

**Denton County
Juli Luke
County Clerk**

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DECLARATION

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***** **THIS PAGE IS PART OF THE INSTRUMENT** *****

Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY because of color or race is invalid and unenforceable under federal law.

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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

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
BEAVER CREEK**

STATE OF TEXAS §
 §
COUNTY OF DENTON §

This DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR BEAVER CREEK is made on the date hereinafter set forth by LGI HOMES-TEXAS, LLC, a Texas limited liability company (hereinafter referred to as “**Declarant**”).

WITNESSETH:

WHEREAS, Declarant is the owner of that certain real property known as Beaver Creek and described in that certain Final Plat of Beaver Creek Phase 1A recorded on or about September 21, 2016 as Document No. 2016-2149 of the Official Public Records of Denton County, Texas (the “**Property**”) and;

WHEREAS, Declarant desires to: (1) convey the Property subject to the conditions, covenants, restrictions, obligations, liens, assessments, charges and easements set forth herein; and (2) create and carry out a uniform plan for the improvement, development and sale of the Property for the benefit of all present and future owners of the Property.

NOW THEREFORE, Declarant hereby declares that all of the Property shall be subject to the jurisdiction of the Association (as hereinafter defined) and shall be held, sold, conveyed and occupied subject to the conditions, covenants, restrictions, obligations, liens, assessments, charges and easements set forth herein, all of which shall: (1) run with the Property; (2) bind all parties that acquire any right, title or interest in the Property or any portion thereof, as well as their heirs, successors and assigns; and (3) inure to the benefit of each owner of any part of the Property.

ARTICLE I. DEFINITIONS

Unless the context otherwise requires or the term is not capitalized, the following words and phrases shall have the following meanings when used herein. Furthermore, unless the context requires otherwise, the singular shall include the plural and the plural shall include the singular.

Section 1.1. ACC means the Architectural Control Committee created pursuant to Article V herein to review and approve or deny plans for the construction or modification of a building, structure or improvement upon the Property.

Section 1.1. ACC Rules means the rules, regulations and/or guidelines, if any, and any amendments and/or supplements thereto established by the ACC.

Section 1.2. Annexable Area shall mean and refer to any additional property made subject to the jurisdiction of the Association pursuant to the provisions set forth herein, including but not limited to any other units of Beaver Creek (as hereinafter defined), Declarant may plat and annex any property adjacent to or in the proximity of the Property that Declarant may wish to include in the jurisdiction of the Association.

Section 1.1. Assessment shall mean and refer to Annual Assessments (as defined herein) and Special Assessments (as defined herein), collectively.

Section 1.2. Association shall mean and refer to Beaver Creek Homeowners Association, Inc., a Texas nonprofit corporation, as well as its successors, assigns, or replacements, which has jurisdiction over all properties encumbered under this Declaration, as same may be amended from time to time if/when additional property is annexed into the Subdivision.

Section 1.3. Board of Directors and/or Board shall mean and refer to the Board of Directors of the Association.

Section 1.4. Builders shall mean and refer to persons or entities that purchase Lots and build speculative or custom homes thereon for third-party purchasers.

Section 1.5. Common Area shall mean all real property (including the improvements thereto) within the Subdivision leased, owned and/or maintained by Declarant to be conveyed by deed or easement to the Association. The term shall include, but not be limited to roads, parks, playgrounds, open spaces, greenbelt areas and other facilities and areas designated on the Plat within the Common Area to which the Owners may hereafter become entitled to us.

Section 1.6. Contractor shall mean and refer to the person or entity with whom an Owner contracts to construct a residential dwelling on such Owner's Lot.

Section 1.7. Declarant shall mean and refer to LGI Homes-Texas, LLC, a Texas limited liability company, as well as its successors and assigns.

Section 1.8. Documents mean the Bylaws, the Association's Certificate of Formation, any and all rules, regulations and guidelines governing the Property, any and all recorded plats of the Property, and any and all amendments or supplements to the foregoing.

Section 1.9. Dwelling shall mean and refer to a structure intended for residential use for one (1) family. This term excludes multi-family dwellings, meaning a dwelling or group of dwellings on one (1) Lot containing units for more than one (1) family. This term also excludes trailers, mobile homes, manufactured homes, pre-fabricated homes, log homes and old or used homes that have previously been constructed on property other than the Lot.

Section 1.10. Lien means the lien created for the benefit of the Association by Section 4.5 herein.

Section 1.11. Lot shall mean and refer to any parcel(s) of land within the Property as defined by the recorded plat and/or any replat thereof as one lot in the Official Public Records of Denton County, Texas, and encumbered by this Declaration.

Section 1.12. Member shall mean and refer to an Owner. An Owner is automatically a member of the Association.

Section 1.13. Owner shall mean and refer to Declarant and any other person(s) holding a recorded fee simple interest in any portion of the Property. This term includes contract sellers, but excludes those leasing from record holders of fee simple title to a Lot(s) or those having an interest merely as security for performance of an obligation.

Section 1.14. Property shall mean and refer to all of the property subject to this Declaration as same may be amended and/or supplemented from time to time as additional property is annexed into Beaver Creek Subdivision.

Section 1.15. Resident shall mean and refer to all persons residing on a Lot, regardless of whether the person owns the Lot. These terms include but are not limited to: (a) Owners; (b) Owners' family members who reside on a Lot; (c) tenants of a Lot; and (d) tenants' family members who reside on a Lot.

Section 1.16. Self-Help Remedy and/or Self-Help means any remedy set forth in Section 3.36(c)(iii) herein.

Section 1.17. Subdivision shall mean and refer to the Property.

Section 1.18. Vehicles shall mean and refer to motor vehicles, commercial vehicles bearing commercial insignia or names, recreational vehicles, wrecked, abandoned, junked or inoperable vehicles, boats, trailers, tents, equipment, machinery and mobile homes, collectively.

ARTICLE II. DEVELOPMENT OF THE PROPERTY

Section 2.1 Property Initially Encumbered. The Property that is initially encumbered by this Declaration is Beaver Creek and described in that certain Final Plat of Beaver Creek Phase 1A recorded on or about September 21, 2016 as Document No. 2016-2149 of the Official Public Records of Denton County, Texas (hereinafter referred to as the "**Plat**").

Subject to the limitations set forth therein, the Plat dedicates for use the roads, streets and easements shown thereon. The Plat further establishes certain restrictions applicable to the Property. All dedications, restrictions and reservations created herein and/or shown on the Plat and all recorded re-plats and/or amendments of the Plat shall be construed as being included in each contract, deed or conveyance executed or to be executed by or on behalf of Declarant, conveying any part of the Property, whether specifically referred to therein or not.

Section 2.2 Annexation. For fifty (50) years following the execution of this Declaration, Declarant has the right to annex any additional property into the Property without the joinder of any

other Owners or Members. Upon the earlier of the Declarant's sale of all platted Lots or the expiration of the Declarant's exclusive right to annex, the Association shall have the right to annex any additional property to the Property so long as 51% of the Members consent.

Upon annexation, this Declaration and all conditions, covenants, restrictions, obligations, liens, assessments, charges and easements set forth herein shall apply to the additional property, and the Owners of any portion of the additional property shall be Members of the Association.

Annexation of additional property shall be accomplished by the execution and filing for record an Annexation of Declaration in the Official Public Records of Denton County, Texas, which contains: (i) a reference to this Declaration, including the recording informing (i.e., the volume and page numbers wherein this Declaration is recorded or document number under which this Declaration is recorded); (ii) a statement that the provisions of this Declaration shall apply to the annexed property; and (iii) a legal description of the annexed property.

Section 2.3 De-Annexation. Until Declarant has sold all platted Lots and Class B Membership no longer exists, the Declarant has the right to de-annex any property owned by the Declarant from the Property without the joinder of any other Owners or Members.

ARTICLE III. USE RESTRICTIONS

Section 3.1 Uses Permitted. All Lots within the Subdivision shall be used only for private single-family residential purposes. Each Lot shall be limited to occupancy by only one (1) family consisting of persons related by blood, adoption or marriage or no more than two unrelated persons residing together as a single housekeeping unit, in addition to any household or personal servant staff. No more than one (1) Dwelling shall be constructed on each Lot which may not exceed two (2) stories in height or the maximum height as allowed by law. No multi-family Dwellings shall be constructed on any Lot. Trailers, mobile homes, manufactured homes, pre-fabricated homes, log homes, and old or used homes that have previously been constructed on property other than the Lot are prohibited from being placed on any Lot. No Lot may be used for duplex houses, churches, condominiums, townhouses, garage apartments, or apartment houses. Except for replats undertaken by Declarant, none of the lots shall be subdivided into smaller lots.

