

AGREEMENT REGARDING GOVERNANCE
[PRAIRIE VIEW]

This Agreement Regarding Governance (the "**Agreement**") is made by and between **LENNAR HOMES OF TEXAS LAND AND CONSTRUCTION, LTD.**, a Texas limited partnership ("**Builder**"), and **KL LHB DSD AIV LLC**, a Delaware limited liability company ("**Owner**").

RECITALS

A. Owner is the owner of that certain 236.568-acre tract of land situated in the Owen Shannon Survey, Abstract No. 989, and the David Rose Survey, Abstract Number 905, Ellis County, Texas, as more particularly described in Exhibit "A" to the Declaration (defined herein below) (the "**Land**").

B. The Land has been or will be subdivided into approximately one thousand ninety-two (1,092) single-family lots (individually, a "**Lot**" or collectively, the "**Lots**").

C. The Land, together with other real property (collectively, the "**Prairie View Property**"), has been or will be made subject to the terms and provisions of the following (collectively, the "**Restrictions**"): (i) the Declaration of Covenants, Conditions and Restrictions for Prairie View, recorded under Document No. 2406772 in the Official Public Records of Ellis County, Texas (the "**Declaration**"); (ii) the Certificate of Formation (the "**Certificate**") for Prairie View Residential Community, Inc., a Texas nonprofit corporation (the "**Association**"); (iii) the bylaws of the Association (the "**Bylaws**"), which will be attached to the Prairie View Community Manual, recorded under Document No. _____ in the Official Public Records of Ellis County, Texas (the "**Community Manual**"); (iv) the policies, however denominated, which Declarant or the Association have adopted or may adopt for the regulation and management of the Property, including any amendments or supplements thereto (the "**Rules and Regulations**"); and (v) the Prairie View Adoption of Working Capital Assessment, recorded under Document No. 2406802 in the Official Public Records of Ellis County, Texas, including any amendments thereto (the "**Adoption of Working Capital**"). Builder is the 'Declarant' under the Restrictions.

D. Builder has the right to acquire all of the Lots from Owner pursuant to that certain Option Agreement dated effective August 31, 2021 (the "**Option Agreement**"), entered into by and between Owner, as the record title owner of the Land, and Builder, as Builder, as evidenced by that certain Memorandum of Option Agreement recorded under Document No. 2139121, Official Public Records of Ellis County, Texas.

E. Builder and Owner desire to agree on certain matters associated with the Declaration and governance of the Land, as set forth more fully herein below.

NOW, THEREFORE, for and in consideration of the mutual Declarations and agreements contained herein, Builder and Owner agree as follows:

1. **Recitals**. The foregoing recitals are true and correct and are incorporated as part of this Agreement.

2. **Defined Terms.** All defined terms delineated with initial capital letters in this Agreement that are not defined herein shall have the meanings ascribed to them in the Restrictions. Other terms have the meanings commonly ascribed to them.

3. **Declarant's Rights.** Without limitation of any of the provisions of the Declaration and other Restrictions, for so long as the Option Agreement is in effect, Builder may not, without the prior written consent of Owner:

- (a) Exercise any of the Declarant or similar rights under the Restrictions in any manner which will have a material or adverse impact on any Lots or portion of the Land owned by Owner.
- (b) Assign or pledge any of its rights as Declarant under the Restrictions.
- (c) Voluntarily terminate the Development Period or its rights and status as Declarant under the Restrictions.
- (d) Relinquish its voting rights or its rights to appoint and remove members of the Board of the Association.
- (e) Assign to the Board its right to appoint and remove all members of the ACC
- (f) Add to or withdraw land from the Prairie View Property.
- (g) Amend, cause to amend, or approve any amendment or supplement to the Restrictions or any exhibits thereto.
- (h) Adopt, amend, modify or supplement any Design Guidelines.
- (i) Dedicate or transfer any part of the Common Area to any public agency, authority or utility.
- (j) Assign to any third party the easements reserved by Declarant under the Declaration.

