

**Denton County  
Juli Luke  
County Clerk**

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DECLARATION

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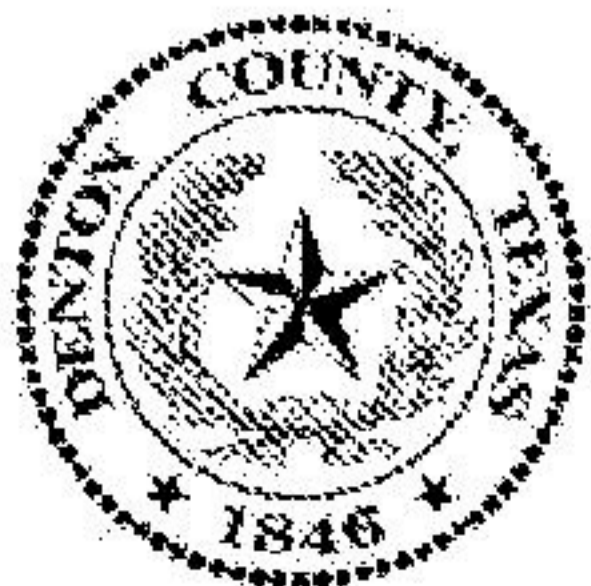
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**STATE OF TEXAS  
COUNTY OF DENTON**

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

Juli Luke  
County Clerk  
Denton County, TX

**DECLARATION OF COVENANTS,  
CONDITIONS AND RESTRICTIONS FOR  
HILLSTONE POINTE, DENTON COUNTY, TEXAS**

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

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR HILLSTONE POINTE, DENTON COUNTY, TEXAS (as may be amended from time to time, the "Declaration") is made by, CADG Lincoln Park, LLC, a Texas limited liability company ("CADG Declarant") and Lennar Homes of Texas Land and Construction, Ltd., a Texas limited partnership ("Lennar Declarant").

**WITNESSETH:**

The CADG Declarant and the Lennar Declarant (collectively, the "Declarants" and each individually and generally referred to herein as a "Declarant"), being all of the owners of the real property described in Exhibit A, intend by recording this Declaration in the Official Public Records of Denton County, Texas, to create a general plan of development for a single-family home planned community known as Hillstone Pointe (the "Subdivision"), located in Denton County, Texas. This Declaration provides for the overall development, administration, maintenance, and preservation of the real property now and hereafter comprising the Property (as hereinafter defined). An integral part of the development plan is the creation of Hillstone Point Homeowners Association, Inc., a Texas non-profit corporation (the "Association") whose members shall be all owners of real property subject to this Declaration, to own, operate, and/or maintain various common areas and community improvements and to administer and enforce the covenants, conditions, restrictions, and easements set forth in this Declaration.

NOW, THEREFORE, each Declarant hereby declares that the property described in Exhibit A owned by it, and any additional property which is subjected to this Declaration in the future in accordance with Article XIV of this Declaration, shall be owned, conveyed, used, occupied and otherwise encumbered subject to this Declaration, which shall run with the title to such property. This Declaration shall be binding upon all Persons having any right, title, or interest in any portion of the Property, their heirs, successors, successors-in-title, and assigns.

**ARTICLE I  
DEFINITIONS**

The terms used in this Declaration are intended to have their normal, commonly understood definitions, unless otherwise specified. In order to minimize repetition, avoid confusion, and explain key concepts, some terms are capitalized to indicate they have special definitions. Whenever used in capitalized form, those terms have the following meanings:

(a) “Architectural Control Committee” and/or “ACC” shall mean and refer to the architectural review body for the Property, as described in Article III.

(b) “Association” shall mean and refer to Hillstone Point Homeowners Association Inc., a Texas non-profit corporation, whose Certificate of Formation is attached hereto as Exhibit C, and which shall have the right to enforce this Declaration.

(c) “Board of Directors” or “Board” shall mean and refer to the body selected as provided in the Bylaws, being responsible for the general governance and administration of the Association and this Declaration. The initial Board shall be those individuals set forth in the Certificate of Formation for the Association (a copy of which is or shall by subsequent amendment be attached hereto as Exhibit C) and, prior to the expiration of the Declarant Control Period (as defined below), the Declarants shall appoint all Directors to the Board; provided that prior to the date (the “Transition Date”) which is the earlier of (i) one hundred-twenty (120) days after seventy-five (75%) of the Lots have been sold to non-Declarant Owners, or (ii) ten (10) years from the date on which the Declaration is recorded, at least 1/3 of the directors serving on the Board shall be person(s) elected by a majority vote of Class A Members at a meeting of the members at which quorum is present and 2/3 of the directors serving on the Board shall be person(s) appointed by Declarants. Prior to the Transition Date, the CADG Declarant shall appoint two (2) Persons to serve on the Board of Directors and Lennar Declarant shall appoint one (1) Person to serve on the Board of Directors. From and after the Transition Date, each Declarant shall have the right to appoint one (1) Person to the Board of Directors. At the first annual meeting of members after the expiration of the Declarant Control Period, all directors serving on the Board shall be person(s) elected by a majority vote of Class A Members at a meeting of the members at which quorum is present. Each Director, other than Directors appointed by Declarants, shall be a Member and resident, or in the case of corporate or partnership ownership of a Lot, a duly authorized agent or representative of the corporate or partnership Owner. The corporate, or partnership Owner shall be designated as the Director in all correspondence or other documentation setting forth the names of the Directors.

(d) “Builder” shall mean and refer to any person or entity who has acquired a Lot or Lots for the purpose of constructing a residence thereon for later sale to consumers.

(e) “Bylaws” shall mean and refer to the Bylaws of the Association approved by the Board of Directors, as may be amended from time to time. The initial Bylaws and Organizational Consent are attached hereto as Exhibit C.

(f) “Common Properties” shall mean all real property (including improvements thereon) now or hereafter owned, leased or controlled by the Association, or to which the Association holds possessory or use rights, for the common use and enjoyment of the Owners (hereinafter defined) including, but not limited to such property which may be: (i) conveyed to the Association in fee simple title, (ii) leased to the Association, (iii) landscape or maintenance easements granted or dedicated to the Association by plat or other written instrument, (iv) retention ponds within the Property, and (v) any other real property or improvement the Association, at the sole discretion of the Board, decides to maintain. The Phase 2 Streets (as hereinafter defined) are included in and are part of the Common Properties.

(g) “Community-Wide Standard” shall mean the standard of conduct, maintenance and appearance, including landscaping, generally prevailing throughout the Property or the minimum standards established pursuant to the Design Guidelines, Rules and Board resolutions, whichever is the highest standard. Declarants initially shall establish such standard, as mutually agreed upon in writing by the Declarants, which shall include the Declarants’ or Board’s right to review and approve or disapprove the joinder (zoning, rezoning, or replatting) of Lots should such a request be made. The Association, through its Board, shall ensure that the Community-Wide Standard established by the Declaration for the Property shall continue after the termination or expiration of the Class B membership. The Community-Wide Standard may contain objective elements, such as specific lawn or house maintenance requirements, and subjective elements, such as matters subject to the Board’s discretion. The Community-Wide Standard may or may not be in writing. The Community-Wide Standard may evolve as development progresses and as the Property changes. The Community-Wide Standard shall not fall below the level established for the Property as of the date the Class B membership terminates or expires.

(h) “County” shall mean and refer to Denton County, Texas.

