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LIECHTY, MCGINNIS, BERRYMAN & BOWEN, LLP
11910 Greenville Avenue, Suite 400
Dallas, Texas 75243
Attn: Nathan Entsminger, Esq.

STATE OF TEXAS §
§ KNOW ALL PERSONS BY THESE PRESENTS:
COUNTY OF DALLAS §

COPY

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR CALDWELL LAKES

This Declaration (herein so called) is executed effective as of October 19, 2022, by K. HOVNANIAN DFW CALDWELL LAKES, LLC, a Texas limited liability company (the "Declarant").

RECITALS:

A. Declarant is the owner of the real property in Dallas County, Texas, described on **Exhibit A** attached hereto (the "Property"). The Declarant is developing the property as an addition to the Cities of Dallas, Mesquite, and Seagoville, Texas, as applicable, known or to be known as "Caldwell Lakes" (the "Subdivision").

B. The Declarant desires to establish a residential community of detached homes on the Property and, accordingly, has executed this Declaration to impose the covenants, conditions, restrictions, and easements herein described upon the Property.

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ARTICLE 1
ESTABLISHMENT

Section 1.1 Establishment of Covenants, Conditions and Restrictions. The Declarant hereby imposes upon the Property the covenants, conditions, restrictions, liens and easements set forth in this Declaration (the "Covenants") for the purposes of establishing a general scheme for development of the Property, enhancing the value of the Lots and Residences (defined below), and establishing restrictions for residential use for the benefit of the Declarant, Builders (defined below) and the Owners (defined below). The Declarant does not guarantee that all of these purposes will be accomplished through the creation and imposition of the Covenants. The Covenants touch and concern title to the Property, run with the land and shall be binding upon all persons hereafter acquiring any portion of the Property.

Section 1.2 Definitions. The terms set forth below shall have the indicated meanings when used in this Declaration; other terms are defined elsewhere herein and shall have the meaning given to them in this Declaration.

"**ACC**" shall mean the Architectural Control Committee.

"**Assessments**" means the Maintenance Assessments and Special Assessments provided for in Article 6.

"**Association**" means the Caldwell Lakes Homeowners Association, Inc., a Texas non-profit corporation, or such other homeowners' association name selected and available at the time of formation and established as provided in this Declaration.

"**Association Documents**" means the Certificate of Formation (herein so called) and the Bylaws (herein so called) of the Association, as amended and modified from time to time, and the resolutions and certifications adopted by the Association from time to time.

"**Board**" means the Board of Directors of the Association.

"**Builder**" means any homebuilder constructing the initial Residence upon a Lot in the normal course of conducting its business for profit.

"**City**" means the City of Dallas, Texas, City of Mesquite, Texas, and City of Seagoville, Texas, as applicable, based on which City the applicable portion of the Property is located within.

"**Common Amenities**" means the following: (i) any cluster mailboxes constructed on the Property for the use and benefit of the Owners, (ii) any and all entry features, Subdivision signage and monuments, landscape areas and screening walls, ponds, and all landscape easements, other similar areas within the Subdivision whether or not shown on the Plat (as hereinafter defined), whether within or surrounding or along the boundaries of the Property, including, without limitation, the landscape features installed and screening walls constructed in the entry areas; (iii) any other property or improvements within or immediately surrounding the Subdivision for which the Association is or may hereafter become obligated to maintain, improve or preserve; (iv) any real and/or personal property, fixtures or improvements conveyed or dedicated to the Association for the common use and benefit of Owners within the Subdivision, and/or to be maintained by the Association; and (v) any and all other fixtures, Structures or other improvements installed by Declarant or the Association within the Subdivision, and all equipment, accessories, utilities and machinery used in the operation or maintenance of any such Common Amenities, and which are not expressly made the responsibility of the Lot Owner pursuant to the provisions of this Declaration. All Common Amenities shall be maintained by the Association.

"**Common Area**" means those portions of the Property depicted or described as such in or on the Plat (defined below) that do not constitute Lots (defined below), including, without limitation, Streets, alleys, roads or other rights-of-way which are not part of a Lot or and/or dedicated to and maintained by the City or other governmental authority as a public right-of-way, and/or any real property and/or lot within the Subdivision comprising or on which the

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Common Amenities are located. The Declarant shall at all times have and retain the right, but without obligation whatsoever, to effect minor redesigns or reconfigurations of the Common Area located on such Declarant's portion of the Property and to execute any open space declarations applicable to such Common Area which may be permitted in order to reduce property taxes, and to take whatever steps as may be appropriate to lawfully avoid or minimize the imposition of federal and state ad valorem and/or income taxes. All Common Area shall be maintained by the Association.

"**Declarant**" means K. HOVNANIAN DFW CALDWELL LAKES, LLC, a Texas limited liability company, and its successors or any assignee of Declarant to whom Declarant expressly assigns all of its rights and obligations as Declarant under this Declaration in accordance with Section 8.8 hereof.

"**Design Guidelines**" shall mean and refer to those particular standards, restrictions, guidelines, recommendations and specifications applicable to all aspects of construction, placement, location, alteration, maintenance and design of any improvements within the Property, and all amendments, modifications, supplements and interpretations thereof.

"**Lease**", "**Leasing**" or "**Leased**" means the occupancy of a Residence on a Lot by any Person other than the Owner. The term "**Lease**" shall also include a written agreement between the Owner, as the landlord, and the Tenant that establishes or modifies the terms, conditions or other provisions regarding the use and occupancy of the Lot.

"**Lot**" means any of the individual platted building lots reflected, or to be reflected, on the Plat that are to be used for construction of a Residence thereon as herein described. In the event any Common Area is conveyed to a Declarant or another third party to be used for construction of a Residence, then such conveyed property shall be included in the definition of a "Lot".

"**Managing Agent**" means any Person who has been engaged and designated by the Board to manage the daily affairs and operations of the Association.

"**Owner**" means any Person owning fee title to any Lot, but excluding any mortgagee or beneficiary under a deed of trust until such time as it acquires legal title to a Lot.

"**Person**" means any individual, corporation, limited liability company, partnership or other entity of any kind or type whatsoever.

"**Phase**" means a particular area of the Property designated by a Declarant for development. A Declarant may impose, as provided in Section 3.3(d), additional or different restrictions on each Phase within such Declarant's portion of the Property. If the Declarant annexes additional property into the Property as provided in Sections 8.1 and/or 8.2, it may designate the area annexed as a particular Phase, and the Declarant may impose, as provided in Section 3.3(d), additional or different restrictions on such area.

"**Plat**" means (i) initially, the preliminary plat, and thereafter the final plat, for any Phase of the Property submitted to and approved by the City, or any other applicable governmental entity; (ii) after recordation thereof, the final Plat for any Phase of the Property as recorded in the

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Official Public Records of Dallas County, Texas; and (iii) any replat of, or amendment to, the foregoing made by a Declarant in accordance with this Declaration. The term "Plat" shall also include the final recorded plat of any additional property annexed into the Property pursuant to Sections 8.1 and/or 8.2.

"**Property**" shall have the meaning ascribed to such terms as set forth in the recitals of this Declaration.

"**Residence**" means a portion of an attached residence residing upon a Lot in conformance with this Declaration.

"**Special Assessments**" means collectively, the Special Purpose Assessments and Special Member Assessments, as such terms are defined in Article 6 hereof.

"**Street**" means any paved road, which is located within a right-of-way of the Subdivision.

"**Structure**" means any structure (other than a Residence), fence, driveway, sidewalk, planting, landscaping, irrigation system, wall, tennis court, swimming pool, outbuilding, playground equipment, or other improvement of any kind or type.

"**Subdivision**" shall have the meaning ascribed to such terms as set forth in the recitals of this Declaration.

"**Tenant**" means the person(s) identified by name in the Lease as the person(s) Leasing the Residence from the Owner and person(s) authorized by the Lease to occupy the Residence.

"**Vehicle**" means any vehicle of any kind or type whatsoever, including any automobile, truck, motorcycle, boat, mobile home, motor home, boat trailer, or other kind of trailer.

ARTICLE 2
USE PROVISIONS

Section 2.1 Permitted Uses.

(a) Lots Limited to Residential Use. Except as otherwise provided in this Declaration, Lots shall be used only for residential purposes and activities reasonably related thereto. Additional uses for purposes such as schools, churches, or similar activities may not be permitted within the Property, without the prior written approval from the Association and the Declarant.

(b) Common Area and Common Amenities Uses. The Common Area designated as the open space on the Plat, and any Common Amenities shall be used only for recreational and other similar purposes as approved by the Declarant or the Association. The Common Area designated as private drives and/or alleys on the Plat shall be used for pedestrian and vehicular access, ingress and egress to and from public access rights-of-way in or adjacent to the Subdivision for the benefit of the Owners and the Lots. The Common Area consisting of landscaping, maintenance, wall maintenance easements, or similar areas shall be used for such

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purposes or similar purposes as approved by the applicable Declarant or the Association. The Common Area consisting of sanitary sewer easements, drainage easements, utility easements or similar areas shall be used for such purposes or similar purposes as approved by the applicable Declarant or the Association. In accordance with the Plat, the Common Areas and the Common Amenities shall initially be owned by Declarant and thereafter conveyed to the Association or to a successor association designated pursuant to the provisions of this Declaration.

(c) Sales Offices and Similar Uses. The Declarant or any Builder may maintain on its Property one or more signs, sales offices, or trailers on Lots for the purpose of facilitating sales of Lots and/or Residences on the Property, and the Declarant hereby grants to Builder(s) constructing Residences on Lots within the Property the right to conduct their sales and marketing programs for the Property from any permanent or temporary sales buildings or trailers, and conduct improvement work and activities on portions of the Property owned by them and do all things reasonably necessary or convenient as required to expeditiously commence, continue and complete such improvement work, including, but not limited to, the provision of temporary buildings (including, without limitation, trailers), temporary storage of construction materials and equipment and the installation of temporary signage of such types, in such sizes and at such locations on portions of the Property owned by them as they deem appropriate and in accordance with any applicable governmental requirements.

(d) Leasing. The Owner of a Residence shall be entitled to Lease the Residence. Notwithstanding any such Leasing, the Owner shall remain fully liable for all of the obligations and covenants set forth in the Declaration, Association Documents, and other policies, procedures and regulations of the Association. Each Owner of a Residence shall comply with each of the following with respect to Leasing the Residence:

(i) All Leases shall be in writing and provide that the terms of the Lease are subject to the provisions of this Declaration and the Association Documents and other policies, procedures and regulations of the Association. The Owner shall make available to the Tenant(s) copies of the Declaration and the Association Documents and other policies, procedures and regulations of the Association, and the Owner shall notify the Tenant of any changes to such documents.

(ii) Owners who are Leasing their Residence shall be liable to the Association for any damage caused by their Tenants to the Common Areas.

(iii) Each Owner acknowledges and agrees that any Lease of the Owner's Residence shall be deemed to contain the following language and that if such language is not expressly stated in the Lease, then such language shall be deemed to be incorporated into the Lease by reference by the existence of these Leasing provisions. Any Tenant, by occupancy of the Residence, agrees to the application of these Leasing provisions and to the incorporation of the following language into the Lease:

"The Tenant named in the Lease shall seek and obtain a copy, and shall comply with all provisions of the Declaration and Association Documents and other policies, procedures and regulations of the Association and shall control the conduct of all other occupants and guests of the Residence in order to ensure their compliance."

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Section 2.2 Prohibited Uses and Activities.

