

Mary Louise Nicholson
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COUNTY CLERK

**THIRD AMENDED AND RESTATED DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF GEORGETOWN COMMONS ADDITION**

THE STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF TARRANT §

THIS THIRD AMENDED AND RESTATED DECLARATION (herein so called), is made by the Association and Owners (as hereinafter defined) pursuant to the provisions of Article 9.3 of the Second Amended and Restated Declaration of Covenants, Conditions and Restrictions of Georgetown Commons Addition filed of record as Instrument Number D214171306, of the Real Property Records of Tarrant County, Texas (the "Second Amended and Restated Declaration"), which amended and restated the First Amended and Restated Declaration of Covenants, Conditions and Restrictions of Georgetown Commons Addition, filed of record as Instrument Number D206276861 of the Real Property Records of Tarrant County, Texas, (the "First Amended and Restated Declaration"), which amended and restated the original Declaration of Covenants, Conditions and Restrictions of Georgetown Commons Addition filed of records in Volume 12019, Page 1603 in the Property Records of Tarrant County, Texas (the "Original Declaration").

WITNESSETH:

WHEREAS, GEORGETOWN COMMONS JOINT VENTURE (hereinafter referred to as "Declarant") and VISTA HOMES JOINT VENTURE ~~and~~ VISTA HOMES (hereinafter referred to as "Vista Homes") were the owners of certain property (the "Property") in the City of Arlington, County of Tarrant, State of Texas, known as GEORGETOWN COMMONS ADDITION, SECTION ONE, and which is more particularly described by lots and blocks on the attached Exhibit "A," incorporated herein for all purposes, as Section One (existing developed lots and Common Area); and

WHEREAS, Declarant reserved to itself and its successors and assigns the right to add future sections hereto; and

WHEREAS, Declarant did add additional property by way of the SUPPLEMENTAL DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS filed January 8, 1998 in the Tarrant County Real Property Records as Instrument No. D198005271 (the "Supplemental Declarations"), such additional property being included in the definition of "Property" herein; and

WHEREAS, such Declarant and Vista Homes desired to restrict said property, as hereinafter defined, for the common good; and

WHEREAS, notwithstanding anything to the contrary contained herein, Lot A was excluded from all provisions of the Original Declaration; and

WHEREAS, the, Declarant and Vista Homes declared in the Original Declaration that the Property shall be held, sold and conveyed subject to the easements, restrictions, covenants and conditions included in the Original Declaration, all of which were for the purpose of enhancing and protecting the value, desirability and attractiveness of the Property and that said easements, covenants, restrictions and conditions shall run with the Property and be binding on all parties having or acquiring any right, title or interest therein or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner (defined below); and

WHEREAS, Declarant and Vista Homes declared that any prior recorded documents pertaining to the matters contained in the Original Declaration shall be replaced in their entirety and superseded by the terms of the Original Declaration; and

WHEREAS, the Original Declaration contained provisions for amending the Original Declaration, said provisions being contained in Article 9.3 thereof and said provisions have been included in the First Amended and Restated Declaration, the Second Amended and Restated Declaration, and this Third Amended and Restated Declaration; and

WHEREAS, the Board of Directors of the Georgetown Commons Homeowners Association called a meeting of the Owners of the Georgetown Commons pursuant to notice containing the amendments to be considered at the meeting by the Owners; and

WHEREAS, the Notice was hand delivered to each Lot (as hereinafter defined) on or about May 11, 2006 and was published in the Association newsletter on May 6, 2006; and

WHEREAS, attending the meeting of the Owners, in person or by proxy, were the owners of 50 lots contained within the Subdivision regime which constituted a quorum for purposes of considering amendments to the Original Declaration; and

WHEREAS, motion was made, duly seconded and adopted by more than sixty- seven percent (67%) of those present, eligible to vote and voting, either in person or by proxy, the Original Declarations were amended as proposed by the Board of Directors in the Notice; and

WHEREAS, nonetheless the First Amended and Restated Declaration was duly and properly adopted and filed of record as Instrument No. 206276861 on September 6, 2006; and

WHEREAS, the Second Amended and Restated Declaration contained provisions for amending the Original Declaration, said provisions being contained in Article 9.3 thereof; and

WHEREAS, the Board of Directors of the Georgetown Commons Homeowners Association decided to recommend certain changes to the Second Amended and Restated Declaration and for that purpose called a meeting of the Owners of the Georgetown Commons pursuant to a notice (hereinafter referred to as the "Notice") containing the amendments to be considered at the meeting by the Owners; and

WHEREAS, the Notice was delivered via us mail to each Lot (as hereinafter defined) on or about _____, 2024; and

WHEREAS, attending the meeting of the Owners, in person or by proxy, were the Owners of _____ () lots contained within the Subdivision regime which constituted a quorum for purposes of considering amendments to the Second Amended and Restated Declaration; and

WHEREAS, motion was made, duly seconded and submitted to a vote of the Owners and more than sixty seven percent (67%) of those present, eligible to vote and voting, either in person or by proxy, voted in favor of adopting this **THIRD AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS**; and

WHEREAS, said vote was memorialized by a written tally of the votes in favor of the proposed amendments which tally reflecting the signature of the voter, the address of the voter and the vote cast for the proposed amendments is maintained in the records of the Association; and

NOW, THEREFORE, the Association, on behalf of the Owners, who, pursuant to the provisions of Article 9.3 of the Second Amended and Restated Declaration have adopted the proposed amendments, hereby has compiled and hereby adopts and files this **THIRD AMENDED DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS** effective _____, 2024.

ARTICLE I. DEFINITIONS

In addition to terms defined elsewhere herein, the following terms have the following meanings:

1.1 "ARA" means the Architectural Review Authority established by the Dedicatory Instruments.

1.2 "Articles" means the Articles of Incorporation of GEORGETOWN COMMONS HOMEOWNERS ASSOCIATION, INC.

1.3 "Association" means GEORGETOWN COMMONS HOMEOWNERS ASSOCIATION, INC., its successors and assigns.

1.4 "Board" or "Board of Directors" means the Board of Directors of GEORGETOWN COMMONS HOMEOWNERS ASSOCIATION, INC.

1.5 "Bylaws" means the Second Amended and Restated Bylaws of GEORGETOWN COMMONS HOMEOWNERS ASSOCIATION, INC., as hereafter amended and replaced.

1.6 "Code" means the Texas Property Code, as hereafter amended and replaced.

1.7 "Common Area" means that portion of the Property owned or to be owned by the Association for the common use and enjoyment of the Members of the Association, including, but not limited to, all recreational facilities, swimming pools, clubhouse/cabana, streets, fencing, entrance gate, streetlights, and green areas. The Common Area is more specifically shown on the plat recorded in Cabinet A, Slide 1799, Plat Records, Tarrant County, Texas, incorporated herein, as Lots 1 and 55, Block 1.

1.8 "Common Expenses" means and includes:

- (a) all sums lawfully assessed against the Common Area by the Managing Agent (hereinafter defined) or Board;
- (b) expenses of administration and management;
- (c) expenses agreed upon as Common Expenses by the Association; and
- (d) expenses declared to be Common Expenses by this Declaration or by the Bylaws.

1.9 "Declaration" means this Third Amended and Restated Declaration of Covenants, Conditions and Restrictions.

1.10 "Declarant" means GEORGETOWN COMMONS JOINT VENTURE, its successors and assigns, including any person or entity who or which acquires all or substantially all of the Lots for the purpose of selling them to the general public, by conveyance from the Declarant, its successors or assigns, or by foreclosure or deed in lieu thereof.

1.11 "Dedictory Instrument" has the meaning given it in Chapter 202 of the Code, as hereafter amended and replaced, and includes without limitation this Declaration, the Bylaws, and the Rules and Regulations of the Association.

1.12 "Dwelling Unit" means a residential house intended for the housing of one family on a Lot which shall be owned in fee simple.

1.13 "Effective Date" shall have the meaning set forth in Paragraph 2.3 below.

1.14 "Lienholder" or "First Mortgagee" means the holder of a first mortgage lien ("First Mortgage") on any Lot in the development.

1.15 "Lot" means a tract of land shown upon any recorded plat of the Property, excluding the Common Area, upon which a Dwelling Unit may be constructed or is presently existing, and any tract of parcel of land within any additions to the existing property as may hereafter be made pursuant to the Dedictory Instruments and the Code.

1.16 "Maintenance Fund" shall mean the Association's accumulation of funds from Regular and Special Assessments, as well as income and revenue from other legitimate sources, as prescribed in this Declaration.

1.17 "Managing Agent" means the Association's designated representative as it appears on the Management Certificate.

1.18 "Management Company" means a third-party person or entity established or contracted to provide management or administrative services on behalf of the Association.

1.19 "Management Certificate" means the instrument required to be recorded pursuant to Section 209.004 of the Code, as hereafter amended and replaced.

1.20 "Member" means every person or entity who holds membership in the Association.

1.21 "Owner" means the recorded owner of any Lot situated upon the Property, who is therefore qualified to be a Member of the Association, whether one (1) or more persons or entities, of a fee simple title to any Lot, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation. However, the term "Owner" shall include any Lienholder who acquires fee simple title to any Lot which is a part of the property, through a deed in lieu of foreclosure or through judicial or non-judicial foreclosure.

1.22 "Plat" shall refer to the plats of the Subdivision recorded in Cabinet A, Slide 1799, Plat Records, Tarrant County, Texas, incorporated herein, as Lots 1 through 30 and Lot 55, Block 1, and Lots 1 and 2, Block 2, GEORGETOWN COMMONS, SECTION ONE, an Addition to the City of Arlington, Tarrant County, Texas; and Lots 31 through 54, and Lot 56, Block 1; and Lots 3 through 14, Block 2, GEORGETOWN COMMONS, SECTION TWO, an Addition to the City of Arlington, Tarrant County, Texas.

1.23 "Property" means that certain real property described in Exhibit "A", consisting only of the tracts identified until such time, if any, additional sections are added thereto and brought within the jurisdiction of the Association pursuant to the terms of Dedicatory Instruments and the Code.

1.24 "Regular Assessment" means an assessment, charge, fee, or dues that each Owner is required to pay to the Association on a regular basis and that is designated for use by the Association for the benefit of the Subdivision, as provided herein.

1.25 "Rules and Regulations" or "Rules" mean the Rules and Regulations of the Association as adopted by the Board of Directors, as may hereafter be amended and replaced from time to time.

1.26 "Special Assessment" means an assessment, charge, fee, or dues, other than a Regular Assessment that each Owner is required to pay to the Association for defraying in whole or in part, the cost, whether incurred before or after the assessment, of any construction or reconstruction, unexpected repair, or replacement of a capital improvement in the Common Areas, including the necessary fixtures and personal property related to the Common Areas; maintenance and improvement of Common Areas; repair and/or replacement of the private streets, or other purposes the Association as stated in its Certificate of Formation, or Dedicatory Instruments of the Subdivision.

1.27 "Texas Residential Property Owners Protection Act" or "The Act" shall refer to Code Chapter 209, as same may be amended or replaced in whole or in part.

1.28 "Transfer Fee" means a fee, charge, or other payment payable for a change of ownership entered in the records of the Association.

1.29 "Voting Rights" means the right of Members to vote on Association matters and are restricted to one (1) vote per Lot regardless of the number of record Owners for that Lot.

Capitalized terms used but not defined herein have the meaning given them in the Act.

