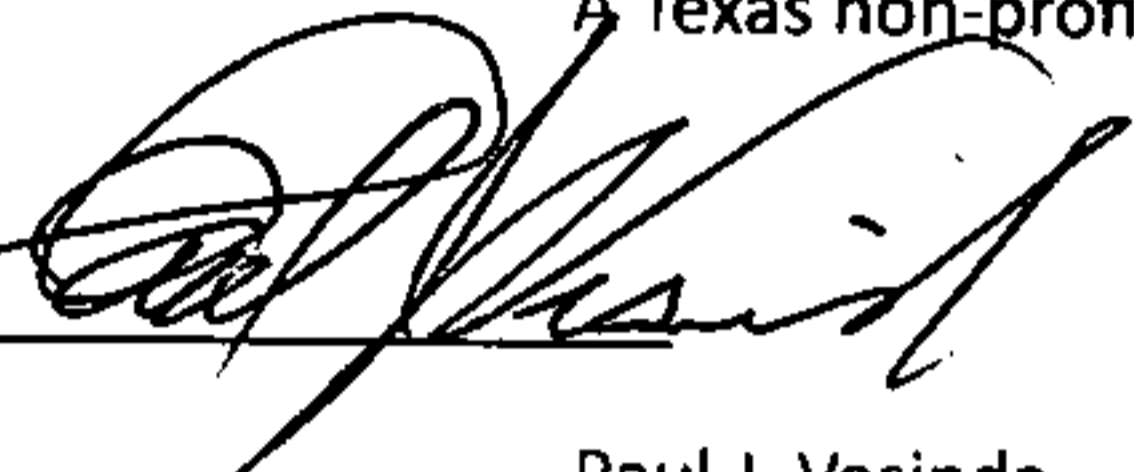


EXECUTED this day 31 of May 2024

STONEBROOK ESTATES HOME-OWNERS ASSOCIATION, INC.
A Texas non-profit corporation.

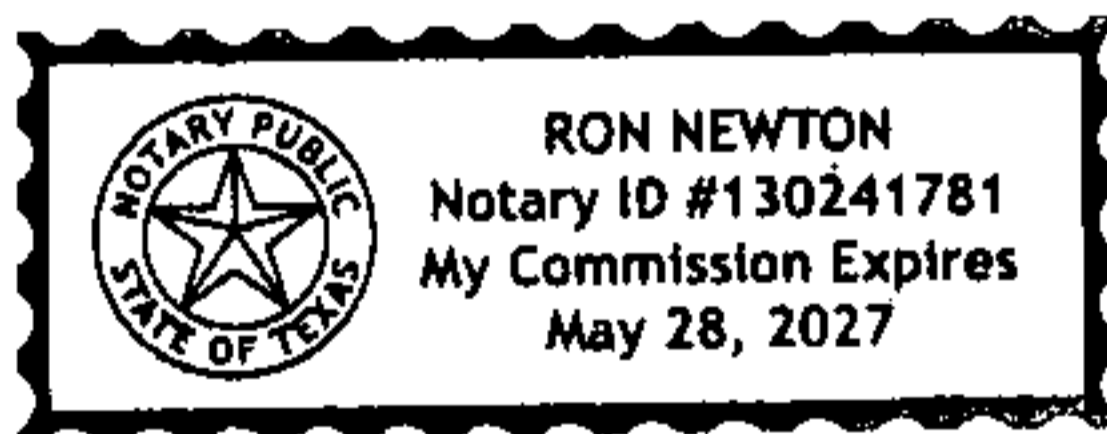
By: 