(a) No Further Subdivision. No Lot may be further subdivided without the written consent of the Declarant or the ACC; provided, however, this restriction shall not be applicable to Common Area owned by the Association. Lots may be combined for the purpose of constructing a single residence on more than one Lot only upon written approval of the Declarant or the ACC. Without regard to any such permitted subdivision or combination, the Lots involved shall continue to be treated as single individual Lots hereunder for all other purposes, including voting in the Association and assessing and collecting Assessments.

(b) Parking and Vehicle Restrictions. All Vehicles shall be parked, stored or placed so as not to be visible from any Street or from ground level view from an adjoining Lot, except for temporary parking in the driveway constructed on a Lot. On-street parking is restricted to approved deliveries, pick-up or short- term guests and short-term invitees and shall be subject to such reasonable rules and regulations as shall be adopted by the Board of Directors. Parking within the alleys is prohibited at all times. Trucks with tonnage in excess of one ton and Vehicles with signage or advertising displays shall not be permitted to park overnight on the Streets, driveways, or other areas within the Property. No inoperative or unlicensed Vehicles may be parked or stored, other than in an enclosed garage, within the Property. All work on Vehicles (other than routine maintenance) shall be performed only in an enclosed garage. The foregoing provisions shall not restrict the parking of trucks and other Vehicles as necessary in connection with construction of Residences or other permitted Structures on Lots.

(c) Specific Use Restrictions. No Lot or improvement shall be used for business, professional, commercial or manufacturing purposes of any kind. The Leasing of a Residence shall not be considered a business or commercial purpose within the meaning of this Subsection. No activity, whether for profit or not, shall be conducted on the Property which is not related to single-family residential purposes. No noxious or offensive activity (as determined by the ACC) shall be undertaken on the Property, and nothing shall be done which is or may become an annoyance or nuisance to the neighborhood. Nothing in this subparagraph shall prohibit a Builder's temporary use of a Residence as a sales office until such Builder's last Residence on the Property is sold. Nothing in this subparagraph shall prohibit an Owner's use of a Residence for quiet, inoffensive activities such as tutoring or giving art or music lessons so long as such activities do not materially increase the number of cars parked on the street or interfere with adjoining homeowners' use and enjoyment of their Residences and yards.

(d) Pet and Animal Restrictions. Only regular household pets such as cats and dogs shall be permitted on the Property and then only for personal use and not for any business use such as breeding, kennel operations and the like. No other animals shall be permitted to be maintained upon the Property, including the following: cows, horses, bees, hogs, sheep, goats, poultry, or skunks. No more than four (4) domesticated household pets are permitted in any Residence. Pets shall not be permitted to run free through the Property.

(e) Outdoor Burning Restrictions. Outdoor burning of trash, leaves, and other items is prohibited. This restriction shall not be construed as prohibiting outdoor cooking on barbecue grills in connection with use of a Residence.

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(f) Trash/Garbage Disposal. Trash, garbage and other waste shall at all times be kept in clean, well maintained, sanitary containers for regular scheduled pickup for removal of such items. Trash, garbage or other waste shall not be dumped on the ground of any Lot or in any Common Area.

(g) Occupancy. Each Lot shall be improved with a portion of an attached Residence. No Person shall occupy any garage or other outbuilding as a dwelling unit at any time. No Structure of a temporary character, such as a trailer, basement, tent, shack, barn or other outbuilding, shall be used on any of the Property at any time as a dwelling house; provided, however, that any Builder may maintain and occupy model houses, sales offices and construction trailers during construction periods.

(h) Projections from Structures. Window air conditioning units attached to a Residence and other similar projections visible from a street are prohibited. Any projection through the roof of any outbuilding on the Property shall require the prior written approval of the applicable Declarant or the ACC.

(i) Private Water/Sewer Systems. Each Residence shall be connected to the City water and sanitary sewer system, and no private water well or water, sanitary or storm sewer system is permitted within the Property unless constructed or caused to be constructed by the Declarant on the Declarant's Property. If a Declarant uses private drainage easements in areas that necessitate or contain a private sub-surface storm sewer drainage system, then such sewer lines are to be kept freely running and unobstructed at all times. If the lines become obstructed, all parties that benefit from their function shall be required to equally and promptly share in the cost of repair or replacement of the lines.

(j) Changes in Grade. Except for such changes as are reasonably necessary to facilitate construction of a Residence on a Lot, no Owner shall change the grade of any Lot except in compliance with all applicable laws and the requirements of the grading plan. After the Declarant has developed the Lots on its portion of the Property, the general grading and slope of a Lot may not be altered, and no dams, berms, channels or swales may be constructed or excavated without the prior written approval of the Declarant (or the ACC), the City (if applicable) and other appropriate agencies having authority to grant such approval. Notwithstanding anything to the contrary contained herein, the drainage plan of a Lot shall not be altered in a manner which is inconsistent with the Lot Grading Plan, unless such alteration is first approved by the City in writing.

(k) Visible Activities - Outdoors. Outdoor drying of clothes is prohibited. When not in use, lawn mowers, rakes, carts, and other yard equipment shall be stored away from view of adjoining Lots, alleys and Streets.

(l) Structures and Storage. No temporary dwelling, shop, trailer, mobile home or above-ground swimming pools of any kind or any improvement of a temporary character shall be permitted on any Lot, except that a Builder or contractor may have temporary improvements (such as a sales office, parking lot and/or a construction trailer) on a Lot during construction of the Residence on that Lot. No building material of any kind or character shall be placed or stored upon a Lot until the Owner thereof is ready to commence construction of improvements, and then such material shall be placed only within the property lines of the Lot upon which the

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improvements are to be erected during construction so long as construction progresses without undue delay. No storage buildings or containers shall be constructed or placed on a Lot unless in conformance with the requirements of the City and approved in writing by the ACC or the Declarant.

(m) Recreational Vehicles. No boat, trailer, marine craft, hovercraft, aircraft, recreational vehicle, travel trailer, motor home, camper body or similar vehicle or equipment may be stored, parked or kept on any driveway, in the front yard or in the Street in front of a Lot for more than 48 hours nor more frequently than two times per month, nor shall any such vehicle or equipment be parked for storage in the side or rear yard of any Residence. No such vehicle or equipment shall be used as a residence or office temporarily or permanently. This restriction shall not apply to any vehicle, machinery or equipment temporarily parked and in use for the construction, maintenance or repair of a Residence in the immediate vicinity.

(n) Transportation of Hazardous Materials. No vehicle of any size which transports inflammatory or explosive cargo may be kept on the Property at any time.

(o) Drilling or Mining. No oil drilling, oil development operation, oil refining, quarrying or mining operations of any kind shall be permitted on the surface of the Property. No oil wells, tanks, tunnels, mineral excavations or shafts shall be permitted upon or in any part of the surface of the Property. No derrick or other structure designed for use in quarrying or boring for oil, natural gas or other minerals shall be erected, maintained or permitted on the surface of the Property.

(p) Utilities. Each Residence situated on a Lot shall be connected to the public water and sanitary sewer lines. No privy, trailer sewage, cesspool or septic tank shall be placed or maintained upon or in any Lot. However, portable toilets will be allowed during building construction. The use of any propane, butane, LP Gas or other gas tank, bottle or cylinder of any type (except as reasonably required [not to exceed fifteen pounds] to operate portable gas grills or a permanent gas grills which may be installed or used by an Owner to serve a Residence) is prohibited. Except as to street lighting (if any) all utility service facilities (including, but not limited to, water, sewer, gas, electricity and telephone) shall be buried underground (except meters, transformers, risers, service pedestals and other surface installations necessary to maintain or operate appropriate underground facilities). Electric utility transformers may be installed only in locations designated on the Plat for such purpose or otherwise approved in writing by the ACC, and all improvements on a Lot on which an electric transformer pad easement is located as shown on the Plat must be installed in compliance with all electric company guidelines for separations from pad-mounted transformers.

(q) Certain Exterior Lighting. Upon being given notice by the ACC that any exterior lighting is objectionable, as determined by the ACC in its sole and exclusive discretion, the Owner of the Lot on which same is located shall immediately remove any such lighting or shield the same in such a way that it is no longer objectionable to the ACC.

Section 2.3 General. 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 with any and all laws,

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ordinances, policies, rules, regulations and orders of all federal, state, county and municipal governments other agencies having jurisdictional control over the Property, specifically including, but not limited to, applicable zoning restrictions placed upon the Property as they exist from time to time. IN SOME INSTANCES, GOVERNMENTAL REQUIREMENTS MAYBE MORE OR LESS RESTRICTIVE THAN THE PROVISIONS OF THIS DECLARATION. IN THE EVENT A CONFLICT EXISTS BETWEEN ANY SUCH GOVERNMENTAL REQUIREMENT AND ANY REQUIREMENT OF THIS DECLARATION, THE MOST RESTRICTIVE REQUIREMENT SHALL PREVAIL, EXCEPT IN CIRCUMSTANCES WHERE COMPLIANCE WITH A MORE RESTRICTIVE PROVISION OF THE DECLARATION 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 OF THIS DECLARATION SHALL PREVAIL AND CONTROL. All Lots shall be developed in accordance with this Declaration as this Declaration may be amended or modified from time to time as herein provided.

ARTICLE 3
CONSTRUCTION PROVISIONS

Section 3.1 **Plan Approval Required.** No Residence or Structure shall be constructed within the Property until the plans have been approved in writing by the ACC or the Declarant as provided in this Article 3.

Section 3.2 **Establishment of the ACC.**

(a) **Initial Appointment.** The ACC shall consist of three (3) members. The initial ACC shall be appointed by the Declarant.

(b) **Term and Subsequent Appointments.** The members of the ACC shall serve until they resign or are removed by the party appointing them to the ACC (which the appointing party may do at any time). Subsequent appointments to the ACC shall be made by the appointing Declarant until such time as the appointing Declarant either relinquishes such power by written notice to the Board, or no longer owns any Lot; thereafter appointments to and removals from the ACC shall be made by the Board. Both ACC and Declarant, individually or jointly, may engage the services of a third party to review plans and specifications pursuant to this Article.

(c) **Compensation; Fee for Review.** No member of the ACC shall be entitled to compensation for its services; provided that the ACC may charge a reasonable fee (no more than $250.00 per submission) to cover its costs in reviewing any plans and inspecting a Lot and/or improvements constructed thereon, which fee shall be paid by an Owner to the Association at the time of submission and/or resubmission of plans to the ACC for review and approval. Notwithstanding the foregoing or anything to the contrary contained herein, Builders shall not be

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liable for any charges of the ACC under this Section 3.2(c) with respect to the review and approval of the ACC of plans for the initial construction of a home on a Lot by such Builder.

Section 3.3 Approval Process.

(a) Submission of Plans. Any party wishing to construct a Residence or any Structure on the Property shall submit two (2) copies of complete plans and specifications to the applicable ACC for its approval prior to commencing construction. Such plans and specifications shall include engineering information, landscaping description, and construction plans showing the location and elevations of the proposed Residence or Structure and the materials to be used in constructing the same, all in sufficient detail to enable the ACC to evaluate the proposed Structure or Residence. The ACC may request additional information, including samples of proposed materials to aid it in its decision process. After receipt of a complete set of plans and specifications, the ACC shall promptly review the same and notify the Person submitting whether it approves the plans or whether it requires changes thereto. Alternately, the ACC may disapprove a set of plans by so noting thereon and returning it to the Person submitting, accompanied by a statement of the reasons for disapproval. No construction shall be commenced on any portion of the Property unless and until the plans for the Residence or Structure in question have been approved in writing by the ACC or Declarant.

