

**RESOLUTION OF THE
CRAIG RANCH COMMUNITY ASSOCIATION
BOARD OF DIRECTORS**

August 26, 2020

AMENDING AND RESTATING RESIDENTIAL LEASING POLICIES AND PROCEDURES

WHEREAS, the Board of Directors (the “Board”) of Craig Ranch Community Association (“CRCA”) is vested with the authority and obligation to govern the affairs of CRCA in accordance with (a) that certain Amended and Restated Community Charter for Craig Ranch and all Supplements thereto (together the “Charter”) dated June 24, 2018 and recorded under file no. 20180604000683380 in the Real Property Records of Collin County, Texas and (b) the Governing Documents (as defined in the Charter);

WHEREAS, the Board desires to amend and restate the Rules regarding residential leasing currently set forth in the Residential Leasing Policies and Procedures, previously adopted by the Board on the 26th day of September 2017 (the “Old Leasing Policy”), to ensure consistency with applicable law, and the changing needs of the community.

WHEREAS, capitalized terms used herein and not separately defined herein shall have the meanings and definitions ascribed to them in the Charter;

WHEREAS, the terms “Residential Parcel” and “Residential Unit” shall be collectively referred to herein as “Unit” irrespective of the definition of “Unit” in the Charter and the term “Governing Documents” shall also mean (in addition to the definition of same in the Charter) the similar or equivalent documents and instruments of a Parcel Association, as reflected for the Association in Section 2.1 of the Charter;

WHEREAS, the term “Owner(s)” means each Person(s) that holds record title to a Parcel or Unit as described in the Charter; however, with respect to the Leasing Policy (as hereinafter defined), also means collectively, “Owner(s)”, “Parcel Owner(s)”, “Parcel Developer(s)”, “Parcel Association(s)” and “Builder(s)”;

WHEREAS, the Rules set forth in the Leasing Policy shall not apply to the Association, any Parcel Association or any institutional lender, insurer or guarantor of a loan secured by a mortgage, deed of trust or security agreement who has taken title to any Unit pursuant to the remedies set forth in the Governing Documents or the applicable mortgage, deed of trust or security agreements, during the period of time such party retains title to such Unit and complies with the terms and conditions of the Governing Documents; and

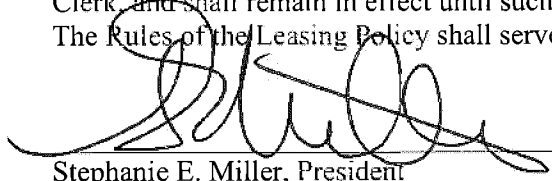
WHEREAS, pursuant to and, in accordance with, its right to establish Rules pertaining to leasing as provided in Chapter 8, Section 8.1(b) of the Charter, the Board desires to amend and restate the Rules set forth in the Old Leasing Policy to continue to help preserve the character of Craig Ranch as a master planned community comprised of predominately owner-occupied Units.

NOW, THEREFORE BE IT RESOLVED, that the following Residential Leasing Policies and Procedures (the “Leasing Policy”) attached hereto as Exhibit “A” are hereby approved, accepted and adopted as Rules of CRCA, amending, restating and superseding the terms and conditions of the Old Leasing Policy.

To the extent there exists a conflict between any of the terms and conditions of the Leasing Policy and the leasing provisions contained in the Governing Documents, (including the Governing Documents of any Parcel Association) the controlling provision shall be determined by the applicable (terminology)

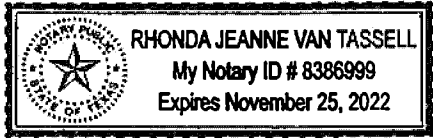
conflict resolution provision as specified in the Governing Documents with jurisdiction over the matter. The terms and conditions of the Leasing Policy shall be subject to the Founder's rights retained in the Charter to the extent such rights are valid and existing.