Notwithstanding the foregoing, in the event the Option Agreement is terminated prior to the purchase by Builder from Owner of all of the Lots and other portions of the Property thereunder, as evidenced by the recording of a Notice of Termination of the Option Agreement, Owner shall, at its option (but is not obligated to), upon Recordation of an Assignment of Declarant Rights or similar instrument by Owner (if elected by Owner at its sole option), become the Declarant under the Declaration only for the Lots and other portions of the Property still owned by Owner (the "Owner Property"), in which event all references to "Declarant" shall thereafter (A) mean and refer only to Owner or its successors or assigns for the Owner Property only, and (B) mean and refer to Builder, or its successors or permitted assigns, for the balance of the Property, with each party entitled to exercise the rights of Declarant for Owner Property and the balance of the Property, respectively; provided, however, Owner shall not be liable to any Owner, Member or any other person for any act or omission of Builder, as Declarant (including, without limitation, Builder's failure to pay any amounts owing or to be paid or reserved for under the Declaration or as may otherwise be required under Applicable Law or to perform any act or obligation required to be performed by Builder, as 'Declarant' under the Restrictions, or as may

otherwise be required by Applicable Law) with respect to the Owner Property, arising prior to the date Owner succeeds to Builder's rights as the Declarant under the Declaration for the Owner Property, (ii) in the event Owner elects to become the Declarant under the Declaration with respect to the Owner Property, Owner shall assume the obligations of the Declarant under the Declaration for the Owner Property only (and not for any other portions of the Property) for matters and obligations first arising or first to be performed from and after the date Owner succeeds to Builder's rights as the Declarant under the Declaration for the Owner Property, and Owner is hereby released and discharged from any and all obligations under the Declaration (x) accruing prior to the date Owner succeeds to Builder's rights as the Declarant under the Declaration (regardless of whether pertaining to the Owner Property and/or the balance of the Property) and/or (y) pertaining to the portions of the Property, excluding the Owner Property, and (iii) Builder (or its successors or permitted assigns, as applicable) shall indemnify, defend and hold Owner (and its officers, directors, managers, members, employees and agents) harmless from and against any and all costs, losses, expenses, suits, claims, demands, actions, causes of action, liabilities and damages, including attorneys' fees and costs of suit, which Owner suffers or incurs by reason of or in connection with Builder's (or its successors' or permitted assigns') acts and omissions as the Declarant under the Declaration (regardless of whether pertaining to the Owner Property and/or the balance of the Property) prior to the date Owner succeeds to Builder's rights as the Declarant under the Declaration for the Owner Property and as to its acts and omissions as the 'Declarant' under the Declaration with respect to the portions of the Property, excluding the Owner Property, from and after the date Owner succeeds to Builder's rights as the Declarant under the Declaration for the Owner Property.

4. **Association and Board of Directors of the Association – Co-Declarants.** Pursuant to Section 4.3 of the Declaration, until one hundred twenty (120) days after seventy-five percent (75%) of the Maximum Number of Lots have been made subject to the terms and provisions of the Declaration and have been conveyed to Owners other than the Builder, a Homebuilder or Owner (the "Participation Date"), the Board of Directors of the Association (the "Board") will consist of three (3) persons appointed by Builder, as Declarant under the Declaration. In the event a co-Declarant scenario occurs in which both Builder and Owner have Declarant rights under the Declaration, until the earlier to occur of the Participation Date or the date on which Owner no longer owns any portion of the Property: (a) the parties, acting as co-Declarants, will amend the Bylaws such that the Board will be increased to four (4) individuals; and (b) the Owner and Builder will each appoint (2) individuals to serve on the Board. Any designation made pursuant to this Section 4 must be made in writing, executed by an authorized representative of each party, and Recorded. The individuals designated by each party to serve on the Board must be then existing employees of Builder or Owner, as applicable. In the event a person designated by Builder or Owner ceases to be an employee of Builder or Owner, as applicable, Builder or Owner, as applicable, will promptly remove such person and Builder or Owner, as applicable, will have the right to designate a replacement person reasonably acceptable to the other party to serve on the Board, provided such person is a then existing employee of the appointing party.

5. **Modification of Restrictions – Co-Declarants.** In the event a co-Declarant scenario occurs in which both Builder and Owner have Declarant rights under the Declaration, each party hereby covenants and agrees that, in the exercise of its rights as the 'Declarant' pursuant to the Restrictions, it will not amend, cause to amend, or approve any amendment to the Restrictions or any exhibits thereto, without the prior written consent of the other party.

