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PROPERTY OWNERS ASSOCIATION MANAGEMENT CERTIFICATE

SUBMITTER: JENNIFER UMPHRESS

MARY LOUISE NICHOLSON
COUNTY CLERK

**KELLER SADDLEBROOK ESTATES HOMEOWNERS ASSOCIATION
NOTICE OF FILING OF DEDICATORY INSTRUMENT**

STATE OF TEXAS

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COUNTY OF TARRANT

KNOW ALL PERSONS BY THESE PRESENTS:

This Manual of Operations ("Manual of Operations") is made this November 20, 2025, by the Board of Directors of the Keller Saddlebrook Estates Homeowners Association ("Association"), a non-profit corporation organized and existing under the laws of Texas, consisting of members that are the owners of certain real property in the City of Keller, Tarrant County, State of Texas.

WITNESSETH:

WHEREAS, the Association recorded the Second Amended Declaration of Covenants, Conditions and Restrictions on November 13, 2025, in Instrument D225213729 and the Second Amended Bylaws on November 13, 2025, in Instrument D225213730 in the real property records of Tarrant County, Texas,

WHEREAS, the Second Amended Declaration of Covenants, Conditions and Restrictions and Second Amended Bylaws require the Board of Directors to prepare, maintain, and approve a Manual of Operations and have the same recorded in the real property records of Tarrant County, Texas,

WHEREAS, a majority of the Board of Directors has adopted this Manual of Operations at a regular meeting at which a quorum was present on November 20, 2025.

NOW THEREFORE, the Association declares that all of the real property described in Exhibit A below shall be held, sold, and conveyed subject to the following Manual of Operations. This Manual of Operations shall run with the real property and be binding on all parties having or acquiring any right, title or interest in the real property or any part thereof, and their heirs, successors, and assigns, and shall benefit the Association and each of its members.

CERTIFICATION

I certify that I am the duly-elected Secretary of Keller Saddlebrook Estates Homeowners Association, and that this constitutes the Manual of Operations of the Corporation. This Manual of Operations was approved by the Corporation at a meeting on November 20, 2025.

Signed this 14 day of December, 2025.

Jennifer Poe Umphress, Secretary
Keller Saddlebrook Estates Homeowners Association

ACKNOWLEDGEMENT

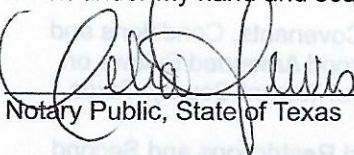
STATE OF TEXAS

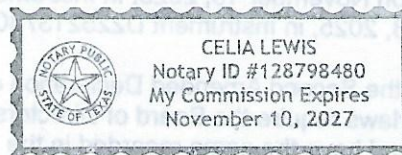
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COUNTY OF TARRANT

Before me, the undersigned Notary Public, on this day personally appeared Jennifer Poe Umphress, as Secretary of Keller Saddlebrook Estates Homeowners Association, known to me by identification through an identification card bearing her photograph and signature to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the instrument for the purposes expressed in it.

Given under my hand and seal of office on this 1st day of December, 2025.


Notary Public, State of Texas



AFTER RECORDING RETURN TO:
Jennifer Poe Umphress
P. O. Box 2493
Keller, TX 76244

KELLER SADDLEBROOK ESTATES HOMEOWNERS ASSOCIATION MANUAL OF OPERATIONS

The Keller Saddlebrook Estates Homeowners Association ("Association"), a non-profit corporation organized and existing under the laws of Texas, consists of members that are the owners of certain real property in the City of Keller, Tarrant County, State of Texas. The Association desires that Saddlebrook Estates constitute a single residential community with access, use, and rights and obligations toward the ownership, operation, and maintenance of community facilities, open space, and other amenities, and that such are also benefited and burdened by the same land-use restrictions and controls, to provide minimum building and maintenance restrictions to promote and assure that Saddlebrook Estates is a quality residential community, and to enhance and protect the value, desirability, and attractiveness of Saddlebrook Estates. The purpose of this Manual of Operations is to provide guidance to the owners and Board of Directors when executing the Articles of Incorporation, Declaration of Covenants, Conditions and Restrictions, and Bylaws.

1. GENERAL PROVISIONS

- 1.1 Amendment This Manual of Operations may be amended at a regular or special meeting of the Board of Directors, by a majority vote at a meeting at which a quorum is present

2. DECLARATION AND BYLAWS INFORMATION

2.1 Corporate Information

- 2.1.1 Corporation History The Keller Saddlebrook Estates Homeowners Association ("Association"), which included Phase I and Phase II of the subdivision, filed Articles of Incorporation and received a Certificate of Formation from the Texas Secretary of State on September 7, 1999. The Keller Saddlebrook Phase III Homeowners filed Articles of Incorporation and received a Certificate of Formation from the Texas Secretary of State on March 13, 2006. The two corporations merged into the Keller Saddlebrook Estates Homeowners Association on May 30, 2006.

Texas Secretary of State Filing Number: 154978701

- 2.1.2 Non-Profit Status The Association was formed as a non-profit corporation.

- 2.1.3 Tax Status The Association was granted tax-exempt status from the U.S. Internal Revenue Service, and from the Texas State Comptroller (for franchise tax only).

U.S. Internal Revenue Service EIN: 75-2843361

Texas Comptroller Tax Identification Number: 17528433612

2.2 Principal Address

The principal address of the Association can be found in the most recent Management Certificate on file in the real property records of Tarrant County, Texas.

2.3 Communications

2.3.1 Website

The website of the Association is:

www.saddlebrookestateskeller.com

which is managed by the Board of Directors through its Communications Committee.

2.3.2 Digital Presence

The Association uses the Google platform to host its digital presence:

saddlebrookestateskeller@gmail.com

which is managed by the Board of Directors through its Communications Committee.