This is to certify that the foregoing Resolution was duly adopted by the Board of CRCA on this 26th day of August, 2020, effective as of the date it is filed of record with the Office of the Collin County Clerk and shall remain in effect until such date as it may be modified, rescinded or revoked by the Board. The Rules of the Leasing Policy shall serve to replace and supersede the Rules of the Old Leasing Policy.



Stephanie E. Miller, President
Board of Directors
Craig Ranch Community Association

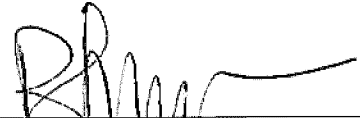
10-13-2020



THE STATE OF TEXAS §
 §
COUNTY OF Collin §

October 13,

This instrument was acknowledged before me on ~~August 26~~, 2020, by Stephanie Miller, President of Craig Ranch Community Association, a Texas non-profit corporation, on behalf of said entity.



Notary Public, State of Texas

EXHIBIT A

CRAIG RANCH COMMUNITY ASSOCIATION

RESIDENTIAL LEASING POLICIES AND PROCEDURES

Amended and Restated August 26, 2020

WHEREAS, pursuant to Resolution of the Board of Directors (the “Board”) dated August 26, 2020, Craig Ranch Community Association (the “Association”) amended and restated the Rules regarding residential leasing contained in those certain Residential Leasing Policies and Procedures (the “Old Leasing Policy”) previously adopted by the Board on September 26, 2017;

WHEREAS, the following Residential Leasing Policies and Procedures, as hereafter amended from time to time, shall serve as the Rules governing residential leasing to continue to help preserve the character of Craig Ranch as a master planned community comprised of predominantly owner-occupied Units; and

WHEREAS, all capitalized terms used, and not separately defined herein shall have the same meanings and definitions ascribed to them under that certain Amended and Restated Community Charter for Craig Ranch and all Supplements thereto (together the “Charter”) dated June 24, 2018 and recorded under file no. 20180604000683380 in the Real Property Records of Collin County, Texas.

1. **Residential Leasing Restrictions.** Every Unit for which the applicable Owner has not been qualified for, and been granted a *Leasing Permit* in accordance with this Leasing Policy, **SHALL NOT:**

- (a) be leased, rented or advertised for lease or rent, in any form or fashion.
- (b) be occupied in whole, or any portion thereof, for overnight or short-term lodging purposes by persons other than Owner or members of their respective households, and their occasional, non-paying guests.
- (c) be used for overnight lodging of occupants other than the Owner when Owner is not in residence for more than forty-eight (48) hours, except as permitted by the Governing Documents.
- (d) be used for operation of a timesharing, fraction-sharing, residence club, vacation club, destination club, or similar program whereby the right to exclusive use of a Unit, or any portion thereof, rotates among participants in the program on a fixed or floating time schedule or otherwise in accordance with a written agreement or established rules providing for allocation of the exclusive use of a Unit, or any portion thereof, among participants in the program.

2. **Leasing Permit Application.**

- (a) All Owners with Open Leasing Status and in good standing (as specified below) under the Old Leasing Policy will be given Lease Permits.
- (b) To request a *Leasing Permit*, Owner must complete and submit the “Application for Leasing Permit” (“Application”) attached hereto as Exhibit A, to the Association.
- (c) An Application will be considered if **ALL** the following apply:
 - i. twenty-four (24) months have expired since the date of the closing of the sale of the Unit and delivery and acceptance of the deed to the Unit which conveys title.

- ii. The number of outstanding *Leasing Permits* falls below 25% of the total number of Units subject to the Charter (the “Area Wide Restriction”),
 - iii. the number of outstanding *Leasing Permits* falls below 25% of the total number of Units contained within the specific community, neighborhood, Service Area or Parcel Association containing such Unit identified on Application (the “Community Restriction”),
 - iv. Owner is in good standing under the terms and conditions of the Governing Documents and the Governing Documents of the Parcel Association of which Owner is a member.
- (d) The Association will have thirty (30) days from receipt of the Application and all required submittals to approve or disapprove of the request in writing. If no response is sent to Owner by the Association within such thirty (30) day period, the request under the Application is deemed denied.
 - (e) If the number of outstanding *Leasing Permits* meets or exceeds the Area Wide Restriction or the Community Restriction, the Application will automatically be denied, and the Application will be placed at the bottom of the waiting list for further consideration.

