Denton County
Juli Luke
County Clerk

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DECLARATION

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STATE OF TEXAS
COUNTY OF DENTON

I hereby certify that this Instrument was FILED In the File Number sequence on the date/time printed hereon, and was duly RECORDED in the Official Records of Denton County, Texas.

Juli Luke
County Clerk
Denton County, TX

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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

CREEKVIEW MEADOWS

DENTON COUNTY, TEXAS

Return after recording
Essex Association Management, LP
1512 Crescent Drive, Suite 112
Carrollton, TX 75006

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR CREEKVIEW MEADOWS

THE STATE OF TEXAS §
§ **KNOW ALL PERSONS BY THESE PRESENTS:**
COUNTY OF DENTON §

This Declaration of Covenants, Conditions & Restrictions for Creekview Meadows (this "Declaration") is made by MM CREEKVIEW 1027, LLC, a Texas limited liability company ("Declarant"), on the date signed below. Declarant owns the real property described in Appendix A of this Declaration, together with the improvements thereon (the "Property").

Declarant desires to establish a general plan of development for the planned community developed within the Property to be known as "Creekview Meadows" (the "Subdivision") to be governed by the Association (as hereinafter defined). Declarant also desires to provide a reasonable and flexible procedure by which Declarant may expand the Property to include additional real property, and to maintain certain development rights that are essential for the successful completion and marketing of the Property.

Declarant further desires to provide for the preservation, administration, and maintenance of portions of Subdivision, and to protect the value, desirability, and attractiveness of the Property therein. As an integral part of the development plan, Declarant deems it advisable to create the Association to perform these functions and activities more fully described in this Declaration and the other Documents described below.

Declarant DECLARES that the Property, and any additional property made subject to this Declaration by recording one or more amendments of or supplements to this Declaration, will be owned, held, transferred, sold, conveyed, leased, occupied, used, insured, and encumbered subject to the terms, covenants, conditions, restrictions, and easements of this Declaration, including Declarant representations and reservations in the attached Appendix B which run with the real property and bind all parties having or acquiring any right, title, or interest in any part of the property, their heirs, successors, and assigns, and inure to the benefit of each Owner of any part of the Property.

ARTICLE 1.
DEFINITIONS

The following words and phrases, whether or not capitalized, have specified meanings when used in the Documents, unless a different meaning is apparent from the context in which the word or phrase is used.

1.1 "Applicable Law" means the statutes and public laws and ordinances in effect at the time a provision of the Documents is applied, and pertaining to the subject matter of the Document provision, including, without limitation, any Applicable Zoning, Developer's Agreement, and any requirements related to the creation or operation of the Public Improvement District of which the Property is part. Statutes and ordinances specifically referenced in the

Documents are "Applicable Law" on the date of the Document, and are not intended to apply to the Property if they cease to be applicable by operation of law, or if they are replaced or superseded by one or more other statutes or ordinances of the City of Pilot Point or otherwise.

1.2 "Applicable Zoning" means and refer to Ordinances as they exist or may hereafter be adopted by City of Pilot Point or as may be established and/or modified by agreement between the City and Developer, if such becomes applicable, including any amendment thereto from time to time, together with any other zoning or land use ordinances of the City applicable to the Property. Applicable Zoning specifically includes, without limitation the Creekview Meadows PD Ordinance 481-14-2022 adopted by the City of Pilot Point, Texas.

1.3 "Architectural Reviewer" means the entity having jurisdiction over a particular application for architectural approval. During the Development Period, the Architectural Reviewer is Declarant, Declarant's designee, or Declarant's delegates. Thereafter, the Board or, if applicable, the Board-appointed architectural control committee ("ACC") is the Architectural Reviewer. The term ACC and Architectural Reviewer may be used interchangeably within this Declaration notwithstanding, the term shall carry with it the jurisdiction and all authority set forth in this Declaration regardless of the manner in which the term is presented.

1.4 "Assessment" means any charge levied against a Lot or Owner by the Association, pursuant to the Documents or laws of the State of Texas, including but not limited to Regular Assessments, Special Assessments, Insurance Assessments, Individual Assessments, and Deficiency Assessments, as defined in Article 9 of this Declaration.

1.5 "Association" means the association of Owners of all Lots and Residences in the Property, initially organized as Creekview Meadows Homeowner's Association, Inc., a Texas nonprofit corporation, and serving as the "homeowners' association". The failure of the Association to maintain its corporate charter from time to time does not affect the existence or legitimacy of the Association, which derives its authority from this Declaration and the Bylaws.

1.6 "Board" means the board of directors of the Association. During the Declarant Control Period, the Declarant shall maintain the sole right to appoint and remove directors of the Board as set forth in the Bylaws.

1.7 "Bylaws" means the Bylaws of the Association, which have been adopted by the Board and which are included in Appendix E attached hereto.

1.8 "City" means the City of Pilot Point, Texas, a Texas home rule municipality located in Denton County, Texas.

1.10. "Common Area" means portions of real property and improvements thereon that are owned and/or maintained by the Association, as described in Article 4 below and which may be referenced in Appendixes attached hereto. Notwithstanding anything to the contrary contained herein, in no event shall the Common Area include any portion of the Property to be maintained by the City or the Public Improvement District; provided, however, the City or PID (as the case may be) may contract with the Association and provide related easements for the maintenance and/or operation by the Association of certain qualified improvements funded through the PID Assessments or taxes, the ("HOA Maintained PID Improvements"), in which event such HOA

Maintained PID Improvements shall be included in the Common Areas for purposes of this Declaration.

1.11. "Community Standard" means the standard of conduct, maintenance, or other activity generally prevailing throughout the Subdivision and Property. Such standard is expected to evolve over time as development progresses and may be more specifically determined by the Declarant, Board of Directors and Architectural Reviewer; but at a minimum, shall be a standard representing "first class level of quality." "First class level of quality" shall mean the quality standard for a majority of residential homeowner associations in the metropolitan area in which the Property is located with comparable assessments and facilities, and taking into account the particular agricultural or other unique features of the Property in question.

1.12. "Declarant" means MM CREEKVIEW 1027, LLC, a Texas limited liability company, which is developing the Property, or any party which acquires any portion of the Property for the purpose of development and which is designated a successor Declarant in accordance with Appendix B, Section B.6 hereof, or by any such successor and assign, in a recorded document.

1.9 "Declarant Control Period" means that period of time during which Declarant controls the operation and management of the Association, pursuant to Appendix B of this Declaration.

1.10 "Declaration" means this document, as it may be amended, modified and/or supplemented from time to time. In the event this Declaration contains a provision which is contrary to an applicable mandatory provision of the Texas Property Code, the Texas Property Code provision controls.

1.11 "Design Guidelines" means those certain initial design guidelines established for the Property by the Applicable Zoning, and any other design guidelines that may be established, modified and/or amended by majority written consent of the Architectural Reviewer from time to time. The Initial Design Guidelines for the Subdivision are attached hereto as Appendix D.

1.12 "Development Period" means a period commencing on the date of recordation of this Declaration in the County real property records, and ending on the date that is the earlier of (i) fifty (50) years after the date this Declaration is recorded, or (ii) the date on which Declarant records a written notice of termination of the Development Period in the County real property records, and during which Declarant has certain rights pursuant to Appendix B hereto. The Development Period is for a term of years and does not require that Declarant own land described in Appendix A. Declarant may terminate the Development Period at any time by recording a notice of termination in the County real property records.

1.13 "Documents" means, singly or collectively as the case may be, this Declaration, the Plat, the Bylaws and Policies of the Association, the Association's Certificate of Formation and the Rules of the Association, as any of these may be amended from time to time. An appendix, exhibit, schedule, or certification accompanying a Document is a part of that Document. All Documents are to be recorded in every county in which all or a portion of the Property is located. The Documents are Dedicatory Instruments as defined in Texas Property Code Section 202.

Resolutions which may be established by the Board shall be binding documents upon the Association so long as they are duly recorded in the minutes of the meeting of the Board of Directors and shall not be required to be recorded. The Board shall cause all Resolutions to be recorded in the minutes of the meeting and/or they shall be posted to the Association's website, if applicable, for review and access by all Owners' of record. The Certificate of Formation, Organizational Consent and Bylaws of the Association, which are part of the Documents, are attached hereto as Appendix E.

1.14 "Lot" means a portion of the Property intended for independent ownership, on which there is or will be constructed a Residence, as shown on the Plat. As a defined term, "Lot" does not refer to Common Areas, or areas owned by the City and to be maintained by the City, even if platted and numbered as a Lot. Where the context indicates or requires, "Lot" includes all improvements thereon and any portion of a right-of-way that customarily is used exclusively by and in connection with the Lot. The Lots to be developed within the Subdivision include, but may not be limited to (i) minimum fifty foot wide by one hundred ten foot deep (50' x 110') Lots (the "50' Lots"), and (ii) minimum forty foot wide by one hundred ten foot deep (40' x 110') Lots (the "40' Lots").

1.15 "Majority" means more than half. A reference to "*a Majority of Owners*" in any Document or Applicable Law means "*Owners of at least a Majority of the then current existing, platted Lots,*" unless a different meaning is specified.

1.16 "Member" means a member of the Association, each Member being an Owner of a Lot, unless the context indicates that member means a member of the Board or a member of a committee of the Association. In the context of votes and decision-making, each Lot has only one membership, although it may be shared by co-owners of a Lot.

1.17 "Owner" means a holder of recorded fee simple title to a Lot. Declarant is the initial Owner of all Lots. Contract sellers and mortgagees who acquire title to a Lot through a deed in lieu of foreclosure or through judicial or nonjudicial foreclosure are "*Owners.*" Persons or entities having ownership interests merely as security for the performance of an obligation are not "*Owners.*" Every Owner is a Member of the Association and membership is mandatory. A reference in any Document or Applicable Law to a percentage or share of Owners or Members means Owners of at least that percentage or share of the Lots, unless a different meaning is specified.

1.18 "PID Assessment" means and refers to the assessments levied by the City on the Property pursuant to an assessment ordinance passed by the City to fund qualified improvements (or bonds sold by the City to fund qualified improvements) of the Public Improvements District applicable to the Property.

1.19 "PID Homebuyer Disclosure and Homebuyer Education Program" means and refers to the disclosures and program set forth on Appendix "E" attached hereto required under the terms of the Development.

1.20 "PID Improvements" shall mean those areas of land, structures and improvements located within the Property which, if applicable, are specifically to be maintained by the City as

part of obligations and duties of the PID; which maintenance may be contracted by the City to be performed by the Association as part of the HOA Maintained PID Improvements by separate agreement between the City and the Association.

1.21 "PID Restrictions" shall mean those covenants, conditions and restrictions contained in any Declaration of Covenants, Conditions and Restrictions or similar restrictions (a "PID Declaration") by Declarant, as "Landowners" under such PID Declaration, and recorded or to be recorded in the Official Public Records of Denton County, Texas.

1.22 "Plat" means all plats, singly and collectively, recorded in the Real Property Records of Denton County, Texas, and pertaining to the real property described in Appendix A of this Declaration or any real property subsequently annexed into the Property in accordance with the terms of this Declaration (including, by Declarant pursuant to its rights under Appendix B hereof), including all dedications, limitations, restrictions, easements, notes, and reservations shown on the plat(s), as may be amended from time to time. The plat of the Subdivision was or shall be recorded in the Plat Records, Denton County, Texas.

1.23 "Property" means all the land subject to this Declaration and all improvements, easements, creeks or waterways, rights, and appurtenances to the land. The Property is a Subdivision known as the "Creekview Meadows". The Property is located on land described in Appendix A to this Declaration, and includes every Lot and any Common Area thereon, and may include Annexed Land (as defined in Appendix B) annexed into the Property subject to this Declaration by supplemental declaration filed by Declarant in accordance with Appendix B.

1.24 "Residence" means the dwelling constructed on a Lot.

1.25 "Resident" means an occupant of a Residence, regardless of whether the person owns the Lot.

1.26 "Rules" means rules and regulations of the Association adopted in accordance with the Documents or Applicable Law. The initial Rules may be adopted by Declarant for the benefit of the Association and Declarant may, from time to time, amend rules and regulations as it is deemed necessary. Thereafter, the Board of Directors shall have the right to adopt, amend, or rescind rules and regulations by way of resolution of the Board upon a majority vote of the Board. The Association may, and probably will, use a Community-Wide Standard by which the Association shall be governed with regard to maintenance, use, architectural harmonies and standards and more. The Declarant shall be the first to establish the Community-Wide Standard which may or may not be in writing. The Community-Wide Standard will change and expand as the development grows and expands. The Community-Wide Standard shall be enforceable the same as any Rule and Regulation, whether such standard is in writing or not. After the Declarant Control Period ends the Board of Directors will be responsible for continuing with the Community-Wide Standard then in place and shall ensure the level of such standard is not allowed to fall below that which the Declarant established.

ARTICLE 2.
PROPERTY SUBJECT TO DOCUMENTS

2.1 PROPERTY. The real property described in Appendix A is held, transferred, sold, conveyed, leased, occupied, used, insured, and encumbered subject to the terms, covenants, conditions, restrictions, liens, and easements of this Declaration, including Declarant's representations and reservations in the attached Appendix B, which run with the Property and bind all parties having or acquiring any right, title, or interest in the Property, their heirs, successors, and assigns, and inure to the benefit of each Owner of the Property.

2.2 CITY ORDINANCES. The City may have ordinances pertaining to planned developments which include, without limitation, the Applicable Zoning, the Developer's Agreement, and/or any requirements of the Public Improvement District (herein referred to as the "City Ordinance(s)"). If such ordinance should exist, no amendment of the Documents or any act or decision of the Association may violate the requirements of any City Ordinance. Should this Declaration differ with a City Ordinance, if applicable, the City Ordinance shall prevail notwithstanding, if the restriction in this Declaration is more strict that that of the City Ordinance, then this Declaration shall prevail. The Association should stay informed about the City's requirements. The Subdivision is subject to Applicable Zoning, which is a City Ordinance.

2.3 ADJACENT LAND USE. Declarant makes no representations of any kind as to current or future uses - actual or permitted - of any land that is adjacent to or near the Property, regardless of what the Plat shows as potential uses of adjoining land.

2.4 SUBJECT TO ALL OTHER DOCUMENTS. Each Owner, by accepting an interest in or title to a Lot, whether or not it is so expressed in the instrument of conveyance, covenants and agrees to be bound by all the Documents which are publicly recorded or which are made available to Owners by the Association, expressly including this publicly recorded Declaration.

2.5 PLAT DEDICATIONS, EASEMENTS & RESTRICTIONS. In addition to the easements and restrictions contained in this Declaration, the Property is subject to the dedications, limitations, notes, easements, restrictions, and reservations shown or cited on the Plat, which are incorporated herein by reference. The Final Recorded Plat(s) are legally binding instruments. Each Owner, by accepting an interest in or title to a Lot, whether or not it is so expressed in the instrument of conveyance, covenants and agrees to be bound by the Plat, and further agrees to maintain any easement that crosses his Lot and for which the Association does not have express responsibility.

2.6 STREETS WITHIN PROPERTY. Because streets, alleys, and cul-de-sacs within the Property (hereafter "Streets") are capable of being converted from publicly dedicated to privately owned, and vice versa, this Section addresses both conditions. If the Property has privately owned Streets, the Streets are part of the Common Area which is governed by the Association. Streets dedicated for public use are part of the Common Area only to the extent they are not maintained or regulated by the City or Denton County, Texas. In no event shall streets that are maintained by the City be included in the Common Areas. To the extent not prohibited by public law, the Association, acting through the Board, is specifically authorized to adopt, amend, repeal, and enforce Rules for use of the Streets - whether public or private - including but not limited to:

a. Identification of vehicles used by Owners and Residents and their guests.

b. Designation of speed limits and parking or no-parking areas.

c. Limitations or prohibitions on street or curbside parking.

d. Adoption of Towing Policies and the removal or prohibition of vehicles that violate applicable Rules.

e. Fines for violations of applicable Rules.

ARTICLE 3.
PROPERTY EASEMENTS AND RIGHTS

3.1 GENERAL. In addition to other easements and rights established by the Documents, the Property is subject to the easements and rights contained in this Article. No use shall be permitted on the Property which is not allowed under applicable public codes, ordinances and other laws either already adopted or as may be adopted by the City or other controlling public authorities. Each Owner, occupant or other user of any portion of the Property, shall at all times comply with this Declaration and all laws, ordinances, policies, rules, regulations and orders of all federal, state, county and municipal governments, and other agencies having jurisdictional control over the Property, specifically including, but not limited to, Applicable Zoning placed upon the Property, as they exist from time to time and the PID Restrictions (collectively "Governmental Requirements"). IN SOME INSTANCES REQUIREMENTS UNDER THE GOVERNMENTAL REQUIREMENTS MAY BE MORE OR LESS RESTRICTIVE THAN THE PROVISIONS OF THIS DECLARATION. IN THE EVENT A CONFLICT EXISTS BETWEEN ANY SUCH REQUIREMENTS UNDER ANY GOVERNMENTAL REQUIREMENT AND ANY REQUIREMENT OF THIS DECLARATION, THE MOST RESTRICTIVE REQUIREMENT SHALL PREVAIL, EXCEPT IN CIRCUMSTANCES WHERE COMPLIANCE WITH A MORE RESTRICTIVE PROVISION WOULD RESULT IN A VIOLATION OF MANDATORY APPLICABLE GOVERNMENTAL REQUIREMENTS, IN WHICH EVENT THOSE GOVERNMENTAL REQUIREMENTS SHALL APPLY. COMPLIANCE WITH MANDATORY GOVERNMENTAL REQUIREMENTS WILL NOT RESULT IN THE BREACH OF THIS DECLARATION EVEN THOUGH SUCH COMPLIANCE MAY RESULT IN NON¬COMPLIANCE WITH PROVISIONS OF THIS DECLARATION. WHERE A GOVERNMENTAL REQUIREMENT DOES NOT CLEARLY CONFLICT WITH THE PROVISIONS OF THIS DECLARATION BUT PERMITS ACTION THAT IS DIFFERENT FROM THAT REQUIRED BY THIS DECLARATION, THE PROVISIONS THIS DECLARATION (IN ORDER OF PRIORITY) SHALL PREVAIL AND CONTROL. The Property and all Lots therein shall be developed in accordance with this Declaration, as this Declaration may be amended or modified from time to time as herein provided.

3.2 OWNER'S EASEMENT OF ENJOYMENT. Every Owner is granted a right and easement of enjoyment over the Common Areas and to use of improvements therein, subject to other rights and easements contained in the Documents. An Owner who does not occupy a Lot delegates this right of enjoyment to the Residents of his Lot. Notwithstanding the foregoing, if a

portion of the Common Area, such as a recreational area, is designed for private use, the Association may temporarily reserve the use of such area for certain persons and purposes. **AT ALL TIMES, OWNERS, OCCUPANTS, TENANTS, GUESTS, AND INVITEES AS WELL AS THOSE PERSONS ACCESSING ANY COMMON AREA OR ELEMENT OF THE ASSOCIATION DOES SO AT THEIR OWN RISK. OWNERS INVITING OCCUPANTS, TENANTS, GUESTS OR INVITEES ONTO ANY COMMON AREA OR ELEMENT IS RESPONSIBLE FOR ADVISING OF THE "ACCESS/USE AT YOUR OWN RISK."**

3.3 OWNER'S MAINTENANCE EASEMENT. Every Owner is granted an access easement not to exceed three feet (3') in width measured from the common boundary line between adjoining Lots for the maintenance or reconstruction of such Owner's Residence and other improvements on such Owner's Lot, provided Owner notifies the Architectural Reviewer in writing prior to commencement of such easement rights providing a sufficient explanation as to the purpose for which the Owner will be exercising such easement. No Owner may obstruct or materially interfere with the use of the adjoining Residence or Common Area. Requests for entry to an adjoining Lot or Common Area must be submitted in writing to the Architectural Reviewer and the adjoining Owner if an adjoining Lot, or the Architectural Reviewer in the case of Common Areas, which request shall be submitted and approved in advance and said request must include the amount of time Owner anticipates will be needed. An Owner or the Architectural Reviewer shall not withhold consent so long as the request is reasonable in nature. An Owner shall immediately repair all damages to an adjoining Lot, Residence, or Common Area in exercising this easement, the Owner is obligated to restore the damaged property to its original condition as existed prior to the Owner performing such maintenance or reconstruction work, at such Owner's expense, within a reasonable period of time. Any failure by an Owner to comply with the requirements set forth in this Section are subject to violation and/or other actions.

3.4 OWNER'S INGRESS/EGRESS EASEMENT. Every Owner is granted a perpetual easement over the Streets within the Property, as may be reasonably required, for vehicular ingress to and egress from his Lot.

3.5 ASSOCIATION'S ACCESS EASEMENT. Each Owner, by accepting an interest in or title to a Lot, whether or not it is so expressed in the instrument of conveyance, grants to the Association an easement of access and entry over, across, under, and through the Property, including without limitation all Common Areas and the Owner's Lot and all improvements thereon - including the Residence and yards - for the below-described purposes.

3.5.1 Purposes. Subject to the limitations stated below, the Association may exercise this easement of access and entry for the following express purposes:

a. To inspect the Property for compliance with maintenance and architectural standards.

b. To perform maintenance that is permitted or required of the Association by the Documents or by Applicable Law.

c. To perform maintenance that is permitted or required of the Owner by the Documents or by Applicable Law, if the Owner fails or refuses to perform such maintenance.

d. To enforce architectural standards.

e. To enforce use restrictions.

f. The exercise of self-help remedies permitted by the Documents or by Applicable Law.

g. To enforce any other provision of the Documents.

h. To respond to emergencies.

i. To grant easements to utility providers as may be necessary to install, maintain, and inspect utilities serving any portion of the Property.

j. To perform any and all functions or duties of the Association as permitted or required by the Documents or by Applicable Law.

3.5.2 No Trespass. In exercising this easement on an Owner's Lot, the Association is not liable to the Owner for trespass.

3.5.3 Limitations. If the exercise of this easement requires entry onto an Owner's Lot, including into an Owner's fenced yard, the entry will be during reasonable hours and after written notice to the Owner. This Subsection does not apply to situations that - at time of entry - are deemed to be emergencies that may result in imminent damage to or loss of life or property, which entry for such emergencies may be made without notice to an Owner.

3.6 UTILITY EASEMENT. The Association may grant permits, licenses, and easements over Common Areas for utilities, roads, and other purposes necessary for the proper operation of the Property. Owners with an easement located within any portion of their Property may not construct in the easement and shall cooperate fully with any utility easement holder. Easement holders are not required to give an Owner prior notice before exercising their easement rights. A company or entity, public or private, furnishing utility service to the Property, is granted an easement over the Property for ingress, egress, meter reading, installation, maintenance, repair, or replacement of utility lines and equipment, and to do anything else necessary to properly maintain and furnish utility service to the Property; provided, however, this easement may not be exercised without prior notice to the Board. Utilities may include, but are not limited to, water, sewer, trash removal, electricity, gas, telephone, master or cable television, and security.

3.7 SECURITY. The Association may, but is not obligated to, maintain or support certain activities within the Property designed, either directly or indirectly, to improve safety in or on the Property. Each Owner and Resident acknowledges and agrees, for himself and his guests, that Declarant, the Association, and their respective directors, officers, committees, agents, and employees are not providers, insurers, or guarantors of security within the Property and serve no law enforcement function. Each Owner and Resident acknowledges and accepts his sole responsibility to provide security for his own person and property, and assumes all risks for loss or damage to same. Each Owner and Resident further acknowledges that Declarant, the Association, and their respective directors, officers, committees, agents, and employees have made no representations or warranties, nor has the Owner or Resident relied on any representation or

warranty, express or implied, including any warranty of merchantability or fitness for any particular purpose, relative to any fire, burglar, and/or intrusion systems recommended or installed, or any security measures undertaken within the Property. Each Owner and Resident acknowledges and agrees that Declarant, the Association, and their respective directors, officers, committees, agents, and employees may not be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken. The Association serves no law enforcement function and strongly encourages Owners to report any suspected or alleged violations of laws by any other Owner or occupant or guest on the Property to the appropriate law enforcement agency(ies). The provisions of this Section 3.7 may not be modified or amended without the express written consent of Declarant.

3.8 RISK. Each Owner, Owners' immediate family, occupants of Owners' residence, tenants, guests, agents, permittees, licensees, Residents and any person entering the community or accessing Common Areas shall use all Common Areas at his/her own risk. All Common Areas are unattended and unsupervised. Each Owner, Owners' immediate family, occupants of Owners' residence, tenants, guests, agents, permittees, licensees, Residents and any person entering the community or accessing Common Areas is solely responsible for his/her own safety, and assumes all risk of loss in connection with the use of Common Areas and related amenities and improvements within the Subdivision. Neither the Association nor the Declarant, nor any managing agent engaged by the Association or Declarant, shall have any liability to any Owner or their family members or guests, or to any other person or entity, arising out of or in connection with the use, in any manner whatsoever, of the Common Area or any improvements comprising a part thereof from time to time, and the Association, Declarant and managing agent disclaims any and all liability or responsibility for injury or death occurring from use of the Common Areas. The provisions of this Section 3.8 may not be modified or amended without the express written consent of Declarant.

3.9 RIGHTS OF CITY. The City, including its agents and employees, has the right of immediate access to the Common Areas at all times if necessary for the welfare or protection of the public, to enforce City Ordinances, or for the preservation of public property. If the Association fails to maintain the Common Areas to a standard acceptable to the City, the City may give the Association a written demand for maintenance. If the Association fails or refuses to perform the maintenance within a reasonable period of time after receiving the City's written demand, the City may maintain the Common Areas at the expense of the Association after giving written notice of its intent to do so to the Association. To fund or reimburse the City's cost of maintaining the Common Areas, the City may levy an Assessment against every Lot in the same manner as if the Association levied a Special Assessment against the Lots. The City may give its notices and demands to any officer, director, or agent of the Association, or alternatively, to each Owner of a Lot as shown on the City's tax rolls. The rights of the City under this Section are in addition to other rights and remedies provided by law.

ARTICLE 4.
COMMON AREA

4.1 OWNERSHIP. The designation of any portion of the Property as a Common Area is determined by the Plat and this Declaration, and not by the ownership of such portion of the Property. This Declaration contemplates that the Association will eventually hold title to every

Common Area, facility, structure, improvement, system, or other property that are capable of independent ownership by the Association. The Declarant may install, construct, or authorize certain improvements on Common Areas in connection with the initial development of the Property, and the cost thereof is not a Common Expense (as defined in Section 9.1 hereof) of the Association. The Common Areas shall be maintained by the Association following completion of initial improvements thereon by Declarant, whether or not title to such Common Area is conveyed to the Association, in accordance with this Declaration and the Community Standard. All costs attributable to Common Areas, including maintenance, property taxes, insurance, and enhancements, are automatically and perpetually the responsibility of the Association, regardless of the nature of title to the Common Areas, unless this Declaration elsewhere provides for a different allocation for a specific Common Area. **Declarant shall have no responsibility for maintenance, repair, replacement, or improvement of the Common Area or any improvements thereon after initial construction.**

4.2 ACCEPTANCE. By accepting an interest in or title to a Lot, each Owner is deemed (1) to accept the Common Area of the Property, and any improvement thereon, in its then-existing "As Is" condition; (2) to acknowledge the authority of the Association, acting through its Board, for all decisions pertaining to the Common Area; (3) to acknowledge that transfer of a Common Area's title to the Association by or through the Declarant is a ministerial task that does not require acceptance by the Association; and (4) to acknowledge the continuity of maintenance of the Common Area, regardless of changes in the Association's Board or management.

4.3 COMPONENTS. The Common Area of the Property consists of the following components on or adjacent to the Property, even if located on a Lot or a public right-of-way:

a. All of the Property, save and except the Lots or portions of the Property owned and maintained by the City.

b. Open space and/or detention areas, as shown on the Plat, and any other area shown on the Plat as Common Area or an area to be maintained by the Association, which may include HOA Maintained PID improvements owned by the PID or the City and to be maintained by separate written agreement between the City and the Association.

c. The amenity center, if applicable, including cabana, pool, pool deck, kid pool, playground, trails, sidewalks and parking areas supporting same, as shown on the Plat as Common Area or an area to be maintained by the Association.

d. The formal entrances to the Property, including (if any) the signage, landscaping, electrical and water installations, planter boxes and fencing related to the entrance.

e. Any screening walls, fences, live screening, berms, or detention ponds along any portion of the Property.

f. Any landscape buffers and/or landscaping within landscape easements shown on the Plat.

g. Landscaping on any Street within or adjacent to the Property, to the extent it is not maintained by the City.

h. Masonry, wood and/or iron/ornamental metal fencing constructed along the perimeter of Lots that has the maintenance thereof assigned to the Association.

i. Cluster mailboxes and pad sites therefor, provided that in the event that any damage, replacement or repair of cluster mailboxes or pad sites on which such cluster mailboxes are situated is required, such maintenance, repair and/or replacements shall be performed by the Association, and the cost and/or expense incurred by the Association therefor shall be charged on a pro rata basis as an Individual Assessment to the Owners that have mailbox units in such cluster mailbox or pad site being maintained, repaired and/or replaced.

j. The surface drainage and detention areas and improvements, including, without limitation, detention ponds, creeks, and/or certain landscaping located within the drainage and/or detention easements shown on the Plat.

k. Any property adjacent to the Subdivision, if the maintenance of same is deemed to be in the best interests of the Association and if not prohibited by the Owner or operator of said property.

l. Any modification, replacement, or addition to any of the above-described areas and improvements.

m. Personal property owned by the Association, such as books and records, office equipment, and supplies.

4.4 EASEMENTS FOR COMMON AREA ACCESS. The Declarant, for itself and for the benefit of the Association, is hereby granted an easement right of access to go upon any Lot as reasonably necessary to perform the Association's obligation hereunder or as reasonably required for the performance of maintenance and repairs and/or to replace any component of the Common Area, including without limitation, cluster mailboxes, that may be located within or which may encroach upon the boundaries of such Owner's(s') Lot(s). The encroachment of any improvements which are part of the Common Area hereunder within the boundary of any Lot are hereby permitted so long as such encroachment does not unreasonably interfere with the primary use of any affected Lot for location and use as a Residence.

ARTICLE 5.
LOTS & RESIDENCES

5.1 LOTS. The Property is platted into Lots, the boundaries of which are shown on the Plat, and which may not be obvious on visual inspection of the Property. Portions of the Lots are burdened with easements for the use and benefit of the Association, Owners, and Residents. Although the Property is platted into individually owned Lots, portions of the Lots may be maintained by the Association should this Declaration or the Plat place such responsibility on the Association.

NOTE: WHILE YOU OWN YOUR LOT AND RESIDENCE, PORTIONS ARE CONTROLLED AND MAINTAINED BY THE ASSOCIATION.

5.2 RESIDENCES. Each Lot is to be improved with a Residence. The Owner of a Lot owns every component of the Lot and Residence, including all the structural components and exterior features of the Residence and is responsible for the maintenance of the Residence and Lot in accordance with this Declaration and the Community Standard.

5.3 ALLOCATION OF INTERESTS. The interests allocated to each Lot are calculated by the following formulas.

5.3.1 Common Expense Liabilities. The percentage or share of liability for Common Expenses allocated to each Lot is uniform for all Lots, regardless of the value, size, or location of the Lot or Residence.

5.3.2 Votes. The one vote appurtenant to each Lot is uniform and weighted equally with the vote for every other Lot, regardless of any other allocation appurtenant to the Lot.

ARTICLE 6.
ARCHITECTURAL COVENANTS AND CONTROL

6.1 PURPOSE. Because the Lots are part of a single, unified community, this Declaration creates rights to regulate the design, use, and appearance of the Lots and Common Areas in order to preserve and enhance the Property's value and architectural harmony. One purpose of this Article is to promote and ensure the level of taste, design, quality, and harmony by which the Property is developed and maintained. Another purpose is to prevent improvements and modifications that may be widely considered to be radical, curious, odd, bizarre, or peculiar in comparison to the existing improvements. A third purpose is to regulate the appearance of every aspect of proposed or existing improvements on a Lot, including but not limited to Residences, fences, landscaping, retaining walls, yard art, sidewalks and driveways, and further including replacements or modifications of original construction or installation. A fourth purpose is to provide for the adoption of the Architectural Reviewer of design guidelines to administer and guide the review and approval of the design, use and appearance of improvements constructed or to be constructed within the Property. The initial design guidelines adopted by the Association are attached hereto as Appendix D, and may be hereafter modified or amended from time to time by the Architectural Reviewer. During the Development Period, a primary purpose of this Article is to reserve and preserve Declarant's right of architectural control. **No exterior modification is allowed without the prior written consent of the Architectural Reviewer.**

6.2 ARCHITECTURAL CONTROL DURING THE DEVELOPMENT PERIOD. During the Development Period, neither the Association, the Board of directors, nor a committee appointed by the Association or Board (no matter how the committee is named) may involve itself with the approval of plans and specifications for new Residences to be constructed on vacant Lots. During the Development Period, the Architectural Reviewer for plans and specifications for new Residences to be constructed on vacant Lots shall be and remain in the authority of the Declarant or its delegates only.

6.2.1 Declarant's Rights Reserved. Each Owner, by accepting an interest in or title to a Lot, whether or not it is so expressed in the instrument of conveyance, covenants

and agrees that Declarant has a substantial interest in ensuring that the improvements within the Property enhance Declarant's reputation as a community developer and do not impair or adversely affect Declarant's ability to market its property or the ability of Builders (as defined in Appendix B) to sell Residences in the Property. Accordingly, each Owner agrees that - during the Development Period - no improvements will be started or progressed on any Owner's Lot without the prior written approval of Declarant or the Architectural Reviewer, which approval may be granted or withheld at Declarant's sole discretion. In reviewing and acting on an application for approval, Declarant may act solely in its self-interest and owes no duty to any other person or any organization. Declarant may designate one or more persons from time to time to act on its behalf in reviewing and responding to applications. Notwithstanding the foregoing or anything to the contrary contained herein, Declarant and any Builder may establish by separate written agreement Declarant's approval of a Builder's home plan set and approval of construction of the initial Residence on each Lot acquired by a Builder pursuant to such approved home plan set of a Builder, and Declarant shall not unreasonably withhold, condition, or delay is approval of the construction of an initial Residence on a Lot owned by a Builder that complies with the approved home plat set and any repetition requirements established by the Declarant by such approved home plan set or under this Declaration (as approved and established by Declarant for each Builder, with respect to such Builder, the "Master Home Plan Set").

6.2.2 Delegation by Declarant. During the Development Period, Declarant may from time to time, but is not obligated to, delegate all or a portion of its reserved rights as "Architectural Reviewer" under this Article to (1) an ACC (as defined in Section 6.3 hereof) to be appointed by the Board, or (2) a committee comprised or architects, engineers, or other persons who may or may not be Members of the Association. Any such delegation must be in writing and must specify the scope of delegated responsibilities. Any such delegation is at all times subject to the unilateral rights of Declarant (1) to revoke such delegation at any time and reassume jurisdiction over the matters previously delegated, and (2) to veto any decision which Declarant in its sole discretion determines to be inappropriate or inadvisable for any reason.

6.2.3 Limits on Declarant's Liability. The Declarant has sole discretion with respect to taste, design, and all standards specified by this Article during the Development Period. The Declarant, and any delegate, officer, member, director, employee or other person or entity exercising Declarant's rights under this Article shall have no liability for its decisions made and in no event shall be responsible for: (1) errors in or omissions from the plans and specifications submitted, (2) supervising construction for the Owner's compliance with approved plans and specifications, or (3) the compliance of the Owner's plans and specifications with governmental codes and ordinances, state and federal laws.

6.2.4 New Build Inspection Fees. The Declarant or its designee (which many be the Association's property manager or representatives thereof), as Architectural Reviewer, may charge at each Closing of a Lot to a Builder a fee of One Hundred Twenty-Five and No/100 Dollars ($125.00) (the "New Build Inspection Fee") in addition to any transfer fees, Resale Certificate fees or other fees charged by the Association or its managing agent in connection with the closing of the transfer or conveyance of a Lot to a Builder.

6.2.5 Restrictions on Amendment. The provisions of this Section 6.2 may not be modified or amended during the Development Period without the express written consent of Declarant.

NOTE: YOU CANNOT INDIVIDUALIZE THE OUTSIDE OF YOUR RESIDENCE, EXCEPT AS OTHERWISE EXPRESSLY PERMITTED HEREIN, WITHOUT PRIOR APPROVAL OF THE ARCHITECTURAL REVIEWER. PLAN APPROVAL IS REQUIRED. No Plat or plans for Residences or other improvements shall be submitted to the City or other applicable governmental authority for approval until such Plat and/or related construction plans have been approved in writing. Furthermore, no Residence or any other improvements shall be constructed on any Lot within the Property until plans therefore have been approved in writing by the City, the Architectural Reviewer and/or the Declarant as provided in this Article 6; provided that the Residence or other improvements in any event must comply with the requirements and restrictions set forth by the City, in this Declaration and the Design Guidelines established thereby.

6.3 ARCHITECTURAL CONTROL BY ASSOCIATION. Unless and until such time as Declarant delegates all or a portion of its reserved rights to the ACC, or the Development Period is terminated or expires, the Association has no jurisdiction over architectural matters. On termination or expiration of the Development Period, or earlier if delegated in writing by Declarant, the Declarant shall continue with the review and approvals of all Builder plans submitted for new construction. The Association, acting through the ACC or its Board, if the Association has not yet established an ACC, will assume jurisdiction over architectural control and be the "Architectural Reviewer" for purposes hereunder. No Board Member or any member residing in the Board Member's household may serve on the ACC so long an occupant of the residence serves on the Board of Directors.