2.3.3 Social Media

The Association has an informal, private Facebook page:

Keller Saddlebrook Estates (facebook.com/groups/556519968604008)

which is managed by the Board of Directors through its Communications Committee.

2.4 Current Leadership and Volunteers The Association's Board of Directors and Committee volunteers change annually. The current leadership and volunteer roster can be found in the Annual Information Sheet on the Association's communications platforms.

2.5 Vendors The Association contracts with various vendors for services in order to comply with the Association's covenants in the governing documents. The current vendors can be found in the Annual Information Sheet on the Association's communications platforms.

2.6 Examples of Violations of Standards of Conduct Examples of violations of the Corporation's standards of conduct that should be reported include, but are not limited to, the following:

2.6.1 supplying false or misleading information on the Corporation's financial or other public documents, including any Form 990 or other tax or informational report;

2.6.2 providing false information to or withholding material information from the Corporation's Board of Directors or auditors;

2.6.3 destroying, altering, mutilating, concealing, covering up, falsifying, or making a false entry in any records that may be connected to an official proceeding, in violation of federal or state law or regulations;

2.6.4 altering, destroying, or concealing a document, or attempting to do so, with the intent to impair the document's availability for use in an official proceeding or otherwise

obstructing, influencing, or impeding any official proceeding, in violation of federal or state law or regulations;

- 2.6.5 embezzling, self-dealing, private inurement (i.e., the Corporation's earnings inuring to the benefit of a person who is in a position to influence or control use of the Corporation's assets for personal gain, such as a founder, director, officer, or senior manager), or private benefit (i.e., the Corporation's assets being used for the personal gain or benefit of a private person);
- 2.6.6 paying for services or goods that are not rendered or delivered;
- 2.6.7 using remarks or actions of a sexual nature that are not welcome and are likely to be viewed as personally offensive, including sexual flirtations, unwelcome physical or verbal advances, sexual propositions, verbal abuse of a sexual nature, the display of sexually suggestive objects, cartoons, or pictures, and physical contact of a sexual or particularly personal nature;
- 2.6.8 using epithets, slurs, negative stereotyping, and threatening, intimidating, or hostile acts related to race, color, religion, gender, national origin, age, or disability;
- 2.6.9 circulating or posting written graphic material in the workplace that denigrates or shows hostility or aversion toward an individual or group because of race, color, religion, gender, nationality, age, or disability; or
- 2.6.10 facilitating or concealing any of the above or similar actions.

2.7 Architectural Review Committee

[Reserved for future expansion]

2.8 Standing Committees The Board of Directors has delegated certain responsibilities to the following standing committees:

2.8.1 Communications Committee

[Reserved for future expansion]

2.8.2 Landscaping Committee

[Reserved for future expansion]

2.8.3 Social Committee

[Reserved for future expansion]

2.9 Business Calendar To assist the Association, Board of Directors, Architectural Review Committee, and standing committees in completing the responsibilities and activities set out in the governing documents, the current business calendar for the Association is attached as Exhibit B below.

- 2.9.1 Board Open Meeting/Executive Session The Association's management contract provides support for four (4) open meetings and one (1) annual meeting. The Board of Directors reviews the Association's business calendar, the City of Keller and Keller Independent School District annual calendars, and the personal calendars of the Directors, and (i) chooses a recurring monthly meeting day and time, (ii) designates either the September or October monthly meeting as the annual meeting, and (iii) designates four of the monthly meetings as open meetings, and designates the remainder as executive sessions, and approves that calendar in an open meeting. The calendar is published for the ownership and shared with the management agent.

3. POLICIES

3.1 Records Policy

- 3.1.1 Written Form The Association shall maintain its records in written form or in another form capable of conversion into written form within a reasonable time.
- 3.1.2 Request to Inspect Records An owner may submit a written request by certified mail to the Association's principal address to access the Association's records. The written request shall include sufficient detail describing the books and records requested, and whether the owner desires to inspect or copy the records. Within ten (10) business days from receipt of the written request, the Association shall either a) provide the copies to the owner, provide available inspection dates, or provide written notice that the Association cannot produce the documents within the ten (10) days, along with either another date within an additional fifteen (15) days on which the records may either be inspected or by which the copies shall be sent to the owner, or b) after a diligent search, the requested records are missing and cannot be located.
- 3.1.2.1 Costs of Inspection Upon the receipt of the written request, the Association shall estimate the costs associated with responding to each request, which costs may not exceed the costs allowed pursuant to the Texas Administrative Code. Before providing the requested records, the Association shall require that the owner remit such estimated amount to the Association. The Association shall provide a final invoice to the owner on or before the 30th business day after records are provided by the Association. If the final invoice includes additional amounts due from the owner, the additional amounts, if not reimbursed to the Association before the 30th business day after the date the invoice is sent to the owner, may be added to the owner's account as an assessment. If the estimated costs exceeded the final invoice amount, the owner shall be refunded the excess amount no later than the 30th business day after the date the final invoice is sent to the owner.
- 3.1.2.2 Original and Confidential Records At the discretion of the Board of Directors or the Association's management agent, certain records may only be inspected in the presence of a Director or of an employee of the Association's management agent. No original records shall be removed from the management agent's office or the Association's designated records storage location without the express written consent of the Board of Directors. As determined by the Board of Directors, at its discretion,

certain Association records may be kept confidential, such as personnel files, owner account or other personal information (except addresses), unless the owner requesting the records provides a court order or written authorization from the person whose records are sought.

3.1.2.3 Attorney Records Attorney's files and records relating to the Association (excluding invoices requested by an owner pursuant to the Texas Property Code), are not records of the Association and are not subject to inspection by the owner or subject to production in a legal proceeding. If a document in an attorney's files and records relating to the Association would be responsive to a legally authorized request to inspect or copy Association documents, the document shall be produced by using the copy from the attorney's files and records if the Association has not maintained a separate copy of the document. The Association shall not be required to produce a document for inspection or copying that constitutes attorney work product or that is privileged as an attorney-client communication.