(i) “Declarant” shall mean and refer to not only the CADG Declarant and/or Lennar Declarant, but also any successor, alternate or additional Declarant as appointed by CADG Declarant for Tract I described on Exhibit A attached hereto (or any subsequent land annexed into the Property hereunder, and for which CADG Declarant is named in such annexation instrument as Declarant), or the Lennar Declarant for Tract II described on Exhibit A attached hereto (or any subsequent land annexed into the Property hereunder, and for which the Lennar Declarant is named in such annexation instrument as Declarant), as successor, alternate or additional Declarant by written instrument, filed of record in the office of the County Clerk, specifically setting forth that such successor, alternate or additional Declarant is to have, in whole or in part, together with CADG Declarant and Lennar Declarant, the Declarant’s rights, duties, obligations and responsibilities for all or a specific portion or Phase of the Property. The term “Declarant” shall not include any person or entity who purchases a Lot from Declarant unless such purchaser is specifically assigned, by a separate recorded instrument, some or all of the Declarant’s rights under this Declaration as to the conveyed property.

(j) “Declarant Control Period” shall mean and refer to the period commencing on the date of recordation of this Declaration, and ending on the date Declarants have collectively sold, transferred or conveyed all of the Property to non-Declarant Owners.

(k) “Design Guidelines” shall mean and refer to the design standards and guidelines jointly adopted by the Declarants, as may be amended in accordance with Article III, representing the minimum specifications for the construction of all residences, additions to such residences, and other improvements associated with each residence including, without limitation, other structures or improvements located on a residential Lot, and the minimum requirements for landscaping to be installed and maintained on each Lot. **The Design Guidelines are an integral part of this Declaration and the development plan of the Subdivision. The initial Design Guidelines are attached hereto as Exhibit B.** All Builders and prospective Owners or those desirous of constructing a residence on a Lot are strongly encouraged to obtain a current copy of the Design Guidelines prior to preparing plans and specifications for submission to the Reviewer for approval.

(l) "Final Plat" shall mean, initially, the map or plat of the Property or any portion thereof, recorded in the Plat Records of Denton County, Texas, and any future recorded subdivision maps or plats covering additional real property made subject to this Declaration, as such Final Plats may be amended from time to time.

(m) "Lot" shall mean and refer to any one (1) of the enumerated plots or tracts of land shown upon a Final Plat, and "Lots" shall mean and refer to more than one (1) of same; provided, however, Common Properties shall in no event be treated as a Lot for purposes of this Declaration, and are hereby specifically excluded from the term "Lot" as used hereunder.

(n) "Member" shall mean and refer to a member of the Association, as described in Article VIII.

(o) "Owner" shall mean and refer to each and every person or business entity (whether one or more), including Declarants (so long as applicable), that is a record owner of a fee or undivided fee interest in any Lot; provided, however, that (i) the term "Owner" or "Owners" shall not include any person or entity who holds a bona fide lien or interest in a Lot as security merely for the performance of an obligation (specifically including, but not limited to, any mortgagee or trustee under a mortgage or deed of trust) unless and until such mortgagee, beneficiary or trustee has acquired title to such Lot pursuant to foreclosure or any proceeding in lieu thereof; and (ii) with respect to any matter requiring the vote, consent, approval or other action of an Owner, each Lot shall be entitled to only one (1) vote except as provided for in Section 8.2 and Section 15.6 herein.

(p) "Phase" shall mean and refer to each separately developed residential area or addition as set forth and more fully described on a Final Plat depicting real property that has been subjected to the Declaration.

(q) "Phase 2" shall mean and refer to that certain 59.121± acres of land described on Exhibit A-1 attached hereto and incorporated herein by reference, to be developed as an additional Phase of the Subdivision known or to be known as "Hillstone Pointe II."

(r) "Phase 2 Streets" shall mean and refer to the streets and roads developed and/or constructed within Phase 2, as shown on the Final Plat of Phase 2, which include the following rights of way described on the Preliminary Development Plans for Hillstone Pointe II dated April 2016 as follows: Alamandine Avenue, Rasorite Street, Palmeria Drive, Acmite Avenue, Granite Way, Dravite Drive, and Copal Drive.

(s) "Hillstone Pointe," "Subdivision" or "Property" shall mean and refer to the real property described on Exhibit A, any improvements now or hereafter situated thereon, and any and all additional real property (and the improvements thereon) which the Declarants hereafter subject to this Declaration, in accordance with Article XIV hereof.

(t) "Street Tree Guidelines" shall mean and refer to the requirements for the installation, maintenance and replacement of trees and other landscaping on each Lot and within

the Property, including a detailed list of approved trees and landscaping for the Subdivision, as may be adopted by the Declarants and as may be amended in accordance with Article III.

(u) “Supplemental Declaration” shall mean a recorded instrument which accomplishes one or more of the following purposes: (i) subjects additional real property to this Declaration, or (ii) imposes, expressly or by reference, additional restrictions, covenants, easements and/or rights and obligations on the land described.

## **ARTICLE II CONSTRUCTION OF IMPROVEMENTS AND USE OF LOTS**

### **Section 2.1 Residential Use.**

The Property shall be used for single-family residential purposes and home office only, and accessory uses permitted under applicable laws or ordinances. No building or other structure shall be erected, altered, placed or permitted to remain on any Lot other than one (1) detached single-family residence per Lot, which residence may not exceed three (3) stories in height, and a private garage as provided below. Any other building, addition, or structure to be placed or constructed on a Lot is subject to approval in writing by the Reviewer under Article III.

### **Section 2.2 Single-Family Use.**

Each residence may be occupied only by persons living and cooking together as a single housekeeping unit, together with any household employees. Except for families consisting of persons related by blood, adoption, or marriage, no more than two persons per bedroom may occupy the same dwelling on a regular and consistent basis.

### **Section 2.3 Garage Required.**

Each residence shall have an enclosed garage and shall conform to the requirements set forth in the Design Guidelines. The garage shall conform in design and materials with the main structure. No garage shall be used as a living quarters or business. Garage doors should remain shut when not in use and shall be kept in good repair at all times.

### **Section 2.4 Driveways.**

All driveways shall be surfaced with concrete. No painting or staining of concrete is allowed. No extension of a driveway shall be allowed without the prior written approval of the ACC.

## Section 2.5 Uses Specifically Prohibited.

(a) No temporary dwelling, shop, storage building, trailer or mobile home of any kind or any improvement of a temporary or permanent character shall be permitted on any Lot except (i) children's playhouses, playsets, dog houses, greenhouses, gazebos and buildings for storage of lawn maintenance equipment, which may be placed on a Lot subject to approval in accordance with Article III and provided no part of any such structure is visible from any front or side street, and (ii) the Builder or contractor may have temporary improvements (such as a sales office and/or construction trailer) on a given Lot during construction of the residence on that Lot or on a different Lot as agreed to between the Builder or contractor and the Lennar Declarant (or its successors and/or assigns) with respect to Lots within Phase 2 and the CADG Declarant (or its successors and/or assigns) with respect to all other Lots and/or as otherwise set out in the Design Guidelines. Children's playhouses or playsets may not exceed more than two (2) feet over the top of the fence line. No building material of any kind or character shall be placed or stored upon the Property until the Owner thereof is ready to commence construction of improvements, and then such material shall be placed within the property lines of the Lot upon which the improvements are to be erected.