(b) Time for Review/Approval. The ACC shall approve or disapprove all plans properly submitted to it for construction within thirty (30) days after the date it receives a complete set of plans and specifications therefore, if the ACC fails to specifically approve or disapprove of any plans within such thirty (30) day period, then the ACC shall be deemed to have approved the plans submitted.

(c) Review Standards. The ACC, in reviewing and approving plans for construction of Structures or Residences, shall use commercially reasonable efforts to promote and ensure a high level of taste, design quality, aesthetic harmony, and conformity throughout the Property, consistent with the standards established by this Declaration and the Design Guidelines.

(d) Design Guidelines/Building Standards. Declarant or the ACC may, but is not required to, from time to time, establish specific guidelines and building standards to assist Persons in determining the type of Structures and Residences which may be constructed on the Property. Pursuant to Sections 8.1 and 8.2, the Declarant may annex additional property to become a part of the Property in accordance with Sections 8.1 and/or 8.2 hereof, and Declarant may develop its portion of the Property in various Phases. Declarant may establish differing restrictions, guidelines and building standards for each such Phase of the Property, which may impose more restrictive or less onerous building standards with respect to a particular Phase. The ACC or the Declarant may amend or modify such guidelines or standards from time to time in its sole discretion. Such guidelines or standards shall supplement this Declaration and be general guides to permitted construction within Declarant's Property, but shall not diminish the authority of the ACC and the Declarant to approve plans as otherwise herein provided.

(e) Failure to Obtain Approval. The construction, repair, replacement, installation, improvement or placement of any Structure or improvement of any type on a Lot or Residence without the prior written approval from the ACC shall constitute grounds for the imposition by the ACC or the Association of an automatic fine against the Owner of said Lot not to exceed

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Twenty-Five and No/100 Dollars ($25.00) per day commencing upon the date on which the unapproved construction, repair, replacement, installation or placement commenced and continuing until the earlier of the date on which such Owner has either (i) obtained ACC approval (or deemed approval) of such or construction, repair, replacement, installation or placement of the offending Structure(s), or (ii) removed such offending Structures and restored its Lot to substantially the same condition as existed prior to commencement of such construction, repair, replacement, installation or placement thereof; provided, however, in no event shall such fine exceed Seven Hundred Fifty and No/100 Dollars ($750.00) in the aggregate for any one offense. A fine levied under this Section shall be charged to the Owner's assessment account, payable upon demand and secured by the Assessment Lien created in Article 6.

(f) Limitation of Liability. Neither the Declarant, its officers, directors, partners, agents, employees, representatives, parent or subsidiaries, nor the Association, the Board, or the ACC, including any of its respective members, shall be liable to any Person for any official act of the ACC in connection with submitted plans and specifications. Notwithstanding any approval by the Declarant or the ACC, neither a Declarant nor the ACC shall be responsible or liable to any Person with respect to any loss, liability, claim or expense which may arise by reason of such approval or the construction of a Residence or Structure related thereto. Neither Declarant, the Association, the Board nor the ACC shall be responsible in any way for any defects in any plans or specifications submitted, reviewed or approved in accordance with the provisions of this Declaration, nor for any structural or other defects in any work done according to such plans or specifications. No approval of any plans by either the ACC or Declarant shall be construed to mean that the plans comply with any applicable law, building code, or governmental regulation, it being the responsibility of the Person submitting any plans to assure compliance with all applicable laws. Conversely, the issuance of a building permit or any approval from any governmental authority shall not, under any circumstance, constitute any evidence that construction of a Residence or a Structure complies with the terms and conditions contained in this Declaration or the Design Guidelines. No Declarant or members of the ACC shall have liability for decisions made by them regarding the approval or disapproval of plans, so long as the decisions are made in good faith and are not discriminatory, arbitrary, or capricious.

Section 3.4 Specific Construction Provisions. Either the Association through the ACC or the Board may enforce the following requirements with regard to Residences and related improvements constructed in the Subdivision:

(a) Setbacks. All Residences and other Structures shall be constructed in conformity with the setback requirements of the City and the building lines reflected on the Plat.

(b) Structure Size and Type. The minimum square footage of enclosed air-conditioned area of each Residence (exclusive of all porches, garages or breezeways) shall be the minimum square footage required by the City for each Residence, as applicable. Each Residence shall be of new construction on a Lot and no mobile homes or manufactured housing shall be permitted on the Property except as authorized by the Declarant on a temporary basis in connection with construction or sales activities on the Declarant's Property.

(c) Garage Requirements. Each Residence shall have at least a two (2) car attached or detached garage constructed as a part thereof, in compliance with the minimum applicable requirements established by the City. Each single-family Residence erected on any Lot shall

provide off-street parking space (inclusive of garage space) for a minimum of two (2) automobiles. No garage shall be modified or converted for use as living space or any use other than as a garage, except with regard to model homes or sales offices operated by Builders in the Subdivision for which the garage may be modified or converted to living space or for other uses during periods in which such Residence(s) are being operated as a model home or sales office of a Builder.

(d) Drive/Walkway Requirements. All driveways and sidewalks shall conform to applicable City and other governmental specifications and regulations. Each Lot must be accessible to an adjoining Street or alley by a concrete driveway unless other materials are approved in writing by the ACC. If required by the City, concrete sidewalks shall be installed on each Lot by the Builder constructing the initial Residence on any Lot and in conformance with the requirements of the City.

(e) Ancillary Structure Provisions. All ancillary Structures (as described below) shall conform to the requirements of this Section:

(1) Antennas, Aerials and Satellite Dishes.

(A) Any antenna or satellite dish less than one meter in diameter shall be installed so as to not be visible from any street or the ground level of any adjacent Lot or Common Area, and shall be integrated with the Residence and surrounding landscape.

(B) Any broadcast television antennas and any other antennas and aerials shall be located inside the attic of the Residence constructed on the Lot.

(C) One (1) satellite dish over one meter in diameter shall be permitted per Residence only if it is not visible from any street or the ground level of an adjoining Lot or Common Area, and does not extend above the height of the fence surrounding the Lot on which such satellite dish is located.

(D) With respect to any antenna or satellite dish covered by Section 47 C.F.R. Part I, Subpart S, Section 1.4000 (or any successor provision) promulgated under the Telecommunications Act of 1996, as amended from time to time, the provisions of Section 3.4(e)(1)(A) and 3.4(e)(1)(B) shall be applicable only to the extent that the requirements hereof do not (A) preclude reception of an acceptable quality signal, (B) unreasonably delay or prevent installation, maintenance and use of the antenna or satellite dish, or (C) unreasonably increase the cost of installation, maintenance and use of the antenna or satellite dish.

(2) Fences and Walls. No fences or walls shall be constructed on any lot, other than by the Builder or Declarant, unless approved in writing by the ACC or the Board in the absence of an ACC, which approval may be withheld in its sole and absolute discretion. In the event the ACC or the Board in the absence of an ACC permits fencing, such fencing must meet the requirements of the City (as such requirements may be amended from time to time). Wood fences facing onto a street shall be painted and/or stained and sealed with all pickets placed on the "public side" facing the street. All wood

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fences shall be: (i) smooth-finished and be a maximum of six (6) feet in height, (ii) constructed of cedar with board on board construction, (iii) constructed with a decorative cap, and (iv) constructed with metal poles.

(3) Outbuildings. Outbuildings must be approved by the applicable ACC consistent with Section 2.2(l) herein.

(4) Trash Containers. All trash containers belonging to a specific residence shall be screened from view from Streets.

(5) Hedges. Hedges shall be maintained at a height that is in conformity with the height of fences and walls. No hedge shall be maintained in a manner that obstructs any sidewalk or the visibility of intersections of Streets and/or alleys.

(6) Retaining Walls. No retaining walls shall be constructed on any lot, other than by the Builder or Declarant, unless approved in writing by the ACC or the Board in the absence of an ACC.

(7) Mailboxes. Mailbox cluster(s) shall be located in the area(s) designated by the ACC and each Lot shall be assigned one (1) mailbox within such mailbox cluster(s). The Mailboxes shall be designed and constructed in accordance with any applicable guidelines and/or requirements of the City and/or United States Postal Service.

(8) Outdoor Living Elements. No spa, fire pit, outdoor kitchen, pergola, arbor and/or other outdoor living elements may be constructed within any Lot, other than by the Builder or Declarant, unless approved in writing by the ACC or the Board in the absence of an ACC.

(9) Signage. 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 a Declarant's signs or Builders' signs approved by a Declarant for such Declarant's Property, and except that:

(A) Any Builder, during the applicable initial construction and sales period, may utilize one (l) professionally fabricated sign (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 ACC;

(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, provided that such sign first shall have been approved in writing by the ACC;

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

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

(E) Each Owner may display up to two (2) flags on or at a Residence, which flags may include the United States flag(s), Texas state flag(s) or other state flag(s), seasonal flags (displayed no more than three [3] months during the then applicable season), flags in support of college or other athletic teams, or any other banners or flags otherwise consistent with the covenants, conditions and restrictions contained in this Declaration which flags may be displayed by ground mounted (garden) or wall mounted flag poles; provided that, to the extent permitted under applicable law, no permanent flag poles shall be constructed or installed on any Lot. This restriction shall not apply to flagpoles or flags displayed at model home or builder sales office locations within the Subdivision which are temporary and removed upon closing of such model home/sales office;

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

(G) Each Residence may display seasonal decorations (including lights, lawn ornamentation, flags and banners) for a duration of no longer than six (6) 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

(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 202.009 of the Texas Property 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.

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All signs must be professionally produced and manufactured. Each Owner hereby grants permission to the ACC (or its duly authorized agents) to enter upon a Lot or any part of the Property and remove any sign, billboard or advertising structure that does not comply with the above requirements and, in doing so, the ACC (or its duly authorized agents) shall not be subject to any liability to any Person whatsoever for trespass, conversion, or any claim for damages in connection with such removal. The ACC's cost to remove any sign shall be added to the Owner's assessment account, be payable upon demand and secured by the Assessment Lien created in Article 6.

(f) Construction Materials. All construction materials shall conform to the following provisions:

(1) Exterior Materials. The exterior walls (excluding doors and windows) of each Residence constructed or placed on a Lot shall have the minimum City required masonry coverage that is approved by the City and approved in writing by the ACC. No material on the exterior of any building or other improvement except wood, hardboard or stucco, shall be stained or painted without the prior written approval of the ACC. All wood, hardboard 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 ACC.

(2) Roof Materials. Minimum thirty (30) year warranty shingle (commonly known as composition) or equivalent is required. Color of shingles to be weathered wood or similar color. All roofing materials must be fireproof and conform to City requirements, and are subject to approval of the ACC. No roofing material shall be installed without first obtaining the Architectural Control Committee's prior written approval thereof. Composition roofs must be weather wood or a similar color.

(3) Garage Doors. All garage doors must be painted or stained cedar wood doors.

(g) Height Restrictions. All Structures shall conform to the height restrictions of the City.

(h) Roof Restrictions. All Residences shall have a minimum front elevation roof pitch of 8:12 slope, and the side or rear elevation roof pitch of any Residence shall have a minimum 8:12 slope, and the elevation of any shed roof over a porch, awning, box-out, or other architectural element, shall have a minimum 4:12 slope, unless otherwise approved in writing by the Architectural Control Committee. The roof pitches of any Structure(s) to be constructed and/or installed on any Lots shall be subject to the Architectural Control Committee's prior written approval.