ARTICLE II. PROPERTY RIGHTS

2.1 OWNER'S EASEMENTS OF ENJOYMENT. Every Owner has a right and easement of enjoyment in and to the Common Area including an unrestricted right of ingress and egress to the Owner's Dwelling Unit, which easement shall be appurtenant to and shall pass with the title to every Lot, subject to the following rights reserved to the Association:

(a) the right of the Association to suspend an Owner's voting rights and right to the use of recreational or other facilities owned or operated by the Association for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed 30 days for any infraction of the Association's published rules and regulations, posted signage, and other Dedicatory Instruments;

(b) the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency of authority subject to such conditions as may be agreed to by the Owners. No such dedication or transfer is effective unless (i) an instrument of agreement to such dedication or transfer, signed by Owners entitled to cast not less than sixty-seven percent (67%) of the outstanding votes in the Association is properly recorded, in the Office of the County clerk of Tarrant County, Texas, and (ii) written notice of proposed action under this provision is sent to every Owner not less than 30 days, nor more than 60 days in advance of that action;

(c) the right of the Association to limit the number of guests of Owners;

(d) the right of the Association, in accordance with its Articles and Bylaws, to borrow money for the purpose of improving and/or replacing the Common Area and facilities and, subject to the consent of all Lienholders, to mortgage that property; however, the rights under an improvement and/or replacement mortgage are subordinate and inferior to the rights of the Owners hereunder; and

(e) the right of the Association to make rules and regulations relating to traffic flow and other uses of private drives on the property and to make rules regarding the use of the pool, clubhouse/cabana and all other facilities within the Common Area.

2.2 DELEGATION OF USE. Any Owner may delegate, in accordance with the Bylaws and the Rules, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants or contract purchasers who reside on the property. The Owners hereby covenant that any lease executed on a Lot shall comply with the terms of Paragraph 10.4 and the attached Leasing Policy.

2.3 TITLE TO THE COMMON AREA. The Declarant conveyed fee simple title to the Common Area to the Association, free and clear of all encumbrances and liens, except easements

of record and easements shown upon the final revised plat of the Addition, upon the filing of said plat or Original Declarations, whichever was later to have occurred ("Effective Date"). The Common Area shall remain undivided and shall at all times be owned by the Association or its successors, it being agreed that this restriction is necessary in order to preserve the rights of the Owners with respect to the operation and management of the Common Area.

2.4 **PRIVATE STREETS.** The entry gates and streets within the Subdivision are private and constitute a part of the Common Areas which are subject to the jurisdiction of and administration by the Association. In addition to the other provisions appearing within this Article II, the Board is specifically authorized to recommend, adopt, implement and enforce rules, regulations, mechanisms, and procedures governing the use of the entry gate and streets which authority includes but is not limited to the following:

- (a) Identification and entry programs for Owners, their respective immediate families, and their guests and vehicles owned or driven by them;
- (b) determination of speed limits, designated parking areas, restricted parking areas and no parking areas;
- (c) installation of signs and graphics to provide announcements to unauthorized personnel concerning potential criminal trespass matters;
- (d) implementation of a fine policy through which the Association can levy and collect funds from Members for violations of the applicable rules and regulations;
- (e) publication of disclaimers of liability for any and all matters or occurrences on or related to the Common Areas;
- (f) maintenance, repair and/or replacement of the entry gates and any component parts thereof and
- (g) maintenance and improvement of streets as reasonably necessary and impose Special Assessments upon each Owner for their proportionate share of street maintenance.

ARTICLE III MEMBERSHIP AND VOTING RIGHTS

3.1 **MEMBERSHIP.** The Association has been established by the filing of its Certificate of Formation and is governed by its Certificate of Formation, this Declaration, and the Bylaws. The Association has the powers of a nonprofit corporation and a property owners association under the Texas Business Organizations Code, the Texas Property Code, and the Dedicatory Instruments. Every person or entity which is a record owner of any Lot which is subject to the Regular and Special Assessments and other assessments provided herein shall be a Member of the Association. The foregoing is not intended to include persons or entities which hold an interest merely as security for the performance of an obligation or those having only an interest in the mineral estate. No Owner shall have more than one membership for each Lot owned by such Member. Memberships shall be appurtenant to and may not be separated from the ownership of

the Lots. Regardless of the number of persons who may own a Lot (such as husband and wife, or joint tenants, etc.) there shall be but one membership for each Lot. The Directors of the Association must be Members of the Association. Ownership of the Lots shall be the sole qualification for membership. The voting rights of the Members are set forth in the Bylaws of the Association. Membership is not intended to include persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest shall not terminate the Owner's membership. The rights and privileges of membership, including the right to vote, may be exercised by a Member or the Member's designated representative.

3.2 VOTING. Each Member shall be entitled to one (1) vote for each Lot of which they are record Owner(s).

3.3 APPOINTMENT OF THE BOARD OF DIRECTORS. The Board of Directors shall be elected by the majority of Members represented by a quorum attending, in person or by proxy, the annual meeting of the Members.

3.4 ADOPTION OF RULES AND REGULATIONS. The Board of Directors may adopt, amend, and replace the Rules and Regulations from time to time. The Rules and Regulations shall not conflict with the other Dedicatory Instruments and shall bind all Members and residents.

ARTICLE IV COVENANT FOR MAINTENANCE ASSESSMENTS

4.1 CREATION OF THE LIEN AND PERSONAL OBLIGATION OF ASSESSMENTS. The Declarant, for each lot owned within the Property and each present Owner by the execution hereof, hereby covenants, and each future Owner of any Lot by acceptance of a deed therefore, whether or not it is expressed in any such deed or other conveyance, is deemed to covenant and agree to pay to the Association: (1) Regular Assessments or charges as provided in Paragraphs 4.2 and 4.3, and (2) Special Assessments for capital improvements; these assessments shall be fixed, established and collected as hereinafter provided and, together with interest thereon and costs of collection therefore, as hereinafter provided, shall be a charge on the land and shall be secured by a continuing lien on the property against which each assessment is made. Each assessment, plus interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of the property at the time the assessment fell due. The personal obligation for delinquent assessments shall not pass to an Owner's successors in title unless expressly assumed by them.

4.2 PURPOSE OF REGULAR ASSESSMENTS. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of residents in the Property and in particular the improvement, replacement and maintenance of the Property. There shall be a "Regular Assessment" levied by the Association which shall include, but is not limited to, funds to cover actual Common Expenses to ensure the repair, replacement and maintenance of the improvements as provided in Paragraph 7.3 and the Reserve Funds as defined and provided in Paragraph 4.7, or as may from time to time be authorized by the Board of Directors and other maintenance activities or charges required by this Declaration or that which the Board of Directors determines necessary to meet the primary purpose of the Association.

4.3 BASIS AND PAYMENT OF REGULAR ASSESSMENTS. All Regular Assessments set forth in this Article IV are cumulative and shall be due and payable on or before the tenth day of each calendar quarter as follows: Each lot Owner shall pay Regular Assessments quarterly. The Regular Assessments shall be paid by all Owners, regardless of, and in addition to, any other assessments. The amount of Regular Assessments may be increased annually in the manner and amounts provided in Paragraph 4.4, below, and in such event each lot Owner shall pay the increased amount.

4.4 MAXIMUM REGULAR ASSESSMENTS AND INCREASES.

(a) After consideration of Common Expenses, current maintenance costs, and future needs of the Association, the Board of Directors may fix the Regular Assessments at an amount not in excess of the minimum amount necessary to cover these costs and anticipated needs.

(b) During each twelve months period beginning July 1 of each year, the Board of Directors, at its discretion, may increase the Regular Assessment to be no more than one hundred ten percent (110%) of the amount of the Regular Assessment in place at the end of the previous twelve-month period. The Regular Assessment may be increased to be in excess of one hundred ten percent (110%) of the Regular assessment in place at the end of the previous twelve months period with the affirmative votes of at least 67% of all Members entitled to vote at a called meeting or a canvass conducted, as allowed by Paragraph 4.6.

4.5 SPECIAL ASSESSMENTS FOR CAPITAL IMPROVEMENTS. In addition to the Regular Assessments authorized above, and with the written affirmative vote of at least 67% of all Members entitled to vote in person or by proxy at a called meeting or a canvass conducted, as allowed by Paragraph 4.6, the Association may levy, in any assessment year (as defined in Paragraph 4.9), a Special Assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction or unexpected repair or replacement of a described capital improvement upon the Common Area, including the necessary fixtures and property which are the responsibility of the Association.

4.6 NOTICE AND QUORUM FOR ANY ACTION AUTHORIZED UNDER PARAGRAPHS 4.4 AND 4.5. Written notice of any meeting called for the purpose of taking any action authorized under paragraphs 4.4 and 4.5 shall be sent to all Members not less than 30 days nor more than 50 days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast sixty-seven percent (67%) of all the votes entitled to be cast by the Members of the Association shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice and quorum requirements. In lieu of a second or any successive meeting, a door to door canvass may be used to obtain the written consent of sixty-seven percent (67%) of the Owners. The quorum requirements for Owners' meetings to consider other matters shall be set forth in the Articles and Bylaws of the Association.

4.7 RESERVE FUNDS. The Association shall establish an adequate reserve fund (the "Reserve Fund") in an amount determined by the Board of Directors from time to time for replacement of all buildings and other items for which the Association has maintenance

responsibility. The Association shall fund the Reserve Fund by allocating to it a portion of the Regular Assessments collected or other revenue received by the Association. The Board of Directors shall determine the portion of assessments and other income that will be allocated to the Reserve Fund and the minimum balance to be maintained. The Reserve Fund shall be held in an account segregated from those funds maintained for current operating expenses, and the Board of Directors shall determine the type of bank accounts into which the Reserve Fund will be deposited.

4.8 UNIFORM RATE OF ASSESSMENT. Both Regular and Special Assessments shall be fixed at a uniform rate for all Lots to which the assessments apply, regardless of location and size, and shall commence and be due in accordance with the provisions of Paragraph 4.9.

4.9 DATE OF COMMENCEMENT OF REGULAR ASSESSMENTS, DUE DATES

(a) The Regular Assessments are due and payable in advance by each Owner to the Association in four (4) equal quarterly installments.

(b) Except for the first assessment year, the Association shall fix the amount of the Regular Assessments at least 30 days in advance of each fiscal year, which shall commence on July 1 of each year and end on June 30 of the following year; provided, however, that (i) assessment increases contained in the Budget to be approved by the Owners are not subject to the foregoing 30 days' notice requirement and (ii) the Association shall have the right to adjust the Regular Assessment upon 30 days written notice given to each Owner as long as any such adjustment does not exceed the maximum permitted under Paragraph 4.4 (b) above. Written notice of the Regular Assessment shall be sent as soon as is practicable to every Owner subject thereto each time it is changed.

4.10 MANAGEMENT AGREEMENTS. The Property may be self-managed by the Association or managed by a Management Company. Each Owner hereby agrees to be bound by the terms and conditions of self-management or of management agreements entered into by the Association. Prior to the expiration of any management agreement, it shall be the duty of the Board to affect a new management agreement using a bid process. Any and all management agreements shall be for a term not to exceed three (3) years but must be terminable by the Association with or without cause upon no more than thirty (30) days written. The Management Company must be a professional and responsible party or parties with proven management skills and experience managing a project similar to the Property. Notwithstanding the foregoing or any other provision of the Dedicatory Instruments, the Board shall not determine to self-manage the Property, engage a third-party Management Company to manage the Property, nor terminate a management agreement with a Management Company without the prior approval (by vote or a written consent) of a majority of the Members entitled to cast votes. A copy of all management agreements shall be available to each Owner to review and shall comply with the foregoing. The Association shall record a Management Certificate containing the information required by Section 209.004 of the Code, as hereafter amended and replaced, and amendments to such Management Certificate each time such information changes within the time periods required by Section 209.004 of the Code, as hereafter amended and replaced.

4.11 INSURANCE REQUIREMENTS.

(a) The Association through the Board of Directors, or its duly authorized agent, shall obtain the following types of insurance policies covering the Common Area and covering all damage or injury caused by the negligence of the Association or any of its agents:

(i) property hazard insurance in an amount equal to the full replacement value of the common facilities owned by the Association (including all building service equipment and the like) affording protection against loss or damage by fire and other hazards covered by the standard extended coverage endorsement, and by sprinkler leakage, debris removal, cost of demolition, vandalism, malicious mischief, windstorm and water damage and any such other risks as shall customarily be covered with respect to projects similar in construction, location and use;

(ii) a comprehensive general public liability insurance insuring the Association, with such limits as it may consider acceptable (and not less than One Million Dollars [\$1,000,000.00] covering all claims for personal injury and/or property damage arising out of a single occurrence), such coverage to include protection against water damage liability, liability for non-owned and hired automobiles, liability for property of others and any other coverage the Association deems prudent and which is customarily carried with respect to projects similar in construction, location and use;

(iii) a policy of fidelity coverage to protect against dishonest acts on the part of officers, Directors, trustees and employees of the Association and all others who handle or who are responsible for handling funds of the Association. Such fidelity bonds shall be of a kind and in an amount not less than three (3) months assessments plus reserves;

(iv) in the discretion of the Board, a policy of Directors and Officers liability insurance in an amount determined by the Board to be sufficient protection for the Board Members; and

(v) all such policies shall be written on such available forms and contain such forms of endorsements (including additional endorsements) as may be requested from time to time by the Federal National Mortgage Association or other appropriate federal mortgage insurance agencies.