3.1.3 Records Retention The Association shall keep the following records for at least the time periods stated below:

3.1.3.1. General: "Permanent" means records which are not to be destroyed. Except for contracts with a term of one (1) year or more, a retention period starts on the last day of the year in which the record is created and ends on the last day of the year of the retention period. (Example: If a record is created on June 14, 2012 and the retention period is five (5) years, the retention period begins on December 31, 2012 and ends on December 31, 2017.) If the retention period for a record has elapsed and the record will be destroyed, the record should be shredded or otherwise safely and completely destroyed. Electronic files should be destroyed to ensure that data cannot be reconstructed from the storage mechanism on which the record resides.

3.1.3.2 Permanent: The Articles of Incorporation or Certificate of Formation, the Declaration of Covenant, Conditions and Restrictions, the Bylaws, and any other governing documents, guidelines, rules, regulations, and policies and all amendments thereto recorded in the real property records of Tarrant County to be effective against any owner and/or member of the Association.

3.1.3.3 Four (4) Years: Contracts with a term of more than one (1) year between the Association and a third party. The retention term begins upon expiration of the contract term.

3.1.3.4 Five (5) Years: Account records of each owner. Account records include debit and credit entries associated with amounts due and payable by the owner to the Association, and written or electronic records related to the owner and produced by the Association in the ordinary course of business.

- 3.1.3.5 Seven (7) Years: Minutes of all meetings of the Board of Directors and of the Association.
- 3.1.3.6 Seven (7) Years: Financial books and records produced in the ordinary course of business, tax returns, audits of the Association.

3.2 Collection Policy

3.2.1 Delegation The Board of Directors, in its sole discretion, may delegate the Association's obligation to collect assessments to a managing agent, an attorney, or a debt collector.

3.2.2 Discretion The Association shall not be liable to any owner or to any other person or entity for failure or inability to enforce or attempt to enforce any assessments.

3.2.3 Regular Assessments

3.2.3.1 Due Date The Association shall notify all members by written notice to each of the members within sixty (60) days after the date on which the regular assessment has been fixed and levied by the Board of Directors, giving the amount of the assessment for the current year when the same shall be due, and where payment shall be made. The owner shall timely and fully pay the regular assessment by the due date.

3.2.3.2 Payment of Assessments All payments of the assessments shall be made to the Association at such place as the Association shall designate in the Manual of Operations. If no place is designated, payment shall be made to the Association at its principal place of business. Payment shall be made in full regardless of whether any owner has any dispute with the Association, any other owner, or any other person or entity regarding any matter to which this Declaration relates or pertains.

3.2.3.3 Delinquency Collections Policy The Association is responsible for enhancing and protecting the value, desirability, and attractiveness of Saddlebrook Estates, and for conducting the business required of the Association by the State of Texas, the City of Keller, and the Association's governing documents. The payment of assessments is the primary source of income that enables the Association to fulfill its responsibilities. Failure by an owner to pay assessments shall be deemed a violation, which could prevent the Association from performing its responsibilities and/or cause irreparable harm to Saddlebrook Estates. Therefore, the Association establishes fair and transparent assessment collection procedures that ensure ongoing income to the Association, predictability to owners in managing their financial responsibilities, and flexibility to an owner that finds himself or herself in temporary financial difficulty. To that end, the general procedures for collecting assessments are set out below.

3.2.3.4 Default, Delinquency Status, and Credit Reporting If the assessment remains unpaid thirty (30) days after the due date, the owner shall be deemed in default and the owner's account is deemed delinquent. The

delinquent status continues until all assessments and collection costs are paid in full. The Association may send written notice of non-payment to the defaulting owner, stating the amount delinquent, and stating that if full payment is not timely received, the Association may pursue any or all of the Association's remedies, at the expense of the defaulting owner. The Association may report the default status of the owner to one or more credit reporting services.

- 3.2.3.5 Late Fees and Interest If the owner's account is deemed delinquent, the Association or its managing agent may levy a monthly late fee and/or monthly interest at the rate of 1.5% on the total account balance. The Association shall conform strictly to the applicable usury laws of the State of Texas. Notwithstanding any provisions in this Declaration or any other governing documents of the Association, the Association shall not be entitled to receive or collect, as interest, a sum greater than the maximum amount permitted by applicable law. If the Association receives, collects, or applies as interest a sum in excess of the maximum rate permitted by law, the excess amount shall be applied to the reduction of unpaid assessments, or reimbursed to the owner if assessments are paid in full. The Board of Directors may waive properly levied late fees and interest.
- 3.2.3.6 Collection Costs The defaulting owner shall be liable to the Association for the costs of certified mail, returned check and insufficient funds fees, credit reports, title reports, assessment liens, releases of liens, attorney's fees, filing fees, court costs, and other reasonable costs incurred by the Association in collection of the delinquent amount. The Board of Directors may waive properly levied collection costs.
- 3.2.3.7 Notice of Demand for Payment If the delinquent amounts remain unpaid after thirty (30) days from the date of the Notice of Nonpayment, the Association may send a notice of demand for payment to the defaulting owner, stating the amount delinquent, stating where payment shall be made, and stating that if full payment is not received within thirty (30) days, the Association may refer the delinquent account to the Association's attorney for collection.
- 3.2.3.8 Due Diligence If the delinquent amounts remain unpaid after thirty (30) days from the date of the Notice of Demand for Payment, the Association may obtain a title report and conduct due diligence to determine the names and current address of the owners for purposes of referral of the account to the Association's attorney for collection.
- 3.2.3.9 Collection by Attorney If the delinquent amounts remain unpaid after thirty (30) days from the date of the Notice of Demand for Payment, the Association may refer the account to the Association's attorney. In that event, the owner shall be liable to the Association for its attorney's fees and costs.