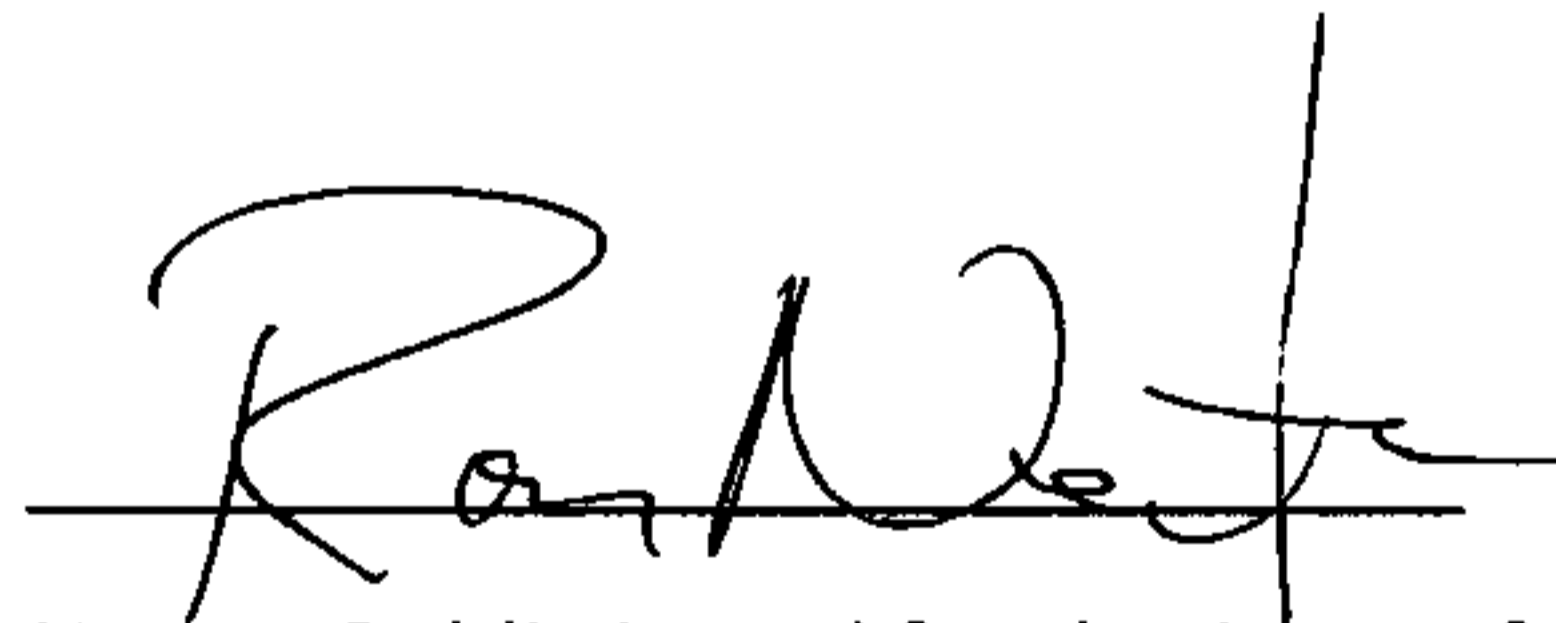
Paul J. Vasinda
Duly Authorized Officer/Agent,
Stonebrook Estates Homeowners Association, Inc.

STATE OF TEXAS

COUNTY OF COLLIN

This instrument was acknowledged before me on the 31 of MAY, 2024, by Paul J. Vasinda authorized representative of Stonebrook Estates Home-Owners Association, Inc., a Texas nonprofit corporation, on behalf of said corporation.





Notary Public in and for the State of Texas

AFTER RECORDING RETURN TO
PAUL J. VASINDA
7109 BOULDER WAY
FRISCO, TX 75034

REGULATIONS GOVERNING RENTAL PROPERTIES

Stonebrook Estates Homeowners Association, Inc

STATE OF TEXAS

§

§

KNOW ALL MEN BY THESE PRESENTS:

§

COUNTY OF COLLIN

THAT THIS IS THE RULES AND REGULATIONS GOVERNING RENTAL PROPERTIES is made effective on the date of its filing in the Collin County Real Property Records by the Stonebrook Estates Homeowners Association, Inc a/k/a SBE Home-Owners Association (hereinafter referred to as "Association").

WITNESSETH:

WHEREAS, the Declaration of Covenants, Conditions and Restrictions for Stonebrook Estates Homeowners Association, Inc a/k/a SBE Home-Owners Association, Executed by Paul J. Vasinda, as Duly Authorized Agent, was recorded at Document 2024000065529 on or about May 31, 2024 in the Real Property Records of Collin County, Texas, including any amendments thereof, additions, annexations and supplements thereto and entitled "Declaration of Covenants, Conditions, & Restrictions for Stonebrook Estates Home-Owners" (the "Declaration" or "CCR") subjected to the scheme of development therein certain land located in Collin County, Texas;

WHEREAS, the Bylaws for Stonebrook Estates Home-Owners Association, Inc. a/k/a SBE Home-Owners Association were filed on in the Real Property Records of Collin County, Texas (the "Bylaws"). Said Bylaws govern the operation of the Association;

WHEREAS, the Rules and Regulations Governing Leasing and Rental Properties Stonebrook Estates Homeowners Association, Inc. a/k/a SBE Home-Owners Association were duly adopted by the Board of Directors of Stonebrook Estates Homeowners Association, Inc. a/k/a SBE Home-Owners Association and recorded on or about May 31 2024 at Instrument #2024000065529 in the Real Property Records of Collin County, Texas (the "Rules and Regulations Governing Leasing and Rental Properties").