Section 3.2 Non-Permitted Uses.

a. Business or Commercial Enterprises. No business or commercial enterprise shall be operated from or on any Lot, unless: (a) the existence and operation of the business or commercial enterprise is in no way evident or detectable from outside the Dwelling; (b) the business or commercial enterprise does not involve visitation to the Dwelling by clients, customers, suppliers or other business invitees or door-to-door solicitation of Residents; and (c) the business or commercial enterprise is consistent with the residential character of the Subdivision and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other Residents as may determined in the sole discretion of the Board. A day care business, home day care facility, nursing home, church, preschool, nursery, beauty parlor, barber shop and other similar facilities are expressly prohibited on a Lot. Leasing of a Lot and/or Dwelling does not constitute a business or commercial enterprise within the meaning of this subsection.

b. Animals and/or Plants. Whether or not for profit, livestock, animals (domestic and wild), and/or crops shall not be raised, bred, grown or kept on any Lot. Animals, including but not limited to domestic household pets, shall not be raised, bred, grown or kept on any Lot for a commercial purpose.

c. Mineral Development. No part of the Property shall be used for mining, drilling, quarrying, exploring or boring for or removing oil, gas, water, rocks, stones, gravel, sand, earth, or any other minerals or hydrocarbons. Nonetheless, the Declarant and/or the Association are permitted to drill water wells on any part of the Property. Furthermore, nothing in this section shall prevent the Declarant and/or the Association from leasing any part of the Property for oil, gas and mineral development, it being contemplated that parts of the Property may be developed from adjacent lands by directional drilling operations or from the Drill Sites designated on the Plat.

d. Hazardous Activities. No hazardous or unsafe activity or structure shall be permitted on the Property. Such prohibited activity includes but is not limited to the following: (1) discharging a firearm, weapon, projectile or fireworks; (2) lighting an open fire (except within interior fireplaces, exterior fire pits, or in contained barbecue pits for cooking purposes); (3) burning materials; (4) installing or keeping a butane, propane or other combustible fuel tank or container except for portable tanks used solely in connection with fueling a barbecue pit or portable tool or installed in a vehicle or boat.

Section 3.3 Composite Building Site. Any Owner of one (1) or more adjoining Lots may, with prior written approval of the ACC, consolidate such Lots into one (1) building site (a "Composite Building Site") upon which the Owner may place or construct one (1) Dwelling. In such a case, the side setback lines along the original common Lot lines shall be eliminated and shall thereupon be measured from the Composite Building Site's side lines rather than from Lot lines as indicated on the Plat. All Composite Building Sites must have a front building set-back line of not less than the minimum front building set-back line of all Lots in the same block and the Dwelling must cross at least one of the original common Lot lines.

A Composite Building Site will be considered one (1) Lot for purposes of voting rights in the Association. However, Assessments shall be charged pursuant to the original number of Lots that make up the Composite Building Site.

Section 3.4 Notices and Easements.

a. General. As long as the Declarant owns any of the Property, there are reserved to the Declarant, the Association and the designees of each (which may include without limitation the city any part of the Property is located within, Denton County and utility providers) access and maintenance easements across acres, over and under all of the Property as are reasonably necessary for any lawful purpose that is consistent with the on-going development and maintenance of the Subdivision. Notwithstanding anything to the contrary contained in this section, no sewers, electrical lines, water lines or other utilities may be installed or relocated on the Property, except as may be approved by the Declarant or the Board.

b. Easements for Common Area. The Declarant and the Association reserve for themselves and their duly authorized agents, representatives and employees, designees, successors, assignees, licensees and mortgagees the non-exclusive right and easement, but not the obligation, to enter upon the Common Area for any lawful purpose that is consistent with the on-going development and maintenance of the Subdivision.

The Declarant's rights and easements hereunder shall be transferred to the Association at such time as the Declarant shall cease to own any portion of the Property subject to the Declaration, or such earlier time as Declarant may decide, in its sole discretion, and transfer such rights by a written instrument. The Declarant, the Association and their designees shall have an access easement over and across any portion of the Property abutting or containing any portion of any of the Common Area to the extent reasonably necessary to exercise their rights and responsibilities under this Declaration.

c. Easements to Serve Additional Property. The Declarant and the Association reserve for themselves and their duly authorized agents, representatives and employees, designees, successors, assignees, licensees and mortgagees an easement over the Common Area for the purposes of enjoyment, use, access and development of any annexed property, whether or not such Property is made subject to the Declaration. This easement includes, but is not limited to, a right of ingress and egress over the Common Area for construction of roads and for tying in and installation of utilities on any annexed property.

The Declarant agrees that if an easement is exercised for permanent access to any annexed property and such property or any portion thereof is not made subject to the Declaration, the Declarant, its successors or assigns shall enter into a reasonable agreement with the Association to share the cost of maintenance to any access roadway serving such property. Such agreement shall provide for sharing of costs based on the ratio that the number of Dwellings or buildings on that portion of the property that is served by the easement and is not made subject to this Declaration bears to the total number of Dwellings and buildings within the Property.

Section 3.5 Setbacks. The location of all Dwellings and improvements shall comply with the minimum setbacks shown on the recorded plat for the applicable Lot. For purposes of this section, eaves, steps and porches (open and covered) will not be considered as part of a Dwelling or improvement. However, this section shall not be construed to permit any portion of any Dwelling or improvement to encroach on another Lot or any part of the Common Area.

Section 3.6 Square Footage. All Dwellings shall contain a minimum of 1,200 square feet of living area, excluding porches, garages, temporary structures and areas without air conditioning. Notwithstanding anything contained herein to the contrary, the Declarant has the authority to permit Dwellings containing more or less square feet of living area than permitted by this section.

Section 3.7 Elevation Requirements. Minimum finished slab elevation for all structures shall be at least one foot (1') above the 100-year flood plain elevation, or such other level as may be established by the Denton County Commissioners Court, Denton County Engineer, and/or other applicable governmental authorities. Furthermore, finished floor elevations must be a minimum of eight (8") inches above finished adjacent grade.

Section 3.8 Construction and Building Materials. The exterior finish of all Dwellings and other improvements on any Lot shall be completed within twelve (12) months from the date the construction commenced. No building material of any kind or character shall be placed or stored upon the property until the owner thereof is ready to commence construction of improvements, and then such material shall be placed within the property lines of the lot upon which the improvements are to be erected.

All Dwellings shall face the front of the Lot towards the street, unless the ACC approves a deviation in writing.

The total exterior wall area of each building constructed or placed on a Lot shall not be less than seventy-five percent (75%) brick, brick veneer, stone, stone veneer, masonry, cementitious fiber board, or other material approved by the ACC. The use of log siding on the exterior of Dwellings is prohibited. Roofs of Dwellings shall be constructed of composition shingles, copper, tile, slate, standing seam metal, or other material of a minimum weight of three hundred (300) pounds per one hundred (100) square feet of roofing area (unless specifically approved otherwise by the ACC in writing before installation) approved in writing by the ACC prior to construction. The use of sheet metal or similar material on the roof and/or exterior of Dwellings is prohibited. Roof pitch shall be a minimum of 5/12" unless approved otherwise by the ACC. Chimneys should use masonry or concrete board such as hardi-board and not any wood based material such as Masonite, OSB or fiberboard. Installation of all types of exterior items and surfaces such as address numbers or external paint or stain, shall be subject to the prior approval of the ACC as to design, materials and location.

Section 3.9 Window Coverings. Owners shall install window coverings that are in keeping with the aesthetics of the Subdivision and any ACC's Rules within three (3) months of occupying a Dwelling. Such window coverings must be a neutral color (e.g., tan, beige, white, gray). In no event shall Owners have burglar bars on any window. After occupying a Dwelling for three (3) months, Owners shall not have any temporary or disposable coverings on the windows, including but not limited to foil, paper, plastic, cardboard or other window coverings that are not made for the express purpose of covering a window.

Section 3.10 Screening. Before any screen is placed on any Lot, the ACC must approve the plans and specifications for the screen, as well as the location and materials for the screen.

Section 3.11 Excavation. The digging and removal of any dirt from any Lot is expressly prohibited, except as may be necessary for construction of a Dwelling or landscaping on such Lot.

Section 3.12 Tree Removal. This section only applies once an Owner has occupied a Dwelling on Lot. If a tree on the Property is greater than three inches (3") in caliper, measured at a point six inches (6") above grade, it shall not be removed. Nonetheless, a tree of this size may be removed if: (i) it is diseased; (ii) it is dead; (iii) it is unsafe; (iv) it needs to be removed to promote the growth of other trees; or (v) the ACC has approved removal of the tree.

Each Lot must contain at least two (2) trees at all times.

If this section is violated, whether intentionally or unintentionally, the Board, in its sole discretion, may require the violator to replace the removed tree with one (1) or more comparable trees of such size and in such location(s) as the Board, in its sole discretion, may determine necessary to mitigate damages for the violation.

Section 3.13 Swimming Pools, Spas, Jacuzzis and Hot Tubs. A swimming pool, spa, jacuzzi or hot tub (whether above-ground or in-ground) shall not be installed on any Lot without the prior approval of the ACC.