- 3.2.3.10 Payments in Delinquency If the owner's account is deemed delinquent, and the Association notifies the owner of a delinquency and the owner's liability for late fees, interest, and collection costs, any payment received by the Association shall be applied in the following order: delinquent assessments; current assessments; attorney's fees, late fees, interest, and collection costs associated with delinquent assessments; other attorney's fees; fines; any other amount.
- 3.2.3.10.1 Payment Plans The Board of Directors shall offer a payment plan to a delinquent owner with minimum term of three (3) months and a maximum term of nine (9) months from the date a payment plan is requested by the owner, with hardship exceptions approved at the discretion of the Board of Directors. The Board of Directors shall determine the actual terms of the payment plan offered to the owner, and the owner may be charged reasonable costs and interest. An owner shall not be entitled to a payment plan if the owner has defaulted on a previous payment plan in the last two (2) years.
- 3.2.3.10.2 Notice of Payment If the Association receives full payment after reporting the defaulting owner to a credit reporting service, the Association shall report receipt of payment to the credit reporting service. If the Association receives full payment of the delinquency after recording a Notice of Lien, the Association shall cause a release of lien to be recorded in the real property records of Tarrant County.
- 3.2.3.11 Foreclosure of Lien Each owner, by acceptance of the deed or other instrument of conveyance for his or her lot within the Subdivision, whether expressed in any such deed or other instrument of conveyance, shall be deemed to agree to vest in the Association or its assigns, the right and power, including the power of sale, to bring all actions at law or in equity foreclosing a lien filed against the property for delinquent assessments and fees, interest, and collection costs associated with delinquent assessments against the owner, and the owner shall be liable to the Association for expenses incurred in connection with said foreclosure, including interest, costs, and reasonable attorney's fees. No action to foreclose such a lien shall be taken without express approval by the Board of Directors of the Association.
- 3.2.3.12 Cancellation of Debt If the Board of Directors deems the delinquent amounts to be uncollectible, the Board may elect to cancel the debt on the financial records of the Association, and may report the full amount of the forgiven indebtedness to the Internal Revenue Service as income to the delinquent owner.

- 3.2.3.13 Collections Schedule The assessment collection calendar and fee schedule currently in effect is attached as Exhibit C below. The Board of Directors may amend the calendar in a specific assessment year to accommodate special circumstances by a majority vote at a regular meeting at which a quorum is present.

3.2.4 Special Assessments

- 3.2.4.1 Due Date If the Association levies a special assessment at an annual or special meeting of the members, the special assessment shall be due on the date established by the Board of Directors. The Association shall notify all members by written notice to each of the members within sixty (60) days after the date on which the assessment has been fixed and levied, giving the amount of the special assessment, when the same shall be due, and where payment shall be made. The Board of Directors may allow the special assessment to be paid in installments.

- 3.2.4.2 Installments and Acceleration If a special assessment is payable in installments, and if an owner defaults in the payment of any installment, the Association may declare the entire special assessment in default and accelerate the due date on all remaining installments of the special assessment. The acceleration of the due date shall only be permitted after the Association gives the owner fifteen (15) days written notice of the intent to declare the owner in default and the Association's intent to accelerate the unpaid balance if the default is not timely cured. Following acceleration of the defaulted special assessment amount, the Association shall have no duty to reinstate the installment program upon partial payment by the owner. Following acceleration of the defaulted special assessment amount, the amount shall be subject to the collection process in effect for regular assessments.

- 3.2.4.3 Specific and Shortfall Assessments Specific and shortfall assessments shall be collected in the same manner as a special assessment.

3.3 Enforcement Action and Fining Policy The Board of Directors, upon meeting notice and hearing requirements, and determining that an owner is in violation of the governing documents, may take enforcement action.

- 3.3.1 Collection of Fines, Charges, and Costs All fines, charges, and costs shall be billed to the owner's account and will be payable to the Association within thirty (30) days of the date of billing.
- 3.3.2 Non-payment of Fines, Charges, and Costs If the owner fails to pay the billed fines, charges, and costs, the amounts shall be added to the owner's assessments account, which shall be declared in default. The defaulted amounts shall be subject to the collection process in effect for regular assessments.
- 3.3.3 Fining Schedule The Board of Directors may levy a fine that varies from the fining schedule below on a case-by-case basis. The fine collection calendar and fine schedule currently in effect is attached as Exhibit D below.

3.4 Conflicts of Interest Policy

3.4.1 Policy In connection with any actual or possible conflict of interest, an interested person shall disclose the existence of the financial interest, as such actual or possible interest arises, and shall be given the opportunity to disclose all material facts to the Board of Directors. The purpose of this policy is to protect the interests of the Association when it is contemplating entering into a transaction or arrangement that might benefit the private interest of any of the Association's directors, officers, members of a committee with Board-delegated powers, or employees with management authority, or might result in an excess benefit transaction. This policy is not designed to eliminate relationships and activities that may create a duality of interest, but to require the disclosure of any conflicts of interest and the recusal of any interested party in a decision relating thereto. This helps to ensure the Association, as a non-profit organization with a federal tax exemption, engages primarily in activities which accomplish one or more of its tax-exempt purposes, and complies with Texas' state conflict of interest requirements.

3.4.2 Definitions

3.4.2.1 Compensation Direct and indirect remuneration as well as gifts or favors that are not insubstantial in nature. A financial interest is not necessarily a conflict of interest. Under section 3.4.3.2 below, a person who has a financial interest may have a conflict of interest only if the Board of Directors decides that a conflict of interest exists.