6. **Architectural Control Committee – Co-Declarants.** During the Development Period, Builder, as Declarant, has the right to appoint and remove all members of the Architectural Control Committee (the "ACC"). In the event a co-Declarant scenario occurs in which both Builder and Owner have Declarant rights under the Declaration, the ACC will consist of individuals appointed by Owner and Builder based upon the total number of Lots owned by each Party, whereby the Party owning the greater number of Lots appoints two (2) members to the ACC, and the other Party will appoint one (1) member. Any appointment made pursuant to this Section 6 must be made in writing, executed by an authorized representative of each party, and Recorded.

7. **Memorandum of Agreement.** Builder and Owner will, upon execution of this Agreement, execute a memorandum of this Agreement substantially in the form of Attachment I attached hereto, which shall be filed for record in the Official Public Records of Ellis County, Texas.

8. **Notices.** All notices and other communications required or permitted under this Agreement must be in writing and will be deemed delivered, whether actually received or not, on the earlier of: (i) actual receipt, if delivered in person or by messenger with evidence of delivery to the office of the recipient at the address set forth below; (ii) an electronic transmission (e-mail) to the email address specified below; (iii) one (1) business day after being deposited with a reputable overnight courier service (such as FedEx or UPS) for next day delivery and properly addressed to the intended recipient at the address set forth below; or (iv) two (2) business days after being deposited with the United States Postal Service, certified mail, return receipt requested, postage prepaid, and properly addressed to the intended recipient at the address set forth below.

The address of Builder, for all purposes under this Agreement and for all notices hereunder shall be:

Lennar Homes of Texas Land and Construction, Ltd.
Attn.: Greg Urech
1707 Market Place Blvd.
Irving, Texas 75063
Greg.Urech@lennar.com

With a copy to:

Lennar Homes of Texas Land and Construction, Ltd.
Attn.: Herman Randow, Regional Counsel
1707 Market Place Blvd., Suite 100
Irving, Texas 75063
Herman.Randow@lennar.com

Also with copy to:

Winstead PC
Attn.: Kristi E. Stotts, Esq.
401 Congress Ave., Suite 2100
Austin, Texas 78701
kstotts@winstead.com

The address of for Owner all purposes under this Agreement and for all notices hereunder shall be:

KL LHB DSD AIV LLC
Attn.: Nathan Holt
6900 E. Camelback Road, Suite 1090
Scottsdale, Arizona 85251
Email: nathan.holt@klservicers.com

With a copy to:

Koons Real Estate Law
Attn.: David C. Chang
6510 Abrams Road, Suite 630
Dallas, Texas 75231
dchang@krelpc.com

From time to time any party may designate another address within the United States of America for all purposes of this Agreement by giving the other parties not less than ten (10) days' advance written notice of such change of address in accordance with the provisions hereof.

9. **Further Assurances.** Builder and Owner each hereby agree to execute and deliver any and all documents and instruments and to perform such additional acts reasonably requested by the other party to implement the terms of this Agreement.

10. **Counterpart Execution.** This Agreement may be executed in any number of counterparts, including execution by facsimile, with the same effect as if all parties hereto had signed the same document, and all counterparts, either original and/or facsimile, will constitute one and the same agreement

11. **Binding Effect.** Builder and Owner acknowledge that the rights and obligations under this Agreement will be binding on their successors and assigns. Builder and Owner will have the right to enforce the terms and provisions of this Agreement. If a dispute arises out of or relates to this Agreement, or the breach thereof, and if the dispute cannot be settled through negotiation, the parties agree first to try in good faith to settle the dispute by mediation before resorting to arbitration, litigation, or some other dispute resolution procedure.

EXECUTED to be effective on the date fully executed by Builder and Owner (the "Effective Date").

[SIGNATURES APPEAR ON FOLLOWING PAGES]

COUNTERPART SIGNATURE PAGE FOR ATTACHMENT TO
AGREEMENT REGARDING GOVERNANCE

Executed by the undersigned on the date set forth hereinbelow.