(i) Landscaping. Weather permitting, landscaping of a Lot must be completed within one hundred twenty (120) days after (a) the date on which any Residence on a Lot is ninety-five percent (95%) complete, with respect to the initial construction of a Residence on a Lot, or (b) the date on which an Owner commenced installation and/or construction of such landscaping improvements with respect to landscaping improvements and work on Lots with existing Residences. Any and all plans for the landscaping of front yards and of side yards,

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including alterations, changes or additions thereto, shall be subject to the approval of the Architectural Control Committee and shall comply with the requirements listed in the Architectural Guidelines. Lots shall further be landscaped and maintained as necessary to comply with the landscaping requirements established by the City, including, without limitation: (i) two 4" calipers, (ii) required shrubs shall be a minimum of three (3) gallon in size when planted and shall be planted in the front yard landscape beds (and all homes on corner lots shall extend landscape beds along the side of the home to the side yard fence return, and (iii) all front yard landscape beds and side yard landscape beds shall be enclosed by masonry edging comprised of brick and/or stone (the "Minimum Landscaping Requirements").

Section 3.5 Construction Period and Process. All construction activities, temporary Structures, storage of materials and equipment, construction-related parking and temporary security fences shall be confined entirely on such Lot or, if applicable, such other portion of the Property designated by Declarant for such use. Each Owner is responsible for, and shall cause, through appropriate contractual provisions, all costs of cleaning up any debris or waste improperly disposed of anywhere on the Property. Each Owner and such Owner's contractors shall use reasonable diligence to maintain an attractive, clean, nuisance-free environment during the period of construction. Each Owner of a Lot on which improvements are being constructed shall keep all Streets and alleys reasonably cleared of mud and dirt left by construction vehicles for each Lot. Once commenced, all construction on a Lot of any Residence (including the initial Residence thereon) (a) shall be continued with due diligence and good faith until completion, and (b) shall be completed within twelve (12) months after commencement thereof. Construction of any other Structure shall be completed within the time periods specified in the plan approval process. All areas under construction shall be maintained in a clean, safe condition, and debris, trash, and rubble shall be stored in appropriate containers and promptly removed from the Property. In addition to the foregoing, in the event that following the commencement thereof, the construction of Structures or a Residence (including the initial Residence) on any Lot ceases for a period of sixty (60) or more consecutive days, upon delivery of written notice by the Declarant or the Association delivered to the Owner of such Lot, the Association may assess, as a Special Assessment against the Lot and the Owner thereof, construction delay damages in the amount of Fifty and No/100 Dollars ($50.00) per day until the construction work related to such Structures and/or Residence recommences.

Section 3.6 Retaining Walls. Retaining walls may be installed to achieve even grades for pools, driveways or Residence foundations or to prevent storm water drainage to flow onto other Lots as required by Section 2.2(j) hereof. Such retaining walls must be constructed of such materials and height, and in a manner and location, approved in writing by the ACC and the City, if applicable. All retaining walls visible from any Street or alley in front of a Lot, and, for corner Lots, from the adjacent side Street or alley, shall be finished with landscape quality rock or stone. Any retaining walls built by Declarant or its affiliates on Common Area to be maintained by the Association shall be conveyed to and maintained by the Association as Common Areas and/or Common Amenities. Any retaining walls located within a Lot shall be maintained and repaired by the Owner of the Lot on which such retaining wall is located; provided, that, notwithstanding the foregoing, any retaining wall located within a Lot that is over four feet (4') in height shall be maintained by the Association as a Common Amenity. In the event that a retaining wall is located on a shared property line between two Lots, the Owner of the high-side Lot shall be responsible for the maintenance and repair of such retaining wall.

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Section 3.7 **Right to Waive or Modify Specific Instruction Provisions.** The ACC shall have the right, in its discretion, to grant reasonable waivers of the construction provisions set forth in this Declaration, and any such waiver shall not entitle any other Person to a similar waiver and shall only be granted with respect to portions of the Property for which the ACC is responsible in accordance with the terms of this Declaration.

Section 3.8 **Declarant Rights.** So long as Declarant owns any Lot, such Declarant may exercise any of the rights of the ACC appointed by such Declarant under this Article 3 and supersede any decision or action of the ACC.

Section 3.9 **Repairs, Replacements and Modifications.** The provisions of this Article 3 shall apply to any and all repairs, replacements or modifications of any improvements placed upon any Lot and shall not be deemed or construed as being limited to initial or new construction.

ARTICLE 4
MAINTENANCE PROVISIONS

Section 4.1 **Owner's Obligation to Maintain.** Each Owner shall maintain its Lot and the Residence and other Structures thereon in a clean, first class condition. Each Owner shall keep all landscaping and sprinkler systems on such Owner's Lot in a neat, orderly and well-maintained condition and shall keep the sidewalk, if any, on or in front of such Owner's Lot in good condition and repair. Each Lot Owner shall regularly mow grass on its Lot so that at all times such Owner's Lot contains no weeds, grass or unsightly growth exceeding six inches (6") in height. Each Owner shall maintain the exterior of its Residences and Structures in good condition and shall make such repairs and replacements as necessary to maintain good order and the aesthetic harmony of the Property.

Section 4.2 **Damaged Improvements.** If any Residence or Structure is damaged in any way, the Owner shall immediately repair such damage.

Section 4.3 **Declarant/Association Right to Perform.** If any Owner fails to maintain the condition of its Lot, the landscaping thereon, including the prompt removal of rotting or deceased trees and shrubs, or the Residence or other Structures thereon as contemplated by this Article 4 and fails to take action to correct such defect within ten (10) days after Declarant or the Association has furnished written notice thereof to such Owner, then the Owner of such Lot hereby grants permission to Declarant or Association (or its duly authorized agents) to enter upon such Lot and perform those duties which the Owner failed to perform without liability whatsoever to such Owner or any Person for trespass, conversion, or any claim for damages. The cost of performing such duties shall be added to the Owner's assessment account and shall bear interest at the rate of twelve percent (12%) per annum (but not in excess of the lawful maximum rate), be payable upon demand, and shall be secured by the Assessment Lien provided for in Article 6.

Section 4.4 **Easement Maintenance.**

(a) **Generally.** Each Owner grants to the Association, the Board, and Declarant the right to access, repair, and maintain all facilities and improvements within any wall, entry, fence, landscape, or other similar easement as recorded on any Plat.

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(b) Drainage Easement. By acquisition of a Lot, each Owner hereby grants, creates and conveys unto the Association, the Declarant prior to the establishment of the Association and the other adjacent Owners a perpetual non-exclusive easement (the "Drainage Easement") over (i) all drainage easements within such Owner's lot and shown on the Plat and (ii) an area five feet (5') on both sides of the shared property line of each Lot within the Property, for the purpose of (a) access, ingress, egress, as is reasonably necessary to maintain, repair and/or restore the grading and/or drainage improvements serving the Lots and/or the Property, and (b) permitting runoff and/or storm water to drain from other adjacent Lots over, through, under and across the Owner's Lot(s) to the extent such drainage does not adversely affect any Residence; provided, however, in no event shall Declarant and/or the Association be liable to maintain, repair or restore any grading or drainage on or serving any Lot. Neither the Declarant nor Declarant's successors or assigns shall be liable for any loss of, or damage done to, any shrubbery, grass, flowers, improvements, fences, sidewalks, driveways or buildings of any type or the contents thereof on any Lot caused by any water levels, rising waters or drainage waters. Notwithstanding any of the foregoing rights of the Association or the Declarant, each Owner hereby agrees to maintain the Drainage Easement area at such Owner's sole cost and expense. If any structures or other obstructions are constructed, created or placed by any Owner within the Drainage Easement area without the prior written consent of the Association and/or the Declarant, the Declarant or the Association shall have the right to remove such structure or obstruction at the sole cost of such Owner.

ARTICLE 5
OWNERS' ASSOCIATION

Section 5.1 Establishment. The Association has heretofore been or will hereafter be created as a Texas non-profit corporation. Each Owner of a Lot shall be a member of the Association and such membership is appurtenant to and shall not be separated from ownership of a Lot. Upon the transfer of a Lot, the new Owner shall automatically become a member of the Association. The term of existence of the Association and other matters pertaining to its operation are set forth in its Certificate of Formation and the By-Laws. The Association is established to enforce this Declaration and the Covenants, to promote the interests of the Owners as residents of the Property, and to enhance the value of the Lots as part of a harmonious, high quality, residential subdivision.

Section 5.2 Membership; Voting Power.

(a) Generally; Classes of Members. Every Owner (including Declarant) shall automatically be and must remain a Member of the Association so long as such Person is an Owner. The membership of a Person in the Association shall terminate automatically whenever such Person ceases to be an Owner, except that such termination shall not release or relieve such Person from any liability or obligation arising under this Declaration during such Person's period of ownership. Any transfer of title to a Lot shall operate automatically to transfer membership in the Association appurtenant to such Lot to the new Owner of such Lot. The Association shall have two classes of voting membership as follows:

(i) **Class A.** The Class A Member shall be all Owners other than the Declarant and shall be entitled to one vote for each Lot owned. If more than one person

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owns an interest in a Lot, they shall combine their vote in such way as they see fit, but there shall be no fractional votes, and no more than one vote with respect to any Lot.

(ii) **Class B.** The Class B Member shall be the Declarant who shall be entitled to twenty (20) votes for each Lot owned by Declarant. Subject to the conditions set forth in the remainder of this paragraph, the Class B membership applicable to the Declarant's Property shall be converted to Class A membership upon the earlier of (i) the total votes outstanding in the Class A membership applicable to Declarant's portion of the Property equaling the total votes outstanding in the Class B membership applicable to Declarant's portion of the Property, (ii) twenty (20) years from this filing, or (iii) the recording in the Official Public Records of Dallas County, Texas, of a notice signed by the Declarant terminating its Class B membership. In determining the number of Lots owned by a Declarant for the purpose of Class B membership status hereunder, the total number of Lots covered by this Declaration, including all Lots annexed thereto in accordance with Sections 8.1 and/or 8.2 herein, shall be considered. In the event the Class B membership has previously lapsed as provided in (i) above, but annexation of additional property restores the ratio of Lots owned by Declarant to the number required for Class B membership status, such Class B membership shall be reinstated until it expires pursuant to the terms hereof.

(b) Members in Good Standing. A Member shall be considered to be a "Member in Good Standing" (herein so called) and eligible to vote on Association related matters if such Member:

(i) Has, at least ten (10) days prior to the taking of any vote by the Association, fully paid all Assessments or other charges levied by the Association, as such Assessments or charges are provided for hereunder;

(ii) Does not have a Notice of Unpaid Assessments filed by the Association against the Lot owned by such Owner;

(iii) Has not received any notice of a violation of this Declaration or any notice of violation of any design guidelines promulgated by the ACC, which violation is continuing and has not been cured by such Member in violation; and

(iv) Has discharged all other obligations to the Association as may be required of Members hereunder or under the Association Documents.

The Board shall have the right and authority, in the Board's sole and absolute discretion, to waive the ten (10) day prior payment requirement in Section 5.2(b)(i) hereof and require only that such payment be made at any time before such vote is taken if the Board shall determine, in the Board's sole and exclusive judgment, that extenuating circumstances exist which have prevented prior payment. Any Member not conforming with the provisions of this Section shall be declared by the Board not to be a Member in Good Standing and any such Member shall not be entitled to vote on matters before the Association until such time as Member in Good Standing status is attained and so declared by the Board. ***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***

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209.001 et seq.), nothing contained in this Section 5.2(b) shall prohibit a Member (whether or not such Member is a Member in Good Standing) from voting at any meeting of the Members to elect directors the Board or on matters that affect such Member's rights or responsibilities with respect to the Lot owned by it.