6.3.1 ACC. The ACC will consist of three (3) persons only during the Declarant Control Period. After the Declarant Control Period expires or is otherwise released by the Declarant, in writing, the ACC may not consist of more than (five) 5 or less than three (3) persons. The ACC shall operate with an odd number of persons to ensure a majority vote can be obtained. Members of the ACC serve at the pleasure of the Board and may be removed and replaced at the Board's discretion. Board Members of the ACC need not be Owners or Residents, and may but need not include architects, engineers and design professionals whose compensation, if any, may be established from time to time by the Board. After the expiration of the Development Period and any period hereunder during which Declarant has the right as or to appoint or control the Architectural Reviewer or has a right to veto decisions of the Architectural Reviewer, a person may not be appointed or elected to serve on the ACC if the person is (a) a current Board member, (b) a current Board member's spouse; or (3) a person residing in a current Board member's household.

6.3.2 Limits on Liability. The ACC has sole discretion with respect to taste, design, and all standards specified by this Article. The members of the ACC have no liability for the ACC's decisions made in good faith, and which are not arbitrary or capricious. The ACC is not responsible for: (1) errors in or omissions from the plans and specifications submitted to the ACC, (2) supervising construction for the Owner's compliance with approved plans and specifications, or (3) the compliance of the Owner's plans and specifications with

governmental codes and ordinances, state and federal laws. By submitting any plan for approval, the submitting party expressly acknowledges that the ACC and/or the Architectural Reviewer are not engineers, architects or builders for purposes of plan review and that any approval or disapproval of any plans expressly excludes any opinion on the suitability of the plans on an engineering, architectural or construction basis.

6.4 PROHIBITION OF CONSTRUCTION, ALTERATION & IMPROVEMENT. Except with respect to Builder's construction of the initial Residence on a Lot owned by Builder in accordance with the Master Home Plans Set approved by Declarant for such Builder (including compliance with any applicable repetition restrictions for the construction of homes pursuant to such Declarant approved home plan set or this Declaration, without the Architectural Reviewer's prior written approval, a person may not construct a Residence or make an addition, alteration, improvement, installation, modification, redecoration, or reconstruction of or to a Residence or any other part of the Property, if it will be visible from a Street, another Residence, another Lot, or the Common Area. The Architectural Reviewer has the right but not the duty to evaluate and inspect every aspect of construction, landscaping, and property use that may adversely affect the general value or appearance of the Property. Each Builder prior to construction of the initial Residence on a Lot pursuant to its approved Master Home Plan Set (if any) shall in any event submit to the Architectural Reviewer a plot plan indicating the plan and elevation from Builder's approved Master Home Plan Set to be constructed on such Lot so the Architectural Reviewer may ensure repetition requirements under this Declaration or the Design Guidelines promulgated hereunder are adhered to. Failure of an Owner or Builder to comply with the building or construction requirements set forth in this Declaration or the Design Guidelines result in the Association levying a fine in an amount of at least $1,000 and up to $3,000.00 per occurrence of any act of non-compliance. The review of plans pursuant to this Declaration may be subject to all review and approval procedures set forth in guidelines, restrictions and/or requirements of Applicable Zoning or otherwise established by the by the Architectural Reviewer in its review of plans pursuant hereto.

6.5 ARCHITECTURAL APPROVAL. To request architectural approval, an Owner must make written application and submit to the Architectural Reviewer, with payment of any applicable review fee then being charged by the Architectural Reviewer, one full set of plans and specifications showing the nature, kind, shape, color, size, materials, and locations of the work to be performed. In support of the application, the Owner may but is not required to submit letters of support or non-opposition from Owners of Lots that may be affected by the proposed change. The application must clearly identify any requirement of this Declaration for which a variance is sought. The Architectural Reviewer will return one set of plans and specifications to the applicant marked with the Architectural Reviewer's response, such as "Approved," "Denied," or "More Information Required." Written notice of the determination of the Architectural Reviewer shall be provided to an applying Owner via certified mail, hand delivery or electronic delivery to the contact address of such Owner registered with the Association. Denials of the Architectural Reviewer must describe the basis for denial in reasonable detail and changes, if any in the application or improvements required as a condition to approval, and inform the Owner that the Owner may request a hearing under Section 209.00505(e) of the Texas Property Code on or before the 30th day after the date the notice was delivered by the Architectural Reviewer to the Owner. Notwithstanding the foregoing or anything to the contrary contained herein, each Builder prior to construction of the initial Residence on a Lot pursuant to its approved Master Home Plan Set (if

any) shall in any event submit to the Architectural Reviewer a plot plan indicating the plan and elevation from Builder's approved Master Home Plan Set to be constructed on such Lot so the Architectural Reviewer may ensure repetition requirements under this Declaration or the Design Guidelines promulgated hereunder are adhered to. Except for Declarant's approval as Architectural Reviewer hereunder with respect to the Master Home Plan Set of a Builder, a determination of the Architectural Reviewer may be appealed to the Board of the Association in accordance with Section 209.00505 of the Texas Property Code, and the Board shall hold a hearing within 30 days after an Owner's request for a hearing. The Architectural Reviewer will retain a set of plans received for the Association's files.

6.5.1 No Verbal Approval. Verbal approval by an Architectural Reviewer, the Declarant, an Association director or officer, a member of the ACC, or the Association's manager does not constitute architectural approval by the appropriate Architectural Reviewer, which must be in writing.

6.5.2 No Deemed Approval. The failure of the Architectural Reviewer to respond to an application submitted by an Owner may **NOT** be construed as approval of the application. Under no circumstance may approval of the Architectural Reviewer be deemed, implied, or presumed.

6.5.3 No Approval Required. Approval is not required for an Owner to remodel or repaint the interior of a Residence.

6.5.4 Building Permit. If the application is for work that requires a building permit from a governmental body, the Architectural Reviewer's approval is conditioned on the issuance of the appropriate permit or the Architectural Reviewer may require a copy of a permit prior to commencing review of the plans submitted. The Architectural Reviewer's approval of plans and specifications does not mean that they comply with the requirements of the governmental body. Alternatively, governmental approval does not ensure Architectural Reviewer approval.

6.5.5 Neighbor Input. The Architectural Reviewer may solicit comments on the application, including from Owners or Residents of Residences that may be affected by the proposed change, or from which the proposed change may be visible. Whether to solicit comments, from whom to solicit comments, and whether to make the comments available to the applicant is solely at the discretion of the Architectural Reviewer. The Architectural Reviewer is not required to respond to the commenter in ruling on the application.

6.5.6 Declarant Approved. Notwithstanding anything to the contrary in this Declaration, any improvement to the Property made or approved in writing by Declarant as part of a Builder's Master Home Plan set approval or during the Development Period is deemed to have been approved by the Architectural Reviewer; provided, however, that such Builder prior to construction of the initial Residence on a Lot pursuant to its approved Master Home Plan Set (if any) shall in any event submit to the Architectural Reviewer a plot plan indicating the plan and elevation from Builder's approved Master Home Plan Set to be constructed on such Lot so the Architectural Reviewer may ensure repetition requirements under this Declaration or the Design Guidelines promulgated hereunder are adhered to. . The

provisions of this Section 6.5.6 may not be modified or amended during the Declarant Control Period without the express written consent of Declarant.

ARTICLE 7.
CONSTRUCTION AND USE RESTRICTIONS

7.1 VARIANCE. The use of the Property is subject to the restrictions contained in this Decalration, and subject to Rules adopted pursuant to this Article. The Board or the Architectural Reviewer, as the case may be, may grant a variance or waiver of a restriction or Rule on a case-by-case basis when unique circumstances dictate, and may limit or condition its grant. To be effective, a variance must be in writing. The grant of a variance does not affect a waiver or estoppel of the Association's right to deny a variance in other circumstances. Approval of a variance or waiver may not be deemed, implied, or presumed under any circumstance. Variances given by Declarant or Architectural Reviewer are perpetual, and future Architectural Reviewer(s) (which may include future members of the ACC, the Board or successors in interest to Declarant's rights hereunder) cannot revoke a prior variance granted unless required by Applicable Zoning or other Applicable Law.

7.2 PROHIBITION OF CONSTRUCTION, ALTERATION & IMPROVEMENT. Without the Architectural Reviewer's prior written approval, a person may not commence or continue any construction, alteration, addition, improvement, installation, modification, redecoration, or reconstruction of or to the Property, or do anything that affects the appearance, use, or structural integrity of the Property. The Architectural Reviewer has the right but not the duty to evaluate every aspect of construction and property use that may adversely affect the general value or appearance of the Property. No permanent structures may be constructed on any Lot without the prior written consent and approval of the Architectural Reviewer, including without limitation (i) children's playhouses and play sets, (ii) dog houses, (iii) greenhouses, (iv) gazebos (v) pools, spas and other water features, (vi) cabanas or pergolas, and (vii) buildings for storage of lawn maintenance equipment. Permanent structures that exceed the height of the fence line around the rear yard of any Lot shall be placed in the rear yard area behind and screened from the Street by the primary Residence constructed on such Lot.

7.3 LIMITS TO RIGHTS. No right granted to an Owner by this Article or by any provision of the Documents is absolute. The Documents grant rights with the expectation that the rights will be exercised in ways, places, and times that are customary for the Subdivision. This Article and the Documents as a whole do not try to anticipate and address every creative interpretation of the restrictions. The rights granted by this Article and the Documents are at all times subject to the Board's determination that a particular interpretation and exercise of a right is significantly inappropriate, unattractive, or otherwise unsuitable for the Subdivision, and thus constitutes a violation of the Documents. In other words, the exercise of a right or restriction must comply with the spirit of the restriction as well as with the letter of the restriction.

7.4 ASSOCIATION'S RIGHT TO PROMULGATE RULES. The Association, acting through its Board, is granted the right to adopt, amend, repeal, and enforce reasonable Rules, and penalties for infractions thereof, regarding the occupancy, use, disposition, maintenance, appearance, and enjoyment of the Property. In addition to the restrictions contained in this Article,

each Lot is owned and occupied subject to the right of the Board to establish Rules, and penalties for infractions thereof, governing:

a. Use of Common Areas.

b. Hazardous, illegal, or annoying materials or activities on the Property.

c. The use of Property-wide services provided through the Association.

d. The consumption of utilities billed to the Association.

e. The use, maintenance, and appearance of exteriors of Residences and Lots. The exterior of Residences may not be individualized.

f. Landscaping and maintenance of yards. Owners are charged with the responsibility of ensuring that sufficient watering is done to promote healthy growth of their lawn.

g. The occupancy and leasing of Residences.

h. Animals and restrictions as to the type and number of household pets shall be strictly enforced.

i. Vehicle regulations shall be strictly enforced. The Association shall have the right to contact a towing company for any vehicle that blocks driveways, fire hydrants, or presents a safety hazard at any time.

j. Disposition of trash and control of vermin, termites, and pests.

k. Anything that interferes with maintenance of the Property, safety of the Owners, tenants, or guests, operation of the Association, administration of the Documents, or the quality of life for Residents.

7.5 SINGLE-FAMILY USE. Each Lot (including land and improvements) shall be used and occupied for single-family residential purposes only, as such use is defined in accordance with the ordinances of the City from time to time in effect.

7.6 ANIMALS. DOMESTIC ANIMALS ONLY. Owners shall, at all times, clean up after their pets, including within their own Lots or while accessing Common Areas or Association grounds. Pets must be on a leash when taken outside the fenced in area of an Owner's Lot. Violations of this nature are considered "non-curable" or "uncurable" in nature and require less advanced notice to an Owner and carry greater fines. No wild animal, animal, bird, fish, reptile, poultry, swine, or insect of any kind may be kept, maintained, raised, or bred anywhere on the Property for a pet, commercial purpose or for food. Customary domesticated household pets may be kept subject to the Rules. The Board may adopt, amend, and repeal Rules regulating the types, sizes, numbers, locations, and behavior of animals, including prohibiting animals having an aggressive or vicious nature, at the Property. The Board may require or effect the removal of any animal determined to be in violation of this Section or the Rules. Unless the Rules provide otherwise:

7.6.1 Number. No more than four (4) pets with a weight up to 24 pounds each, or no more than three (3) pets with a weight of 25 to 74 pounds, and no more than two (2) pets with a weight over 75 pounds each, may be maintained or kept in a Residence. Pets, unless otherwise noted, refers to domesticated dogs or cats. Permission to maintain other types or additional numbers of household pets must be obtained in writing from the Board.

7.6.2 Disturbance. Pets must be kept in a manner that does not disturb the peaceful enjoyment of Residents of other Lots. No pet may be permitted to bark, howl, whine, screech, or make other loud noises for extended or repeated periods of time. Owner shall ensure that their pet(s) comply with these rules at all times. Pets must be kept on a leash when outside the Residence. The Board is the sole arbiter of what constitutes a threat or danger, disturbance or annoyance and may upon written notice require the immediate removal of the animal(s) should the Owner fail to be able to bring the animal into compliance with this Declaration or any rules and regulations promulgated hereunder. Any animal that is being abused or neglected may be turned into the local authorities for immediate action. Those pets which are permitted to roam free, or, in the sole discretion of the Board and to the extent permitted under Applicable Law, constitute a nuisance to the occupants of other Lots may issue an order to an Owner that such pet be removed upon request of the Board; provided, in no event shall the Board or Association be required to remove any pet from the Subdivision. If an Owner has failed to remove its pet from the Subdivision pursuant to any order of removal issued by the Board within three (3) days after such order is delivered to an Owner, such Owner shall be subject to fines hereunder and the Board may proceed with efforts to immediately remove the pet that is the subject to the order from the Subdivision. Notwithstanding anything contained herein to the contrary, the Board in its sole discretion and without incurring any further duty or obligation to Owners or Residents within the Property, may decide to take no action and refer complaining parties to the appropriate municipal or governmental authorities for handling and final disposition. **IF ANY ANIMAL OR PET IS A NUISANCE IN THE SUBDIVISION, HOMEOWNERS ARE ENCOURAGED TO CONTACT THEIR LOCAL ANIMAL CONTROL AUTHORITY FOR ASSISTANCE.** The Association shall have no liability or obligation to ensure removal of a pet from the Subdivision that is a nuisance and cannot be held liable or responsible if any enforcement actions taken by the Association under this Section 7.5.2 are unsuccessful. Any Owner of a pet that attacks another person or animal within the Subdivision is subject to a $1,000 fine per occurrence (each day of violation of any kind is deemed being a separate occurrence), whether or not such Owner's pet inflicted harm on a person.

7.6.3 Indoors/Outdoors. A permitted pet must be maintained inside the Residence, and may not be kept on a patio or in a yard area. No pet is allowed on the Common Area unless carried or leashed.

7.6.4 Pooper Scooper. A Resident is responsible for the removal of his pet's wastes from the Property. Unless the Rules provide otherwise, a Resident must prevent his pet from relieving itself on the Common Area, or the Lot of another Owner. The Association may levy fines up to $300.00 per occurrence for any Owner who violates this section and does not comply with the rules as set forth herein. The Association is only required to deliver notice of this fine under Section 7.6.4 to a violating Owner via certified mail prior

to levying any fine or charges against such Owner under this Section 7.6.4, and such fine shall be due and payable immediately upon receipt of such certified mail notice.

7.6.5 Liability. An Owner is responsible for any property damage, injury, or disturbance caused or inflicted by an animal kept on the Lot. The Owner of a Lot on which an animal is kept is deemed to indemnify and to hold harmless the Board, the Association, and other Owners and Residents, from any loss, claim, or liability resulting from any action of the animal or arising by reason of keeping the animal on the Property. **EACH OWNER BY ACCEPTANCE OF TITLE TO ITS LOT HEREBY RELEASES AND WAIVES THE ASSOCIATION, DECLARANT, THE BOARD AND/OR ITS MANAGING AGENT AND THEIR RESPECTIVE MEMBERS, EMPLOYEES, DESIGNEES, ADMINISTRATORS, INSPECTORS, CONTRACTORS, AND AGENTS, AND AGREES TO INDEMNIFY AND DEFEND SAME AND HOLD THEM HARMLESS FROM AND AGAINST ANY CLAIMS, LIABILITIES, LOSS, DAMAGE, COSTS AND EXPENSES, INCLUDING BUT NOT LIMITED TO ATTORNEYS' FEES, IN CONNECTION WITH OR ARISING OUT OF ANY ACTIONS OR ATTACK BY OWNER'S PET OR BY ANY PET RESIDING ON AN OWNER'S LOT WITHIN THE SUBDIVISION. ALL BREEDS OF PETS THAT ARE DETERMINED TO BE AGGRESSIVE OR VICIOUS BREEDS BY THE BOARD OR ANY APPLICABLE GOVERNMENTAL AUTHORITY (INCLUDING SPECIFICALLY, WITHOUT LIMITATION, PIT BULLS OR ROTTWEILERS) ARE STRICTLY PROHIBITED WITHIN THE SUBDIVISION AND ARE DEEMED TO BE A NUISANCE AND SUBJECT TO REMOVAL PROVISIONS SET FORTH HEREIN**.

7.7 ANNOYANCE; NUISANCE. No Lot or Common Area may be used in any way that: (1) may reasonably be considered annoying to neighbors; (2) may be calculated to reduce the desirability of the Property as a residential neighborhood; (3) may endanger the health or safety of Residents of other Lots; (4) may result in the cancellation of insurance on the Property; or (5) violates any law or Governmental Requirement. Furthermore, no Owner or Resident may make verbal or physical threats against any member of the Board, any managing agent for the Association, or their inspectors, agents, representatives or employees. The Board has the sole authority to determine what constitutes an annoyance, nuisance or threat. Any violation of this Section 7.7 shall be an immediate violation offense subject to fines, amenity privileges suspended, or other consequences as set forth in this Declaration or the Rules.

7.8 APPEARANCE. Both the Lot and the Residence must be maintained in a manner so as not to be unsightly when viewed from the Street or neighboring Lots or Common Areas. During the initial construction of a Residence on a Lot by Builder or any subsequent construction by Owner, the Builder or Owner (as the case may be) must keep and maintain the Lot during construction of the Residence or other improvements thereon free of trash and debris, and keep the Streets, alleys and other rights-of-way within the Subdivision clean and free of hazardous debris related to such construction activity on such Builder's or Owner's Lot, failing which the constructing Builder or Owner shall be subject to a fine in an amount of at least $1,000 and up to $3,000.00 per occurrence of any act of non-compliance. The Architectural Reviewer is the arbitrator of acceptable appearance standards of Lots and Residences, and acceptable cleanliness and debris management standards applicable to Lots, Residences, Streets, alleys or other rights-of-way in connection with construction activities on a Lot.

7.9 ACCESSORY STRUCTURES AND SHEDS. Accessory structures and sheds, whether temporary or permanent, may not be brought upon or otherwise allowed on an Owner's Lot without the express written consent of the Architectural Reviewer.

7.10 BARBECUE. Exterior fires are prohibited on the Property unless contained in commercial standard grilling device approved by the Board.

7.11 COLOR CHANGES. The colors of a Residence, fences, exterior decorative items, window treatments, and all other improvements on a Lot are subject to regulation and approval by an Architectural Reviewer. Because the relative merits of any color are subjective matters of taste and preference, the Architectural Reviewer determines the colors that are acceptable to the Association. A Resident may not change or add colors that are visible from the Street, a Common Area, or another Lot or Residence without the prior written approval of the Architectural Reviewer.

7.12 YARDS. This Section applies to a Lot's yard that is visible from the Common Areas, adjacent Lots or any Street, and not part of the Area(s) of Common Responsibility. An Owner will maintain his front, side, and rear yards in a neat and attractive manner that is consistent with the Subdivision and shall water his yard with the appropriate amounts of water needed to keep the yard healthy and alive. The Association shall consider water restrictions should any such restriction apply. A yard may never be used for storage. All sports or play items as well as barbeque grills or other items or structures must be stored out of view at all times when not in use unless otherwise approved in writing by the Architectural Reviewer. No basketball goals may be used without the express written permission of the Architectural Reviewer. Basketball goals may be exempt from storing when not in use if the location of the goal and condition of the goal are deemed acceptable by the ACC. In any event, portable basketball goals approved in writing by the Architectural Reviewer may not be kept in the street, or in a manner that blocks a sidewalk, and goals may not be placed in the grass area located between the front building line and street. The Architectural Reviewer has sole authority to determine placement of the goal. No Owner shall install concrete pad or other surfaces for a basketball goal without the prior written consent of the Architectural Reviewer. Permanent basketball goals are prohibited without express consent in writing from the Reviewer, and, in any event, no basketball goal may be mounted to the exterior of the Residence or placed as a permanent structure. Goals must be kept in good repair at all times and may not use unsightly weights such as tires, sand bags, or rocks unless the Owner can provide written proof from the manufacturer that such weights are the recommended means of weighing down the goal. ***No synthetic turf of any kind is allowed in any portion of the front, rear or sides of any yard.*** Periodic trimming of trees and shrubs as well as the installation of annual or perennial flowers to the front yards of a Residence may be required by the Association. The kind of annual or perennial flowers shall be determined by the Board of Directors who may rely on recommendations of the landscaper contracted to maintain Common Areas within the Subdivision.

7.13 DECLARANT PRIVILEGES. In connection with the development and marketing of the Property, Declarant has reserved a number of rights and privileges to use the Property in ways that are not available to other Owners and Residents, as provided in Appendix B of this Declaration. Declarant's exercise of a Development Period right that appears to violate a Rule or a use restriction of this Article does not constitute waiver or abandonment of the restriction by the Association. The provisions of this Section 7.13 may not be modified or amended without the express written consent of Declarant.

7.14 DECORATION. Decorations include any form of lights, statues, yard art, flags, banners, water features or any other decorative items regardless of its origin or use. Residents should not individualize, install or add decorations to any portion of the Residence or yard that can be seen from any street or the front of the Residence without the express written consent of the Architectural Reviewer. What is appealing or attractive to one person may be objectionable to another. Small non-offensive yard art, bird baths and other architecturally pleasing items ay be allowed, notwithstanding a photo or sample photo of the object along with a written request must be submitted and approved prior to any installation of placement of any item. Holiday lights and decorations ay be tastefully displayed on the home or in the yard up to fifteen (15) days prior to a major holiday and must be removed within ten (10) day after the holiday has passed, except that displays during the month of December may be displayed up to thirty (30) days prior to the holiday and may remain until after the New Year holiday and then must be removed. ***The Architectural Reviewer has sole discretion as to what may be deemed acceptable relating to this paragraph***. Owners receiving written notice asking that certain displays be removed shall be required to comply within five (5) days of the date on the written request. Written requests may be sent via electronic or U.S. Mail. Owners wishing to display religious displays must abide by the rules set forth elsewhere in this Declaration, the Design Guidelines or by policies adopted by the Association.

7.15 DRAINAGE. No person may interfere with the established drainage pattern over any part of the Property unless an adequate alternative provision for proper drainage has been approved by the Board.

7.16 DRIVEWAYS. The driveway portion of a Lot may not be used for any purpose that interferes with its ongoing use as a route of vehicular access to the garage. Driveways shall be concrete and only upon written approval of the ACC, may have a different finish such as, but not limited to, Exposed Aggregate or Salt Finished Concrete. Without the Board's prior approval, a driveway may not be stained or used: (1) used for storage purposes, including storage of boats, trailers (of any kind), sports vehicles of any kind, and inoperable vehicles; or (2) for any type of repair or restoration of vehicles. Barbeque grills must be removed when not in use.

7.17 FIRE SAFETY. No person may use, misuse, cover, disconnect, tamper with, or modify the fire and safety equipment of the Property, including the sprinkler heads and water lines in and above the ceilings of the Residence, or interfere with the maintenance and/or testing of same by persons authorized by the Association or by public officials.

7.18 GARAGES. The garage area of a Residence may not be enclosed or used for any purpose that prohibits the parking of two (2) standard-size operable vehicles therein. Garage doors are to be kept closed at all times except when a vehicle is entering or leaving. The garage set back shall not be less than the applicable minimum front yard set-back for front entry garages or side yard set-back for side entry garages. All garages shall conform with the City of Pilot Point regulations and in the event of an absence of such regulations may, upon written approval of the ACC, be front or side entry garages. Garage doors shall be metal, patterned, and with a wood-like texture or wood.

7.19 GUNS, FIREARMS AND WEAPONS; FIREWORKS. Hunting and shooting are not permitted anywhere on or from the Property. No toys, weapons or firearms, including, without

limitation, air rifles, BB guns, sling-shots or other item that is designed to cause harm to any person, animal or property may be used in a manner to cause such harm (whether intentionally or negligently or otherwise) to any person, animal or property. Violation of this restriction is subject to an immediate fine of up to $1,000 per occurrence after the first notification (which may be given in writing or verbally, to the extent permitted under Applicable Law). Fireworks are strictly prohibited. Use of fireworks in the Subdivision is subject to a monetary fine of $1,000.00 for each violation. A sworn affidavit signed by a witness with legal capacity made under penalty of perjury attesting to the violation and specifying the date of approximate time of such violation which is received by the Association shall be sufficient evidence of such violation

7.20 LANDSCAPING. No person may perform landscaping, planting or gardening on the Common Area without the Board's prior written authorization. No synthetic turf is allowed in any portion of the front, rear or sides of any yard.

7.21 LEASING OF RESIDENCES. Each Residence is to be occupied by the Owner of such Lot or Residence for a period of one (1) year from the date on which an Owner acquires or obtains a certificate of occupancy (or equivalent) for a Residence (the "Owner Occupancy Period") and such Lot or Residence shall not be made available as a rental property until after the Owner Occupancy Period has expired. The Owner Occupancy Period shall apply to each successive Owner of any Lot or Residence based on the date on which such transferee Owner acquires or obtains a certificate of occupancy (or equivalent) for a Residence. Any violation of this provision by an Owner shall be considered a violation of this Declaration, and in addition to other remedies available under the law, including but not limited to, injunctive relief, the Declarant, the Association or any other Owner shall be entitled to enforce specific performance under this provision. Following the Owner Occupancy Period applicable to an Owner, an Owner may lease his Residence on his Lot in accordance with and subject to the following:

7.21.1 No more than ten percent (10%) of the residences within the Subdivision may be leased to a non-Owner occupant at any given time without the express written consent and approval of the Board, which may be withheld in the Board's sole and absolute discretion. The Board may grant a variance of this use restriction on a case by case basis at the sole and absolute discretion of the Board. Declarant and Builder owned Lots shall not be included in calculation of the ten percent (10%) cap on leased residences on Lots in the Subdivision.

7.21.2 In no event shall any short-term leases of less than 12-months be permitted without express written permission of the Board. In no event may any Owner lease its Residence or Lot, or any portion thereof, through Air BnB, VRBO or other similar service for short term rentals.

7.21.3 Each Owner must register a tenant with the Association on forms then adopted by the Association. The foregoing terms may be incorporated in any leasing policies adopted by the Association.

7.21.4 In any event, an Owner must deliver a copy of any proposed lease to the Board as a condition to the effectiveness of such Lease, and any proposed lease must include a requirement that the tenant and any occupants of a residence by such Lease fully

comply with the terms of this Declaration and that such Tenant agree to be jointly and severally liable to the Association for any fines, fees or assessments levied against the tenant or any occupant of a residence on a Lot by such lease (the "Required Lease Terms"). ***Whether or not it is so stated in a lease, every lease is subject to this Declaration and any rules, regulations, design guidelines or other Documents promulgated hereunder, and subject to all Governmental Requirements***. An Owner is responsible for providing its tenant with copies of this Declaration, and any and all rules, regulations, design guidelines or other Documents promulgated hereunder, and notifying its tenant of changes thereto. Failure by the tenant or his invitees to comply with this Declaration and any rules, regulations, design guidelines or other Documents promulgated hereunder, or any federal or state law, or local ordinance or other Governmental Requirements is deemed to be a default by the Owner of the leased Lot or Residence, and shall be a default under the terms of the lease.

7.21.5 When the Association notifies an Owner of its tenant's violation, the Owner will promptly obtain his tenant's compliance or exercise its rights as a landlord for tenant's breach of lease. If the tenant's violation continues or is repeated, and if the Owner is unable, unwilling, or unavailable to obtain his tenant's compliance, then the Association has the power and right (but is not obligated) to pursue the remedies of a landlord under the lease or state law for the default, including eviction of the tenant. **THE OWNER OF A LEASED LOT IS LIABLE TO THE ASSOCIATION FOR ANY EXPENSES INCURRED BY THE ASSOCIATION IN CONNECTION WITH ENFORCEMENT OF THIS DECLARATION, AND ANY AND ALL RULES, REGULATIONS, DESIGN GUIDELINES OR OTHER DOCUMENTS PROMULGATED HEREUNDER AND/OR ANY GOVERNMENTAL REQUIREMENTS AGAINST HIS TENANT.**

7.21.6 The Board may reject any proposed lease that would result in more than ten percent (10%) of the Residences in the Subdivision being leased to non-Owner occupants or which fail to include the Required Lease Terms.

7.21.7 Notwithstanding the foregoing or anything to the contrary contained herein, during the Declarant Control Period, neither Declarant nor any Builder shall be subject to the leasing restriction contained in this Section 7.21 with respect to any Lot owned by Builder, and Lots owned by Builder or Declarant during the Declarant Control Period that are leased by Declarant or such Builder shall not be accounted for in determining the ten percent (10%) cap on leased residences in the Subdivision. The Association is not liable to the Owner for any damages, including lost rents, suffered by the Owner in relation to the Association's enforcement of this Declaration, and any and all rules, regulations, design guidelines or other dedicatory instruments promulgated hereunder against the Owner's tenant.

7.21.8 The Association has the right to request each Owner leasing a Residence or Lot in the Subdivision subject to this Declaration provide the Association with the following regarding the lease or tenant thereunder:

(a) The contact information, including name, mailing address, phone number, and e-mail address of each person who will reside on the Owner's Residence or Lot under the terms of such lease; and

(b) The commencement date and term of such lease.

7.22 NOISE & ODOR. A Resident of a Residence must exercise reasonable care to avoid making or permitting to be made loud, disturbing, or objectionable noises or noxious odors that are likely to disturb or annoy Residents of neighboring Residences. The rules and regulations promulgated by the Association may limit, discourage, or prohibit noise-producing activities and items in the Residences and on the Common Areas within the Subdivision. The Association shall provide an Owner with notice of its violation of this use restriction, and if an Owner receives more than one notice in any 12 month period, upon receipt of the second notice from the Association, the Owner shall be subject to fines hereunder. Notwithstanding anything contained herein to the contrary, the Board in its sole discretion and without incurring any further duty or obligation to Owners and Residents within the Property, may decide to take no action and refer complaining parties to the appropriate municipal or governmental authorities for handling and final disposition. **IF ANY NOISE OR ODOR BECOMES IS A NUISANCE IN THE SUBDIVISION, RESIDENTS ARE ENCOURAGED TO CONTACT THEIR LOCAL LAW ENFORCEMENT OFFICIALS FOR ASSISTANCE.** The Association shall have no liability or obligation to ensure the Subdivision or any Owner or Resident of a Residence therein is free from nuisance and cannot be held liable or responsible if any enforcement actions taken by the Association under this Section 7.22 are unsuccessful. **EACH OWNER AND RESIDENT BY ACCEPTANCE OF TITLE TO ITS LOT HEREBY RELEASES AND WAIVES THE ASSOCIATION, DECLARANT, THE BOARD AND/OR ITS MANAGING AGENT AND THEIR RESPECTIVE MEMBERS, EMPLOYEES, DESIGNEES, ADMINISTRATORS, INSPECTORS, CONTRACTORS, AND AGENTS, AND AGREES TO INDEMNIFY AND DEFEND SAME AND HOLD THEM HARMLESS FROM AND AGAINST ANY CLAIMS, LIABILITIES, LOSS, DAMAGE, COSTS AND EXPENSES, INCLUDING BUT NOT LIMITED TO ATTORNEYS' FEES, IN CONNECTION WITH OR ARISING OUT OF ANY ACTIONS OR INACTIONS OF AN OWNER OR THE RESIDENTS OF SUCH OWNERS LOT THAT RESULTS IN NOISE OR ODORS THAT MAY BE A NUISANCE TO OTHERS WITHIN THE SUBDIVISION.** Any Owner in violation of this Section 7.22 is subject to a $1,000 fine per occurrence (each day of violation being deemed to be an occurrence).

7.23 OCCUPANCY - NUMBERS. The Board may adopt Rules regarding the occupancy of Residences. If the Rules fail to establish occupancy standards, no more than one person per bedroom may occupy a Residence, subject to the exception for familial status. The Association's occupancy standard for Residents who qualify for familial status protection under the fair housing laws may not be more restrictive than the minimum (i.e., the fewest people per Residence) permitted by the U. S. Department of Housing and Urban Development. Other than the living area of the Residence, no thing or structure on a Lot, such as the garage, may be occupied as a residence or business at any time by any person.

7.24 OCCUPANCY - TYPES. A person may not occupy a Residence if the person constitutes a direct threat to the health or safety of other persons, or if the person's occupancy would result in substantial physical damage to the property of others. This Section does not and may not be construed to create a duty for the Association or a selling Owner to investigate or screen purchasers or prospective purchasers of Residences. By owning or occupying a Residence, each person acknowledges that the Subdivision is subject to local, state, and federal fair housing

laws and ordinances. Accordingly, this Section may not be used to discriminate against classes or categories of people.

7.25 RESIDENTIAL USE. The use of a Residence is limited exclusively to residential purposes or any other use permitted by this Declaration or uses permitted under Applicable Zoning, or the additional uses permitted by right or with administrative approval under the development standards adopted by the City pursuant to applicable Lot(s). The residential use restriction herein does not, however, prohibit a Resident from using a Residence for personal business or professional pursuits provided that: (1) the uses are incidental to the use of the Residence as a residence; (2) the uses conform to applicable Governmental Requirements; (3) there is no external evidence of the uses; (4) the uses do not entail visits to the Residence by employees or the public in quantities that materially increase the number of vehicles entering and exiting the Subdivision; and (5) the uses do not interfere with Residents' use and enjoyment of neighboring Residences or Common Areas.

7.26 SIGNS. No signs, including signs advertising the Residences for sale or lease, or unsightly objects may be erected, placed, or permitted to remain on the Property or to be visible from windows in the Residence without either (i) written authorization of the Board, or (ii) in strict conformance with the requirements set forth in the Design Guidelines, which include rights regarding Religious Displays as set forth in Section 202.018 of the Texas Property Code. If the Board authorizes signs, the Board's authorization may specify the location, nature, dimensions, number, and time period of any advertising sign. As used in this Section, "sign" includes, without limitation, lettering, images, symbols, pictures, shapes, lights, banners, and any other representation or medium that conveys a message. The Association may affect the immediate removal of any sign or object that violates this Section or which the Board deems inconsistent with neighborhood standards without liability for trespass or any other liability connected with the removal. Notwithstanding the foregoing, if public law - such as Texas Election Code Section 259.002 and local ordinances - grants an Owner the right to place political signs on the Owner's Lot, the Association may not prohibit an Owner's exercise of such right. The Association may adopt and enforce Rules regulating every aspect of political signs on Owners' Lots to the extent not prohibited or protected by public law. Unless the Rules or public law provide otherwise (1) a political sign may not be displayed more than 90 days before or 10 days after an election to which the sign relates; (2) a political sign must be ground-mounted; (3) an Owner may not display more than one political sign for each candidate or ballot item; and (4) a political sign may not have any of the attributes itemized in Texas Election Code Section 259.002, to the extent that statute applies to the Lot.

7.27 STRUCTURAL INTEGRITY. No person may directly or indirectly impair the structural soundness or integrity of any Residence, nor do any work or modification that will impair an easement or real property right.

7.28 TELEVISION. Each Resident of the Property will avoid doing or permitting anything to be done that may unreasonably interfere with the television, radio, telephonic, electronic, microwave, cable, or satellite reception on the Property. Antennas, satellite or microwave dishes, and receiving or transmitting towers that are visible from a Street or from another Lot are prohibited within the Property, except (1) reception-only antennas or satellite dishes designed to receive television broadcast signals, (2) antennas or satellite dishes that are one

meter or less in diameter and designed to receive direct broadcast satellite service (DBS), or (3) antennas or satellite dishes that are one meter or less in diameter or diagonal measurement and designed to receive video programming services via multipoint distribution services (MDS) (collectively, the "Antenna") are permitted if located (a) inside the Residence (such as in an attic or garage) so as not to be visible from outside the Residence, (b) in a fenced yard, or (c) attached to or mounted on the rear wall of a Residence below the eaves. If an Owner determines that an Antenna cannot be located in compliance with the above guidelines without precluding reception of an acceptable quality signal, the Owner may install the Antenna in the least conspicuous location on the Lot or Residence thereon where an acceptable quality signal can be obtained. The Association may adopt reasonable Rules for the location, appearance, camouflaging, installation, maintenance, and use of the Antennas to the extent permitted by public law. An Owner must have written permission of the Association or Architectural Reviewer to install any apparatus to the roof of the structure.

7.29 TRASH. Each Resident will endeavor to keep the Property clean and will dispose of all refuse in receptacles designated specifically by the Association or by the City for that purpose. Trash must be placed entirely within the designated receptacle. No trash may be left outside a designated container shall be concealed from public view at all times except for the designated times set forth in this Declaration, any Policy or Rule and/or Regulation adopted for such purpose. The Board may adopt, amend, and repeal Rules regulating the disposal and removal of trash from the Property. If the Rules fail to establish hours for outside trash containers, the container may be in the designated area from dusk on the evening before trash pick-up day until dusk on the day of trash pick-up. *At all other times, trash containers, garbage or other waste must be kept in sanitary containers and shall be kept inside the garage or otherwise out of public view or screened from view and may not be visible from a Street, Common Area or another Residence.* Bulk trash may not be stored or left out for more than twelve (12) hours prior to bulk trash pick-up. The construction or installation of concrete pads for trash cans requires prior written consent of the Architectural Reviewer. The Association shall diligently pursue any violations and exercise self-help to initiate clean-up when necessary and shall bill back the costs to the Owner's account.