All swimming pools, spas, jacuzzis and hot tubs (whether above-ground or in-ground) must be enclosed by a six foot (6') privacy fence with locks and/or childproof latches on all gates. Above-ground swimming pools, spas, jacuzzis and hot tubs must have secure covers to prohibit accidental entry by children and shall not be visible from the street. Furthermore, all swimming pools, spas, jacuzzis, hot tubs, kiddie pools, fountains and other water containing objects shall be kept, cleaned and maintained to prevent odor and breeding of mosquitoes and other pests.

The Association is authorized to use the Self-Help Remedy to remedy a violation of this section.

Section 3.14 Drainage. All Lots shall have grading and drainage systems thereon, which prevent runoff of precipitation, irrigation or any other water to cause undue erosion of any Lot. An Owner who fails to comply with this section, and thus causes such undue erosion shall be liable for all damages caused by such undue erosion. All grading and drainage systems shall be in compliance with all codes, ordinances, regulations and/or specifications of the local, state and federal government.

The Master Grading Plan for the Subdivision may be obtained by an Owner upon request. The Master Grading Plan shows the general pattern of surface runoff on all Lots in the Subdivision. No Owner or Builder shall change the basic grading or drainage as set forth in the Master Grading Plan without the Declarant's written consent. THE MASTER GRADING PLAN MAY SHOW THAT CERTAIN LOTS ARE ANTICIPATED TO RECEIVE SURFACE WATER RUNOFF FROM OTHER LOTS. NO OWNER MAY CHANGE THE GRADES OR CONSTRUCT ANY IMPROVEMENTS IN SUCH A WAY AS TO IMPEDE THE ESTABLISHED FLOW AS SHOWN ON THE MASTER GRADING PLAN. FENCES THAT WOULD BLOCK SURFACE RUNOFF SHALL BE CONSTRUCTED WITH AN ADEQUATE NUMBER AND SIZE OF OPENINGS TO PERMIT SURFACE WATER FLOW. OWNERS HEREBY AGREE TO HOLD DECLARANT AND THE ASSOCIATION HARMLESS FOR THE EXISTENCE OF THE MASTER GRADING PLAN.

Section 3.15 Temporary Structures. No temporary structure, including but not limited to tents, garages, barns, sheds, greenhouses, gazebos, trellises and play houses, shall be installed, constructed, placed, or kept on any Lot without the prior approval of the ACC. Nonetheless, temporary structures, which are necessary for storing tools and equipment or for office space for architects, builders and foremen during construction of a Dwelling or an improvement, may be kept on a Lot, so long as the nature, size, duration and location of the structure are approved by the Declarant or the ACC.

Section 3.16 Model Homes. A Builder may build and use a model home on the Property until the Builder has sold all Lots on which it has constructed Dwellings. A model home shall not constitute a business or commercial enterprise as prohibited by Section 3.2(a) herein.

The ACC shall have broad authority to grant a Builder variances from compliance with any of the restrictions or guidelines set forth in the Declaration or ACC Rules with regards to a model home. The ACC's granting of a variance to a Builder does not obligate the ACC to approve a similar variance in the future. The ACC's granting of a variance shall not be relied on as precedent in requesting or assuming a variance applies to any other matter of enforcement of any provision of this Declaration. The ACC's grant or denial of a variance is based on each case's unique circumstance, and the ACC is not required to duplicate its action if requested by another Builder or Owner.

Prior to the first conveyance of a model home, the Builder shall convert the model home so that it is in compliance with all covenants, conditions, restrictions and guidelines set forth in the Declaration and ACC Rules.

Section 3.17 Water and Sewage Systems. All Lots shall use the governmental water system and the governmental sewage disposal system provided to the Property. No Lot shall contain its own water supply system or sewage disposal system (e.g., water wells, cesspools and septic tanks). This section does not apply to the Declarant or Association.

Section 3.18 Walls and Fences. Except as expressly provided otherwise herein, any fence or wall must be constructed of masonry brick, wood or other material approved by the ACC. No fence or wall shall be permitted to extend nearer to any street than the front building line of any Dwelling. Fences or walls erected by the Declarant shall become the property of the Owner of the Lot on which the same are erected and, as such, shall be maintained and repaired by such Owner. No portion of any fence shall extend greater than eight feet (8') in height

Owners shall maintain, repair and/or replace all walls and fences located on their Lot(s). Replacement walls and fences shall be of a material and design approved by the ACC or as originally constructed (if a fence existed at the time of transfer from a Builder to the Owner). The maintenance, repair and reconstruction of any portion of a fence and/or wall which lies between Lots shall be the joint responsibility of the Owners on whose property the fence lies between. The Association has the right, **but not the obligation**, to maintain, repair and/or replace fences and walls located within the Subdivision.

The Association is authorized to use the Self-Help Remedy to remedy a violation of this section.

Section 3.19 Mailboxes. Only mailboxes installed or approved by the United States Postal Service and approved by the Declarant or, upon the Control Transfer Date, approved by the ACC, shall be installed.

Section 3.20 Nuisances. Nothing that will cause any part of the Property to appear unclean or untidy or that will be visibly obnoxious shall be stored on any part of the Property. No substance,

thing, animal or material shall be kept on any part of the Property if it emits foul or obnoxious odors or causes any noise or other condition(s) that will or might disrupt the peace, quiet and/or safety of Residents. No noxious, illegal or offensive activity shall be carried on upon any part of the Property. Without limitation, the discharge and/or use of firearms on any part of the Property is expressly prohibited. No activity that will or might become an annoyance or nuisance to Residents shall be carried on upon any part of the Property. The Association shall have the sole and absolute discretion to determine what constitutes a nuisance or annoyance.

Section 3.21 Garbage and Trash Disposal. No litter, trash, refuse, manure and other waste shall be placed, dumped or permitted to accumulate on any Lot. No odors shall be permitted to arise from any litter, trash, refuse, manure or other waste. Each Lot shall be kept so that it is not unsanitary, unsightly, offensive or detrimental to any Lot or any Resident.

All litter, trash, refuse, manure and other waste must be kept in covered containers with tightly fitting lids at all times. Except as necessary for garbage and/or waste collection, all such containers must be kept within enclosed structures or appropriately screened so that they are not visible from any Lot or part of the Common Area.

If the Association or a governmental entity does not provide for garbage or other waste collection, each Owner shall contract with an independent collection service for the purpose of disposing of litter, trash, refuse, manure and other waste.

The Association is authorized to use the Self-Help Remedy to remedy a violation of this section.

Section 3.22 Garages. All Lots shall have a garage thereon (whether attached to or detached from the Dwelling), which is capable of storing not less than two (2) nor more than four (4) Vehicles. All garages shall have an operable overhead door, which is maintained. No garage shall be used for habitation. All garage doors shall be closed at all times except as may be necessary for the entry and exit of vehicles and persons. No carport shall be permitted on any Lot.

Section 3.23 Sidewalks and Driveways. Within thirty (30) days of completion of the Dwelling, all Lots shall have a driveway thereon. All driveways must have width of at least eight feet (8') between the front Lot line and the street.

All sidewalks and driveways shall be in compliance with all codes, ordinances, regulations and/or specifications of the city in which the Property is located and Denton County, Texas. All sidewalks and driveways shall be made of concrete, be left their natural color, and not be stained or painted. All Owners are required to maintain the driveways and sidewalks on their Lot(s) so that they are in good repair, safe and neat.

The Association is authorized to use the Self-Help Remedy to remedy a violation of this section.

Section 3.24 Vehicles and Parking. The following shall not be kept, parked, stored, or maintained on any part of any Lot, except within an enclosed structure (e.g., a garage) or in another area that is not visible from any other Lot or any part of the Common Area:

- 1) Commercial vehicles bearing commercial insignia or names;
- 2) Recreational vehicles;
- 3) Wrecked, abandoned, junked or inoperable vehicles;
- 4) Boats;
- 5) Marine craft;
- 6) Hovercraft;
- 7) Aircraft,
- 8) Trailers;
- 9) Tents;
- 10) Equipment;
- 11) Machinery;
- 12) Mobile homes;
- 13) Four wheelers;
- 14) Mules; and
- 15) Accessories, parts or other objects used in connection with any of the foregoing.

A Vehicle is deemed to be “stored” on any part of a Lot if it is parked on the Lot for more than three (3) consecutive days.

Notwithstanding the foregoing, passenger vehicles may be parked in the driveway of a Lot, so long as said vehicles are operable, have up-to-date vehicle registration and inspection stickers, and are used daily by a Resident of the Lot. Furthermore, commercial vehicles bearing commercial insignia or names may be parked within view of another Lot or any part of the Common Area so long as said vehicles are smaller than one ton and either: (a) a Resident’s primary means of transportation; or (b) parked temporarily for the purpose of serving a Lot.

