

September 12, 2005

**To Lifescape Villas on Dublin Homeowners:**

Your Home Owners Association Board of Directors has been very proactive in seeking ways to improve common facilities, mandated HOA responsible maintenance and repair, protect assets, while adding overall value to the property.

One of the items we have studied for many months is the aspect of non-resident home ownership and the impact on the community becoming essentially lease units owned by non-resident owners. This initially started when a home owner complained to members of the Board that they were having difficulty selling their property because the buyer could not obtain an FHA loan. The buyer's only option was to obtain a commercial loan at a higher interest rate; something the prospective buyer was unwilling to do. FHA standards require a 61% owner occupancy ratio and that a single owner cannot own more than 10% of the total units. We are currently at 48% owner occupancy, which is far below what is optimal. The second issue raised was the matter of monitorship and control over prospective tenants. There has been ample newspaper coverage on why this is an important issue for all multiple resident complexes.

After seeking input from a variety of homeowners, the Board obtained legal opinion from a local law firm that specializes in Association law. The attached Resolution was formulated by the attorney and after much debate your Board chose to approve the Resolution at its August 2005 meeting.

**This Resolution provides critical benefits to the future of Lifescape Villas on Dublin:**

- a. Protects property values.
- b. Allows prospective home owners to obtain better loan rates.
- c. Tighter leasing restrictions help to ensure qualified and quality tenants.

**Your HOA Board strongly believes this Resolution is best for all concerned and we encourage each of you to read it, understand it and comply with its provisions.** If you have any questions or would like to discuss this Resolution you may contact the Board via our HOA e-mail address at: **lifescapevillashoa@yahoo.com** or our next Board meeting will have an open session on Monday, September 19, 2005 from 6:00 - 6:15 pm at the club house.

Your Board continues to encourage more of you to participate on committees and next April to consider becoming a member of the Board. Please consider participating even if you want to just learn - it's the first step to becoming an active and educated condo owner.

We believe we share the same vision for our future: a safe, quality place to live, while protecting and preserving our investment. The attached resolution helps achieve that future. Please keep this copy for your reference and compliance.

We appreciate your cooperation, and look forward to helping all enforce these high standards.

Lifescape Villas HOA Board of Directors

**NOTICE OF FILING OF DEDICATORY INSTRUMENTS  
FOR  
LIFESCAPE VILLAS ON DUBLIN, A CONDOMINIUM**

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

**THIS NOTICE OF FILING OF DEDICATORY INSTRUMENTS FOR LIFESCAPE VILLAS ON DUBLIN, A CONDOMINIUM** (this "Notice") is made this \_\_\_\_ day of September, 2005, by the Lifescape Villas on Dublin Homeowners' Association, Inc. (the "Association").

**WITNESSETH:**

**WHEREAS**, Great Southwest Homes, Inc. ("Declarant") prepared and recorded at Volume 81167, Page 1862 *et seq.* of the Condominium Records of Dallas County, Texas, an instrument entitled "Condominium Declaration for Lifescape Villas on Dublin, A Condominium" in the Condominium Records of Dallas County, Texas (the "Declaration"); and

**WHEREAS**, the Association is the property owners' association created by the Declarant to manage or regulate the condominium regime covered by the Declaration, which regime is more particularly described in the Declaration; and

**WHEREAS**, Section 202.006 of the Texas Property Code provides that a property owners' association must file each dedicatory instrument governing the association that has not been previously recorded in the real property records of the county in which the condominium regime is located; and

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

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

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

**LIFESCAPE VILLAS ON DUBLIN HOMEOWNERS'  
ASSOCIATION, INC., a Texas non-profit corporation**

By: Sammy Budell  
Its: HOA PRESIDENT

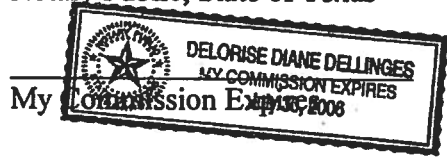
**ACKNOWLEDGMENT**

STATE OF TEXAS       §  
                                  §  
COUNTY OF DALLAS   §

BEFORE ME, the undersigned authority, on this day personally appeared Tommy Wardell, President of Lifescape Villas on Dublin Homeowners' Association, Inc., known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that (s)he executed the same for the purposes and consideration therein expressed on behalf of said corporation.

SUBSCRIBED AND SWORN TO BEFORE ME on this 21<sup>st</sup> day of September, 2005.

Deloise Diane Dellings  
Notary Public, State of Texas



AFTER RECORDING, RETURN TO:  
Riddle & Williams, P.C.  
3811 Turtle Creek Boulevard, Suite 1050  
Dallas, Texas 75219

**LIFESCAPE VILLAS ON DUBLIN HOMEOWNERS' ASSOCIATION, INC.**

**Rule Regarding Leasing of Units**

**WHEREAS**, Article VII, Section 7.12 of the Bylaws of Lifescape Villas on Dublin Homeowners' Association, Inc. (Exhibit "D" to the Condominium Declaration for Lifescape Villas on Dublin, A Condominium) (the "Bylaws") and Section 82.102(a)(7) of the Texas Uniform Condominium Act authorize the Board of Directors (the "Board") of Lifescape Villas on Dublin Homeowners' Association, Inc. (the "Association") to promulgate rules regulating the leasing of units in a condominium regime; and

**WHEREAS**, in order to protect the equity of the individual property owners at Lifescape Villas on Dublin (the "Condominium") and to preserve the character of the Condominium as a condominium project, the Board deems it necessary to promulgate and enforce rules governing the leasing of units.