7.30 VARIATIONS. Nothing in this Declaration may be construed to prevent the Architectural Reviewer from (1) establishing standards for one Residence, type of Residence, or phase in the Property that are different from the standards for other Residences or phases, or (2) approving a system of controlled individualization of Residence's(s') exteriors.

7.31 VEHICLES. All vehicles on the Property, whether owned or operated by the Residents or their families and guests, are subject to this Section and Rules adopted by the Board. The Board may adopt, amend, and repeal Rules regulating the types, sizes, numbers, conditions, uses, appearances, and locations of vehicles on the Property. The Board may affect the removal of any vehicle in violation of this Section or the Rules without liability to the owner or operator of the vehicle.

7.31.1 Parking in Street. **NO PARKING IN THE STREET EXCEPT AS PERMITTED BY CITY ORDINANCE**. Owners shall utilize their garages and driveways for vehicle parking. Vehicles that are not prohibited below may park in the Street as permitted by City Ordinance only in designated head-in parking areas, subject to the continuing right of the Association to adopt reasonable Rules if circumstances warrant.

7.31.2 Prohibited Vehicles. Without prior written Board approval, the following types of vehicles and vehicular equipment - mobile or otherwise - may not be kept, parked, or stored anywhere on the Property - including overnight parking on Streets, driveways, and visitor parking spaces - if the vehicle is visible from a Street or from another Residence: mobile homes, motor homes, buses, trailers, boats, inoperable vehicles, commercial truck cabs, trucks with tonnage over one ton, vehicles which are not customary personal passenger vehicles, and any vehicle which the Board deems to be a nuisance, unsightly, or inappropriate. This restriction does not apply to vehicles and equipment temporarily on the Property in connection with the construction or maintenance of a Residence. Vehicles that transport inflammatory or explosive cargo are prohibited from the Property at all times.

7.32 WINDOW TREATMENTS. All window treatments within a Residence, that are visible from the Street or another Residence, must be maintained in good condition and must not detract from the appearance of the Property. The Architectural Reviewer may require an Owner to change or remove a window treatment, window film, window screen, or window decoration that the Architectural Reviewer determines to be inappropriate, unattractive, or inconsistent with the Property's window standards. The Architectural Reviewer may prohibit the use of certain colors or materials for window treatments. If the Rules fail to establish a different standard, all window treatments - as seen from the Street - must be white in color.

7.33 FLAGS. Each Owner and Resident of the Subdivision has a right to fly the flag on his Lot. The United States flag ("Old Glory") and/or the Texas state flag ("Lone Star Flag"), and/or an official or replica flag of any branch of the United States armed forces, may be displayed in a respectful manner on each Lot, subject to reasonable standards adopted by the Association for the height, size, illumination, location, and number of flagpoles, all in compliance with Section 202.012 of the Texas Property Code. All flag displays must comply with public flag laws. No other types of flags, pennants, banners, kites, or similar types of displays are permitted on a Lot if the display is visible from a Street or Common Area. Unless the Rules provide otherwise, a flag must be wall-mounted to the first floor facade of the Residence, and no in-ground flag pole is permitted on a Lot.

7.34 USE OF ASSOCIATION AND SUBDIVISION NAME. The use of the name of the Association or the Subdivision, or any variation thereof, in any capacity without the express written consent of the Declarant during the Declarant Control Period, and thereafter the Board, is strictly prohibited. Additionally, the use of any logo adopted by the Association or the Subdivision, or use of any photographs of the entryway signage or other Subdivision signs or monuments or Common Areas without the express written consent of the Declarant during the Declarant Control Period, and thereafter the Board, is strictly prohibited except for Builder's marketing purposes for the sale of Residences with the Subdivision.

7.35 DRONES AND UNMANNED AIRCRAFT. Any Owner operating or using a drone or unmanned aircraft within the Property and related airspace must register such drone or unmanned aircraft with the Federal Aviation Administration ("FAA"), to the extent required under applicable FAA rules and regulations, and mark such done or unmanned aircraft prominently with the serial number or registration number on the drone or unmanned aircraft for identification purposes. BY ACCEPTANCE OF TITLE TO ANY PORTION OF THE PROPERTY, EACH OWNER ACKNOWLEDGES THAT USE OF A DRONE OR UNMANNED AIRCRAFT TO

TAKE IMAGES OF PRIVATE PROPERTY OR PERSONS WITHOUT CONSENT MAY BE A VIOLATION OF TEXAS LAW AND CLASS C MISDEMEANOR SUBJECT TO LEGAL ACTION AND FINES UP TO $10,000. IT IS YOUR RESPONSIBILITY TO KNOW AND COMPLY WITH ALL LAWS APPLICABLE TO YOUR DRONE AND/OR UNMANNED AIRCRAFT USE.

7.36 LIGHTNING RODS. An Owner may not construct a lightning rod and related systems ("Lightning Rod") on a Residence except in compliance with the following: (a) the Lightning Rod must meet standards of the National Fire Protection Association ("NFPA") equal to or greater than NFPA's lightning Protection Standard NFPA 780, Underwriters Laboratories ("UL") UL 96A, and Lightning Protection Institute ("LPI") LPI-175, (b) any Lightening Rod must be installed by a contractor licensed in the State in which the Residence is located, and (c) any part of the Lightning Rod that becomes non-functional must be immediately repaired, replaced, or removed from the Residence by the Owner at such Owner's costs and expense. Each Owner acknowledges and agrees that an Owner is solely liable and responsible for the safety, upkeep, and use of the Lightning Rods. Furthermore, each Owner acknowledges that the installation of a Lightning Rod on a Residence may void or adversely warranties on such Owner's Residence, including without limitation, any roof warranties. **EACH OWNER BY ACCEPTANCE OF TITLE TO ITS LOT HEREBY RELEASES AND WAIVES THE ASSOCIATION, DECLARANT, THE BOARD AND/OR ITS MANAGING AGENT AND THEIR RESPECTIVE MEMBERS, EMPLOYEES, DESIGNEES, ADMINISTRATORS, INSPECTORS, CONTRACTORS, AND AGENTS, AND AGREES TO INDEMNIFY AND DEFEND SAME AND HOLD THEM HARMLESS FROM AND AGAINST ANY CLAIMS, LIABILITIES, LOSS, DAMAGE, COSTS AND EXPENSES, INCLUDING BUT NOT LIMITED TO ATTORNEYS' FEES, IN CONNECTION WITH OR ARISING OUT OF THE INSTALLATION, OPERATION, LOCATION, REPAIR, MAINTENANCE, AND/OR REMOVAL OF ANY LIGHTNING ROD OR RELATED SYSTEMS ON AN OWNER'S RESIDENCE.**

ARTICLE 8.
ASSOCIATION AND MEMBERSHIP RIGHTS

8.1 ASSOCIATION. By acquiring an ownership interest in a Lot, a person is automatically and mandatorily a Member of the Association.

8.2 BOARD. Unless the Documents expressly reserve a right, action, or decision to the Owners, Declarant, or another party, the Board acts in all instances on behalf of the Association. Unless the context indicates otherwise, references in the Documents to the "*Association*" may be construed to mean "*the Association acting through its board of directors.*"

8.3 THE ASSOCIATION. The duties and powers of the Association are those set forth in the Documents, primarily the Bylaws, together with the general and implied powers of a property owners association and a nonprofit corporation organized under the laws of the State of Texas. Generally, the Association may do any and all things that are lawful and necessary, proper, or desirable in operating for the peace, health, comfort, and general benefit of its Members, subject only to the limitations on the exercise of such powers as stated in the Documents. Among its duties, the Association levies and collects Assessments, maintains the Common Areas, and pays

the expenses of the Association, such as those described in Section 9.4 below. The Association comes into existence on the earlier of (1) filing of its Certificate of Formation of the Association with the Texas Secretary of State or (2) the initial levy of Assessments against the Lots and Owners. The Association will continue to exist at least as long as the Declaration is effective against the Property, regardless of whether its corporate charter lapses from time to time. Notwithstanding the foregoing, the Association may not be voluntarily dissolved without the prior written consent of the City.

8.4 GOVERNANCE. The Association will be governed by a Board of directors elected by the Members. Unless the Association's Bylaws or Certificate of Formation provide otherwise, the Board will consist of at least 3 persons elected at the annual meeting of the Association, or at a special meeting called for that purpose. The Association will be administered in accordance with the Bylaws. Unless the Documents provide otherwise, any action requiring approval of the Members may be approved in writing by Owners of at least a Majority of all Lots, or at a meeting of Owners, by at least a Majority of the votes of Owners that are present at such meeting (subject to quorum requirements being met).

8.5 MEMBERSHIP. Each Owner and all successive Owners are mandatory Members of the Association, ownership of a Lot being the sole qualification for membership. Membership is appurtenant to and may not be separated from ownership of the Lot. The Board may require satisfactory evidence of transfer of ownership before a purported Owner is entitled to vote at meetings of the Association. If a Lot is owned by more than one person or entity, the co-owners shall combine their vote in such a way as they see fit, but there shall be no fractional votes and no more than one (1) vote with respect to any Lot. A Member who sells his Lot under a contract for deed may delegate his membership rights to the contract purchaser, provided a written assignment is delivered to the Board. However, the contract seller remains liable for all Assessments attributable to his Lot until fee title to the Lot is transferred.

8.6 VOTING. One vote is appurtenant to each Lot. The total number of votes equals the total number of Lots in the Property. If additional property is made subject to this Declaration, the total number of votes will be increased automatically by the number of additional Lots included in the property annexed into the Property subject to this Declaration. Each vote is uniform and equal to the vote appurtenant to every other Lot, except during the Declarant Control Period as permitted in Appendix B. Cumulative voting is not allowed. Votes may be cast by written proxy, according to the requirements of the Association's Bylaws.

8.7 VOTING BY CO-OWNERS. The one vote appurtenant to a Lot is not divisible. If only one of the multiple co-owners of a Lot is present at a meeting of the Association, that person may cast the vote allocated to the Lot. If more than one of the co-owners is present, the Lot's one vote may be cast with the co-owners' unanimous agreement. Co-owners are in unanimous agreement if one of the co-owners casts the vote and no other co-owner makes prompt protest to the person presiding over the meeting. Any co-owner of a Lot may vote by ballot or proxy, and may register protest to the casting of a vote by ballot or proxy by the other co-owners. If the person presiding over the meeting or balloting receives evidence that the co-owners disagree on how the one appurtenant vote will be cast, the vote will not be counted.

8.8 BOOKS & RECORDS. The Association will maintain copies of the Documents and the Association's books, records, and financial statements. Books and records of the Association will be made available for inspection and copying pursuant to Section 209.005 of the Texas Property Code.

8.9 INDEMNIFICATION. The Declarant, the Association and managing agent, and their respective directors, officers, agents, members, employees, and representatives, and any member of the Board, the Architectural Reviewer, ACC and other officer, agent or representative of the Association (collectively, the "Indemnified Parties"), shall not be personally liable for the debts, obligations or liabilities of the Association. The Indemnified Parties shall not be liable for any mistake of judgment, whether negligent or otherwise, except for their own individual willful misfeasance or malfeasance, misconduct, bad faith, intentional wrongful acts or as otherwise expressly provided in the Documents. The Indemnified Parties shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association. **THE ASSOCIATION, AS A COMMON EXPENSE OF THE ASSOCIATION, SHALL INDEMNIFY AND HOLD HARMLESS THE INDEMNIFIED PARTIES FROM ANY AND ALL EXPENSES, LOSS OR LIABILITY TO OTHERS, INCLUDING ATTORNEY'S FEES, REASONABLY INCURRED BY OR IMPOSED ON THE INDEMNIFIED PARTY IN CONNECTION WITH AN ACTION, SUIT, OR PROCEEDING TO WHICH THE INDEMNIFIED PARTY IS A PARTY BY REASON OF BEING OR HAVING BEEN AN INDEMNIFIED PARTY HEREUNDER OR ON ACCOUNT OF ANY CONTRACT OR COMMITMENT ENTERED INTO BY ANY INDEMNIFIED PARTY IN ITS CAPACITY HEREUNDER (TO THE EXTENT NOT COVERED BY INSURANCE PROCEEDS) AGAINST EXPENSES. IN ADDITION, EACH INDEMNIFIED PARTY SHALL BE INDEMNIFIED AND HELD HARMLESS BY THE ASSOCIATION, AS A COMMON EXPENSE OF THE ASSOCIATION, FROM ANY EXPENSE, LOSS OR LIABILITY TO OTHERS (TO THE EXTENT NOT COVERED BY INSURANCE PROCEEDS) BY REASONS OF HAVING SERVED AS SUCH DIRECTOR, OFFICER, AGENT, MEMBER, EMPLOYEE AND/OR REPRESENTATIVE AND IN SUCH CAPACITY AND AGAINST ALL EXPENSES, LOSSES AND LIABILITIES, INCLUDING, BUT NOT LIMITED TO, COURT COSTS AND REASONABLE ATTORNEYS' FEES, INCURRED BY OR IMPOSED UPON SUCH INDEMNIFIED PARTY IN CONNECTION WITH ANY PROCEEDING TO WHICH SUCH PERSON MAY BE A PARTY OR HAVE BECOME INVOLVED BY REASON OF BEING SUCH DIRECTOR, OFFICER, AGENT, MEMBER, EMPLOYEE AND/OR REPRESENTATIVE AT THE TIME ANY SUCH EXPENSES, LOSSES OR LIABILITIES ARE INCURRED SUBJECT TO ANY PROVISIONS REGARDING INDEMNITY CONTAINED IN THE DOCUMENTS, EXCEPT IN CASES WHEREIN THE EXPENSES, LOSSES AND LIABILITIES ARISE FROM A PROCEEDING IN WHICH SUCH INDEMNIFIED PARTY IS ADJUDICATED GUILTY OF WILLFUL MISFEASANCE OR MALFEASANCE, MISCONDUCT OR BAD FAITH IN THE PERFORMANCE OF SUCH PERSON'S DUTIES OR INTENTIONAL WRONGFUL ACTS OR ANY ACT EXPRESSLY SPECIFIED IN THE DOCUMENTS AS AN ACT FOR WHICH ANY LIMITATION OF LIABILITY SET FORTH IN THE DOCUMENTS IS NOT APPLICABLE; PROVIDED, HOWEVER, THIS INDEMNITY DOES COVER LIABILITIES RESULTING FROM SUCH INDEMNIFIED PARTY'S NEGLIGENCE. AN INDEMNIFIED PARTY IS NOT LIABLE FOR A MISTAKE OF JUDGMENT,**

NEGLIGENT OR OTHERWISE. AN INDEMNIFIED PARTY IS LIABLE FOR HIS OR HER WILLFUL MISFEASANCE, MALFEASANCE, MISCONDUCT, OR BAD FAITH. THIS RIGHT TO INDEMNIFICATION DOES NOT EXCLUDE ANY OTHER RIGHTS TO WHICH PRESENT OR FORMER INDEMNIFIED PARTIES MAY BE ENTITLED. ANY RIGHT TO INDEMNIFICATION PROVIDED HEREIN SHALL NOT BE EXCLUSIVE OF ANY OTHER RIGHTS TO WHICH A DIRECTOR, OFFICER, AGENT, MEMBER, EMPLOYEE AND/OR REPRESENTATIVE, OR FORMER DIRECTOR, OFFICER, AGENT, MEMBER, EMPLOYEE AND/OR REPRESENTATIVE, MAY BE ENTITLED. THE ASSOCIATION MAY MAINTAIN GENERAL LIABILITY AND DIRECTORS' AND OFFICERS' LIABILITY INSURANCE TO FUND THIS OBLIGATION. ADDITIONALLY, THE ASSOCIATION MAY INDEMNIFY A PERSON WHO IS OR WAS AN EMPLOYEE, TRUSTEE, AGENT, OR ATTORNEY OF THE ASSOCIATION, AGAINST ANY LIABILITY ASSERTED AGAINST HIM AND INCURRED BY HIM IN THAT CAPACITY AND ARISING OUT OF THAT CAPACITY. Any insurance policies obtained by the Association shall name the Declarant and the managing agent as "additional insured" on such policies. The provisions of this Section 8.9 may not be modified or amended without the express written consent of Declarant.

8.10 ADDITIONALLY, THE ASSOCIATION MAY INDEMNIFY A PERSON WHO IS OR WAS AN EMPLOYEE, TRUSTEE, AGENT, OR ATTORNEY OF THE ASSOCIATION, AGAINST ANY LIABILITY ASSERTED AGAINST HIM AND INCURRED BY HIM IN THAT CAPACITY AND ARISING OUT OF THAT CAPACITY. The provisions of this Section 8.10 may not be modified or amended without the express written consent of Declarant.

8.11 OBLIGATIONS OF OWNERS. Without limiting the obligations of Owners under the Documents, each Owner has the following obligations:

8.11.1 Pay Assessments. Each Owner will pay Assessments properly levied by the Association against the Owner or his Lot, and will pay Regular Assessments without demand or written statement by the Association. Payment of Assessments is NOT contingent upon the provision, existence, or construction of any common elements or amenity.

8.11.2 Comply. Each Owner will comply with the Documents of the Association as amended from time to time to include all Policies, Rules and Regulations.

8.11.3 Reimburse. Owner will pay for damage to the Property caused by the negligence or willful misconduct of the Owner, a Resident of the Owner's Lot, or the Owner or Resident's family, guests, employees, contractors, agents, or invitees.

8.11.4 Liability. Each Owner is liable to the Association for violations of the Documents by the Owner, a Resident of the Owner's Lot, or the Owner or Resident's family, guests, employees, agents, or invitees, and for costs incurred by the Association to obtain compliance, including attorney's fees whether or not suit is filed.

8.12 HOME RESALES. This Section applies to every sale or conveyance of a Lot or an interest in a Lot by an Owner other than Declarant or a Builder:

8.12.1 Resale Certificate. An Owner intending to sell his Residence will notify the Association and will request a Resale Certificate (herein so called) from the Association. The Resale Certificate (as defined in Section 8.12.4 hereof) shall include such information as may be required under Section 207.003(b) of the Texas Property Code; provided, however, that the Association or its agents may, and probably will, charge a reasonable and necessary fee in connection with preparation of the Resale Certificate not to exceed $375.00 to cover its administrative costs or otherwise to assemble, copy and deliver the Resale Certificate, and may charge a reasonable and necessary fee in connection with preparation of any update to the Resale Certificate not to exceed $75.00, which fee(s), as applicable, which fee must be paid upon the earlier of (i) delivery of the Resale Certificate to an Owner, or (ii) the Owner's closing of the sale or transfer of his/her Residence or Lot. Declarant is exempt from any and all Resale Certificate fees. Resale Certificates shall be delivered by the Association or managing agent in any event within five (5) days after the second request delivered by an Owner to the Association via certified mail, return receipt requested, or via hand delivery with evidence of receipt by the Association.

8.12.2 No Right of First Refusal. The Association does not have a right of first refusal and may not compel a selling Owner to convey the Owner's Lot to the Association.

8.12.3 Reserve Fund Contribution. At time of transfer of a Lot by any Owner (other than by Declarant or a Builder purchasing a Lot from Declarant), a "Reserve Fund Contribution" (herein so called) shall be paid to the Association in the amount of Seven Hundred Fifty and No/100 Dollars ($750.00), as may be increased annually by action of the Board by an additional amount equal to up to fifty percent (50%) of the Reserve Fund Contribution collected in the prior calendar year without joinder or consent of any other Owner or Member. Reserve Fund Contributions shall be deposited in the Association's "Reserve Fund" (herein so called). The Reserve Fund Contribution may be paid by the seller or buyer, and will be collected at closing of the transfer of a Lot, provided in no event shall any Reserve Fund Contribution be due or owing in connection with a transfer by Declarant. If the Reserve Fund Contribution is not collected at closing, the buyer remains liable to the Association for the Reserve Fund Contribution until paid. The Reserve Fund Contribution is not refundable and may not be regarded as a prepayment of or credit against Regular Assessments or Special Assessments. The Association shall have the unrestricted right to the use of funds allocated to the Reserve Fund for any and all costs and expenses of the Association, including, without limitation, (i) operating and/or administrative expenses of the Association, (ii) costs and expenses for the maintenance and upkeep of any area of the grounds or Common Areas, or (iii) costs and expenses for any portion of the development, at any time and from time to time. Declarant may but, shall have no obligation, to establish or subsidize a Reserve Fund for the Association. Any Reserve Fund initiated during the Declarant Control Period shall be a general Reserve Fund and available for use by the Association.

8.12.4 Other Transfer-Related Fees. The Board may, at its sole discretion, enter into a contract with a managing agent to oversee the daily operation and management of the Association. A number of independent fees may be charged in relation to the transfer of title to a Lot, including but not limited to fees for Resale Certificates, estoppel certificates, copies of Documents, compliance inspections, ownership record changes, and priority processing, provided the fees are customary in amount, kind, and number for the local

marketplace are not refundable and may not be regarded as a prepayment of or credit against Regular Assessments or Special Assessments, and are in addition to the contribution to the Reserve Fund or Working Capital Fund. The managing agent may, and probably will, have fees, which will be charged to an Owner for the transfer of a significant estate or fee simple title to a Lot and the issuance of a "Resale Certificate" (herein so called), which fees shall not exceed $375 for the initial Resale Certificate and $75 for any update of a Resale Certificate in accordance with Section 8.12.1 above. The Association or its agent shall not be required to issue a Resale Certificate until payment for the cost thereof has been received by the Association or its agent; provided, however, in any event, the Resale Certificates shall be delivered by the Association or managing agent within five (5) days after the second request delivered by an Owner to the Association via certified mail, return receipt requested, or via hand delivery with evidence of receipt by the Association. Transfer fees, other than the fees for the issuance of a Resale Certificate, shall in no event exceed the current annual rate of Regular Assessments applicable at the time of the transfer/sale for each Residence being conveyed and are not refundable and may not be regarded as a prepayment of or credit against Regular Assessments or Special Assessments, and are in addition to the contribution to the Reserve Fund or Working Capital Fund and the New Build Inspection Fee (as defined in Section 6.2.4 hereof). This Section does not obligate the Board or any third party to levy such fees. Transfer-related fees charged by or paid to a managing agent are not subject to the Association's Assessment Lien (as defined in Section 11.1 hereof), and are not payable by the Association. The Association or its managing agent may pursue any rights or remedies to collect transfer fees or other expenses incurred in connection with producing a Resale Certificate and providing related services in connection with a transfer, and the Board and members of the Association will not interfere with such efforts. Declarant is exempt from transfer related fees and fees for any Resale Certificate.

8.12.5 Information. Within thirty days after acquiring an interest in a Lot, an Owner will provide the Association with the following information: a copy of the settlement statement or deed by which Owner has title to the Lot; the Owner's email address (if any), U. S. postal address, and phone number; any mortgagee's name, address, and loan number; the name and phone number of any Resident other than the Owner; the name, address, and phone number of Owner's managing agent, if any.

8.13 Right of Action By Association. Notwithstanding anything contained in the Documents, the Association shall not have the power to institute, defend, intervene in, settle or compromise litigation, arbitration, or administrative proceedings: (1) in the name of or on behalf of or against any Owner (whether one or more); or (2) pertaining to a Claim, as defined in Section 16.1.1 below, relating to the design or construction of improvements on a Lot (whether one or more), including Residences. Notwithstanding anything contained in the Documents, this Section 8.13 may not be amended or modified without Declarant's written and acknowledged consent, and Members entitled to cast at least one hundred percent (100%) of the total number of votes of the Association, which must be part of the recorded amendment instrument.

ARTICLE 9.
COVENANT FOR ASSESSMENTS

9.1 POWER TO ESTABLISH ASSESSMENTS AND PURPOSE OF ASSESSMENTS. The Association is empowered to establish and collect Assessments as provided in this Article 9 for the purpose of obtaining funds to maintain the Common Area(s), perform its other duties, and otherwise preserve and further the operation of the Property as a first-class, quality residential subdivision. The purposes for which Assessments may be used to fund the costs and expenses of the Association (the "Common Expenses") in performing or satisfying any right, duty or obligation of the Association hereunder or under any of the Documents, including, without limitation, maintaining, operating, managing, repairing, replacing or improving the Common Area or any improvements thereon; mowing grass and maintaining grades and signs; paying legal fees and expenses incurred in enforcing this Declaration; paying expenses incurred in collecting and administering Assessments; paying insurance premiums for liability and fidelity coverage for the ACC, the Board and the Association; paying operational and administrative expenses of the Association; and satisfying any indemnity obligation under the Documents. The Board may reject partial payments and demand payment in full of all amounts due and owing the Association. The Board is specifically authorized to establish a policy governing how payments are to be applied. The Association will use Assessments for the general purposes of preserving and enhancing the Property, and for the common benefit of Owners and Residents, including but not limited to maintenance of real and personal property, management and operation of the Association, and any expense reasonably related to the purposes for which the Property was developed. If made in good faith, the Board's decision with respect to the use of Assessments is final.

9.2 PERSONAL OBLIGATION. An Owner is obligated to pay Assessments levied by the Board against the Owner or his Lot. An Owner makes payment to the Association at its principal office or at any other place the Board directs. Payments must be made in full regardless of whether an Owner has a dispute with the Association, another Owner, or any other person or entity regarding any matter to which this Declaration pertains. No Owner may exempt himself from his Assessment liability by waiver of the use or enjoyment of the Common Area or by abandonment of his Lot. An Owner's obligation is not subject to offset by the Owner, nor is it contingent on the Association's performance of the Association's duties. Payment of Assessments is both a continuing affirmative covenant personal to the Owner and a continuing covenant running with the Lot.

9.3 CONTROL FOR ASSESSMENT INCREASES. After the Declarant Control Period, this Section of the Declaration may not be amended without the approval of Owners of at least two-thirds (2/3) of the Lots. In addition to other rights granted to Owners by this Declaration, after the Declarant Control Period expires, Owners have the following powers and controls over the Association's budget:

9.3.1 Veto Increased Dues. At least 30 days prior to the effective date of an increase in Regular Assessments wherein the Regular Assessments due will increase more than fifty percent (50%) from the previous year's Regular Assessments the Board will notify an Owner of each Lot of the amount of, the budgetary basis for, and the effective date of the increase. The increase will automatically become effective unless at least a Majority of Owners disapprove the increase by petition or at a meeting of the Association, subject to rights of the Board under Section 9.4.1 below. In that event, the last-approved budget will continue in effect until a revised budget is approved. Increases of fifty percent (50%) or less shall not

require a vote of the Owners, and may be approved by Declarant during the Development Period or, thereafter, by the Board.

9.3.2 Veto Special Assessment. After the Declarant Control Period expires, the Board will be required to notify an Owner of each Lot of the amount and budgetary basis for, and effective date of the Special Assessment at least 30 days prior to the effective date. The Special Assessment will automatically become effective unless at least a Majority of Owners disapprove the Special Assessment by petition or at a meeting of the Association called for that purpose.

9.4 TYPES OF ASSESSMENTS. There are six types of Assessments: Regular Assessments, Special Assessments, Insurance Assessments, Individual Assessments, and Deficiency Assessments. Regular Assessments shall be reoccurring Assessments payable as defined in this Section 9.4 and more particularly as described in Section 9.4.1 and 9.4.4 below.

9.4.1 Regular Assessments. Regular Assessments are based on the annual budget. If the Board does not approve an annual budget or fails to determine new Regular Assessments for any year, or delays in doing so, Owners will continue to pay the Regular Assessment as last determined. **The Base Regular Assessment has been initially set at Eight Hundred Fifty and No/100 Dollars ($850.00) per Lot per year and is effective after the recordation of this Declaration. Base Regular Assessments shall be paid on an annual basis (unless the Board determines a different schedule).** Base Regular Assessments shall be due on the first (1st) day of January of each year unless a different schedule is determined by the Board and shall be considered late if not paid by the 31st day of January of each year. The Base Regular Assessment rate herein referenced above does not include maintenance and upkeep of any creek, waterways, detention ponds, floodways, greenbelts, or other easements traversing in, on, or through the development. The Base Regular Assessment is subject to adjustment and/or increase based on the budgetary needs and responsibilities of the Association. If during the course of a year and thereafter the Board determines the Base Regular Assessments are insufficient to cover the estimated Common Expenses for the remainder of the year, the Board may increase Base Regular Assessments for the remainder of the fiscal year in an amount that covers the estimated deficiency up to fifty percent (50%) without a vote of the Owners as set forth in Section 9.3.1 above. Notwithstanding the foregoing or the terms of Section 9.3.1 above, in the event that either (i) the Board determines that due to unusual circumstances the maximum annual Regular Assessment even as increased by fifty percent (50%) will be insufficient to enable the Association to pay the Common Expenses, or (ii) the Assessment increases resulting in an increase in excess of fifty percent (50%) above the previous year's Regular Assessment, then in such event, the Board shall have the right to increase the maximum annual Regular Assessment by the amount necessary to provide sufficient funds to cover the Common Expenses without the approval of the Members as provided herein; provided, however, the Board shall only be allowed to make one (1) such increase per calendar year pursuant to this Section 9.4.1 and the terms of Section 9.3.1 shall apply for any additional increases of the Base Regular Assessment in a calendar year.

Regular Assessments are used for Common Expenses related to the reoccurring, periodic, and anticipated responsibilities of the Association, including but not limited to:

a. Maintenance, repair, and replacement, as necessary, of the Common Area, including any private Streets, striping, paving, or other parking area maintenance in accordance with this Declaration, the Documents and the Community Standard.

b. Utilities billed to the Association.

c. Services billed to the Association and serving all Lots.

d. Taxes on property owned by the Association and the Association's income taxes.

e. Management, legal, accounting, auditing, and professional fees for services to the Association.

f. Costs of operating the Association, such as telephone, postage, office supplies, printing, meeting expenses, and educational opportunities of benefit to the Association.

g. Premiums and deductibles on insurance policies and bonds required by this Declaration or deemed by the Board to be necessary or desirable for the benefit of the Association, including fidelity bonds and directors' and officers' liability insurance.

h. Contributions to the reserve funds.

i. Any other expense which the Association is required by law or the Documents to pay, to include, but not limited to creek, waterway, floodway, detention ponds and the like, or which in the opinion of the Board is necessary or proper for the operation and maintenance of the Property or for enforcement of the Documents.

9.4.2 Special Assessments. In addition to Base Regular Assessments, and subject to the Owners' control for certain Assessment increases, the Board may levy one or more Special Assessments against all Lots for the purpose of defraying, in whole or in part, Common Expenses not anticipated by the annual budget, unforeseen expenses not previously known to the Association, or the Reserve Funds. Special Assessments do not require the approval of the Owners, except that Special Assessments for the following purposes must be approved by at least a Majority of Owners:

a. Acquisition of real property, other than the purchase of a Lot at the sale foreclosing the Association's lien against the Lot.

b. Construction of additional capital improvements within the Property, but not replacement of existing improvements.

c. Any expenditure that may reasonably be expected to significantly increase the Association's responsibility and financial obligation for operations, insurance, maintenance, repairs or replacement.

9.4.3 Insurance Assessments. The Association's insurance premiums are Common Expenses that must be included in the Association's annual budget. However, if any

deductible or unforeseen insurance expense occurs in a calendar year that was not included in the annual budget of the Association, the Association may levy an Insurance Assessment (herein so called). If the Association levies an Insurance Assessment, the Association must disclose the Insurance Assessment in Resale Certificates prepared by the Association.

9.4.4 Individual Assessments. In addition to Regular Assessments, Special Assessments, and Insurance Assessments, the Board may levy an Individual Assessment against a Lot and its Owner. Individual Assessments may include, but are not limited to: interest, late charges, and collection costs on delinquent Assessments; reimbursement for costs incurred in bringing an Owner or his Lot into compliance with the Documents or the Community Standard; fines for violations of the Documents; insurance deductibles; transfer-related fees and Resale Certificate fees; fees for estoppel letters and project documents; reimbursement for damage or waste caused by willful or negligent acts; Common Expenses that benefit fewer than all of the Lots, which may be assessed according to benefit received; fees or charges levied against the Association on a per-Lot basis; and "pass through" expenses for services to Lots provided through the Association and which are equitably paid by each Lot according to benefit received.

9.4.5 Deficiency Assessments. The Board may levy a Deficiency Assessment against all Lots for the purpose of defraying, in whole or in part, the cost of repair or restoration if insurance proceeds or condemnation awards prove insufficient or to fund any shortfall between Assessments collected by the Association and Association's Common Expenses. The Declarant shall not be responsible or liable for any deficit in the Association's funds or any Deficiency Assessments. The Declarant may, but is under no obligation to, subsidize any liabilities incurred by the Association, and the Declarant may, but is not obligated to, lend funds to the Association to enable it to defray its expenses, provided the terms of such loans are on reasonable market conditions at the time. Declarant shall have the right, but not the obligation, to prepare a promissory note outlining the terms of repayment of any funding provided, notwithstanding, the absence of a promissory note shall in no wise affect the rights of Declarant under this Section or elsewhere in this Declaration to make written claim for payment. So long as the Association has sufficient funds available, Declarant may make written demand for payment at any time and from time to time and the Association is obligated to respond to the written demand within ten (10) days of receipt of notice and shall pay those amounts set forth in the written demand for payment by or before the twentieth (20^{th}) day from the date of receipt of the written demand.

The provisions of this Section 9.4 may not be modified or amended without the express written consent of Declarant.

9.5 BASIS & RATE OF ASSESSMENTS. The share of liability for Common Expenses allocated to each Lot is uniform for all Lots, regardless of a Lot's location or the value and size of the Lot or Residence; subject, however, to the exemption for Declarant provided below and in Appendix B.

9.6 DECLARANT OBLIGATION. Declarant's obligation for an exemption from Assessments is described in Appendix B. Unless Appendix B creates an affirmative assessment obligation for Declarant, a Lot that is owned by Declarant during the Development Period is

exempt from mandatory assessment by the Association. Declarant has a right to reimbursement for any Assessment paid to the Association by Declarant during the Development Period, but only after the Declarant Control Period. This provision may not be construed to prevent Declarant from making a loan or voluntary monetary donation to the Association, provided it is so characterized. The provisions of this Section 9.6 may not be modified or amended without the express written consent of Declarant.

9.7 ANNUAL BUDGET. The Board will prepare and approve an estimated annual budget for each fiscal year at an open meeting of the Board held in accordance with requirements under Section 209.0051 of the Texas Property Code and the Bylaws. For each calendar year or a part thereof during the term of this Declaration and after recordation of the initial final Plat of any portion of the Property, the Board shall establish an estimated budget of the Common Expenses to be incurred by the Association for the forthcoming year in performing and satisfying its rights, duties and obligations, which Common Expenses may include, without limitation, amounts due from Owners, and which budget adopted by the Board may include one or more line items to establish reserve accounts (on a restricted, non-restricted, or other basis). Based upon such budget, the Association shall then assess each Lot an annual fee which shall be paid by each Owner in advance in accordance with Section 9.4.1 hereof. The Association shall notify each Owner of the Regular Assessments for the ensuing year by December 31st of the preceding year, but failure to give such notice shall not relieve any Owner from its obligation to pay Assessments. Any Assessment not paid within ten (10) days of the date due shall be delinquent and shall thereafter be subject to interest at the rate of twelve percent (12%) per annum or the maximum rate permitted by Applicable Law, whichever is less, at the discretion of the Board, (the "Default Interest Rate") as well as late and collection fees. As to any partial year, Assessments on any Lot shall be appropriately prorated.

9.8 DUE DATE. The Board may levy Regular Assessments on any periodic basis annually, quarterly, or monthly. Regular Assessments are due on the first day of the period for which levied. Special Assessments, Insurance Assessments, Individual Assessments and Deficiency Assessments are due on the date stated in the notice of such Assessment or, if no date is stated, within 10 days after notice of the Assessment is given. Assessments are delinquent if not received by the Association on or before the due date.

9.9 ASSOCIATION'S RIGHT TO BORROW MONEY. The Association is granted the right to borrow money, subject to the consent of at least a Majority of Owners and the ability of the Association to repay the borrowed funds from Assessments; provided, however, during the Development Period, the Declarant may loan funds to the Association without consent or approval of the Owners, to enable the Association to defray its expenses, provided the terms of such loans are on reasonable market conditions at the time. To assist its ability to borrow, the Association is granted the right to encumber, mortgage, pledge, or deed in trust any of its real or personal property, and the right to assign its right to future income, as security for money borrowed or debts incurred, provided that the rights of the lender in the pledged property are subordinate and inferior to the rights of the Owners hereunder.

9.10 LIMITATIONS OF INTEREST. The Association, and its officers, directors, managers, and attorneys, intend to conform strictly to the applicable usury laws of the State of Texas. Notwithstanding anything to the contrary in the Documents or any other Document or

agreement executed or made in connection with the Association's collection of Assessments, the Association will not in any event be entitled to receive or collect, as interest, a sum greater than the maximum amount permitted by Applicable Law. If from any circumstances whatsoever, the Association ever receives, collects, or applies as interest a sum in excess of the maximum rate permitted by Applicable Law, the excess amount will be applied to the reduction of unpaid Special Assessments and Regular Assessments, or reimbursed to the Owner if those Assessments are paid in full.

ARTICLE 10.
ASSESSMENT LIEN

10.1 ASSESSMENT LIEN. Each Owner, by accepting an interest in or title to a Lot, whether or not it is so expressed in the instrument of conveyance, covenants and agrees to pay Assessments to the Association. Each Assessment is a charge on the Lot and is secured by a continuing Assessment Lien (as defined below) on the Lot. Each Owner, and each prospective Owner, is placed on notice that his title may be subject to the continuing Assessment Lien for Assessments attributable to a period prior to the date he purchased his Lot.