WHEREAS, Article II, Section 1 of the Stonebrook Estates Homeowners Association, Inc. a/k/a SBE Homeowners states that *"Each Owner (whether one or more persons or entities) of a Lot shall, upon All by virtue of becoming an owner. automatically become a member of the Association"*

WHEREAS, Article VI of the Bylaws of the Stonebrook Estates Homeowners Association, Inc. a/k/a SBE Home-Owners Association states, in part, as follows: *"Powers and Duties of the Board of Director"*

- a) *To care for and preserve the Common Areas and to furnish and upkeep any desired personal property for use in the Common*

Areas;

- b) To engage the services of a person or firm to manage the Association or any separate portion thereof, to the extent deemed advisable by the Board, and the services of such other personnel as the Board shall determine to be necessary or proper for the operation of the Association, whether such personnel are employed directly by the Board or by the manager;**
- c) To obtain and pay for legal and accounting services;**
- d) To obtain and pay for any materials, supplies, furniture, labor, services, maintenance, repairs, structural alteration, taxes or assessments which the Board is required to obtain or pay for pursuant to the terms of the Declaration or which in its opinion shall be necessary or proper for the operation or protection of the Association or for the enforcement of the Declaration;**
- e) To execute all declarations of ownership for tax assessment it; purposes with regard to any of the Common Areas owned by it;**
- f) To supervise all officers, agents and employees of the Association, and to see that their duties are properly performed;**
- g) To fix the amount any: assessment and/or maintenance charge as need may arise and any special assessment against each lot as provided in Article II of the Declaration, to send written notice" of each assessment to every owner subject thereto, and to thereafter, collect such assessments;**
- h) To establish and maintain reserve funds for Common Area and Common Maintenance Area replacements and maintenance in accordance with such budgets as may be adopted from time to time by the Board;**
- i) To enter into agreements or contracts with insurance companies, taxing authorities and the holders of first mortgage liens on the individual Lots with respect to (1) taxes (if any) on the Common Areas, and (2) insurance coverage (if any) on Comm Areas**
- (j) To borrow funds to pay costs of operation, secured by or pledge of rights against delinquent owners;**
- (k) To enter into contracts, maintain one or more bank accounts, and, generally, to have all the powers necessary or incidental to the operation and management of the Association;**
- (1) To protect or defend the Common Areas from loss or damage by suit or otherwise, to sue or defend in any court of law on behalf of the Association and to provide adequate reserves for repairs and replacements**
- (m) To make reasonable rules and regulations regarding the use and operation of the Common Areas and the facilities thereon (and the personal conduct of the members and their guests thereon), and to establish penalties for the infraction thereof;**
- (n) To make available to each Owner within sixty (60) days after the end of each year an annual report;**
- (O) To adjust the amount, collect, and use any insurance proceeds to repair damage or replace lost property; and if proceeds are insufficient to repair damages or replace lost property, to assess the Members in proportionate amounts to cover the deficiency;**

- (p) To enforce the provisions of the Declaration and any rules made hereunder and to enjoin and seek damages and impose and collect fines from any Owner for violation of such provisions in accordance with the terms of the Declaration;
- (q) To appoint committees as deemed necessary or desirable for the handling of certain specific functions of the Association;
- (r) To establish, disburse and maintain such bank accounts and petty cash funds as necessary for efficiently carrying on the business of the Association; and
- (s) To exercise and fulfill all other powers and duties granted or assigned to the Association and/or the Board pursuant to the Declaration.

WHEREAS, the Board of Directors wishes to amend the Rules and Regulations Governing Leasing and Rental Properties in certain ways.

WHEREAS, a duly called meeting of the Board of Directors of the Association was held. At said board meeting the Board voted upon and passed the following First Amended and Restated Rules and Regulations Governing Leasing and Rental Properties.

RESOLVED: that, pursuant to the Texas Property Code and that certain Declaration SBE Homeowners which was filed of record on or about May 31, 2024 under Collin County Clerk's Document 2024000065529 in the Land Records of Collin County, Texas (the "**Declaration**"), and any amendments thereto, and the Bylaws of the Association, the Board of Directors of the Association hereby adopt the following First Amended and Restated Rules and Regulations Governing Rental Properties which shall read as follows:

NOW, THEREFORE, the Rules and Regulations Governing Leasing and Rental Properties which was recorded on or about May 31, 2024 at 2024000065529 in the Real Property Records of Collin County, Texas are hereby redacted in full, and the First Amended and Restated Rules and Regulations Governing Leasing and Rental Properties of the Association are hereby created and shall read as follows:

1.01. Definitions.

"Association" means the Stonebrook Estates Homeowners Association, Inc. a/k/a SBE Homeowners Association as defined in Article I of the Declaration.

"Association Rental Form" means the form prepared and updated from time to time by the Association in connection with Leasing/renting of Properties in SBE Homeowners **"Cause"** means an unforeseeable and unavoidable event, whether temporary or permanent, that materially and adversely impacts an Owner's (or the Owner's family's) physical condition or financial condition and places an undue hardship on the Owner that a reasonable accommodation by the Association is substantially likely to ameliorate without either (i) resulting in substantial harm to the other Owners in Stonebrook Estates Homeowners Association, or (ii) substantially undermining the effectiveness in Stonebrook Estates of the rights and restrictions described in the Dedicatory Instruments.

“Dedictory Instruments” means each governing instrument covering the establishment, maintenance, and operation of the Association. This term includes the Declaration, Bylaws, Policies, and rules and regulations of the Association and all amendments thereto, including, but not limited to, this Instrument.