(b) Premiums for insurance authorized by this Section shall be a Common Expense payable from Regular Assessments. Liability and personal property insurance for Lots, homes and the contents shall be the responsibility of and the expense of each individual Owner.

In the event of damage or destruction by fire or other casualty to any property covered by insurance written in the name of the Association, the Board of Directors shall, upon receipt of the insurance proceeds, contract to rebuild or repair such damaged or destroyed portions of the

Property to their former condition. The Board of Directors shall advertise for sealed bids with any licensed contractors, and then may negotiate with any contractor, who shall be required to provide a full performance and payment bond for the repair, reconstruction or rebuilding of any building or other facilities which are part of the Common Area of such destroyed building or buildings. In order to handle small jobs expeditiously and efficiently, the Board may depart from the above procedure in the handling of repairs or restoration where the insurance recoverable on account of any one casualty is estimated to be \$50,000.00 or less.

In the event the insurance proceeds are insufficient to pay all costs of repairing and/or rebuilding any building or other facilities which are part of the Common Area to the condition of formerly existing, the Board of Directors may levy a Special Assessment against all Owners, as herein provided, to make up any deficiency.

(c) Any decision not to maintain fire and extended coverage on insurable Common Area on a current replacement cost basis of one hundred percent (100%) of the insurable value shall require the approval of fifty one percent (51%) of Members entitled to vote (based upon one vote per Lot).

ARTICLE V LIENS AND FORECLOSURES

5.1 LIEN; EFFECT OF NONPAYMENT OF ASSESSMENTS; REMEDIES OF THE ASSOCIATION

(a) **Creation of Lien and Personal Obligation.** In order to secure the payment of the Regular and Special Assessments, late charges, fines, interest, attorney's fees, and all other fees, fines, charges, and assessments to be paid under the Dedicatory Instruments, each Owner of a Lot in the Subdivision, by such party's acceptance of a deed thereto, hereby grants to the Association a contractual lien on such Lot, which may be foreclosed judicially or non-judicially by Expedited Foreclosure Proceeding, pursuant to the provisions of Section 209.0092 of the Code and Texas Rules of Civil Procedure Rules 735 and 736 (and any successor statutes); and each Owner hereby expressly grants the Association a non-judicial power of sale in connection therewith. The lien granted herein is created and evidenced by the recordation of this Declaration and there is no requirement to record additional documents or notices to establish or perfect the lien.

(b) **Late Fees; Interest.** If an assessment or other amount due is not paid within thirty (30) days of the date when due, then a \$20.00 late fee may be added to such delinquent assessment or other amount at the Board's discretion. If an assessment or other amount is not paid within thirty (30) days after the due date, the principal amount of the assessment or other amount due shall bear interest from date at the rate of ten percent (10%) per annum.

(c) **Notice to Junior Lienholders.** The Association may not apply for an Expedited Foreclosure Proceeding or petition for judicial foreclosure unless the Association has:

(i) provided written notice of the total amount for the delinquency giving rise to the foreclosure to any other holder (each, a "Junior Lienholder") of a lien of record on the Lot whose lien is inferior to the Association's lien and is evidenced by a deed of trust; and

(ii) provided the Junior Lienholder an opportunity to cure the delinquency before the 61st day after the date the Association mails the notice described in subsection (i), above.

Notices to the Junior Lienholder must be sent by certified mail to the address for the Junior Lienholder shown in the deed records relating to the Lot that is subject to the Association's lien.

(d) Expedited Foreclosure Proceeding. The Association may not foreclose its lien unless it complies with Section 209.0092 of the Code (and any successor statute). Generally, that section provides that the Association may not foreclose its lien unless the Association first obtains a court order in an Expedited Foreclosure Proceeding; provided, however, (i) an Expedited Foreclosure Proceeding is not required if the Owner subject to the foreclosure waives the expedited foreclosure at the time of the foreclosure and (ii) the Association may in its discretion elect not to use an Expedited Foreclosure Proceeding and instead foreclose the Association's lien by a court judgement foreclosing the lien and ordering the sale. After obtaining a court order in an Expedited Foreclosure Proceeding, the Association may proceed with a non-judicial foreclosure in compliance with the mandatory provisions of Chapter 51 of the Code and other applicable law. Owners covered by the Service Members Civil Relief Act (50 U.S.C. Section 3901 et seq.) may be entitled to certain additional protections under that Act.

(e) Alternative Payment Plan. Pursuant to Section 209.062 of the Code, the Association hereby adopts reasonable guidelines to establish an alternative payment schedule by which an owner may make partial payments for delinquent Regular or Special Assessments or any other amount owed without incurring additional penalties (other than amounts for the reasonable costs of administering the payment plan or interest). The Association hereby adopts the following guidelines with regard to alternative payment schedules for delinquent assessments and other amounts owed by an Owner:

(i) Term: The minimum term for a payment agreement shall be three months and the maximum shall be eighteen months from the date of the Owner's request for a payment plan. Subject to such minimum and maximum terms, the Association shall determine the appropriate term of the payment plan in its sole discretion.

(ii) Any and all alternative payment agreements shall be in writing and signed by the Owner and a duly authorized member of the Board of the Association.

(iii) So long as an Owner is not in default under the terms of the payment agreement, the Owner shall not incur additional monetary expenses with respect to the delinquent account; however, the Owner shall be responsible for all interest

accruing during the term of the payment plan as well as reasonable costs associated with administering the payment plan or interest.

(v) If the Owner defaults under a payment plan agreement, the account may immediately be turned over to the Association's attorney for collection. The Association shall not be required to enter into an alternative payment agreement with an Owner who failed to honor the terms of a previous payment agreement during the two (2) years following the Owner's default under the previous alternative payment agreement. At the discretion of the Association, an Owner who failed to honor the terms of a previous payment agreement may be required to waive Expedited Foreclosure Proceedings under Section 209.0092 of the Code as a condition to an additional alternative payment agreement. If, at any time the Association receives a payment from an Owner who is in default of an alternative payment agreement, the Association is not required to apply the payment in the order of priority specified by Paragraph (iv), Sections (a) through (h) above.

(vi) The Association may reduce or waive some or all of the charges addressed by this section on an ad hoc basis without waiving the right to charge such fees on future requests.

(f) Application of Payments. If at the time the Association receives a payment, the Owner is not in default under an alternative payment agreement, the Association shall apply the payment to the owner's debt in the following order of priority: (a) any delinquent assessment; (b) any current assessment; (c) any reasonable attorney's fees or reasonable third party collection costs incurred by the Association associated solely with assessments or any other charge that could provide the basis for foreclosure; (d) any reasonable attorney's fees incurred by the Association that are not subject to subsection (c); (e) reasonable any fines assessed by the Association; and (f) any other reasonable amounts owed to the Association. If, at the time the Association receives a payment, the Owner is in default under a payment plan, the Association is not bound by the foregoing payment application provisions, but may not give priority to a fine assessed by the Association over any other amount owed to the Association.

(g) Foreclosure Sale Prohibited in Certain Circumstances. The Association may not foreclose its lien for debts consisting solely of fines or attorneys' fees associated with the fines assessed, copy charges under its Open Records Policy, or any other item prohibited by § 209.009 of the Code.

(h) Lien Filing. The Association has the rights under Section 209.0094 of the Code. In addition to the right of the Association to enforce the Regular and Special Assessments and other amounts to be paid under the Dedicatory Instruments, the Association may file a claim of lien against the Lot of the delinquent Owner by recording a Notice of Lien, Lien Affidavit, or other instrument setting forth, as the Association determines (a) the amount of the claim of delinquency, (b) the interest therein, (c) the costs of collection which have accrued thereon, (d) the legal description and street address of the Lot against which the lien is claimed and (e) the name of the Owner. The Notice of Lien shall be recorded in the Official Public Records of Real Property of Tarrant County, Texas,

and is a legal instrument affecting title to a Lot, and shall be prepared by the Association's attorney. When all amounts claimed under the Notice of Lien and all other costs and assessments which may have accrued subsequent to the filing of the Notice of Lien have been fully paid or satisfied, the Association shall execute and record a notice of satisfaction of the delinquent assessment upon payment by the Owner of a reasonable fee as fixed by the Board of Directors to cover the preparation and recordation of such instrument.

(i) **Attorney's Fees.** An Owner is liable to the Association for all costs and reasonable attorney's fees incurred by the Association in collecting delinquent amounts, foreclosing the Association's lien, and enforcing the Dedicatory Instruments. On written request from the Owner, the Association will provide copies (appropriately redacted) of invoices for attorney's fees and other costs relating only to the matter for which the Association seeks reimbursement of fees and costs.

(j) **Notice After Foreclosure Sale.** The Association must send the notice(s) required by Section 209.010 of the Code when applicable with which this section is intended to comply. After the Association conducts a foreclosure sale of an Owner's Lot, the Association must send to the Owner and to each lien holder of record, not later than the thirtieth (30th) day after the date of the foreclosure sale, a written notice stating the date and time the sale occurred and informing the Lot Owner and each lienholder of record of the right of the Lot owner and lienholder to redeem the property under Section 209.010 of the Code. The notice must be sent by certified mail, return receipt requested, to the Lot Owner's last known mailing address, as reflected in the records of the Association, the address of each holder of a lien on the Lot subject to foreclosure evidenced by the most recent deed of trust filed of record in Tarrant County, Texas, and the address of each transferee or assignee of the deed of trust described above who has provided notice to the Association of such assignment or transfer. (As required in Section 209.010 (a) (3) of the Act, notice provided by a transferee or assignee to the Association shall be in writing, shall contain the mailing address of the transferee or assignee, and shall be mailed by certified mail, return receipt requested, or United States mail with signature confirmation to the Association according to the mailing address of the Association pursuant to the most recent Management Certificate filed of record.) If a recorded instrument does not include an address for the lienholder, the Association does not have a duty to notify the lienholder as provided by this section. For purposes of this section, the Lot Owner is deemed to have given approval for the Association to notify the lienholder. Not later than the thirtieth (30th) day after the date the Association sends the notice required by this section, the Association must record an affidavit in the Real Property Records of Tarrant County, Texas, stating the date on which the notice was sent and containing a legal description of the Lot. Any person is entitled to rely conclusively on the information contained in the recorded affidavit. The notice requirements of this section also apply to the sale of an Owner's Lot by a sheriff or constable conducted as provided by a judgment obtained by the Association.

(k) **Right of Redemption After Foreclosure.** Each Owner of a Lot on which the Association conducts a foreclosure sale and each lienholder on such Lot have the right to redemption set forth in Section 209.011 of the Code, with which this section is intended to comply.

(i) The Association or other person who purchases a Lot that is occupied at a foreclosure sale must commence and prosecute a forcible entry and detainer action under Chapter 24 of the Code to recover possession of the Property.

(ii) The Owner of the Lot that was foreclosed or a lienholder of record may redeem the Lot from any purchaser at a sale foreclosing the Association's lien not later than the one hundred eightieth (180th) day after the date the Association mails written notice of the sale to the Owner and the lienholder under Section 209.010 of the Code. A lien holder of record may not redeem the Lot as provided herein before ninety (90) days after the date the Association mails the written notice of the sale to the Lot Owner and the lien holder under the Act, and only if the Lot Owner has not previously redeemed.

(iii) A person who purchases a Lot at a sale foreclosing the Association's lien may not transfer ownership of the Lot to a person other than a redeeming lot owner during the redemption period.

(iv) To redeem a Lot purchased by the Association at a foreclosure sale or by a person other than the Association, the Owner of the Lot or the lienholder must pay to the Association the amounts required under Sections 209.011(d) and (e), as applicable, of the Code.