10.2 SUPERIORITY OF ASSESSMENT LIEN. The Assessment Lien is superior to all other liens and encumbrances on a Lot, except only for (1) real property taxes and assessments levied by governmental and taxing authorities, (2) a deed of trust or vendor's lien recorded before this Declaration, (3) a recorded deed of trust lien securing a loan for construction of the original Residence, and (4) a first or senior purchase money vendor's lien or deed of trust lien recorded before the date on which the delinquent Assessment became due.

The Assessment Lien is subordinate and inferior to a recorded deed of trust lien that secures a first or senior purchase money mortgage, an FHA-insured mortgage, or a VA-guaranteed mortgage.

10.3 EFFECT OF MORTGAGEE'S FORECLOSURE. Foreclosure of a superior lien extinguishes the Association's claim against the Lot for unpaid Assessments that became due before the sale, but does not extinguish the Association's claim against the former Owner. The purchaser at the foreclosure sale of a superior lien is liable for Assessments coming due from and after the date of the sale, and for the Owner's pro rata share of the pre-foreclosure deficiency as an Association expense.

10.4 NOTICE AND RELEASE OF NOTICE. The Association's lien for Assessments is created by recordation of this Declaration, which constitutes record notice and perfection of the lien. No other recordation of a lien or notice of lien is required. However, the Association, at its option, may cause a notice of the lien to be recorded in the county's Real Property Records. If the debt is cured after a notice has been recorded, the Association will record a release of the notice at the expense of the curing Owner.

10.5 POWER OF SALE. By accepting an interest in or title to a Lot, each Owner grants to the Association a private power of nonjudicial sale in connection with the Association's Assessment Lien. The Board may appoint, from time to time, any person, including an officer, agent, trustee, substitute trustee, or attorney, to exercise the Association's lien rights on behalf of

the Association, including the power of sale. The appointment must be in writing and may be in the form of a resolution recorded in the minutes of a Board meeting.

10.6 FORECLOSURE OF LIEN. The Assessment Lien may be enforced by judicial or nonjudicial foreclosure. A foreclosure must comply with the requirements of Applicable Law, such as Chapter 209 of the Texas Property Code. A nonjudicial foreclosure must be conducted in accordance with the provisions applicable to the exercise of powers of sale as set forth in Section 51.002 of the Texas Property Code, or in any manner permitted by law. In any foreclosure, the Owner is required to pay the Association's costs and expenses for the proceedings, including reasonable attorneys' fees, subject to applicable provisions of the Bylaws and Applicable Law, such as Chapter 209 of the Texas Property Code. The Association has the power to bid on the Lot at foreclosure sale and to acquire, hold, lease, mortgage, and convey same. The Association may not foreclose the Assessment Lien if the debt consists solely of fines and/or a claim for reimbursement of attorney's fees incurred by the Association.

ARTICLE 11.
EFFECT OF NONPAYMENT OF ASSESSMENTS

An Assessment is delinquent if the Association does not receive payment in full by the Assessment's due date. The Association, acting through the Board, is responsible for taking action to collect delinquent Assessments. The Association's exercise of its remedies is subject to Applicable Laws, such as Chapter 209 of the Texas Property Code, and pertinent provisions of the Bylaws. From time to time, the Association may delegate some or all of the collection procedures and remedies, as the Board in its sole discretion deems appropriate, to the Association's manager, an attorney, or a debt collector. Neither the Board nor the Association, however, is liable to an Owner or other person for its failure or inability to collect or attempt to collect an Assessment. The following remedies are in addition to and not in substitution for all other rights and remedies which the Association has:

11.1 RESERVATION, SUBORDINATION, AND ENFORCEMENT OF ASSESSMENT LIEN. Declarant hereby reserves for the benefit of itself and the Association, a continuing contractual lien (the "Assessment Lien") against each Lot to secure payment of (1) the Assessments imposed hereunder and (2) payment of any amounts expended by such Declarant or the Association in performing a defaulting Owner's obligations as provided for in the Documents. THE OBLIGATION TO PAY ASSESSMENTS IN THE MANNER PROVIDED FOR IN THIS ARTICLE, TOGETHER WITH INTEREST FROM SUCH DUE DATE AT THE DEFAULT INTEREST RATE SET FORTH (IF APPLICABLE), THE CHARGES MADE AS AUTHORIZED IN THIS DECLARATION, ALL VIOLATION FINES AND THE COSTS OF COLLECTION, INCLUDING, BUT NOT LIMITED TO, REASONABLE ATTORNEYS' FEES, IS SECURED BY A CONTINUING CONTRACTUAL ASSESSMENT LIEN AND CHARGE ON THE LOT COVERED BY SUCH ASSESSMENT, WHICH SHALL BIND SUCH LOT AND THE OWNERS THEREOF AND THEIR HEIRS, SUCCESSORS, DEVISEES, PERSONAL REPRESENTATIVES AND ASSIGNEES. The continuing contractual Assessment Lien shall attach to the Lots as of the date of the recording of this Declaration in the Official Public Records of Denton County, Texas, and such Assessment Lien shall be superior to all other liens except as otherwise provided in this Declaration. Each Owner, by accepting conveyance of a Lot, shall be deemed to have agreed to pay the Assessments herein provided for and to the reservation

of the Assessment Lien. The Assessment Lien shall be subordinate only to the liens of any valid first lien mortgage or deed of trust encumbering a particular Lot and the Assessment Lien established by the terms of this Declaration. Sale or transfer of any Lot shall not affect the Assessment Lien. However, the sale or transfer of any Lot pursuant to a first mortgage or deed of trust foreclosure (whether by exercise of power of sale or otherwise) or any proceeding in lieu thereof, shall only extinguish the Assessment Lien as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability and the Assessment Lien for any Assessments thereafter becoming due. The Assessment Lien may be non-judicially foreclosed by power of sale in accordance with the provisions of Section 51.002 of the Texas Property Code (or any successor provision) or may be enforced judicially. Each Owner, by accepting conveyance of a Lot, expressly grants the Association a power of sale in connection with the foreclosure of the Assessment Lien. The Board is empowered to appoint a trustee, who may be a member of the Board, to exercise the powers of the Association to non-judicially foreclose the Assessments Lien in the manner provided for in Section 51.002 of the Texas Property Code (or any successor statute). The Association, through duly authorized agents, shall have the power to bid on the Lot at foreclosure sale and to acquire and hold, lease, mortgage and convey the same. The rights and remedies set forth in this Declaration are subject to the Texas Residential Property Owners Protection Act, as amended from time to time (Texas Property Code, Section 209.001 *et seq.*).

11.1.1 Notices of Delinquency or Payment. The Association, the Association's attorney or the Declarant may file notice (a "Notice of Unpaid Assessments") of any delinquency in payment of any Assessment in the Official Public Records of Denton County, Texas. THE ASSESSMENT LIEN MAY BE ENFORCED BY FORECLOSURE OF THE ASSESSMENT LIEN UPON THE DEFAULTING OWNER'S LOT BY THE ASSOCIATION SUBSEQUENT TO THE RECORDING OF THE NOTICE OF UNPAID ASSESSMENTS EITHER BY JUDICIAL FORECLOSURE OR BY NONJUDICIAL FORECLOSURE THROUGH A PUBLIC SALE IN LIKE MANNER AS A MORTGAGE ON REAL PROPERTY IN ACCORDANCE WITH THE TEXAS PROPERTY CODE, AS SUCH MAY BE REVISED, AMENDED, SUPPLEMENTED OR REPLACED FROM TIME TO TIME. Upon the timely curing of any default for which a notice was recorded by the Association, the Association, through its attorney, is hereby authorized to file of record a release of such notice upon payment by the defaulting Owner of a fee, to be determined by the Association but not to exceed the actual cost of preparing and filing a release. Upon request of any Owner, any title company on behalf of such Owner or any Owner's mortgagee, the Board, through its agents, may also issue certificates evidencing the status of payments of Assessments as to any particular Lot (i.e., whether they are current or delinquent and if delinquent, the amount thereof). The Association or its managing agent may impose a reasonable fee for furnishing such certificates or statements.

11.1.2 Suit to Recover. The Association may file suit to recover any unpaid Assessment and, in addition to collecting such Assessment and interest thereon, may also recover all expenses reasonably expended in enforcing such obligation, including reasonable attorneys' fees and court costs.

11.2 INTEREST. Delinquent Assessments are subject to interest from the due date until paid, at the Default Interest Rate.

11.3 LATE AND OTHER FEES. Delinquent Assessments are subject to late fees which shall be Twenty-Five and No/100 Dollars ($25.00) per month for each month any portion of Assessments due are not paid and is payable to the Association. This amount may be reviewed and adjusted by the Board from time to time as needed to compensate the Association with any rise in costs and expenses associated with the collection of delinquencies to an account. Late fees will be assessed to the delinquent Owner's account. Bank fees for non-sufficient funds or for any other reason charged to the Association which is in relation to a payment received by an Owner and not honored by the Owner's bank or any other financial institution and/or source shall be charged back to the Owner's account for reimbursement to the Association.

11.4 COSTS OF COLLECTION. The Owner of a Lot against which Assessments are delinquent is liable for reimbursement of reasonable costs incurred to collect the delinquent Assessments, including attorney's fees and processing fees charged by the managing agent, subject to Section 209.0064(6) of the Texas Property Code, as amended. There shall be a late charge payable to the Association which shall be for the reimbursement of costs and fees incurred by the Association or its managing agent for the processing and collection of delinquent accounts. The managing agent shall have the right to charge a monthly collection fee as determined by the Board for each month an account is delinquent. Additional fees for costs involving the processing of demand letters and notice of intent of attorney referral shall apply; and a fee as determined by the Board (but in any event no less than Ten and No/100 Dollars ($10.00) shall be charged for each demand letter or attorney referral letter prepared and processed. Other like notices requiring extra processing and handling which include but, are not limited to certified and/or return receipt mail processing shall also be billed back to the Owner's account for reimbursement to the Association or its managing agent. Collection fees and costs shall be added to the delinquent Owner's account. All fess and other charges of managing agent shall be pursuant to the then current contract between the managing agent and the Association. The Association through its Board may establish its own fees and charges. The Declarant, during the Development Period, the Association through its Board, or the Association's managing agent may report delinquent Owners to a credit reporting agency in accordance with Section 11.11 hereof subject to prior written notice delivered to the delinquent Owner via certified mail.

11.5 ACCELERATION. If an Owner defaults in paying an Assessment that is payable in installments, the Association may accelerate the remaining installments on 10 days' written notice to the defaulting Owner. The entire unpaid balance of the Assessment becomes due on the date stated in the notice, subject to the alternative payment schedule guidelines now or hereafter adopted by the Association through its Board in accordance with Section 209.0062 of the Texas Property Code, as modified or amended from time to time. The Association is not required to offer an Owner who defaults on a payment plan the option of entering into a second or other payment plan for a minimum of two (2) years.

11.6 SUSPENSION OF USE AND VOTE. The Association may suspend the right of Owners and Residents to use Common Areas and common services (if any) during the period of delinquency, pursuant to the procedures established in the Bylaws and subject to prior notice of such suspension delivered to such Owner and/or Residents via certified mail. The Association may not suspend the right to vote appurtenant to the Lot to the extent such suspension would be prohibited under the Texas Residential Property Owners Protection Act, as amended from time to time (Texas Property Code, Section 209.001 *et seq.*). Suspension does not constitute a waiver or

discharge of the Owner's obligation to pay Assessments. Further procedures for membership voting are located in Article 8 hereof or in the Bylaws. **Notwithstanding the foregoing or anything to the contrary contained herein, for as long as required under the Texas Residential Property Owners Protection Act, as amended from time to time (Texas Property Code, Section 209.001 *et seq.*), nothing contained in this Section shall prohibit a Member's vote from being exercised by such Member to elect directors of the Board on matters that affect such Member's rights or responsibilities with respect to the Lot owned by it, at any meeting of or action taken by the Members of the Association at any meeting.**

11.7 MONEY JUDGMENT. The Association may file suit seeking a money judgment against an Owner delinquent in the payment of Assessments, without foreclosing or waiving the Association's Assessment Lien.

11.8 NOTICE TO MORTGAGEE. The Association may notify and communicate with the holder of any lien against a Lot regarding the Owner's default in payment of Assessments.

11.9 FORECLOSURE OF ASSESSMENT LIEN. As provided by this Declaration, the Association may foreclose its lien against the Lot by judicial or nonjudicial means.

11.10 APPLICATION OF PAYMENTS. The Board may adopt and amend policies regarding the application of payments. The Association may refuse to accept partial payment, i.e., less than the full amount due and payable. The Association may also refuse to accept payments to which the payer attaches conditions or directions contrary to the Board's policy for applying payments. The Association's policy may provide that endorsement and deposit of a payment does not constitute acceptance by the Association, and that acceptance occurs when the Association posts the payment to the Lot's account.

11.11 CREDIT REPORTING. The Association through its Board, or any management agent of the Association, may report an Owner delinquent in the payment of Assessments to any credit reporting agency only if:

11.11.1The delinquency is not the subject of a pending dispute between the Owner and the Association; and

11.11.2At least thirty (30) business days before reporting to a credit reporting service, the Association sends, via certified mail, hand delivery, electronic delivery, or by other delivery means acceptable between the delinquent Owner and the Association, a detailed report of all delinquent charges owed; and

11.11.3The delinquent Owner has been given the opportunity to enter into a payment plan. The Association may not charge a fee for the reporting of an Owner to any credit reporting agency of the delinquent payment history of assessments fines, and fees of such Owner to a credit reporting service.

ARTICLE 12.
ENFORCING THE DOCUMENTS

12.1 NOTICE AND HEARING. Before the Association may exercise its remedies for a violation of the Documents or damage to the Property, the Association must give an Owner written notice and an opportunity for a hearing, according to the requirements and procedures in this Declaration, the Bylaws and in Applicable Law, such as Chapter 209 of the Texas Property Code, as amended from time to time. Notices are also required before an Owner is liable to the Association for certain charges, including reimbursement of attorney's fees incurred by the Association. Only one (1) notice with an opportunity of at least five (5) days to cure such failure shall be required for most violations (no second or additional notices shall be required) except prior notice is not required with respect to entry onto a Lot by the Association to cure violations that are an emergency or hazardous in nature or pose a threat or nuisance to the Association or another Owner, and no cure period shall be required for (1) any violations that are uncurable, or (2) a violation for which an Owner has been previously given notice of and the opportunity to cure in the preceding six (6) months. Uncurable violations include shooting fireworks, an act constituting a threat to health or safety; a noise violation that is not ongoing; property damage, including the removal or alteration of landscape; and holding a garage sale or other event prohibited by a dedicatory instrument. Examples of curable violations include a parking violation; the failure to construct improvements or modifications in accordance with approved plans and specifications; and an ongoing noise violation such as a barking dog. No notice to an Owner shall be required (A) if a suit is filed by the Association against an Owner seeking temporary restraining order or temporary injunctive relief or if the Association files a suit against an Owner including foreclosure as a cause of action, or (B) with regard to a temporary suspension of a person's right to use Common Areas if the temporary suspension is the result of a violation that occurred in a Common Area and involved a significant and immediate risk of harm to others in the Subdivision. Not later than ten (10) days before the Association holds a hearing under Chapter 209 of the Texas Property Code, the Association shall provide to an Owner a packet containing all documents, photographs and communications relating to the matter the Association intends to introduce at the hearing, failing which the Owner is entitled to a fifteen (15) day postponement of the hearing. During the hearing, the Association (through a member of the Board or designated representative) shall first present the Association's case against the Owner. An Owner or its designated representative is then entitled to present the Owner's information and issues relevant to the appeal or dispute. The Association shall adopt policy outlining further notice and enforcement measures.

12.2 REMEDIES. The remedies provided in this Article for breach of the Documents are cumulative and not exclusive. In addition to other rights and remedies provided by the Documents and by law, the Association has the following right to enforce the Documents, subject to applicable notice and hearing requirements (if any):

12.2.1 Nuisance. The result of every act or omission that violates any provision of the Documents, emits noise, odor, or any action or thing that results in the disturbance of other residents is a nuisance, and any remedy allowed by law against a nuisance, either public or private, is applicable against the violation regardless of whether such violation is addressed in this Declaration, or by policy or any rule or regulation. The Community-Wide Standard may also be applied to such a violation, whether such standard is in writing or not.

12.2.2 Fine. The Association may levy reasonable charges, as an individual Assessment, against an Owner and his Lot if the Owner or Resident, or the Owner or Resident's family, guests, employees, agents, or contractors violate a provision of the

Documents. Fines may be levied for each act of violation or for each day a violation continues, and does not constitute a waiver or discharge of the Owner's obligations under the Documents. Fines may be levied by lump sum or as cumulative. The minimum fine amount to be levied shall be $50.00. After the third fine, the fine amount shall increase in increments of no less than $50.00 each week until the violation is remedied. The maximum fine per violation occurrence that may be levied is $1,000.00. The Association must notice an Owner via certified mail prior to levying any fine or charges against such Owner under this Section 12.2.2.

12.2.3 Suspension. The Association may suspend the right of Owners and Residents to use Common Areas for any period during which the Owner or Resident, or the Owner or Resident's family, guests, employees, agents, or contractors violate the Documents, pursuant to the procedures as outlined in the Bylaws. A suspension does not constitute a waiver or discharge of the Owner's obligations under the Documents and the length of the suspension may vary depending upon the severity or recurring nature of the violation. The Association must notice an Owner via certified mail prior to suspending an Owner's rights to use Common Areas under this Section 12.2.3.

12.2.4 Self-Help. The Association has the right to enter any part of the Property, including Lots, to abate or remove, using force as may reasonably be necessary, any erection, thing, animal, person, vehicle, or condition that violates the Documents. In exercising this right, the Board is not trespassing and is not liable for damages related to the abatement. The Board may levy its costs of abatement against the Lot and Owner as an Individual Assessment. The Board will make reasonable efforts to give the violating Owner at least 72 hours' prior notice of its intent to exercise self-help; subject to any open Board meeting requirements under applicable laws with respect to such violation and enforcement action. The notice may be given in any manner likely to be received by the Owner. Prior notice is not required (1) in the case of emergencies, (2) to remove violative signs, (3) to remove violative debris, or (4) to remove any other violative item or to abate any other violative condition that is easily removed or abated and that is considered a nuisance, dangerous, health hazard, or an eyesore to the Subdivision.

12.2.5 Suit. Failure to comply with the Documents will be grounds for an action to recover damages or for injunctive relief to cause any such violation to be remedied, or both. Prior to commencing any legal proceeding, the Association will give the defaulting party reasonable notice and an opportunity to cure the violation.

12.3 BOARD DISCRETION. The Board may use its sole discretion in determining whether to pursue a violation of the Documents, provided the Board does not act in an arbitrary or capricious manner. In evaluating a particular violation, the Board may determine that under the particular circumstances (1) the Association's position is not sufficiently strong to justify taking any or further action; (2) the provision being enforced is or may be construed as inconsistent with Applicable Law; (3) although a technical violation may exist, it is not of such a material nature as to be objectionable to a reasonable person or to justify expending the Association's resources; or (4) that enforcement is not in the Association's best interests, based on hardship, expense, or other reasonable criteria.

12.4 NO WAIVER. The Association and every Owner has the right to enforce all restrictions, conditions, covenants, liens, and charges now or hereafter imposed by the Documents. Failure by the Association or by any Owner to enforce a provision of the Documents is not a waiver of the right to do so thereafter. If the Association does waive the right to enforce a provision, that waiver does not impair the Association's right to enforce any other part of the Documents at any future time. No officer, director, or Member of the Association is liable to any Owner for the failure to enforce any of the Documents at any time.

12.5 RECOVERY OF COSTS. The costs of curing or abating a violation are at the expense of the Owner or other person responsible for the violation. At the Board's sole discretion, a fine may be levied against a renter or lessee other than the Owner however, should the renter or lessee fail to pay the fine within the time allotted, the Owner shall be responsible for the fine which shall be added to the Owner's account. If legal assistance is obtained to enforce any provision of the Documents, or in any legal proceeding (whether or not suit is brought) for damages or for the enforcement of the Documents or the restraint of violations of the Documents, the prevailing party is entitled to recover from the non-prevailing party all reasonable and necessary costs incurred by it in such action, including reasonable attorneys' fees.

ARTICLE 13.
MAINTENANCE AND REPAIR OBLIGATIONS

13.1 OVERVIEW. All Common Areas and Lots are to be kept in such a way that are aesthetically pleasing and shows forth a harmonious theme of colors, architectural elements, and landscape throughout the community. Generally, the Association maintains the Common Areas and the Owner maintains his Lot and Residence. If an Owner fails to maintain his Lot, the Association may perform the work at the Owner's expense.

13.2 ASSOCIATION MAINTAINS. The Association's maintenance duties will be discharged when and how the Board deems appropriate. The Association maintains, repairs, and replaces, as a Common Expense, the portions of the Property listed below, regardless of whether the portions are on Lots or Common Areas. Maintenance shall be in a manner consistent with the Community Standard and the Documents.

a. The Common Areas as well as any ponds, creeks, waterways, floodways or other areas of land or elements for which the Association has maintenance responsibility.

b. Any real and personal property owned by the Association but which is not a Common Area, such as a Lot owned by the Association.

c. Any property adjacent to the Subdivision if maintenance of same is deemed to be in the best interests of the Association, and if not prohibited by the Owner or operator of said property.

d. Any area, item, easement, or service - the maintenance of which is assigned to the Association by this Declaration or by the Plat.

The City or its lawful agents, after due notice to the Association and opportunity to cure, may maintain the Common Areas, landscape systems and any other features or elements that are

required to be maintained by the Association and the Association fails to do so. The City or its lawful agents, after due notice to the Association, may remove any landscape systems, features or elements that cease to be maintained by the Association. The City or its lawful agents, after due notice to the Association and opportunity to cure, may also perform the responsibilities of the Association and its Board if the Association fails to do so in compliance with any provisions of the agreements, covenants or restrictions of the Association or of any applicable City codes or regulations. All costs incurred by the City in performing said responsibilities as addressed in this paragraph shall be the responsibility of the Association. The City may also avail itself of any other enforcement actions available to the City pursuant to state law or City codes or regulations, with regard to the items addressed in this paragraph. **THE ASSOCIATION AGREES TO INDEMNIFY AND HOLD THE CITY HARMLESS FROM ANY AND ALL COSTS, EXPENSES, SUITS, DEMANDS, LIABILITIES OR DAMAGES INCLUDING ATTORNEY FEES AND COSTS OF SUIT, INCURRED OR RESULTING FROM THE CITY'S MAINTENANCE OF THE COMMON AREAS AND/OR REMOVAL OF ANY LANDSCAPE SYSTEMS, FEATURES OR ELEMENTS THAT CEASE TO BE MAINTAINED BY THE ASSOCIATION.**

13.3 OWNER'S OBLIGATIONS TO REPAIR. Each Owner shall at his sole cost and expense, maintain and repair his Lot and the improvements situated thereon, keeping the same in good condition and repair at all times in compliance with the Documents and in accordance with the Community Standard. In the event that any Owner shall fail to maintain and repair his Lot and such improvements as required hereunder, the Association, in addition to all other remedies available to it hereunder or by law, and without waiving any of said alternative remedies, shall have the right but not the obligation, subject to the notice and cure provisions, through its agents and employees, to enter upon said Lot and to repair, maintain and restore the Lot and the exterior of the buildings and any other improvements erected thereon; and each Owner (by acceptance of a deed for his Lot) hereby covenants and agrees to repay to the Association the cost thereof immediately upon demand, and the failure of any such Owner to pay the same shall carry with it the same consequences as the failure to pay any assessments hereunder when due. Maintenance shall include the upkeep in good repair of all fences, exterior portions of the Residence including, but not limited to, trim, gutters, garage door, windows, lawn, driveway and sidewalk; this list is not intended to be inclusive and other maintenance requirements are at the sole discretion of the Board. Owners of Lots that share fencing or walls on common property lines shall be liable and responsible for the costs and expenses to maintain, repair or replace such fencing on the common boundary line based upon the total linear feet of fencing that is on the common boundary line shared between two Owners and the aggregate total linear feet of fencing being replaced. Any approval of the Declarant or ACC of fence design on an Owner's Lot to be placed, constructed or installed on a common boundary shared with one or more other Owners shall not be effective without the written consent and approval of the other Owner(s) sharing the common property line on which such fence is to be placed, constructed or installed. In the event of conflict or disagreement between Owners regarding fencing constructed or installed on a common boundary line between two or more Owners, the Association has no liability or responsibility for resolving such conflict or disagreement and Owners.

13.4 OWNER'S DEFAULT IN MAINTENANCE. If the Board determines that an Owner has failed to properly discharge his obligation to maintain, repair, and replace items for which the Owner is responsible, the Board may give the Owner written notice of the Association's

intent to provide the necessary maintenance at Owner's expense. The notice must state, with reasonable particularity, the maintenance deemed necessary and a reasonable period of time in which to complete the work. If the Owner fails or refuses to timely perform the maintenance, the Association may do so at Owner's expense, which is an Individual Assessment against the Owner and his Lot. In case of an emergency, however, the Board's responsibility to give the Owner written notice may be waived and the Board may take any action it deems necessary to protect persons or property, the cost of the action being the Owner's expense.

13.5 Intentionally Omitted.

13.6 CONCRETE. Minor cracks in poured concrete, including foundations, garage floors, sidewalks, driveways, and patio slabs, are inevitable as a result of the natural movement of soil (expansion and contraction), shrinkage during the curing of the concrete, and settling of the Residence. Such minor cracking is typically an aesthetic consideration without structural significance.

13.7 MOLD. In the era in which this Declaration is written, the public and the insurance industry have a heightened awareness of and sensitivity to anything pertaining to mold. Because many insurance policies do not cover damages related to mold, Owners should be proactive in identifying and removing visible surface mold, and in identifying and repairing sources of water leaks in the Residence. To discourage mold in his Residence, each Resident should maintain an inside humidity level under sixty percent. For more information about mold, the Owner should consult a reliable source, such as the U. S. Environmental Protection Agency.

ARTICLE 14.
INSURANCE

14.1 GENERAL PROVISIONS. All insurance affecting the Property is governed by the provisions of this Article, with which the Owners and the Board will make every reasonable effort to comply. Insurance policies and bonds obtained and maintained by the Owners must be issued by responsible insurance companies authorized to do business in the State of Texas and carrying an A rating or better. Each insurance policy maintained by the Owner should contain a provision requiring the insurer to endeavor to give at least 10 days' prior written notice to the Board before the policy may be canceled, terminated, materially modified, or allowed to expire, by either the insurer or the insured.

14.2 PROPERTY INSURANCE BY OWNER(S). To the extent it is reasonably available; the Owners will obtain property insurance for all improvements and property within a Residence or Lot owned by such Owner insurable by the Owner. This insurance must be in an amount sufficient to cover the replacement cost of any repair or reconstruction in event of damage or destruction from any insured hazard. In insuring the Residence and Lot owned by it, the Owner may be guided by types of policies and coverage's customarily available for similar types of properties. As used in this Article, "Building Standard" refers to the typical Residence for the Property, as originally constructed, and as modified over time by changes in replacement materials and systems that are typical for the market and era.

14.3 LIABILITY INSURANCE BY OWNER. Notwithstanding anything to the contrary in this Declaration, to the extent permitted by Applicable Law, each Owner is liable for damage to the Property caused by the Owner or by persons for whom the Owner is responsible, including, but not limited to, occupants, tenants, guests, and invitees. Each Owner is hereby required to obtain and maintain general liability insurance to cover this liability as well as occurrences within his Residence, in amounts sufficient to cover the Owner's liability for damage to the property of others in the Property, whether such damage is caused willfully and intentionally, or by omission or negligence.

14.4 OWNER'S GENERAL RESPONSIBILITY FOR INSURANCE. Each Owner, at his expense, will maintain all insurance coverage's required of Owners by the Association pursuant to this Article. Each Owner will provide the Association with proof or a certificate of insurance on request by the Association from time to time. If an Owner fails to maintain required insurance, or to provide the Association with proof of same, the Board may obtain insurance on behalf of the Owner who will be obligated for the cost as an Individual Assessment. The Board may establish additional minimum insurance requirements, including types and minimum amounts of coverage, to be individually obtained and maintained by Owners if the insurance is deemed necessary or desirable by the Board to reduce potential risks to the Association or other Owners. Each Owner and Resident is solely responsible for insuring his Residence and his personal property in his Residence and on his Lot, including furnishings, vehicles, and stored items.

ARTICLE 15.
AMENDMENTS

15.1 CONSENTS REQUIRED. As permitted by this Declaration, certain amendments of this Declaration may be executed by Declarant alone, or by the Board alone without the consent or joinder of the Members. To the extent required by the City, any proposed amendment which is for the purpose of amending the provisions of this Declaration or the Association's agreements pertaining to the use, operation, maintenance and/or supervision of any facilities, structures, improvements, systems, Common Areas, private Streets or grounds that are the responsibility of the Association, shall not affect nor interfere with any rights or reservations given to or belonging to the City.

15.2 METHOD OF AMENDMENT. This Declaration may be amended by any method selected by the Board from time to time, pursuant to the Bylaws, provided the method gives an Owner of each Lot the substance if not exact wording of the proposed amendment, and a description of the effect of the proposed amendment. In addition to Declarant's rights to amend this Declaration during the Development Period as set forth in Section 15.4 hereof, this Declaration may be amended or otherwise changed (a) as provided in Appendix B, or (b) upon the affirmative vote of at least sixty-seven percent (67%) of the outstanding votes of the Members of the Association taken at a meeting of the Members of the Association, duly called at which quorum is present. Any and all amendments of this Declaration shall be recorded in the Official Public Records of Denton County, Texas.

15.3 EFFECTIVE. To be effective, an amendment must be in the form of a written instrument (1) referencing the name of the Property, the name of the Association, and the recording data of this Declaration and any amendments hereto; (2) signed and acknowledged by an officer

of the Association, certifying the requisite approval of Declarant, so long as Declarant owns one (1) lot within the Subdivision, or the directors and, if required, any mortgagees under a first lien mortgage or deed of trust encumbering a Lot; and (3) recorded in the Real Property Records of every county in which the Property is located, except as modified by the following section. During the Declarant Control Period, Declarant's amendment rights are not subject to notice or approval by the Board or any Member as further outlined in Section 15.4 below and elsewhere in this Declaration.

15.4 DECLARANT PROVISIONS. Declarant has an exclusive right to unilaterally amend this Declaration for the purposes stated in Appendix B. An amendment that may be executed by Declarant alone is not required to name the Association or to be signed by an officer of the Association. No amendment may affect Declarant's rights under this Declaration without Declarant's written and acknowledged consent, which must be part of the recorded amendment instrument. This Section may not be amended without Declarant's written and acknowledged consent. Further, and without regard to whether or not the Declarant has been released from obligations and duties to the Association, during the Development Period or so long as the Declarant holds record title to at least one (1) Lot and holds same for sale in the ordinary course of business, neither the Association nor its Board, nor any member of the Association nor Owner shall take any action that will impair or adversely affect the rights of the Declarant or cause the Declarant to suffer any financial, legal or other detriment, including but not limited to, any direct or indirect interference with the sale of Lots. In the event there is a breach of this Section, it is acknowledged that any monetary award which may be available would be an insufficient remedy and therefore, in addition to all other remedies, the Declarant shall be entitled to injunctive relief restraining the Association, its Board or any member of the Association from further breach of this Section. The provisions of this Section 15.4 and/or Appendix B may not be modified or amended without the express written consent of Declarant.

15.5 ORDINANCE COMPLIANCE. When amending the Documents, the Association must consider the validity and enforceability of the amendment in light of current public law, including without limitation Applicable Zoning or other City requirements.

15.6 MERGER. Merger or consolidation of the Association with another association must be evidenced by an amendment to this Declaration. The amendment must be approved by Majority of Owners. Upon a merger or consolidation of the Association with another association, the property, rights, and obligations of another association may, by operation of law, be added to the properties, rights, and obligations of the Association as a surviving corporation pursuant to the merger. The surviving or consolidated association may administer the provisions of the Documents within the Property, together with the covenants and restrictions established upon any other property under its jurisdiction. No merger or consolidation, however, will affect a revocation, change, or addition to the covenants established by this Declaration within the Property.

15.7 TERMINATION. Termination of the terms of this Declaration is according to the following provisions. In the event of substantially total damage, destruction, or public condemnation of the Property, an amendment to terminate must be approved by Owners of at least two-thirds of the Lots. In the event of public condemnation of the entire Property, an amendment to terminate may be executed by the Board without a vote of Owners. In all other circumstances,

an amendment to terminate must be approved by Owners of at least eighty percent (80%) of the Lots. Any termination of the terms of this Declaration shall require the written approval of the City and additionally provide that (a) the assets of the Association shall be donated to a nonprofit organization selected by a majority of the Board and with purposes similar to the Association, and (b) such nonprofit organization must assume in writing the obligation to maintain the donated assets in accordance with the terms of this Declaration.

15.8 CONDEMNATION. In any proceeding, negotiation, settlement, or agreement concerning condemnation of the Common Area, the Association will be the exclusive representative of the Owners. The Association may use condemnation proceeds to repair and replace any damage or destruction of the Common Area, real or personal, caused by the condemnation. Any condemnation proceeds remaining after completion, or waiver, of the repair and replacement will be deposited in the Association's Reserve Funds.

ARTICLE 16.
DISPUTE RESOLUTION

16.1 INTRODUCTION & DEFINITIONS. The Association, the Owners, Declarant, all persons subject to this Declaration, and any person not otherwise subject to this Declaration who agrees to submit to this Article (collectively, the "Parties") agree to encourage the amicable resolution of disputes involving the Property and to avoid the emotional and financial costs of litigation and arbitration if at all possible. Accordingly, each Party hereby covenants and agrees that this Article applies to all Claims as hereafter defined. The provisions of this Article 16 shall be specifically enforceable under Applicable Law in any court having jurisdiction thereof. Notwithstanding anything contained in the Documents, this Article 16 may only be amended with the prior written approval of the Declarant, and Owners holding 100% of votes in the Association. As used in this Article only, the following words, when capitalized, have the following specified meanings:

16.1.1 "Claim" means:

a. Claims relating to the rights and/or duties of Declarant, the Association, any managing agent engaged by the Declarant or the Association, or the Architectural Reviewer, under the Documents.

b. Claims relating to the acts or omissions of the Declarant, the Association or a Board member or officer of the Association during Declarant's control and administration of the Association, and any claim asserted against the Architectural Reviewer.

c. Claims relating to the design or construction of the Property, including Common Area, Residences, or any improvements located on the Lots.

16.1.2 "Claimant" means any Party having a Claim against any other Party.

16.1.3 "Respondent" means any Party against which a Claim has been asserted by a Claimant.

16.2 MANDATORY PROCEDURES. Claimant may not initiate any proceeding before any administrative tribunal seeking redress or resolution of its Claim until Claimant has complied with the procedures of this Article. As provided in Section 16.9 below, a Claim will be resolved by binding arbitration. A Claimant, whether Owner or the Association, may not consolidate any Claims or bring a Claim on behalf of any class; provided, however, a Respondent may join or add additional parties to a Claim as may be allegedly responsible in whole or in any part for the matters which are the subject of such Claims.

16.3 CLAIM AFFECTING COMMON AREAS. In accordance with Section 8.13 of this Declaration, the Association does not have the power or right to institute, defend, intervene in, settle, or compromise litigation or administrative proceedings: (1) in the name of or on behalf of or against any Owner (whether one or more); or (2) pertaining to a Claim, as defined in Section 16.1.1, relating to the design or construction of improvements on a Lot (whether one or more), including Residences. In the event the Association or an Owner asserts a Claim related to the Common Areas, as a precondition to providing the Notice defined in Section 16.5, initiating the mandatory dispute resolution procedures set forth in this Article 16, or taking any other action to prosecute a Claim related to the Common Areas, the Association or Owner, as applicable, must:

16.3.1 Independent Report on the Condition of the Common Areas. Obtain an independent third-party report (the "Common Area Report") from a licensed professional engineer which: (1) identifies the Common Areas subject to the Claim including the present physical condition of the Common Areas; (2) describes any modification, maintenance, or repairs to the Common Areas performed by the Owner(s) and/or the Association; (3) provides specific and detailed recommendations regarding remediation and/or repair of the Common Areas subject to the Claim. For the purposes of this Section, an independent third-party report is a report obtained directly by the Association or an Owner and paid for by the Association or Owner, as applicable, and not prepared by a person employed by or otherwise affiliated with the attorney or law firm that represents or will represent the Association or Owner in the Claim. As a precondition to providing the Notice described in Section 16.5, the Association or Owner must provide at least ten (10) days prior written notice of the inspection, calculated from the date or receipt of such notice, to each party subject to a Claim which notice shall identify the independent third-party engaged to prepare the Common Area Report, the specific Common Areas to be inspected, and the date and time the inspection will occur. Each party subject to a Claim may attend the inspection, personally or through an agent. Upon completion, the Common Area Report shall be provided to each party subject to a Claim. In addition, before providing the Notice described in Section 16.5, the Association or the Owner, as applicable, shall have permitted each party subject to a Claim the right, for a period of ninety (90) days, to inspect and correct, any condition identified in the Common Area Report.