Notwithstanding the foregoing, all Vehicles are prohibited from being parked on any part of a sidewalk or yard, and no more than three (3) Vehicles shall be parked in a driveway at one time. Furthermore, no Vehicle shall be routinely parked in the streets.

The Board is authorized to establish additional rules and regulations relating to the keeping, parking, storage and maintenance of Vehicles and other property both on Lots and the Common Area as it may from time to time deem necessary. Said rules and regulations, when promulgated, shall be binding and enforceable against all Owners. However, said rules and regulations shall not in any way revoke or relax any of the restrictions set forth in this section.

The Association is authorized to use the Self-Help Remedy to remedy a violation of this section.

Section 3.25 Signs. Without the prior written consent of the ACC, signs of any kind shall not be placed, installed or painted on or attached to any part of a Lot, Dwelling and/or other improvements thereon so that they are within view of another Lot or any part of the Common Area. Nonetheless:

- a. Owners are permitted to place the following signs on their Lots provided that each sign is not larger than 2’ x 3’:
 - i. One (1) “For Sale” or “For Lease” sign to advertise that the particular Lot is for sale or lease, so long as the sign is not larger than 2’ x 3’, is

fastened only to a stake in the yard of the Lot, extends not more than 3' above the surface of the Lot, and does not reference bankruptcy, distressed nature of the sale, lease or foreclosure;

- ii. School spirit signs containing information about at a child or children residing in the Dwelling and the school they attend, so long as the sign(s) is/are not larger than 2' x 3' and is/are fastened only to a stake in the ground. There shall be no more than one (1) sign for each child under the age of nineteen (19) residing in the Dwelling;
- iii. Two (2) political signs to advocate the election of political candidate(s) or the support of a political issue, proposal or party, so long as the sign(s) is/are not larger than 2' x 3', is/are fastened only to a stake in the ground, and is/are not placed upon the Lot for more than thirty (30) days prior to the election and is/are removed within five (5) days of the election; and
- iv. One (1) sign for each Lot and/or one (1) sticker per side of the Dwelling provided to an Owner by a commercial security or alarm company providing service to the Dwelling. Such sign may not be larger than 8" x 8" and may be fastened only to a stake in the ground. Such a sticker may not be larger than 4" x 4";

- b. The Declarant is permitted to place signs on the Property to advertise the Lots while the Property is being developed, constructed and sold.

If any sign is placed, installed or painted on or attached to any part of a Lot or the Dwelling and other improvements thereon in violation of this section, the Association and/or the ACC shall be authorized to exercise Self-Help to remedy the violation.

Section 3.26 Domestic Household Pets. No animals, livestock, poultry or crops of any kind shall be raised, bred or kept on any Lot except for no more than three (3) cats, dogs, or other generally recognized household pets, provided that they are not kept, bred or maintained for any commercial purposes.

All such animals shall be kept in strict accordance with all local laws and ordinances (including leash laws) and in accordance with all rules established by the ACC. It shall be the responsibility of each of the owners of such household pets to keep all such pets on a leash and under such owner's direct supervision at all times when such pets are not confined within such owner's fenced Lot, and to prevent the animals from running loose or becoming a nuisance to the other residents.

Domestic household pets shall not be allowed to roam free on the Property and shall not be allowed in the Common Area unless confined to a leash.

A Resident will be required to permanently remove his/her domestic household pet from the Property if, in the Board's sole discretion, the domestic household pet:

- 1) Endangers the health or safety of any Resident;

- 2) Disturbs the rest or peaceful enjoyment of another Resident, including by (but not limited to) barking, howling, whining, screeching or making other loud noises for extended or repeated periods of time; or
- 3) Constitutes a nuisance or inconvenience to any Resident.

If the Board deems a domestic household pet to be dangerous and the pet's owner refuses to permanently remove the pet from the Property in violation of this section, the Association is authorized to exercise the Self-Help Remedy to remove the pet. The pet's owner shall be responsible for any kenneling charges or other fees associated with boarding and removal of the pet.

Section 3.27 Maintenance and Repairs

- a. General. All Owners are obligated to and shall, at their sole cost and expense, maintain and keep in good repair his/her/their Lot(s), including but not limited to the Dwelling, all other structures and improvements, the driveway, the sidewalk, the fences, and the yard thereon. All maintenance and repairs must be performed in a timely manner. The Association, in its sole discretion, shall determine whether of a violation of the maintenance obligations set forth in this section have occurred.

If a Resident violates a maintenance obligation set forth in this section, the Association shall be authorized to exercise Self-Help to remedy the violation.

If the Association or a governmental entity does not provide for garbage or other waste collection, each Owner shall contract with an independent collection service for the purpose of disposing of litter, trash, refuse, manure and other waste.

- b. Landscaping. Whether or not visible to any other Lot or from any part of the Common Area, all trees, shrubs, grass, plantings and vegetation on any part of a Lot (including but not limited to the yard behind the Dwelling) must be kept free from disease, regularly watered, mowed, trimmed, cultivated, pruned and free of weeds. All dead trees, shrubs, grass, plantings and vegetation must be promptly removed from the Lot.

Any unpaved part of the Lot that is visible to any other Lot or from any part of the Common Area (including but not limited to the yard behind the Dwelling) must be landscaped. The ACC must approve landscaping plans before landscaping is installed. All Dwellings must have completed landscaping, which has been approved in writing by the ACC, within ninety (90) days of completion of construction. Any area designated still in its natural state shall be considered landscaped.

Notwithstanding the Self-Help Remedy, upon a Resident's failure to maintain his/her/their lawn to a reasonable standard as set forth herein, after the Association has sent the Owner ten (10) day written notice requesting the performance of such maintenance, the Association or its agents may elect to enter to enter the Owner's Lot to perform such maintenance. The Owner shall

be assessed the cost of the maintenance by the Association, and such cost shall be added to the Owner's account.

- c. Exterior. Paint on Dwellings, structures and other improvements on Lots must not be faded, cracked, chipped or otherwise damaged. Exterior lighting on Lots must be kept in working order and dead bulbs must be promptly replaced. Exterior damages to any part of the Lot must be promptly repaired.

Section 3.28 Antennas and Satellite Dishes. No exterior radio or television antenna, aerial or satellite dish receiver, or other apparatus for the reception or transmission of telecommunication signals shall be erected, installed, placed, kept or maintained on any Lot so as to be visible from any other Lot, street, or the Common Area, unless such a location: (1) precludes reception or transmission of an acceptable quality signal; (2) unreasonably delays or prevents installation, maintenance or use; or (3) unreasonably increases the cost of installation, maintenance or use. In such an event, the ACC must approve the location of such an antenna, receiver or other apparatus. Any request to the ACC for approval of such an antenna, receiver or other apparatus must include a description of all locations determined by the installer to be acceptable for receiving or transmitting telecommunication signals. This section shall be interpreted to be as restrictive as possible while not violating the Telecommunications Act of 1996.

Section 3.29 Solar Panels. Architectural approval from the ACC is required prior to the installation of any solar panels. The Association reserves the right to seek the removal of any solar panel that was installed without first obtaining approval or for any solar panel that violates these restrictions or any Association policy.

Section 3.30 Wind Generators. No wind generators shall be erected or maintained on any Lot if said wind generator is visible from any other Lot or public street.

Section 3.31 Hazardous Substances. No Hazardous Substance shall be brought onto, installed, used, stored, treated, buried, disposed of or transported over the Lots or the Subdivision, and all activities on the Lots shall, at all times, comply with Applicable Law. The term "Hazardous Substance" shall mean any substance which, as of the date hereof, or from time to time hereafter, shall be listed as "hazardous" or "toxic" under the regulations implementing The Comprehensive Environmental Response Compensation and Liability Act ("CERCLA"), 42 U.S.C. §§9601 et seq., The Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. §§6901 et seq., or listed as such in any applicable state or local law or which has been or shall be determined at any time by any agency or court to be a hazardous or toxic substance regulated under applicable law. The term "Applicable Law" shall include, but shall not be limited to, CERCLA, RCRA, The Federal Water Pollution Control Act, 33 U.S.C. §§1251 et seq. and any other local, state and/or federal laws or regulations that govern the existence, cleanup and/or remedy of contamination on property, the protection of the environment from spill deposited or otherwise in place contamination, the control of hazardous waste or the use, generation, transport, treatment, removal or recovery of hazardous substances, including building materials.

Section 3.32 Children's Play and Sports Equipment. All children's play equipment or other sporting equipment (excluding basketball goals) shall not be allowed in the front yard of any Lot.

Any Owner who wants to erect, locate or place any children's play equipment or other sporting equipment (excluding basketball goals), which will be visible from any part of the Common Area shall submit a request to the ACC for review and approval.