3.4.2.2. Financial interest A person has a financial interest if the person has, directly or indirectly, through business, investment, or family, an ownership or investment interest in any entity with which the Association has a transaction or arrangement, a compensation arrangement with the corporation or with any entity or individual with which the Association has a transaction or arrangement, or a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Association is negotiating a transaction or arrangement.

3.4.2.3 Interested person Any director, officer, member of a committee with Board-delegated powers, or employee with management authority, who has a direct or indirect financial interest, as defined below.

3.4.3 Annual Statements Each director, officer, member of a committee with Board-delegated powers, or employee with management authority, shall annually sign a statement acknowledging this policy and disclosing any potentially conflicting affiliations, in order to ensure the Association has notice of the affiliations and has the opportunity to carry out proper due diligence in determining whether a conflict of interest exists.

3.4.4 Periodic Reviews To ensure the Association operates in a manner consistent with non-profit purposes and that it does not engage in activities that could jeopardize its status as an organization exempt from federal income tax, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include whether Association transactions, or arrangement with third parties conform to this policy, reflect reasonable payments for

goods and services, further the Association's non-profit purposes, and do not result in inurement or impermissible private benefit.

- 3.4.5 Determination of a Conflict of Interest Upon disclosure by an interested person of a financial interest to the Board of Directors with regards to a proposed transaction or arrangement, the interested person may make a presentation at a Board open meeting or executive session, at the discretion of the Board. After the presentation, the interested person shall be excused from the Board of Directors meeting while the Board determines if a conflict of interest exists. If the interested person is a director, the remaining directors shall determine if a conflict of interest exists. The Board shall determine:

- 3.4.5.1 whether the Association can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest,
- 3.4.5.2 whether, if a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the transaction or arrangement is still in the Association's best interest, for its own benefit, and fair and reasonable to the Association, and
- 3.4.5.3 whether to enter into the transaction or arrangement.

- 3.4.6 Examples of Conflicts of Interest Examples of situations in which conflicts of interest may arise include, but are not limited to, the following:

- 3.4.6.1 transactions with persons and organizations supplying goods and commercial services to the Association,
- 3.4.6.2 transactions with persons and organizations from which the Association leases property and equipment,
- 3.4.6.3. transactions with persons and organizations with whom the Association is dealing or planning to deal in connection with the gift, purchase, or sale of real estate, securities, or other property,
- 3.4.6.4. transactions with persons representing competing or collaborating organizations,
- 3.4.6.5. transactions with donors and others who financially support the Association,
- 3.4.6.6. transactions with persons representing agencies, organizations, and associations that affect the operations of the Association, and
- 3.4.6.7 transactions with organizations or individuals receiving grants from the Association.

- 3.4.7 Records of Proceedings The Secretary shall include in the minutes of the next open Board meeting following the determination the names of the interested person, the

names of the persons attending the presentation to the Board, a summary of the Board's determination of whether a conflict of interest exists, and a record of any votes taken by the Board.

- 3.4.8 Failure to Disclose If the Board of Directors has reasonable cause to believe an interested person has failed to disclose actual or possible conflicts of interest, it shall inform him or her of the basis for such belief and afford him or her an opportunity to explain the alleged failure to disclose. If, after hearing the response and making such further investigation as may be warranted in the circumstances, the Board determines that the interested person has in fact failed to disclose an actual or possible conflict of interest, it shall be deemed a violation of the governing documents, and shall be subject to enforcement action.

3.5 Whistleblower Policy

- 3.5.1 Policy The Association requires its directors, officers, committee members, and employees to observe the standards of conduct described in the Association's governing documents when fulfilling their duties and responsibilities. All directors, officers, committee members, employees, or Association members shall, in good faith and with reasonable grounds for believing the information disclosed indicates a violation of the standards of conduct, report violations or suspected violations of the standards of conduct to the Board of Directors. No director, officer, committee member, employee, or Association member who in good faith reports a violation shall suffer harassment, retaliation, or adverse consequence. This protection from retaliation is not intended to prohibit a director, officer, committee member, or employee from acting in the usual scope of their duties, but is intended to encourage and enable directors, officers, committee members, employees, and Association members to raise serious concerns within the Association prior to seeking resolution outside the Association. Any act of alleged retaliation should be reported immediately and shall be promptly investigated.
- 3.5.2 Reporting Violations The Board of Directors maintains an open-door policy and encourages that directors, officers, employees, and Association members to share questions, concerns, suggestions, or complaints with an officer of the Association within a reasonable amount of time, without fear of retaliation. In the case of fraud, or when a complainant is unsatisfied or uncomfortable with following the open-door policy, the Secretary shall be responsible for investigating reported violations of this policy. The complainant should contact the Secretary directly, confidentially or anonymously, by mail at the Association's principal address designated in the Manual of Operations, with the envelope marked "TO BE OPENED BY ADDRESSEE ONLY, PERSONAL AND CONFIDENTIAL". Reports of violations or suspected violations shall be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation. The Secretary shall notify the complainant and acknowledge receipt of the reported violation or suspected violation within five (5) business days. The Secretary is responsible for investigating and resolving all reported violations or suspected violations, and shall handle all reports with sensitivity, discretion, and confidentiality to the extent allowed by circumstances and the law.
- 3.5.3 Board of Directors Oversight The Secretary, at his or her discretion, may advise the President or the Board of Directors of any reports of violations or suspected violations and his or her investigation and resolution of the reports. The Secretary shall advise the

Board of Directors of any reports regarding corporate accounting practices, internal controls, or auditing, and shall work with the Board of Directors until the matter is resolved. The Secretary shall report to the Board of Directors at least annually on activity in compliance with this policy.

- 3.5.4 Violations Violations of the standards of conduct, acts of retaliation, and allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false, are deemed violations of the governing documents, and are subject to enforcement action.