(v) If a Lot Owner or lienholder redeems the Lot that was foreclosed, the purchaser of the Lot at the foreclosure sale shall immediately execute and deliver to the redeeming party a deed transferring the Lot as required by Section 209.011(f) of the Code. If a person other than the Association purchases the Property at the foreclosure sale, before executing the deed the purchaser must obtain the affidavit required under Section 209.011(j) of the Code.

(vi) If the Association purchases the Lot at the foreclosure sale, all rent and other income collected by the Association from the date of the foreclosure sale to the date of redemption shall be credited toward the amount owed the Association as required by Section 209.011(i) of the Code.

(vii) The Lot that was redeemed remains subject to all liens and encumbrances on the Lot before the foreclosure sale, and any lease entered into by the purchaser at the foreclosure sale is subject to the right of redemption provided in this section and Owner's right to reoccupy the Lot after redemption.

(viii) If a Lot Owner makes partial payment of amounts due the Association at any time before the redemption period expires but fails to pay all amounts necessary to redeem the Lot before the redemption period expires, the Association shall refund any partial payments to the Lot Owner as required under Section 209.011(l) of the Code.

(ix) If a Lot Owner or lienholder sends by certified mail, return receipt requested, a written request to redeem the Lot on or before the last day of the

redemption period, the Owner's or lienholder's right of redemption is extended until the 10th day after the date the Association and any third party foreclosure purchaser provides written notice to the redeeming party of the amounts that must be paid to redeem the Lot.

(x) After the redemption period (as extended, if applicable) has expired without redemption, the Association or third-party foreclosure purchaser shall record an affidavit in compliance with Section 209.011(n) of the Code.

(xi) The rights of the Owner and lienholder under this section also apply if the sale of the Lot is conducted by a constable or sheriff as provided by a judgment obtained by the Association.

(l) **Removal of Foreclosure Authority.** The right to foreclose the lien on real property for unpaid amounts due to the Association may be removed by a vote of at least sixty-seven percent (67%) of the total votes allocated in the Association. Owners holding at least ten percent (10%) of all voting interests may petition the Association and require a special meeting to be called for the purposes of taking a vote for the purposes of this section. This section is required pursuant to §209.0093 of the Act, and should this provision be amended or repealed in any form, this section shall be deemed to be automatically amended or repealed in accordance therewith.

5.2 **SUBORDINATION OF THE LIEN TO MORTGAGE.** The lien securing the assessments provided for herein is subordinate to the lien of any duly recorded purchase money or first mortgage. Sale or transfer of any Lot shall not affect the lien. However, the sale or transfer of any Lot which is subject to any mortgage, pursuant to a decree of foreclosure under such mortgage or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such assessments as to payments thereof which become due prior to such sale or transfer, except for its pro-rata share resulting from a reallocation amount all Lot Owners. No sale or transfer shall relieve such Lot from liability for any assessment thereafter becoming due, according to the terms herein provided.

ARTICLE VI ARCHITECTURAL CONTROL

6.1 **PHYSICAL RESTRICTIONS.** The Architectural Review Authority ("ARA") is established as the governing authority for the review and approval of improvements within the Property in accordance with Section 209.00505 of the Code, as hereafter amended and replaced, and other applicable laws. No Dwelling Unit or other building (including outbuildings for storage or other residential uses), fence, wall or other structure that can be seen from the street shall be altered, commenced, or erected upon any Lot, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications, all in the form and detail the ARA may require, are submitted to the ARA and approved in writing as to harmony of external design, location in relation to surrounding structures and topography and compliance with the Dedicatory Instruments.

6.2 **MEMBERS.** The ARA consists of at least three (3) persons appointed by the Board, each of whom are not a current Board member, the spouse of a current Board member, or reside

in a current Board member's household. The Board may remove or replace an ARA member at any time. The ARA members shall serve until replaced by the Board or they resign.

6.3 PLAN REVIEW

(a) Procedures.

(i) Complete Submission. Within fourteen (14) days after the submission of plans and specifications by an Owner, the ARA must notify the submitting Owner of any other documents or information required by the ARA. In the absence of timely notice from the ARA requesting additional documents or other information, the submission is deemed complete.

ii. Deemed Approval. If the ARA fails to give notice of denial of the plans and specifications to the submitting Owner within ten (10) business days after complete submission, the submitted plans and specifications are deemed approved.

iii. Denial. The ARA may deny the plans and specifications within the time period set forth in the preceding subsection by written notice of denial provided to the Owner by certified mail, hand delivery, or electronic delivery. The denial shall be deemed given as of the date that the denial is placed in the mail, hand delivered, electronically delivered, as applicable. A decision of the ARA denying plans and specifications may be appealed to the Board as set forth herein. The denial notice must (A) describe the basis for the denial in reasonable detail and explain the changes, if any, to the application or improvements required as a condition for approval and (B) inform the Owner that the Owner may request a hearing before the Board under the immediately succeeding subsection on or before the date that is the thirtieth (30th) day after the date the notice is given.

(b) Appeal.

(i) Request for Hearing. An Owner may appeal any action of the ARA to the Board. In order to appeal, the Owner must make a written request for a hearing before the Board by no later than the thirtieth (30th) day after the date the notice of denial by the ARA is given. If the request is by an Owner who is not the submitting Owner, the appealing Owner must also give written notice to the submitting Owner within the same time period. If no request for a hearing is given by the thirtieth (30th) day after the date the denial by the ARA is given, there shall be no further right to appeal and the decision of the ARA shall become final and non-appealable.

(ii) Holding a Hearing. The Board shall hold a hearing on the timely made appeal by the Owner not later than the thirtieth (30th) day after the date the Board receives the Owner's timely made appeal and shall notify the Owner of the date, time, and place of the hearing not later than the tenth (10th) day before the date of the hearing. Only one hearing is required by the Board.

(iii) Hearing Proceedings. During the hearing, the Board or the designated representative of the Association and the Owner or the Owner's designated representative will each be provided the opportunity to discuss, verify facts, and resolve the disapproval of the Owner's application or request for changes, if any.

(iv) Postponement. The Board or the Owner may request one postponement of the hearing, which shall be granted for a period of not more than ten (10) days. Additional postponements shall be granted only by agreement of the Board and the Owner.

(v) Audio Recording. The Owner or the Board may make an audio recording of the hearing.

(vi) Board Decision. The Board may affirm, modify, or reverse, in whole or in part, any decision of the ARA consistent with the Dedicatory Instruments.

(c) Records. The ARA will maintain written records of all requests submitted and all actions taken. The Board will maintain written records of all appeals of ARA actions and all determinations made. Any Owner may inspect the records of the ARA and Board, except no Owner may inspect or copy the interior floor plan or security system design of any other Owner.

(d) No Liability. The Association, the Board, the ARA, and their members will not be liable to any person submitting requests for approval or to any Owner by reason of any action, failure to act, approval, denial, or failure to approve or deny any request.

6.4 STANDARDS. The Board and/or, subject to the Board's approval, the ARA may adopt standards in addition to the foregoing that do not conflict with the other Dedicatory Instruments and applicable law to carry out its purpose. These standards are not effective unless recorded with the county clerk. On request, Owners will be provided a copy of any standards.

ARTICLE VII MAINTENANCE

7.1 OWNER RESPONSIBILITY. Except for those maintenance responsibilities of the Association enumerated in Paragraph 7.3, each Owner is responsible for the maintenance and appearance of his Lot and Dwelling Unit, including, but not limited to, roofs, gutters, trim, fascia, soffits, driveways, curbs, windows/screens, and front doors. Each Dwelling Unit shall have an adequate yard sprinkler system, and each Owner is responsible for installation, maintenance and operation of their sprinkler system (including automatic operating controls). Moreover, each Owner shall operate the sprinkler system frequently enough to keep the yard, grass, shrubbery, and other plants on the Lot adequately watered. If the need for maintenance or repair of a Dwelling Unit or Lot is caused through the willful or negligent acts of its Owner or through the willful or negligent acts of the family, guests, tenants or invitees of the Owner, any costs of the exterior maintenance performed by the Association in accordance with Paragraph 7.3 shall be added to and become part of the assessment to which such Lot is subject. Notwithstanding anything contained

herein, Owner's liability for maintenance and repair is limited to that liability Owner would have under Texas law.

(a) Without affecting the interpretation of any other provision of these Declarations, for purposes of Article VII, the terms "Lot" and "Dwelling Unit" shall include but not be limited to all grass, bushes, trees, flowers and other landscaping not in the exterior, unenclosed front yard; fences and gates (both perimeter fences as well as interior fences); and outbuildings. The term "Outbuilding" shall include any and all structures whether used for occupancy or storage which are not a part of the Dwelling Unit structure.

(b) Without affecting the interpretation of any other provision of these Declarations, for purposes of Article VII, the term "Maintenance" shall include but not be limited to mowing yards to eliminate excess growth, trimming bushes to presume a good appearance and avoid overgrowth, removal and/or replacement of any dead trees, bushes, grass or other landscaping, planting of new trees a distance from the curb which is consistent with existing trees or with other new trees to be planted, planting trees of a type which are consistent with the other trees in the neighborhood, replacement of broken fence boards or gates, exterior painting or staining of the Dwelling Unit, and, if previously painted or stained, the fencing, removal of any business signs excluding reasonable size real estate for sale signs posted for purposes of selling the Lot and Dwelling Unit.

7.2 AUTHORITY OF ASSOCIATION. If any Owner fails to maintain the premises and improvements in a manner satisfactory to the Board of Directors, the Association, after approval by majority vote of the Board of Directors, shall have the right, through its agents and employees, to enter upon the Lot and to repair, maintain and restore the Lot improvements. The cost of such exterior maintenance shall be added to and become part of the assessment to which such Lot is subject.

7.3 RESPONSIBILITY OF ASSOCIATION. The Association is responsible for the following:

(a) repair, replacement and maintenance, including landscaping, irrigation, mowing and trimming, of improvements located on the Common Areas, including designated private streets and lighting, security gates and adjacent walls, swimming pool, clubhouse/cabana, and equipment.

(b) payment of all fees arising from legal, accounting, management, or maintenance services rendered on behalf of the Association; and

(c) mowing and edging the grass and trimming the shrubbery in the unenclosed portion of the front yard of each Lot.

ARTICLE VIII USE RESTRICTIONS

8.1 RESIDENTIAL USES AND LIMITATIONS. No business activities of any kind shall be conducted in any building or in any portion of any Lot; provided, however, in-home offices may be maintained within Dwelling Units as long as there is no advertising visible from outside the Dwelling Unit and there are no visitors to the Dwelling Unit in connection with the business conducted in the in-home office. Except for the Common Area, the Property is hereby restricted to residential dwellings for residential use only and, after the Effective Date, outbuildings for storage or other residential use only when approved by the ARA. The Common Area shall not be used for any commercial purposes; however, this provision shall not preclude the Association from requiring a deposit and charging reasonable fees for the use of the recreational or storage facilities which are part of the Common Area. All buildings or structures erected upon said Property shall be of new construction. No buildings or structures shall be moved from other locations onto said Property, and no subsequent buildings or structures other than Dwelling Units, and auxiliary buildings thereto as above stipulated, shall be constructed. No structures of a temporary character, including trailers, motor vehicles, tents, shacks, garages, barns or other outbuildings, shall be used to any portion of said Property at any time as a residence, either temporarily or permanently.

With respect to outbuildings for storage or other residential use, such outbuildings shall be of a location and size such that they cannot be seen by an individual driving on any street abutting the Lot. Outbuildings shall be covered with a roofing material which is the same as the roofing material on the Dwelling Unit and shall be painted the same color as the Dwelling Unit trim is painted. The exterior covering of an outbuilding shall be of a material which does not rapidly deteriorate such as HardiBoard or equal. Outbuildings shall not be located so that rain dripping off of the roof of the outbuilding falls on adjacent property owned by others and shall further be located a reasonable distance from any perimeter fencing so as to allow room for landscape maintenance on all sides of the outbuilding.