(b) Except as otherwise provided in this Section, no vehicle may be parked or left upon any portion of a Lot except in a garage or on a driveway. Except as provided below, the following vehicles may not be parked on any street within the Subdivision and may be parked only in an enclosed garage or on a driveway which is accessed by an alley (provided there is at least one (1) additional space outside of the garage for parking in the rear of the Lot and provided such vehicles are twenty feet (20') or less in length): recreational vehicles, mobile homes, trailers, campers, stored vehicles, trucks with tonnage in excess of one (1) ton, commercial vehicles (including all vehicles with commercial lettering or logos), and unlicensed or inoperable vehicles. "Sports utility vehicles" and "mini-vans" (as such vehicles are commonly referred to, as determined in the Board's discretion) and pick-up trucks without commercial writing or logos shall be treated as automobiles and may be parked outside of enclosed garages. Boats may be kept or stored in a side or rear yard on a Lot if completely concealed from the view of any street (other than an alley). This Section shall not apply to parking, for purposes of emergency vehicle repairs or to construction, service, and delivery vehicles for periods necessary to perform the services or make a delivery.

Notwithstanding the above, for purposes of cleaning, loading, unloading [for a period of 24 hours prior to departure and upon return from a trip], and short-term and visitor parking, any vehicle may be parked outside of an enclosed garage temporarily and irregularly to accommodate such use. The Board, in its discretion, may enact additional rules governing such temporary, irregular use or, in the absence of specific rules, shall have discretion in determining what constitutes permissible parking under such circumstances.

As used in this Section, the term "vehicles" includes, without limitation, automobiles, trucks, boats, trailers, motorcycles, campers, vans, and recreational vehicles. The Declarant and the Board of Directors shall have the right in their sole discretion to determine what constitutes a violation of this Section 2.5(b) or Section 2.5(c) below and may review and consider each violation on a case by case basis.

(c) No vehicle of any size which transports flammable or explosive cargo may be kept or parked on the Property at any time, except for use by or on behalf of Declarants in connection with the development of the Property or by a builder or contractor in connection with the construction of improvements on a Lot.

(d) No animals or livestock shall be raised, bred or kept on the Property for commercial purposes or for food. Dogs, cats or other household pets may be kept for the purpose of providing companionship for the private family; however, those pets which are permitted to roam free, or, in the sole discretion of the Board, constitute a nuisance to the occupants of other Lots shall be removed upon request of the Board. If the pet owner fails to honor such request, the Board may, at its sole discretion, remove or otherwise provide for the removal of the pet. Notwithstanding anything contained herein to the contrary, the Board in its sole discretion and without incurring any further duty or obligation to owners and occupants within the Property, may decide to take no action and refer complaining parties to the appropriate municipal or governmental authorities for handling and final disposition. Pets shall be kept on a leash or otherwise confined inside a fenced area whenever outside the dwelling. Pets shall be registered, licensed and inoculated as required by law and must be properly tagged for identification. It is the Owner's responsibility to keep the front of their Lot clean and free of pet debris and to pick up and properly dispose of their pet's waste wherever deposited. Notwithstanding anything seemingly herein to the contrary, no more than three (3) household pets will be permitted on each Lot.

(e) No Lot or other area on the Property shall be used as a dumping ground for rubbish or a site for the accumulation of unsightly materials of any kind, including, without limitation broken or rusty equipment, disassembled or inoperative cars, other vehicles or discarded appliances and furniture. Trash, garbage or other waste shall be kept in sanitary containers. All incinerators or other equipment for the storage or other disposal of such material shall be kept in clean and sanitary condition. Materials incident to construction of improvements may be stored on Lots during construction so long as construction progresses without undue delay.

(f) No air-conditioning apparatus shall be installed on the ground in front of a residence. No air-conditioning apparatus shall be attached to any wall or window of a residence. All air-conditioning equipment must be installed in the rear yard or on the side yard.

(g) The erection, construction, placement or installation of any television, radio or other electronic tower, serial, antenna, satellite dish or device of any type for the reception or transmission of radio or television broadcast signals or other means of communication upon a Lot or upon any improvement thereon is prohibited, except that this prohibition shall not apply to those antennae specifically covered by 47 C.F.R. Part 1, Subpart S, Section 1.4000 (or any successor provision) promulgated under the Telecommunications Act of 1996, as amended from time to time. The Board shall be empowered to adopt rules governing the types of antennae that are permissible hereunder and establishing reasonable, non-discriminatory restrictions relating to safety, location and maintenance of antennae.

To the extent that reception of an acceptable signal would not be impaired or the cost of installation would not be unreasonably increased, an antenna permissible pursuant to the

Declaration or the rules of the Association may only be installed in a side or rear yard location, not visible from the street or neighboring property, and integrated with the dwelling and surrounding landscape. Antennae shall be installed in compliance with all state and local laws and regulations, including zoning, land-use and building regulations.

(h) No Lot or improvement thereon shall be used for commercial or manufacturing purposes of any kind other than a small home office. Nothing in this subparagraph shall prohibit a builder's use of a residence as a sales office until such builder's last residence on the Property is sold and closed. Nothing in this subparagraph shall prohibit an Owner's use of a residence for quiet, inoffensive activities such as a small home office, tutoring or giving lessons such as art or music, so long as such activities are consistent with the residential character of the Property, do not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of others within the Property, as determined in the Board's discretion, and do not materially increase the number of cars parked on the street.

(i) No fence, wall, hedge or shrub planting which obstructs sight lines at elevations between three feet (3') and six feet (6') above the roadway shall be placed or permitted to remain on any corner Lot within the triangular area formed by the street right-of-way lines and a line connecting them at points ten feet (10') from the intersection of the street right-of-way lines, or, in the case of a rounded property corner, from the intersection of the street right-of-way lines as extended. The same sight-line limitations shall apply on any Lot within ten (10) feet from the intersection of a street right-of-way line with the edge of a private driveway or alley pavement. No tree shall be permitted to remain within such distance of such intersections unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

(j) Except for children's playhouses, dog houses, greenhouses, gazebos and buildings for storage of lawn maintenance equipment which specifically conform with the Design Guidelines and the requirements of Section 2.5 (a) herein, no building previously constructed elsewhere shall be moved onto any Lot, it being the intention that only new construction be placed and erected thereon.

(k) No sign of any kind shall be displayed to the public view on any Lot, except: (i) political signs which may be placed on the Lot no earlier than six (6) weeks prior to an election and which must be removed within two (2) weeks after the election for which such sign is displayed; (ii) one (1) professional security service sign of not more than one square foot; (iii) one (1) sign of not more than five square feet advertising the property for rent or sale during any period that the Lot actually is for rent or sale; or (iv) signs used by a Builder to advertise the Property during the construction and sales period, each of which shall, in any event, comply with all statutes, laws or ordinances governing same. The Board of Directors or its agents shall have the right to remove any sign, billboard or other advertising structure that does not comply with the above, and in so doing shall not be subject to any liability for trespass or otherwise in connection with such removal.

(l) The drying of clothes in public view is prohibited. Clotheslines are prohibited.

(m) Wood used for fireplace, barbeque, or other use must be stacked neatly and screened from public view. The Owner is responsible for ensuring that such wood stack is kept free of rodents.

(n) No Owner shall perform, fail to perform, or permit anything to be done or not done on such Owner's Lot which would violate any laws, statutes, ordinances or regulations of any kind or character.

#### Section 2.6 Minimum Floor Area.

The total air-conditioned living area of the main residential structure constructed on each Lot, as measured to the outside of exterior walls but exclusive of open porches, garages, patios and detached accessory buildings, shall in accordance with the any and all applicable zoning and/or subdivision ordinances or regulations but in no event shall be less than 1,300 square feet for a forty foot (40') wide lot and not less than 1,300 square feet for a fifty foot (50') wide lot.