16.3.2 Claim by the Association - Owner Meeting and Approval. If the Claim is prosecuted by the Association, the Association must first obtain approval from Members holding sixty-seven percent (67%) of the votes in the Association to provide the Notice described in Section 16.5, initiate the mandatory dispute resolution procedures set forth in this Article 16, or take any other action to prosecute a Claim, which approval from Members must be obtained at a special meeting of Members called in accordance with the Bylaws. The notice of meeting required hereunder will be provided pursuant to the Bylaws but the notice must also include: (1) the nature of the Claim, the relief sought, the anticipated duration of

prosecuting the Claim, and the likelihood of success; (2) a copy of the Common Area Report; (3) a copy of any proposed engagement letter, with the terms of such engagement between the Association and an attorney to be engaged by the Association to assert or provide assistance with the claim (the "Engagement Letter"); (4) a description of the attorney fees, consultant fees, expert witness fees, and court costs, whether incurred by the Association directly or for which it may be liable if it is not the prevailing party or that the Association will be required, pursuant to the Engagement Letter or otherwise, to pay if the Association elects to not proceed with the Claim; (5) a summary of the steps previously taken, and proposed to be taken, to resolve the Claim; (6) an estimate of the impact on the value of each Residence if the Claim is prosecuted and an estimate of the impact on the value of each Residence after resolution of the Claim; (7) an estimate of the impact on the marketability of each Residence if the Claim is prosecuted and during prosecution of the Claim, and an estimate of the impact on the value of each Residence during and after resolution of the Claim; (8) the manner in which the Association proposes to fund the cost of prosecuting the Claim; and (9) the impact on the finances of the Association, including the impact on present and projected reserves, in the event the Association is not the prevailing party. The notice required by this paragraph must be prepared and signed by a person other than, and not employed by or otherwise affiliated with, the attorney or law firm that represents or will represent the Association or Owner, as applicable, in the Claim. In the event Members approve providing the Notice described in Section 16.5, or taking any other action to prosecute a Claim, the Members holding a Majority of the votes in the Association, at a special meeting called in accordance with the Bylaws, may elect to discontinue prosecution or pursuit of the Claim.

16.4 CLAIM BY OWNERS – IMPROVEMENTS ON LOTS. Notwithstanding anything contained herein to the contrary, except as set forth in Section 16.16 herein below, in the event a warranty is provided to an Owner by the Declarant relating to the design or construction of any improvements located on a Lot, then this Article 16 will only apply to the extent that this Article 16 is more restrictive than such Owner's warranty, as determined in the sole discretion of the Declarant providing such warranty (if any). If a warranty has not been provided to an Owner relating to the design or construction of any improvements located on a Lot, then this Article 16 will apply. If an Owner brings a Claim, as defined in Section 16.1.1, relating to the design or construction of any improvements located on a Lot (whether one or more), as a precondition to providing the Notice defined in Section 16.5, initiating the mandatory dispute resolution procedures set forth in this Article 16, or taking any other action to prosecute a Claim, the Owner must obtain an independent third-party report (the "Owner Improvement Report") from a licensed professional engineer which: (1) identifies the improvements subject to the Claim including the present physical condition of the improvements; (2) describes any modification, maintenance, or repairs to the improvements performed by the Owner(s) and/or the Association; and (3) provides specific and detailed recommendations regarding remediation and/or repair of the improvements subject to the Claim. For the purposes of this Section, an independent third-party report is a report obtained directly by the Owner and paid for by the Owner, and not prepared by a person employed by or otherwise affiliated with the attorney or law firm that represents or will represent the Owner in the Claim. As a precondition to providing the Notice described in Section 16.5, the Owner must provide at least ten (10) days prior written notice of the inspection, calculated from the date of receipt of such notice, to each party subject to a Claim which notice shall identify the independent third-party engaged to prepare the Owner Improvement Report, the specific improvements to be inspected, and the date and time the inspection will occur. Each party subject to a Claim may

attend the inspection, personally or through an agent. Upon completion, the Owner Improvement Report shall be provided to each party subject to a Claim. In addition, before providing the Notice described in Section 16.5, the Owner shall have permitted each party subject to a Claim the right, for a period of ninety (90) days, to inspect and correct, any condition identified in the Owner Improvement Report.

16.5 NOTICE. Claimant must notify Respondent in writing of the Claim (the "Notice"), stating plainly and concisely: (1) the nature of the Claim, including date, time, location, persons involved, and Respondent's role in the Claim; (2) the basis of the Claim (i.e., the provision of the Documents or other authority out of which the Claim arises); (3) what Claimant wants Respondent to do or not do to resolve the Claim; and (4) that the Notice is given pursuant to this Section. For Claims governed by Chapter 27 of the Texas Property Code, the time period for negotiation in Section 16.6 below, is equivalent to the sixty (60) day period under Section 27.004 of the Texas Property Code. If a Claim is subject to Chapter 27 of the Texas Property Code, the Claimant and Respondent are advised, in addition to compliance with Section 16.6, to comply with the terms and provisions of Section 27.004 during such sixty (60) day period. Section 16.6 does not modify or extend the time period set forth in Section 27.004 of the Texas Property Code. Failure to comply with the time periods or actions specified in Section 27.004 could affect a Claim if the Claim is subject to Chapter 27 of the Texas Property Code. The one hundred and twenty (120) day period for mediation set forth in Section 16.7 below, is intended to provide the Claimant and Respondent with sufficient time to resolve the Claim in the event resolution is not accomplished during negotiation. If the Claim is not resolved during negotiation, mediation pursuant to Section 16.7 is required without regard to the monetary amount of the Claim.

If the Claimant is the Association, the Notice will also include: (a) a true and correct copy of the Common Area Report; (b) a copy of the Engagement Letter; (c) copies of all reports, studies, analyses, and recommendations obtained by the Association related to the Common Area which forms the basis of the Claim; (d) a true and correct copy of the special meeting notice provided to Members in accordance with Section 16.3.2 above; and (e) reasonable and credible evidence confirming that Members holding sixty-seven percent (67%) of the votes in the Association approved providing the Notice. If the Claimant is not the Association and pertains to the Common Area, the Notice will also include a true and correct copy of the Common Area Report. If the Claimant is not the Association and pertains to improvements on a Lot, the Notice will also include a true and correct copy of the Owner Improvement Report.

16.6 NEGOTIATION. Claimant and Respondent will make every reasonable effort to meet in person to resolve the Claim by good faith negotiation. Within sixty days after Respondent's receipt of the Notice, Respondent and Claimant will meet at a mutually-acceptable place and time to discuss the Claim. At such meeting or at some other mutually-agreeable time, Respondent and Respondent's representatives will have full access to the Property that is subject to the Claim for the purposes of inspecting the Property. If Respondent elects to take corrective action, Claimant will provide Respondent and Respondent's representatives and agents with full access to the Property to take and complete corrective action.

16.7 MEDIATION. If the Parties negotiate but do not resolve the Claim through negotiation within 120 days from the date of the Notice (or within such other period as may be agreed on by the Parties), Claimant will have thirty additional days within which to submit the

Claim to mediation under the auspices of a mediation center or individual mediator on which the Parties mutually agree. The mediator must have at least five years of experience serving as a mediator and must have technical knowledge or expertise appropriate to the subject matter of the Claim. If Claimant does not submit the Claim to mediation within the thirty-day period, Claimant is deemed to have waived the Claim, and Respondent is released and discharged from any and all liability to Claimant on account of the Claim.

16.8 TERMINATION OF MEDIATION. If the Parties do not agree upon a mediator within such 30 days or settle the Claim within 30 days after submission to mediation or within a time deemed reasonable by the mediator, the mediator will issue a notice of termination of the mediation proceedings indicating that the Parties are at an impasse and the date that mediation was terminated. Thereafter, Claimant may file suit or initiate arbitration proceedings on the Claim, as appropriate and permitted by this Article.

16.9 BINDING ARBITRATION-CLAIMS. All Claims must be settled by binding arbitration. Claimant or Respondent may, by summary proceedings (e.g., a plea in abatement or motion to stay further proceedings), bring an action in court to compel arbitration of any Claim not referred to arbitration as required by this Section 16.9.

16.9.1 Governing Rules. If a Claim has not been resolved after mediation as required by Section 16.7, the Claim will be resolved by binding arbitration in accordance with the terms of this Section 16.9 and the rules and procedures of the American Arbitration Association ("AAA") or, if the AAA is unable or unwilling to act as the arbitrator, then the arbitration shall be conducted by another neutral reputable arbitration service selected by Respondent in Denton County, Texas. Regardless of what entity or person is acting as the arbitrator, the arbitration shall be conducted in accordance with the AAA's "Construction Industry Dispute Resolution Procedures" and, if they apply to the disagreement, the rules contained in the Supplementary Procedures for Consumer-Related Disputes. If such rules have changed or been renamed by the time a disagreement arises, then the successor rules will apply. Also, despite the choice of rules governing the arbitration of any Claim, if the AAA has, by the time of Claim, identified different rules that would specifically apply to the Claim, then those rules will apply instead of the rules identified above. In the event of any inconsistency between any such applicable rules and this Section 16.9, this Section 16.9 will control. Judgment upon the award rendered by the arbitrator shall be binding and not subject to appeal except as provided in Section 16.9.4, but may be reduced to judgment or enforced in any court having jurisdiction. Notwithstanding any provision to the contrary or any applicable rules for arbitration, any arbitration with respect to Claims arising hereunder shall be conducted by a panel of three (3) arbitrators, to be chosen as follows:

a. One arbitrator shall be selected by Respondent, in its sole and absolute discretion;

b. One arbitrator shall be selected by the Claimant, in its sole and absolute discretion; and

c. One arbitrator shall be selected by mutual agreement of the arbitrators having been selected by Respondent and the Claimant, in their sole and absolute discretion.

16.9.2 Exceptions to Arbitration; Preservation of Remedies. No provision of, nor the exercise of any rights under, this Section 16.9 will limit the right of Claimant or Respondent, and Claimant and the Respondent will have the right during any Claim, to seek, use, and employ ancillary or preliminary remedies, judicial or otherwise, for the purposes of realizing upon, preserving, or protecting upon any property, real or personal, that is involved in a Claim, including, without limitation, rights and remedies relating to: (1) exercising self-help remedies (including set-off rights); or (2) obtaining provisions or ancillary remedies such as injunctive relief, sequestration, attachment, garnishment, or the appointment of a receiver from a court having jurisdiction before, during, or after the pendency of any arbitration. The institution and maintenance of an action for judicial relief or pursuit of provisional or ancillary remedies or exercise of self-help remedies shall not constitute a waiver of the right of any party to submit the Claim to arbitration nor render inapplicable the compulsory arbitration provisions hereof.

16.9.3 Statute of Limitations. All statutes of limitation that would otherwise be applicable shall apply to any arbitration proceeding under this Section 16.9.

16.9.4 Scope of Award; Modification or Vacation of Award. The arbitrator shall resolve all Claims in accordance with the applicable substantive law. The arbitrator may grant any remedy or relief that the arbitrator deems just and equitable and within the scope of this Section 16.9 and subject to Section 16.10 below (attorney's fees and costs may not be awarded by the arbitrator); provided, however, that for a Claim, or any portion of a Claim governed by Chapter 27 of the Texas Property Code, or any successor statute, in no event shall the arbitrator award damages which exceed the damages a Claimant would be entitled to under Chapter 27 of the Texas Property Code. In all arbitration proceedings the arbitrator shall make specific, written findings of fact and conclusions of law. In all arbitration proceedings the parties shall have the right to seek vacation or modification of any award that is based in whole, or in part, on (1) factual findings that have no legally or factually sufficient evidence, as those terms are defined in Texas law; (2) conclusions of law that are erroneous; (3) an error of federal or state law; or (4) a cause of action or remedy not expressly provided under existing state or federal law. In no event may an arbitrator award speculative, consequential, or punitive damages for any Claim.

16.9.5 Other Matters. To the maximum extent practicable, an arbitration proceeding hereunder shall be concluded within one hundred and eighty (180) days of the filing of the Claim for arbitration by notice from either party to the other. Arbitration proceedings hereunder shall be conducted in Denton County, Texas. The arbitrator shall be empowered to impose sanctions and to take such other actions as the arbitrator deems necessary to the same extent a judge could pursuant to the Federal Rules of Civil Procedure, the Texas Rules of Civil Procedure and Applicable Law. Each party agrees to keep all Claims and arbitration proceedings strictly confidential, except for disclosures of information required in the ordinary course of business of the parties or by Applicable Law or regulation. In no event shall any party discuss with the news media or grant any interviews with the news media regarding a

Claim or issue any press release regarding any Claim without the written consent of the other parties to the Claim.

16.10 ALLOCATION OF COSTS. Notwithstanding any provision in this Declaration to the contrary, each Party bears all of its own costs incurred prior to and during the proceedings described in the Notice, Negotiation, Mediation and Arbitration sections above, including its attorney's fees. Respondent and Claimant will equally divide all expenses and fees charged by the mediator and arbitrator.

16.11 GENERAL PROVISIONS. A release or discharge of Respondent from liability to Claimant on account of the Claim does not release Respondent from liability to persons who are not Party to Claimant's Claim.

16.12 Period of Limitation.

16.12.1 For Actions by an Owner. The exclusive period of limitation for any of the Parties to bring any Claim, including, but not limited to, a Claim of construction defect or defective design of a Residence, shall be the earliest of: (1) for Claims alleging construction defect or defective design, two years and one day from the date that the Owner discovered or reasonably should have discovered evidence of the Claim; (2) for Claims other than those alleging construction defect or defective design, four years and one day from the date that the Owner discovered or reasonably should have discovered evidence of the Claim; or (3) for all Claims, the applicable statute of limitations under Texas law. In no event shall this Section 16.12.1 be interpreted to extend any period of limitations under Texas law.

16.12.2 For Actions by the Association. The exclusive period of limitation for the Association to bring any Claim, including, but not limited to, a Claim of construction defect or defective design of the Common Areas, shall be the earliest of: (1) for Claims alleging construction defect or defective design, two years and one day from the date that the Association or its agents discovered or reasonably should have discovered evidence of the Claim; (2) for Claims other than those alleging construction defect or defective design of the Common Areas, four years and one day from the date that the Association discovered or reasonably should have discovered evidence of the Claim; or (3) for all Claims, the applicable statute of limitations under Texas law. In no event shall this Section 16.12.2 be interpreted to extend any period of limitations under Texas law.

16.13 LITIGATION APPROVAL & SETTLEMENT. The Association must levy a Special Assessment to fund the estimated costs of arbitration, including estimated attorney's fees, conducted pursuant to this Article 16 or any judicial action initiated by the Association. The Association may not use its annual operating income or reserve funds or savings to fund arbitration or litigation, unless the Association's annual budget or a savings account was established and funded from its inception as an arbitration and litigation reserve fund.

16.14 LIMITATION ON CONSOLIDATION OR JOINDER. No mediation, arbitration, or other action arising out of or relating to this Declaration or any other Documents shall include, by consolidation or joinder or in any other manner, the Declarant, the Association, any managing agent engaged by the Declarant, the Association, or the Architectural Reviewer as a "Respondent"

in such Claim, except by written consent containing specific reference to this Declaration signed by the Declarant, the Association, any managing agent engaged by the Declarant or the Association, or the Architectural Reviewer named as Respondent, as applicable, the Claimant, and any other person or entity sought to be joined. Consent to mediation, arbitration or other proceeding involving an additional person or entity shall not constitute consent to mediation, arbitration or other proceeding to resolve a Claim not described therein or with a person or entity not named or described therein. Notwithstanding the foregoing, the Declarant if \named as a "Respondent" in a Claim, may, at its option and in its sole and absolute discretion, elect to join or consolidate mediation or arbitration with a Claimant and other Claimant(s) or any other party having an interest in the proceedings. Each Owner by taking title to any Lot hereby consents to such joinder or consolidation, which may be ordered at the sole discretion or election of the Declarant.

16.15 RESTRICTIONS ON AMENDMENT. The provisions of this Article 16 may not be modified or amended without the express written consent of the Declarant.

16.16 CLAIMS RELATING TO DWELLINGS AND LOTS. EACH OWNER (WHICH INCLUDES WITHOUT LIMITTION EACH SUBSEQUENT PURCHASER OF A LOT), BY ACCEPTING AN INTEREST IN OR TITLE TO A LOT, AGREES THAT ALL CLAIMS AND CAUSES OF ACTION THAT SUCH OWNER MAY HAVE RELATING TO THE ORIGINAL DESIGN OR CONSTRUCTION OF SUCH OWNER'S DWELLING, LOT OR ANY IMPROVEMENT ON SUCH OWNER'S LOT (OTHER THAN COMMON MAINTENANCE AREAS ON ONE OR MORE LOTS), INCLUDING WITHOUT LIMITATION CLAIMS BASED ON ANY EXPRESS OR IMPLIED WARRANTIES (COLLECTIVELY, "HOME CONSTRUCTION CLAIMS"), WILL BE GOVERNED EXCLUSIVELYBY THE TERMS AND CONDITIONS OF THE EXPRESS OR IMPLIED WARRANTY PROVIDED BY THE BUILDER OR CONTRACTOR FOR WHICH CONSTRUCTED SUCH DWELLING OR IMPROVEMENT AND ANY OTHER AGREEMENTS BETWEEN THE INITIAL PURCHASER OF SUCH DWELLING AND SUCH BUILDER OR CONTRACTOR, INCLUDING WITHOUT LIMITATION ALL PROCEDURES AND AGREEMENTS CONTAINED THEREIN PERTAINING TO THE RESOLUTION OF DISPUTES, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING EACH OWNER (WHICH INCLUDES WITHOUT LIMITATION EACH SUBSEQUENT PURCHASER OF A LOT), BY ACCEPTING AN INTEREST IN OR TITLE TO A LOT, ASSUMES THE TERMS AND CONDITIONS OF THE EXPRESS OR IMPLIED WARRANTY PROVIDED BY THE BUILDER OR CONTRACTOR WHICH CONSTRUCTED THE DWELLING OR IMPROVEMENT.

LIKE ALL COVENANTS CONTAINED IN THIS DECLARATION, THE AGREEMENTS CONTAINED IN THIS ARTICLE ARE COVEANTS RUNNING WITH TITLE TO EACH LOT, CONCERN EACH LOT AND THE DWELLING AND OTHER IMPROVEMENTS ON SUCH LOT, AND SHALL BE BINDING UPON EACH SUCCESSIVE OWNER OF A LOT (WHICH INCLUDES WITHOUT LIMITTION EACH SUBSEQUENT PURCHASER OF A LOT).

ARTICLE 17.
GENERAL PROVISIONS

17.1 COMPLIANCE. The Owners hereby covenant and agree that the administration of the Association will be in accordance with the provisions of the Documents and Applicable Laws, regulations, and ordinances, as same may be amended from time to time, of any governmental or quasi-governmental entity having jurisdiction over the Association or Property.

17.2 HIGHER AUTHORITY. The Documents are subordinate to federal and state law, and local ordinances. Generally, the terms of the Documents are enforceable to the extent they do not violate or conflict with local, state, or federal law or ordinance.

17.3 NOTICE. All demands or other notices required to be sent to an Owner or Resident by the terms of this Declaration may be sent by ordinary or certified mail, postage prepaid, to the party's last known address as it appears on the records of the Association at the time of mailing. If an Owner fails to give the Association an address for mailing notices, all notices may be sent to the Owner's Lot, and the Owner is deemed to have been given notice whether or not he actually receives it. Only one (1) notice informing an Owner of an existing violation (emergency violations excluded) will be required. Such notice shall provide the Owner not less than ten (10) days to cure the violation if such violation is curable (See Section 12.1 hereof). If Owner does not cure the violation after written notice is delivered and applicable cure period expires, then the Association shall proceed with a fine notice and subsequent fines or with self-help whichever the Association deems appropriate.

17.4 LIBERAL CONSTRUCTION. The terms and provision of each Document are to be liberally construed to give effect to the purposes and intent of the Document. All doubts regarding a provision, including restrictions on the use or alienability of Property, will be resolved in favor of the operation of the Association and its enforcement of the Documents, regardless which party seeks enforcement.

17.5 SEVERABILITY. Invalidation of any provision of this Declaration by judgment or court order does not affect any other provision, which remains in full force and effect. The effect of a general statement is not limited by the enumeration of specific matters similar to the general.

17.6 CAPTIONS. In all Documents, the captions of articles and sections are inserted only for convenience and are in no way to be construed as defining or modifying the text to which they refer. Boxed notices are inserted to alert the reader to certain provisions and are not to be construed as defining or modifying the text.

17.7 APPENDIXES. This Declaration contains Appendixes. Any Appendix attached to this Declaration is a part of this Declaration. At time of recording of this Declaration, the following Appendixes exist and are incorporated herein by reference:

A – Description of Subject Land
B – Declarant Representations & Reservations
C – Design Guidelines
D – Certificate of Formation, Organizational Consent and Bylaws of the Association
E – PID Homebuyer Disclosure and Homebuyer Education Program

17.8 INTERPRETATION. Whenever used in the Documents, unless the context provides otherwise, a reference to a gender includes all genders. Similarly, a reference to the singular includes the plural, the plural the singular, where the same would be appropriate.

17.9 CITY AUTHORIZATION TO ENFORCE. The City shall have the right, but not the obligation, to enforce the rights granted to City in this Declaration without the necessity of City being a party to this Declaration or an Owner.

17.10 DURATION. Unless terminated or amended by Owners as permitted herein, the provisions of this Declaration shall run with and bind the Property, and will remain in effect initially for seventy-five (75) years from the date this Declaration is recorded, and shall automatically renew without any action from the Association for successive ten (10) year periods to the extent permitted by law, unless previously terminated in accordance with Section 15.7 hereof.

17.11 NOTICE OF OBLIGATION TO PAY PUBLIC IMPROVEMENT DISTRICT ASSESSMENT TO THE CITY.

17.11.1 By the deed or other document conveying any portion of the Property subject to this Declaration, upon taking title to any portion of the Property, each Owner is obligated to pay an assessment to a municipality or county for an improvement project undertaken by a Public Improvement District under Subchapter A, Chapter 372, Local Government Code, or Chapter 382, Local Government Code. The assessment may be due annually or in periodic installments and shall be in addition to the Assessments levied hereunder by the Association. More information concerning the amount of the assessment and the due dates of that assessment with respect to the PID may be obtained from the City or county levying the assessment. The amount of the assessments levied against Property within the PID is subject to change. An Owner's failure to pay the PID assessments could result in a lien on and the foreclosure of Property owned by it, which lien shall be in addition to the Assessment Lien hereunder.

17.11.2 The following is the current form of statutory notification required by Texas Property Code Section 5.014 to be delivered by the seller of residential property that is located in a public improvement district established under Chapter 372, Local Government Code, to the purchaser of such residential property:

NOTICE OF OBLIGATION TO PAY PUBLIC IMPROVEMENT DISTRICT ASSESSMENT TO THE CITY OF PILOT POINT, TEXAS, DENTON COUNTY, TEXAS CONCERNING THE ASSESSED PARCEL

As the purchaser of this parcel of real property, you are obligated to pay assessments to the City of Pilot Point, for improvement projects undertaken by a public improvement district under Subchapter A, Chapter 372, Local Government Code. The assessment may be due annually or in periodic installments. More information concerning the amount of the assessments and the due dates of those assessments may be obtained from the City of Pilot Point.

The amount of each of the assessments against your property may be paid in full at any time together with interest to the date of payment. If you do not pay the assessments in full, they will be due and payable in annual installments (including interest and collection costs).

The amount of the assessments is subject to change. Your failure to pay the assessments or the annual installments could result in the foreclosure of your property.

17.11.3 If the form of statutory notification is amended or modified at any time after the date hereof, such amended or modified notification shall be deemed to be incorporated herein by reference. Each Owner shall deliver or cause to be delivered the then current form of statutory notice of the PID required by the City and/or pursuant to Section 5.014 of the Texas Property Code to any purchaser of such Owner's Lot.

17.11.4 A Builder for a Lot shall attach Notice of Obligation to Pay Public Improvement District Assessment in the form substantially similar to that in Section 17.11.2 above and current assessment roll approved by the City (or if the assessment roll is not available for such Lot, then a schedule showing the maximum 30 year PID payment for such Lot) as an addendum to any residential homebuyer's contract. A Builder for a Lot shall provide evidence of compliance with the foregoing sentence, signed by such residential homebuyer, to the City. If prepared and provided by the City, a Builder for a Lot shall distribute informational brochures about the existence and effect of the PID in prospective homebuyer sales packets and as required under the PID Homebuyer Disclosure and Homebuyer Education Program. A Builder shall include PID assessments in estimated property taxes, if such Builder estimates monthly ownership costs for prospective homebuyers for Lot, as required by the PID Homebuyer Disclosure and Homebuyer Education Program.

17.11.5 In addition to this Declaration, the Property is subject to the PID Restrictions as set forth in the PID Declaration. In the event of any conflict between the terms of this Declaration and the PID Declaration, the PID Declaration shall control. Any assessments or liens established under the PID Declaration shall be a superior lien prior to the lien securing the Assessments hereunder.

[Signature page follows this page]

SIGNED on this 1st day of December, 2023.

DECLARANT:

MM CREEKVIEW 1027, LLC
a Texas limited liability company

By: MMM Ventures, LLC,
a Texas limited liability company
its Manager

By: 2M Ventures, LLC,
a Delaware limited liability company,
its Manager

By: _____
Mehrdad Moayedi, Manager

STATE OF TEXAS §
§
COUNTY OF Dallas §

BEFORE ME, the undersigned authority, on this day personally appeared Mehrdad Moayedi, the Manager of 2M Ventures, LLC, a Delaware limited liability company, the manager of MMM Ventures, LLC, a Texas limited liability company, the manager of MM CREEKVIEW 1027, LLC, a Texas limited liability company, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and as the act and deed of said limited liability companies and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, on this 1st day of December, 2023.

_____
Notary Public, State of Texas

[SEAL]

MATTHEW DAWSON
Notary ID #133843590
My Commission Expires
July 5, 2026

APPENDIX "A"
TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR CREEKVIEW MEADOWS

REAL PROPERTY LEGAL DESCRIPTION

LEGAL DESCRIPTION
75.282 ACRES

BEING that certain tract of land situated in the James A. McPherson Survey, Abstract No. 1481, the Arthur E. Norwood Survey, Abstract No. 969, the James H. Melroy Survey, Abstract No. 895, and the Texas Pacific Railroad Company Survey, Abstract No. 1299, in Denton County, Texas, and being part of that certain called 1027.38 acre tract of land described in deed to MM Creekview 1027, LLC recorded in Instrument No. 2021-163246, of the Real Property Records of Denton County, Texas (RPRDCT), and being more particularly described as follows:

COMMENCING at a 5/8-iron rod found in the northwest right-of-way line of Farm-to-Market Road No. 428 (variable width right-of-way), said northwest right-of-way line according to Right-of-Way Deed to the State of Texas recorded in Volume 478, Page 312, RPRDCT, said iron rod being the most southerly corner of said MM Creekview 1027, LLC tract;

THENCE with said northwest right-of-way line of Farm-to-Market Road No. 428, the following courses to 1/2-inch iron rods with cap stamped "Geer" found:

North 47°51'03" East, a distance of 170.49 feet;

And North 50°42'47" East, a distance of 100.13 feet;

THENCE North 47°51'03" East, continuing with the northwest right-of-way line of Farm-to-Market Road No. 428, a distance of 1287.04 feet to a 5/8-inch iron rod with cap stamped "BCG 10194538" set at the **POINT OF BEGINNING;**

THENCE over and across said MM Creekview 1027, LLC tract, the following courses to 5/8-inch iron rods with cap stamped "BCG 10194538" set for corner:

North 42°08'57" West, a distance of 166.87 feet, said iron rod being the beginning of a tangent curve to the right;

Northwesterly, with said curve which has a central angle of 42°02'45", a radius of 1467.50 feet, a chord which bears North 21°07'34" West, a chord distance of 1052.91 feet, and for an arc distance of 1076.91 feet;

North 00°06'11" West, a distance of 511.54 feet;

South 89°53'49" West, a distance of 1697.50 feet;

North 86°13'08" West, a distance of 156.82 feet;

South 38°09'46" West, a distance of 50.00 feet;

North 52°43'47" West, a distance of 168.86 feet, said iron rod being the beginning of a non-tangent curve to the left;

Southwesterly, with said curve which has a central angle of 00°08'04", a radius of 2985.50 feet, a chord which bears South 37°12'11" West, a chord distance of 7.00 feet, and for an arc distance of 7.00 feet;

North 52°51'51" West, a distance of 118.66 feet;

North 39°03'14" East, a distance of 180.42 feet;

North 89°53'49" East, a distance of 4089.04 feet, said iron rod being the beginning of a tangent curve to the right;

Southeasterly, with said curve which has a central angle of 47°57'15", a radius of 390.00 feet, a chord which bears South 66°07'34" East, a chord distance of 316.97 feet, and for an arc distance of 326.41 feet;

And South 42°08'57" East, a distance of 51.41 feet, said iron rod being located on said northwest right-of-way line of Farm-to-Market Road No. 428, from which a 1/2-inch iron rod with cap stamped "Geer" found bears North 47°51'03" East, distance of 174.92 feet;

THENCE with said northwest right-of-way line of Farm-to-Market Road No. 428, the following courses:

South 47°51'03" West, distance of 585.42 feet to a 1/2-inch iron rod with cap stamped "Geer" found for corner;

South 68°46'17" West, a distance of 186.85 feet to a 5/8-inch iron rod with cap stamped "BCG 10194538" set for corner;

South 21°15'19" East, a distance of 71.41 feet to a 1/2-inch iron rod with cap stamped "Geer" found for corner;

South 47°51'03" West, a distance of 88.70 feet to a 1/2-inch iron rod found for corner;

South 53°33'41" West, a distance of 100.50 feet to a 5/8-inch iron rod with cap stamped "BCG 10194538" set for corner;

South 47°51'03" West, a distance of 300.00 feet to a 1/2-inch iron rod found for corner;

South 44°59'18" West, distance of 100.18 feet to a 1/2-inch iron rod found for corner;

South 47°51'03" West, a distance of 1100.00 feet to a 1/2-inch iron rod found for corner;

South 44°59'18" West, a distance of 100.12 feet to a 5/8-inch iron rod with cap stamped "BCG 10194538" set for corner;

And South 47°51'03" West, a distance of 10.92 feet to the **POINT OF BEGINNING**, and containing an area of 75.282 acres of land.

APPENDIX "B"
TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR CREEKVIEW MEADOWS

DECLARANT REPRESENTATIONS & RESERVATIONS

B.1. GENERAL PROVISIONS.

B.1.1. Introduction. Declarant intends the Declaration to be perpetual and understands that provisions pertaining to the initial development, construction, marketing, and control of the Property will become obsolete when Declarant's role is complete upon expiration of the Development Period. As a courtesy to future users of the Declaration, who may be frustrated by then-obsolete terms, Declarant is compiling the Declarant-related provisions in this Appendix. The terms of **Appendix B** may not be modified or amended without the express written consent of Declarant.

B.1.2. General Reservation & Construction. Notwithstanding other provisions of the Documents to the contrary, nothing contained therein may be construed to, nor may any mortgagee, other Owner, or the Association, prevent or interfere with the rights contained in this Appendix which Declarant hereby reserves exclusively unto itself and its successors and assigns. In case of conflict between this Appendix and any other Document, this Appendix controls. This Appendix may not be amended without the prior written consent of Declarant. To the extent any proposed amendment is for the purpose of either amending the provisions of this Declaration or the Association's agreements pertaining to the use, operation, maintenance and/or supervision of any facilities, structures, improvements, systems, Common Areas, private Streets or grounds that are the responsibility of the Association, prior written consent of the City may be required. The terms and provisions of this Appendix must be construed liberally to give effect to Declarant's intent to protect Declarant's interests in the Property.

B.1.3. Purpose of Development and Declarant Control Periods. This Appendix gives Declarant certain rights during the Development Period and the Declarant Control Period to ensure a complete and orderly build out and sellout of the Property, which is ultimately for the benefit and protection of Owners and mortgagees. Declarant may not use its control of the Association and the Property for an advantage over the Owners by way of retention of any residual rights or interests in the Association or through the creation of any contractual agreements which the Association may not terminate without cause with ninety (90) days' notice.

B.1.4. Definitions. As used in this Appendix and elsewhere in the Documents, the following words and phrases, when capitalized, have the following specified meanings:

a. "Builder" means a person or entity which purchases, or contracts to purchase, a Lot from Declarant or from a Builder for the purpose of constructing a Residence for resale or under contract to an Owner other than Declarant. As used in this Declaration, Builder does not refer to Declarant or to any home building or home marketing company that is an affiliate of Declarant.

b. "Declarant Control Period" means that period of time during which Declarant controls the operation of this Association. The duration of the Declarant Control Period will be from the date this Declaration is recorded for a maximum period not to exceed the earlier of:

(1) fifty (50) years from date this Declaration is recorded; or

(2) the date title to the Lots and all other portions of the Property has been conveyed to Owners other than Builders or Declarant.

B.1.5. Builders. Declarant, through its affiliates, intends to construct Residences on the Lots in connection with the sale of the Lots. However, Declarant may, without notice, sell some or all of the Lots to one or more Builders to improve the Lots with Residences to be sold and occupied.

B.2. DECLARANT CONTROL PERIOD RESERVATIONS. Declarant reserves the following powers, rights, and duties during the Declarant Control Period:

B.2.1. Officers & Directors. During the Declarant Control Period, the Board shall consist of three persons. **During the Declarant Control Period, Declarant appoints, removes, and replaces any officer or director of the Association, none of whom need be Members or Owners, and each of whom is indemnified by the Association as a "Leader;"** provided, however, that on or before the date which is the earlier of (i) one hundred twenty (120) days after Declarant has sold seventy five percent (75%) of all Lots that may be developed within the Property, or (ii) ten (10) years after the date of recordation of this Declaration, at least one-third (1/3) of the directors on the Board shall be elected by non-Declarant Owners.

B.2.2. Weighted Votes. During the Declarant Control Period, Declarant shall hold Class B Member status and the vote appurtenant to each Lot owned by Declarant is weighted twenty (20) times that of the vote appurtenant to a Lot owned by another Owner. In other words, during the Declarant Control Period, Declarant may cast the equivalent of twenty (20) votes for each Lot owned by Declarant on any issue before the Association. On termination of the Declarant Control Period, Declarant's Class B Member status shall expire (subject to Section B.7.4 of this **Appendix B** below) and thereafter, the vote appurtenant to Declarant's Lots is weighted uniformly with all other votes.

B.2.3. Budget Funding. During the Declarant Control Period only, Declarant is responsible for the difference between the Association's operating expenses and the Regular Assessments received from Owners other than Declarant, and will either levy an assessment increase, a special assessment to fund such deficit or provide any additional funds necessary to pay actual cash outlays of the Association. At the Declarant's sole discretion, funds provided for the purpose of offsetting a deficit may be treated as a loan and to which, the Declarant is eligible for repayment upon written demand. Declarant may, but is under no obligation to adopt a promissory note. The Association remains responsible for repayment of loan to Declarant even after the Declarant Control Period ends. An Association may not waive any portion of a loan without the prior written consent of the Declarant. On termination of the Declarant Control Period, Declarant will cease being responsible for the difference between the Association's operating expenses and the Assessments received from Owners other than Declarant. Declarant is not responsible for funding the Reserve Fund and is excluded from any assessment, special assessment or any other form of assessment levied and may, at its sole discretion, require the Association to

use Reserve Funds when available to pay operating expenses prior to the Declarant funding any deficit.

B.2.4. Declarant Assessments. During the Declarant Control Period, any real property owned by Declarant is not subject to Assessments by the Association.

B.2.5. Builder Obligations. A Builder who owns a Lot is liable for all Assessments and other fees charged by the Association or its Managing Agent in the same manner as any Owner.

B.2.6. Commencement of Assessments. During the Declarant Control Period, Declarant will determine when the Association first levies Base Regular Assessments and other Assessments against the Lots. Prior to the first levy, Declarant will be responsible for all operating expenses of the Association; however, Declarant may elect to treat any advance made by the Declarant to cover operating or other expenses of the Association as a loan to the Association subject to reimbursement and repayment by the Association.

B.2.7. Expenses of Declarant. Expenses related to the completion and marketing of the Property will be paid by Declarant and are not expenses of the Association.

B.2.8. Budget Control and Termination of Association Contracts. **During the Declarant Control Period, the right of Owners to veto Budget, Assessment increases or Special Assessments is not effective and may not be exercised.** During the Declarant Control Period, any contracts entered into by the Association may not be terminated without the prior written consent of Declarant.

B.2.9. Transitional Meeting. Within one-hundred twenty days after the end of the Declarant Control Period, or sooner at the Declarant's option, Declarant will call a transitional meeting of the Members of the Association for the purpose of electing, by vote of the Owners, directors to the Board. Written notice of the organizational meeting must be given to an Owner of each Lot at least ten (10) days but not more than sixty (60) days before the meeting. For the transitional meeting at the end of the Declarant Control Period shall require a quorum of ten percent (10%) of the Lots. The directors elected at the transitional meeting will serve as the Board until the next annual meeting of the Association or a special meeting of the Association called for the purpose of electing directors, at which time the staggering of terms will continue. At this transition meeting, the Declarant will transfer control over all utilities related to the Common Areas owned by the Association and Declarant will provide information to the Association, if not already done so, relating to the total costs to date related to the operation and maintenance of the Common Areas.

B.3. DEVELOPMENT PERIOD RESERVATIONS. Declarant reserves the following easements and rights, exercisable at Declarant's sole discretion, at any time during the Development Period:

B.3.1. Changes in Development Plan. Declarant may modify the initial development plan to respond to perceived or actual changes and opportunities in the marketplace. Subject to approval by (1) a governmental entity, if applicable, and (2) the Owner of the land or Lots to which the change would directly apply (if other than Declarant), Declarant may (a) change the sizes, dimensions, and configurations of Lots and Streets; (b) change the minimum Residence size; (c)

change the building setback requirements; and (d) eliminate or modify any other feature of the Property.