8.2 FREEHOLD ESTATE. Each Lot shall be conveyed as a separately designated and legally described freehold estate subject to the terms, conditions and provisions hereof.

8.3 DOMESTIC ANIMALS. No animals, livestock or poultry of any kind shall be raised, bred or kept on any of said Lots except that a reasonable number, consistent with a residence, of dogs, cats or other household pets may be kept, provided that they are not kept, bred or maintained for any commercial purpose and provided that their behavior, such as, excessive dog barking during the day or night, does not constitute an annoyance to neighbors of ordinary sensibilities. Owners and their family members, guests, tenants, and other invitees shall abide by any leash laws of the City of Arlington and any rules promulgated by the Board. No pets are allowed inside the pool area even on a leash.

8.4 SIGNS. No advertisement signs, billboards, or unsightly objects or nuisances shall be erected, placed or permitted to remain on the Property except as approved by the Board or required to be allowed under the Code, nor shall the Property be used in any way or for any purpose which may endanger the health or unreasonably disturb the Owner of any Dwelling Unit or any resident thereof. The ARA reserves the right to approve the design and wording of all signs, except as otherwise required to be allowed by applicable law. The Board of Directors reserves the right

to enter in and upon any Lot for the purpose of removing any sign being maintained thereon which has not been approved by the ARA or is not otherwise required to be allowed under State law. Owners may display on the Owner's Lot one "For Sale" sign of reasonable size. Notwithstanding the foregoing and any other provision of the Dedicatory Instruments, nothing herein (a) prohibits the display or affixing of any religious item to the extent it is protected by Texas Property Code Chapter 202, as amended or repealed, or by other applicable law and (b) prohibits the display by an Owner of signage advertising a candidate or measure for an election to the extent it is protected by Texas Election Code, Chapter 259, as amended or replaced, or by other applicable law.

8.5 VISUAL CONTROLS. All clotheslines, equipment, service yards or storage piles shall be kept within the patio areas or other screened areas so as to conceal them from view of neighboring Dwelling Units and streets. Garage doors shall be closed when not in use.

8.6 FENCES, HEDGES OR WALLS; USE OF PROPERTY OUTSIDE BUILDING LINES. No fences, hedges or walls shall be erected or maintained upon said Property, except such as are installed in accordance with the initial construction of the buildings located thereon or as approved by the ARA. Except for the right of ingress and egress, the Owners of the Lots are hereby prohibited and restricted from using any of said Property outside the exterior building lines, and patio area, except as therein provided or as may be allowed by the Association's Board of Directors. It is expressly acknowledged and agreed by all parties concerned that this Paragraph is for the mutual benefit and protection of all Owners of Lots in the GEORGETOWN COMMONS ADDITION.

8.7 ANTENNAS. Without prior written approval of the ARA, no exterior television or radio antennas, or satellite dishes (larger than the minimum necessary for normal and reasonable television reception) of any sort shall be placed, allowed or maintained upon any portion of the improvements upon the Property, nor upon any structure situated upon the Property.

8.8 PARKING AND STORAGE AREA RESTRICTIONS. No parking space on the Property shall, without express permission of the Board of Directors, be used for storage of boats, trailers, campers, unused or inoperable automobiles or any other items which the Board deems unsightly or inappropriate. Additional parking regulations are as follows:

(a) No overnight parking on any street or court in the Common Area. The streets are considered "Common Area". "Overnight Parking" shall mean continuous, undisturbed parking from Midnight to 6:00 a.m. the next morning.

(b) No storage of motor homes, campers, travel trailers, or other recreational vehicles, storage trailers, utility trailers, boats, other watercraft, vehicles which are inoperable or trailers used to transport personal property shall be allowed to be stored or parked other than temporarily at any time within Georgetown Commons. "Temporarily" shall mean less than twenty-four (24) hours.

(c) Parking at the pool is designated for residents and guests of residents using the cabana/pool facility for recreation or attending sanctioned Association meetings. Parking in this area by those not using the cabana/pool facilities is generally not permitted. To avoid parking on the street between midnight and 6 a.m., residents may obtain for their

guests a dated hang tag from the Vice President of the Association or any other member of the Board if the Vice President is not available. Vehicles approved for overnight parking in the poolside parking areas must display with an approved "dated hang tag" that has a currently effective date hanging from the rearview mirror with a current date facing the front windshield, or otherwise readable and prominently displayed on the vehicle.

(d) Those who, in the sole discretion of the Board of Directors, continually violate the parking or storage restrictions may have their vehicles, including but not limited to the property described in subparagraph 8.8(b) and (c), towed at the Owner's expense or may be fined, or both.

8.9 ANNOYANCE AND ILLEGAL ACTIVITY. No activity may be carried on upon any Lot that might reasonably be considered as giving annoyance to neighbors of ordinary sensibilities (including without limitation playing music loudly, barking dogs, noises from other animals, and emitting other noise that is loud, irritating, vexing, or disturbing) and which might be calculated to reduce the desirability of the Property as a residential neighborhood, even though such activity may be a hobby and not carried on for profit. No illegal activity may be carried out upon any Lot or any portion of the Common Area (including without limitation illegal drug usage and underage drinking). The Board of Directors of the Association shall have the sole and exclusive discretion to determine what constitutes an annoyance.

8.10 NON-SOLICITATION. No door-to-door solicitation is allowed by a non-Owner nor by Owners or their family members, friends or acquaintances. Owners or their direct, minor family members and minor grandchildren may solicit door-to-door under the following conditions:

(a) Door-to-door solicitation by an Owner and/or his family is limited to a total of two hours in a day and no more than five days per calendar year.

(b) Soliciting is limited to requests for contributions or the purchase of merchandise to benefit a tax exempt, nationally recognized, charitable organization, a school sponsored event or activity, a nationally recognized youth organization or a memorial fund established due to the death of an Owner or a member of the Owner's family.

ARTICLE IX EASEMENTS

9.1 ENCROACHMENTS. Each Lot and the Property included within the Common Area is subject to an easement for minor encroachments created by construction, setting, overhangs, brick ledges, balconies, fences or other protrusions designed or constructed by Declarant and for the maintenance (if any) of same, so long as it exists.

9.2 ADDITIONAL EASEMENTS. There is hereby created a blanket easement upon, across, over and under said Property for ingress and egress across the private streets for all Owners and for all utility or service companies and/or governmental agencies for installing, but not limited to, water, sewers, gas, telephones, electricity, cable television and a master television antenna system. By virtue of this easement, it shall be expressly permissible for the electric and/or

telephone company and cable company to erect and maintain the necessary poles and other necessary equipment on said Property and to affix and maintain electric and/or telephone wires, circuits and conduits and cable on, above, across and under the roofs and exterior walls of said Dwelling Units. An easement is, in addition, specifically granted to the United States Post Office, its agents and employee, to enter upon the streets and Lots in the performance of mail delivery or any other United States Post Office services. An easement is further granted to all police, fire protection, ambulance and all similar persons to enter upon the streets and Lots in the performance of their duties. Further, an easement is hereby granted to the Association, its officers, agents, employees or any Management Company duly selected by the Association, to enter into or cross over the Common Area and or any Lot to perform the duties of maintenance and repair provided herein. Notwithstanding anything to the contrary contained in this Paragraph, no sewers, electrical lines, water lines or other utilities may be installed or relocated on said Property, except as initially programmed and approved by the Declarant or thereafter approved by Declarant or the Association's Board of Directors. If a utility furnishing a service covered by the general easement herein provided requests a specific easement by separate recordable document, Declarant shall have the right during the Construction and Sales Period to grant such easement without conflicting with the terms hereof. The easements provided of or in this Article IX shall in no way affect any other recorded easement on said Premises.

9.3 UNDERGROUND ELECTRIC SERVICE. Underground single phase electric service may be available to all Dwelling Units on the aforesaid Lots and to the facilities to be constructed on the Common Area, and the metering equipment shall be located on the exterior surfaces of walls at points to be designated by the utility company. For so long as such underground service is maintained the electric service to each Dwelling Unit and Common Area facility shall be uniform and exclusively of the type known as single phase, 120/240 volt, 3 wire, alternating current. Easements for the underground service may be crossed by driveways, walkways and patio areas, provided the Declarant makes prior arrangements with the utility company furnishing such service. Such easements for the underground service shall be kept clear of all buildings and neither the Declarant nor the utility company using the easement shall be liable for any damage done by either of them or their assigns, their agents or employees to shrubbery, trees, flowers or other improvements of the Owner located on the land covered by said easements.

9.4 ASSOCIATIONS EASEMENTS. The Association hereby reserves an easement that allows access to an Owner's Lot to remedy a violation of this Declaration or other Association Dedicatory Instruments; however, the Association may not amend this Declaration or other Dedicatory Instrument to grant itself additional easements through or over an Owner's Lot without the consent of the Owner.

ARTICLE X GENERAL PROVISIONS

10.1 ENFORCEMENT. The Owners hereby adopt the Enforcement and Fines Policy for Georgetown Commons Homeowners Association, Inc. ("Enforcement Policy"), which is attached hereto as Exhibit "C" and incorporated herein. The Enforcement Policy amends and entirely replaces all previous enforcement and fines policies adopted prior to the recording of this Declaration. In addition to the provisions of the Enforcement Policy, the Association, or any Owner, may enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants,

reservations, liens and charges now or hereafter imposed by the provisions of this Declaration, the Bylaws, Articles of Incorporation, and the other Dedicatory Instruments. Failure by the Association or by any Owner to enforce any covenant or restriction contained herein or in any of the other Dedicatory Instruments shall in no event be deemed a waiver of the right to do so thereafter.

10.2 SEVERABILITY. If any provision hereof or of any other Dedicatory Instrument is held to be illegal, invalid or unenforceable under applicable laws, then such provision shall be fully severable, and this Declaration or the other Dedicatory Instrument, as applicable, shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof or thereof. Further, the remaining provisions hereof shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom or therefrom. Furthermore, in lieu of such illegal, invalid or unenforceable provision, there shall be automatically added as part of this Declaration or the other Dedicatory Instrument, as applicable, a provision as similar in its terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable. Without limiting the foregoing, this Declaration is intended to comply with applicable law, including without limitation Chapter 209 of the Code, and shall be construed to be in compliance therewith.

10.3 AMENDMENT.

(a) The covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association, the Declarant, its successors or assigns, so long as it owns a Lot, or the Owner of any Lot subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of 30 years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended at any time by an instrument signed by Owners entitled to cast not less than sixty-seven percent (67%) of the votes outstanding in the Association. Any amendment must be properly recorded in the Deed Records of Tarrant County, Texas.

(b) Neither the Association nor the Owners may, by act or omission, abandon or terminate the legal status of the rights and obligations set forth in this Declaration (for reasons other than substantial destruction or condemnation of the Property) unless at least sixty-seven percent (67%) of First Mortgagees (based on one vote per Lot) give their prior written approval.

10.4 LEASES. The Owners hereby adopt the Leasing Policy for Georgetown Commons Homeowners Association, Inc. ("Leasing Policy"), which is attached hereto as Exhibit "B" and incorporated herein. The Leasing Policy amends and entirely replaces all previous leasing policies adopted prior to the recording of this Declaration. In addition, the Board of Directors has the authority to regulate the leasing of property, including Lots and Dwelling Units, at the Property and may issue one or more additional rules and regulations consistent with the Leasing Policy and the other Dedicatory Instruments. The terms of each lease are subject to the provisions of the Leasing Policy and the other Dedicatory Instruments as hereafter amended and replaced, and any additional rules and regulations issued by the Board of Directors. Any violation by a party to a lease of any provision of the Leasing Policy, the other Dedicatory Instruments, or any rules and

regulations adopted by the Board will be a default under the terms of the lease and each lease must expressly provide this.

10.5 GENDER AND GRAMMAR. The singular wherever used herein shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations or individuals, men or women, in all cases shall be assumed as though fully expressed in each case.