All basketball backboards and goals shall be allowed only at the back of a driveway or in a backyard of a Lot. All basketball backboards and goals shall be maintained in a playable condition at all times, and the Owner shall repair or remove any damaged structure within forty-eight (48) hours of receiving written notice from the ACC. All children's play equipment or other sporting equipment shall not be located in the front yard or driveway on any Lot overnight. In no event shall any children's play equipment or other sporting equipment (including basketball goals) be located or used on any street in the Subdivision. The Association and/or the ACC shall be authorized to exercise Self-Help to remove any such equipment located on any street in the Subdivision. The ACC is authorized to store such equipment, and the Owner of such equipment shall be responsible for the payment for storage of such equipment.

Section 3.33 Air Conditioning Units. Air conditioning units shall not be installed, placed or attached on or to the ground in front of any Dwelling or on the roof of any Dwelling. Window or wall type air conditioning units or evaporative coolers shall not be installed, placed or attached on/to any front wall or front window of a Dwelling. Window or wall type air conditioning units or evaporative coolers may be installed, placed or attached on/to side windows or a window that is screened by a fence. Notwithstanding the foregoing, air conditioning units (including but not limited to window and wall type units and evaporative coolers) shall not be installed, placed or attached in a location that is visible to any other Lot or from any other part of the Common Area.

Section 3.34 Holiday Decorations. The ACC shall have authority to promulgate reasonable rules, regulations and guidelines regarding the appearance and length of time exterior holiday decorations, including but not limited to wreaths, lights and flags, are displayed on Lots. All exterior holiday decorations shall be maintained and kept in good condition while on display. The ACC shall have the right of Self-Help to remove any exterior holiday decorations that are in violation of this section and/or any ACC Rules regarding exterior holiday decorations.

Section 3.35 Flagpoles. No flagpole of any kind may be kept, placed, or mounted, to any fence, or upon any Lot so as to be visible from public view, unless first approved by the ACC. Flags shall be of the size and style intended for residential use and shall at all times be maintained and kept in good condition. Flags may be up to three foot (3') by five foot (5') in size. Flagpoles may be no taller than twenty feet (20') tall. If any flagpole is placed within the Subdivision in violation of this Declaration or any policy of the Association, the Association or its agents shall be authorized to exercise its Self-Help remedy to bring the Owner's Lot into compliance with this provision.

A Builder may not place any advertising flag on a model home without the prior written permission of the ACC.

Section 3.36 Clothes Drying. The drying of clothes in public view is prohibited.

Section 3.37 Enforcement of Restrictions.

- a. Authority. The Association, acting through the Board, the Declarant, the ACC, and any Owner, as specified, shall have the authority, but not the obligation, to enforce the restrictions set forth herein. If the section setting forth the restriction does not specify who has authority to enforce it, the following shall be authorized to enforce it: (1) the Declarant if Class B Membership has not converted to Class A Membership; and/or (2) the Association, acting through the Board, regardless of whether Class B Membership has converted to Class A Membership. The Association, acting through the Board, the Declarant, the ACC, and Owners shall not be held liable for not enforcing the restrictions set forth herein.
- b. Liability of Owners. All Owners are required to comply with all provisions of the Documents. All Owners are liable to the Association for violations of the Documents by the Owner, Residents of the Owner's Lot, guests, employees, agents or invitees of the Owner or a Resident of the Owner's Lot.
- c. Remedies. If a Resident or a Resident's guest, employee, agent or invitee fails to comply with a provision of any of the Documents, the following remedies exist:
- i. Lawsuit. The Declarant, the Association, and/or the ACC has authority (but no obligation) to bring an action against the Owner who is liable, at law or in equity, to recover sums due, for damages, for injunctive relief and/or for any other remedy available.
 - ii. Reasonable Fines. The Board has authority (but no obligation) to assess and charge the Owner who is liable with a reasonable fine, so long as the Board: (a) established fine prior to the violation; and (b) complies with Chapter 209 of the Texas Property Code or its successor statute. Said fines shall be a personal obligation of the Owner of the Lot at the time when fine is assessed, a charge on the Lot, shall be a continuing lien upon the Lot and may be enforced as provided in Section 4.10 herein.
 - iii. Self-Help Remedy. The Declarant, the Association, the ACC and/or their agents/representatives have authority (but no obligation) to enter upon a Lot to remedy the violation, so long as: (a) the Owner was provided written notice of the violation at least 10 days before; and (b) the violation continues for at least 10 days (whether or not consecutive). The Declarant, the Association, the ACC and their agents/representatives shall not be subject to any liability for trespass, other tort or damages in connection with or arising from exercise of this remedy.
- d. Costs and Attorneys' Fees. Owners are liable for, and the Association is entitled to, reasonable costs and attorneys' fees incurred by the Declarant, the Association and/or the ACC in obtaining compliance with the Documents, whether or not a lawsuit is filed, a fine is imposed or the Self-Help Remedy is exercised. All costs incurred by the Declarant, the Association and/or the ACC in exercising any of the remedies set forth in this section shall be a personal obligation of the Owner of the Lot at the time when the

costs or attorneys' fees were incurred, a charge on the Lot, shall be a continuing lien upon the Lot and may be enforced as provided in Section 4.10 herein.

Section 3.38 No Warranty of Enforceability. The Declarant has no reason to believe that any of the restrictions set forth in this Article or any other provisions of the Declaration are or may be invalid or unenforceable. Nonetheless, Declarant makes no warranty or representation as to the present or future validity or enforceability of any such restrictions and provisions. All Owners purchasing a Lot in reliance on the restrictions and provisions herein shall assume all risks of the validity and enforceability thereof and, by purchasing the Lot, agree to hold Declarant harmless there from.

Section 3.39 Applicable Law. All building and construction within the Subdivision must comply with any applicable laws and ordinances.

ARTICLE IV. THE ASSOCIATION

MEMBERSHIP AND VOTING RIGHTS

Section 4.1 Membership. All Owners are automatically Members of the Association. Membership in the Association is mandatory. Membership is appurtenant to and runs with ownership of the Lot that qualifies the Owner for membership. Membership is not severable from title to the Lot, and thus cannot be transferred, assigned, pledged, mortgaged, or alienated without title to the Lot.

Section 4.2 Eligibility. A Member must be in good standing with the Association in order to be eligible to vote or serve as a representative, director or officer of the Association. A Member is in good standing with the Association if the Member: (1) has paid up to date all Assessments and has no delinquent financial obligations to the Association; (2) is not in violation of any Documents according to the Association's records; and (3) has not failed to comply with all terms of a judgment obtained against the Member by the Association, including the payment of all sums due the Association by virtue of such judgment.

Section 4.3 Voting Rights. The Association shall have two (2) classes of membership – Class A and Class B.

- a. Class A Membership. Class A Members shall include all Members except Class B Members (if any). Class A Members are entitled to one (1) vote per Lot owned. In no event shall more than one (1) vote be cast with respect to any single Lot.
- b. Class B Membership. Class B Members shall be the Declarant and any persons who the Declarant may, in its sole discretion, include as a Class B Member. Class B Members are entitled to ten (10) votes per platted Lot owned.
- c. Conversion. Class B Membership shall convert to Class A Membership upon the Control Transfer Date. The "Control Transfer Date" shall mean that point in time when the Declarant, at its sole option, shall cause an instrument transferring control

to the Association to be recorded in the Official Public Records of Real Property of Denton County, Texas.

Upon the Control Transfer Date: (i) any remaining Class B Members shall become Class A Members; (ii) the Owners shall manage the Association; and (iii) the members of the Board at the time of conversion shall elect the Board. **UPON THE CONTROL TRANSFER DATE AND ANYTIME THEREAFTER, THE ASSOCIATION SHALL INDEMNIFY AND HOLD THE DECLARANT HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS OR DAMAGES OF EVERY KIND ARISING OUT OF THE DEVELOPMENT OF THE PROPERTY AND THE OPERATION OF THE ASSOCIATION.**

Prior to the Control Transfer Date: (i) the Declarant shall manage the Association; and (ii) the Association shall reimburse the Declarant for any expenses incurred in such management.

ASSESSMENTS

Section 4.4 **Duty of the Association.** The Association, acting through the Board, is charged with the duty to levy and collect Assessments as provided here.

Section 4.5 **Creation of the Lien.** By acceptance of a deed to a Lot, each Owner is deemed to have covenanted and agreed to pay to the Association: (a) Annual Assessments; and (b) Special Assessments. The Assessments, together with attorney's fees, costs of collection, court costs, late fees and interest shall constitute a continuing lien upon the Lot covered by such unpaid Assessment, and such lien shall be for the benefit of the Association.

The Association need not take any action to create or perfect the Lien. However, the Association may execute and record a "Notice of Assessment Lien" in the Official Public Records of Denton County, Texas in order to provide further notice of the Lien. The validity, enforceability or priority of the Lien shall not in any way be affected if the Association does not execute and record a "Notice of Assessment Lien."

Notwithstanding the foregoing, the Declarant shall have the right not to bill Builders for Assessments. If Declarant exercises said right and thus does not bill Builders for Assessments, the Lien shall attach to each Lot upon the first sale of such Lot by Builder.