B.3.2. Builder Limitations. Declarant may require its approval (which may not be unreasonably withheld) of all documents and materials used by a Builder in connection with the development and sale of Lots, including without limitation promotional materials; deed restrictions; forms for deeds, Lot sales, and Lot closings. Without Declarant's prior written approval, a Builder may not use a sales office or model in the Property to market Residences, Lots, or other products located outside the Property.

B.3.3. Architectural Control. **During the Development Period, Declarant has the absolute right to serve as the Architectural Reviewer pursuant to Article 6.** Declarant may from time to time, but is not obligated to, delegate all or a portion of its reserved rights under Article 6 and this Appendix to (1) an ACC appointed by the Board, or (2) a committee comprised of architects, engineers, or other persons who may or may not be Members of the Association and shall serve at the Declarant's sole discretion. Any such delegation is at all times subject to the unilateral rights of Declarant (1) to revoke such delegation at any time and reassume jurisdiction over the matters previously delegated and (2) to veto any decision which Declarant in its sole discretion determines to be inappropriate or inadvisable for any reason. Declarant also has the unilateral right to exercise architectural control over vacant Lots in the Property. After the Declarant Control Period, no Board Member nor any occupant of a Board Member's home may serve on the ACC. **The Association, the Board of directors, nor a committee appointed by the Association or Board (no matter how the committee is named) may involve itself with the approval of new Residences and related improvements on vacant Lots. This right remains that of the Declarant who may continue to exercise those rights until every Lot upon which a Residence is to be constructed is complete.**

B.3.4. Amendment. During the Development Period, Declarant may amend this Declaration and the other Documents to include Bylaws, without consent of the Board, other Owners or mortgagee, or Members for any purpose, including without limitation the following purposes:

a. To create Lots, easements, and Common Areas within the Property.

b. To subdivide, combine, or reconfigure Lots.

c. To convert Lots into Common Areas and Common Areas back to Lots.

d. To modify the construction and use restrictions of Article 7 of this Declaration.

e. To merge the Association with another property owners association.

f. To comply with the requirements of an underwriting lender.

g. To resolve conflicts, clarify ambiguities, and to correct misstatements, errors, or omissions in the Documents.

h. To enable any reputable title insurance company to issue title insurance coverage on the Lots.

i. To enable an institutional or governmental lender to make or purchase mortgage loans on the Lots.

j. To change the name or entity of Declarant.

k. To change the name of the addition in which the Property is located.

l. To change the name of the Association.

m. For any other purpose, provided the amendment has no material adverse effect on any right of any Owner.

B.3.5. Completion. During the Development Period, Declarant has (1) the right to complete or make improvements indicated on the Plat; (2) the right to sell or lease any Lot owned by Declarant; and (3) an easement and right to erect, construct, and maintain on and in the Common Area and Lots owned or leased by Declarant whatever Declarant determines to be necessary or advisable in connection with the construction, completion, management, maintenance, leasing, and marketing of the Property, including, without limitation, parking areas, temporary buildings, temporary fencing, portable toilets, storage areas, dumpsters, trailers, and commercial vehicles of every type.

B.3.6. Easement to Inspect & Right to Correct. During the Development Period, Declarant reserves for itself the right, but not the duty, to inspect, monitor, test, redesign, correct, and relocate any structure, improvement or condition that may exist on any portion of the Property, including the Lots, and a perpetual nonexclusive easement of access throughout the Property to the extent reasonably necessary to exercise this right. Declarant will promptly repair, at its sole expense, any damage resulting from the exercise of this right. By way of illustration but not limitation, relocation of a screening wall located on a Lot may be warranted by a change of circumstance, imprecise siting of the original wall, or desire to comply more fully with public codes and ordinances. This Section may not be construed to create a duty for Declarant or the Association.

B.3.7. Promotion. During the Development Period, Declarant reserves for itself an easement and right to place or install signs, banners, flags, display lighting, potted plants, exterior decorative items, seasonal decorations, temporary window treatments, and seasonal landscaping on the Property, including items and locations that are prohibited to other Owners and Residents, for purposes of promoting, identifying, and marketing the Property and/or Declarant's Residences, Lots, developments, or other products located outside the Property. Declarant reserves an easement and right to maintain, relocate, replace, or remove the same from time to time within the Property. Declarant also reserves the right to sponsor marketing events – such as open houses, MLS tours, and broker's parties – at the Property to promote the sale of Lots. During the Development Period, Declarant also reserves (1) the right to permit Builders to place signs and promotional materials on the Property and (2) the right to exempt Builders from the sign restriction in this Declaration.

B.3.8. Offices. During the Development Period, Declarant reserves for itself the right to use Residences owned or leased by Declarant as models, storage areas, and offices for the marketing, management, maintenance, customer service, construction, and leasing of the Property and/or Declarant's developments or other products located outside the Property. Also, Declarant reserves for itself the easement and right to make structural changes and alterations on and to Lots and Residences used by Declarant as models, storage areas, and offices, as may be necessary to adapt them to the uses permitted herein.

B.3.9. Access. During the Development Period, Declarant has an easement and right of ingress and egress in and through the Property for purposes of constructing, maintaining, managing, and marketing the Property and the Property Subject to Annexation (as hereinafter defined), and for discharging Declarant's obligations under this Declaration. Declarant also has the right to provide a reasonable means of access for the home buying public through any existing or future gate that restricts vehicular access to the Property in connection with the active marketing of Lots and Residences by Declarant or Builders, including the right to require that the gate be kept open during certain hours and/or on certain days. This provision may not be construed as an obligation or intent to gate the Property.

B.3.10. Utility Easements. During the Development Period, Declarant may grant permits, licenses, and easements over, in, on, under, and through the Property for utilities, roads, and other purposes necessary for the proper development and operation of the Property. Declarant reserves the right to make changes in and additions to the easements on any Lot, as shown on the Plat, to more efficiently or economically install utilities or other improvements. Utilities may include, but are not limited to, water, sewer, trash removal, electricity, gas, telephone, television, cable, internet service, and security. To exercise this right as to land that is not a Common Area or not owned by Declarant, Declarant must have the prior written consent of the Owner.

B.3.11. Assessments. For the duration of the Development Period, any Lot owned by Declarant is not subject to mandatory assessment by the Association until the date Declarant transfers title to an Owner other than Declarant. If Declarant owns a Lot on the expiration or termination of the Development Period, from that day forward Declarant is liable for Assessments on each Lot owned by Declarant in the same manner as any Owner.

B.3.12. Land Transfers. During the Development Period, Declarant is not subject to resale or transfer related fees, any transfer-related provision in the Documents, or the transfer-related provisions of Article 8 of this Declaration. This exclusion does not apply to Builders or homebuyers.

B.4. COMMON AREAS. Declarant will convey title to the Common Areas, including any and all facilities, structures, improvements and systems of the Common Areas owned by Declarant, to the Association by one or more deeds – with or without warranty. Any initial Common Area improvements will be installed, constructed, or authorized by Declarant, the cost of which is not a Common Expense of the Association. At the time of conveyance to the Association, the Common Areas shall be transferred and the Association shall accept Common Areas in "AS IS" condition. Common Areas shall be free of encumbrance except for the property taxes accruing for the year of conveyance the terms of this Declaration and matters reflected on the Plat. Declarant's conveyance of title is a ministerial task that does not require and is not subject to acceptance by the Association or the Owners. The transfer of control of the Association at the end of the

Declarant Control Period is not a transfer of Common Areas requiring inspection, evaluation, acceptance, or approval of Common Area improvements by the Owners. Declarant is under no contractual or other obligation to provide amenities of any kind or type.

B.5. WORKING CAPITAL FUND. To help ensure the Association is able to meet its obligations and prepare for the time in which the development will be transitioned to non-Declarant Members, Declarant has established a working capital or reserve fund as set forth in the Declaration or in this **Appendix B**. Purchasers of Lots shall make a one-time contribution to this fund equal to the then current annual assessment rate levied by the Association. Said fund is subject only to the following conditions:

a. The amount of the contribution to this fund will be:
   (i) transfers from Declarant to a Builder may be exempt from the working capital fund and subject to a lesser transfer fee
   (ii) for transfers from Declarant to an Owner (other than a Builder, a Declarant, Successor Declarant or Declarant affiliate), one hundred percent (100%) of the annual assessment charged hereunder;
   (iii) for transfers from a Builder to an Owner (other than a Builder, a Declarant, Successor Declarant or Declarant affiliate), one hundred percent (100%) of the annual assessment charged hereunder;
   (iv) for transfers from non-Builder Owners to an Owner (other than a Builder, a Declarant, Successor Declarant or Declarant affiliate), the greater of (i) one hundred percent (100%) of the annual assessment charged hereunder, or (ii) $1,000.00.

No Working Capital Contributions shall be due will be collected on the closing of the sale of the Lot to a Declarant, a Successor Declarant, or Declarant-affiliate at any time.

b. Subject to the foregoing, a Lot's contribution should be collected from the Owner at closing upon sale of Lot from Builder to Owner or from Owner to Owner; Declarant acknowledges that this condition may create an inequity among the Owners, but deems it a necessary response to the diversification of marketing and closing Lot sales.

c. Working Capital Contributions (may be referred to as Reserve Fund or other term) to the fund are not advance payments of any Assessments or made in lieu of other reserve fund payments or amounts to be collected or due hereunder in the event of a transfer of a Lot and are not refundable to the contributor by the Association or by Declarant. This may not be construed to prevent a selling Owner from negotiating reimbursement of the contribution from a purchaser. Funds may be used for any operating, administrative and/or maintenance needs of the Association, including, without limitation, funding for the Association's operating needs during the Declarant Control Period in the event of a deficit in the Association's operating budget.

d. Declarant will transfer the balance of the working capital fund, if any, to a general Reserve Fund or the Operating account of the Association.

B.6. SUCCESSOR DECLARANT. Declarant may designate one or more successor Declarants (herein so called) for specified designated purposes and/or for specified portions of the Property,

or for all purposes and all of the Property. To be effective, the designation must be in writing, signed and acknowledged by Declarant and successor Declarant, and recorded in the Real Property Records of Denton County, Texas. Declarant (or Successor Declarant) may subject the designation of successor Declarant to limitations and reservations. Unless the designation of successor Declarant provides otherwise, a successor Declarant has the rights of Declarant under this Section and may designate further successor Declarants.

B.7. Declarant's Right to Annex Adjacent Property. Declarant hereby reserves for itself and its affiliates and/or any of their respective successors and assigns the right to annex any real property in the vicinity of the Property (the "Property Subject to Annexation") into the scheme of this Declaration as provided in this Declaration. Notwithstanding anything herein or otherwise to the contrary, Declarant and/or such affiliates, successors and/or assigns, subject to annexation of same into the real property, shall have the exclusive unilateral right, privilege and option (but never an obligation), from time to time, for as long as Declarant owns any portion of the Property or Property Subject to Annexation, to annex (a) all or any portion of the Property Subject to Annexation owned by Declarant, and (b) subject to the provisions of this Declaration and the jurisdiction of the Association, any additional property located adjacent to or in the immediate vicinity of the Property (collectively, the "Annexed Land"), by filing in the Official Public Records of Denton County, Texas, a Supplemental Declaration expressly annexing any such Annexed Land. Such Supplemental Declaration shall not require the vote of the Owners, the Members of the Association, or approval by the Board or other action of the Association or any other person or entity, subject to the prior annexation of such Annexed Land into the real property. Any such annexation shall be effective upon the filing of such Supplemental Declaration in the Official Public Records of Denton County, Texas (with consent of Owner(s) of the Annexed Land, if not Declarant). Declarant shall also have the unilateral right to transfer to any successor Declarant, Declarant's right, privilege and option to annex Annexed Land, provided that such successor Declarant shall be the developer of at least a portion of the Annexed Land and shall be expressly designated by Declarant in writing to be the successor or assignee to all or any part of Declarant's rights hereunder.

B.7.1. Procedure for Annexation. Any such annexation shall be accomplished by the execution by Declarant, and the filing for record by Declarant (or the other Owner of the property being added or annexed, to the extent such other Owner has received a written assignment from Declarant of the right to annex hereunder) of a Supplemental Declaration which must set out and provide for the following:

(i) A legally sufficient description of the Annexed Land being added or annexed, which Annexed Land must as a condition precedent to such annexation be included in the real property;

(ii) That the Annexed Land is being annexed in accordance with and subject to the provisions of this Declaration, and that the Annexed Land being annexed shall be developed, held, used, sold and conveyed in accordance with, and subject to, the provisions of this Declaration as theretofore and thereafter amended; provided, however, that if any Lots or portions thereof being so annexed are to be treated differently than any of the other Lots (whether such difference is applicable to other Lots included therein or to the Lots now subject to this Declaration), the

Supplemental Declaration should specify the details of such differential treatment and a general statement of the rationale and reasons for the difference in treatment, and if applicable, any other special or unique covenants, conditions, restrictions, easements or other requirements as may be applicable to all or any of the Lots or other portions of Annexed Land being annexed;

(iii) That all of the provisions of this Declaration, as amended, shall apply to the Annexed Land being added or annexed with the same force and effect as if said Annexed Land were originally included in this Declaration as part of the initial Property subject to this Declaration, with the total number of Lots increased accordingly;

(iv) That an Assessment Lien is therein created and reserved in favor of the Association to secure collection of the Assessments as provided in this Declaration, and as provided for, authorized or contemplated in the Supplemental Declaration, and setting forth the first year Regular Assessments and the amount of any other then applicable Assessments (if any) for the Lots within the Annexed Land being made subject to this Declaration; and

(v) Such other provisions as the Declarant therein shall deem appropriate.

B.7.2. Amendment. The provisions of this Section B.7. or its sub-sections may not be amended without the express written consent of Declarant (and Declarant's successors and assigns in accordance with the terms hereof).

B.7.3. No Duty to Annex. Nothing herein contained shall establish any duty or obligation on the part of the Declarant or any Member to annex any property to this Declaration and no Owner of the property excluded from this Declaration shall have any right to have such property annexed thereto.

B.7.4. Effect of Annexation on Class B Membership. In determining the number of Lots owned by the Declarant for the purpose of Class B Membership status the total number of Lots covered by this Declaration and located in such Declarant's portion of the Property, including all Lots acquired by the Declarant and annexed thereto, shall be considered. If Class B Membership has previously lapsed but annexation of additional property restores the ratio of Lots owned by the Declarant to the number required by Class B Membership, such Class B Membership shall be reinstated until it expires pursuant to the terms of the Declaration.

[End of Appendix B]

APPENDIX "C"
TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR CREEKVIEW MEADOWS

CONSTRUCTION AND DESIGN GUIDELINES

PART ONE:

SECTION 1.1 DESIGN AND CONSTRUCTION MATERIALS

1.1.1 **Residence Square Footage and Height**.

- The minimum square footage of air conditioned living space of a Residence must conform to the applicable City requirements, Applicable Zoning, and Plat. The minimum square footage of Residences constructed on 50' Lots shall be 1,800 square feet (exclusive of garages, breezeways and porches). The minimum square footage of Residences constructed on 40' Lots shall be 1,500 square feet (exclusive of garages, breezeways and porches).

- The maximum building height of a Residence shall be thirty-five feet (35').

1.1.2 Exterior Materials. The overall exterior walls (excluding doors and windows) of each Residence constructed or placed on a Lot shall contain the minimum requirements as stated herein.

- The front façade of the exterior walls (excluding doors and windows) of each Residence constructed or placed on a Lot shall have one-hundred percent (100%) masonry material consisting of brick, stone, cast stone or a combination thereof. The use of more than one masonry material on the front elevations is encouraged.

- Remaining sides and rear of the residence must consist of not less than eighty percent (80%) mason overall consisting of brick, stone, cast stone or a combination thereof.

- The following materials are approved for the remaining twenty percent (20%) of the exterior walls:

    - 3-coat stucco applied by hand or gun (stucco may be allowed for use as part of the 100% masonry requirement when used on the front elevations, however, only upon written consent of the City and ACC); or
    - Cementitious siding / Hardi-plank

1.1.3 Architectural Trims and Accents:

- Some materials other than those listed above may be appropriate for architectural trim and accent applications only including but not limited to: cornices and decorative brackets,

frieze panels, decorative lintels, shutters, and porch or balcony railings and is subject to the approval of the City and ACC.

No other materials may be used in the exterior construction of a Residence constructed on a Lot (excluding roofing materials, window frames and exterior fixtures) without the express written consent of the City and ACC. All hardi-plank or stucco used on the exterior of a Residence must be painted or stained in a color compatible with the exterior design and materials used in the exterior construction of such Residence, and as approved by the City and/or ACC.

1.1.4 **Chimneys and Fireplace Flues**: All chimney and fireplace flues, if applicable, shall be enclosed and finished and portions located above the roof structure and roofing materials shall be finished as required by the City's ordinance and as approved by the ACC. In any event, such exterior portions of the chimney visible from the adjacent Street or Common Area (at grade level) shall be finished with one hundred percent (100%) masonry materials matching that of the primary structure. Exposed pre-fabricated metal flue piping is prohibited. Chimney flues not visible from the street may be enclosed by materials approved by the City's building code for exterior exposure and in compliance with the flue manufacturer's recommendations.

1.1.5 **Garage Doors**.

- Garage Doors shall be metal, patterned with a wood-like texture or may be stained cedar, redwood, spruce, fir or other hardwood and contain decorative hardware.

- Garages shall conform to all City Ordinance and requirements with regard to setbacks, location, and type. Should the City's ordinance not contain all or any portion of certain design or construction requirements, the ACC shall be the sole authority as to construction and design criteria or requirements.

- Each Residence erected on a Lot shall provide off-street parking space (inclusive of garage space) for a minimum of two (2) automobiles.

- Garages shall include a minimum of 370 square feet of interior space.

Garages may not be used for a living quarters or business and must remain closed at all times when not in use. Garage doors must be maintained in good condition.

1.1.6 Roof Slopes, Colors, and Restrictions

- Roofing Shingles shall be installed only after receiving the written approval of the City and the ACC.

- Allowed roofing materials are composition shingles as shown below. **No other material shall be allowed without the express written consent of the City and the ACC.**

    - **Shingles**: Composition Shingles with a 30-year warranty required. Minimum weight of 220 pounds per square foot (100 square feet).

- Composition roofing materials must be fireproof and wind and hail resistant and conform to the City's minimum roofing requirements.
- The minimum slope may not be less than a **6-in-12 slope** without the express written consent of the City and the ACC.

- Dormers may be used and shall be compatible with the architectural style of the residence.

- The Owner is responsible for the maintenance and repairs to the roof of his Residence. Repair or replacement of a roof must have the prior written consent of the City and the ACC prior to installation.

- Owners are hereby placed on notice that the installation of Roofing Shingles may void or adversely affect other warranties.

Allowed Roofing Colors:

Shingles in brown tones or gray tone colors are allowed. Any other shingle color must receive the prior written consent of the City and ACC prior to installation.

SECTION 1.2 LANDSCAPING:

Upon completion of each Residence, the following landscape elements shall be installed prior to occupancy of the Residence. **No synthetic or fake sod, plants, flowers or trees are allowed**:

1.2.1 Sod/Irrigation: The front yard of each Lot shall have full sod installed with the exception of any paved areas of the Lot. All Lots must have underground irrigation systems installed providing coverage for all non-paved areas of the Lot in accordance with City requirements, and specifically include, without limitation, irrigation of Trees or Street Trees, if applicable, located within any public right-of-way adjacent to the Lot. Drip irrigation systems or an acceptable alternative must be installed in the front planter beds and tree wells. Some hardscape landscaping which may include the use of river rock shall be allowed in certain beds or areas where the regular and healthy growth of plants or trees will be difficult due to lack of sun or soil depth.

1.2.2 Trees: At least one (1) ornamental tree of a minimum 3"-caliper, shall be planted in the front yard of every Lot and at least two (2) total trees with a minimum of 3"-caliper shall be planted within each Lot within the Property for which a building permit has been issued. Trees located on corner Lots which may impede line of sight must maintain a canopy a minimum of nine (9) feet above grade. Owner shall promptly maintain any signs of distress in trees or those in need of trimming.

1.2.3 Shrubbery and Planting Beds: Each Lot shall have the minimum number of shrubs as required by applicable City Ordinance in a mulched planting bed; edging to separate the sod and bed is required. Each planting bed shall also contain a minimum of ten one (1) gallon shrubs and two flats of flowers, and depending on the bed size, this number may be adjusted by the Builder upon written permission from the City and ACC.

1.2.4 Initial Installations and Maintenance. Upon completion of any Residence within the Property and prior to the final inspection, the Builder must comply with any landscaping regulations, if applicable, according to the specifications outlined in these Design Guidelines and/or City Ordinances (exceptions as to timing may be granted at the sole discretion of the Declarant and/or the Association due to inclement weather). The minimum clearance of any overhanging vegetation over any sidewalk shall be nine (9) feet.

1.2.5 Trees. Trees shall be planted in locations approved by the City or authorized under these construction and design guidelines and/or the ACC.

SECTION 1.3 FENCES:

1.3.1 Fencing: Fencing of front yards is not allowed. All wooden fencing shall be stained and preserved as follows:

Manufacturer: Sherwin Williams
Color: Banyan Brown – Apply per instructions

1.3.2 Wood Fencing.

- The side and rear year areas of each Lot shall be fenced beginning at least five (5') feet from the front façade of a Residence on a Lot.

- All fencing on a Lot shall be no less than six feet (6') in height from grade, and shall be constructed board-on-board, of spruce wood or better with steel posts.

- Posts for all wood fences must not be visible on any fence facing the street, front of a home, any Common Area, Open Space or other highly visible area.

- Fencing for interior Lots not visible from any visibly public standpoint may be board-to-board, spruce or better.

- All wood fences shall adjust for grade and maintain at least one inch (1") gap between the ground and wood to prevent rotting or decay. Vertical posts spacing should be no more than eight feet (8') on center or less and set in concrete post footings of a minimum of 24" deep for six foot (6') high fences. All fencing shall include a top cap or trim, and be stained with the color specified above.

1.3.3 Wrought Iron / Tubular Steel Fencing.

- The use of wrought iron or tubular steel fencing shall comply with the City's ordinance in regard to location, material, height, and style. Generally, wrought iron or tubular steel fencing is required for the portion of any Lot's boundary that is adjacent to an Amenity, Open Space, Greenbelt, or other Open Areas. The ACC will use the City's ordinance and building and zoning standards as

the design rule for wrought iron / tubular steel fencing. Should the City's ordinance not address use of wrought iron or tubular steel fencing or cover all the design criteria of the Architectural Reviewer desired, the Architectural Reviewer shall have the right to use or require the following requirements:

- wrought iron / tubular steel fencing shall be black and of a type designed to be rust proof and suitable for Texas weather.
- minimum height shall be no less than four (4) feet.
- Style shall be at the discretion of the Architectural Reviewer.
- Wrought iron / tubular steel fencing shall be required along the boundary line of any Lot adjacent to an Amenity, Open Space, Greenbelt, or other Open Areas.

All fencing types must be kept in good repair at all times. Broken fences and/or pickets must be repaired. Fallen fence panels must be up righted and repaired. All Lots must be fully fenced on all sides. Leans in fences of more than five inches (5") must be repaired. Fences with faded or fading stain must be re-stained to maintain consistency of color and aesthetic appearance at all times.

1.3.4 Pool Enclosures. The design and appearance of any "swimming pool enclosure" (as defined below) that is visible from the Street or Common Area adjacent to the Lot on which such swimming pool enclosure is located must be six feet (6') or less in height, black in color, and consist of transparent mesh set in metal frames, unless otherwise approved in writing by the Architectural Reviewer. In no event shall the Architectural Reviewer prohibit or restrict an Owner from installing on such Owner's Lot a swimming pool enclosure that conforms to applicable state or local safety requirements. A "swimming pool enclosure" means and refers to a fence that (1) surrounds a water feature, including a swimming pool or spa located on a Lot; (2) consists of transparent mesh or clear panels set in metal frames; (3) is not more than six feet (6') in height; and (4) is designed to not be climbable.

1.3.5 Security Measures. Any security fencing installed on an Owner's Lot as a security measure under Section 202.023 of the Texas Property Code, as amended:

(a) shall be no higher than eight (8) feet from grade,

(b) to the extent located within the front yard area of an Owner's Lot, must be open and constructed of ornamental metal or wrought iron materials that allow the front façade of the residence on such Owner's Lot to remain visible from the street through such fencing and be of a design approved by the Architectural Reviewer and also Declarant during the Development Period,

(c) to the extent located within the front yard area of an Owner's Lot, shall not include or be constructed or installed with screening material, landscape screening, chain link, razor wire, electrification, or barbed wire,

(d) shall not be placed in a manner that obstructs (i) a licensed areas, (ii) a sidewalk in the public right-of-way or otherwise installed for public community use, or (iii) a drainage easement or drainage area,

(e) in the event such fencing includes a driveway gate, such driveway gates hall be located at least ten feet (10') from the right-of-way if the driveway intersects with a landed roadway,

(f) shall not be constructed in front of the front-most facing building line of the residence on a Lot unless (i) the Owner's residential address is exempt from public disclosure by state or federal law, or (ii) the Owner provides the Board documentation from a law enforcement agency of the Owner's need for enhanced security measures, and

(g) such fencing shall otherwise be constructed, installed and maintained in compliance with any and all governmental requirements, including permit requirements.

No Owner shall place security cameras in any place other than the Owner's own Lot. The "front yard area" with respect to a Lot shall mean the area between the front façade of the residence on such Lot and the public street or right-of-way in front of such Lot..

SECTION 1.4 OTHER REQUIREMENTS

1.4.1 City Ordinances. All Lots, Common Areas, Residences and/or other structures developed, constructed and/or installed within the Property shall conform to the requirements of the City's ordinance and as set forth in the Declaration and Design Guidelines. Any conflict between the City's ordinance and this Declaration and its Construction and Design Standards shall be resolved by using the "Higher Standard" rule. Building elevations shall be developed in general conformance with the architectural style set forth in the building elevations approved by the City and Architectural Reviewer.

SECTION 1.5 MAILBOXES

1.5.1 Mailboxes shall be cluster mailboxes and shall of design as approved by the City, the U.S. Postal Service and Developer. All design, placement, and construction must be in accordance with any applicable guidelines and/or requirements of the City and/or United States Postal Service. Owners are responsible for obtaining keys for their assigned mailbox from the sales agent or title company at closing.

SECTION 1.6 ARCHITECTURAL FEATURES AND ENHANCEMENTS

1.6.1 Elevation Repetition and Brick Color.

- The elevation repetition rule shall comply with the City's ordinance. In the absence of such restrictions by the City, the following shall apply:
- A repetition of the same plan and elevation shall not be repeated on the Lot immediately across the Street and for a minimum of two (2) Lots in either direction.
- A Residence on the same side of the street shall have a minimum of three (3) Lots separation in either direction.
- Do not repeat the same brick color and trim side by side. No pink brick allowed.
- Do not paint brick without the prior written consent of the Architectural Reviewer. Requests for painted brick will still require compliance with the brick color repetition rule.

1.6.2 Enhancements. Residences are encouraged to be designed in a manner that enhances the front of the Residences. Builders are encouraged to use features that will set each Residence apart, but still maintain an aesthetic harmony and balance throughout the community.

1.6.3 Other Architectural Enhancements. The Architectural Reviewer has provided below some recommended enhancements. Although not mandatory, the use of enhancements are encouraged.

(a) Architectural pillars or posts;
(b) Bay window(s);
(c) Cast stone accents;
(d) Covered front porches;
(e) Cupulas or turrets;
(f) Dormers or gables;
(g) Roof accent upgrades;
(h) Greater than 6:12 primary roof pitch, or variable roof pitches;
(i) Transom windows;
(j) Shutters;
(k) Colored mortar;
(l) Masonry arches;
(m)Hanging or Coach lights at entrances;
(n) Decorative attic or gable feature;
(o) Divided Light Windows;
(p) Decorative Hardware on front door or sconces next to front door.

PART TWO:

SECTION 2.1 FLAGS AND FLAGPOLES. ALL FLAGS, REGARDLESS OF SIZE OR PLACEMENT, AND FLAGPOLES MUST HAVE THE PRIOR WRITTEN CONSENT OF THE ARCHITECTURAL REVIEWER/ACC. NO DISPLAY OR INSTALLATION OF A FLAG OR FLAGPOLE IS ALLOWED WITHOUT WRITTEN CONSENT. THE ASSOCIATION THORUGH ITS BOARD AND/OR THE ARCHITECTURAL REVIEWER RESERVES THE RIGHT TO REMOVE ANY UNAUTHORIZED FLAG WITHOUT NOTICE OR CONSENT OF THE OWNER.

2.1.1 The only flags which may be displayed are: (i) the flag of the United States of America; (ii) the flag of the State of Texas; and (iii) an official or replica flag of any branch of the United States armed forces. No other types of flags, pennants, banners, kits or similar types of displays are permitted on a Lot if the display is visible from a Street or Common Area.

2.1.2 The flag of the United States must be displayed in accordance with 4 U.S.C. Sections 5-10.

2.1.3 The flag of the State of Texas must be displayed in accordance with Chapter 3100 of the Texas Government Code.

2.1.4 Any freestanding flagpole, or flagpole attached to a Residence, shall be constructed of permanent, long-lasting materials. The materials used for the flagpole shall be harmonious with the Residence, and must have a silver finish with a gold or silver ball at the top. The flagpole must not exceed three (3) inches in diameter. Limitations as to size and placement may be exercised when setbacks and limited yard space are a factor.

2.1.5 The display of a flag, or the location and construction of the supporting flagpole, shall comply with Applicable Zoning, easements, and setbacks of record.

2.1.6 A displayed flag, and the flagpole on which it is flown, shall be maintained in good condition at all times. Any flag that is deteriorated must be replaced or removed. Any flagpole that is structurally unsafe or deteriorated shall be repaired, replaced, or removed.

2.1.7 Only one flagpole will be allowed per Lot. No such limitation applies in Common Areas. A flagpole can either be securely attached to the face of the Residence (no other structure) or be a freestanding flagpole. A flagpole attached to the Residence may not exceed 4 feet in length. A freestanding flagpole may not exceed twenty (20) feet in height. Any freestanding flagpole must be located in either the front yard or backyard of a Lot, and there must be a distance of at least five (5) feet between the flagpole and the property line.

2.1.8 Any flag flown or displayed on a freestanding flagpole may be no smaller than 3'x5' and no larger than 4'x6'.

2.1.9 Any flag flown or displayed on a flagpole attached to the Residence may be no larger than 3'x5'.

2.1.10 Any freestanding flagpole must be equipped to minimize halyard noise. The preferred method is through the use of an internal halyard system. Alternatively, swivel snap hooks must be covered or "Quiet Halyard" flag snaps installed. Neighbor complaints of noisy halyards are a basis to have flagpole removed until Owner resolves the noise complaint.

2.1.11 The illumination of a flag is allowed so long as it does not create a disturbance to other residents in the community. Solar powered, pole mounted light fixtures are preferred as opposed to ground mounted light fixtures. Compliance with all municipal requirements for electrical ground mounted installations must be certified by Owner. Flag illumination may not shine into another Residence. Neighbor complaints regarding flag illumination are a basis to prohibit further illumination until Owner resolves complaint.

2.1.12 Flagpoles shall not be installed in any Common Area or property maintained by the Association except by Declarant developing the initial improvements within such Common Area.

2.1.13 All freestanding flagpole installations must receive prior written approval from the Architectural Reviewer or other reviewing authority established under the Declaration.

SECTION 2.2 GUTTERING, RAIN BARRELS OR RAINWATER HARVESTING SYTEMS. SPECIFIC APPROVAL IN WRITING FROM THE ARCHITECTURAL REVIEWER/ACC IS REQUIRED.

2.2.1 All Residences shall be fully guttered with copper, galvanized steel, aluminum or painted if exposed to the Street or any Common Area. This requirement applies regardless of whether rain barrels or rain water harvesting systems are installed on the Lot.

2.2.2 Rain barrels or rain water harvesting systems and related system components (collectively, "Rain Barrels") may only be installed after receiving the written approval of the Architectural Reviewer or other reviewing authority established under the Declaration.

2.2.3 Rain barrels may not be installed upon or within the Common Areas, except by Declarant installing the initial improvements within such Common Area, or with written approval of the Architectural Reviewer.

2.2.4 Under no circumstances shall rain barrels be installed or located in or on any area within a Lot that is in-between the front of the Owner's Residence and an adjoining or adjacent street.

2.2.5 The rain barrel must be of color that is consistent with the color scheme of the Owner's Residence and may not contain or display any language or other content that is not typically displayed on such rain barrels as manufactured.

2.2.6 Rain barrels may be located in the back-yard of Lot so long as such rain barrel(s) may not be seen from a street, another Lot or any Common Area.

2.2.7 In the event the installation of Rain Barrels in the back-yard of an Owner's property in compliance with paragraph 1.2.6 above is impossible, the Architectural Reviewer or other reviewing authority established under the Declaration may impose limitations or further requirements regarding the size, number and screening of Rain Barrels with the objective of screening the Rain Barrels from public view to the greatest extent possible. **The owner must have sufficient area on their Lot to accommodate the Rain Barrels**.

2.2.8 Rain Barrels must be properly maintained at all times or removed by the Owner.

2.2.9 Rain Barrels must be enclosed or covered.

2.2.10 Rain Barrels which are not properly maintained, become unsightly or could serve as a breeding pool for mosquitoes must be removed by the Owner from the Lot, at such Owner's sole cost and expense.

SECTION 2.3 CERTAIN RELIGIOUS DISPLAYS

2.3.1 By Section 202.018 of the Texas Property Code, as amended, an Owner is allowed to display or affix on the Owner's Lot or Residence one or more religious items, the display of which is motivated by the Owner's or occupant's sincere religious belief. Such display is limited according to the provisions contained herein.

2.3.2 If displaying or affixing of a religious item on the Owner's Lot or Residence violates any of the following covenants, the Association may remove the item displayed:

(1) threatens the public health or safety;

(2) violates a law other than a law prohibiting the display of religious speech;

(3) contains language, graphics, or any display that is patently offensive to a passerby for reasons other than its religious content;

(4) is installed on property:
(A) owned or maintained by the Association; or
(B) owned in common by members of the Association;

(5) violates any applicable building line, right-of-way, setback or easement; or

(6) is attached to a traffic control device, street lamp, fire hydrant, or utility sign, pole, or fixture.

2.3.3 No Owner or Resident is authorized to use a material or color for an entry door or door frame of the Owner's or Resident's Residence or make an alteration to the entry door or door frame that is not authorized by the Association, Declaration or otherwise expressly approved by the Architectural Reviewer.

SECTION 2.4 SOLAR PANELS

2.4.1 **Solar energy devices, including any related equipment or system components (collectively, "Solar Panels") may only be installed after receiving the written approval of the Architectural Reviewer or other reviewing authority established under the Declaration. Owners desiring to install solar panels will be held 100% responsible for any damage or compromise to the roof or structure. The Association will not be responsible for any costs of repairs associated with the installation or use of solar panels.**

2.4.2 Solar Panels may not be installed upon or within Common Areas or any area which is maintained by the Association, except by Declarant developing the initial improvements within such Common Area, or with written approval of the Architectural Reviewer.

2.4.3 Solar Panels may only be installed on designated locations on the roof of a Residence, on any structure allowed under any subdivision or Association dedicatory instrument, or within any fenced rear-yard or fenced-in patio of an Owner's Lot, but only as allowed by the Architectural Reviewer or other reviewing authority established under the Declaration. **Solar Panels may <u>not</u> be installed on the front elevation of the Residence**.

2.4.4 If located on the roof of a Residence, Solar Panels shall:

(1) not extend higher than or beyond the roofline;
(2) conform to the slope of the roof;
(3) have a top edge that is parallel to the roofline; and
(4) have a frame, support bracket, or wiring that is black or painted to match the color of the roof tiles or shingles of the roof. Piping must be painted to match the surface to which it is attached, i.e. the soffit and wall. Panels must blend with the color of the roof to the greatest extent possible.

2.4.5 If located in the fenced rear-yard or patio, Solar Panels **shall not** be taller than the fence line or visible from any adjacent Lot, Common Area or Street.

2.4.6 The Architectural Reviewer or other reviewing authority established under the Declaration may deny a request for the installation of Solar Panels if it determines that the placement of the Solar Panels, as proposed by the Owner, will create an interference with the use and enjoyment of any adjacent Lot or Common Area.

2.4.7 Owners are hereby placed on notice that the installation of Solar Panels may void or adversely affect roof warranties. Any installation of Solar Panels which voids material warranties is not permitted and will be cause for the Solar Panels to be removed by the Owner.