3. Leasing Permit Requirements.

- (a) A *Leasing Permit* is granted to the Owner of a Unit, not the Unit itself, and is personal and not transferrable or assignable.
- (b) Owner must execute a written lease (the “Lease”), for Owner’s Unit in compliance with this Leasing Policy, with tenant within ninety (90) days following the date a *Leasing Permit* is granted.
- (c) Owner must renew the Lease or execute a new Lease, for such Unit, with tenant, within ten (10) days after termination or expiration of initial term of a Lease or any subsequent written lease.
- (d) Each Owner shall cause all tenants and other occupants of a Unit to comply with the Governing Documents and the Rules of the Association and any Parcel Association, Service Area and this Leasing Policy and such occupants’ violation of any of the terms and conditions of the forgoing shall be deemed to be violation of the Owner. Owner shall be responsible for all violations and all losses or damage resulting from violations by such tenants and occupants of the Unit are fully liable, and may be personally sanctioned, for any violation.
- (e) Owner must, within ten (10) days after a written Lease has been executed by Owner and tenant(s);
 - (i) Provide the lessee/tenant copies of the updated and current Governing Documents of the Association, any Parcel Association and Service Areas;
 - (ii) Provide the Association with a copy of the Lease and the name of the tenant(s) and all other people occupying the Unit; and
 - (iii) Complete and return the Tenant Document Receipt Form (“TDRF”), attached hereto as Exhibit B, to document that tenants have received copies of the Governing Documents of the Association and agreed to abide by same as well as other provisions in the TDRF.

- (f) Owner must notify the Association if a tenant(s) vacates a Unit or terminates a Lease before the stated expiration of the term of a Lease.
- (g) Owner must notify the Association of the identity of the property management or real estate company, if any, assigned to handle the Leasing of the Unit on behalf of Owner;
- (h) Owner must notify the Association of any renewal, or continuation of an existing Lease, including Lease term.
- (i) The Lease must contain certain terms and conditions to be consistent with the intent and objectives of this Leasing Policy and the Governing Documents of the Association and any applicable Parcel Association. As such, each Owner acknowledges and agrees that any Lease, and/or Addendum or amendment thereto of a Unit shall be deemed to contain the following terms and provisions and that if such language is not expressly contained in the Lease, then such language shall be incorporated into the Lease by reference to these Leasing Policy. Any tenant, by occupancy of a Unit, agrees to the applicability of these Leasing Policy and incorporation of the following terms and provisions into the Lease. The Lease shall:
 - (i) have a term of no less than six (6) consecutive months, expire (no matter the term thereof) upon transfer of title of the applicable Unit to a party other than the Owner, a joint Owner, Owner's spouse, or Owner's heirs, executors, administrators or personal representatives; and contain prohibitions on subleasing (i.e. Unit leased by existing tenant to another tenant), assignment, alienation, or transfer, of any kind, of the Lease by Owner or tenant;
 - (ii) provide that tenant shall comply with all provisions of the Governing Documents, and Rules of the Association, any Parcel Association or Service Area, and shall control the conduct of all other occupants and guests of the leased Unit in order to ensure their compliance and any violation of the Governing Documents or Rules of the Association, or any Parcel Association, by tenant or any occupant or any person living with tenant, is deemed to be a default under the terms of the Lease and authorizes Owner or the Association to terminate the Lease without liability and to evict tenant in accordance with Texas law. Tenant must delegate and assign to the Association, or any Parcel Association, acting through the applicable Board, the power and authority of enforcement against tenant for breaches resulting from the violation of the Governing Documents, the Rules of the Association, or any Parcel Association, Service Area and the Lease, including the power and authority to evict a tenant as attorney-in-fact on behalf and for the benefit of Owner; and
 - (iii) contain such other terms and provisions as the Board deems reasonably necessary.
- (j) Whenever the Owner has received a bona fide offer to lease his or her Unit and desires to accept such offer, the Owner shall give the Board written notice of his or her desire to accept such offer, and provide, at the Owner's sole cost and expense, the following information to the Board:
 - (i) The name, date of birth, current address and driver's license number of the prospective tenant(s) and each prospective adult occupant (over age 18) along with current license plate numbers for all vehicles belonging to the prospective lessee(s) and occupants which will be parked in the Unit;
 - (ii) A criminal background report, acceptable to the Board, and in a form required by the Board, for each prospective adult occupant of the dwelling.