- a. **“Stonebrook Estates Homeowners”** means the land, community and subdivision of Stonebrook Estates Homeowners in Collin, Texas that is described in and subject to the Dedictory Instruments as referenced above.
- b. **“Hardship Petition”** means the form (prepared and updated from time to time by the Association) submitted by petitioning Owners showing Cause to the Association for consideration. Hardship Petitions shall be granted or denied in the sole, but reasonable discretion of the Association.
- c. **“Landlord”** means the Owner of the Property, even if that Owner has a management company that is in charge of Leasing the Property.
- d. **“Lease”** includes any agreement, whether written or oral, between a Landlord and a Tenant that establishes or modifies the terms, conditions or other provisions regarding the use and occupancy of the Property.
- e. **“Renting”** is defined as the occupancy or use of the Property for any period of time by any person other than the Owner for which the Owner, or any designee of the Owner receives any direct or indirect monetary or non-monetary consideration or benefit, including, but not limited to, a fee, service, gratuity or emolument, including, but not limited to, any subleases or assignment of a Lease. If an individual other than an owner lives in the Property, then it shall be presumed that the Property is leased, even if the property is occupied by a relative. The burden of proof shall be upon the Owner to prove that no indirect monetary or non-monetary consideration is being received. If the Property is owned by a trust and the beneficiary of the trust is living in the Property, that Property shall be considered Owner-occupied rather than leased. Lease to Purchase Agreements & Contracts for Deeds and similar agreements shall be considered the same as Leasing for purposes of this Instrument. Live in nannies, caretakers, nurses, or au pairs shall not be considered Leasing for purposes of this this policy.
- f. **“Renter”** shall be considered the same as Tenant for purposes of this Instrument.
- g. **“Owner”** means the same as Owner or Owners as defined in Article I of the Declaration. Each and every person or business entity who is a record owner of a fee or undivided fee interest in any Lot.
- h. **“Property”** means the same as Lot as defined in Article I of the Declaration.
- i. **“Leasing”** shall be considered the same as renting for purposes of this

Instrument.

- j. **"Tenant"** means the person(s) authorized by the Lease to occupy, which would include the named lessee(s).
- k. **"Short term leases/rental"** are strictly prohibited within the Stonebrook Estates Homeowners Association, Inc.
- l. **"Squatters"** any occupation of home within Stonebrook Estates Homeowners Association, Inc. without official proof of residency approved by the association or have an Association Rental Form on file with the association

Terms otherwise not defined herein shall have the same meaning as used in the Declaration. Owners may refer to Article I of the Declaration for additional definitions of words and phrases.

1.02. Leasing/renting Approved within the Association.

- a. An Owner may Lease/rent their Property within Stonebrook Estates Home-Owners Association, Inc., in accordance with the Dedicatory Instruments, including, but not limited to, this Instrument.
- b. No Owner may Lease/rent their Property within Stonebrook Estates Home-Owners Association, Inc., until after such Owner shall have made the Property their full-time primary residence and occupied the same for at least twenty-four (24) consecutive months (the **"Residency Requirement"**). Properties that are currently Leased/rented within Stonebrook Estates are not subject to the Residency Requirement, but are subject to all other restrictive covenants set forth in this Instrument, including, without limitation, submitting an Association Rental Form and Fee.
- c. Prior to (x) listing any Property for Lease/rent, (y) securing any Tenant, or (z) executing any Lease/rental in Stonebrook Estates Home-Owners Association, Inc., each Owner shall inquire with the Association in writing whether Stonebrook Estates Home-Owners Association, Inc., has met its Cap or is below the Cap described herein. Each Owner agrees and acknowledges that such inquiry does not guarantee the placement or hold a place for the Property to be Leased/rented under the Cap nor does such inquiry approve, condone or sanction the execution of a Lease/rental; provided, however, placement on the waiting list shall be handled in accordance with Section 1.04 below.

1.03 Leasing/renting requirements and Association Rental Form Submission.

- a. An Owner that Leases/rentals their Property shall submit a copy of the executed Lease/rent and an Association Rental Form executed by each Owner of the Property (e.g., spouses or Owners per recorded deed) to the Association no later than ten (10) days of

execution of the Lease/rental. In the event the foregoing is not complied with by the Owner then such Owner shall be deemed to be in violation of this Instrument. Owners are encouraged to obtain the information needed to complete the Association Rental Form prior to executing the Lease with any Tenant. The Association Rental Form shall require the following and other pertinent information:

- o. Owner certifies its compliance with the Residency Requirement;
- o. The full name, date of birth, physical address, and relationship between every tenant and occupant (adults and children) of the Property;
- o. Valid phone numbers and email addresses of every adult tenant and occupant of the Property;
- o. Effective date of the Lease/rental, the expiration date of the Lease/rental, and the term of the Lease/rental (including, but not limited to, any renewal options or if the Lease converts to a month-to-month term for a maximum of six (6) months after expiration of a twelve (12) consecutive month term);
- o. Certification by each Owner that it has completed its due diligence and confirmed the following in written format with applicable governmental agencies and/or third-party services:
 - o. Each Tenant and occupant of the Property has not been convicted of a violent crime felony or assault or battery misdemeanor in any jurisdiction in the United States ("**Criminal Certification**"); and
 - o. Each Tenant and occupant of the Property is not a Registered Sex Offender based on Texas and Federal registries ("**Registered Sex Offender Certification**").
- o. Certification by Owner that it shall promptly update the Association in writing if any information described herein shall change at any time;
- o. Valid mailing address (no PO Boxes), phone numbers and email addresses of every Owner of the Property;
- o. Certification by Owner that the Property and each Owner is current on all outstanding assessments, charges, or fees due to the Association and that there are no outstanding violations of the Property;
- o. Certification by Owner that all assessments, charges, or fees due to the Association (including, but not limited to, any charges due to any violations) from the date of the Lease shall nonetheless be responsibility and obligation of the Owner; and

- o. Certification by Owner that no less than 100% of the square footage of the property is being Leased.
- a. Owners with Nannies, Live in Caretakers, Live in Nurses or Au Pairs (collectively "Caretakers") are not required to submit a rental form for their Caretaker and their Caretaker shall not be considered a tenant for purpose of these rules and regulations. in the event the Association Rental Form is incomplete, inaccurate, missing information, or requires Owner to remedy any outstanding issues, the Association shall inform the Owner of the Property (the "Notice") no later than thirty (30) days from the date the executed Association Rental Form was received by the Association to review (the "First Submission") and the Owner shall have ten (10) days from such Notice to supplement such Association Rental Form and remedy any outstanding issues. This process shall occur as often as needed to obtain a complete and accurate Association Rental Form; Provided, however, this process shall be completed no later than sixty (60) days from the First Submission otherwise Owner shall be deemed to be in violation of this Instrument.
- b. Any and all subleases of the Lease/rental, assignments of the Lease/rental, and amendments of the Lease that modify the parties (i.e., the Tenant) shall be deemed to be a new Lease and be subject to the restrictive covenants described herein, including, but not limited to, submitting a new Association Rental Form and Fee.
- c. Owners must submit a new Association Rental Form (including, but not limited to, recertifying certifications and performing criminal and sex offender registry checks).
- d. Owners currently Leasing their Property at the time the restrictive covenants described in this Instrument go into effect shall abide by all the restrictive covenants described in this Instrument (including, but not limited to, submitting an Association Rental Form) unless otherwise expressly exempted herein. Owners currently Leasing their Property at the time the restrictive covenants in this Instrument go into effect shall not be required to comply with the Residency Requirement.
- e. Each Owner who does not reside in Stonebrook Estates Homeowners Association, Inc is required to provide to the Association each Owners' current phone numbers, email addresses and mailing address. No PO Boxes shall be allowed, only physical addresses, pursuant to and in accordance with the Association Rental Form. Each such Owner shall be responsible to update the Association with regards to any changes to such contact information to ensure the Association is able to remain in contact with each such Owner.

1.04 Maximum Number of Rental Properties in Stonebrook Estates Homeowners Association, Inc.

- a. No more than twenty percent (20%) or 20 homes of the Properties within Stonebrook Estates Home-Owners Association, Inc., (the "Cap") may be Leased/rented at any given point in time; provided, however, Properties that qualify for Hardship Petitions as described herein shall not count towards the Cap.

b. A Property shall be counted towards the Cap upon the full compliance with this Instrument, including, but not limited to, the submission and acceptance by the Association of the Association Rental Form. Notwithstanding Section 1.05, any Owner that Leases/rents their Property without the Association's acceptance of an Association Rental Form and Fee causing SBE Homeowners Association to exceed the Cap or depriving an Owner on the waiting list to Lease shall incur a fine of \$500.00 per month until such violation is cured (e.g., the Lease/rental is terminated) in addition to any other fines due to violations of other terms and conditions of this Instrument.

c. In the event the Cap is reached and an Owner has sufficient Cause to require him or her to Lease/rent his or her Property then such Owner may submit a Hardship Petition to the Association for approval and to permit the Owner to attempt to Lease the Property; provided, however, all other restrictive covenants described herein (including, but not limited to, the Residency Requirement) shall be complied with.

d. In the event the Cap is reached and an Owner desires to Lease/rent their Property, the Owner may elect to have their name placed on a waiting list maintained by the Association. Owners on the waiting list shall maintain priority to Lease/rent their Property over Owners that are not on the waiting list. The Association shall inform the Owner on the waiting list when they are eligible to Lease their Property. If such Owner is unable to Lease/rent and comply with this Instrument within sixty (60) days of notice, then such Owner shall no longer have its place held under the Cap and the next Owner on the waiting list shall be provided the opportunity as outlined above. This process shall continue until the earlier of (x) all Owners on the waiting list have had an opportunity to Lease/rent or (y) the number of Properties Leased/rented falls below the Cap thereby permitting all previously waiting Owners the opportunity to Lease their Properties. The Association shall be permitted to provide additional guidance and rules with respect to the waiting list and process.

e. Owners that have previously complied with this Instrument and are replacing an expiring or terminating Lease with a new Lease (with same or different Tenants) or renewing or modifying an existing Lease shall maintain priority over those owners on the waiting list. Such Owner shall have ninety (90) days to lease their Property. Should their Property fail to be Leased within ninety (90) days, then the Association shall use the waitlist in accordance with Section 1.04(d).