(c) Board of Directors Election. The Board shall be elected as provided in the Association Documents. The Board shall act by majority vote as provided in the Association Documents.

(d) Specific Powers of Board. Without limiting the authority granted to a board of directors under the Texas Business Organizations Code, the Board shall have the following specific powers on behalf of the Association:

(1) to enforce the provisions of this Declaration;

(2) to enter into contracts;

(3) to retain third parties, as necessary, to assist the Board in carrying on the Association's activities, including engineers, accountants, lawyers, architects, land planners, professional management, and other consultants;

(4) to take such action as necessary to maintain the Common Area and Common Amenities in good order and condition;

(5) to acquire property, services and materials to carry out its duties;

(6) to purchase insurance covering potential liability for use of the Common Area and/or Common Amenities and for other risks;

(7) to borrow money for Association purposes;

(8) to initiate and defend litigation, arbitration and other similar proceedings;

(9) to promulgate reasonable rules and regulations for access to and use of Common Area and/or Common Amenities as well as a policy establishing a schedule and procedures by which the Board may assess fines against Owners for violations of the Covenants or the Design Guidelines;

(10) to establish and collect reasonable fees for the use of any Common Amenities within or on the Common Area; and

(11) to establish and collect a reasonable fee for copying and furnishing copies of the Association's governing documents and furnishing a Resale Certificate (as hereinafter defined) as and to the extent required by law. This function and the authority to collect and receive such fees may be delegated or assigned by the Board to the Association's Managing Agent.

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Section 5.3 Officers. The Association will have such officers as are set forth in the Association Documents.

Section 5.4 Quorum, Notice and Voting Requirements.

(a) Generally. Except as otherwise specifically provided in this Declaration, any action requiring the vote or approval of the Members or the Owners shall require the majority vote of the Members in Good Standing (both classes voting together), represented at a duly called meeting of the Members in person or by a legitimate proxy in form provided in the Association Documents or otherwise approved by the Board, at which a "Regular Quorum" or a "Special Quorum" is present. Written notice of a meeting must be given to all Members not less than ten (l0) days nor more than sixty (60) days in advance of any such meeting and shall set forth the purpose(s) of such meeting. No action may be taken at a meeting on any matter that is not described in the applicable meeting notice as being on the agenda for such meeting. Notwithstanding anything herein to the contrary, to the extent permitted by applicable law and in the Association Documents from time to time, any action may be taken by written consent of the Members in lieu of formal meetings.

(b) Special Quorum. The quorum (a "Special Quorum") required for any action referred to in Section 6.3(b) (maximum increase in Maintenance Assessments) hereof or Section 6.4(a) (Special Purpose Assessments) hereof:

Members in Good Standing, represented at a duly called meeting of the Members in person or by a legitimate proxy in form provided in the Association Documents or otherwise approved by the Board, entitled to cast thirty percent (30%) of all of the votes of Members in Good Standing (both classes of Members taken together) shall constitute a Special Quorum. If the required Special Quorum is not present at such meeting, that meeting may be adjourned, and an additional meeting may be called, subject to the notice requirement set forth herein, with the required Special Quorum at such second (2nd) meeting being reduced to one-half (1/2) of the required Special Quorum at the preceding meeting; provided, however, that such second (2nd) meeting must be held not later than thirty (30) days after the first (1st) meeting. Further, if the reduced required Special Quorum is not present at such second (2nd) called meeting, the adjournment of the meeting shall be continued, and one (l) additional meeting may be called, subject to the notice requirement set forth herein, with Declarant alone constituting the required Special Quorum at such third (3rd) meeting; provided that such third (3rd) meeting must be held not later than forty-five (45) days after the first (1st) meeting.

(c) Regular Quorum. The quorum (a "Regular Quorum") required for any action other than the action referred to in Section 5.4(b) hereof shall be as follows:

Members in Good Standing, represented at a duly called meeting of the Members in person or by a legitimate proxy in form provided in the Association Documents or otherwise approved by the Board, entitled to cast ten percent (10%) of all of the votes of Members in Good Standing (both classes of Members taken together) shall constitute a Regular Quorum. If the required Regular Quorum is not present at such meeting, that meeting may be adjourned, and an additional meeting may be called, subject to the notice requirement set forth herein, with the required Regular Quorum at such second (2nd) meeting being reduced to one-half (1/2) of the required Regular Quorum at the preceding meeting; provided, however, that such second (2nd)

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meeting must be held not later than thirty (30) days after the first (1st) meeting. Further, if the reduced required Regular Quorum is not present at such second (2nd) called meeting, the adjournment of the meeting may be called, subject to the notice requirement set forth herein, with Declarant alone constituting the required Regular Quorum at such third (3rd) meeting; provided that such third (3rd) meeting must be held not later than forty-five (45) days after the first (1st) meeting.

(d) Consent without a Meeting. As an alternative to the procedure set forth in this Section, any action may be taken without a meeting upon obtaining the assent given in writing and signed by Members in Good Standing who hold more than (i) thirty percent (30%) of the outstanding votes eligible to be cast by Members in Good Standing (both classes of Members taken together) for actions referred to and requiring a Special Quorum as provided in Section 5.4(b) hereof, or (ii) ten percent (10%) of the outstanding votes eligible to be cast by Members in Good Standing (both classes of Members taken together) for actions referred to and requiring a Regular Quorum as provided in Section 5.4(c) hereof.

(e) Controlling Provisions. Except as set forth in this Section, the notice, voting and quorum requirements for all action to be taken by the Association shall be as set forth in the Association Documents. In the event a conflict exists between any requirement in of this Section 5.4 and the requirements of any Association Documents, the terms of this Section 5.4 shall prevail.

Section 5.5 Dissolution. So long as Declarant owns record title to any portion of the Property, the Association shall not be dissolved. Once the Declarant is divested of all ownership interest in the Property, the Association may be dissolved upon the written consent or other instrument recorded in the Official Public Records of Dallas County, Texas and executed by Owners owning at least seventy percent (70%) of the Lots, provided 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.

ARTICLE 6
ASSESSMENTS

Section 6.1 Power to Establish Assessments. The Association is empowered to establish and collect Assessments as provided in this Article 6 for the purpose of obtaining funds to maintain the Common Area and/or Common Amenities, 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 include, without limitation, maintaining, operating, managing, repairing, replacing or improving the Common Area, Common Amenities 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; and satisfying any indemnity obligation under the Association 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.

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Section 6.2 Commencement of Assessments.

(a) Owner other than Declarant or Builder. Unless otherwise provided by separate agreement by and between Declarant and any Person, the Assessments shall commence, as to each Lot located in the Declarant's Property, upon conveyance of the Lot by the Declarant or by a Builder to any Person that is not an affiliate of the Declarant, a Builder, or an affiliate of such Builder.

(b) Declarant and Builders. Neither Declarant or the Builders shall be liable for Assessments for any Lots that it owns. Declarant may, but shall have no obligation to, subsidize the Association from time to time. In the event Declarant decides to subsidize the Association and any shortfall in the operating budget of the Association is due in part to the failure of the Association to collect delinquent Assessments, then the Association shall immediately and vigorously pursue collection of such delinquent Assessments through foreclosure, if necessary, and shall reimburse the Declarant the amounts, if any, so collected.

Section 6.3 Regular Annual Maintenance Assessments.

(a) Annual Budget. For each calendar year or a part thereof during the term of this Declaration, the Board shall establish an estimated budget of the expenses to be incurred by the Association for the forthcoming year in performing its duties (collectively, the "Common Expenses"). Based upon such budget, the Association shall then assess each Lot an annual fee (the "Maintenance Assessment"), which shall be paid by each Owner in advance as follows: semi-annually on the first day of each January and July, unless the Board determines a different schedule. The Association shall notify each Owner of the Maintenance Assessment for the ensuing year by December 15 of the preceding year, but failure to give such notice shall not relieve any Owner from its obligation to pay Maintenance Assessments. Any Maintenance Assessment not paid within thirty (30) days of the date due shall be delinquent and shall thereafter bear interest at the Default Interest Rate (as defined below) as provided in Section 6.5(f). As to any partial year, Maintenance Assessments on any Lot shall be appropriately prorated. Until and unless otherwise determined by the Board, the annual Maintenance Assessment shall be Seven Hundred and No/100 DOLLARS ($700.00) per Lot per year, assessed semi-annually as provided above.

(b) Limits on Maintenance Assessments. The Board may increase the Maintenance Assessment annually to meet the anticipated needs of the appropriate budget, but the Maintenance Assessment may not be increased in any year by an amount in excess of ten percent (10%) above the previous year's Maintenance Assessment, unless such increase is approved by a majority vote of those members of the Association present at a meeting, in person or by proxy, where a Special Quorum exists. Notwithstanding the foregoing, in the event that the Board determines that due to unusual circumstances the maximum annual Maintenance Assessment even as increased by ten percent (10%) will be insufficient to enable the Association to pay the Common Expenses, then in such event, the Board shall have the right to increase the maximum annual Maintenance 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 (l) such increase per calendar year without obtaining approval of a Special Quorum of the Members as provided in this Section 6.3(b).

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(c) **Uniform Assessments.** Maintenance Assessments for all Lots shall be uniform.

Section 6.4 Special Assessments.

(a) **Special Purpose Assessments**. The Association may impose special assessments ("Special Purpose Assessments") to make capital improvements to the Common Area and/or Common Amenities, to satisfy its indemnity obligations under the Association Documents, or for other similar purposes. Any Special Purpose Assessment proposed by the Association must be approved by a majority vote of those members of the Association present at a meeting, in person or by proxy, at which a Special Quorum exists. At least fifteen (15) days prior to any meeting of the Association called to consider any Special Assessment, the Board shall notify each Owner thereof by written notice specifying the total amount of the Special Purpose Assessment required, the amount thereof imposed on each Lot (which shall be uniform), the purpose for such Special Purpose Assessment, and the time and method of payment thereof. The time for paying any Special Purpose Assessment (which may be in installments) shall be as specified in the approved proposal.

(b) **Special Member Assessments.** The Board may levy a "Special Member Assessment" (herein so called) on any Member, to the extent any directly related insurance proceeds (if any) paid to the Association are not sufficient to pay all such costs, for the purpose of:

(i) Paying the cost of any damage or loss requiring maintenance, repairs or replacement of Common Amenities, which damage or loss has been determined by the Board to have been caused, either directly or indirectly, by the act(s) of such Member, or such Member's agent, employee, occupant or visitor;

(ii) Paying the maintenance costs, construction delay damages and fines imposed for violations of this Declaration, the Design Guidelines or any other rules and/or regulations promulgated thereby or other amounts chargeable to any Owner as otherwise set forth herein; and/or

(iii) Paying costs and expenses incurred by the ACC in connection with its review of a Member's plans and related inspections permitted pursuant to Section 3.2(c) hereof.

Section 6.5 Liability for and Enforcement of Assessments.

(a) **Personal Liability.** Each Owner shall be personally liable for all Assessments imposed against the Owner's Lot during the time it owns a Lot.