10.6 CONDEMNATION. If all or any part of the property is taken or threatened to be taken by eminent domain or by power in the nature of eminent domain (whether permanent or temporary), the association shall serve as the exclusive representative of the owners, as their attorney-in-fact hereby appointed, in any proceedings, negotiations, settlements or agreements incident thereto. The Association shall give timely written notice of the existence of such proceedings to all Owners known to the Association to have an interest in any Lot or Dwelling Unit. The expense of participation in such proceedings by the Association shall be borne by the fund for the Common Expenses. The Association is specifically authorized to obtain and pay for such assistance from attorneys, appraisers, architects, engineers, expert witnesses and other person as the Association in its discretion deems necessary or advisable to aid or advise it in matters relating to such proceedings. All damages or awards for such taking shall be allocated as is reasonable and equitable, taking into account all the relevant facts and circumstances. In the event that an action in eminent domain is brought to condemn a portion of the Common Area, the Association, in addition to the general powers set out herein, shall have the sole authority to determine whether to defend or resist any such proceeding, to make any settlement with respect thereto, or to convey such property to the condemning authority in lieu of such condemnation proceeding. With respect to any such taking, all damages and awards shall be determined for such taking as a whole and not for each Owner's interest therein. After the damages or awards for such taking are determined, such damages or awards shall be paid to the account of each Owner, if any, as is reasonable and equitable, taking into account all the relevant facts and circumstances. The Association, if it deems advisable, may call a meeting of the Owners, at which meeting the Owners by a majority vote shall decide whether to replace or restore as far as possible, the Common Area should be replaced or restored by obtaining other land or building additional structures, this Declaration and the property description(s) attached hereto shall be duly amended by instrument executed by the Association on behalf of the Owners.

10.7 EXECUTION BY COUNTERPARTS. This Declaration may be executed by the parties in several counterparts and all such counterparts so executed shall together be deemed to constitute one final agreement when all parties have signed and delivered a counterpart with the same effect as if one counterpart had been signed by all parties, and each such partially signed counterpart shall be deemed to be an original.

An existing First Lienholder at the date of the recording of this Declaration shall not be deemed bound by this Declaration unless and until it has executed and acknowledged a counterpart signature page respecting that particular Lot and the same has been recorded in the Deed Records of Tarrant County, Texas as a part of the recording or is thereafter so recorded.

Multiple copies of the Declaration need not be recorded, and it shall be deemed fully effective when there is a copy with sufficient executed and acknowledged signature pages of

individual Lot Owners is recorded in the Real Property Records of Tarrant County, Texas, with or without consents of the First Lienholder.

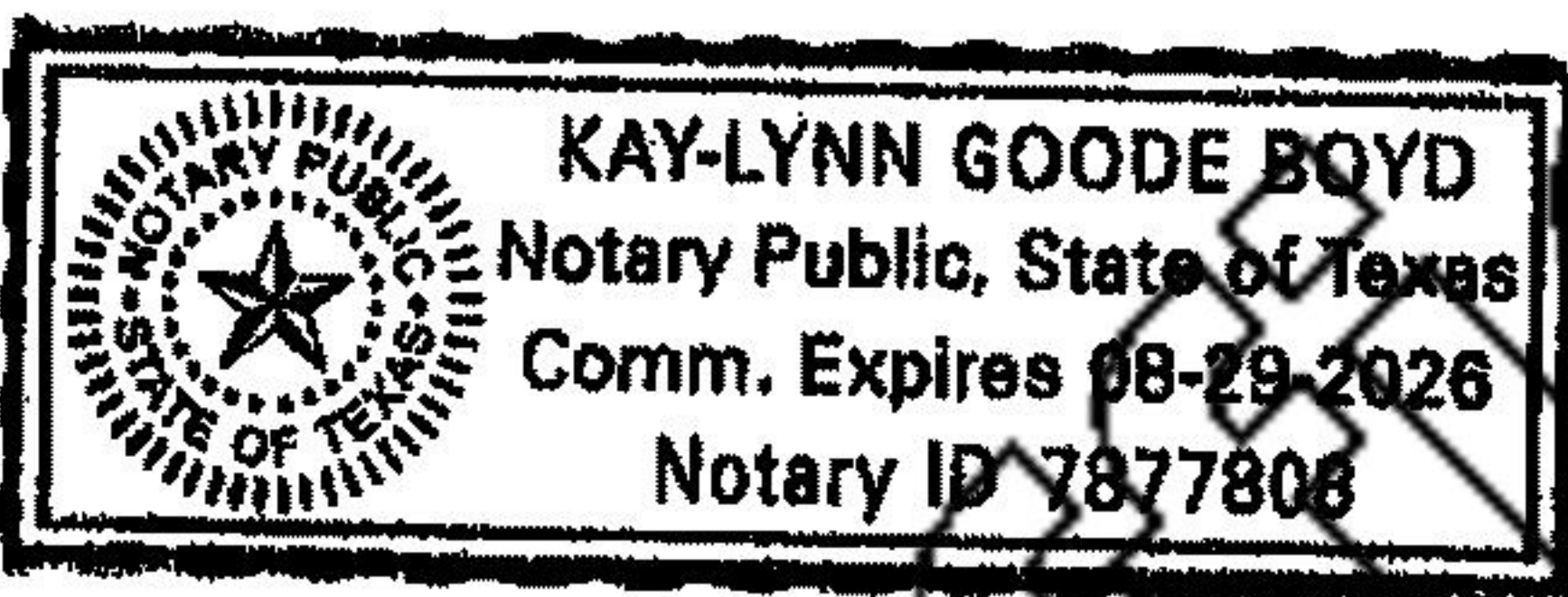
IN WITNESS WHEREOF, the Association, acting through its duly authorized President, signed this instrument this 17 day of July, 2024.

GEORGETOWN COMMON HOMEOWNERS ASSOCIATION, INC.

By: Karen Mullikin
Name: Karen Mullikin
Title: President

STATE OF TEXAS §
 §
TARRANT COUNTY §

The foregoing instrument was acknowledged before me on the 17th day of July, 2024, by Karen Mullikin, President of Georgetown Commons Homeowners Association, Inc.



K. Boyd
Notary Public in and for the State of Texas

EXHIBIT "A"

Lots 1 through 30 and Lot 55, Block 1, and Lots 1 and 2, Block 2, GEORGETOWN COMMONS, SECTION ONE, and Addition to the City of Arlington, Tarrant County, Texas, according to the Plat recorded in Cabinet A, Slide 1799, Plat Records, Tarrant County, Texas; and Lots 31 through 54, and Lot 56, Block 1; and Lots 3 through 14, Block 2, GEORGETOWN COMMONS, SECTION TWO, an Addition to the City of Arlington, Tarrant County, Texas according to the Plat recorded in Cabinet A, Slide 3627, Plat Records, Tarrant County, Texas.

LOT A AS SHOWN ON SAID PLAT IS INTENTIONALLY OMITTED FROM THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS.

Unofficial Copy

EXHIBIT "B"**LEASING POLICY****FOR****GEORGETOWN COMMONS ASSOCIATION**

(ALSO REFER TO ARTICLE IX, PARAGRAPH 9.4 OF THE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF GEORGETOWN COMMONS, ADDITION TO WHICH THIS POLICY IS APPENDED, FOR ADDITIONAL LEASING POLICIES)

WHEREAS, the property encumbered by this leasing policy ("Leasing Policy") is all of the property encumbered by the Third Amended and Restated Declaration of Covenants, Conditions and Restrictions of Georgetown Commons Addition ("Declaration") to which this Leasing Policy is appended, located in the Georgetown Commons Subdivision (the "Subdivision") (also referred to as the "Property" in the Declaration"); and

WHEREAS, pursuant to the Dedicatory Instruments the Owners adopt this Leasing Policy to establish a uniform and systematic procedure regarding the leasing of Dwelling Units within the Subdivision.

NOW, THEREFORE, the following policy shall be and is hereby adopted by the Board on behalf of the members of the Association and shall run with the land and be binding on all Owners and Lots within the Subdivision. This policy replaces any previously recorded or implemented policy or guidelines that address the subjects contained herein.

Leasing Policy**1. Defined Terms**

In addition to terms defined elsewhere herein, as used in this Leasing Policy, the following terms have the following meaning:

"Lease" or "Leasing" can be used as a noun or verb and means the occupancy or act of occupying (through a lease, license, or other right) of all or any part of a Dwelling Unit of a Lot by any person or entity (other than the Owner) for which the Owner directly or indirectly receives any consideration or benefit, including, but not limited to, rent, fees, services, gratuities, and emoluments.

"Occupant" means tenants or lessees pursuant to a Lease, including their family members, guests and invitees, as applicable.

Other capitalized terms used but not defined in this Leasing Policy have the meaning given them elsewhere in the Declaration.

2. Limitation of Leasing to Two (2) Lots in the Subdivision at any Time.

(a) A maximum of two (2) Lots shall be allowed to be Leased at any one time in the entire Georgetown Commons Subdivision. Additionally, Leasing of a Lot is permitted only in strict accordance with this Leasing Policy and the other Dedicatory Instruments, as amended and replaced.

(b) The Association will keep a record of the Lot(s) that are then being Leased and will make the record available to the Owners upon request. In order to Lease a Lot, prior to entering into any Lease, an Owner must first consult with the Association to ascertain whether less than two (2) Lots are then subject to a Lease. If less than two (2) Lots are then being Leased, the Owner may then apply to the Association to Lease the Owner's Lot. As part of the application process the Owner must provide to the Association all information about the proposed Leasing that the Association requests, including to confirm compliance with this Leasing Policy and the other Dedicatory Instruments. The Association will consider multiple applications to Lease a Lot on a first-come, first-served basis. If the Owner is in compliance with this Leasing Policy and the other Dedicatory Instruments in effect at that time, the Association will designate the Owner as being entitled to Lease the Owner's Lot; provided, however, if the Owner does not enter into a Lease of the Owner's Lot within 60 days after such designation, the designation will automatically expire and the Owner must reapply to Lease the Owner's Lot as a new application. The Board may establish additional rules and regulations concerning applications to Lease and Leasing.

(c) After an Owner Leases the Owner's Lot in compliance with this Leasing Policy and the other Dedicatory Instruments, the Owner will be entitled to renew and extend the Lease and to enter into additional Leases for the Lot in compliance herewith only if:

(i) the Owner, the tenant under the Lease, and all Occupants are in compliance with this Leasing Policy and the other Dedicatory Instruments, including without limitation the payment of all assessments by the Owner;

(ii) the Owner provides the Association with written notice at least thirty (30) days prior to the expiration of the current term of each Lease of whether the Lease will be renewed; and

(iii) upon the expiration of the term of each Lease, the Lot is re-leased within ninety (90) days thereafter.

If any of the foregoing does not occur, the Owner will not be entitled to renew and extend the Lease or to enter into an additional Lease for the Lot, and, in order to do so, must reapply as a new application with the Association to Lease the Owner's Lot as set forth above.

(d) If an Owner who is Leasing the Owner's Lot sells the Lot that is subject to the Lease, the right to Lease the Lot shall expire at the end of the then current term of the Lease then in effect for the Lot, plus any then-existing renewal rights that are in writing and part of the Lease which are thereafter validly exercised, and the new Owner of the Lot will not have the right to renew and extend the Lease further or to enter into a new Lease of the Lot. After the expiration of the existing Lease, the new Owner of the Lot must meet the one (1) year occupancy requirement for the Dwelling Unit of the Lot set forth below before the Owner may apply to Lease the Lot.

(e) Notwithstanding the foregoing, in short term emergency situations, the Board, at its discretion, may approve a variance to exceed the maximum number of Dwellings that can be leased at one time.

3. Leasing Parameters. In addition to the foregoing, the following restrictions also apply to the Lease of a Lot:

(a) Prior to Leasing a Lot, the Owner must reside in the Dwelling Unit of the Lot for a minimum of one (1) year before Leasing the Lot.

(b) Each Lease must:

(i) be in writing, signed by both the Owner (or its agent) and the tenant. Oral Leases are not permitted;

(ii) be for the entire Lot;

(iii) provide that the Unit Dwelling may be occupied by only one single family, as defined in the Declaration, and may be used only for residential purposes;

(iv) be for at least six (6) months (there is no maximum term limit);

(v) provide that the tenant thereunder may not sublease or assign the Lease;

(vi) provide that the tenant under the lease and all Occupants of the Lot are bound by this Leasing Policy, as well as the Association's Rules and Regulation and other Dedicatory Instruments;

(vii) contain the agreement of landlord and tenant under the Lease that the tenant has been advised of the requirements of this Leasing Policy and provided with a copy of or access to this Leasing Policy and the other Dedicatory Instruments; and

(viii) contain such other terms as the Association may prescribe from time to time.