1.05 Qualification of Tenant.

a. All Tenants are required to meet all qualifications as contained in this Instrument. An Owner may not Lease/rent to a Tenant if the qualifications, restrictive covenants described in this Instrument are not satisfied and if Owner has not provided evidence of such satisfaction to the Association upon request.

b. No owner may lease/rent their property to a tenant or occupant that has been convicted of any felony or misdemeanor crime involving violence; crimes

against persons: use of firearms; robbery; aggravated robbery; murder; criminal gang activity; discharge of firearms; manufacture, sale of drugs; manufacture or sale of alcoholic beverages; theft; burglary; larceny; or any crime involving a minor; stalking; terrorism in any jurisdiction in the United States (a "Criminal Offenses").

c. No Owner may Lease/rent their Property to a Tenant or occupant that is a Registered Sex Offender. For purposes of this provision, a "Registered Sex Offender" is a (y) person who is registered as a Level 3 (High Risk) or Level 2 (Moderate Risk) sex offender pursuant to Chapter 62 of the Texas Code of Criminal Procedure (Sex Offender Registration Program as it now exists or as it may be amended in the future), or pursuant to any other law of the State of Texas, or any local municipal or county ordinance, or pursuant to any other state or federal law or regulation and (z) person who is required to register as a sex offender and who is required to have a risk assessment.

d. Notwithstanding the foregoing, Tenants who have been found guilty of one or more Criminal Offenses may Lease within Stonebrook Estates Homeowners Association, Inc seven (7) years after serving the associated sentence or expiration of the associated probationary period and/or parole period. This includes person(s) who have received deferred adjudication and/or have not yet satisfied the probationary period of a deferred adjudication for any of the above-mentioned offences. This provision does not apply to Tenants or occupants that have been found guilty of a crime in violation of Section 1.05(c) above. Tenants or occupants in violation of Section 1.05(c) above may never occupy or Lease a Property within Stonebrook Estates Homeowners Association, Inc., unless such Tenant or occupant is no longer a Registered Sex Offender.

e. Any owner that violates this rule shall incur a fine of \$1,500.00 per month.

1.06 Occupancy and Lease/rent Rules and Regulations.

a. Subject to any state, local or federal law that prohibits the placement of any limits on occupants, the maximum number of adult persons that may occupy any Property pursuant to a Lease/rent is three times the number of bedrooms in the Property. An Owner may allow an occupancy rate of more than three adult per bedroom: to the extent that Owner is required by a state or federal fair housing law to allow a higher occupancy rate; or if an adult whose occupancy causes a violation of this section is seeking temporary sanctuary from family violence as defined by Section 71.004 of the Texas Family Code for a period not to exceed one month. Should an Owner wish to have than the foregoing occupancy, then such Owner shall submit a Hardship Petition showing sufficient Cause to Lease the Property to more than the foregoing occupancy.

- b. No person under the age of eighteen (18) years of age may reside in or occupy a property unless such person is with a parent, legal guardian or designee in writing as such minor's parent or legal guardian. An Owner shall promptly provide satisfactory proof of ages and relationship status among the tenants and occupants upon the request of the Association.
- c. No Property (or part thereof) may be Leased, occupied or used by a person who constitutes a threat to the health or safety of other persons, or whose occupancy, use or activities could result in physical damage to the property of others.
- d. Leasing of less than one hundred percent (100%) of the square footage of the Property is prohibited (e.g., no fraction or part of a property may be leased) unless (i) the Owner of the Property primarily occupies and resides within the Property and uses the Property daily as their full-time primary residence, and (ii) the Lease of fraction or part of the Property is to an immediate family member (e.g., a son or daughter). Such Leases shall not require the completion of the Association Rental Form, count towards the Cap, be for a minimum term of twelve (12) months, or require the payment of the Fee, but shall otherwise require adherence to the restrictive covenants described herein (e.g., Lease should be in writing, Tenant shall abide by the restrictive covenants of Stonebrook Estates Homeowners Association, Inc, etc.).
- e. No Owner may Lease their property if it is delinquent in any fines, assessments, collection costs or fees owing to the Association, or is in violation of any restrictive covenant, and fails to cure the delinquency or violation within thirty (30) days after written notification. Such violations may result in the Owner having their right to lease their property terminated and may subject the Owner to additional fines and penalties under this Instrument.
- f. An Owner may submit a Hardship Petition in the event it has Cause to request a variance or temporary relief from a restrictive covenant described herein. Any out-of-pocket costs due to the Association granting a variance or temporary relief shall be the sole responsibility of the requesting Owner.