Section 4.6 **Personal Obligation of Assessments.** Each Assessment, together with attorney's fees, costs of collection, court costs, late fees and interest, shall be the personal obligation of the Owner of the Lot at the time when the Assessment became due. An Owner who sells and/or purchases a Lot or Lots after the first day of January in any year shall be personally obligated for a pro-rated assessment amount for that year. An Owner cannot exempt himself/herself from liability for the Assessments. An Owner's personal obligation for delinquent Assessments shall not pass to his/her successors in title, unless expressly assumed by his/her successors in title. Nonetheless, the Lien shall continue and may be enforced against the Lot.

Section 4.7 Purpose of Assessments. Assessments levied by the Association shall be used for any and all legal purposes so long as they are used for the benefit of the Members, including, but not limited to, promoting the recreation, health, safety and welfare of the Residents and for improvement, maintenance and/or repair of the Common Area.

Even if a private street and road, park, setback, easement and/or street light is not part of the Common Area, the Association may use Assessments to improve, maintain and/or repair these areas if, in the Board's sole discretion, such improvement, maintenance or repair will benefit the Members. A majority of the Board must vote in favor of such improvement, maintenance and/or repair.

Section 4.8 Annual Assessments. The Property is subject to Annual Assessments as provided herein.

- a. Amount. The maximum initial Annual Assessment is \$500.00 per Lot.

The Board may, in its sole discretion and without a vote by the Members, increase the Annual Assessment in an amount up to ten percent (10%) over the previous year's Annual Assessment. The Annual Assessment may only be increased by more than ten percent (10%) over the preceding year's assessment if such increase is approved by Members who represent a majority of the votes in the Association present at a meeting called for said purpose at which a quorum is present in person or by proxy. Nonetheless, any restriction on the increase of Annual Assessments shall not apply if the Declarant and/or the Association installs, erects, places or otherwise provides an amenity to which such increase relates. In such a case, the Board, in its sole discretion and without a vote by the Members, may increase the Annual Assessments above the maximum if, in the Board's sole discretion, an increase is necessary to cover the cost(s) of maintenance, operation and/or repairs to said amenity. Unless approved by a vote of the Members, the Annual Assessments shall not be increased more than one time in a calendar year and any increase shall not apply retroactively.

Notwithstanding anything herein to the contrary, the Declarant will never be required to pay Assessments for any Lots it may own. However, at its election, by September 1 of each year during the Declarant Control Period, the Declarant may, but is not required to, elect in writing whether to subsidize the approved budget for the following year by advancing to the Association either: (i) the difference between the total amount of the approved budget for the following year less that total amount due by Class A Members; or (ii) assessments at the rate of 50% of the amount assessed Class A Members for each Lot owned. Any such advance shall be evidenced by a promissory note from the Association made payable to the Declarant on terms acceptable to Declarant, in its sole discretion.

- b. Billing Cycle and Due Date. Initially, the Annual Assessment is to be billed quarterly. A quarterly payment of \$150.00/each shall be due on January 1, April 1, July 1 and October 1 of each year.

The Board, in its sole discretion, may determine whether the Annual Assessment is to be billed annually, semi-annually, quarterly, or monthly. Depending on the billing cycle, due dates are as follows:

Annually	full amount on January 1
Semi-Annually	1/2 on January 1 and July 1
Quarterly	1/4 on January 1, April 1, July 1 and October 1
Monthly	1/12 on day 1 of each month

If a payment is not paid in full by the due date, it shall be considered delinquent.

Section 4.9 Special Assessments. In addition to the Annual Assessments, the Association may levy a Special Assessment for a specific year to defray in whole or in part the cost of any construction, reconstruction, repair or replacement of a capital improvement in the Common Area or any unusual, infrequent expense benefiting the Association, provided that any such assessment must be approved by fifty-one percent (51%) of the Class A Members and fifty-one percent (51%) of the Class B Members present at a meeting of the Association at which a quorum is present. Special Assessments shall be due and payable as set forth in the resolution authorizing such Special Assessment. The Association, if it so chooses, may levy a Special Assessment against only those Members who benefit from or use the capital improvement for which the Special Assessment is being levied.

Section 4.10 Effect of Non-Payment of Assessments and Remedies. If an Owner becomes delinquent on any quarterly, semi-annual, or monthly payment of the Annual Assessment, the Association may accelerate the rest of the Annual Assessment and make the same due and payable in full upon such delinquency. Such accelerated amount shall be part of the delinquent Assessment. Any delinquent Assessment shall begin bearing interest from the due date at the lesser of: (a) the rate of eighteen percent (18%) per annum; or (b) the maximum interest rate allowed by law. Any delinquent Assessment shall also be subject to an administrative late fee if the Board so determines that such a late fee shall apply to all Lots. If any Assessment is not paid in full when due, the Lien shall secure the Assessment due, together with attorney's fees, costs of collection, court costs, late fees and interest.

In order to collect unpaid assessments, attorney's fees, costs of collection, court costs, late fees and/or interest, the Association, in the Board's sole discretion, may bring a lawsuit against the Owner personally obligated to pay any unpaid Assessment and/or to foreclose the Lien. The Association has the right to foreclose a Lien judicially or non-judicially. Costs of foreclosure may be added to the amount owed by the Owner to the Association. Nothing herein prohibits the Association from: (a) bringing a lawsuit to recover a money judgment for sums secured by the Lien; or (b) obtaining a deed in lieu of foreclosure.

If the Association forecloses a Lien non-judicially, such foreclosure must be conducted like a sale of real property under a power of sale conferred by a deed of trust or contractual lien in accordance with Texas Property Code Section 51.002 (or any amendments or successor statutes). Each Owner, by acceptance of a deed to a Lot, hereby expressly vests in the Association a power of sale to enforce the Lien. The Board is authorized to appoint a trustee to exercise the Association's power of sale. Said trustee shall not incur any personal liability except for his/her own willful misconduct.

At a foreclosure sale of a Lot (whether judicial or non-judicial), the Association may bid on and purchase the Lot with the Association's funds. If the Association purchases a Lot at a sale, during the time of the Association's ownership: (1) the Association shall not have a right to exercise a vote as the Owner of the Lot; and (2) Assessments shall not be levied on the Lot.

Following foreclosure of a Lot, Residents of the Lot shall be deemed tenants-at-sufferance, and the Association is authorized to evict the Residents and take possession of the Lot in accordance with the law.

Section 4.11 Priority of Payment. Interest shall bear on a delinquent account as provided herein. Payment on a delinquent account shall be applied first to penalties and fines levied by the Association, second to costs of collection, third to attorney's fees, fourth to court costs, fifth to late fees, sixth to all other fees (including but not limited to the amenity reimbursement fee provided for herein), and seventh to the Assessment.

Section 4.12 Subordination of the Lien. The Lien shall be subordinate to the liens of any valid first lien mortgage or deed of trust secured by such Lot and to the lien of any taxing authority. Nonetheless, the sale or transfer of any Lot pursuant to a decree of foreclosure or other proceeding in lieu of foreclosure shall not impair the enforceability or priority of the Lien against such Lot.

ARTICLE V. ARCHITECTURAL CONTROL COMMITTEE

Section 5.1 General Power. The ACC is hereby created to review and approve or deny applications for proposed construction, placement, erection, addition, alteration or modification of any building, structure or improvement on any Lot.

Section 5.2 Membership. At all times, there shall be three (3) members of the ACC. The original ACC shall consist of three (3) individuals appointed by the Declarant. The Declarant hereby appoints the following individuals as composing the original ACC: Lucas Lansman, Bryan Merchant, and Kyle Hanna. The Declarant shall have the right of appointment to and removal from the ACC until the Control Transfer Date

Upon the Control Transfer Date, ACC authority shall automatically vest in the Association, and the Association shall replace the ACC members appointed by the Declarant with three (3) Members in good standing with the Association. ACC members must be Members in good standing with the Association. Each ACC member shall hold office until he/she resigns, is removed, becomes disqualified or becomes incapacitated. The Board shall have the sole authority to appoint, replace and remove ACC members. The ACC members shall be deemed to be the Board members absent other appointments.

Members of the ACC are not entitled to any compensation for services rendered pursuant to this Declaration.

Section 5.3 ACC Approval Required. No building, structure, improvement, modification or addition of any character shall be constructed, placed, erected, added to or altered on any Lot until the building/construction plans and specifications, including but not limited to a site plan and

exterior plan, have been submitted to and approved in writing by the ACC as hereinafter provided. The ACC shall also need to approve all building materials and paint colors that have not been approved in advance by the ACC.

Only a Member in good standing with the Association may submit plans and specifications to the ACC. Any approval by the ACC of plans and/or specifications, which were submitted by a Member not in good standing, shall be deemed void.