(b) **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 located on Declarant's portion of the Property 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 Section 4.3. THE OBLIGATION TO PAY ASSESSMENTS IN THE MANNER

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PROVIDED FOR IN THIS ARTICLE, TOGETHER WITH INTEREST FROM SUCH DUE DATE AT THE DEFAULT INTEREST RATE SET FORTH IN SECTION 6.5(f) HEREOF, THE CHARGES MADE AS AUTHORIZED IN SECTION 6.5(e) HEREOF, 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 Dallas County, Texas, and such Assessment Lien shall be superior to all other liens except as otherwise provided in this Section 6.5(b). 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. 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 Section 6.5(b) are subject to the Texas Residential Property Owners Protection Act, as amended from time to time (Texas Property Code, Section 209.001 *et seq.*).

(c) 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 Dallas 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 OF 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.,

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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.

(d) 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.

(e) Late Charges and Collection Fees. If any Assessment or any part thereof remains unpaid after thirty (30) calendar days from and after the due date established by the Board, a late charge shall be assessed against the non-paying Owner for each month or any part thereof, that any portion of any Assessment remains unpaid. Should any Assessment be payable in installments, the Association is authorized to accelerate the entire Assessment and demand immediate payment thereof. The late charge shall be in the amount of Twenty-five and No/100 Dollars ($25.00) per month. The Association's Managing Agent shall be entitled to charge an Owner a monthly collection fee to compensate Managing Agent for its administrative costs and efforts to collect and process the late payment of Assessments. A service charge in the amount of Twenty and No/100 Dollars ($20.00) shall be charged for each check that is returned because of insufficient funds or any other reason. The amount of late charges and service charges may be adjusted, from time to time, by the Board consistent with any changes in the administrative costs to collect unpaid Assessments or the Association's bank charges. All late charges, collection fees, service charges and attorneys' fees assessed or incurred due to late payment of Assessments shall be charged to an Owner's Assessment account which shall be part of the delinquent Assessment and shall be payable and secured in the same manner as herein provided with regard to Assessments.

(f) Interest on Past Due Amounts. All Assessments past due more than thirty (30) days, unpaid fines and other amounts owed to the Association by any Owner which are not paid when due shall bear interest from the date due until paid at the rate of eighteen percent (18%) per annum, but not in excess of the maximum rate allowed by applicable law (the "Default Interest Rate").

(g) Suspension of Voting Rights. No Owner who is delinquent in paying its Assessments shall have the right to vote as a member of the Association while such delinquency continues; an Owner may cure a delinquency at a meeting to regain the right to vote by paying all outstanding amounts (including interest, fines, and penalties) by cashier's or certified check or other good funds acceptable to the Board.

(h) Suspension of Right to Use Common Area and/or Common Amenities. In addition to the other powers herein granted, the Board may suspend the right of an Owner to use any of the Common Area and/or Common Amenities during the time that such Owner is delinquent in paying any Assessment.

(i) Capital Reserve/Improvement Contribution. Upon sale of record title to a Lot by an Owner other than Declarant or a Builder, a contribution equal to Three Hundred Fifty and No/100 Dollars ($350.00) shall be made by or on behalf of such Owner to the "Capital Reserve/Improvement Fund" (herein so called) of the Association. This amount is not refundable, shall be in addition to, not in lieu of, the Maintenance Assessment levied on the Lot

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and shall not be considered an advance payment of any portion thereof. This amount shall be deposited into escrow and disbursed therefrom to the Association or to the Declarant if the Association is not yet established and shall be used for capital improvements made by the Association pursuant to the terms of this Declaration and the Association Documents, and shall be credited against any reserve amounts due from Declarant at the time of termination of its rights as Declarant hereunder pursuant to Section 8.12 hereof.

(j) Transfer Fees and Fees for Issuance of Resale Certificates. 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. 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). 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. Transfer fees and fees for the issuance of a Resale Certificate are not refundable and may not be regarded as a prepayment of or credit against regular or special assessments, and are in addition to the contribution to the Capital Reserve/Improvement Fund in Section 6.5(i) above. This Section does not obligate the Board or any third party to levy such fees.

ARTICLE 7
COMMON AREA AND COMMON AMENITIES

Section 7.1 Right to Use Common Area.

(a) Generally. Each Owner, the members of that Owner's immediate family, and the Owner's guests (provided guests are accompanied by an Owner) shall have the right to use the Common Area and/or Common Amenities for its intended purposes as herein provided. The Declarant and the Association shall have the right to enter on and use the Common Area and/or Common Amenities at all times to exercise their rights or (in the case of the Association) perform its duties hereunder.

(b) Access Easement Rights. Each Owner, the members of that owner's immediate family, and the Owner's visitors, invitees, licensees, lessees, tenants, subtenants, and/or guests, are hereby granted an easement for vehicular and pedestrian ingress to, egress from, and access between such Owner's Lot and the public rights-of-way adjacent to the Subdivision, and any other Streets and alleys located within the Subdivision.

Section 7.2 Common Amenities. Common Amenities, if any, to be located in the Common Area shall be determined by the Declarant. The Declarant and the Board may promulgate reasonable rules and regulations for use of these Common Amenities.

Section 7.3 Maintenance of Common Area and Common Amenities. The Association shall be solely responsible for all maintenance, repair, replacement, and improvement of the Common Area and Common Amenities, utilizing the Assessments, for such purposes as herein provided. The Declarant shall have no responsibility for maintenance, repair, replacement, or improvement of the Common Area or any Common Amenities after initial construction.

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Section 7.4 **Risk of Loss - Use of Common Area and Common Amenities.** Each Owner shall be individually responsible and assume all risk of loss associated with its use of the Common Area and/or Common Amenities, and use by its family members and guests. Neither the Association nor the Declarant shall have any liability to any Owner or their family members or guests, or to any other Person, arising out of or in connection with the use, in any manner whatsoever, of the Common Area, Common Amenities or any improvements comprising a part thereof from time to time.

Section 7.5 **Conveyance of Common Area to Association.** The Declarant shall convey to the Association the Common Area (which conveyance shall include the and Common Amenities located thereon) located in Property, free and clear of any liens, claims or encumbrances, not later than sixty (60) days after the Declarant no longer owns a Lot in the Property.

ARTICLE 8
SPECIFIC DECLARANT RIGHTS

Section 8.1 **Declarant's Right to Annex Adjacent Property.** Notwithstanding anything herein or otherwise to the contrary, Declarant and/or such affiliates, successors and/or assigns 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 and subject to the provisions of this Declaration and the jurisdiction of the Association, to annex any additional property located adjacent to or in the immediate vicinity of the Subdivision (collectively, the "Annexed Land"), by filing in the Official Public Records of Dallas 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. Any such annexation shall be effective upon the filing of such Supplemental Declaration in the Official Public Records of Dallas County, Texas. Declarant shall also have the unilateral right to transfer to any other Person Declarant's right, privilege and option to annex Annexed Land, provided that such transferee or assignee 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.

Section 8.2 **Procedure for Annexation.** Any such annexation shall be accomplished by the execution and 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;

(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

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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, 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 Maintenance 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.

Section 8.3 **Amendment.** The provisions of this Article 8 may not be amended without the express written consent of Declarant (and Declarant's successors and assigns in accordance with the terms hereof).

Section 8.4 **No Duty to Annex.** Nothing herein contained shall establish any duty or obligation on the part of 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.

Section 8.5 **Effect of Annexation on Class B Membership.** In determining the number of Lots owned by Declarant for the purpose of Class B membership status according to Section 5.2 hereof, the total number of Lots covered by this Declaration and located in such Declarant's portion of the Property, including all Lots acquired by 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 Declarant to the number required by Class B membership, such Class B membership shall be reinstated until it expires pursuant to the terms of Section 5.2.

Section 8.6 **Specific Declarant Rights to Amend Declaration.** (a) For as long as Class B Membership exists, Declarant, without joinder of the Board, the Association, or the other Owners, may unilaterally amend this Declaration without the joinder or vote of any other party for any reason.

(b) For so long as the Declarant owns any Lot within the Property, the Declarant, without joinder of the Board, the Association, or the other Owners, may unilaterally amend this Declaration without the joinder or vote of any other party if such amendment is necessary (i) to bring any provisions of this Declaration into compliance with any applicable governmental statute, rule, regulation or judicial determination; (ii) to enable any reputable title insurance company to issue title insurance coverage on the Lots; (iii) to enable any institutional or

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governmental lender, purchaser, insurer, or guarantor of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to purchase, insure, or guarantee mortgage loans on the Lots; or (iv) to satisfy the requirements of any local, state or federal governmental agency. For so long as the Declarant owns any Lot within the Property, Declarant may unilaterally amend this Declaration, without the joinder or vote of any other party, as may be necessary or desirable from time to time in Declarant's sole judgment, to correct or clarify errors, omissions, mistakes or ambiguities contained herein. No amendment pursuant to this paragraph, however, shall adversely affect the title to any Lot unless the Owner affected thereby shall consent in writing.

Section 8.7 Easement/Access Right. The Declarant reserves a general easement over all Streets, roads, rights of way, alleys and utility, maintenance, landscaping, wall and other easements in the Property and over the balance of the Common Area as reasonably necessary for access for the purpose of finishing development of the Property as a subdivision and as otherwise reasonably necessary to effect Declarant's rights hereunder. Such easements and rights shall expire at such time as the Declarant no longer owns a Lot.

Section 8.8 Assignment of Declarant Rights. Declarant may assign its rights to a successor Declarant hereunder by execution of a written document, recorded in the Official Public Records of Dallas County, Texas, expressly and specifically stating that Declarant has assigned its rights as such to a designated assignee and declaring such assignee to be a new "Declarant" hereunder. No Person purchasing or otherwise acquiring one (1) or more Lots shall be considered "Declarant" hereunder, unless Declarant makes an express and specific assignment referenced in and accordance with the terms of the immediately preceding sentence.

Section 8.9 Declarant's Right to Install Improvements in Setback and Other Areas. Declarant, in connection with development of the Property and construction of homes thereon, reserves the right but shall have no obligation to install or construct walls, fences, irrigation systems and other improvements in the setback areas (being the area on, along and/or between the boundary line of a Lot and the building or setback lines applicable to such Lot). If Declarant exercises such right in a setback area, then such wall, fence, irrigation system, or other improvement shall be the property of the Owner(s) of the Lot(s) adjacent to such improvements or upon which such improvements are located, and such Owner(s) shall maintain and repair any such improvement unless the Declarant or the Association, by and through the Board, shall advise the Owner(s) in writing of its intent to assume such maintenance and repair obligations. If Declarant exercises such right in the above-described non-setback areas, then such wall, fence, irrigation system, or other improvement shall be the property of the Association. So long as it owns any Lot, Declarant shall have the right, but not the obligation, to maintain and repair any such non-setback area improvements located on Declarant's portion of the Property; otherwise, the Association shall assume the maintenance and repair or it may abandon such improvements at its discretion. If the City requires the maintenance, repair, or removal of any such non-setback area improvements, the Association shall assume such responsibility at its expense. If the Association so abandons such non-setback area improvements or is properly dissolved, then the Owner(s) of the Lot(s) adjacent to such improvements or on which such improvements are located shall assume maintenance and repair at its expense.

Section 8.10 Replatting or Modification of Plat. From time to time, the Declarant reserves the right to replat its Property or to amend or modify the Plat in order to assure a harmonious and

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orderly development of the Property as herein provided. The Declarant may exercise such rights so long as it owns any Lot and no joinder of any other Owner shall be required to give effect to such rights, each Owner consenting to the Declarant's execution of any replat on such Owner's behalf. However, any such replatting or amendment of the Plat shall be with the purpose of efficiently and economically developing the Property for the purposes herein provided or for compliance with any applicable governmental regulation. Declarant's rights under this Section 8.10 shall expire at such time as the Declarant no longer owns a Lot.