- (k) The following qualifications of prospective occupants and tenants must be observed:
- (i) The total number of occupants allowed to reside in or occupy a Unit shall not exceed the maximum number of occupants allowed in the Unit pursuant to any ordinance, code or regulation of the City of McKinney, State of Texas or any other governmental entity with jurisdiction over the Unit, or the Governing Documents, Rules of the Association or Service Area.
 - (ii) Owner may not lease to or allow any person to reside in or occupy a Unit who has been convicted of any felony crimes involving violence; crimes against persons; use of firearms; sex crimes; illegal drugs; robbery; aggravated robbery; murder; criminal gang activity; discharge of firearms; gambling; manufacture, sale or use of drugs; manufacture or sale of alcoholic beverages; prostitution; theft; burglary; larceny; destruction of property; or any crime involving a minor.
 - (iii) “Sex Offenders,” as defined below, are prohibited from leasing, residing in or occupying any Unit and Owners are strictly prohibited from entering into any lease with or allowing any Sex Offender to own, occupy or reside in a Unit. The Board has determined that any individual who is required to register under the Sex Offender Registration Program, with the exception of an offender assigned a risk assessment of Level 1 (Low), presents an unreasonable danger to the residents of Craig Ranch by virtue of the Sex Offender's access to the Common Area facilities to which all residents have shared access. Further, in traveling to and from these Common Areas, the residents of Craig Ranch, especially children, are subject to contact with any such Sex Offender on a frequent and continuing basis. Such potential exposure, in light of the legislature's recognition of the serious danger posed by such an individual, dictates that a Sex Offender should be prohibited from permanently or temporarily residing in Craig Ranch. “Sex Offender” is a person who is required to register as either a Level 3 (High) or Level 2 (Moderate) 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 municipal or county ordinance, or any other state or federal law or regulation. A “Sex Offender” also includes a person who is required to register as a sex offender but who has not been assigned a risk assessment level by the applicable authority or for whom such a risk assessment level is not yet available to the public via the applicable registry program. The identity of Sex Offenders can be obtained from various public access Internet web sites, such as the Texas Department of Public Safety web site at <http://records.txdps.state.tx.us>.

THESE REQUIREMENTS DO NOT CONSTITUTE A GUARANTEE OR REPRESENTATION THAT LESSEES, OCCUPANTS OR OWNERS RESIDING WITHIN CRAIG RANCH HAVE NOT BEEN CONVICTED OF A CRIME OR ARE NOT SUBJECT TO DEFERRED ADJUDICATION FOR A CRIME OR SEX OFFENDER OF ANY LEVEL.

4. **Termination of Lease Permit.** Upon the failure of an Owner to comply with the Governing Documents including, without limitation, this Leasing Policy, the Lease Permit shall terminate immediately and not be eligible for a new Lease Permit until the default is cured or otherwise addressed to the satisfaction of the Association. The Association shall have the power and authority to enforce this Leasing Policy, in any legal manner available, as the Board deems appropriate, including, without limitation, taking action to evict the occupants of any Unit which does not comply with the requirements and restrictions hereof. EACH OWNER HEREBY APPOINTS THE ASSOCIATION AS ITS ATTORNEY-IN-FACT FOR THE PURPOSE OF TAKING LEGAL ACTION TO DISPOSSESS, EVICT OR OTHERWISE REMOVE THE OCCUPANTS OF A UNIT AS NECESSARY TO ENFORCE COMPLIANCE WITH THIS LEASING POLICY.