**NOW, THEREFORE, IT IS RESOLVED** that the following rules and regulations are established by the Board for the leasing of units within the Condominium:

**Leasing Restrictions**

1. **Ownership Limitation.** No person or entity shall own more than one (1) Condominium Unit in the Condominium.

2. **Attribution of Ownership.** For purposes of this Rule, ownership of a Condominium Unit shall be attributed to and shall be deemed to be owned by related family members and entities in accordance with the following:

(i) A natural person shall be deemed to own a Condominium Unit owned or deemed to be owned by any natural person interrelated by blood, marriage or adoption. The words "by blood" shall be deemed to encompass only children, grandchildren, grandparents, mothers, fathers, sisters, brothers, nieces, nephews, parents, aunts, uncles and first and second cousins, and no other degree of kinship. "Marriage" shall include common law marriage as provided under Texas law.

(ii) A corporation, trust, estate or partnership shall be deemed to own a Condominium Unit owned or deemed to be owned by the shareholders, beneficiaries and partners of such entities, respectively; and

(iii) The shareholders, beneficiaries and partners of a corporation, trust, estate or partnership, respectively, shall be deemed to own a Condominium Unit owned by deemed to be owned by such entity.

3. **Existing Ownership Unaffected.** Any person or entity who owns more than one

(1) Condominium Unit in the Condominium upon the effective date of this Rule may continue to maintain such ownership interest in such Condominium Units notwithstanding this Rule; provided, however, such person or entity may not acquire any additional Condominium Units in the Condominium.

4. Acquisition of Additional Condominium Units. A person or entity who, upon the effective date of this Rule, owns one (1) Condominium Unit, may not acquire any additional Condominium Units.

5. Leasing Provisions. Leasing of Condominium Units shall be governed by the following provisions:

a. Definition. "Leasing", as used in this Section, is defined as regular, exclusive occupancy of a Unit by any person other than the Owner for which the Owner, or any designee of the Owner, receives any consideration or benefit, including, but not limited to, a fee, service, gratuity or emolument. For purposes of this Section, if a Condominium Unit is owned by a trust and the beneficiary of the trust is living in the Condominium Unit, that Condominium Unit shall be considered Owner-occupied rather than leased.

b. Board Consent to Lease. In order to preserve the high standards of maintenance and care of the Common Elements and to promote the leasing of Condominium Units to those individuals of good moral character and sound financial responsibility, no Condominium Unit may be leased without the prior consent of the Board and in accordance with the following provisions:

(i) Notice of Intent to Lease. Whenever the Owner of a Condominium Unit has received a bona fide offer to lease his Condominium Unit and desires to accept such offer, the Owner shall give the Board written notice of his desire to accept such offer, stating the name, address and business occupation or employment of the offeror. The Owner shall also submit a lease application in the name of each prospective adult occupant of the Condominium Unit. The Board shall have the power to adopt by resolution or rule the appropriate lease application form to be used.

(ii) Background Report. Such Owner shall require the lessee and each prospective occupant to provide the Association with such information as may be required by the Board so that the Board may conduct and obtain a background report (which may include a credit report) on the prospective lessee and each prospective adult occupant of the Condominium Unit. The Owner shall pay the Association for any costs incurred by the Association in obtaining such reports.

(iii) Approval Period. The Board shall notify the Owner of the Association's decision to approve or disapprove the proposed lease within fourteen (14) days of the Association's receipt of the background and/or credit report (the "Approval Period"). If the Board does not notify the Owner of the

Board's decision to approve or disapprove of the proposed lease within the Approval Period, such Owner shall be free to consummate the lease of his Condominium Unit, but only to the party described in the Owner's notice to the Board.

c. General. Condominium Units may be leased only in their entirety. All leases shall be in writing and must be in the form approved by the Board. There shall be no subleasing of Condominium Units or assignment of leases unless prior written approval is obtained from the Board of Directors. No transient tenants may be accommodated in a Condominium Unit. All leases must be for an initial term of not less than one (1) year unless otherwise approved by the Board, in writing; provided, however, that all leases commencing subsequent to thirty (30) days from the date hereof, must be for an initial term of not less than one (1) year, without exception. Within seven (7) days after executing a lease agreement for the lease of a Condominium Unit, the Owner shall give written notice to the Board, with a copy of the lease and the name of the lessee. The Owner must make available to the lessee copies of the Declaration, Bylaws and the rules and regulations of the Association.

d. Contents of Lease. Each Owner acknowledges and agrees that any lease of his Condominium Unit shall be deemed to contain the following language and that if such language is not expressly contained in the lease, then such language shall be incorporated into the lease by existence of this resolution. Any lessee, by occupancy of a Condominium Unit, agrees to the applicability of this resolution and incorporation of the following language into the lease:

The lessee shall comply with all provisions of the Declaration, Bylaws and rules of the Association and shall control the conduct of all other occupants and guests of the leased Condominium Unit in order to ensure their compliance.

