

Amendment to the By-Laws

Article XXIII Owner Occupancy

Section 1. In accordance with Article 3.12 of the RESERVATIONS, RESTRICTIONS AND EASEMENTS and the Leasing Resolution (hereafter "Leasing Resolution") approved on March 19, 2015, the members of the Forrest Lake Townhouse Association, Inc. (hereafter "Association") desire to limit the number Units leased in the Association.

All Owners are subject to this Amendment as of the date of recording. The term "Non-Resident Owner" is defined as an Owner in accordance with Article I Section 6 of the Association By-Laws and for the purposes of this Amendment includes those Owner(s) of a Townhouse Unit (Unit) that do not personally occupy the Unit on a daily basis as their principal residence.

No Owner shall permit any other person to occupy a Unit unless the requirements of this Article and the Leasing Resolution are met. All references to the "Association" mean the Forrest Lake Townhouse Association, Inc. and its board of directors (Board).

Section 2. An Owner that intends to lease a Unit must first submit a written request to lease to the Board for approval (hereafter "Request"). The Request must be delivered or mailed to the Association's business office at 5805 Lumberdale Road, Houston, Texas 77092.

A Request must be sent for each new lease agreement. Requests will be reviewed on a first come, first serve basis.

After receiving a Request from an Owner, the Board will notify the Owner within fifteen (15) business days of receipt, if the limitation on leasing of Units under Article XXIII Section 3 has been reached and whether the Request has been approved or denied. If the Owner does not receive written notification from the Board approving or denying the Request within fifteen (15) business days, the Owner may NOT lease the Unit.

No lease agreements will be valid until and unless the Board approves the Owner's Request in writing prior to the Owner entering into the lease. If a Request is approved, the Owner must submit an Application to Lease per the Leasing Resolution and a copy of the lease agreement signed by the tenant for inclusion in the Rental Unit Registry (Registry) as provided in Article XXIII Section 3.

If the Board denies a Request, the Unit will be placed on the Waiting List (as defined below) effective as of the date the Request was received by the Association unless the Owner indicates to the Board otherwise.

The Association will maintain a leasing Waiting List. The order of the Waiting List will be based upon the date that an Owner's Request was received by the Association.

If an Owner on the Waiting List is approved by the Board for leasing, the Owner will have four (4) weeks to submit an Application to Lease to the Board for approval. If no Application is received in that time period, the Owner will forfeit their spot on the Waiting List and must resubmit a new Request if he or she desires to lease their Unit in the future.

An Owner may submit a Request to the Board based upon financial or personal hardship. In such instances, even if the limitation on leasing under Article XXIII Section 3 below has been met, the Board, in its sole discretion, may authorize the Owner to lease the Unit. If an Owner is requesting consideration of financial or personal hardship as a basis for the written request to lease, the Owner must include a statement and supporting documentation evidencing the financial or personal hardship with the Request to the Board. The supporting documentation may include, but is not limited to, documentation of a death of a breadwinner, physician's statement of disability/illness/injury that prevents a person from working, documentation of unemployment, or documentation of employer mandated relocation out of the State of Texas or the United States of America.

Section 3. Leasing of Units will be limited to fifty (50) of the two hundred and forty-three (243) Units within the Association. After the number of Units being leased within the Association reaches the limit of fifty (50), no additional Requests will be approved until a current lease is terminated, a leased Unit is released from a lease, or a leased Unit is sold to a new Owner.

If a Unit is sold, the new Owner will not receive or be granted the prior Owner's occupancy status. A sold Unit becomes immediately subject to the provisions of the Amendment and the Leasing Resolution. The Association will attach a copy of this Amendment and the Leasing Resolution to a resale certificate when the resale certificate is requested by a prospective Owner's title company. The Board may, in its discretion, grant a variance to a new Owner when the Owner is required to honor a pre-existing lease.

All Owners must notify the Board when a lease is renewed, extended, or terminated. All Owners must also notify the Board of any updates, modifications, or changes to their lease agreements. If a lease is terminated for any reason, a Request must be submitted to the Board for approval subject to the limitations contained in this Amendment and the Leasing Resolution.

If a lease is to be renewed, the Owner must submit a new Request to the Board for approval. The renewed lease agreement must have the identical active tenant(s) as the original lease agreement. A renewed lease agreement that complies with the provisions of this Amendment and the Leasing Resolution will receive automatic approval by the Board without relegation to the Waiting List.

However, there is no grace period for automatic renewal of a Request. If the lease expires, it may not be renewed at a later date and the Owner will be required to submit a new Request for Board approval.

The failure to submit a Request and to obtain written approval of the Request by the Board will constitute a violation of this Amendment and subject the Owner to a penalty of \$100.00 per day from the commencement of a lease. The penalty shall be paid with the next monthly assessment that becomes due. The Association shall also have the right, in the event of a violation, to terminate any and all services that it provides to the Unit. So long as any demand for reimbursement of attorney's fees is allowed by the Texas Property Code, the Association may include in the next appropriate assessment any and all reasonable and necessary legal expenses incurred for the enforcement of this Amendment as to the specific Unit in question.

The term "immediate family member" is defined as an Owner's parents, spouses, siblings, children, grandparents, grandchildren, siblings-in-law, half-siblings, adopted children, step-parents/step-children, and cohabiting partners.

The Board shall maintain a Rental Unit Registry (Registry) to monitor the rental status of all Units. The Registry will include a list of Owner Occupied Units and Non-Resident Units (rental). Owner Occupied Units do not count towards the fifty (50) Unit limit. Owner Occupied Units include a Unit that is occupied by an Owner's immediate family member(s) who is not under a lease agreement and is not paying rent. Rental Units do count towards the fifty (50) Unit limitation.

For an Owner Occupied Unit that is occupied by the Owner's immediate family member(s), the Owner must submit to the Board, upon the Effective Date of this Amendment, proof of residence of the Owner, proof of residence of the immediate family member and a statement of the relationship between the Owner and the immediate family member. The proof of residence may include the following documentation: utility bill, driver's license, mortgage statement of another residence, or a lease agreement for another residence.

The Board has the authority to adopt reasonable rules and regulations related to the leasing of Units.

Section 4. All Units that are vacant, occupied by non-Owners not under a valid lease agreement (such as Units occupied by an immediate family member and not considered a leased Unit), or by non-Owners under a valid lease agreement, on the Effective Date of this Amendment, shall be grandfathered from the approval (Article XXIII

Section 2) and limitation (Article XXIII Section 3) provisions until the sale of the Unit to a new Owner.

Section 5. This Amendment shall be effective as of the date ("Effective Date") of recording in the Official Public Records of Harris County, Texas.