2.4.8 Solar Panels must be properly maintained at all times or removed by the Owner.

2.4.9 Solar Panels which become non-functioning or inoperable must be removed by the Owner.

SECTION 2.5 SIGNAGE

2.5.1 No sign or signs of any kind or character shall be displayed to the Streets or otherwise to the public view on any Lot or Common Area, except for the Declarant's signs or Builders' signs approved by the Declarant for such Declarant's Property, and except that:

(A) Any Builder, during the applicable initial construction and sales period, may utilize two (2) professionally fabricated signs (of not more than six [6] square feet in size) per Lot for advertising and sales purposes, and two (2) professionally fabricated signs (of not more than thirty-two [32] square feet in size) in the Property advertising a model home

or advertising the Subdivision, provided that such signs shall first have been approved in writing by the Architectural Reviewer;

(B) A professionally fabricated "for sale" or "for rent" or "for lease" sign (of not more than six [6] square feet in size) may be utilized by the Owner of a Lot for the applicable sale or rent situation, ONLY providing that such sign first shall have been approved in writing by the Architectural Reviewer and provided further that no "for rent" or "for Lease" signs shall be permitted to be place on a Lot in the two (2) year period immediately following the first sale of a Residence to an end-use homebuyer;

(C) Development related signs owned or erected by Declarant (or any Builder with Declarant's prior written consent) shall be permitted;

(D) Signs displaying the name of a security company shall be permitted, provided that such signs are (i) ground mounted, (ii) limited to one (1) in number per Lot, and (iii) of a size not in excess of two (2) square feet in size;

(E) Each Owner may display flags on or at a Residence in conformity with these Design Guidelines, and otherwise a manner otherwise consistent with the covenants, conditions and restrictions contained in the Declaration. Owners should keep in mind the close proximity of other Owners and/or businesses. Some flags may not be conducive to the aesthetic harmony of the neighborhood, street or block upon which the Residence is located. The Architectural Reviewer reserves the right to request the prompt removal of flags and should the Owner not comply, the Architectural Reviewer reserves the right to remove the flag. Such removal shall not constitute trespassing and the Architectural Reviewer or the Association shall not be responsible for the return of or replacement of flag in the event of damage or loss;

(F) Each Residence may display up to two (2) spirit signs or other signs in support of athletic events and/or teams during the applicable sport season which are not otherwise consistent with the covenants, conditions and restrictions contained in the Declaration; and

(G) Seasonal decorations (including lights, lawn ornamentation, flags and banners) may not be displayed without the express written consent of the Architectural Reviewer. You may not individualize the outside of your Residence without permission. If approved, use may not exceed four (4) weeks during the applicable season and provided that such decoration is in any event consistent with the covenants, conditions and restrictions contained in this Declaration and do not constitute or cause disharmony among the Owners and must be removed within ten (10) days following the applicable season or holiday; and

(H) One (1) sign for each candidate and/or ballot item on advertising such political candidate(s) or ballot item(s) for an election shall be permitted in accordance with Section 259.002 of the Texas Election Code, provided that:

(i) such signs may not be displayed (A) prior to the date which is ninety (90) days before the date of the election to which the sign relates, and (B) after the date which is ten (10)days after that election date;

(ii) such signs must be ground-mounted; and

(iii) such signs shall in no event (A) contain roofing material, siding, paving materials, flora, one or more balloons or lights, or any other similar building, landscaping, or nonstandard decorative component, (B) be attached in any way to plant material, a traffic control device, a light, a trailer, a vehicle, or any other existing structure or object, (C) include the painting of architectural surfaces, (D) threaten the public health or safety, (E) be larger than four feet (4') by six feet (6'), (F) violate a law, (G) contain language, graphics, or any display that would be offensive to the ordinary person, or (H) be accompanied by music or other sounds or by streamers or is otherwise distracting to motorists.

SECTION 2.6 ROOFING MATERIALS

1.5.1 Specialized Roofing Materials. Roofing shingles covered by this Section are exclusively those designed primarily to: (i) be wind and hail resistant; (ii) provide heating and cooling efficiencies greater than those provided by customary composite shingles; or (iii) provide solar generation capabilities (collectively, "Specialized Roofing Shingles").

1.5.1.1 Specialized Roofing Shingles allowed under these Guidelines shall:

(1) resemble the shingles used or otherwise authorized for use in the Property;
(2) be more durable than and are of equal or superior quality to the shingles used or otherwise authorized for use in the Property; and
(3) match the aesthetics of other roofs throughout the Subdivision and surrounding properties.

1.5.1.2 Specialized Roofing Shingles shall be installed only after receiving the written approval of the Architectural Reviewer or other reviewing authority established under the Declaration.

1.5.1.3 Owners are hereby placed on notice that the installation of Specialized Roofing Shingles may void or adversely affect other warranties.

Exhibits to Appendix C:

Exhibit C-1: Sample Board-on-Board Fencing
Exhibit C-2: Sample Board-to-Board Fencing
Exhibit C-3: Sample Wrought Iron / Tubular Steel Fencing

Exhibit "C-1"
TO
CONSTRUCTION AND DESIGN GUIDELINES
CREEKVIEW MEADOWS

SAMPLE BOARD-ON-BOARD FENCING

Fence height shall be six feet (6')
Eight foot (8') fences allowed only upon written permission of the Architectural Reviewer

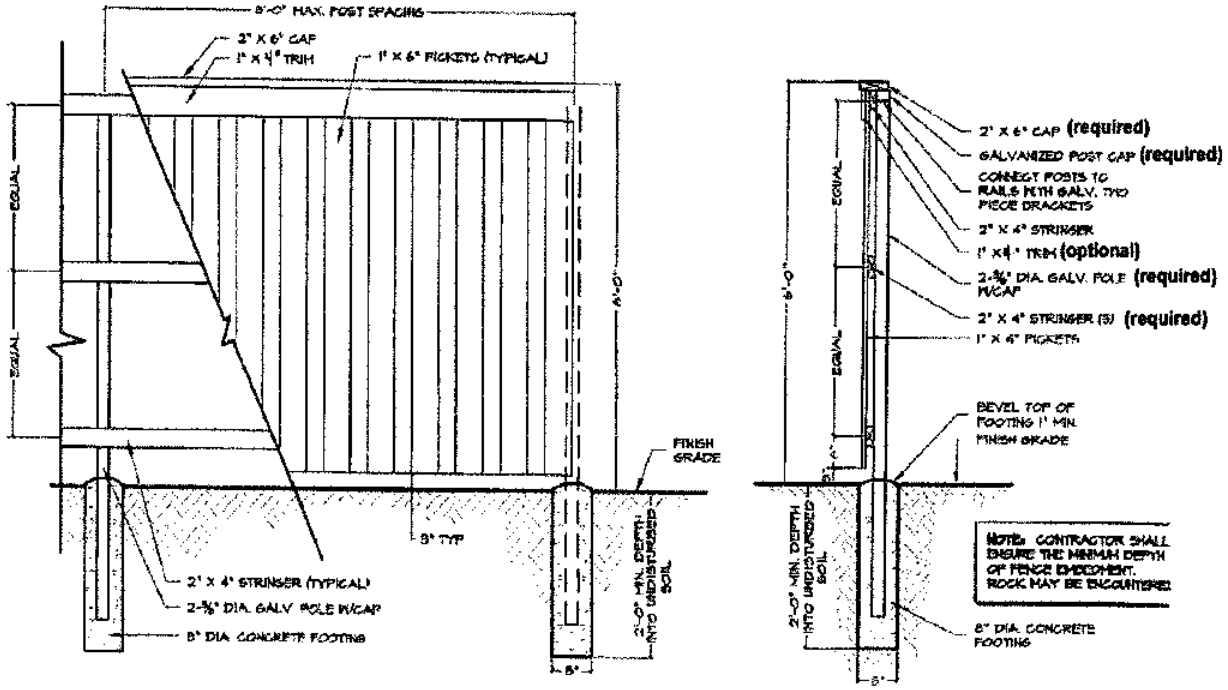
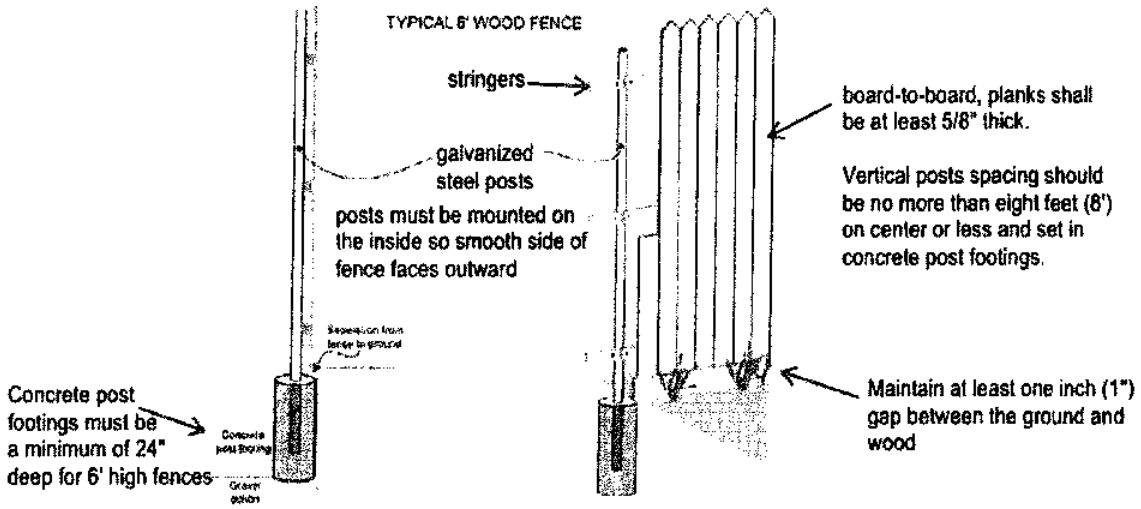


Exhibit "C-2"
TO
CONSTRUCTION AND DESIGN GUIDELINES
CREEKVIEW MEADOWS

SAMPLE BOARD-TO-BOARD FENCING

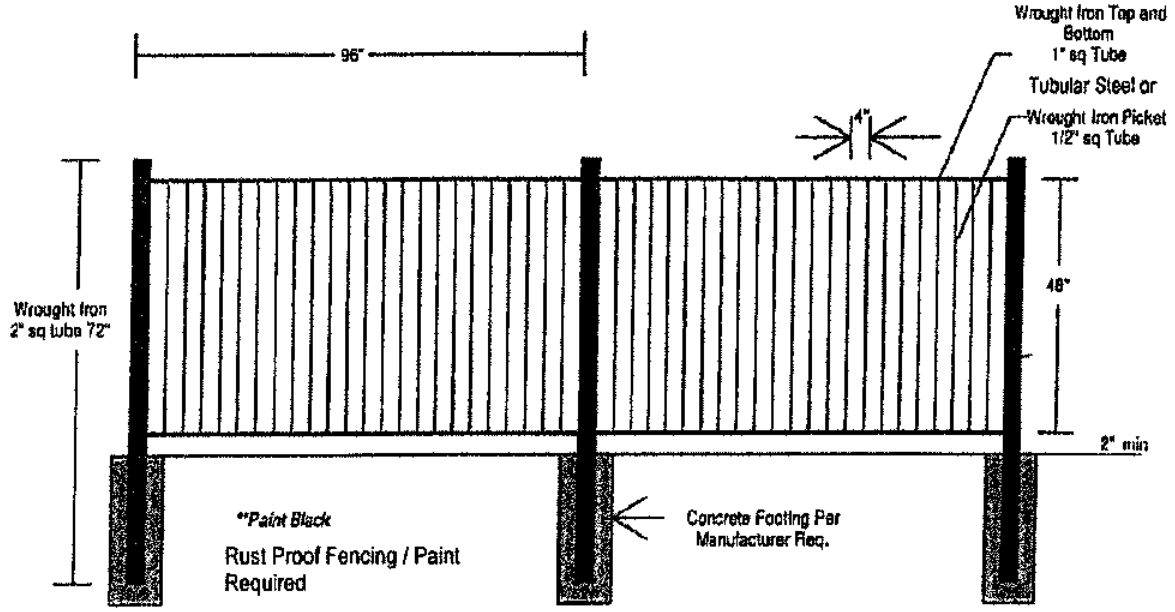


TOP RAIL AND TRIM REQUIRED. ALL FENCES MUST BE STAINED WITH THE PRE-APPROVED STAIN COLOR NOTED IN SECTION 1.3.1 OF THE CONSTRUCTION AND DESIGN GUIDELINES.

Exhibit "C-3"
TO
CONSTRUCTION AND DESIGN GUIDELINES
CREEKVIEW MEADOWS

SAMPLE WROUGHT IRON / TUBULAR STEEL FENCING

STANDARD WROUGHT IRON FENCE DETAIL



[END OF APPENDIX "C" AND EXHIBITS]

APPENDIX "D"
TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR CREEKVIEW MEADOWS

CERTIFICATE OF FORMATION,

ORGANIZATIONAL CONSENT AND

BYLAWS AND POLICIES

[see attached]

CERTIFICATE OF FORMATION
OF
CREEKVIEW MEADOWS HOMEOWNERS ASSOCIATION, INC.

The undersigned natural person, being of the age of eighteen (18) years or more, a citizen of the State of Texas, acting as organizer of a non-profit corporation under the Texas Business Organization Code, does hereby adopt the following Certificate of Formation for such non-profit corporation:

ARTICLE I
ENTITY NAME AND TYPE

The filing entity being formed is a non-profit corporation. The name of the entity is Creekview Meadows Homeowners Association, Inc. (hereinafter called the "Association").

ARTICLE II
DURATION

The Association shall exist perpetually.

ARTICLE III
PURPOSE AND POWERS OF THE ASSOCIATION

The Association is organized in accordance with, and shall operate for nonprofit purposes pursuant to, the Texas Business Organization Code, and does not contemplate pecuniary gain or profit to its members. The Association is formed for the purpose of exercising all of the powers and privileges, and performing all of the duties and obligations, of the Association as set forth in that certain "Declaration of Covenants, Conditions, and Restrictions for Creekview Meadows" recorded or to be recorded in the Official Public Records of Denton County, Texas, as the same may be amended from time to time (the "Declaration"). Without limiting the generality of the foregoing, the Association is organized for the following general purposes:

(a) to fix, levy, collect, and enforce payment by any lawful means all charges or assessments arising pursuant to the terms of the Declaration;

(b) to pay all expenses incident to the conduct of the business of the Association, including all licenses, taxes, or governmental charges levied or imposed against the Association's property;

(c) to have and to exercise any and all powers, rights, and privileges which a corporation organized under the Texas Business Organization Code may now, or later, have or exercise; and

(d) to have and exercise all rights and powers conferred upon property associations by any and all applicable law, in effect from time to time, provided, however, that the Association shall not have the power to institute, defend, intervene in, settle or compromise proceedings: (i) in the name of or on behalf of any Owner (whether one or more); or (ii) pertaining to a Claim, as defined in Section 17.1.1 of the Declaration, relating to the design or construction of improvements on a Lot and/or Common Area (whether one or more), including, without limitation, any Residences; and

(e) to have and exercise any and all rights and powers available to the Association under applicable law.

The above statement of purposes shall be construed as a statement of both purposes and powers. The purposes and powers stated in each of the clauses above shall not be limited or restricted by reference to, or inference from, the terms and provisions of any other such clause, but shall be broadly construed as independent purposes and powers.

ARTICLE IV
INITIAL MAILING ADDRESS

The initial mailing address of the Association to which state franchise tax correspondence should be sent is c/o ESSEX ASSOCIATION MANAGEMENT, LP, 1512 CRESCENT DRIVE, SUITE 112, CARROLLTON, TX 75006.

ARTICLE V
REGISTERED OFFICE; REGISTERED AGENT

The street address of the initial registered office of the Association is c/o Essex Association Management, LP, 1512 Crescent Drive, Suite 112, Carrollton, Tx 75006. The name of its initial registered agent at such address is *Ron Corcoran*

ARTICLE VI
MEMBERSHIP

Membership in the Association shall be dependent upon ownership of a qualifying property interest as defined and set forth in the Declaration. Any person or entity acquiring such a qualifying property interest shall automatically become a member of the Association, and such membership shall be appurtenant to, and shall run with, the property interest. The foregoing shall not be deemed or construed to include persons or entities holding an interest merely as security for performance of an obligation. Membership may not be severed from or in any way transferred, pledged, mortgaged, or alienated except together with the title to the qualifying property interest, and then only to the transferee of title to said property interest. Any attempt to make a prohibited severance, transfer, pledge, mortgage, or alienation shall be void.

ARTICLE VII
VOTING RIGHTS

Voting rights of the members of the Association shall be determined as set forth in the Declaration. No owner, other than the Declarant under the Declaration, shall be entitled to vote at any meeting of the Association until such owner has presented to the Association evidence of ownership of a qualifying property interest in the Property. The vote of each owner may be cast by such owner or by proxy given to such owner's duly authorized representative.

ARTICLE VIII
ORGANIZER

The name and street address of the organizer is:

NAME	ADDRESS
Hilary Tyson	2925 Richmond Ave., 14th Floor Houston, Texas 77098

ARTICLE IX
BOARD OF DIRECTORS

The affairs of the Association shall be managed by an initial Board of Directors consisting of three (3) individuals, who need not be members of the Association. The Board shall fulfill all of the functions of, and possess all powers granted to, Boards of Directors of nonprofit corporations pursuant to the Texas Business Organization Code. The number of Directors of the Association may be changed by amendment of the Bylaws of the Association. The names and addresses of the persons who are to act in the capacity of initial Directors until the selection of their successors are:

NAME	ADDRESS
Mehrdad Moayedi	1800 Valley View Lane, Suite 300 Farmers Branch, TX 75234
Trevor Kollinger	1800 Valley View Lane, Suite 300 Farmers Branch, TX 75234
Matthew Dawson	1800 Valley View Lane, Suite 300 Farmers Branch, TX 75234

All of the powers and prerogatives of the Association shall be exercised by the initial Board of Directors named above.

ARTICLE X
LIMITATION OF DIRECTOR LIABILITY

A director of the Association shall not be personally liable to the Association for monetary damages for any act or omission in his capacity as a director, except to the extent otherwise expressly provided by a statute of the State of Texas. Any repeal or modification of this Article shall be prospective only, and shall not adversely affect any limitation of the personal liability of a director of the Association existing at the time of the repeal or modification.

ARTICLE XI
INDEMNIFICATION

Each person who acts as a director or officer of the Association shall be indemnified by the Association against any costs, expenses and liabilities which may be imposed upon or reasonably incurred by him in connection with any civil or criminal action, suit or proceeding in which he may be named as a party defendant or in which he may be a witness by reason of his being or having been such director or officer or by reason of any action alleged to have been taken or omitted by him in either such capacity. Such indemnification shall be provided in the

manner and under the terms, conditions and limitations set forth in the Bylaws of the Association.

ARTICLE XII
DISSOLUTION

The Association may be dissolved with the written and signed assent of not less than sixty-seven percent (67%) of the total number of votes of the Association, as determined under the Declaration. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed, and assigned to any nonprofit corporation, association, trust, or other organization to be devoted to such similar purposes.

ARTICLE XIII
ACTION WITHOUT MEETING

Any action required by law to be taken at any annual or special meeting of the members of the Association, or any action that may be taken at any annual or special meeting of the members of the Association, may be taken without a meeting, without prior notice, and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the number of members having the total number of votes of the Association necessary to enact the action taken, as determined under the Declaration or this Certificate.

ARTICLE XIV
AMENDMENT

Amendment of this Certificate of Formation shall be by proposal submitted to the membership of the Association. Any such proposed amendment shall be adopted only upon an affirmative vote by the holders of a minimum of sixty-seven percent (67%) of the total number of votes of the Association, as determined under the Declaration. In the case of any conflict between the Declaration and this Certificate, the Declaration shall control; and in the case of any conflict between this Certificate and the Bylaws of the Association, this Certificate shall control.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand, effective this 14th day of December, 2023.

Hilary Tyson, Organizer

CONSENT OF DIRECTORS IN LIEU OF ORGANIZATIONAL MEETING OF CREEKVIEW MEADOWS HOMEOWNERS ASSOCIATION, INC.

The undersigned, being all of the members of the Board of Directors of CREEKVIEW MEADOWS HOMEOWNERS ASSOCIATION, INC., a Texas non-profit corporation (hereinafter referred to as the "Association"), do hereby consent, pursuant to the Texas Business Organization Code, to the adoption of the following resolutions:

1. DIRECTORS

RESOLVED, that each of the undersigned, being all of the directors of the Association, as named in its Certificate of Formation filed with the Secretary of State of the State of Texas on December 1, 2023, does hereby accept appointment to such office and does hereby agree to serve as a director of the Association until the first annual meeting of the members and until said director's successor or successors have been duly elected and qualified or until his or her earlier death, resignation, retirement, disqualification or removal from office.

2. BYLAWS

RESOLVED, that the form of bylaws attached hereto as Exhibit A, are approved and adopted as the Bylaws of the Association, and the Secretary of the Association is instructed to insert the original thereof in the minute book of the Association.

3. OFFICERS

RESOLVED, that each of the following-named persons be and they hereby are elected as officers of the Association for the office or offices set forth below opposite his or her name, and to hold any such office to which elected until the first annual meeting of the Board of Directors of the Association and until his or her successor should be chosen and qualified in his or her stead, or until his or her earlier death, resignation, retirement, disqualification or removal from office:

Mehrdad Moayedi	-	President
Trevor Kollinger	-	Vice President
Matthew Dawson	-	Secretary/Treasurer

4. REGISTERED OFFICE; REGISTERED AGENT

RESOLVED, that the registered office of the Association be established and maintained at c/o Essex Association Management, LP, 1512 Crescent Drive, Suite 112, Carrollton, TX 75006, and that Ron Corcoran is hereby appointed as registered agent of the corporation in said office.

5. BOOKS AND RECORDS

RESOLVED, that the Secretary of the Association be and hereby is authorized and directed to procure all necessary books and records of the Association. The Board hereby adopts the Records Production and Copying Policy attached hereto as Exhibit B, and authorizes the secretary to execute same and cause such policy to be recorded in the applicable county public records.

6. ORGANIZATIONAL EXPENSES

RESOLVED, that the President of the Association or other officer be and hereby is authorized and directed to pay all fees, expenses and costs incident to or necessary for the incorporation and organization of the Association and to reimburse any person who may have paid any of such fees, expenses and costs.

7. CORPORATE SEAL

RESOLVED, that a corporate seal is not adopted at this time and that no impression of a corporate seal is required on any Association document.

8. DEPOSITORY RESOLUTIONS

RESOLVED, that an account shall be established in the name of the Association with a financial institution to be determined by the Board (the "Bank"), under the rules and regulations as prescribed by said Bank wherein may be deposited any of the funds of this Association, whether represented by cash, checks, notes or other evidences of debt, and from which deposit withdrawals are hereby authorized in the name of the Association by any one of the following persons during the Development Period (as defined in the Declaration):

Mehrdad Moayedi, President

Trevor Kollinger, Vice President

Matthew Dawson, Secretary/Treasurer

Ron Corcoran, Essex Association Management, LP

BE IT FURTHER RESOLVED, that from and after the Development Period, the Board agrees that the Manager (as defined in the Bylaws of the Association), or the President of the Association (if there is no Manager engaged by the Association) shall be the sole signer on Bank accounts with access to Bank accounts and check signing authority for such Bank accounts of the Association.

BE IT FURTHER RESOLVED, the Bank is hereby authorized to honor any and all withdrawal items against the Association's funds, although payable to the officer or agent signing or countersigning the same and whether presented for

encashment or for credit to the personal account of such officer or agent or any other person, and said Bank need make no inquiry concerning such items and/or the disposition of the money, items, or credit given therefor.

9. ALTERNATIVE PAYMENT PLAN POLICY

The Board hereby adopts the Alternative Payment Schedule Guidelines for Certain Assessments attached hereto as Exhibit C, and authorizes the secretary to execute same and cause such policy to be recorded in the applicable county public records.

9. ADDITONAL POLICIES

The Board hereby adopts the Security Measures Policy attached hereto as Exhibit D, and authorizes the secretary to execute same and cause such policy to be recorded in the applicable county public records. The Board hereby adopts the Pandemic Policy attached hereto as Exhibit E, and authorizes the secretary to execute same and cause such policy to be recorded in the applicable county public records. The Board hereby adopts the Notice and Hearing; Schedule of Fines Policy attached hereto as Exhibit F, and authorizes the secretary to execute same and cause such policy to be recorded in the applicable county public records

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IN WITNESS WHEREOF, the undersigned have executed this instrument as of and effective the 1 day of December, 2023.

Mehrdad Moayedi, Director

Trevor Kollinger, Director

Matthew Dawson, Director

EXHIBIT A

Bylaws

[See Attached]

BYLAWS
OF
CREEKVIEW MEADOWS HOMEOWNERS ASSOCIATION, INC.

ARTICLE I
INTRODUCTION

The name of the corporation is Creekview Meadows Homeowners Association, Inc., a Texas non-profit corporation, hereinafter referred to as the "Association". The principal office of the Association shall be located in Denton County, Texas, but meetings of Members and Directors may be held at such places within the State of Texas, as may be designated by the Board of Directors.

The Association is organized to be a nonprofit corporation.

Notwithstanding anything to the contrary in these Bylaws, a number of provisions are modified by the Declarant's reservations in that certain Declaration of Covenants, Conditions and Restrictions for Creekview Meadows recorded in the Official Public Records of Denton County, Texas, including the number, qualification, appointment, removal, and replacement of Directors.

ARTICLE II
DEFINITIONS

Unless the context otherwise specifies or requires, the following words and phrases when used in these Bylaws shall have the meanings hereinafter specified:

Section 2.1. Assessment. "Assessment" or "Assessments" shall mean assessment(s) levied by the Association under the terms and provisions of the Declaration.

Section 2.2. Association. "Association" shall mean and refer to Creekview Meadows Homeowners Association, Inc., a Texas non-profit corporation.

Section 2.3. Association Property. "Association Property" shall mean all real or personal property now or hereafter owned by the Association, including without limitation, all easement estates, licenses, leasehold estates and other interests of any kind in and to real or personal property which are now are hereafter owned or held by the Association.

Section 2.4. Association Restrictions. "Association Restrictions" shall mean the Declaration of Covenants, Conditions and Restrictions for Creekview Meadows, as the same may be amended from time to time, together with the Certificate, Bylaws, and Association Rules from time to time in effect.

Section 2.5. Association Rules. "Association Rules" shall mean the rules and regulations adopted by the Board pursuant to the Declaration, as the same may be amended from time to time.

Section 2.6. Board. "Board" shall mean the Board of Directors of the Association. During the period of Declarant control, Declarant shall have the sole right to appoint and remove Directors of the Board.

Section 2.7. Bylaws. "Bylaws" shall mean the Bylaws of the Association which may be adopted by the Board and as the same may be amended from time to time.

Section 2.8. Certificate. "Certificate" shall mean the Certificate of Formation for Creekview Meadows Homeowners Association, Inc., a Texas non-profit corporation, filed in the office of the Secretary of State of the State of Texas, as the same may from time to time be amended.

Section 2.9. Declarant. "Declarant" shall mean MM CREEKVIEW 1027, LLC, a Texas limited liability company, and its duly authorized representatives or their successors or assigns; provided that any assignment of the rights of Declarant must be expressly set forth in writing and the mere conveyance of a portion of the Property without written assignment of the rights of Declarant shall not be sufficient to constitute an assignment of the rights of Declarant hereunder.

Section 2.10. Declaration. "Declaration" shall mean the "Declaration of Covenants, Conditions and Restrictions for Creekview Meadows", recorded in the Official Public Records of Denton County, Texas, as the same may be amended from time to time.

Section 2.11. Development. "Development" shall mean and refer to the property subject to the terms and provisions of the Declaration.

Section 2.12. Manager. "Manager" shall mean the person, firm, or corporation, if any, employed by the Association pursuant to the Declaration and delegated the duties, powers, or functions of the Association.

Section 2.13. Member. "Member" or "Members" shall mean any person(s), entity or entities holding membership privileges in the Association as provided in the Declaration.

Section 2.14. Mortgage. "Mortgage" or "Mortgages" shall mean any mortgage(s) or deed(s) of trust covering any portion of the Property given to secure the payment of a debt.

Section 2.15. Mortgagee. "Mortgagee" or "Mortgagees" shall mean the holder or holders of any lien or liens upon any portion of the Property.

Section 2.16. Owner. "Owner" or "Owners" shall mean the person(s), entity or entities, including Declarant, holding a fee simple interest in any Lot, but shall not include the Mortgagee of a Mortgage.

Unless otherwise defined in these Bylaws or the context otherwise requires, each term used in these Bylaws with its initial letter capitalized which has been specifically defined in the Declaration and not otherwise specifically defined in this Article II shall have the same meaning herein as given to such term in the Declaration.

ARTICLE III
MEETING OF MEMBERS

Section 3.1. Annual Meetings. The first annual meeting of the Members shall be held on such date as selected by the Board of Directors which is on or before the earlier of (i) the date which is one hundred twenty (120) days after seventy-five percent (75%) of the Lots have been sold to non-Declarant Owners, or (ii) ten (10) years from the date on which the Declaration is recorded in the Official Public Records of Denton County, Texas, and each subsequent regular annual meeting of the Members shall be held on such date as selected by the Board of Directors who shall, whenever possible, hold the annual meeting in the same month each year thereafter unless a different date is selected by the Board of Directors. The annual meeting shall not be held on a Saturday, Sunday, or legal holiday.

Section 3.2. Special Meetings. Special meetings of the Members may be called at any time by the President or by a majority vote of the Board of Directors, or upon written request of the Members who are entitled to vote fifty-one percent (51%) or more of the votes of the Association.

Section 3.3. Place of Meetings. Meetings of the Association may be held at the Development or at a suitable place convenient to the Members, as determined by the Board.

Section 3.4. Notice of Meetings. At the direction of the Board, written notice of meetings of the Association will be given to the Members at least ten (10) days but not more than sixty (60) days prior to the meeting. Notices of meetings will state the date, time, and place the meeting is to be held. Notices will identify the type of meeting as annual or special, and will state the particular purpose of a special meeting. Notices may also set forth any other items of information deemed appropriate by the Board.

Section 3.5. Voting Member List. The Board will prepare and make available a list of the Association's voting Members in accordance with the Texas Business Organization Code.

Section 3.6. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, ten percent (10%) of the total votes of the membership shall constitute a quorum for any action, except as otherwise provided in the Certificate, the Declaration, or these Bylaws. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be five percent (5%) of all the votes of all Members. No such subsequent meeting shall be held more than thirty (30) days following the preceding meeting. If the required quorum is not present or represented at any meeting, the Members entitled to vote at the meeting shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented.

Section 3.7. Proxies. Votes may be cast in person or by written proxy. To be valid, each proxy must: (i) be signed and dated by a Member or his attorney-in-fact; (ii) identify the Lot to which the vote is appurtenant; (iii) name the person or title (such as "presiding officer") in favor of whom the proxy is granted, such person having agreed to exercise the proxy;

(iv) identify the meeting for which the proxy is given; (v) not purport to be revocable without notice; and (vi) be delivered to the secretary, to the person presiding over the Association meeting for which the proxy is designated, or to a person or company designated by the Board. Unless the proxy specifies a shorter or longer time, it terminates eleven (11) months after the date of its execution. Perpetual or self-renewing proxies are permitted, provided they are revocable. To revoke a proxy, the granting Member must give actual notice of revocation to the person presiding over the Association meeting for which the proxy is designated. Unless revoked, any proxy designated for a meeting which is adjourned, recessed, or rescheduled is valid when the meeting reconvenes. A proxy may be delivered by fax. However, a proxy received by fax may not be counted to make or break a tie-vote unless: (a) the proxy has been acknowledged or sworn to by the Member, before and certified by an officer authorized to take acknowledgments and oaths; or (b) the Association also receives the original proxy within five (5) days after the vote.

Section 3.8. Conduct of Meetings. The president, or any person designated by the Board, presides over meetings of the Association. The secretary keeps, or causes to be kept, the minutes of the meeting which should record all resolutions adopted and all transactions occurring at the meeting, as well as a record of any votes taken at the meeting. The person presiding over the meeting may appoint a parliamentarian. Votes should be tallied by tellers appointed by the person presiding over the meeting.

Section 3.9. Order of Business. Unless the notice of meeting states otherwise or the assembly adopts a different agenda at the meeting, the order of business at meetings of the Association is as follows:

- Determine votes present by roll call or check-in procedure
- Announcement of quorum
- Proof of notice of meeting
- Approval of minutes of preceding meeting
- Reports of Officers (if any)
- Election of Directors (when required)
- Unfinished or old business
- New business

Section 3.10. Adjournment of Meeting. At any meeting of the Association, a majority of the Members present at that meeting, either in person or by proxy, may adjourn the meeting to another time and place.

Section 3.11. Action without Meeting. Subject to Board approval, any action which may be taken by a vote of the Members at a meeting of the Association may also be taken without a meeting by written consents. The Board may permit Members to vote by any method allowed by the Texas Business Organization Code, which may include (without limitation) hand delivery, United States Mail, facsimile, electronic ballot, e-mail, or any combination of these. Written consents by Members representing at least a majority of votes in the Association, or such higher percentage as may be required by the Documents, constitutes approval by written consent.

This Section may not be used to avoid the requirement of an annual meeting and does not apply to the election of Directors.

Section 3.12. Telephone Meetings. Members of the Association may participate in and hold meetings of the Association by means of conference telephone, video conference, or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in the meeting constitutes presence in person at the meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

ARTICLE IV
BOARD OF DIRECTORS

Section 4.1. Authority; Number of Directors.

(a) The affairs of the Association shall be governed by a Board of Directors. The number of Directors shall be fixed by the Board of Directors from time to time. The initial Directors shall be three (3) in number and shall be those Directors named in the Certificate of Formation. The initial Directors shall serve until their successors are elected and qualified. **Except as is provided in the Declaration and in Sections 4.1(b) and 4.1(c) below, Declarant shall have the absolute right to appoint and remove members of the Board of Directors during for as long as Declarant owns any Lot affected by the Declaration.**

(b) From and after the first annual meeting of Members and until the date (the "Transition Date") which is the earlier of (i) one hundred-twenty (120) days after seventy-five (75%) of the Lots have been sold to non-Declarant Owners, or (ii) ten (10) years from the date on which the Declaration is recorded in the Official Public Records of _____ County, Texas, the Board of Directors shall consist of three (3) persons appointed by Declarant who need not be Members of the Association. On and after the Transition Date, the Board of Directors shall include two (2) persons appointed by Declarant and one (1) person elected by a majority vote of Class A Members ("Non-Declarant Director") at such meeting at which quorum is present, which Non-Declarant Member shall serve for a period which is the shorter of one (1) year, or until the next annual meeting of the Members at which the Non-Declarant Member (or replacement thereof) shall be elected. The Non-Declarant Director shall be elected at the first annual meeting (or special meeting called for such purpose by the President of the Association) of Members held on or after the Transition Date. On and after the date on which the last Lot is sold to a non-Declarant Owner (the "Declarant Turnover Date"), the President of the Association will call a meeting of the Members of the Association where the Members will elect one (1) Director for a three (3) year term, and two (2) Directors for a two (2) year term. The member obtaining the most votes will serve the three (3) year term and the remaining two (2) will serve a term of two (2) years. Upon expiration of the term of a Director elected by Members at the first meeting of the Members after the Declarant Turnover Date pursuant to this Section 4.1(b), his or her successors shall serve a term of two (2) years. A Director takes office upon the adjournment of the meeting or balloting at which he is elected or appointed and, absent death, ineligibility, resignation, or removal, will hold office until his successor is elected or appointed. The Board of

Directors shall have the power and authority when it is deemed in the best interest of the Association to change or alter the terms of office of directors on the Board or increase the number of Directors to serve on the Board, which shall be done by Board resolution notwithstanding, terms must remain staggered for the purpose of continuity.

(c) Each Director, other than Directors appointed by Declarant, shall be a Member and resident, or in the case of corporate or partnership ownership of a Lot, a duly authorized agent or representative of the corporate or partnership Owner. The corporate, or partnership Owner shall be designated as the Director in all correspondence or other documentation setting forth the names of the Directors.

Section 4.2. Compensation. The Directors shall serve without compensation for such service.

Section 4.3. Nominations to Board of Directors. Members may be nominated for election to the Board of Directors in either of the following ways:

(a) A Member who is not a Director and who desires to run for election to that position shall be deemed to have been nominated for election upon his filing with the Board of Directors a written petition of nomination; or

(b) A Director who is eligible to be re-elected shall be deemed to have been nominated for re-election to the position he holds by signifying his intention to seek reelection in a writing addressed to the Board of Directors.

Section 4.4. Removal of Directors for Cause. If a Director breaches such Director's duties hereunder or violates the terms of the Declaration, the Certificate, the Association Rules or these Bylaws, or if a Director lacks capacity to carry out its duties and responsibilities as a Director hereunder, such Director may be removed by Declarant unless Declarant no longer has the right to appoint and remove Directors in accordance with Section 4.1 of these Bylaws, and then by a majority vote of the remaining Directors after Declarant's right to appoint and remove Directors has expired. No Director shall have any voting rights nor may such Director participate in any meeting of the Board of Directors at any time that such Director is delinquent in the payment of any Assessments or other charges owed to the Association. Any Director that is ninety (90) days delinquent in the payment of Assessments or other charges more than three (3) consecutive times shall be removed as a Director.

Section 4.5. Vacancies on Board of Directors. At such time as Declarant's right to appoint and remove Directors has expired or been terminated, if the office of any elected Director shall become vacant by reason of death, resignation, retirement, disqualification, removal from office or otherwise, the remaining Directors, at a special meeting duly called for this purpose, shall choose a successor who shall fill the unexpired term of the directorship being vacated. If there is a deadlock in the voting for a successor by the remaining Directors, the one Director with the longest continuous term on the Board shall select the successor. At the expiration of the term of his position on the Board of Directors, the successor Director shall be re-elected or his successor shall be elected in accordance with these Bylaws.

Section 4.6. Removal of Directors by Members. Subject to the right of Declarant to nominate and appoint Directors as set forth in Section 4.1 of these Bylaws, an elected Director may be removed, with or without cause, by a majority vote of the Members at any special meeting of the Members of which notice has been properly given as provided in these Bylaws; provided the same notice of this special meeting has also been given to the entire Board of Directors, including the individual Director whose removal is to be considered at such special meeting.