Any violation of the Declaration, Bylaws or rules and regulations by the lessee, any occupant or any person living with the lessee, is deemed to be a default under the terms of the lease and authorizes the Owner to terminate the lease without liability and to evict the lessee in accordance with Texas law. The Owner hereby delegates and assigns to the Association, acting through the Board, the power and authority of enforcement against the lessee for breaches resulting from the violation of the Declaration, Bylaws and the rules and regulations of the Association, including the power and authority to evict the lessee as attorney-in-fact on behalf and for the benefit of the Owner.

The Owner transfers and assigns to the lessee, for the term of the lease, any and all rights and privileges that the Owner has to use the common elements of the Condominium Project including, but not limited to, the use of all recreational facilities and other amenities.

The lessee agrees to be personally obligated, to the extent of its rental obligations under the lease, for the payment of all assessments against the

Owner which become due during the term of the lease and any other period of occupancy by the lessee or which become due as a consequence of the lessee's activities including, but not limited to, activities which violate provisions of the Declaration, the Bylaws or the rules and regulations of the Association. The above provision shall not be construed to release the Owner from any obligation, including the obligation for assessments, for which he or she would otherwise be responsible.

Upon request by the Board of Directors, the lessee shall pay to the Association all unpaid assessments, as lawfully determined and made payable during the term of the lease and any other period of occupancy by the lessee; provided, however, the lessee need not make such payments to the Association in excess of or prior to the due dates for rental payments unpaid at the time of the Board's request. All such payments made by the lessee shall reduce, by the same amount, the lessee's obligation to make rental payments to the lessor. If the lessee fails to comply with the Board's request to pay assessments, the lessee shall pay to the Association all late charges, fines, interest and costs of collection, including, but not limited to, the same extent the lessee would be required to make such payments to the Association if the lessee were the owner of the Condominium Unit during the term of the lease and any other period of occupancy by the lessee.

e. Compliance with Condominium Instruments. Each Owner shall cause all occupants of his or her Condominium Unit to comply with the Declaration, Bylaws and the rules and regulations of the Association and shall be responsible for all violations and all losses or damage resulting from violations by such occupants, notwithstanding the fact that such occupants of the Condominium Unit are fully liable and may be personally sanctioned for any violation.

In the event that the lessee, or a person living with the lessee, violates the Declaration, Bylaws or a rule or regulation for which a fine is imposed, such fine shall be assessed against the lessee; provided, however, if the fine is not paid by the lessee within the time period set by the Board of Directors, the Owner shall pay the fine upon notice from the Association of the lessee's failure to pay the fine. Unpaid fines shall constitute a lien against the Condominium Unit. Any occupant charged with a violation of the Declaration, Bylaws or rules and regulations is entitled to the same procedure to which an Owner is entitled prior to the imposition of a fine or other sanction.

In the event the Association proceeds to evict the lessee, any costs, including attorney's fees and court costs, associated with the eviction shall be assessed as an assessment against the Condominium Unit and the Owner, such being deemed an expense which benefits the leased Condominium Unit and the Owner thereof.

f. Applicability. This resolution shall not apply to any leasing transaction entered into by the holder of any first mortgage on a Condominium Unit who becomes the Owner of a Condominium Unit through foreclosure or any other means pursuant to the

satisfaction of the indebtedness secured by such mortgage; provided, however, that it shall apply to any leases by any purchaser from such mortgagee and any successor to such a purchaser.

2. Non-compliance. Any lease of a Condominium Unit entered into without complete and full compliance with the terms herein including, without limitation, the requirement that any notice of intent to lease a Condominium Unit must be accompanied by the background report and the lease application as required herein, shall be deemed void and of no force and effect and shall confer no title or interest in a Condominium Unit to the purported lessee, except as may be otherwise provided in the Declaration. Should any Owner desiring to lease his Condominium Unit fail to provide the Association with the background report and/or lease application required herein, the Owner's notice of his intent to lease will be deemed incomplete and the Association may disapprove and refuse to allow the lease. Any subsequent lease where notice is deemed ineffective shall be void and of no force and effect and shall confer no title or interest in a Condominium Unit to the purported lessee.

3. Percent of Condominium Units Leased. Upon the effective date of this Rule, if the leasing of a Condominium Unit causes the total Condominium Units being leased to be more than twenty percent (20%) of the total Condominium Units in the Condominium Project, the Association may deny an Owner's lease of his or her Condominium Unit.

**IT IS FURTHER RESOLVED** that this Rule is effective upon adoption hereof and publication to the Owners, to remain in force and effect until revoked, modified or amended.

This is to certify that the foregoing Rule was adopted by the Board at a meeting of same held on Aug. 15, 2005, and has not been modified, rescinded or revoked.

DATE: 9-12-, 2005

Sammy Wardell  
President

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