BUILDER:

**LENNAR HOMES OF TEXAS LAND AND
CONSTRUCTION, LTD.,** a Texas limited partnership,

By: U.S. Home LLC, a Delaware limited liability company
(as successor-in-interest by conversion from U.S. Home
Corporation, a Delaware corporation), its General
Partner

By: 

Printed Name: Jennifer Eller

Title: Authorized Agent

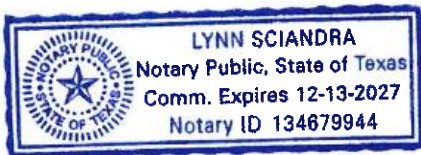
Date: March 11, 2024

STATE OF TEXAS §
 §
COUNTY OF Dallas §

This instrument was acknowledged before me this 11 day of March, 2024 by Jennifer Eller, authorized agent of U.S. Home LLC, a Delaware limited liability company (as successor-in-interest by conversion from U.S. Home Corporation, a Delaware corporation), general partner of LENNAR HOMES OF TEXAS LAND AND CONSTRUCTION, LTD., a Texas limited partnership, on behalf of said entities.

(SEAL)


Notary Public Signature



Signature Page

AGREEMENT REGARDING GOVERNANCE
PRAIRIE VIEW

ATTACHMENT 1

FORM OF MEMORANDUM OF AGREEMENT

[See Attached.]

Attachment 1

AGREEMENT REGARDING GOVERNANCE
PRAIRIE VIEW

AFTER RECORDING RETURN TO:

KRISTI E. STOTTS, ESQ.
WINSTEAD PC
401 CONGRESS AVE., SUITE 2100
AUSTIN, TEXAS 78701
EMAIL: KSTOTTS@WINSTEAD.COM



**MEMORANDUM OF
AGREEMENT REGARDING GOVERNANCE
[PRAIRIE VIEW]**

This Memorandum of Agreement Regarding Governance (“Memorandum”), dated to be effective as of _____, 20__ (the “Effective Date”), is entered into by and between LENNAR HOMES OF TEXAS LAND AND CONSTRUCTION, LTD., a Texas limited partnership (“Builder”) and KL LHB DSD AIV LLC, a Delaware limited liability company (“Owner”).

1. **Background.** Builder and Owner entered into that certain Option Agreement dated effective August 31, 2021 (the “Option Agreement”) (as the same may be amended from time to time, the “Contract”), pursuant to which Owner agreed to sell and Builder agreed to purchase single family lots within that certain real property in Ellis County, Texas, as more particularly described on Exhibit A attached hereto and incorporated herein (the “Option Property”). The Option Property is or will be made subject to that certain Declaration of Covenants, Conditions and Restrictions for Prairie View, recorded under Document No. _____ in the Official Public Records of Ellis County, Texas (as the same may be amended or supplemented from time to time, the “Declaration”).

2. **Agreement.** Builder and Owner have entered into an Agreement Regarding Governance (the “Agreement”) with respect to certain matters set forth in the Declaration affecting the Option Property. Reference is herein made to the Agreement, the terms of which are incorporated herein by reference.

3. **Purpose.** This Memorandum is being recorded to provide notice of the Agreement and to provide notice that the rights and obligations under the Agreement will be binding on Builder’s successors and assigns acting as Declarant under the Declaration, and on Owner’s successors and assigns. This Memorandum is prepared for the purpose of recordation only, and it in no way modifies the provisions of the Agreement. In the event of any inconsistency between the provisions of this Memorandum and the Agreement, the provisions of the Agreement shall control.

EXECUTED to be effective as of the Effective Date.

[Signature Pages Follow.]

MEMORANDUM OF AGREEMENT REGARDING GOVERNANCE
PRAIRIE VIEW

BUILDER:

LENNAR HOMES OF TEXAS LAND AND CONSTRUCTION, LTD., a Texas limited partnership,

By: U.S. Home LLC, a Delaware limited liability company (as successor-in-interest by conversion from U.S. Home Corporation, a Delaware corporation), its General Partner

By: *Jennifer Eller*
Printed Name: Jennifer Eller
Title: Authorized Agent

STATE OF TEXAS §
 §
COUNTY OF Dallas §

This instrument was acknowledged before me this 11 day of March, 2024 by Jennifer Eller, Authorized Agent of U.S. Home LLC, a Delaware limited liability company (as successor-in-interest by conversion from U.S. Home Corporation, a Delaware corporation), general partner of LENNAR HOMES OF TEXAS LAND AND CONSTRUCTION, LTD., a Texas limited partnership, on behalf of said entities.