1.07 Minimum Rental Period.

- a. No Owner may Lease their Property for a term of less than twelve (12) consecutive months; provided, however, a Lease/rental converting to a month-to-month term after a twelve (12) consecutive month term is permitted as long as such carry over to a month-to-month term does not exceed six (6) months in the aggregate (i.e., the Lease/rental shall need to be renewed for at least twelve (12) months after a maximum of six (6) months of carry over on a month-to-month basis). Daily, weekend, weekly and monthly rentals less than twelve (12) consecutive months are prohibited.

1.08 Compliance with Associations' Rules & Regulations.

- a. Each Owner must provide each Tenant with a physical or electronic copy of all Dedicatory Instruments (including, but not limited to, the Declaration, Bylaws and any and all restrictive covenants of SBE Homeowners Association).
- b. All Tenants must comply with all the Dedicatory Instruments as if the Tenant was the Owner of such Property (except for the annual and special assessments that are due and payable by the Owner). Each Tenant acknowledges and agrees by executing a Lease in SBE Homeowners Association that it may be fined and held responsible for failing to abide by all the Dedicatory Instruments.
- c. Each Owner shall be responsible for any and all violations, losses and damage resulting from or being proximately caused by the actions and omissions of each Owner's Tenants and each Tenant's invitees, licensees, guests or occupants.
- d. In the event the Property is in violation of Dedicatory Instruments, the Association shall notify the Tenant and the Owner (to the extent a mailing address is provided to the Association) and the Owner shall promptly resolve the violation and secure compliance with Dedicatory Instruments or exercise the Owner's rights as a landlord under the Lease/rent for Tenant's breach of the Lease/rent. If the Property continues to be in violation or the occurrence of the violation repeats, and if the Owner is unable, unwilling, or unavailable to resolve the violation and secure compliance with Dedicatory Instruments, then the Association has the power and right to pursue the remedies under the Dedicatory Instruments and as a landlord under the Lease or applicable law for the default of the Lease, including, but not limited to, eviction of the Tenant. In the event the Association proceeds as agent and attorney in fact on behalf of the Owner to enforce the Lease, pursue remedies under the Lease/rent and/or evict the Tenant and occupants of the Property, any and all costs, including, but not limited to, attorney's fees and court costs, arising from or in connection with such actions shall be responsibility of the Owner and the Owner shall reimburse the Association with interest on demand. Such costs may be assessed as an assessment against the Property.
- e. The Owner of a Property is and shall remain liable to the Association for any and all expenses, costs and damages incurred by the Association in connection with enforcement of the Dedicatory Instruments against a Property that is Leased.
- f. EACH OWNER HEREBY APPOINTS THE ASSOCIATION AS EACH OWNER'S ATTORNEY-IN-FACT FOR THE PURPOSES OF TAKING (WITH NO OBLIGATION TO TAKE) LEGAL ACTION TO DISPOSSESS, EVICT, OR OTHERWISE REMOVE THE OCCUPANTS OF THE OWNER'S PROPERTY ASSOCIATION MAY DEEM NECESSARY TO ENFORCE COMPLIANCE WITH THE DEDICATORY INSTRUMENTS OF THE ASSOCIATION, INCLUDING, BUT NOT LIMITED TO, THIS INSTRUMENT.

1.09 Contents of Lease.

- a. Each Owner shall incorporate and each Lease shall contain the following:

"The tenant (lessee/renter) named in this lease/rental and all occupants of the leased rented Property acknowledge and agree that each tenant and occupant of the leased/rental Property is subject to the declaration, bylaws, rules and regulations (the "Dedictory Instruments") of the Stonebrook Estates Homeowners Association, Inc (the "Association") and that each of them has received a copy of such Dedictory Instruments. The tenant (lessee) named in this lease/rental and all occupants of the leased Property acknowledge and agree that each shall comply with all provisions of the Dedictory Instruments of the Association and shall control the conduct of all the invitees, licensees, occupants and guests of the leased/rented Property in order to ensure their compliance.

Any violation of any of the Dedictory Instruments of the Association, including, but not limited to, the Residency Requirement, the Cap, qualification of Tenants, and submission of the Association Rental Form and Fee (each as defined in the Dedictory Instruments) may result in the Lease being null and void and without any liability whatsoever to the Association.