#### Section 2.7 Fences and Walls.

Any fence or wall must be constructed of masonry, brick, wood, or other material approved by the Declarants or the ACC. No chain link fences are permitted except on the Common Properties or any school property. No fence or wall shall be permitted to extend nearer to any street than the front of any residence. However, all side yard fencing on corner Lots shall run parallel to the curb and may be placed no nearer than five feet (5') inside the side Lot line and shall not extend beyond a point of five feet (5') behind the front of the residence on that side. Fences or walls erected by Declarants shall become the property of the Owner of the Lot on which the same are erected and as such shall be maintained and repaired by such Owner except as is provided in Article IV and Article IX. Any fence or portion thereof that faces a public street shall be so constructed so that all structural members and posts will be on the side of the fence facing away from the street so that they are not visible from any street. No portion of any fence shall extend more than six feet (6') in height.

#### Section 2.8 Building Materials.

The building materials to be used for each residence and other structure must conform to the requirements set out in the Design Guidelines. Allowed roofing materials shall be set forth exclusively in the Design Guidelines. The color of roofing shall be consistent throughout the Subdivision and shall otherwise conform to the Design Guidelines.

#### Section 2.9 Mailboxes and Address Blocks.

Mailboxes shall be cluster mailboxes which shall meet development and U.S. Postal Service standards. An address block shall be installed on the front façade of each residence.

#### Section 2.10 Landscaping.

Each Builder of a residence upon each Lot shall, upon or before the first occupancy of a house, sod grass in the front, side yards, and rear yards, plant the minimum size and number of trees and minimum size and number of shrubs in the front yard against the foundation of the house as required by either the Design Guidelines or the Street Tree Guidelines. Thereafter, each Owner of a Lot shall have the responsibility to properly maintain such trees and landscaping and, if necessary, shall replace such trees or landscaping in accordance with the Design Guidelines and Street Tree Guidelines. The Declarants and/or the Association shall have the right but not the obligation, to be exercised at its sole option, to remove and replace dead trees and landscaping and charge the costs thereof to the Owner's account as a special individual assessment under Section 10.6 below.

Section 2.11 Design Guidelines and Street Tree Guidelines.

In addition to any requirements set forth in this Declaration, all Owners are required to comply with the Design Guidelines and Street Tree Guidelines in the construction of improvements within the Property and the installation, maintenance and replacement of trees and landscaping within the Property.

**ARTICLE III  
ARCHITECTURAL CONTROL**

Section 3.1 Review Authority.

(a) General. Declarants and the Association will, in all likelihood engage the services of third-party professionals including architects, engineers, or other persons to perform and administer the submission, review and inspection process which may be required or necessary under this Article. Declarants reserves the right to implement and enforce additional application, permitting, review, testing and inspection requirements and procedures not contained herein relating to national or uniform codes pertaining to building, electrical, plumbing and any other aspect of construction or development as deemed necessary by both Declarants.

(b) Declarant. The Lennar Declarant shall have exclusive authority to administer, review and act upon all applications for architectural and other improvements within Phase 2 only until all planned Lots in Phase 2 have been conveyed to persons other than the Lennar Declarant or a Builder and have been improved with a dwelling for which a certificate of occupancy has been issued, unless the Lennar Declarant earlier terminates its rights in a recorded instrument. The CADG Declarant shall have exclusive authority to administer, review and act upon all applications for architectural and other improvements within all portions of the Property other than Phase 2 until all planned Lots in such portions of the Property (excluding Phase 2) have been conveyed to persons other than the CADG Declarant or a Builder and have been improved with a dwelling for which a certificate of occupancy has been issued, unless the CADG Declarant earlier terminates its rights in a recorded instrument. Either Declarant may designate or engage one or more persons or entities to act on its behalf with respect to some or all matters coming within the purview of this Article III. In reviewing and acting upon any request for approval, a Declarant or its designee act solely in such Declarant's interest and owe no duty to any other person. No Declarant is required to hold meetings or keep minutes relating to its review under this Article.

Declarants may from time to time delegate or assign all or any portion of its rights under this Article to any other person, entity or committee, including the Architectural Control Committee. Any such delegation shall be in writing, shall specify the delegated responsibilities, and shall be subject to (i) Declarant's right to revoke such delegation at any time and reassume its prior jurisdiction, and (ii) Declarant's right to veto any decision which it determines, in its discretion, to be inappropriate or inadvisable for any reason. So long as a Declarant has any rights under this Article, the jurisdiction of other entities shall be limited to such matters as such Declarant specifically delegates.

(c) Architectural Control Committee. Upon a Declarant's delegation or upon expiration or termination of a Declarant's rights under this Article, the Association, acting through the ACC, shall assume jurisdiction over architectural matters. The ACC shall consist of at least three persons. Members of the ACC need not be Members of the Association or representatives of Members, and may, but need not, include architects, engineers, or similar professionals, who may be compensated in such manner and amount, if any, as the Board may establish. The ACC members shall be designated, shall serve, and may be removed and replaced in the Board's discretion.

For so long as a Declarant owns any portion of the Property (and unless a Declarant notifies the ACC in writing to the contrary), the ACC shall notify Declarants in writing, no less than thirteen (13) business days prior to communicating any action (*i.e.*, approval, partial approval, or disapproval) it intends to take under this Article. A copy of the application and any additional information that either Declarant may require shall accompany the notice. During such time, The Lennar Declarant with respect to actions regarding Phase 2, and CADG Declarant with respect to actions regarding all other Property, shall have the right, in each's sole and absolute discretion, to veto any ACC action; provided, each Declarant's right to veto must be exercised within ten (10) business days after it receives notice of the ACC's proposed action. The party submitting the plans for approval shall not be notified of the ACC's proposed action until after a Declarant's right to veto has expired.

The Board may create and appoint subcommittees of the ACC. Subcommittees may be established to preside over particular areas of review (*e.g.*, landscape plans) and shall be governed by procedures the Board or the ACC may establish. Any subcommittee's actions are subject to review and approval by Declarant, for as long as Declarant may review the ACC's decisions, and the ACC. Notwithstanding the above, neither the ACC nor Declarant shall be obligated to review any actions of any subcommittee, and the failure to take action in any instance shall not be a waiver of the right to act in the future.

Unless and until such time as a Declarant delegates any of its reserved rights to the ACC or a Declarant's rights under this Article expire or terminate, the Association shall have no jurisdiction over architectural matters.

(d) Reviewer. The entity having jurisdiction in a particular case, whether a Declarant or its designee or the ACC, shall be referred to as the "Reviewer".

(e) Fees; Assistance. The Reviewer may establish and charge reasonable fees for its review of applications and shall require that such fees be paid in advance. If such fees or charges, including those set forth under Section 3.3 below, are not paid in advance, the Reviewer shall have no obligation whatsoever to review any such related application. Such fees may include the reasonable costs incurred in having any application reviewed by architects, engineers, or other professionals. The Board may include the compensation of such persons in the Association's annual operating budget.

### Section 3.2 Review Requirements.

No building, wall, pool or other structure (except fences) shall be commenced, erected, installed, placed, or substantially altered on any Lot, nor shall any exterior painting (other than repainting a structure the same or similar color) of, exterior addition to, or substantial alteration of, such items be made until all plans and specifications and a plot plan have been submitted to and approved in writing by the Reviewer.

The Reviewer is authorized and empowered to consider and review any and all aspects of construction and landscaping which may, in the reasonable opinion of the Reviewer, adversely affect the living enjoyment of one (1) or more Owners or the general value of the Property.