All plans and specifications must be submitted by mailing them to the ACC prior to commencing the construction, placement, erection, addition or alteration of any building, structure, improvement, modification or addition on a Lot. The address of the initial ACC is: 1450 Lake Robbins Drive, Suite 430, The Woodlands, Texas 77380.

If the ACC fails to approve the plans and specifications within thirty (30) days after receipt thereof, the plans and specifications shall be deemed disapproved.

If not expressly prohibited by the Declaration, the ACC may grant variances from compliance with any of the restrictions or guidelines set forth in the Declaration or ACC Rules when, in the opinion of the ACC, such variance will enhance the overall development plan for the Subdivision and is justified due to unusual or aesthetic circumstances and when the Board approves such variance. The ACC's granting of a variance does not obligate the ACC to approve a similar variance in the future. The ACC's granting of a variance shall not be relied on as precedent in requesting or assuming a variance applies to any other matter of enforcement of any provision of this Declaration. The ACC's grant or denial of a variance is based on each case's unique circumstance, and the ACC is not required to duplicate its action if requested by another Owner.

In no circumstance does the ACC review the structural safety, engineering soundness, or compliance with building code or any other codes of plans and specifications for a building, structure, improvement, modification or alteration. The ACC's approval of plans and specifications shall not be deemed a representation as to or responsibility for the structural safety, engineering soundness, or compliance with building code or any other codes of a building, structure, improvement, modification or alteration.

Section 5.4 Authority. The ACC is hereby authorized, but not obligated, to do the following:

- 1) To adopt procedural and substantive rules and architectural guidelines, which do not conflict with the Declaration, as it may deem necessary or proper for the performance of its duties. Said rules and guidelines shall be available for inspection at the Association's office during normal business hours upon request;
- 2) To retain an architect and/or engineer to review plans and specifications and render an opinion to the ACC if the ACC determines, in its sole discretion, that the complexity of the request so warrants an architect and/or engineer. The costs of an architect and/or engineer shall be paid by the Owner who submits the request, and said costs shall be added to the Owner's Assessment account and secured by the Lien;

- 3) To require a reasonable submission fee for each application submitted to the ACC for review;
- 4) To enter any Lot to determine whether the Declaration or ACC Rules are being violated if the ACC, in its sole discretion, has reasonable cause to believe such a violation exists. In so doing, the ACC, the Association and its agents shall not be subject to any liability for trespass, damage or injury to property, other tort or damages in connection with or arising from such entry;
- 5) To require any Owner, including any Owner's agents or contractors, to cease and desist construction, placement, erection, or alteration of any building, structure, improvement, modification or addition on any Lot if plans and specifications for said building, structure, improvement, modification or addition have not been reviewed and approved by the ACC. All violations must be cured by bringing the Lot to its original condition and must be done at the Owner's sole expense;
- 6) To assess a fine against an Owner who proceeds with construction, placement, erection, or alteration of any building, structure, improvement, modification or addition on any Lot if plans and specifications for said building, structure, improvement, modification or addition have not been reviewed and approved by the ACC and violate the Declaration;
- 7) To set reasonable deadlines, in the ACC's discretion, for commencing and completing construction, placement, erection, or alteration of any building, structure, improvement, modification or addition on any Lot. An Owner's plans and specifications shall be deemed disapproved if: (a) construction does not commence prior to or on the designated commencement date; (b) construction is not completed prior to or on the designated completion date.

ARTICLE VI. PROPERTY

Section 6.1 Purposes of the Property. Owners of Lots within the Subdivision are advised that the Property is only platted for single family residential housing purposes. Owners of the Property hereby acknowledge that: (1) the Association, its directors, officers, managers, agents and/or employees, as well as the Declarant, its successors(s) and/or assign(s) have not made any representations or warranties; and (2) no Owner, occupant, tenant, guest and/or invitee has relied upon any representation or warranties, express or implied, regarding any future use or change in use of the Property.

Section 6.2 Easements and Drainage Right-of-Way Release and Indemnity. **FOR PURPOSES OF THIS SECTION, ALL EASEMENTS ON THE PLAT ARE REFERRED TO AS THE "EASEMENTS."**

OWNERS HEREBY AGREE TO HOLD HARMLESS AND FULLY RELEASE THE DECLARANT AND THE ASSOCIATION, ALONG WITH ALL OF THEIR RESPECTIVE EMPLOYEES, REPRESENTATIVES, HEIRS, OFFICERS, DIRECTORS, PARTNERS, AFFILIATES, PREDECESSORS, SUBSIDIARIES, PARENTS, EXECUTORS, AGENTS,

ATTORNEYS, SUCCESSORS, ASSIGNS, AND THOSE IN PRIVITY WITH THEM, FROM ANY AND ALL CLAIMS, OBLIGATIONS, COUNTERCLAIMS, OFFSETS, DEMANDS, ACTIONS, CAUSES OF ACTION, DAMAGES, COSTS, EXPENSES AND LIABILITIES, OF ANY KIND, NATURE, CHARACTER AND DESCRIPTION, WHETHER IN LAW OR EQUITY, WHETHER SOUNDING IN TORT, CONTRACT OR UNDER OTHER APPLICABLE LAW, WHETHER KNOWN OR UNKNOWN, AND WHETHER ANTICIPATED OR UNANTICIPATED, WHICH THE OWNERS HAD, NOW HAVE OR MAY EVER HAVE, DIRECTLY OR INDIRECTLY, ARISING OUT OF, RELATING TO, OR WITH RESPECT TO THE EASEMENTS.

OWNERS ALSO AGREE TO FULLY AND COMPLETELY INDEMNIFY, DEFEND, AND HOLD HARMLESS DECLARANT AND THE ASSOCIATION, ALONG WITH ALL OF THEIR RESPECTIVE EMPLOYEES, REPRESENTATIVES, HEIRS, OFFICERS, DIRECTORS, PARTNERS, AFFILIATES, PREDECESSORS, SUBSIDIARIES, PARENTS, EXECUTORS, AGENTS, ATTORNEYS, SUCCESSORS, AND ASSIGNS FOR ANY: (1) BREACH OF THE FOREGOING RELEASE; AND/OR (2) CLAIMS ARISING OUT OF OR IN ANY WAY RELATED TO THE EASEMENTS MADE BY ANY OCCUPANT OF A DWELLING IN THE PROPERTY, TENANT OF A DWELLING IN THE PROPERTY, OWNER, GUEST, LICENSEE, OR INVITEE.

ARTICLE VII. COMMON AREA

Section 7.1 Maintenance and Control. Subject to the rights of the Owners that are set forth in the Declaration, the Association shall have the exclusive responsibility and obligation of maintaining, managing and controlling the Common Area. The Association shall keep the Common Area in a good, clean, sanitary and attractive condition. The maintenance, repair and replacement of the screening walls, meaning those wall located within the Property along and parallel to Stuart Road R.O.W., Long Road R.O.W. and the Loop 288 Backage Road, is the responsibility of the Association. Homeowners may not repair, maintain, or replace such walls.

Section 7.2 Access and Use. The Board is authorized to limit access to and use of the Common Area to Residents of Lots for which Assessments, fees and other charges are not current.

Section 7.3 Restrictions Regarding the Common Area.

- a. Owners are prohibited from in any way altering, modifying, adding to or otherwise performing any work upon the Common Area.
- b. Owners are prohibited from appropriating any portion of the Common Area for their own exclusive use.
- c. No part of the Common Area shall be used, occupied, improved, altered or modified, unless such use, occupancy, improvement, alteration or modification has been approved by at least fifty-one percent (51%) of Members in good standing with the Association. Nonetheless, until the earlier of fifty (50) years from the date this Declaration is recorded in the Official Public Records of Denton County or the

Declarant has sold all Lots within the Subdivision, the Declarant is authorized to construct improvements within, on and/or to the Common Area without the approval of the Members, the Association or the ACC.

Section 7.4 Liability of Owner for Damage. Each Owner is liable to the Association for any and all damages to the Common Area caused by the Owner, Residents of the Owner's Lot and/or guests, employees, agents or invitees of the Owner or a Resident of the Owner's Lot. A liable Owner shall pay the Association the full cost of repairs within thirty (30) days of the repairs. If the liable Owner fails to do so, the cost of repairs shall be assessed against the Owner's Lot and secured by the continuing lien upon the Lot and may be enforced as provided in Section 4.10 herein.

Section 7.5 Condemnation. If any part or all of the Common Area is taken or threatened to be taken by eminent domain, the Association, through the Board, is authorized to participate in the condemnation proceedings. The expense of such participation shall be a common expense to be paid out of Assessments. The Association is authorized to obtain and to pay for the assistance of attorneys, appraisers, architects, engineers, expert witnesses and other persons as the Board, in its sole discretion, deems necessary or advisable to aid it in the condemnation proceedings. Furthermore, the Board, in its sole discretion, is authorized to determine whether to contest or defend any such proceeding, to settle, or to convey such property in lieu of condemnation. Any and all damages or awards for any such taking shall be deposited with the Association.