(SEAL)

Lynn Sciandra
Notary Public Signature



MEMORANDUM OF AGREEMENT REGARDING GOVERNANCE
PRAIRIE VIEW

Exhibit A to Attachment 1

Description of Option Property

BEING a 236.568 acre tract or parcel of land situated in the Owen Shannon Survey, Abstract Number 989 and in the David Rose Survey, Abstract Number 905, Ellis County, Texas and being all of Lots 1 through 22, Bardwell Ranchettes, an addition to Ellis County, as recorded in Cabinet B, Slide 497, Plat Records, Ellis County, Texas, said 236.568 acre tract being more particularly described by metes and bounds as follows:

BEGINNING at a 5/8-inch iron rod found for the south corner of Lot 10 of said Bardwell Ranchettes, said corner being at the intersection of the northwesterly right-of-way line of Liska Road with the northeasterly right-of-way line of Lakeview Drive;

THENCE North 31 degrees 14 minutes 09 seconds West, with said northeasterly right-of-way line of Lakeview Drive and the southwesterly lines of Lot 9 and Lot 10 of said Bardwell Ranchettes, a distance of 965.36 feet to a 5/8-inch iron rod found for the west corner of said Lot 9 at a bend in said Lakeview Drive;

THENCE North 58 degrees 41 minutes 08 seconds East, with the southeasterly right-of-way line of said Lakeview Drive and the northwesterly lines of Lot 9 and Lot 8 of said Bardwell Ranchettes, a distance of 1362.94 feet to a 5/8-inch iron rod found for the south corner of Lot 7 of said Bardwell Ranchettes corner at another bend in said Lakeview Drive;

THENCE North 30 degrees 27 minutes 58 seconds West, with the northeasterly right-of-way line of said Lakeview Drive and the southwesterly lines of Lots 1 to 7 of said Bardwell Ranchettes, a distance of 1696.68 feet to a 1/2 inch iron rod with cap stamped "GRIFFITH 4846" set for the west corner of said Lot 1 and the south corner of a tract of land described in deed to Ronald Gene Holubar, as recorded in Volume 2054, Page 211, Deed Records, Ellis County, Texas;

THENCE North 59 degrees 15 minutes 03 seconds East, with the common boundary line of said Lot 1 and said Holubar tract, a distance of 2538.58 feet to a 1-1/2-inch iron pipe found for the north corner of said Lot 1 and the east corner of said Holubar tract, said corner being in the southwesterly line of that tract of land described in deed to Ellis County Investments, as recorded in Volume 2430, Page 1524 of said Deed Records;

THENCE South 30 degrees 31 minutes 57 seconds East, with the northeasterly line of Lots 1-4 and Lot 17 of said Bardwell Ranchettes and the southwesterly line of said Ellis County Investments tract, a distance of 1013.73 feet to a 1/2 inch iron pipe found for the west corner of Lot 18 of said Bardwell Ranchettes and the south corner of said Ellis County Investments tract;

THENCE North 63 degrees 52 minutes 08 seconds East, with the common boundary line of said Ellis County Investments and Lots 18 and Lot 22 of said Bardwell Ranchettes, a distance of 409.74 feet to a 1/2-inch iron rod with cap found at an angle point;

THENCE North 64 degrees 24 minutes 52 seconds East, continuing with the common line of said Ellis County Investments and said Lot 22, a distance of 1635.70 feet to a 1/2-inch iron rod found for the

northeast corner of said Lot 22 and the southeast corner of said Ellis County Investments tract, said corner being in the westerly line of Ensign Road;

THENCE South 12 degrees 50 minutes 27 seconds West, with the westerly right-of-way line of said Ensign Road and the easterly lines of Lots 19-22 of said Bardwell Ranchettes, a distance of 2060.51 feet to a 1/2-inch iron rod with cap stamped "GRIFFITH 4846" set for the southeast corner of Lot 19 of said Bardwell Ranchettes, said corner being in said northwesterly right-of-way line of said Liska Road;

THENCE South 59 degrees 23 minutes 21 seconds West, with said northwesterly right-of-way line of said Liska Road and the southeasterly lines of Lots 10-19 of said Bardwell Ranchettes, a distance of 4514.58 feet to the POINT OF BEGINNING AND CONTAINING 10,304,886 square feet or 236.568 acres of land.