(c) Within 10 days of a Lease being signed, the Owner of the Lot shall provide the Association with the following:

(i) the contact information for the tenant(s) under the Lease and all Occupants(s) of the Lot, including the names and phone numbers, and

(ii) the commencement date and term of the Lease.

(d) Subject to the limitations contained herein, if the Owner complies with all of the requirements of this Leasing Policy and the other Dedicatory Instruments, the Board will give the Owner written permission to enter into Leases of his Lot so long as he/she stays in compliance with the Leasing Policy.

Additional Provisions.

(a) Prior to any tenant occupying a Lot, the Owner of the Lot shall provide the tenant, at a minimum, a physical copy of the Declaration, the Bylaws, the Rules and Regulations, and this Leasing Policy. On request, the Association will provide a pool key, gate code and Association contact information.

(b) All Occupants shall be subject to the terms and conditions of the Dedicatory Instruments, Association's Rules and Regulations and Leasing Policy as though such Occupant were an Owner. All provisions of the Dedicatory Instruments which govern the conduct of Owners of a Lot and which provide for sanctions against Owners shall also apply to Occupants of a Lot even though such Occupants are not specifically mentioned.

(c) Each Owner Leasing a Lot agrees to cause his or her tenant and all Occupants of the Lot to comply with the Dedicatory Instruments. The Owner shall also be responsible and liable for all violations and losses caused by such tenant or Occupants, notwithstanding the fact that such tenant and Occupants also are fully liable for any such violation.

(d) If an Owner Leases his Lot, such Owner shall not have a right to use the Common Area (with the exception of the private streets within the Subdivision) during the term of the Lease.

(e) No dwelling may be occupied by more than one single family, as defined in the Declaration. Further, a Dwelling may only be Leased for residential purposes.

(f) Notwithstanding any other provisions of this Leasing Policy or any of the other Dedicatory Instruments, no Lot may be Leased or otherwise used for transient housing, including but not limited to, hotel, motel, tourist home, tourist house, tourist court, lodging house, inn, rooming house, bed and breakfast, vacation rentals, party rentals, boarding house, "Airbnb", "Home Away", "VRBO", or other short term rental services, and such uses are strictly prohibited and will conclusively be considered a business use prohibited by the Declaration and this Leasing Policy and a violation of the Declaration and the other Dedicatory Instruments.

(g) Notwithstanding anything contained herein to the contrary, no Lot or Unit Dwelling may be used for a Timeshare Plan or put to Timeshare Use, as those terms are defined in Chapter 221 of the Code, as amended and replaced.

(h) The Leasing of a Lot or any part thereof that is not in compliance with the provisions of this Leasing Policy or the other Dedicatory Instruments constitutes a violation of the Dedicatory Instruments.

(i) Owners leasing their property are advised to have criminal background checks and rental history reports performed for new tenants.

(j) Any exceptions to Section 10.4 of the Declaration or this Leasing Policy shall require a unanimous vote of the Board.

(k) The Board may, in compliance with the Bylaws and other Dedicatory Instruments, appoint a committee and delegate any of its powers and responsibilities under this Leasing Policy to such committee.

(l) This Leasing Policy and the Dedicatory Instruments are intended to comply with applicable law, including without limitation Chapter 209 of the Texas Property Code, and shall be construed to be in compliance therewith.

(m) If any provision hereof is held to be illegal, invalid or unenforceable under applicable laws, then such provision shall be fully severable, and this Leasing Policy shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof. Further, the remaining provisions hereof shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom. Furthermore, in lieu of such illegal, invalid or unenforceable provision, there shall be automatically added as part of this Leasing Policy, a provision as similar in its terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

EXHIBIT "C"

**ENFORCEMENT AND FINE POLICY
FOR GEORGETOWN COMMONS ASSOCIATION**

(ALSO REFER TO ARTICLE IX, PARAGRAPH 9.1 OF THE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF GEORGETOWN COMMONS, TO WHICH THIS POLICY IS APPENDED, FOR ADDITIONAL ENFORCEMENT AND FINES POLICIES)

WHEREAS, the property encumbered by this enforcement and fine policy ("Enforcement Policy") is all of the property encumbered by the Third Amended and Restated Declaration of Covenants, Conditions and Restrictions of Georgetown Commons Addition ("Declaration") to which this Enforcement and Fine Policy is appended, located in the Georgetown Commons Subdivision (the "Subdivision") (also referred to as the "Property" in the Declaration); and

WHEREAS, pursuant to the Dedicatory Instruments the Owners adopt this Enforcement Policy to establish a uniform and systematic procedure regarding the enforcement (including the authority of the Association to issue fines) of the Dedicatory Instruments.

NOW, THEREFORE, the following policy shall be and is hereby adopted by the Board on behalf of the members of the Association and shall run with the land and be binding on all Owners and Lots within the Subdivision. This policy replaces any previously recorded or implemented policy or guidelines that address the subjects contained herein.

Enforcement Policy

1. Defined Terms

Capitalized terms used but not defined in this Enforcement Policy have the meaning given them elsewhere in the Declaration.

2. Enforcement of Dedicatory Instruments Generally

The Association has all of the rights and remedies under applicable law, both at law and in equity, to enforce the Dedicatory Instruments, whether listed herein or not, including the right to assess fines. In addition to other remedies that may be available to the Association pursuant to Texas law, there are two different types of enforcement procedures that may be followed regarding violations of the dedicatory instruments. These two procedures are outlined in this Enforcement Policy to provide Owners with a better understanding of the process of Dedicatory Instrument enforcement and fines. As set forth below, the type of enforcement procedure followed depends on whether a violation of the Dedicatory Instruments is considered by the Association (1) uncurable *and/or* poses a threat to public health or safety or (2) curable *and* does not pose a threat to public health or safety.

The Texas Property Code provides that a violation is considered a threat to public health or safety if the violation could materially affect the physical health or safety of an ordinary resident. The Association, acting through the Board in its sole discretion, will determine whether a potential violation is considered a threat to public health or safety only for purposes of enforcement under this Enforcement Policy, and the Association and its Board are under no duty to the Owners or anyone else to determine whether a threat to public safety or health exists. It is the responsibility of each Owner (and not of the Association or Board) to assure that the Lot owned by the Owner is safe.

The Board has the authority, in its sole discretion, to make the ultimate determination as to which enforcement procedure is followed, if at all. Furthermore, the Board has the authority to make the ultimate determination, in its sole discretion, of whether a violation of the Dedicatory Instruments is curable, uncurable and/or poses a threat to public health or safety. Nothing contained herein, not otherwise required by the Declaration or other Dedicatory Instruments, requires the Board to take any of the specific actions contained herein. The Board has the right, but not the obligation, to evaluate each violation on a case-by-case basis as it, in its sole discretion, deems appropriate.

3. Enforcement Regarding Curable Violations that do not Pose a Threat to Public Health or Safety

By way of illustration and not limitation, examples of *curable* violations set forth in the Texas Property Code are: (i) a parking violation, (ii) a maintenance violation, (iii) the failure to construct improvements or modifications in accordance with approved plans and specifications, and (iv) an ongoing noise violation such as a barking dog.

In the instance of a violation that the Association, acting through the Board, determines to be both curable and does not pose a threat to public health or safety, Owners will be given a reasonable time to cure violations of the Dedicatory Instruments, as set forth in more particular detail below. The time period given may vary in relation to the difficulty, planning and expense associated with rectifying the violation which shall be determined in the sole discretion of the Board. Additionally, the Board may, in its sole discretion, take into consideration the specific circumstances and the overall effect of the violation on the community when determining the time period to cure such violation, but in no event shall the Board be responsible or required to consider such factors. If an Owner is unable to correct the violation within the time specified after exercising good faith and diligent efforts, a written request for an extension may be submitted by the Owner to the Board, and such request may be, but is not required to be, approved by the Board.

The Board, in its sole discretion, has the option to send notices concerning a violation that is both curable and does not pose a threat to public health or safety as follows:

- (a) **COURTESY LETTER**: The Association, acting through the Board, has the discretion (but is not required) to send a Courtesy Letter to the Owner of the violation, stating a description of the violation and requesting that the Owner cure the violation within a stated time period. The Association is not required to send a Courtesy Letter.

(b) **VIOLATION LETTER**: After the expiration of the Courtesy Letter, if one is sent, or upon the next inspection, if the violation has not been corrected, a Violation Letter may (but is not required to) be sent to the Owner. Depending on the severity of the violation and/or the history of the Owner, this may be the first letter sent as determined by the Association. The Association is not required to send a Violation Letter. If sent, the Violation Letter will state:

- (i) A description of the violation(s);
- (ii) The action required to correct the violation(s);
- (iii) The time by which the violation must be corrected; and
- (iv) That if the violation is not corrected within the time provided or if there is a subsequent violation of the same restriction, or a violation of any other Dedicatory Instrument, that a fine may be imposed.

(c) **DEMAND LETTER**: Either upon initial verification of a violation, or after the expiration of the time period stated in the Courtesy Letter and/or Violation Letter, if sent, a Demand Letter may be sent to the Owner by the Association, acting through the Board. This letter will be sent by certified mail, returned receipt requested, to the Owner's last known address as shown on the Association's records. The Demand Letter may be also sent by any other method of mailing for which evidence of mailing is provided by the United States Postal Service or a common carrier to the Owner's last known address as shown on the Association's records as well as by any other method that the Board determines that the Demand Letter may be received by the Owner. Depending on the severity of the violation and/or the history of previous violations on the Owner's property, this may be the first letter sent (rather than a Courtesy Letter and/or a Violation Letter) as determined in the sole discretion of the Board.

The Demand letter for violations of the dedicatory instruments that are curable AND do not pose a threat to public health or safety will state:

- (i) **Violation**: A description of the violation(s) that is the basis for the suspension action, charge, or fine and any amount due the Association;
- (ii) **Right to Cure**: The Owner is entitled to a reasonable period to cure the violation and avoid the fine or suspension;
- (iii) **Time to Cure**: A specific date, which must be a reasonable period to cure, by which the Owner must cure the violation. If the Owner cures the violation before the date specified, a fine may not be assessed for the violation;
- (iv) **Right to Request Hearing**: Owner may request a hearing before the Board or a designated committee, such request to be made in writing on or before the 30th day after the date the notice was mailed to the Owner, and if the hearing is held before a designated committee, there will be a right to appeal the decision of that committee to the Board upon written notice to the Board;

(v) Timing and Notice of Hearing: If requested, a hearing shall be held not later than the 30th day after the date the Board receives the Owner's written request for a hearing. Notification of the date, time and place of the hearing will be sent not later than the 10th day before the hearing. If a postponement of the hearing is requested by either the Board or the Owner, it must be granted for a period of not more than 10 days. Any additional postponement may be granted by agreement of the parties. If any Owner chooses to appear at the hearing with counsel, the Owner shall notify the Board a minimum of fourteen (14) days prior to the date of the hearing. The Association and Owner shall follow the procedures set forth in Section 209.007 of the Texas Property Code, including the provision by the Association to the Owner of a packet containing all documents, photographs, and communications relating to the matter that the Association intends to introduce at the hearing at least ten (10) days before the hearing;

(vi) Hearing not Requested--Timeframe to Cure Violation: If Owner chooses not to request a hearing, the violation must be cured within the timeframe set forth in the Demand Letter. Fines, suspension of right to use common areas, and other remedies available to the Association may be implemented after the expiration of the 30-day timeframe provided to the Owner to request a hearing;

(vii) Active Military Duty: Owner may have special rights or relief related to the enforcement action under federal law, including the Servicemembers Civil Relief Act (50 U.S.C.App. Section 501 et seq.), if the Owner is serving on active military duty;

(viii) Association Remedies: Owner shall be liable for, and the Association may collect reimbursement of reasonable attorney's fees and other reasonable costs incurred by the Association after the conclusion of a hearing, or, should a hearing not be requested, after the date by which the Owner must request a hearing. Said attorney's fees and costs shall be charged to the Owner's Assessment account. Additionally, the Association may, but is not obligated to, exercise its self-help remedy pursuant to the terms set forth in the Declaration and any costs associated with same shall be the personal obligation of the owner and are supported by the lien created in the Declaration. Further, rights to access common areas may be suspended.