Section 8.11 Limitation of Declarant's Liability. The Declarant shall not be responsible or liable for any deficit in the Association's funds. The Declarant may, but are 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.

Section 8.12 Termination of Declarant's Responsibilities. In consideration of Declarant's deficit funding of the Association, if any, upon the occurrence of any of the following events: (i) conversion of Declarant's Class B membership status to Class A membership status; (ii) completion of any facilities in the Common Area by the Declarant; or (iii) assignment of the Declarant's rights hereunder pursuant to Section 8.8, then and in such event the Declarant shall be fully released, relieved and forever discharged from any further duty or obligation to the Association or any of its members as Declarant by reason of the terms and conditions of this Declaration including any amendments thereof or supplements thereto, save and except the duties and obligations, if any, of the Declarant as a Class A member by reason of the Declarant's continued ownership of one or more Lots, but not otherwise. Further, and without regard to whether or not Declarant has been released from obligations and duties to the Association, so long as 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 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.

ARTICLE 9
MISCELLANEOUS PROVISIONS

Section 9.1 Term and Renewal. These Covenants shall commence on the date hereof and shall continue in effect for a period of thirty (30) years. Thereafter these Covenants shall automatically renew for subsequent periods often (10) years each unless Owners owning at least seventy percent (70%) of the Lots elect to terminate these Covenants by written instrument recorded in the Official Public Records of Dallas County, Texas.

Section 9.2 Enforcement. The terms, provisions and conditions of this Declaration and the Design Guidelines shall be enforceable by the Declarants, the ACC, the Association, and each Owner. The Board shall have the power and authority to impose reasonable fines (which shall not exceed $500.00 for each separate violation) for violation of this Declaration, the Design

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Guidelines or any rule or regulation of the Association, which shall constitute a lien upon the Lot of the violating Owner as provided in the Declaration, and to suspend the Owner's right to vote or any Person's right to use of the Common Area and/or Common Amenities. Each day the violation continues to exist shall constitute a separate violation. If any occupant, guest, or invitee of a Lot violates the Declaration, the Design Guidelines or a rule or regulation of the Association and a fine is imposed, the fine shall be assessed against such Owner, who shall pay the fine upon notice from the Association. No delay or failure on the part of Declarant, the Association or any Owner to invoke any available right, power or remedy with respect to a breach of this Declaration shall be held to be a waiver by that party (or estop that party from asserting) any right, power or remedy available to such party upon the recurrence or continuance of said breach or the occurrence of a different breach. Neither Declarant, the Association nor the Owners, shall be under any obligation to take any action to enforce the terms of this Declaration. The failure by Declarant, the Association or any Owner to enforce any provision of this Declaration shall in no event subject Declarant, the Association or any Owner to any claims, liability, cost or expense; it being the express intent of this Declaration to provide Declarant, the Association or any Owner with the right (such right to be exercised at its sole and absolute discretion), but not the obligation to enforce the terms of this Declaration for the benefit of any Owner(s) of any Lot(s) in the Development.

Section 9.3 **General Easement for Encroachments, Access, Maintenance and Utilities.** Each Owner grants to the Association, the Board, the Declarant and the other Owners a general easement as reasonably necessary for the maintenance of any minor encroachments of Common Area and/or Common Amenities over adjoining Lots and for access to and from each Owner's Lot through driveways, rights of way and easements as reflected on the Plat for the purpose of giving effect to the provisions of these Covenants.

Section 9.4 **Amendment of Declaration.** These Covenants may be amended by the Declarant as provided in Section 8.6. In addition, the Declaration may be amended at any time and in any respect with the affirmative vote or written consent, or any combination thereof, of Members (both classes taken together) representing fifty-one percent (51%) of the total Class A Member votes and Class B Member votes in the Association; provided, however, that no such amendment shall be effective unless joined in by the Declarant until such time as Declarant no longer owns any portion of the Property.

Section 9.5 **City Provisions.** All construction within the Property shall also comply with all applicable City ordinances and regulations. If any ordinance or regulation imposed by the City imposes more demanding, extensive or restrictive requirements than those set forth in this Declaration, such requirements shall govern. No ordinance or regulations adopted by the City shall lessen the requirements set forth in these Covenants.

Section 9.6 **Management of the Association.** In the event that the Board elects to contract with a Managing Agent to perform any duties of the Board in accordance with Section 5.2 hereof, the Board shall record or cause to be recorded in each county in which the Subdivision is located a management certificate, signed and acknowledged by an officer or the Managing Agent of the Association in accordance with the requirements of Section 209.004 of the Texas Property Code. An amended management certificate shall be recorded no later than the 30th day after the date on which the Association has notice of a change in any information pertaining to the Managing Agent applicable to the Association. Notwithstanding the foregoing or anything to the

contrary contained herein, in no event shall the Declarant, the Association and/or their respective officers, directors, employees, and/or agents, or the Board be subject to liability to any Person for a delay in recording or failure to record a management certificate except as otherwise provided by law.

Section 9.7 **Notices.** Any notice required to be given to any Owner under the terms of this Declaration shall be deemed to have been properly delivered when deposited with the United States Postal Service, postage prepaid, properly addressed to the addressee. Each Owner's address for purposes of notice hereunder shall be deemed to be the Residence located on its Lot.

Section 9.8 **Liability Limitations; Indemnification.** Neither Declarant nor any Member, director, officer or representative of the Association or the Board or the ACC shall be personally liable for the debts, obligations or liabilities of the Association. The directors and officers of the Association 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 Association Documents. Declarant and such directors, officers and ACC members shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association, and **THE ASSOCIATION, AS A COMMON EXPENSE OF THE ASSOCIATION, SHALL INDEMNIFY AND HOLD DECLARANT, SUCH DIRECTORS, OFFICERS AND MEMBERS OF THE ACC HARMLESS FROM ANY AND ALL EXPENSES, LOSS OR LIABILITY TO OTHERS ON ACCOUNT OF ANY SUCH CONTRACT OR COMMITMENT (TO THE EXTENT NOT COVERED BY INSURANCE PROCEEDS). IN ADDITION, EACH DIRECTOR AND EACH OFFICER OF THE ASSOCIATION AND EACH MEMBER OF THE ACC 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 OR ACC MEMBER AND AGAINST ALL EXPENSES, LOSSES AND LIABILITIES, INCLUDING, BUT NOT LIMITED TO, COURT COSTS AND REASONABLE ATTORNEYS' FEES, INCURRED BY OR IMPOSED UPON SUCH DIRECTOR, OFFICER OR ACC MEMBER IN CONNECTION WITH ANY PROCEEDING TO WHICH SUCH PERSON MAY BE A PARTY OR HAVE BECOME INVOLVED BY REASON OF BEING SUCH DIRECTOR, OFFICER OR ACC MEMBER AT THE TIME ANY SUCH EXPENSES, LOSSES OR LIABILITIES ARE INCURRED SUBJECT TO ANY PROVISIONS REGARDING INDEMNITY CONTAINED IN THE ASSOCIATION DOCUMENTS, EXCEPT IN CASES WHEREIN THE EXPENSES, LOSSES AND LIABILITIES ARISE FROM A PROCEEDING IN WHICH SUCH DIRECTOR, OFFICER OR ACC MEMBER 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 ASSOCIATION DOCUMENTS AS AN ACT FOR WHICH ANY LIMITATION OF LIABILITY SET FORTH IN THE ASSOCIATION DOCUMENTS IS NOT APPLICABLE; PROVIDED, HOWEVER, THIS INDEMNITY DOES COVER LIABILITIES RESULTING FROM SUCH DIRECTOR'S, OFFICER'S OR ACC MEMBER'S NEGLIGENCE.** Any right to indemnification provided herein shall not be exclusive of any other rights to which a director, officer or ACC member, or

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former director, officer or ACC member, may be entitled. The Association shall have the right to purchase and maintain, as a Common Expense, directors', officers', and ACC members', insurance on behalf of any Person who is or was a director or officer of the Association or the ACC member against any liability asserted against any such Person and incurred by any such Person in such capacity, or arising out of such Person's status as such.

Section 9.9 **Severability.** If any of the terms hereof shall be declared invalid by a court of competent jurisdiction, such invalidity shall not affect the other provisions of these Covenants, which shall be in full force and effect.

Section 9.10 **Acceptance by Owners of Rights and Obligations.** By the recording of a deed or other conveyance transferring all or part of an interest in a Lot subject to this Declaration, the person or entity to whom such Lot or interest is conveyed shall be deemed to accept and agree to be bound by and subject to all the provisions of the Declaration, the Design Guidelines, the Association Documents, including any rules or regulations adopted or promulgated by the Association, whether or not mention thereof is made in said deed.

Section 9.11 **Notice and Hearing.** (a) Prior to the imposition of any fine for a violation of this Declaration or the levying of any Special Member Assessment on an Owner, the Association will give notice to the Owner in compliance with Section 209.006 of the Texas Property Code (the "Property Code"), as the same may be hereafter amended. Such notice shall be as follows:

(i) Notice will be delivered by certified mail return receipt requested.

(ii) 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.

(iii) The notice must inform the Owner that the Owner is entitled to a reasonable time to cure the violation and avoid the Violation Fine and that the Owner may request a hearing under this Section 9.11 and Section 209.007 of the Property Code on or before the 30th day after the Owner receives the notice.

(b) In compliance with Section 209.007 of the Property Code, if the Owner submits a written request for a hearing, the Association shall hold a hearing not later than the thirtieth (30^{th}) 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 (10^{th}) 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. Additional postponements may be granted by agreement of the parties. If the hearing is to be held before a committee appointed by the Board, the notice described in Section 9.11(a) hereof shall state that the Owner has the right to appeal the committee's decision to the Board by written notice to the Board.

Section 9.12 Arbitration of Disputes Involving Declarant.

(a) **Arbitration.** ANY AND ALL DISPUTES ARISING HEREUNDER BETWEEN AN OWNER AND DECLARANT, SHALL BE SUBMITTED TO BINDING ARBITRATION AND NOT TO A COURT FOR DETERMINATION. ARBITRATION SHALL COMMENCE AFTER WRITTEN NOTICE IS GIVEN FROM EITHER PARTY TO

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THE OTHER, SUCH ARBITRATION SHALL BE ACCOMPLISHED EXPEDITIOUSLY IN DALLAS COUNTY AND SHALL BE CONDUCTED IN ACCORDANCE WITH THE RULES OF THE AMERICAN ARBITRATION ASSOCIATION ("AAA"). THE ARBITRATION SHALL BE CONDUCTED BY THREE (3) ARBITRATORS, ONE OF WHOM SHALL BE APPOINTED BY THE OWNER AND ONE OF WHOM SHALL BE APPOINTED BY THE DECLARANT. THE THIRD ARBITRATOR SHALL BE APPOINTED BY THE FIRST TWO ARBITRATORS. THE ARBITRATORS SHALL BE SELECTED FROM A LIST OF ARBITRATORS SUBMITTED BY THE AAA. JUDGMENT UPON THE AWARD RENDERED BY THE ARBITRATORS MAY BE ENTERED IN ANY COURT HAVING JURISDICTION THEREOF. ARBITRATION SHALL NOT COMMENCE UNTIL THE PARTY REQUESTING IT HAS DEPOSITED ONE THOUSAND FIVE HUNDRED AND NO/100 U. S. DOLLARS ($1,500.00) WITH THE ARBITRATORS AS A RETAINER FOR THE ARBITRATORS' FEES AND COSTS. THE PARTY REQUESTING ARBITRATION SHALL ADVANCE SUCH SUMS AS ARE REQUIRED FROM TIME TO TIME BY THE ARBITRATORS TO PAY THE ARBITRATORS' FEES AND COSTS, UNTIL THE PREVAILING PARTY IS DETERMINED OR THE PARTIES HAVE AGREED IN WRITING TO AN ALTERNATE ALLOCATION OF FEES AND COSTS. EACH PARTY SHALL PAY ITS OWN LEGAL FEES AND COSTS AND ANY OTHER FEES INCURRED IN CONNECTION WITH AN ARBITRATION PROCEEDING WHICH ARISES OUT OF OR RELATES IN ANY WAY TO THIS DECLARATION PROVIDED, HOWEVER, THAT THE ARBITRATION PANEL SHALL AWARD THE ARBITRATORS' FEES AND COSTS TO THE PREVAILING PARTY IN ITS ARBITRATION JUDGMENT.

