



NOTICE TO OWNERS OF BOARD OF DIRECTORS DESIRE TO AMEND THE COVENANTS, CONDITIONS AND RESTRICTIONS (CC&Rs)

Dear Homeowner(s),

As the Managing Agent for Granada Residential Community, Inc., we are writing on behalf of the Board of Directors to announce the Board's desire to initiate an amendment and revisions to the Covenants, Conditions and Restrictions (the "CC&R's") for the Granada community. As the last few lots begin construction, the Board has begun an in-depth review of the Association's CC&R's to ensure that after full buildout, the Association has an up to date set of documents from which the Association will govern its community going forward. The current CC&Rs were originally recorded in 2013 and several of the provisions set forth in the CC&R's are antiquated and need to be amended to comply with current House Bills and Legislative Laws that have passed since 2021. It is anticipated there will be additional changes this year from the May 2023 House and September 2023 Senate meetings. As a community, we need to ensure our documents are as up to date as possible providing the needed governance for the continued success and growth of our beautiful community.

In amending the CC&Rs to bring them up to date, the Association will have an excellent resource from which the governance of the Granada community can be operated for years to come. Some amendments or adoption of new policies may also be required; however, those changes will be to comply with the Texas Property Code, Texas Business Organizations Code (the "TBOC") and State Legislature. Below are a few instances where the CC&Rs could be changed to reflect the Association's current state:

Article 1, Definition:

- "Private Streets." The Lot, Block, and roadways are blank.
- Mentions of Declarant in Box Texts and other areas throughout the CC&R's will be removed.
- 2.03 Rentals. Some of the language in this section is likely antiquated and can no longer be enforced. Any leasing or rental enforcement rules will need to be added and/or updated before the end of May 2023 when more stringent laws protecting tenant versus owner are expected to pass. If rules governing leasing are not in place before these laws pass, the Association will have no further enforcement rights in regard to an owner renting or leasing their home.
- 2.15 Antennas. Legislative allowances for antennas have changed.
- 2.17 Signs. Legislative allowances for signs as well as religious displays have changed.
- 2.23 On Street Parking. Currently there is no parking for over 30 minutes, we would like to change that to 24 hours.

Essex Association Management, L.P.
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- 3.05 changes to state legislation in 9/2021 supersedes this section regarding fences. The language needs to be updated to include restrictions for front security fencing otherwise, the Association will have little architectural right of enforcement as to an Owner adding front fencing to their Lot.
- 4.03 Should be removed. Has to do with Declarant controlling the board and is no longer applicable.
- 4.05 needs to be updated on several of the sub sections.
- 4.09 bulk rate contracts may need updating per TX property code.
- 6.05 The language makes the fee payable only to the Declarant. We are not charging this fee, but it should still be taken out. There are also misspellings in this section.
- Portions of 6.08 to be removed that specifically deal with Declarant or Declarant Period.
- 6.11 should be revised to ensure the language used is the most recent requirements based on Texas Property Code and State Legislation
- Resolutions of the Board regarding CAP, Reserve and Resale to be incorporated into amendment to CC&R's.
- Recorded First Supplemental regarding amendment to Design Guidelines to be incorporated into amendment to CC&R's.

In an open meeting on April 18th, 2023, the Board unanimously motioned to initiate the CC&R revision and amendment process, however, to accomplish this goal, the Association must obtain at least a 67% affirmative vote of the Members to proceed with any amendment or revision to the current Declaration. Please see the ballot and / or proxy attached to this letter to submit your vote.

If you have any questions, please email Ryan Corcoran at ryan@essexhoa.com or go to the "Contact Us" tab on the Association's website, and an Essex Representative will respond promptly.

Sincerely,

Essex Association Management L.P., Managing Agent,
On Behalf of Granada Residential Community, Inc., and Its Board of Directors

cc: Association file
Enclosure: Ballot and Proxy

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