4. RULES AND REGULATIONS

[Reserved for future expansion]

5. DESIGN STANDARDS

[Reserved for future expansion]

EXHIBIT A

The 28.467-acre tract described by metes and bounds in the Owner's Certification of the Final Plat of Keller Saddlebrook Estates, Phase I Addition, recorded August 12, 1998, as Instrument D198183529, in Cabinet A, Slide 4426, Plat Records, Tarrant County, Texas.

The 26.470-acre tract described by metes and bounds in the Owner's Certification of the Final Plat of Keller Saddlebrook Estates, Phase II Addition, recorded March 30, 2000, as Instrument D200065957, in Cabinet A, Slide 5763, Plat Records, Tarrant County, Texas.

The 23.9118-acre tract described by metes and bounds in the Owner's Certification of the Final Plat of Keller Saddlebrook Estates, Phase III Addition, recorded May 7, 2002, as Instrument D202124607, in Cabinet A, Slide 7462, Plat Records, Tarrant County, Texas.

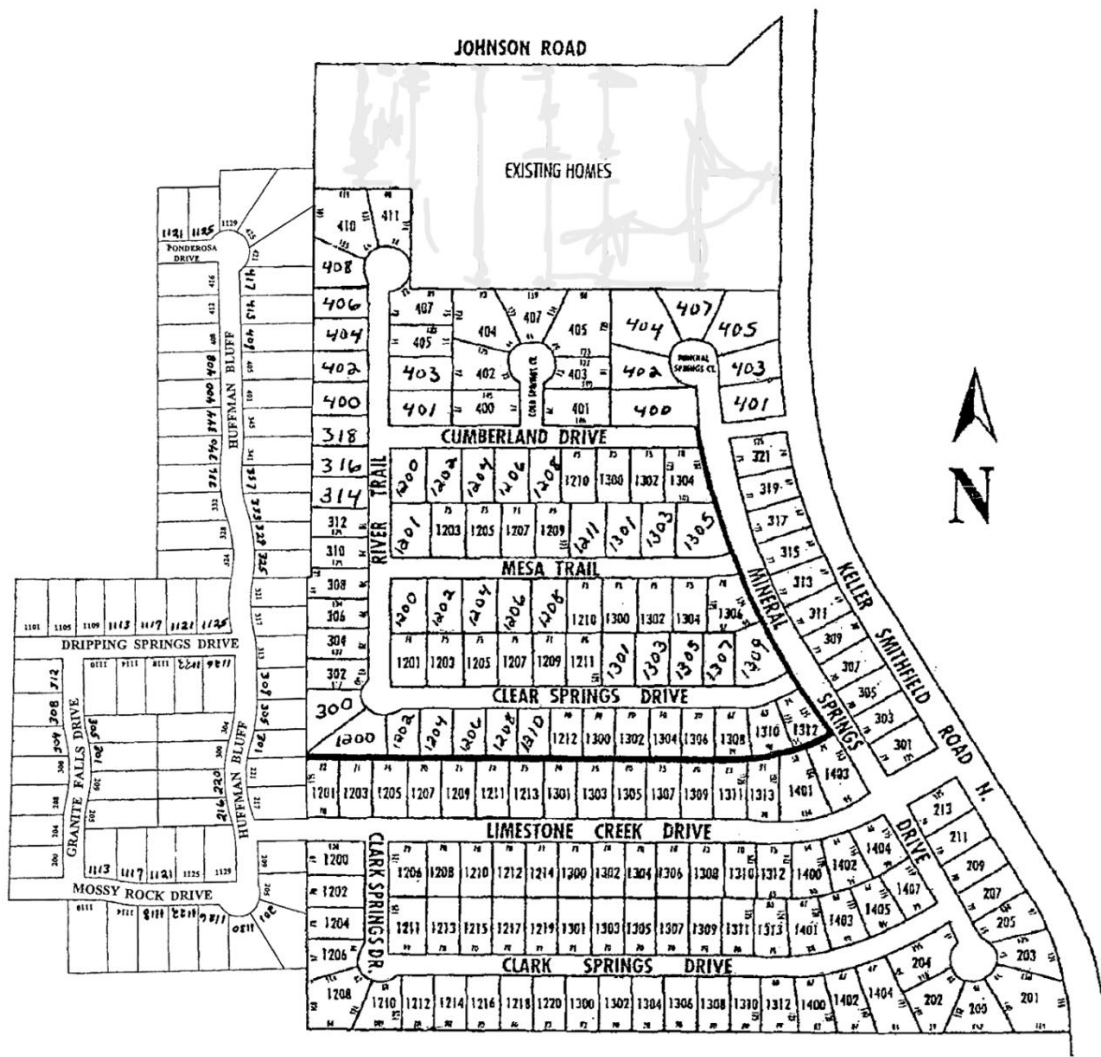


EXHIBIT B

Every Month:

Association/Owners:

Comply with owner covenants in governing documents

Board of Directors:

Comply with association covenants in governing documents

Open Meeting

Quorum

Consent Agenda/Ratification of Prior Action

Reports

Homeowners Forum

Executive Session

Address confidential and time-sensitive issues

Delinquent Accounts

Violations

Action Taken

Secretary:

Prepare Notice/Agenda for Board of Directors meeting (at least 10 days prior to meeting)

Forward Notice/Agenda to Communications Committee and Management Agent for posting

Prepare minutes of Board of Directors meeting (within 10 days after meeting)

Treasurer:

Review financial report and delinquent account report with management agent (prior to Board of Directors meeting)

ARC:

Monitor submissions of Request for Approval of Modification

Report non-compliant modifications to the Board of Directors

Prepare report for Board of Directors

Communications:

Post Notice/Agenda for Board of Directors meeting on HOA website and FB (no less than 6 days prior to meeting)

Monitor HOA website and FB for owner feedback

Prepare report for Board of Directors meeting

Landscaping:

Monitor common areas and improvements

Monitor vendor performance

Inspect irrigation system

Prepare report for Board of Directors meeting

Social:

Monitor HOA website and FB for owner feedback

Welcome packet to new owners

Prepare report for Board of Directors meeting

Management Agent:

Prepare financial report and delinquent account report for review with Treasurer (prior to Board of Directors meeting)

Post Notice/Agenda for Board of Directors meeting on management website

Property inspection(s)

Report resale certificate/new owners to Social Committee

January

Association/Owners:

Annual assessments due (January 1st)

Board of Directors:

Open Meeting/Executive Session:

Finalize standing committees

Annual Conflict of Interest Statements

Secretary:

File Periodic Non-Profit Report with Secretary of State with updated directors and officers

ARC:

Recruit volunteers to fill vacancies and submit to Board of Directors for appointment

Communications:

Recruit volunteers and submit to Board of Directors for approval

Landscaping:

Holiday Decorations Breakdown

Recruit volunteers and submit to Board of Directors for approval

Social:

Plan Meet The Board Event

Recruit volunteers and submit to Board of Directors for approval

Management Agent:

Assist Secretary with Periodic Non-Profit Report for Secretary of State

February

Association/Owners:

Unpaid assessments delinquent (February 1st)

Board of Directors:

Open Meeting/Executive Session:

Finalize chairs and rosters of ARC and standing committees

Attend Meet The Board Event

Communications:

Promote Meet The Board Event

Social:

Meet The Board Event

Management Agent:

Report delinquent accounts to Board of Directors

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|---|
| <p>March</p> <p>Board of Directors: Open Meeting/Executive Session: Review Insurance Policy Review storage unit contract</p> <p>Treasurer: Prepare and file HOA tax return Renew Insurance Policy</p> <p>Landscaping: Spring Color Planting Inspect electrical system</p> <p>Social: Plan Spring Event</p> <p>Management Agent: Assist Treasurer in preparing and filing HOA tax return</p> |
| <p>April</p> <p>Association/Owners: Delinquent accounts will receive a Notice of Demand</p> <p>Board of Directors: Open Meeting/Executive Session: Review HOA tax return Review current year delinquent accounts</p> <p>Communications: Promote Spring Event</p> <p>Social: Spring Event</p> <p>Management Agent: Prepare and send Notices of Demand and reports to credit monitoring agencies for delinquent accounts</p> |
| <p>May</p> <p>Board of Directors: Open Meeting/Executive Session: Review current year delinquent accounts Mid-year current year budget review</p> <p>Secretary: Review governing documents for needed amendments</p> <p>Landscaping: Flags</p> <p>Management Agent: Facilitate Board of Director actions on delinquent accounts Assist Secretary with amendment of governing documents</p> |

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| <p style="text-align: center;">June</p> <p>Association/Owners: Delinquent accounts will receive a Notice of Intent to Lien</p> <p>Board of Directors: Open Meeting/Executive Session: Review governing documents for necessary amendments</p> <p>Secretary: Publish amended governing documents for owner feedback</p> <p>Treasurer: Develop preliminary reserve study, annual budget, and multi-year capital budget for coming year</p> <p>Landscaping: Summer Color Planting Inspect electrical system Develop annual budget for common area maintenance and repairs Develop multi-year budget for common area capital maintenance projects</p> <p>Social: Plan Summer Event</p> <p>Management Agent: Assist Treasurer with budget process</p> | <p style="text-align: center;">July</p> <p>Board of Directors: Open Meeting/Executive Session: Review delinquent accounts for status of lien/foreclosure Review reserve study, preliminary annual budget, and preliminary multi-year capital budget for coming year</p> <p>Secretary: Refer amended governing documents for legal review</p> <p>Communications: Promote Summer Event</p> <p>Landscaping: Flags</p> <p>Social: Summer Event</p> <p>Management Agent: Final report on disposition of delinquent accounts</p> |
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| August | |
| Association/Owners: | Notice/Agenda for Annual Meeting |
| Board of Directors: | |
| Open Meeting/Executive Session: | |
| Approve budget for coming year | |
| Prepare for Annual Meeting in September or October | |
| Approve proposed amendments of governing documents | |
| Secretary: | |
| Prepare Notice/Agenda for Annual Meeting (no less than 10 days and no more than 60 days before the meeting) | |
| Prepare presentation of proposed amended governing documents for Annual Meeting | |
| Treasurer: | |
| Prepare Financial Health Report for current year | |
| Prepare Approved Budget for coming year | |
| Architectural Review Committee: | |
| Prepare report for Annual Meeting | |
| Communications: | |
| Prepare report for Annual Meeting | |
| Landscaping: | |
| Submit Annual Decoration Plan to Board | |
| Prepare report for Annual Meeting | |
| Social: | |
| Prepare report for Annual Meeting | |
| Management Agent: | |
| Assist Board, Secretary, and Treasurer in preparation for Annual Meeting | |
| September | |
| Association/Owners: | |
| Attend Annual Meeting in person or by proxy | |
| Board of Directors: | |
| Annual Meeting: | |
| Reports | |
| Budget/Assessments | |
| Election of Directors | |
| Amendments to Governing Documents | |
| Open Meeting/Executive Session: | |
| Current Board of Directors and Directors-Elect Transition | |
| Officer Election for coming year | |
| Secretary: | |
| Prepare minutes of Annual Meeting (within 10 days of meeting) | |
| Communications: | |
| Promote Fall Event | |
| Landscaping: | |
| Inspect electrical system | |
| Inspect east wall, south wall, monuments, and entrance fences | |
| Social: | |
| Plan Fall Event | |