(b) Notwithstanding Declarant's and Owner's intent to submit any controversy or claim arising out of or relating to this Declaration to arbitration, in the event that a court of competent jurisdiction shall determine or a relevant law shall provide that a particular dispute is not subject to the arbitration provisions in this Section 9.12, then the parties agree to the following provisions: EACH OWNER ACKNOWLEDGES THAT THIS DECLARATION IS A SOPHISTICATED LEGAL DOCUMENT. ACCORDINGLY, JUSTICE WILL BEST BE SERVED IF ISSUES REGARDING THIS DECLARATION ARE HEARD BY A JUDGE IN A COURT PROCEEDING, AND NOT A JURY. EACH OWNER AGREES THAT ANY CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION, WITH RESPECT TO ANY ACTION, PROCEEDING, CLAIM, COUNTERCLAIM, OR CROSSCLAIM, WHETHER IN CONTRACT AND/OR IN TORT (REGARDLESS IF THE TORT ACTION IS PRESENTLY RECOGNIZED OR NOT), BASED ON, ARISING OUT OF, IN CONNECTION WITH OR IN ANY WAY RELATED TO THIS DECLARATION, ANY COURSE OF CONDUCT, COURSE OF DEALING, VERBAL OR WRITTEN STATEMENT, VALIDATION, PROTECTION, ENFORCEMENT ACTION OR OMISSION OF ANY PARTY SHALL BE HEARD BY A JUDGE IN A COURT PROCEEDING AND NOT A JURY.

Section 9.13 **Liens/Validity and Severability; Mortgagees.** Violation of or failure to comply with this Declaration shall not affect the validity of any mortgage, lien or other similar security instrument which may then be existing on any Lot. Invalidation of any one (l) or more of the provisions of this Declaration, or any portions thereof, by a judgment or court order shall not affect any of the other provisions or covenants herein contained, which such other provisions and covenants shall remain in full force and effect. No default by an Owner of a Lot under any provision of this Declaration shall affect any existing lien or mortgage on that Lot. A Mortgagee

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shall not be liable for Assessments made with respect to a Lot during any period in which its only interest in the Lot is that of a Mortgagee.

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EXECUTED as of October 17, 2022.

DECLARANT:

K. HOVNANIAN DFW CALDWELL LAKES, LLC, a Texas limited liability company

By: _____
Name: Rick Trotter
Title: Division President

STATE OF TEXAS §
§
COUNTY OF Collin §

BEFORE ME, the undersigned authority, on this day personally appeared Rick Trotter, Division President of K. HOVNANIAN DFW CALDWELL LAKES, 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 company, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, on this 17 day of October, 2022.

_____
Notary Public, State of Texas

[SEAL]

Kellie Runnels
My Commission Expires
9/17/2025
Notary ID
129447963

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CONSENT AND SUBORDINATION

The undersigned ("Lienholder"), hereby consents to the filing of the foregoing Declaration of Covenants, Conditions, and Restrictions for Caldwell Lakes (the "Declaration") and, subject to the terms and provisions of this Consent and Subordination, subordinates to the Declaration the lien and security interests set forth in that certain Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing dated December 30, 2021 and recorded as Document Number _____ of the Official Public Records of Dallas County, Texas (the "Deed of Trust"), together with any modifications, supplements, restatements or amendments thereto, and related agreements and security documents which secure and set forth the terms of that certain loan from Lienholder to Declarant in the original principal sum of $5,642,000.00. Lienholder subordinates its lien rights and interests to the terms, provisions, covenants, conditions and restrictions under the foregoing Declaration, so that foreclosure of Lienholder's lien(s) will not extinguish the terms, provisions, covenants, conditions and restrictions under the foregoing Declaration or subdivision of the Property thereby, provided, however, this Consent and Subordination: (i) shall not be construed or operate as a release of the lien and security interests of the Deed of Trust, but shall instead confirm that the lien and security interests of the Deed of Trust shall hereafter be upon and against the property encumbered thereby (as set forth in the Deed of Trust), and all appurtenances thereto; (ii) shall not release, subordinate, impair or otherwise affect any and all rights Lienholder has under the Deed of Trust to succeed to the rights, powers and authority of Declarant under the Declaration in the event of a foreclosure of the lien and security interests of the Deed of Trust; and (iii) shall not modify or amend the terms and provisions of the Deed of Trust.

VERITEX COMMUNITY BANK

By: _____

Title: SVP

Name: Adam Gabe

STATE OF TEXAS §

COUNTY OF Collin §

This instrument was acknowledged before me on this 19th day of October, 2022, by Adam Gabe the SVP of Veritex Community Bank, on behalf of said bank.

_____

Notary Public, State of Texas

[SEAL]

LORI MACH
Notary Public, State of Texas
Comm. Expires 10-03-2023
Notary ID 11693750

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EXHIBIT A

TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR CALDWELL LAKES

AN ADDITION TO THE CITIES OF DALLAS, MESQUITE, AND SEAGOVILLE, DALLAS COUNTY, TEXAS

LEGAL DESCRIPTION AND/OR DEPICTION OF THE PROPERTY

BEING a 76.687 acre tract of land situated in the S.A. Haught Survey, Abstract No. 567, City of Mesquite and City of Dallas, Dallas County, Texas, and the J. Halford Survey, Abstract No. 570, City of Seagoville, Dallas County, Texas, and being all of that certain called 76.687 acre tract of land described in a Deed to TTI Tack Team Investments LLC, recorded as Instrument No. 202000311214, Official Public Records, Dallas County, Texas (OPRDCT), and being more particularly described as follows:

BEGINNING at a point for corner in the centerline of Lasater Road at the most southern corner of said 76.687 acre tract and being in a northwest line of Highland Meadows Phase 1, an addition to the City of Seagoville, Dallas County, Texas, recorded in Volume 2005138, Page 181, Map Records, Dallas County, Texas (MRDCT), from which the most western corner bears South 44°08'07" West, a distance of 3.78 feet, and a 1/2-inch iron rod with a yellow plastic cap found for reference at the most northern corner of a 60' wide road dedication by last mentioned addition bears North 44°08'15" East, a distance of 56.22 feet;

THENCE North 45°39'34" West, along and near the center of said road and a southwest line of said 76.687 acre tract, a distance of 607.74 feet, to a point for corner at the most southern corner of a 1.30 acre right-of-way parcel described in a Deed to the County of Dallas, recorded in Volume 5467, Page 117 (DRDCT);

THENCE in a northwesterly direction, along the northeasterly lines of said 1.30 acre right-of-way parcel, the following courses:

North 44°28'30" East, a distance of 40.00 feet, to a 5/8-inch iron rod with a yellow plastic cap, stamped "RPLS 3963", set for corner;

North 45°39'34" West, a distance of 909.64 feet, to a 5/8-inch iron rod with a yellow plastic cap, stamped "RPLS 3963", set for corner;

North 39°58'54" West, a distance of 100.50 feet, to a 5/8-inch iron rod with a yellow plastic cap, stamped "RPLS 3963", set for corner;

North 45°39'34" West, a distance of 316.62 feet, to a point for corner in a northwest line of said 76.687 acre tract common to the southeast line of a called 18.389 acre tract of land described in a Deed to David Zulejkic, recorded as Instrument No. 201900092801,

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(OPRDCT), from which a 1/2-inch iron rod with a plastic cap found for reference bears North 70°00'29" West, a distance of 54.72 feet, said corner also lying near the center of a creek, known as East Fork of Trinity River Tributary 1.1;

THENCE North 43°58'10" East, along last mentioned common line and within the high banks of said creek, a distance of 866.55 feet, to a 1/2-inch iron rod found for corner at the most eastern corner of said 18.389 acre tract, common to an exterior "ell" boundary corner of said 76.687 acre tract;

THENCE South 45°39'34" East, along a boundary line of said 76.687 acre tract and partly with the southwest line of a called 4.376 acre tract described in a deed to Jose L. Serna and Norma Lopez recorded as Instrument No. 200600368619, (OPRDCT) a distance of 187.92 feet, to a 5/8-inch iron rod with a yellow plastic cap, stamped "RPLS 3963", set for corner near a fence post at the most southern corner thereof;

THENCE North 43°54'27" East, along and near a fence line on the southeast line of said 4.376 acre tract common to a northwest line of said 76.687 acre tract, a distance of 1117.76 feet, to a point for corner at the most eastern corner of said 4.376 acre tract, said point being in the southwest right-of-way line of Shannon Road, (a 70' right-of-way) as described and dedicated by a Deed to the County of Dallas, recorded in Volume 67181, Page 718 (DRDCT), from which a 1-1/2" axle found for reference bears North 48°53'37" East a distance of 1.44 feet;

THENCE South 46°03'50" East, along the southwest right-of-way line of Shannon Road, a distance of 1157.14 feet, to a 5/8-inch iron rod with a yellow plastic cap, stamped "RPLS 3963", set for corner in a northwest line of said Highland Meadows Phase 1, common to a southeast line of said 76.687 acre tract from which a 1-1/2" axle found for reference bears South 48°55'37" West a distance of 2.60 feet;

THENCE in southwesterly and southeasterly directions, with the common boundary line of last mentioned tracts, the following courses:

South 44°28'30" West, a distance of 572.12 feet, to a point for corner in an 8" diameter concrete monument found;

South 45°27'38" East, a distance of 599.03 feet, to point for corner in a wooden fence intersection from which a 5/8-inch iron rod with a yellow plastic cap, stamped "RPLS 3963", set for reference bears South 76°01'57" West, a distance of 179.33 feet;

South 44°08'07" West, a distance of 1468.18 feet, to the POINT OF BEGINNING and containing 3,340,475 square feet, or 76.687 acres of land.

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Dallas County
John F. Warren
Dallas County Clerk

Instrument Number: 202200276079

eRecording - Real Property

Recorded On: October 20, 2022 04:22 PM

Number of Pages: 41

" Examined and Charged as Follows: "

Total Recording: $182.00

Official Copy

********** **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.

File Information:

Document Number: 202200276079
Receipt Number: 20221020000790
Recorded Date/Time: October 20, 2022 04:22 PM
User: Kevin T
Station: CC18

Record and Return To:

Simplifile

STATE OF TEXAS
COUNTY OF DALLAS

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 Dallas County, Texas.**

John F. Warren
Dallas County Clerk
Dallas County, TX