Section 4.7. Consent in Writing. Any action by the Board of Directors, including any action involving a vote on a fine, damage assessment, appeal from a denial or architectural control approval, or suspension of a right of a particular Member before the Member has an opportunity to attend a meeting of the Board of Directors to present the Member's position on the issue, may be taken without a meeting if all of the Directors shall unanimously consent in writing to the action. Such written consent shall be filed in the Minute Book. Any action taken by such written consent shall have the same force and effect as a unanimous vote of the Directors.

ARTICLE V
MEETINGS OF DIRECTORS

Section 5.1. Regular Meetings. Regular meetings of the Board shall be held annually or such other frequency as determined by the Board, without notice, at such place and hour as may be fixed from time to time by resolution of the Board.

Section 5.2. Special Meetings. Special meetings of the Board shall be held when called by the President of the Association, or by any two Directors, after not less than three (3) days' notice to each Director.

Section 5.3. Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board of Directors.

Section 5.4. Telephone Meetings. Members of the Board or any committee of the Association may participate in and hold meetings of the Board or committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in such meeting constitutes presence in person at the meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

Section 5.6. Action without a Meeting. Any action required or permitted to be taken by the Board at a meeting may be taken without a meeting, if all Directors individually or collectively consent in writing to such action. The written consent must be filed with the minutes of Board meetings. Action by written consent has the same force and effect as a unanimous vote.

Section 5.7. Open Board Meetings. The Board shall hold open board meetings in accordance with Section 209.0051 of the Texas Property Code. Regular and special board meetings must be open to Owners, subject to the right of the Board to adjourn a Board meeting and reconvene in closed executive session to consider actions involving personnel, pending or threatened litigation, contract negotiations, enforcement actions, confidential communications with the Association's attorney, matters involving the invasion of privacy of individual owners, or matters that are to remain confidential by request of the affected parties and agreement of the Board. Decisions made in executive session must be summarized orally and placed in the minutes and include general explanation of expenditures approved in executive sessions. Members shall be given notice of the date, time, hour, place and general subject matter of a regular or special meeting of the Board, which notice shall be either (i) mailed to each Owner no later than the 10th day or earlier than the 60th day before the date of the meeting, or (ii) posting notice of such meeting at least 144 hours before the start of a regular Board meeting and at least 72 hours before the start of a special board meeting (A) in a conspicuous manner reasonably designed to provide notice to Members in a place located within Common Areas or on the Association's website maintained by the Association or its managing agent, and (b) sending notice via electronic mail to each Owner that has registered an e-mail with the Association. Except as provided by this Section 5.7, a Board may take action outside of a meeting, including voting by electronic or telephonic means, without prior notice to Owners required hereunder, if each Board member is given a reasonable opportunity to express the Board member's opinion to all other Board members and to vote. Any action taken without notice to Owners under this Section 5.7 must be summarized orally, including an explanation of any known actual or estimated expenditures approved at the meeting, and documented in the minutes of the next regular or special Board meeting. The Board may not, unless done in an open meeting for which prior notice was given to owners as noted in this Section 5.7 and required under Section 209.0051 of the Texas Property Code, consider or vote on any of the following: (1) fines; (2) damage assessments; (3) initiation of foreclosure actions; (4) initiation of enforcement actions, excluding temporary restraining orders or violations involving a threat to health or safety; (5) increases in assessments; (6) levying of special assessments; (7) appeals from a denial of architectural control approval; (8) a suspension of a right of a particular Owner before the owner has an opportunity to attend a Board meeting to present the Owner's position, including any defense, on the issue; (9) lending or borrowing money; (10) the adoption or amendment of a dedicatory instrument; (11) the approval of an annual budget or the approval of an amendment of an annual budget; (12) the sale or purchase of real property; (13) the filling of a vacancy on the Board; (14) the construction of capital improvements other than the repair, replacement, or enhancement of existing capital improvements; or (15) the election of an officer. Furthermore, during the Development Period, open Board meetings shall be require if the meeting is conducted for the purpose of (A) adopting or amending the governing documents, including declarations, bylaws, rules, and regulations of the Association; (B) increasing the amount of Regular Assessments of the Association or adopting or increasing a Special Assessment; (C) electing non-Declarant Board members of the Association or establishing a process by which those Board members are elected; or (D) changing the voting rights of Members of the Association.

ARTICLE VI
POWERS AND DUTIES OF THE BOARD

Section 6.1. Powers. The Board shall have power and duty to undertake any of the following actions, in addition to those actions to which the Association is authorized to take in accordance with the Declaration:

(a) adopt and publish the Association Rules, including regulations governing the use of the Association Property and facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;

(b) to the maximum extent permitted under applicable law, suspend the voting rights of a Member and right of a Member to use of the Association Property during any period in which such Member shall be in default in the payment of any Assessment levied by the Association, or after notice and hearing, for any period during which an infraction of the Association Rules by such Member exists;

(c) exercise for the Association all powers, duties and authority vested in or related to the Association and not reserved to the membership by other provisions of the Association Restrictions;

(d) to enter into any contract or agreement with a municipal agency or utility company to provide electric utility service to all or any portion of the Property;

(e) declare the office of a member of the Board to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board;

(f) employ such employees as they deem necessary, and to prescribe their duties;

(g) as more fully provided in the Declaration, to:

(1) fix the amount of the Assessments against each Lot in advance of each annual assessment period and any other assessments provided by the Declaration; and

(2) foreclose the lien against any property for which Assessments are not paid within thirty (30) days after due date or to bring an action at law against the Owner personally obligated to pay the same;

(h) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any Assessment has been paid and to levy a reasonable charge for the issuance of these certificates (it being understood that if a certificate states that an Assessment has been paid, such certificate shall be conclusive evidence of such payment);

(i) procure and maintain adequate liability and hazard insurance on property owned by the Association, which policies of insurance shall name the Declarant during the Development Period, and any managing agent of the Association as "additional insured;"

(j) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(k) enter into contracts for services required to perform the duties of the Association and solicit bids or proposals for any contract for services in excess of $50,000 using bid process established by the Association; and

(l) exercise such other and further powers or duties as provided in the Declaration or by law.

Section 6.2. Duties. It shall be the duty of the Board to:

(a) vote, object in writing, or consent in writing annually to a budget for the Association (failure to do so being cause for removal of a Director from the Board for Cause under Section 4.4 hereof), and

(b) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by Members who are entitled to cast fifty-one percent (51%) of all outstanding votes; and

(b) supervise all officers, agents and employees of the Association, and to see that their duties are properly performed.

ARTICLE VII
OFFICERS AND THEIR DUTIES

Section 7.1. Enumeration of Offices. The officers of the Association shall be a President and a Vice-President, who shall at all times be members of the Board, a Secretary and a Treasurer, and such other officers as the Board may from time to time create by resolution.

Section 7.2. Election of Officers. The election of officers shall take place at the first meeting of the Board following each annual meeting of the Members.

Section 7.3. Term. The officers of the Association shall be elected annually by the Board and each shall hold office for one (1) year unless he resigns sooner, or shall be removed or otherwise disqualified to serve.

Section 7.4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 7.5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Such resignation shall take effect on the date of

receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 7.6. Vacancies. A vacancy in any office may be filled through appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7.7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 7.4.

Section 7.8. Duties. The duties of the officers are as follows:

(a) President. The President, or any person designated by the Board, presides over meetings of the Association; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments such as promissory notes.

(b) Vice President. The Vice President or Vice Presidents (including, without limitation, Executive Vice Presidents and Senior Vice Presidents), if any, shall generally assist the President and shall have such powers and perform such duties and services as shall from time to time be prescribed or delegated by the President or the Board.

(c) Secretary. The Secretary shall cause to be recorded the votes and cause to be kept the minutes of all meetings and proceedings of the Board and of the Members; serve notice or cause to be served notice of meetings of the Board and of the Members; cause to be kept appropriate current records showing the Members of the Association together with their addresses; and shall perform such other duties as required by the Board.

(d) Assistant Secretaries. Each Assistant Secretary shall generally assist the Secretary and shall have such powers and perform such duties and services as shall from time to time be prescribed or delegated to him or her by the Secretary, the President, the Board or any committee established by the Board.

(e) Treasurer. The Treasurer shall oversee the receipts and deposits in appropriate bank accounts all monies of the Association and shall oversee the disbursement of such funds as directed by resolution of the Board; shall sign, at the direction of the Board, promissory notes of the Association; cause to be kept proper books of account in appropriate form such that they could be audited by a public accountant whenever ordered by the Board or the membership; and shall cause to be prepared an annual budget and a statement of income and expenditures to be presented to the membership at its regular meeting, and cause to be delivered a copy of each to the Members.

ARTICLE VIII
OTHER COMMITTEES OF THE BOARD OF DIRECTORS

The Board may, by resolution adopted by affirmative vote of a majority of the number of Directors fixed by these Bylaws, designate two or more Directors (with such alternates, if any, as may be deemed desirable) to constitute another committee or committees for any purpose; provided, that any such other committee or committees shall have and may exercise only the power of recommending action to the Board of Directors and of carrying out and implementing any instructions or any policies, plans, programs and rules theretofore approved, authorized and adopted by the Board. Notwithstanding the foregoing or anything to the contrary contained herein, during the Development Period, the Architectural Reviewer for plans and specifications for new homes to be constructed on vacant Lots or modifications to any home on a Lot is the Declarant or its delegates in accordance with Section 6.2 and Appendix B of the Declaration, as amended from time to time.

ARTICLE IX
BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Association Restrictions shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE X
ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay to the Association Assessments which are secured by a continuing lien upon the property against which the Assessments are made. Assessments shall be due and payable in accordance with the Declaration.

ARTICLE XI
CORPORATE SEAL

The Association may, but shall have no obligation to, have a seal in a form adopted by the Board.

ARTICLE XII
DECLARANT PROVISIONS

Section 12.1. Conflict. The provisions of this Article control over any provision to the contrary elsewhere in these Bylaws.

Section 12.2. Board of Directors. As provided in Section 4.1 of these Bylaws, **Declarant is entitled to appoint and remove all members of the Board of Directors until the Transition Date and thereafter, two members of the Board of Directors until the Declarant**

no longer owns any portion of the Property. Until Declarant's right to appoint members of the Board of Directors terminates, the Directors appointed by Declarant need not be Owners or residents and may not be removed by the Owners. In addition, Declarant has the right to fill vacancies in any directorship vacated by a Declarant appointee.

ARTICLE XIII
AMENDMENTS

Section 13.1. These Bylaws may be amended, (i) on or before the Declarant Turnover Date, by unilateral vote or written consent of Declarant, and thereafter (ii) by a majority vote or written consent of a majority of the Directors on the Board of Directors of the Association.

Section 13.2. In the case of any conflict between the Certificate and these Bylaws, the Certificate shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE XIV
INDEMNIFICATION OF DIRECTORS AND OFFICERS

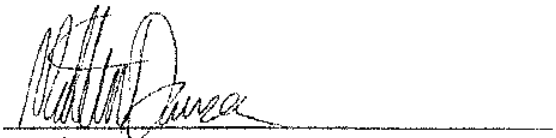
THE ASSOCIATION SHALL INDEMNIFY EVERY DIRECTOR AND OFFICER OF THE ASSOCIATION AGAINST, AND REIMBURSE AND ADVANCE TO EVERY DIRECTOR AND OFFICER FOR, ALL LIABILITIES, COSTS AND EXPENSES' INCURRED IN CONNECTION WITH SUCH DIRECTORSHIP OR OFFICE AND ANY ACTIONS TAKEN OR OMITTED IN SUCH CAPACITY TO THE GREATEST EXTENT PERMITTED UNDER THE TEXAS BUSINESS ORGANIZATION CODE AND ALL OTHER APPLICABLE LAWS AT THE TIME OF SUCH INDEMNIFICATION, REIMBURSEMENT OR ADVANCE PAYMENT; PROVIDED, HOWEVER, NO DIRECTOR OR OFFICER SHALL BE INDEMNIFIED FOR: (A) A BREACH OF DUTY OF LOYALTY TO THE ASSOCIATION OR ITS MEMBERS; (B) AN ACT OR OMISSION NOT IN GOOD FAITH OR THAT INVOLVES INTENTIONAL MISCONDUCT OR A KNOWING VIOLATION OF THE LAW; (C) A TRANSACTION FROM WHICH SUCH DIRECTOR OR OFFICER RECEIVED AN IMPROPER BENEFIT, WHETHER OR NOT THE BENEFIT RESULTED FROM AN ACTION TAKEN WITHIN THE SCOPE OF DIRECTORSHIP OR OFFICE; OR (D) AN ACT OR OMISSION FOR WHICH THE LIABILITY OF SUCH DIRECTOR OR OFFICER IS EXPRESSLY PROVIDED FOR BY STATUTE.

ARTICLE XV
MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

I, the undersigned, being the Secretary of Creekview Meadows Homeowners Association, Inc. does hereby certify that the foregoing are the Bylaws of said non-profit corporation, as adopted by the Association's Board of Directors pursuant to a Unanimous Consent of Directors

in Lieu of Organizational Meeting of the Corporation dated to be effective as of December 1, 2023.



Matthew Dawson, Secretary

EXHIBIT B

Records Production and Copying Policy

[See Attached]

CREEKVIEW MEADOWS HOMEOWNERS ASSOCIATION, INC.

Dedicatory Instrument

Records Production and Copying Policy

WHEREAS, the Board of Directors (the "Board") of Creekview Meadows Homeowners Association, Inc. (the "Association") wishes to adopt reasonable guidelines to establish Records Production and Copying Policy for the Association; and

WHEREAS, the Board wishes to adopt these reasonable guidelines in compliance with Section 209.005 of the Texas Property Code ("Section 209.005") regarding Owner access to Association documents and records ("Records"); and

WHEREAS, the Board intends to file these guidelines in the real property records of each county in which the subdivision is located, in compliance with Section 209.005 of the Texas Property Code; and

NOW, THEREFORE, IT IS RESOLVED that the following guidelines for Records Production and Copying are established by the Board:

1. Association Records shall be reasonably available to every owner. The Association shall make available the current version of the Associations' Documents filed in the county deed records available on an Internet website maintained by the Association or managing agent on behalf of the Association, and available to Members. An owner may also provide access to Records to any other person (such as an attorney, CPA or agent) they designate in writing as their proxy for this purpose. To ensure a written proxy is actually from the owner, the owner must include a copy of his/her photo ID or have the proxy notarized.
2. An owner, or their proxy as described in section 1, must submit a written request for access to or copies of Records. The letter must:
   a. be sent by certified mail to the Association's address as reflected in its most recent Management Certificate filed in the County public records; and
   b. contain sufficient detail to identify the specific Records being requested; and
   c. indicate whether the owner or proxy would like to inspect the Records before possibly obtaining copies or if the specified Records should be forwarded. If forwarded, the letter must indicate the format, delivery method and address:
      i. format: electronic files, compact disk or paper copies
      ii. delivery method: email, certified mail or pick-up

3. Within ten (10) business days of receipt of the request specified in section 2 above, the Association shall provide:
   a. the requested Records, if copies were requested and any required advance payment had been made; or
   b. a written notice that the Records are available and offer dates and times when the Records may be inspected by the owner or their proxy during normal business hours at the office of the Association; or
   c. a written notice that the requested Records are available for delivery once a

payment of the cost to produce the records is made and stating the cost thereof; or

d. a written notice that a request for delivery does not contain sufficient information to specify the Records desired, the format, the delivery method and the delivery address; or
e. a written notice that the requested Records cannot be produced within ten (10) business days but will be available within fifteen (15) additional business days from the date of the notice and payment of the cost to produce the records is made and stating the cost thereof.

4. The following Association Records are not available for inspection by owners or their proxies:
   a. the financial records associated with an individual owner; and
   b. deed restriction violation details for an individual owner; and
   c. personal information, including contact information other than an address for an individual owner; and
   d. attorney files and records in the possession of the attorney; and
   e. attorney-client privileged information in the possession of the Association.

   The information in a, b and c above will be released if the Association receives express written approval from the owner whose records are the subject of the request for inspection.

5. Association Records may be maintained in paper format or in an electronic format. If a request is made to inspect Records and certain Records are maintained in electronic format, the owner or their proxy will be given access to equipment to view the electronic records. Association shall not be required to transfer such electronic records to paper format unless the owner or their proxy agrees to pay the cost of producing such copies.

6. If an owner or their proxy inspecting Records requests copies of certain Records during the inspection, Association shall provide them promptly, if possible, but no later than ten (10) business days after the inspection or payment of costs, whichever is later.

7. The owner is responsible for all costs associated with a request under this Policy, including but not limited to copies, postage, supplies, labor, overhead and third party fees (such as archive document retrieval fees from off-site storage locations) as listed below: (Please go to the Attorney General web-site for current charges) https://texasattorneygeneral.gov/og-charges-for-public-information

8. Any costs associated with a Records request must be paid in advance of delivery by the owner or their proxy. An owner who makes a request for Records and subsequently declines to accept delivery will be liable for payment of all costs under this Policy.

9. On a case-by-case basis, in the absolute discretion of the Association, and with concurrence of the owner, the Association may agree to invoice the cost of the Records request to the owner's account. Owner agrees to pay the total amount invoiced within thirty (30) days after the date a statement is mailed to

the Owner. Any unpaid balance will accrue interest as an assessment as allowed under the Declarations.

10. On a case-by-case basis where an owner request for Records is deemed to be minimal, the Association or its managing agent reserves the right to waive notice under section 2 and/or fees under section 4.

11. All costs associated with fulfilling the request under this Policy will be paid by the Association's Managing Agent. All fees paid to the Association under this Policy will be reimbursed to the Association's Managing Agent or paid directly to the Association's Managing Agent.

This is to certify that the foregoing Records Production and Copying Policy was adopted by the Board of Directors, in accordance with Section 209.005 of the Texas Property Code, and supersedes any policy regarding records production which may have previously been in effect.

CREEKVIEW MEADOWS HOMEOWNERS ASSOCIATION, INC.,
a Texas non-profit corporation

By: _____
Matthew Dawson, Secretary

EXHIBIT C

Alternative Payment Plan Policy

[See Attached]

CREEKVIEW MEADOWS HOMEOWNERS ASSOCIATION, INC.
Dedicatory Instrument

Alternative Payment Schedule Guidelines for Certain Assessments

WHEREAS, the Board of Directors (the "Board") of Creekview Meadows Homeowners Association, Inc. (the "Association") wishes to adopt reasonable guidelines to establish an alternative payment schedule by which an owner may make partial payments to the Association for delinquent regular or special assessments or any other amount owed to the Association; and

WHEREAS, the Board wishes to adopt these reasonable guidelines in compliance with Section 209.0062 of the Texas Property Code; and

WHEREAS, the Board intends to file these guidelines in the real property records of each county in which the subdivision is located, in compliance with Section 202.006 of the Texas Property Code; and

NOW, THEREFORE, IT IS RESOLVED that the following guidelines are established by the Board:

1. Upon the request of a delinquent owner, the Association shall enter into an alternative payment schedule with such owner, subject to the following guidelines:

    a. An Alternative Payment Schedule is only available to owners who have delinquent regular assessments, special assessments or any other amount owed to the Association.

    b. An Alternative Payment Schedule will not be made available in the following cases: (1) to owners who have failed to honor the terms of a previous Alternative Payment Schedule during the two years following the owner's default of such previous Alternative Payment Schedule; (2) to owners who have failed to request an Alternative Payment Schedule prior to the 45 day deadline to cure the delinquency as set forth in the Association's letter sent pursuant to Tex. Prop. Code § 209.0064(b); and/or (3) to owners who have entered into an Alternative Payment Schedule within the previous 12 months. Notwithstanding the foregoing, the Board has discretion to allow any owner to enter into an Alternative Payment Schedule.

    c. During the course of an Alternative Payment Schedule, additional monetary penalties shall not be charged against an owner so long as the owner timely performs all obligations under the Alternative Payment Schedule and does not default. However, the Association may charge reasonable costs for administering the Alternative Payment Schedule ("Administrative Costs") and, if interest is allowed under the Declaration, then interest will continue to accrue during the term of the Alternative Payment Schedule. The Association may provide an estimate of the amount of interest that will accrue during the term of the Alternative Payment Schedule.

d. The total of all proposed payments in an Alternative Payment Schedule must equal the sum of the current delinquent balance, the estimated interest, and any Administrative Costs; and may include any assessments that will accrue during the term of the Payment Plan.

e. All payments under an Alternative Payment Schedule shall be due and tendered to the Association by the dates specified in the Alternative Payment Schedule, and shall be made by cashier's checks or money orders.

f. The minimum term for an Alternative Payment Schedule is 3 months from the date of the owner's request for an Alternative Payment Schedule. The Association is not required to allow an Alternative Payment Schedule for any amount that extends more than 18 months from the date of the owner's request for an Alternative Payment Plan.

g. Any owner may submit to the Board a request for an Alternative Payment Schedule that does not meet the foregoing guidelines, along with any other information he/she believes the Board should consider along with such request (e.g. evidence of financial hardship). The Board, in its sole discretion, may approve or disapprove such a request for a non-conforming Alternative Payment Schedule. An owner who is not eligible for an Alternative Payment Schedule may still request an Alternative Payment Schedule, and the Board, in its sole discretion, may accept or reject such a request.

h. Default

    1. The following shall result in an immediate default of an Alternative Payment Schedule:

        i. The owner's failure to timely tender and deliver any payment when due under the Alternative Payment Schedule;

        ii. The owner's failure to tender any payment in the full amount and form (e.g., cashier's check or money order) as specified in the Alternative Payment Schedule; or

        iii. The owner's failure to timely comply with any other requirement or obligation set forth in the Alternative Payment Plan.

    2. Any owner who defaults under an Alternative Payment Schedule shall remain in default until his/her entire account balance is brought current.

    3. The Association is not required to provide notice of any default.

    4. Owners are not entitled to any opportunity to cure a default.

5. While an owner is in default under an Alternative Payment Schedule, the owner's payments need not be applied to the owner's debt in the order of priority set forth in Tex. Prop. Code § 209.0063(a). But, in applying a payment made while the owner is in default, a fine assessed by the Association may not be given priority over any other amount owed to the Association.

6. The failure by the Association to exercise any rights or options shall not constitute a waiver thereof or the waiver of the right to exercise such right or option in the future.

i. All other terms of an Alternative Payment Schedule are at the discretion of the Board of Directors.

This is to certify that the foregoing Alternative Payment Schedule Guidelines for Certain Assessments was adopted by the Board of Directors, in accordance with Section 209.0062 of the Texas Property Code.

CREEKVIEW MEADOWS HOMEOWNERS ASSOCIATION, INC., a Texas non-profit corporation

By: _____
Matthew Dawson, Secretary

EXHIBIT D

Security Measures Policy

[See Attached]

CREEKVIEW MEADOWS HOMEOWNERS ASSOCIATION, INC.

Dedicatory Instrument

Security Measures Policy

WHEREAS, the Board of Directors (the "Board") of Creekview Meadows Homeowners Association, Inc., (the "Association") wishes to adopt reasonable guidelines to establish Security Measures Policy for the Association; and

WHEREAS, the Board wishes to adopt these reasonable guidelines in compliance with Section 202.023 of the Texas Property Code ("Section 202.023") regarding Owner rights to building or installing security measures on such Owner's Lot ("Security Measures"); and

WHEREAS, the Board intends to file these guidelines in the real property records of each county in which the subdivision is located, in compliance with Section 202.006 of the Texas Property Code; and

NOW, THEREFORE, IT IS RESOLVED that the following guidelines for Security Measures are established by the Board:

An Owner may build or install on such Owner's Lot Security Measures, including but not limited to a security camera, motion detector, or perimeter fence, provided that such Security Measures:

1. Do not require placement or installation of a security camera by an Owner on any property other than the Lot owned by such Owner; and

2. Any security fencing installed by an Owner on its Lot must comply with the Design Guidelines then adopted by the Architectural Reviewer or Architectural Control Committee of the Association and otherwise comply with the requirements and restrictions set forth in the Declaration.

[signature page and acknowledgement follows]

This is to certify that the foregoing Security Measures Policy was adopted by the Board of Directors, in accordance with Section 202.006 of the Texas Property Code, and supersedes any policy regarding security measures which may have previously been in effect.

CREEKVIEW MEADOWS HOMEOWNERS ASSOCIATION, INC.,
a Texas non-profit corporation

By: _____
Matthew Dawson, Secretary

EXHIBIT E

Pandemic Policy

[See Attached]

CREEKVIEW MEADOWS HOMEOWNERS ASSOCIATION, INC.

Dedicatory Instrument

Pandemic Policy

WHEREAS, the Board of Directors (the "Board") of Creekview Meadows Homeowners Association, Inc. (the "Association") wishes to adopt reasonable guidelines to establish a Pandemic Policy for the Association; and

WHEREAS, the Board wishes to adopt these reasonable guidelines in compliance with Section 148.003 of the Texas Civil Practice and Remedies Code ("Section 148.003") regarding liability of the Association under Section 148.003 ("Pandemic Liability"); and

WHEREAS, the Board intends to file this instrument in the real property records of each county in which the subdivision is located, in compliance with Section 202.006 of the Texas Property Code; and

NOW, THEREFORE, IT IS RESOLVED that the following policy is established by the Board:

In no event shall the Association or any managing agent, board member, committee member or officer thereof (the "Association Parties") be liable under Section 148.003 for any Pandemic Liability. With respect to the use of Common Areas and/or or any Areas of Common Responsibility owned or maintained by the Association, each Owner for themselves, members of their household, and his or her guests or invitees hereby waives and releases the Association and the Association Parties for, from and against any liability for injury or death caused by or in connection with exposure of any individual to a pandemic disease during a pandemic emergency. Furthermore, each Resident and Owner for themselves, members of their household, and his or her guests or invitees acknowledges and agrees by recordation hereof as follows:

1. The Association has provided sufficient warning to each individual Resident and Owner, members of their household, and his or her guests or invitees that exposure of an individual to a disease during a pandemic emergency is likely.
2. The Association has no control over conditions related to a pandemic emergency, has no basis of knowledge as to whether any individual would be more likely than not to come into contact with the pandemic disease under any circumstances, and has no obligation, opportunity or ability to remediate conditions or warn any individual of a condition before the individual comes into contact with a condition related to pandemic disease.
3. The Association has no liability or responsibility to comply with any government-promulgated standards, guidance or protocols intended to lower the likelihood of exposure to the disease during a pandemic emergency, and each Resident, Owner, members of their households, and their respective guests or invitees have a reasonable opportunity and ability to implement or comply with any and all government-promulgated standards, guidance or protocols intended to lower the likelihood of exposure to the disease during a pandemic emergency with respect to such Resident's, Owner's, household member's, guest's or invitee's use of any Common Areas and/or Areas of Common Responsibility.
4. All Common Areas and Areas of Common Responsibility owned or maintained

by the Association are entered into and/or used by a Resident, an Owner, members of their households, and their respective guests or invitees at their own risk. The Association disclaims any and all liability or responsibility for injury or death related to the pandemic disease or otherwise occurring from entry or use of the Common Areas and/or Areas of Common Responsibility.

[signature page and acknowledgement follows]

This is to certify that the foregoing Pandemic Policy was adopted by the Board of Directors, in accordance with Section 202.006 of the Texas Property Code, and supersedes any policy regarding pandemics which may have previously been in effect.

CREEKVIEW MEADOWS HOMEOWNERS ASSOCIATION, INC., a Texas non-profit corporation

By: _____
Matthew Dawson, Secretary

EXHIBIT F

Notice and Hearing: Schedule of Fines Policy

[See Attached]

CREEKVIEW MEADOWS HOMEOWNERS ASSOCIATION, INC.

Dedicatory Instrument

NOTICE AND HEARING; SCHEDULE OF FINES POLICY

WHEREAS, the Board of Directors (the "Board") of Creekview Meadows Homeowners Association, Inc. (the "Association") wishes to adopt reasonable guidelines to establish Notice and Hearing; Schedule of Fines Policy for the Association in compliance with Section 209.006, 209.0061 and 209.007 of the Texas Property Code (the "Property Code"); and

WHEREAS, the Board wishes to adopt these reasonable guidelines in compliance with Section 209.005 of the Property Code regarding Owner access to Association documents and records ("Records"); and

WHEREAS, the Board intends to file these guidelines in the real property records of each county in which the subdivision is located, in compliance with Section 202.006 of the Property Code; and

WHEREAS, this policy may be amended at any time and from time to time by the Declarant during the Declarant Control Period and thereafter by the Board of Directors without amending the Bylaws and as a stand-alone policy to comport with industry standards, to amend or revise provisions of the policy as may be deemed necessary and in the best interest of the Association; and

NOW, THEREFORE, IT IS RESOLVED that the following guidelines for Notice and Hearing; Schedule of Fines Policy are established by the Board:

NOTICE AND HEARING; SCHEDULE OF FINES

Notice and Hearing.

(a) Prior to the imposition of any fine for a violation of the Declaration or the levying of any special individual assessment on an Owner, the Association will give at least one (1) notice of not less than five (5) days (unless violation is deemed an emergency, constitutes a safety or health hazard, or is a non-curable violation) each to the Owner in compliance with the Declaration and/or Section 209.006 of the Texas Property Code (the "**Property Code**"), as the same may be hereafter amended. Notices as described above are not required for (a) situations deemed to be an emergency, constitutes a safety or health hazard or poses any kind of health or safety issue, or deemed a non-curable violation by the Board, or (b) a violation for which an Owner has been previously given notice of and the opportunity to cure in the preceding six (6) months. Notice(s), as a general rule shall follow the schedule below notwithstanding, it is to be understood this is a guide and in no way prevents the Association or its Managing Agent from deviating from this schedule when it is deemed in the best interest of the Association or its Residents to do so:

(i) First Notice shall be sent regular U.S. mail unless a non-curable violation is issued under instruction of the Board or at the discretion of the Managing Agent, at which time such notice shall be sent certified mail. Delivery of any First Notice may also be delivered by e-mail or by posting to the door of the Residence. Notwithstanding, any violation considered to be an emergency or considered to threaten, in any capacity, the health, safety and welfare of Residents may be delivered by posting to the door of the Residence or by e-mail to the e-mail address on file with the Association.

(ii) Second Notice of Violation may be sent using one of two choices; a Second Notice of Violation with additional time to abate the violation or a Fine Warning Notice. If a Fine Warning Notice is sent, the notice must be sent certified and regular U.S. mail. Second Notice of Violation, regardless of its nature must inform the Owner of his/her right to a Hearing as described below.

(iii) Notice of Fine Levied **(Notice of Fine)** shall be delivered by certified and regular U.S. mail.

(iv) The notice must describe the violation or property damage that is the basis for the fine for such violation, and state any amount due the Association from the Owner.

(v) The notice must inform the Owner that the Owner is entitled to a reasonable time to cure the violation and avoid the fine and that the Owner may request a hearing as outlined in the Declaration and Section 209.007 of the Texas Property Code on or before the 30th day after the Owner receives the notice.

(b) In compliance with Section 209.007 of the Texas Property Code, if the Owner submits a written request for a hearing, the Association shall hold a hearing not later than the thirtieth (30th) day after the date the Board receives the Owner's request, and shall notify the Owner of the date, time and place of the hearing not later than the tenth (10th) day before the date of the hearing. The Board or the Owner may request a postponement, and, if requested, a postponement shall be granted for a period of not more than ten (10) days. Not later than ten (10) days before the Association holds a hearing under Chapter 209 of the Texas Property Code, the Association shall provide to an Owner a packet containing all documents, photographs, and communications relating to the matter the Association intends to introduce at the hearing; failing which the Owner is entitled to a fifteen (15) day postponement of the hearing. Additional postponements may be granted by agreement of the parties. During the hearing, the Association (through a member of the Board of designated representative) shall first present the Association's case against the Owner. An Owner or its designated representative is then entitled to present the Owner's information and issues relevant to the appeal or dispute. If the hearing is to be held before a committee appointed by the Board, the notice shall state that the Owner has the right to appeal the committee's decision to the Board by written notice to the Board.

(c) Provided that such Owner has not requested a hearing in accordance with the above and the violation has not been cured, then the Association shall continue to levy fines per the schedule below, notwithstanding, the schedule provided is a guide and does not constitute a hard and fast rule as the amount of fine a Board can levy for an Owner's non-compliance. Some violations, depending upon the severity or repetition, may warrant more stringent fine enforcement or may warrant a one-time fine in lieu of fining in increments. The amount and frequency in which a fine is levied is at the sole discretion of the Board. The Association is not entitled to collect a fine from an Owner to whom it has not given notice and an opportunity to be heard, pursuant to Section 209.006 and Section 209.007 of the Texas Property Code.

Schedule of Fines.

Fines may be assessed for (1) uncurable violations, which include (without limitation) shooting fireworks, an act constituting a threat to health or safety, a noise violation that is not ongoing, property damage (including the removal or alteration of landscape), and holding a garage sale or other event prohibited by a dedicatory instrument, or (2) curable violations, which include (without limitation) a

parking violation, a maintenance violation, the failure to construct improvements or modifications in accordance with approved plans and specifications, and an ongoing noise violation such as a barking dog.

Any fine levied shall be reflected on the Owner's periodic statements of account or delinquency notices. The number of notices set forth below does not mean that the Board is required to provide each notice prior to exercising additional remedies as set forth in the Declaration. The Board may elect to pursue such additional remedies at any time in accordance with applicable law.

FINES:

Violation:	**Fine Amount:**
Notice of Fine Levied – 1st Fine Notice	**$50.00 to $100.00 depending upon the nature, severity, and reoccurrence of the violation**
Notice of Fine Levied – 2nd Fine Notice	**$105.00 to $200.00 depending upon the nature, severity, and reoccurrence of the violation**
Notice of Fine Levied - 3rd Fine Notice	**$205.00 to 300.00 depending upon the nature, severity, and reoccurrence of the violation**
Notice of Fine Levied – 4th Fine Notice & Beyond	**Fine will increase an additional $50.00 every week until Owner cures the violation**

Note: Once a fine has reached the maximum fine amount, if applicable, and the Owner has not cured the violation (if curable), the fine process will continue at the rate of $50.00 per week until the violation is cured, fine shall not exceed $1,000.00. The Association shall send one (1) additional notice notifying the Owner fines will continue until the violation is cured (if curable) and thereafter, the Association will not be required to notify the Owner further and may continue to fine until the violation is cured or the Association determines that self-help action is required or warranted.

This policy may be amended at any time and from time to time by the Declarant during the Declarant Control Period and thereafter by the Board of Directors without amending the Bylaws, as a stand-alone policy to comport with industry standards, to amend, revise provisions of the policy, or rescind all or any part of the policy, as may be deemed necessary and in the best interest of the Association. Any amendment to the policy shall be mailed to each homeowner and a copy placed on the Association's website if applicable.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

This is to certify that the foregoing Notice and Hearing; Schedule of Fines Policy was adopted by the Board of Directors, in accordance with Chapter 209 of the Texas Property Code, and supersedes any policy regarding Notice and Hearing and/or Schedule of Fines Policy which may have previously been in effect.

CREEKVIEW MEADOWS HOMEOWNERS ASSOCIATION, INC., a Texas non-profit corporation

By: _____
Matthew Dawson, Secretary

APPENDIX "E"
TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR CREEKVIEW MEADOWS

PID HOMEBUYER DISCLOSURE AND HOMEBUYER EDUCATION PROGRAM

PID Homebuyer Disclosure Program

The PID Administrator (as defined in the Service and Assessment Plan adopted by the City for the PID) shall facilitate notice to prospective homebuyers in accordance the following minimum requirements:

1. Record notice of the PID in the appropriate land records for the Property.

2. Require homebuilders to attach the Recorded Notice of the Authorization and Establishment of the PID and the final Assessment Roll for such Assessed Parcel (or if the Assessment Roll is not available for such Assessed Parcel, then a schedule showing the maximum 30-year payment for such Assessed Parcel) in an addendum to each residential homebuyer's contract on brightly colored paper.

3. Collect a copy of the addendum signed by each home buyer from Builders and provide to the City.

4. Require signage indicating that the property for sale is located in a special assessment district and require that such signage be located in conspicuous places in all model homes.

5. Prepare and provide to Builders an overview of the PID for those Builders to include in each sales packet of information that it provides to prospective homebuyers.

6. Notify Builders who estimate monthly ownership costs of the requirement that they must include special assessments in estimated property taxes.

7. Notify settlement companies through the Builders that they are required to include special taxes on HUD 1 forms and include in total estimated taxes for the purpose of setting up tax escrows.

8. Include notice of the PID in the homeowner association documents in conspicuous bold font.

9. The City will include announcements of the PID on the City's web site.

The Declarant and the PID Administrator shall regularly monitor the implementation of this disclosure program and shall take appropriate action to require these notices to be provided when one of them discovers that any requirement is not being complied with.

PID Home Buyer Education Program

As used in the Home Buyer Education Program described below, the recorded Notice of the Authorization and Establishment of the Public Improvement District and the Covenants, Conditions and Restrictions for the PID are referred to as the "Recorded Notices."

1. Any Owner who is a Builder shall attach the Recorded Notices and the final Assessment Roll for such Lot (or if the Assessment Roll is not available for such Lot, then a schedule showing the maximum 30-year payment for such Lot) as an addendum to any residential home buyer' s contract.

2. Any Owner who is a Builder shall provide evidence of compliance with 1 above, signed by such residential home buyer, to the City.

3. Any Owner who is a Builder shall prominently display signage in its model homes, if any, substantially in the form of the Recorded Notices.

4. If prepared and provided by the City, any Owner who is a Builder shall distribute informational brochures about the existence and effect of the PID in prospective home buyer sales packets.

5. Any Owner who is a Builder shall include PID assessments in estimated property taxes, if such Builder estimates monthly ownership costs for prospective home buyers.

[End of Appendix E]