5. Appeal to Board.

- (a) If a Unit is not eligible for, or has been denied a *Leasing Permit* for any reason, the Board, in its sole discretion, may, nevertheless, grant a *Leasing Permit* if:
- (i) Owner is required to relocate more than one hundred and fifty (150) miles away from the Unit and cannot sell the Unit within six (6) months after the Owner notifies the Association (“Notice Period”) of Owner’s intent to sell the Unit and relocate. Owner must make reasonable efforts to sell the Unit. Proof of the need to relocate and the reasonable efforts to sell the Unit, in form and substance reasonably acceptable to the Association, will be required before a request hereunder is considered (reasonable selling efforts, in the sole discretion of the Board, shall include, but are not limited to, a sales price of no more than 110% of current appraised market value, engagement of a licensed real estate broker/agent, and a statement from such broker/agent indicating that in such broker/agent’s opinion, the Unit is unlikely to sell within the Notice Period);
 - (ii) Death of Owner and transfer of title to the Unit, other than to a joint Owner, Owner’s surviving spouse or heirs, executors, personal representatives or administrators, is not likely to occur for six (6) months from the date of Owner’s death according to the joint Owner, Owner’s surviving spouse or heirs, executors, personal representatives or administrators of Owner’s estate;
 - (iii) Married Owners terminate their marriage by formal legal action and cannot sell the Unit within six (6) months following the effective date of the dissolution of the marriage (“Marriage Notice Period”). Owner(s) must make reasonable selling efforts to sell the Unit. A copy of the Order of the dissolution of the marriage and proof sufficient to the Board that the Unit is listed for sale will be required before the request hereunder is considered (reasonable selling efforts, in the sole discretion of the Board, shall include, but are not limited to, a sales price of no more than 110% of current appraised market value, engagement of a licensed real estate broker/agent, and a statement from such broker/agent indicating that Unit is unlikely to sell within the Marriage Notice Period);
 - (iv) Owner temporarily relocates more than one hundred and fifty (150) miles away from the Unit and intends to return to the Unit to live (within one (1) year after vacating the Unit). If Owner does not return and continuously reoccupy the Unit, Owner, on or before the expiration of such one (1) year period, must reapply. Proof, satisfactory to the Board in its sole and absolute discretion of the need to relocate will be required before the request is considered;
 - (v) Owner has sold the Unit to a third-party and must temporarily lease the Unit from the new Owner pending relocation. Such temporary Lease may not exceed a period of four (4) months from the date of transfer of title to the new Owner; or
 - (vi) The Board determines that, due to circumstances outside the control of Owner, justification exists to grant *Leasing Permit*, for any reason, upon terms and conditions acceptable to the Board.
- (b) Notwithstanding the forgoing, the granting of a *Leasing Permit* under this paragraph shall not serve to obligate the Board to grant a *Leasing Permit* to Owner thereafter and the Board may terminate such *Leasing Permit* at any time for any reason in its sole and absolute discretion.

6. Penalties. Penalties for violations of the Rules contained in this Leasing Policy:

- (a) Immediate \$1,500 fine upon discovery of violation; and
- (b) \$800 fine per month for each month that the violation continues to exist;
- (c) Revocation of all of Owner's and Owner's tenant's access to amenities, including tenant access; and
- (d) In the event that tenant, or a person living with tenant, violated the Governing Documents, Rules of the Association or these Residential Leasing Requirements for which a fine is imposed, such fine shall be assessed against Owner. Owner shall pay the fine upon notice from the Association.