In reviewing each submission, the Reviewer may consider any factors it deems relevant, including, without limitation, harmony of the proposed exterior design with surrounding structures and environment. Decisions may be based on purely aesthetic considerations. Each Owner acknowledges that aesthetic determinations are purely subjective and that opinions may vary as to the desirability and/or attractiveness of particular improvements. The Reviewer shall have the sole discretion to make final, conclusive, and binding determinations on matters of aesthetic judgment and such determinations are not subject to judicial review so long as they are made in good faith and in accordance with the required procedures.

### Section 3.3 Procedure for Approval.

PRIOR TO THE COMMENCEMENT OF ANY CONSTRUCTION BY ANY PERSON OR ENTITY, THE BUILDER SHALL OBTAIN FROM THE REVIEWER A BUILDING PERMIT AND SHALL PAY, IN ADVANCE, ANY RELATED INSPECTION FEES AND FEES OWING OR TO BE OWED AS DETERMINED BY THE REVIEWER. THIS REQUIREMENT NOT ONLY APPLIES TO ORIGINAL CONSTRUCTION BUT TO POOL INSTALLATIONS, MODIFICATIONS OR ADDITIONS TO EXISTING STRUCTURES OF IMPROVEMENTS. FAILURE TO OBTAIN SUCH PERMIT OR PAY SUCH FEES PRIOR TO INITIATION OF CONSTRUCTION SHALL BE CAUSE FOR THE REVIEWER OR THE ASSOCIATION TO REQUEST AND OBTAIN EMERGENCY TEMPORARY RELIEF TO RESTRAIN ALL ASPECTS OF CONSTRUCTION.

In addition to the foregoing requirement, final plans and specifications shall be submitted in duplicate by certified mail, return receipt requested or hand delivery to the Reviewer. The plans and specifications shall show the nature, kind, shape, height, materials and location of all landscaping and improvements. The application shall specify in writing any requested variances

from the requirements set forth in this Declaration, the Design Guidelines, the Street Tree Guidelines or any Community-Wide Standard. The Reviewer is authorized to request the submission of samples of proposed construction materials and such other information as they reasonably deem necessary to make their determination. At such time as the plans and specifications meet the approval of the Reviewer, one complete set of plans and specifications will be retained by the Association, for up to three (3) years only, and the other complete set of plans shall be marked "Approved", signed by a representative of the Reviewer and returned to the Lot Owner or his designated representative. If disapproved by the Reviewer, one set of such plans shall be returned marked "Disapproved" and shall be accompanied by a reasonable statement of the reasons for disapproval, which statement shall be signed by a representative of the Reviewer. Any modification of the approved set of plans and specifications must again be submitted to the Reviewer for its approval. The Reviewer's approval or disapproval, as required herein, shall be in writing. Any reliance upon a verbal approval of any plans by the Reviewer shall be wholly unjustified, at the risk of the Lot Owner and subject to any subsequent or otherwise conflicting written response by the Reviewer.

**If the Reviewer fails to approve or disapprove any such Builder plans and specifications or modification thereto within seven (7) business days after the date of submission of all information the Reviewer requires, the submission shall be deemed to be approved notwithstanding, it is the sole responsibility of the Builder to ensure that all City building ordinances or zoning ordinances are adhered to. The Association shall not be responsible for a Builders failure to comply with all City building or zoning ordinances. Any Builder who is constructing residences on multiple Lots shall have the option of submitting a master set of final plans and specifications for all of the residences it intends to construct within the Property to the Reviewer in accordance with the provisions of this paragraph. Once the master set of plans has been approved, the Builder shall be allowed to construct residences in accordance with such approved plans and no further submittals shall be required unless material deviations have been made to such approved plans. If the Reviewer fails to approve or disapprove any such plans or modification submitted by an Owner thereto within thirty (30) business days after the date of submission of all information the Reviewer requires, the submission shall be deemed to have been denied.**

The Reviewer may, but is not obligated to, permit or require that plans be submitted or considered in stages, in which case, a final decision shall not be required until after the final, required submission stage.

As part of any approval, the Reviewer may require that construction in accordance with approved plans commence within a specified time period. If construction does not commence within the required period, the approval shall expire and the Owner must reapply for approval before commencing any activities. Once commenced, construction must be diligently pursued to completion. All construction work shall be completed within one (1) year of commencement unless otherwise specified in the notice of approval or the Design Guidelines, or unless the Reviewer, in its discretion, grants an extension in writing. If approved work is not completed within the required time, it shall be in violation of this Article and shall be subject to enforcement action.

Also as a part of the review process, the Reviewer may require that the construction of any improvement be inspected on a periodic basis prior to completion for compliance with the plans, codes adopted by the Declarants and other matters relating to the quality or method of construction. The Association may conduct such inspections or, in the alternative, it may contract with third parties for such purposes. The Owner on whose Lot the construction is taking place shall be responsible for the payment of costs relating to any such inspection.

#### Section 3.4 Standards.

The Reviewer shall have sole discretion with respect to taste, design and all standards specified herein. One objective of the Reviewer is to prevent unusual, radical, curious, odd, bizarre, peculiar or irregular structures from being built on the Property. The Reviewer shall have the authority to interpret and amend the Design Guidelines or the Street Tree Guidelines, subject to joint approval of both Declarants for so long as a Declarant or any Builder owns any portion of the Property and, thereafter, subject to the approval of the Board. The Reviewer may from time to time publish and promulgate bulletins regarding architectural standards, which shall be fair, reasonable and uniformly applied and shall carry forward the spirit and intention of this Declaration.

#### Section 3.5 Requests for Variance.

Upon submission of a written narrative request for same, the Reviewer may, from time to time, in its sole discretion, permit Owners and Builders to construct, erect or install improvements which are in variance from the requirements of this Declaration or which may be contained in the Design Guidelines or the Street Tree Guidelines. In any case, however, such variances shall be in basic conformity and shall blend effectively with the general architectural style and design of the community. No member of the ACC or the Board, or the Association or Declarant shall be liable to any Owner or other person claiming by, through, or on behalf of any Owner, for any claims, causes of action, or damages arising out of the granting or denial of, or other action or failure to act upon, any variance request by any Owner or any person acting for or on behalf of any Owner. Each request for a variance submitted hereunder shall be reviewed separately and apart from other such requests and the grant of a variance to any Owner shall not constitute a waiver of the Reviewer's right to strictly enforce the Declaration, the Design Guidelines or the Street Tree Guidelines against any other Owner. Each such written request must identify and set forth in narrative detail the specific restriction or standard from which a variance is sought and describe in complete detail the exact nature of the variance sought. Any grant of a variance by the Reviewer must be in writing and must identify in narrative detail both the standard from which a variance is being sought and the specific variance being granted.

#### Section 3.6 Liability of Reviewer.

Neither Declarants, the Board of Directors, the Architectural Control Committee, nor any of their respective members, officers, employees, designees, contractors, administrators, inspectors and agents, shall have any liability whatsoever for decisions made in accordance with this Article so long as such decisions are made in good faith and are not arbitrary or capricious. The plans or the site plan submitted to the Reviewer shall be the responsibility of the Owner of the

Lot to which the improvements relate, and the Reviewer shall have no obligation to check for errors in or omissions from any such plans, or to check for such plans' compliance with the general provisions of this Declaration, or any codes, ordinances, regulations or other laws, whether statutory or not, and whether the same relate to Lot lines, building lines, easements or any other issue. Review and approval of any plans pursuant to this Article may be based on purely aesthetic considerations. The Reviewer is not responsible for the structural integrity or soundness of approved construction or modifications, for compliance with building codes and other governmental requirements, or for ensuring that every dwelling is of comparable quality, value, or size, of similar design, or aesthetically pleasing or otherwise acceptable to other Owners.