Any violation of any of the Dedictory Instruments of the Association, federal or state law, or local ordinance (each whether now in existence or enacted hereinafter) by the tenant (lessee), any occupant, any person living with the tenant (lessee), or any invitee or licensee of the tenant is deemed to be a default under the terms of the lease and authorizes the landlord (owner of the Property) the right to terminate the lease immediately without notice and with no liability whatsoever and the right to evict the tenant (lessee) in accordance with Texas law. The landlord (owner of the Property) hereby delegates and assigns to the Association, acting through its Board of Directors, the power and authority (but not the obligation) of enforcement against the tenant (lessee) for breaches resulting from the violation of any of the Dedictory Instruments, federal or state law, or local ordinance (each whether now in existence or enacted hereinafter), including, but not limited to, the power and authority to evict the tenant (lessee) and occupants as the attorney-in-fact on behalf and for the benefit of the landlord (owner of the Property) at landlord's (owner of the Property) sole cost and expense.

The landlord (owner of the Property) transfers and assigns to the lessee, for the term of the lease, any and all rights and privileges that the landlord (owner of the Property) has to use any Common Area (as defined in the Dedictory Instruments) including, but not limited to, the use of all recreational facilities and other amenities (if any)."

In the event the above language is not expressly contained in the Lease/rental, then such language shall be deemed as being incorporated into the Lease by virtue of this Instrument. Each Tenant, by occupancy of the Property, agrees to the incorporation of the above language into the Lease automatically.

- b. Any lease entered into without complete and full compliance of the Dedictory Instruments of the Association and without compliance with this Instrument may be deemed void and of no force and effect and shall confer no interest in a Property to the purported tenant or lessee without any liability whatsoever to the Association.**

1.10 Indemnity & Representation.

- a. The requirements within this Instrument do not constitute a guarantee or representation to other owners within Stonebrook Estates Homeowners Association, Inc that Tenants or persons occupying Properties in Stonebrook Estates Homeowners Association, Inc have not been convicted of a crime or are subject to deferred adjudication for a crime.
- b. All current and future Owners, occupants, residents, licensees, guests and invitees of Stonebrook Estates Homeowners Association, Inc understand and agree that the Association and its Board, officers, representatives, agents, employees and attorneys have no obligation to, and will not take any affirmative action to, perform any checks or investigations to determine if Owners, occupants, tenants, residents, licensees, guests or invitees have criminal backgrounds.
- c. Each current and future Owner, occupant, resident, licensee, guest and invitee understands and agrees for himself/herself and his/her guests that the Association and its Board, officers, representatives, agents, employees and attorneys are not providers, insurers or guarantors of security within Stonebrook Estates Homeowners Association, Inc. Each Owner, occupant, resident, licensee, guest and invitee accepts as his or her sole responsibility to provide security for their own person and property and assumes the risk for any and all loss or damage to same.
- d. Each Owner, occupant, resident, licensee, guest and invitee is responsible for maintaining appropriate insurance coverage upon the Property.
- e. Each Owner, by Leasing/renting their Property within the Association, agrees to indemnify and hold harmless the Association and its Board of Directors from any and all causes of action, costs, fees, damages and lawsuits arising out of or in connection with (x) the Leasing/renting of their Property, (y) action or omission by any Tenant, lessee, occupant, licensee, invitee or guest of the Property and (z) any and all decisions (or lack thereof) made by the Association in connection with Dedicatory Instruments or enforcement conducted (or lack thereof) by the Association of the Dedicatory Instruments (e.g., voiding a Lease for failure to comply with this Instrument).

1.11 Savings Clause and Misc. Clauses.

- a. It is not the intent of this Instrument to discriminate against any individual subject to protections under any state or federal law. If a court determines that any provision of this Instrument is in violation of any law, then that provision shall be interpreted to be as restrictive as possible to preserve as much of the original provision as allowed by law; provided, however, if the court determines that such provision cannot survive then the balance of this Instrument shall be enforceable and shall be enforced as if the parties intended at all times to delete said invalid provision.

b. The recitals to this Instrument are incorporated herein as part of this Instrument.

c. This Instrument shall be recorded in the Real Property Records of Collin County, Texas.

d. In the event the Association decides not to default or take enforcement action such a decision shall not be construed as a waiver of the right of the Association to enforce this Instrument at a later time or under other circumstances or estop the Association from enforcing other covenants, restrictions or rules.

1.12 Violations.

a. The Association shall provide notice of any violation of this Instrument to Owner and Owner shall have thirty (30) days from such notice to fully comply and resolve any violation. Except as otherwise expressly provided for herein, in the event such violation is not fully resolved in the Association's sole, but reasonable discretion within such thirty (30) days, the Owner shall be liable for \$100.00 every ten (10) days, per violation in fines as long as the violation(s) continues exclusive of out-of-pocket costs, administration costs, enforcement costs, attorney's fees, and court costs and fees.

b. Any fine levied against an Owner shall be levied as an individual assessment in accordance with Article VI Section P of the Declaration.

c. **Any owner who violates the Dedicatory Instruments of SBE Homeowners Association may have their right to Lease their Property within the Association terminated. Thirty (30) days prior to such termination, the Owner shall be provided a notice and opportunity to cure in accordance with Section 209.006 of the Texas Property Code.**