Exhibit A

**Craig Ranch Community Association (“CRCA”)
Application for Leasing Permit**

After you have submitted this application (“Application”) to the CRCA (via delivery of hard copy to the CRCA’s office or online), your request is reviewed and processed in accordance with the Governing Documents. Please be sure to review the *Residential Leasing Policies and Procedures (amended and restated August 26, 2020)*. Within 30 days of CRCA’s receipt of the Application, you should receive a copy of this Application that indicates the status of your request (below). Failure of CRCA to respond within such thirty (30) day period shall not be deemed as untimely or as an approval of the Application and should be considered as denied unless further notice is received from CRCA. If your Application is approved, the approval is valid for ninety (90) days from the date of approval. You must fully execute a Lease for the entity of the Unit within the ninety (90) day period or the approval is terminated and you must submit a new Application. If you have any questions, please contact the management office.*

Owner Information

Owner Name: _____
Community: _____
Property Address: _____
Mailing Address: _____
City: _____ State: _____ Zip: _____
Daytime Phone: _____ Evening Phone: _____

*If your request concerns circumstances which are not addressed by the *Residential Leasing Policies and Procedures*, please explain how your request meets the requirements as outlined in the *Residential Leasing Policies and Procedures*. Attach additional sheets as necessary.

For Office Use Only

Leasing Permit Approved. Permit Number _____

Leasing Permit Denied; community is over 25% leased. You have been placed on the waiting list.

Special Request Approved. Special request period expires _____.

Special Request Denied; request does not meet the requirements as outlined in the *Residential Leasing Policies and Procedures*. You have been placed on the waiting list.

Other: _____

Authorized Signature: _____ Date: _____

Exhibit B
Craig Ranch Community Association ("CRCA")
Tenant Document Receipt Form

Owner / Property Information

Community: _____
Property Address: _____
Unit Owner Name: _____
Unit Owner Phone: _____ Unit Owner Email: _____

Property Management Information

Property Management/Real Estate Agent Company Name: _____
Property Manager/Real Estate Agent: _____ Phone: _____
Email: _____

Tenant Information

Tenant Name(s): _____
Tenant Phone 1: _____ Tenant Phone 2: _____
Tenant Email 1: _____ Tenant Email 2: _____
Initial Lease Start Date: _____ Lease Term: _____ months

We certify that we, the undersigned, as Owners of the Unit have given the undersigned Tenant(s) a copy of CRCA's Governing Documents. We, the undersigned Owner and Tenant(s) certify that attached hereto is a true, correct and complete copy of the Lease (herein so called) between Owner and Tenant(s). Tenant shall comply with all provisions of the Governing Documents and Rules of CRCA, and any Parcel Association and/or Service Area, and the Lease shall control the conduct of all other occupants and guests of the leased Unit in order to ensure their compliance. Any violation of the Governing Documents or Rules of the Association, any Parcel Association and/or Service Area, by Tenant(s) or any occupant or any person living with Tenant(s), is deemed to be a default under the terms of the Lease and, irrespective of the terms and conditions of the Lease, Tenant(s) authorizes CRCA to terminate the Lease without liability and to evict Tenant(s) in accordance with Texas law. Tenant(s) hereby delegates and assigns to CRCA, any Parcel Association and/or Service Area, acting through the applicable Board or other authority, the power and authority of enforcement against Tenant(s) for breaches resulting from the violation of the Governing Documents, the Rules of CRCA, any Parcel Association, Service Area and/or the Lease, including the power and authority to evict Tenant(s) as attorney-in-fact on behalf and for the benefit of Owner. Should Tenant(s) wish to access any available Amenities, Tenant(s) must obtain Amenity access devices (unique to each Tenant(s)) from the CRCA's office.

Signatures

Owner Signature: _____ Date: _____
Tenant 1 Signature: _____ Date: _____
Tenant 2 Signature: _____ Date: _____

Return an original, signed copy to:
Craig Ranch Community Association
7951 Collin McKinney Parkway, Suite 850
McKinney, TX 75070

Filed and Recorded
Official Public Records
Stacey Kemp, County Clerk
Collin County, TEXAS
10/19/2020 08:53:24 AM
\$66.00 DFOSTER
20201019001806530



Stacey Kemp