**THE ASSOCIATION HEREBY UNCONDITIONALLY AND PERPETUALLY INDEMNIFIES AND HOLDS DECLARANTS, THE BOARD, THE ARCHITECTURAL CONTROL COMMITTEE, AND THEIR RESPECTIVE MEMBERS, EMPLOYEES, DESIGNEES, ADMINISTRATORS, INSPECTORS, CONTRACTORS, AND AGENTS HARMLESS FROM AND AGAINST ANY CLAIMS, LIABILITIES, LOSS, DAMAGE, COSTS AND EXPENSES, INCLUDING BUT NOT LIMITED TO ATTORNEYS' FEES, IN CONNECTION WITH OR ARISING OUT OF ANY ACTIONS OR INACTIONS TAKEN HEREUNDER BY THE REVIEWER, IRRESPECTIVE OF WHETHER OR NOT THE REVIEWER, ITS EMPLOYEES, CONTRACTORS, AGENTS AND OTHER INDIVIDUALS OR ENTITIES TO OR EMPLOYED BY THE REVIEWER ACTED NEGLIGENTLY OR WITH WILLFUL MISCONDUCT.**

Section 3.7 Special Rights of Declarants.

Notwithstanding anything to the contrary contained herein, any Lot owned by a Declarant or its successor or assign, shall not be subject to the provisions of this Article III and Declarants shall not be required to submit plans and specifications, etc. to the Architectural Control Committee nor obtain the consent, permission or approval of the Architectural Control Committee for the matters otherwise required pursuant to this Article III for Lots owned by it, and the consent, permission or approval of the Architectural Control Committee shall be deemed given for plans and specifications, plot plans and the like to be used by Declarants, or Declarant's assigns, in the construction of any residence on any Lot owned or sold to a Builder by such Declarant. **DECLARANTS ALSO RETAINS SPECIAL AND UNIQUE RIGHTS AND PRIVILEGES IN ARTICLE XII THAT TAKE PRECEDENCE OVER ALL OTHER ARTICLES OR SECTIONS IN THIS DECLARATION.**

**ARTICLE IV  
SPECIAL FENCING AND LANDSCAPING**

Section 4.1 Fences, Walls and Screening Landscaping.

The Lennar Declarant with respect to Phase 2 and the CADG Declarant with respect to all other portions of the Property, and/or the Association shall have the right, but not the obligation, to erect, install, maintain, repair and/or replace fences, walls and/or screening landscaping within that portion of any Lot situated along the perimeter of the Property or on Lots adjacent to Common

Properties, as shown on a Final Plat. Any such fence, wall or sprinkler system shall be the property of the Owner of the Lot on which such fence, wall or sprinkler system is erected or installed, subject to the easements and rights of Declarants and the Association set forth below. With respect to any fencing installed within a Lot that is adjacent to a thoroughfare, the Association shall have the exclusive right to stain the exterior of such fence facing the thoroughfare whenever, in the Board's sole and absolute discretion, it deems necessary. The Design Guidelines shall contain all construction and materials requirements for the walls adjacent to the Common Properties and any thoroughfare.

Section 4.2 Landscaping.

The Lennar Declarant with respect to Phase 2 and the CADG Declarant with respect to all other portions of the Property and/or the Association shall have the right to grade, plant and/or landscape and maintain, repair, replace and/or change such grading, planting and landscaping on any portion of the Property not comprising any portion of a Lot and, without limitation whatsoever, to do all things necessary within the Property to obtain full compliance with the Street Tree Guidelines.

Section 4.3 Easement.

The Lennar Declarant with respect to Phase 2 and the CADG Declarant with respect to all other portions of the Property and the Association shall have, and hereby reserve, the right and easement to enter upon the Common Properties and those Lots which are situated along the perimeter of the Property and/or the Common Properties, as shown on a Final Plat, or the Lots adjacent to a thoroughfare, for the purpose of exercising the discretionary rights set forth in this Article IV.

Section 4.4 Declarants' and the Association's Discretion.

Notwithstanding any provisions herein to the contrary, neither Declarants nor the Association shall ever be obligated to erect, install, maintain, repair or replace any fences, walls, sprinkler systems, grading, planting or landscaping on the Property.

Section 4.5 Fifteen (15) Year Limitation.

The provisions of this Article IV regarding each Declarant's rights shall terminate and be of no further force and effect from and after that date which is fifteen (15) years after the recording of this Declaration. The rights of the Association shall continue throughout the term hereof.

**ARTICLE V  
LOT MAINTENANCE BY OWNERS**

Section 5.1 Lot Maintenance.

After the installation of the landscaping on a Lot by a builder, the Owner of the Lot shall thereafter maintain the yard in a sanitary and attractive manner, including adequate watering and immediate replacement of dead vegetation and trees, and shall edge the street curbs that run along the Lot boundary lines. Yards must be kept mowed and trimmed at regular intervals so as to maintain the Lot in a neat and attractive manner. No vegetables shall be grown in any portion of a Lot yard that faces a street or is not screened by fencing built in accordance with the terms hereof. Grass shall not be permitted to grow to a height of greater than six inches (6") upon any Lot.

**Section 5.2 Maintenance of Improvements.**

Each Owner shall maintain the exterior of all buildings, fences, walls and other improvements on his Lot in good condition and repair, and shall replace worn and rotten parts, and shall regularly repaint all painted surfaces and shall not permit the roofs, rain gutters, down spouts, exterior walls, windows, doors, walks, driveways, parking areas or other exterior portions of the improvements to deteriorate in an unattractive manner. All fences shall be kept neat, clean and in good repair. Any fence which is damaged, leaning, or otherwise not in good repair shall be immediately repaired.

**ARTICLE VI  
ENFORCEMENT**

**Section 6.1 Special Enforcement Rights of the Board of the Association.**

In the event an Owner fails to comply with any provision of this Declaration, the Design Guidelines or the Street Tree Guidelines, including but not limited to any requirement contained in Article V, then, prior to the Board or the Association enforcing the compliance of such failure or seeking against such Owner remedies in accordance with this Declaration (or such other remedies as may be available to the Board and/or the Association at law or in equity), the Board shall first be obligated to give such Owner notice of such failure and a reasonable time, as determined by the Board, after the date of such notice in which to cure such violation or failure. If the Owner shall not have corrected such failure within such reasonable time after the giving of such notice, the Board of Directors shall have the right but not the obligation, to assess monetary fines and enter upon the Lot and to bring the Lot, and any improvements thereon, into full compliance with this Declaration, the Design Guidelines or the Street Tree Guidelines. All costs and expenses incurred by the Association in connection with correcting any such failure shall be borne by the Owner. If any Owner does not promptly reimburse the Association for all such costs, expenses and violation fines assessed after receipt of written request for same, the Board shall have the right to assess the Owner for same plus interest, such assessment, interest and fines being a special individual assessment under the provisions of Section 10.6 below.

