by a continuing lien on the property against which such assessments are made. Any assessments which are not paid when due are considered delinquent. If an assessment is not paid within 30 days after the due date, the assessment bears interest from the date of delinquency at the rate of at least 6% percent per annum, and the association may bring an action at law against the owner personally obligated to pay the same, or may foreclose the lien against his or her property. Interest, costs, and reasonable attorney fees of any such action will be added to the amount of any assessment due. No owner may waive or otherwise escape liability for assessments by non-use of the common area or abandonment of his or her lot.

ARTICLE VIII. BOOKS AND RECORDS; INSPECTION

8.01. The books, records, papers of the association will be subject to inspection by any member during ordinary business hours. The Deed Restrictions, articles of incorporation, and bylaws of the association will be available for inspection by any member at the principal office of the association, where copies will be made available for sale at a reasonable price.

CONTRACTS, CHECKS, DEPOSITS AND FUNDS

8.02. Contracts. The board of directors may authorize any officer or officers, agent or agents of the corporation, in addition to the officers so authorized by these bylaws, to enter into any contract or to execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

8.03. Checks, Drafts, or Orders for Payment. All checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the corporation will be signed by such officer or officers, agent or agents of the corporation and in such manner as from time to time may be determined by resolution of the board of directors. In the absence of such determination by the board of directors, such instruments must be signed by the treasurer or an assistant treasurer and countersigned by the president or a vice-president of the corporation.

8.04. Deposits. All funds of the corporation must be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the board of directors may select.

ARTICLE IX. CORPORATE SEAL

The association will have a seal in circular form having within its circumference the words:
Lakegrove Homeowners Association, Inc..

ARTICLE X. FISCAL YEAR

The fiscal year of the association will be the calendar year, except that the first fiscal period will begin on the date of incorporation and will end on December 31st of the year of incorporation.

ARTICLE XI. AMENDMENTS

The Bylaws of this corporation may be amended, restated or replaced only by a majority of the property owners at a meeting of the corporation where at least 1/3 of property owners are present in person or by proxy. The rules defining this meeting including notice and proxy requirements shall be exclusively controlled by the Texas Non-Profit Corporations Act.

ARTICLE XII. CONFLICTS WITH ARTICLES OF INCORPORATION OR DEED RESTRICTIONS

In the case of any conflict between the articles of incorporation and these bylaws, the bylaws will control. In the case of any conflict between the Deed Restrictions and these bylaws, the Deed Restrictions will control.