In addition to charging fines, the Association reserves its right under any Dedicatory Instrument and under Texas Law, to file a lawsuit for damages and injunctive relief, and pursuant to Section 202.004(c) of the Texas Property Code, a court in such a lawsuit may assess civil penalties of up to \$200.00 per day for each violation of a restrictive covenant. After the conclusion of a hearing, or, should a hearing not be requested, after the date by which the Owner must request a hearing, per the Board's direction a matter may be sent to legal counsel for the Association; and

(ix) Notice of Dedicatory Instrument Violation: A Notice of Dedicatory Instrument Violation may be recorded in the real property records should the violation not be cured within the specified time.

4. Enforcement Regarding Violations that are Uncurable and/or that Pose a Threat to Public Health or Safety.

In the sole discretion of the Board acting on behalf of the Association, Owners may not be given time to cure violations of the Dedicatory Instruments that are considered uncurable and/or pose a threat to public health or safety as determined by the Board in its sole discretion. By way of illustration and not limitation, a violation is considered uncurable if the violation has occurred but is not a continuous action or a condition capable of being remedied by affirmative action. The non-repetition of a one-time violation or other violation that is not ongoing is not considered an adequate remedy. By way of illustration and not limitation, examples of acts considered uncurable set forth in the Texas Property Code are: (i) shooting fireworks, (ii) an act constituting a threat to public safety, (iii) a noise violation that is not ongoing, (iv) property damage, including the removal or alteration of landscape, and (v) holding a garage sale or other event prohibited by a Dedicatory Instrument.

(a) **DEMAND LETTER**; Either upon initial verification of an uncurable violation and/or threat to public health or safety, a Demand Letter may be sent to the Owner. This letter will be sent by certified mail, return receipt requested to the Owner's last known address as shown on the Association's records. The Demand Letter may be also sent by any other method of mailing for which evidence of mailing is provided by the United States Postal Service or a common carrier to the Owner's last known address as shown on the Association's records as well as by any other method that the Board determines that the Demand Letter may be received by the Owner.

The Demand Letter for violations of the dedicatory instruments that are uncurable and/or pose a threat to public health or safety will state:

(i) **Violation**: A description of the violation(s) or property damage that is the basis for the suspension action, charge, or fine and any amount due the Association;

(ii) **Right to Request Hearing**: Owner may request a hearing before the Board or a designated committee, such request to be made in writing on or before the 30th day after the date the notice was mailed to the Owner, and if the hearing is held before a designated committee, there will be a right to appeal the decision of that committee to the Board upon written notice to the Board;

(iii) **Timing of Notice and Hearing**: If requested, a hearing shall be held not later than the 30th day after the Board receives the Owner's written request for a hearing. Notification of the date, time, and place of the hearing will be sent not later than the 10th business day before the hearing. If a postponement of the hearing is requested by either the Board or the Owner, it must be granted for a period of not more than 10 days. Any additional postponements may be granted by agreement of the parties. If any Owner chooses to appear at the hearing with counsel, the Owner shall notify the Board a minimum of fourteen (14) days prior to the date of the hearing;

(iv) Hearing not Requested: Regardless of whether the owner chooses to request a hearing, fines, suspension of right to use common areas, and other remedies available to the Association may be implemented after the mailing of the Demand Letter;

(v) Active Military Duty: Owner may have special rights or relief related to the enforcement action under federal law, including the Service Members Civil Relief Act (50 U.S.C.App.Section 501 et seq.), if the owner is serving on active military duty;

(vi) Association Remedies: Owner shall be liable for, and the Association may collect reimbursement of reasonable attorney's fees and other reasonable costs incurred by the Association. Said attorney's fees and costs shall be charged to the Owner's Assessment Account. Additionally, the Association may, but is not obligated to, exercise its self-help remedy pursuant to the terms set forth in the Declaration and any costs associated with the same shall be the personal obligation of the Owner and are supported by the lien created in the declaration. Further, rights to access Common Areas may be suspended.

In addition to charging fines, the Association reserves its right under any Dedicatory Instrument and under Texas law, to file a lawsuit for damages and injunctive relief, and pursuant to Section 202.004(c) of the Texas Property Code, a court in such a lawsuit may assess civil penalties of up to \$200.00 per day for each violation of a restrictive covenant. Per the Board's direction the matter may be sent to legal counsel for the Association; and

(vii) Notice of Dedicatory Instrument Violation: A Notice of Dedicatory Instrument Violation may be recorded in the real property records should the violation not be cured within the specified time frame.

5. Subsequent Similar Violations:

If an owner has a violation within six (6) months after receiving a Demand Letter pursuant to Section A or B herein, for a previous, similar violation, fines may be implemented or use of Common Areas may be suspended for the subsequent violation without sending another Demand Letter to the Owner.

6. Notice to Cure Payment Delinquency; Payment Plans.

(a) If an Owner is delinquent in making payment of a Regular or Special Assessment or other amount, the Owner is entitled to request a payment plan pursuant to Article V of the Declaration.

(b) Except as set forth in Article V of the Declaration, the Association is not required to enter into a payment plan with an Owner who is delinquent in paying Regular or Special Assessments or other amounts.

7. Fines

After a Demand Letter (if required) has been sent to the Owner pursuant to the terms set forth above, the Association, acting through the Board, is authorized to impose fines for violations of any provisions of the Dedicatory Instruments governing the Subdivision, as set forth below, according to the Fine Schedule ("Fine Schedule") attached hereto as Schedule A and incorporated herein. If the violation is a similar subsequent violation of one that has occurred within the previous six (6) months, the fine may accrue as of the first (1st) date of the subsequent violation. The Board shall determine, in its sole discretion, whether or not an Owner's violation(s) of the Dedicatory Instruments affects other Owners in the Subdivision.

Notwithstanding the fine schedule above, the Board has the authority to set the amount of the fine as it reasonably relates to the violation of the Dedicatory Instruments, taking into consideration the number of Owners affected by the violation. The Board is hereby authorized to impose lesser or greater fines, or no fine at all, for a violation of the Dedicatory Instruments, as determined by the Board in its sole discretion. Each day that such violation continues may be considered to be a new violation and subject to a fine for violation.

Fines against an Owner will be assessed against the Owner's Lot. The Owner will be responsible for the actions of all residents, guests and invitees of the owner and any fines against such residents, guests and invitees will also be assessed against the Owner's Lot.

8. Credit Reporting.

As used herein, "collection agent" means a debt collector, as defined by Section 803 of the federal Fair Debt Collection Practices Act. The Association must comply with Sections 209.0064 and 209.0065 of the Code (and any successor statute) with respect to using collection agents, with which this section is intended to comply.

(a) The Association and its collection agency has the authority to report to credit reporting services an Owner's delinquent fines, fees, and assessments as follows:

(i) The Association may not report any delinquency that is the subject of a pending dispute between the Owner and the Association.

(ii) The Association may report the delinquent payment history of assessments, fines, and fees of an Owner to a credit reporting agency if: (A) at least thirty (30) business days before reporting a credit reporting agency service, the Association sends, via certified mail, hand delivery, electronic delivery, or by other delivery means acceptable between the parties, a detailed report of all delinquent charges owed; and (B) the Owner has been given the opportunity to enter into a payment plan.

(iii) The Association may not charge a fee to an Owner for reporting to a credit reporting agency under this section; however, the Association may charge an Owner a fee for the fees of the collection agency in compliance with Section 209.0064 of the Texas Property Code, as hereafter amended and replaced.

(b) The Association may not hold an Owner liable for fees of a collection agent unless the Association first provides written notice by certified mail, return receipt requested, to the Owner that: (i) specifies the delinquent amount and the total amount of the payment required to make the account current, (ii) describes the options Owner has to avoid having the account turned over to a collection agent, including the availability of a payment plan, (iii) provides at least forty-five (45) days for the Owner to cure the delinquency before further collection action is taken. The notice required in this subsection may be combined with the notice required in the immediately preceding subsection.

(c) Owners are not liable for costs that are dependent or contingent on amounts recovered, or under an agreement that does not require the Association to pay all fees for the action taken by the collection agent.

(d) An agreement between the Association and a collection agent may not prohibit an Owner from contacting the Association's Board of Directors or Managing Agent regarding their delinquency.

(e) The Association shall not sell or transfer its interest in accounts receivable except for the purpose of collateral for a loan.

9. Additional Provisions.

(a) This Enforcement Policy and the procedures herein do not limit the rights of the association to file suit or a counterclaim seeking or to obtain an award of a temporary restraining order, temporary or permanent injunction or other equitable relief, damages, recovery of assessments, judicial or nonjudicial foreclosure, self-help remedy, or other right or remedy.

(b) The Board may establish additional rules and regulations concerning enforcement of the Dedicatory Instruments in compliance with the Dedicatory Instruments and applicable law.

(c) This Enforcement Policy and the Dedicatory Instruments are intended to comply with applicable law, including without limitation Chapter 209 of the Texas Property Code, and shall be construed to be in compliance therewith.

(d) If any provision hereof is held to be illegal, invalid or unenforceable under applicable laws, then such provision shall be fully severable, and this Enforcement Policy shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof. Further, the remaining provisions hereof shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom. Furthermore, in lieu of such illegal, invalid or unenforceable provision, there shall be automatically added as part of this Leasing Policy, a provision as similar in its terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

(e) This Enforcement Policy shall be provided to the Owners by posting the Enforcement Policy on a publicly available internet website maintained by the Association or by any other method permitted by Section 209.0061 (d) of the Code.

Unofficial Copy

SCHEDULE A
SCHEDULE OF FINES

Unless a different fine is set by the Board in the Notice of Violation and Demand Letter, fines are imposed as follows:

| Violation | 1 st Violation | 2 nd Violation | 3 rd & subsequent violations |
|---|---------------------------|---------------------------|---|
| Architectural, Construction | \$50 | \$100 | \$250 |
| Parking and Vehicle-Related | \$50 | \$100 | \$250 |
| Misuse of Common Area/Facilities | \$50 | \$100 | \$250 |
| Pets | \$50 | \$100 | \$250 |
| Excessive Noise | \$50 | \$100 | \$250 |
| Vandalism or property damage | \$50 | \$100 | \$250 |
| Personal Endangerment or Health Hazard | \$50 | \$100 | \$250 |
| Maintenance, Landscaping, Irrigation, and Similar Matters | \$50 | \$100 | \$250 |
| Single Family/Business Use | \$50 | \$100 | \$250 |
| Other Rules and Regulations | \$50 | \$100 | \$250 |
| All other violations | \$50 | \$100 | \$250 |

Actions that may, or do, result in serious personal endangerment or a health hazard are subject to higher fines as determined by the Board, and the standard steps in the Enforcement Policy, (1) Courtesy Letter, (2) Violation Letter; and (3) Demand Letter, may be shortened to only a Demand Letter.

For **continuing violations**, the fine structure is as follows:

- 30 days after the date of the Courtesy Letter, a fine of \$50 will be assessed.
- 30 days, or the time period given, after the date of the first fine, an additional fine of \$100 will be assessed.
- 30 days, or the time period given after the second fine, an additional fine of \$250 will be assessed.

- Each 30-day period thereafter, an additional fine of \$250 will be assessed.
- Failure to pay a fine may continue to incur late fees on Owner's account.

For any **single occurrence** violations, the fine will be as follows:

- Another occurrence within 6 months of the Violation Letter will result in a fine of \$50.
- The second occurrence within 6 months of the first occurrence will be \$100.
- A third occurrence within 6 months of the second occurrence will be \$250.
- Until 6 months pass between violations, each new occurrence will result in a Violation Letter, not a warning, and a fine determined by the Board.

After Recording Please Return To:

Georgetown Commons Homeowners Association, Inc.

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