**Section 6.2 Enforcement.**

In addition to but not in lieu of the enforcement rights set forth in Section 6.1, the Board of Directors may impose sanctions for violation of this Declaration (including any rules, guidelines or standards adopted pursuant to the Declaration) in accordance with the applicable procedures set

forth in any policy or procedure adopted by the Board. Such sanctions may include all remedies available at law and/or in equity and all remedies herein, including, without limitation, the following:

(a) Fines. The Board of Directors may impose reasonable monetary fines which shall constitute a lien upon the Owner of the Lot related to or connected with the alleged violation. The Owner shall be liable for the actions of any occupant, guest, or invitee of the Owner of such Lot.

(b) Suspension of Rights to Use the Common Properties. The Board of Directors may suspend any person's or entity's right to use any recreational facilities within the Common Properties; provided, however, nothing herein shall authorize the Board of Directors to limit ingress or egress to or from a Lot.

(c) Right to Require Removal. The Board of Directors may require an Owner, at the Owner's expense, to remove any dead tree or landscaping from an Owner's Lot which does not comply with the Street Tree Guidelines and to restore or install the necessary trees or landscaping as required by the Street Tree Guidelines and, upon failure of the Owner to do so, the Board of Directors or its designee shall have the right to enter the Lot, remove and cure the violation without such action being deemed a trespass and charge the costs thereof to the Owner's account as a special individual assessment in accordance with Section 10.6 below.

(f) Levy Special Individual Assessment. The Board of Directors may levy a special individual assessment in accordance with Section 10.6 as a violation fine and/or to cover costs incurred by the Association in bringing a Lot into compliance with this Declaration or the Design Guidelines.

(g) Lawsuit; Injunction or Damages. The Board of Directors may bring a suit at law or in equity to enjoin any violation or to recover monetary damages, or both.

Failure by any Declarant or the Board of Directors, to enforce any covenant, condition, agreement or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. In addition to the Association's enforcement rights, this Declaration may be enforced by any aggrieved Owner.

The decision to pursue enforcement action in any particular case shall be left to the Board's discretion, except that the Board shall not be arbitrary or capricious in taking enforcement action. Without limiting the generality of the foregoing sentence, the Board may determine that, under the circumstances of a particular case: (i) the Association's position is not strong enough to justify taking any or further action; (ii) the covenant, restriction, or rule being enforced is, or is likely to be construed as, inconsistent with applicable law; (iii) although a technical violation may exist or may have occurred, it is not of such a material nature as to be objectionable to a reasonable person or to justify expending the Association's resources; or (iv) that it is not in the Association's best interests, based upon hardship, expense, or other reasonable criteria, to pursue enforcement action.

## ARTICLE VII

## **AMENDMENT AND TERMINATION**

### **Section 7.1 Amendment.**

This Declaration may be amended by joint agreement of both Declarants at any time within five (5) years from the date this Declaration is filed of record with the office of the County Clerk. Within such five (5) year period, Declarants may amend the Declaration for any reason without the consent or joinder of any party or without the need to call a meeting of the Association. In addition to the foregoing, the Declaration may be amended by an instrument containing such amendment(s) and recorded in the Official Public Records of the County, provided, that (i) during the period a Declarant owns at least one Lot, no such amendment shall be valid or effective without the joinder and consent of both Declarants and (ii) such amendment shall first be approved by the affirmative vote or written consent of the Association's Members representing at least 67% of the votes in the Association voting, in person or by proxy, at a duly convened meeting of the Association. Furthermore, Declarants (jointly) or the Board may, at their sole discretion and without a vote or the consent of any other party, modify, amend, or repeal this Declaration: (i) as necessary to bring any provision into compliance with any applicable statute, governmental rule, regulation, or judicial determination; (ii) as necessary to comply with the requirements of VA, or HUD (Federal Housing Administration), FHLMC or FNMA or any other applicable governmental agency or secondary mortgage market entity; or (iii) as necessary for clarification or to correct technical, typographical or scrivener's errors; provided, however, any amendment pursuant to clause (ii) and/or (iii) immediately above must not have a material adverse effect upon any right of any Owner. Any amendment to this Declaration must be recorded in the Real Property Records of the County.

No amendment may remove, revoke, or modify any right or privilege of a Declarant or the Class B Member without the written consent of both Declarants or the Class B Member, respectively (or the assignee of such right or privilege). If an Owner consents to any amendment to this Declaration or the Bylaws, it will be conclusively presumed that the Owner has the authority to consent, and no contrary provision in any mortgage or contract between the Owner and a third party will affect the validity of such amendment.

### **Section 7.2 Termination.**

At any time, the Owners may terminate and extinguish this Declaration in its entirety by executing an instrument terminating this Declaration and recording same in the Official Public Records of the County, provided, however, that (i) for the period in which a Declarant owns at least one Lot, no such termination shall be valid or effective without the joinder and consent of both Declarants and (ii) such termination and extinguishment shall first be approved by the affirmative vote or written consent of the Association's Members representing at least 75% of the votes in the Association.

## **ARTICLE VIII MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION**

Section 8.1 Membership.

Every Owner of a Lot shall automatically be a Member of the Association. Membership shall be appurtenant to each Lot and may not be separated from ownership of any Lot which is subject to assessment hereunder.

Section 8.2 Classes of Membership.

The Association shall have two (2) classes of voting membership:

CLASS A. Class A Members shall all be Members with the exception of the Class B Member. Class A Members shall be entitled to one (1) vote for each Lot in which they hold the interest required for membership; provided, however, that in the event that more than one (1) person holds such interest or interests in any Lot, even though all such persons shall be Members, there shall be only one (1) vote for such Lot, which shall be exercised as they, among themselves, determine (but in no event shall more than one (1) vote be cast with respect to any such Lot).

CLASS B. The Class B Member(s) shall be the Declarants. The Class B Member shall have ten (10) votes for each Lot it owns until such time as the Declarant Control Period has expired. After such time, the Class B Member(s) shall be a Class A Member entitled to one (1) vote for each Lot it owns.

Section 8.3 Quorum and Notice Requirements.

8.3.1. Except as expressly provided herein to the contrary, any action of the Members shall require the assent of a majority of the votes of those Association Members who are present at a meeting, in person or by proxy, written notice of which shall be given to all Members not less than ten (10) days nor more than forty-five (45) days in advance of such meeting.

8.3.2. A quorum is required for any action referred to in Section 8.3.1 and, unless otherwise provided, for any action for which a percentage vote at a meeting is required. A quorum shall be determined as set forth in this Section 8.3.2. The first time a meeting is called, whether regular or special, the presence at the meeting of Members, or of proxies, entitled to cast at least twenty (20%) of all of the votes of the Association's Members, without regard to class, shall constitute a quorum. If the required quorum is not present at the initial meeting, additional meetings may be called, subject to the notice requirement hereinabove set forth, and the required quorum at such subsequent meeting(s) shall be one-half (1/2) of the quorum requirement for such prior meeting. The Association may call as many subsequent meetings as may be required to achieve a quorum (although the quorum requirement shall be reduced for each such meeting, in no event shall a quorum be less than one-tenth (1/10) of the votes of the Association). At such adjourned or subsequent meeting at which a quorum shall be present or represented, any business may be transacted which may have been transacted at the meeting as originally notified.

8.3.3. Except as specifically set forth in this Declaration, notice, voting and quorum requirements of any action to be taken by the Association shall be set forth in its Bylaws, as same may be amended from time to time.

Section 8.4 Right of Inspection.

Each Owner shall have the right to inspect the financial records and books of the Association, during normal business hours and at the place where such books are kept, upon reasonable prior written notice to the Association stating a proper purpose in accordance with Section 209.005 of the Texas Property Code, as amended, and pursuant to any open records policy established by the Association.