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| October | |
| Board of Directors: | |
| Open Meeting/Executive Session: | |
| Director-elect Training | |
| Officer Training | |
| Review management contract | |
| Secretary: | |
| Finalize and record amended governing documents | |
| Treasurer: | |
| Facilitate assessment collection process | |
| Communications: | |
| Review/Renew website/technology platforms | |
| Landscaping: | |
| Winter Color Planting | |
| Social: | |
| Fall Event | |
| Management Agent: | |
| Assist Secretary with amended governing documents | |
| Assist Treasurer with assessment collection process | |
| November | |
| Association/Owners: | |
| Assessment Billing Statements | |
| Board of Directors: | |
| Open Meeting/Executive Session: | |
| Finalize transition from current Board to coming year's Board | |
| Review communication vendor contract | |
| Review landscaping vendor contract | |
| Communications: | |
| Promote Winter Event | |
| Landscaping: | |
| Tree Maintenance | |
| Holiday Decorations Setup | |
| Social: | |
| Plan Winter Event | |
| December | |
| Board of Directors: | |
| Open Meeting/Executive Session: | |
| Disposition any current-year unfinished Association business | |
| Landscaping: | |
| Inspect electrical system | |
| Social: | |
| Winter Event | |

EXHIBIT C

| <u>Date</u> | <u>Action</u> | <u>Fee</u> |
|------------------|---|---|
| October/November | Board of Directors fixes amount of annual assessment for the following year; Managing agent mails Notice of Assessment to owners, including any past due amounts; | Fee amounts determined by governing documents and management contract |
| January 1st | Assessment payment due; Owners submit payment to managing agent; | |
| February 1st | Unpaid assessment is delinquent; Account is deemed in default; Managing agent mails Notice of Nonpayment to owner; Owner given 30 days to cure the default by payment or by contacting managing agent to arrange payment plan; | |
| April 1st | Managing agent mails Notice of Demand to owner; Owner given 45 days to cure the default; Monthly Late Fee and Interest begin to accrue; Management agent collection fees begin to accrue; | |
| May 15th | Managing agent mails Final Notice of Demand Managing agent conducts due diligence in preparation for lien process; | |
| June 1st | Managing agent mails Notice of Intent to Lien | |
| July 1st | Managing agent mails Notice of Lien | |
| August 1st | Managing agent provides Delinquency Analysis Package to Board regarding additional collection efforts | |



D225223959

PROPERTY OWNERS ASSOCIATION MANAGEMENT CE
Pages: 24

Fees: \$112.00

Mary Louise Nicholson
MARY LOUISE NICHOLSON
COUNTY CLERK

EXHIBIT D

| FINE SCHEDULE | | |
|---|--------------|--|
| TIER I CURABLE VIOLATIONS | | |
| Notice | Time to Cure | Failure to Cure Fine |
| Statutory Notice of Violation | 15 days | — |
| Notice of Fine | 15 days | \$75.00 |
| 2nd Notice of Fine | 15 days | \$150.00 (in addition to above amount) |
| Subsequent Notices of Fine for same or substantially similar violation | 15 days | \$225.00 (in addition to previous amounts) |
| Tier I Violations: Unless designated as a Tier II, Tier III, or Uncurable Violation, all violations are Tier I Violations | | |
| TIER II CURABLE VIOLATIONS | | |
| Notice | Time to Cure | Failure to Cure Fine |
| Statutory Notice of Violation | 30 days | — |
| Notice of Fine | 30 days | \$150.00 |
| 2nd Notice of Fine | 15 days | \$300.00 (in addition to above amount) |
| Subsequent Notices of Fine for same or substantially similar violation | 15 days | \$450.00 (in addition to previous amounts) |
| Tier II Violations: Declaration Sections 6.1.2.1.4, 6.2.2.10, 6.2.2.11, 6.2.2.13, 6.2.2.14, 6.2.2.16, 6.2.2.20.1.4, 6.2.2.20.2, 6.2.2.24, 6.2.3.6, 6.2.3.13, 6.2.3.14, 6.2.4.1, 6.2.4.2.2, 6.2.4.4, 6.2.4.10, 6.2.4.11, 6.2.4.12, 6.2.4.16, 6.2.4.22.2, 6.2.4.22.3 | | |
| TIER III CURABLE VIOLATIONS | | |
| Notice | Time to Cure | Failure to Cure Fine |
| Statutory Notice of Violation | 30 days | — |
| Notice of Fine | 30 days | \$225.00 |
| 2nd Notice of Fine | 15 days | \$450.00 (in addition to above amount) |
| Subsequent Notices of Fine for same or substantially similar violation | 15 days | \$675.00 (in addition to previous amounts) |
| Tier III Violations: Declaration Sections 6.2.2.1, 6.2.2.2, 6.2.2.3, 6.2.2.4, 6.2.2.5, 6.2.2.6, 6.2.2.7, 6.2.2.8, 6.2.2.9, 6.2.2.12, 6.2.2.15, 6.2.2.19, 6.2.2.23, 6.2.4.3, 6.2.4.5, 6.2.4.6, 6.2.4.7, 6.2.4.8, 6.2.4.18, 6.2.4.26.1, 6.2.4.26.2, 6.2.4.26.3, 6.2.4.26.4, 6.2.4.26.5, 6.2.4.26.6 | | |
| OWNER'S RIGHT TO A HEARING | | |
| An owner who has received a statutory notice is entitled to a hearing under the Texas Property Code to appeal the enforcement action. If the owner is entitled to an opportunity to cure the violation, the owner has the right to submit a written request for a hearing within thirty (30) days of the date the notice was mailed to the owner to discuss and verify facts and resolve the matter at issue before the Board of Directors. | | |
| UNCURABLE VIOLATIONS AND VIOLATIONS POSING A THREAT TO PUBLIC HEALTH OR SAFETY | | |
| Notice | Fine | |
| Notice of Fine | \$375.00 | |
| If violation is ongoing, Association may pursue self-help or legal remedies. | — | |
| Uncurable Violations: Declaration Sections 6.2.4.2.5, 6.2.4.15 | | |