ARTICLE VIII. GENERAL

Section 8.1 Effective Date. The Declaration is effective as of the date it is recorded in the Official Public Records of Real Property of Denton County, Texas.

Section 8.2 Duration. The Declaration, including the conditions, covenants, restrictions, obligations, liens, assessments, charges and easements set forth herein, shall run for fifty (50) years from the date this Declaration is recorded in the Official Public Records of Denton County, Texas. After fifty (50) years from such recordation, the Declaration, including the conditions, covenants, restrictions, obligations, liens, assessments, charges and easements set forth herein, shall be automatically extended for successive periods of ten (10) years each, unless amended or terminated as set forth in Section 8.3 herein.

Section 8.3 Amendment, Modification and Extinguishment.

- a. **By the Declarant.** The Declarant has the right to unilaterally amend the Declaration at any time in the Declarant's sole discretion, as necessary for the development of the Property.
- b. **By Owners and the Declarant Before the Control Transfer Date.** Before the Control Transfer Date, the Declaration may be amended, modified or terminated so long as the amendment, modification or extinguishment has been approved by at least two-thirds (2/3) of the combined total votes of Class A and Class B Members. For the amendment, modification or termination to be effective, an instrument must be recorded in the Official Public Records of Denton County, Texas, which: (i) is executed by the

Association's president; (ii) is acknowledged by the Association's secretary; (iii) sets forth the amendment, modification or extinguishment; and (iv) certifies that such amendment, modification or extinguishment has been approved by at least two-thirds (2/3) of the combined total votes of Class A and Class B Members. Notwithstanding anything herein to the contrary, until the Declarant has sold all of the Lots, the Members cannot amend or modify the Declaration if the amendment or modification will have an adverse effect on Declarant's sale of the remaining Lots.

- c. By Owners After the Control Transfer Date. After the Control Transfer Date, the Declaration may be amended, modified or terminated so long as the amendment, modification or extinguishment has been approved by at least fifty-one percent (51%) of the Members in good standing with the Association. For the amendment, modification or termination to be effective, an instrument must be recorded in the Official Public Records of Real Property of Denton County, Texas, which: (i) is executed by the Association's president; (ii) is acknowledged by the Association's secretary; (iii) sets forth the amendment, modification or extinguishment; and (iv) certifies that such amendment, modification or extinguishment has been approved by at least fifty-one percent (51%) of the Members in good standing with the Association.
- d. By the Board. The Board may amend this Declaration without any vote of the membership for the purpose of complying with laws.
- e. Approvals. If required, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Housing Administration, or the Veterans Administration may approve an amendment hereto.

Section 8.4 Notices. Any notice that the Declaration permits or requires to be given shall be in writing and may be delivered by certified mail/return receipt requested or email. Notices shall be deemed to have been delivered properly if sent to an Owner's last known address or email address (if any) that is reflected in the Association's records. If the Association's records do not reflect an Owner's email address, then notice must be delivered by certified mail/return receipt requested.

If an Owner does not reside on his/her Lot, then he/she shall notify the Association in writing of his/her address at which to send notices within seven (7) days of purchase of the Lot or within seven (7) days of moving from the Lot. An Owner's failure to do so will result in all notices being sent to the address of the Lot, and the Owner will be deemed to have received all notices that were mailed to the address of the Lot.

Section 8.5 Conflict. In case of a conflict between the Declaration and any other Documents, the Declaration shall control. In the case of a conflict between the Declaration and any federal, state, county or municipal law, ordinance, rule or regulation, the federal, state, county or municipal law, ordinance, rule or regulation shall control.

Section 8.6 Lease/Rental Agreements. If an Owner leases or rents his/her Lot, then he/she shall provide the Association with a copy of the lease/rental agreement within seven (7) days of the execution of the same. An Owner may redact any financial information in the lease/rental

agreement. The agreement must include the names of all tenants and the duration of the agreement. In no event shall an Owner lease or rent his/her Lot for use by more than two (2) or more unrelated persons.

Section 8.7 Construction of the Declaration.

- a. **Severability.** The provisions of the Declaration shall be deemed independent and severable. The invalidity (in whole or in part) of any provision of the Declaration will not affect the validity and enforceability of any other provision.
- b. **Plural/Singular.** Unless the context requires otherwise, the singular shall include the plural and the plural shall include the singular.
- c. **Gender.** Unless the context requires otherwise, even if a word in the Declaration is in the male or female gender, it shall be applicable to entities and individuals (male and female).
- d. **Titles and Captions.** All titles and captions used in the Declaration are intended solely for convenience of reference. The titles and captions do not enlarge, limit or otherwise affect the meaning of any term or provision contained in the Declaration.

Section 8.8 Governing Law and Venue. All provisions in the Declaration shall be governed by the laws of the State of Texas. Any and all obligations performable under the Declaration shall be performed in Denton County, Texas. Venue for any and all lawsuits arising in connection with any of the provisions of the Declaration shall be in Denton County, Texas.

Section 8.9 Intentionally Omitted.

Section 8.10 Compliance with Laws. Owners shall comply with all federal, state, county and municipal laws, ordinances, rules and regulations regarding the use, occupancy and condition of their Lots, Dwellings and any improvements thereon. Should any provision of the Declaration be found to be in violation of any law, ordinance, rule or regulation, the provision shall be construed and interpreted so that it is as restrictive as possible so as to preserve as much of the original provision as allowed by law.

Section 8.11 Security. **THE ASSOCIATION, ITS DIRECTORS, OFFICERS, MANAGERS, AGENTS AND EMPLOYEES, THE DECLARANT AND ANY SUCCESSOR DECLARANT ARE NOT AND SHALL NOT IN ANY WAY BE CONSIDERED AN INSURER OR GUARANTOR OF SECURITY WITHIN THE SUBDIVISION.**

THE ASSOCIATION, ITS DIRECTORS, OFFICERS, MANAGERS, AGENTS AND EMPLOYEES, THE DECLARANT AND ANY SUCCESSOR DECLARANT SHALL NOT BE HELD LIABLE FOR ANY LOSS OR DAMAGE DUE TO FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN.

ALL OWNERS, ALL RESIDENTS, AND ALL GUESTS, EMPLOYEES, AGENTS AND INVITEES OF ALL RESIDENTS, AS APPLICABLE, HEREBY ACKNOWLEDGE AND UNDERSTAND THE FOLLOWING:

- 1) THAT THE ASSOCIATION, ITS DIRECTORS, OFFICERS, MANAGERS, AGENTS AND EMPLOYEES, THE DECLARANT AND ANY SUCCESSOR DECLARANT DO NOT REPRESENT OR WARRANT: (A) THAT ANY FIRE PROTECTION OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS WILL PREVENT LOSS BY FIRE, SMOKE, BURGLARY, THEFT, HOLD-UP OR OTHERWISE; OR (B) THAT FIRE PROTECTION OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS WILL IN ALL CASES PROVIDE THE DETECTION OR PROTECTION FOR WHICH THE SYSTEM IS DESIGNED OR INTENDED.**
- 2) THAT THE ASSOCIATION, ITS DIRECTORS, OFFICERS, MANAGERS, AGENTS AND EMPLOYEES, THE DECLARANT AND ANY SUCCESSOR DECLARANT ARE NOT INSURERS OR GUARANTORS OF SECURITY WITHIN THE SUBDIVISION;**
- 3) THAT EACH OWNER, EACH RESIDENT AND EACH GUEST, EMPLOYEE, AGENT AND INVITEE OF ANY RESIDENT ASSUMES ALL RISKS FOR LOSS OR DAMAGE TO PERSONS, TO DWELLINGS AND TO THE CONTENTS OF DWELLINGS;**
- 4) THAT THE ASSOCIATION, ITS DIRECTORS, OFFICERS, MANAGERS, AGENTS AND EMPLOYEES, THE DECLARANT AND ANY SUCCESSOR DECLARANT HAVE MADE NO REPRESENTATIONS OR WARRANTIES;**
- 5) THAT EACH OWNER, EACH RESIDENT AND EACH GUEST, EMPLOYEE, AGENT OR INVITEE OF ANY RESIDENT HAS NOT RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, RELATIVE TO ANY FIRE AND/OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS RECOMMENDED OR INSTALLED OR ANY SECURITY MEASURES UNDERTAKEN WITHIN THE SUBDIVISION.**

Section 8.12 View Impairment. The Declarant and the Association do not represent, warrant or guarantee that any view from any of the Lots or any other part of the Subdivision will be preserved without impairment. The Declarant and the Association are not obligated to relocate, trim or otherwise alter any trees or shrubs in the Common Area. Nonetheless, the Association is authorized to plant trees or provide other landscaping in Common Area. There shall not be any easements (express or implied) for view purposes or for the passage of light and air.

[SIGNATURE PAGE TO FOLLOW]