**ARTICLE IX  
THE COMMON PROPERTIES**

Section 9.1 Initial Common Properties.

The Common Properties may include but are not limited to, and by way of illustration only, all aspects of the entry features, entry monuments and walls, landscaping, irrigation for same and the land on which such entry features are situated, retention ponds, screening walls, pocket parks, a clubhouse and associated recreational amenity, gates, fences, fountains and other structures, whether or not shown on a Final Plat, or as deemed necessary by the Lennar Declarant with respect to Common Properties in Phase 2 and the CADG Declarant with respect to all other portions of the Property, each as may be leased, maintained or owned by the Association. The Phase 2 Streets are specifically included in and part of the Common Properties. The foregoing list is intended to illustrate examples of Common Properties and under no circumstance shall such list impose any obligation on the Declarants or the Association to purchase, install or construct any such features or amenities. The Common Properties may hereafter include any neighborhood parks or other improvements or land conveyed to or leased by the Association for the use and benefit of the Owners.

Section 9.2 Additional Common Properties.

Additional property may be added to the Common Properties hereunder upon the sole discretion of Declarants (acting jointly) during such time as a Declarant owns at least one (1) Lot. Thereafter, additional property may be added to the Common Properties hereunder upon the affirmative vote of sixty percent (60%) of the votes of those Association Members who are voting, in person or by proxy, at a meeting duly called for such purpose.

Section 9.3 Acceptance and Control of Common Properties.

Declarants, or any third-party at the request of a Declarant, may transfer to the Association, and the Association shall accept as Common Properties, personal property and/or fee title or other property interests in any improved or unimproved real property included within the property described in Exhibit A or any other real property made subject to this Declaration in the future.

Upon a Declarant's written request, the Association shall transfer back to such Declarant any unimproved real property originally conveyed to the Association for no payment, to the extent conveyed by such Declarant in error or needed by such Declarant to make minor adjustments in property lines.

**Section 9.4 Extent of Members' Easement in the Common Properties.**

Each Member shall have a right and easement of access, use and enjoyment in and to the Common Properties which is subject to the following:

9.4.1 The right of the Association to prescribe regulations governing the use, operation and maintenance of the Common Properties;

9.4.2 The right of the Association to take such steps as are reasonably necessary to protect the Common Properties against foreclosure;

9.4.3 The right of the Association to suspend the right of any individual to use any of the Common Properties and/or common facilities for any period during which any assessment against a Lot resided upon or owned by such individual remains unpaid, and for any period not to exceed sixty (60) days for an infraction of the rules and regulations of the Association, the Declaration, the Design Guidelines, or the Street Tree Guidelines; provided, however, in no event shall the rights of an individual to access a Lot in Phase 2 by use of the Phase 2 Streets be suspended; and

9.4.4 The right of the Association to charge reasonable admission and other fees for the use of recreational facilities on the Common Properties, if any such recreational facilities are ever constructed.

**Section 9.5 Dedication of the Common Properties.**

The Board of Directors shall have the right at any time to dedicate or transfer all or any part of the Common Properties to any public agency, authority or utility for such purposes and upon such conditions as the Board of Directors may determine.

**ARTICLE X  
COVENANT FOR ASSESSMENTS**

**Section 10.1 Creation of the Lien and Personal Obligation of Assessments.**

Each Owner hereby covenants and agrees, and each purchaser of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association (or to a mortgage company or other collection agency designated by the Association) the following: (a) annual assessments or charges; (b) acquisition assessments; (c) special assessments for capital improvements; (d) with respect to Lots in Phase 2 only, a maintenance assessment for costs and expenses related to the maintenance,

repair and replacement of the Phase 2 Streets; and (e) individual special assessments (including, without limitation interest and fines) levied against individual Owners for violations of the Declaration, Design Guidelines, the Street Tree Guidelines or the Community-Wide Standard or to reimburse the Association for extra costs for maintenance and repairs caused by the willful or negligent acts of the individual Owner, his tenant(s) occupying his Lot, if applicable, and their respective family, agents, guests and invitees, or for costs incurred by the Association resulting from any Owner failing to comply with the terms and provisions hereof. All such assessments shall be fixed, established and collected as hereinafter provided.

The annual, acquisition, special capital, and individual special assessments, together with such interest thereon and costs of collection thereof as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon each Lot against which each such assessment is made. Each such assessment, together with late charges, collection costs, such interest thereon and cost of collection thereof, including attorneys' fees, as hereinafter provided, shall also be the continuing personal obligation of the person who was the Owner of such property at the time when the assessment fell due.

Fines, not to exceed \$100.00 per day, shall be assessed upon the expiration of a reasonable time after the date notice of such violation was sent to the violating Owner. In all instances of violations, the Owner shall be responsible for correcting such violation within a reasonable time after the date of such notice, regardless as to whether the residence is occupied by the Owner or a tenant. The lien provided for herein shall secure payment of fines not timely paid and the Owner shall also have personal liability for the payment of same.

#### Section 10.2 Purpose of Assessments.

The assessments levied by the Association shall be used as follows: (a) for the purpose of promoting the interests of the Association and the recreation, health and welfare of the residents of the Property, and in particular for the improvement and maintenance of the entry ways or any other properties, services and facilities devoted to this purpose and comprising or directly relating to the use and enjoyment of the Common Properties, including, but not limited, to the payment of taxes on and insurance in connection with the Common Properties, and the repair, replacement and additions thereto; (b) for paying the cost of labor, equipment (including the expense of leasing any equipment) and materials required for, and management and supervision of, the Common Properties; (c) for carrying out the duties of the Board of Directors of the Association as set forth in Article XI hereafter including, but not limited to, the payment by the Association of all assessments and charges payable in connection with sewer, water and garbage pickup services and the installation and maintenance of lighting (if any) of the Common Properties; (d) for paying the cost of maintenance of the monument sign for the Property, if any, in the event the appropriate governmental authority refuses to maintain the same; (e) with respect to the maintenance assessments for Phase 2 Streets, specifically for the maintenance, repair and/or replacement of the Phase 2 Streets as deemed necessary or appropriate by the Board; or (f) for carrying out the purposes of the Association as stated in its Certificate of Formation.

#### Section 10.3 Basis and Amount of Annual Assessments.

10.3.1 The Board of Directors may fix the annual assessment at any amount equal to or less than the maximum annual assessment for that year, as herein below provided. The maximum annual assessment for each Lot for the year 2016 shall be **Three Hundred Fifty and No/100 Dollars (\$350.00)**. Commencing with the year 2017 and each year thereafter, the Board of Directors may set the amount of the maximum annual assessment for that year (and for following years) for each Lot provided that the maximum annual assessment may not be increased more than twenty percent (20%) above the maximum annual assessment for the previous year without a vote of the membership taken in accordance with the provisions of Section 10.3.2.

10.3.2 Commencing with the year 2017, and in each year thereafter, the Board of Directors may set the maximum annual assessment for the following year for each Lot at an amount more than twenty percent (20%) above the maximum annual assessment for the previous year; provided that any such increased assessment shall be approved by the affirmative vote of sixty percent (60%) of the votes of those Association Members who are voting, in person or by proxy, at a meeting duly called for such purpose.

Section 10.4 Acquisition Assessments; Transfer Fees and Resale Certificates.

10.4.1 At any time record title is transferred to an Owner (excluding Declarants or a Builder), an acquisition assessment shall be paid to the Association by such new Owner at closing in the amount of **Two Hundred Fifty And No/100 Dollars (\$250.00)** for each Lot acquired. Acquisition assessments shall be in addition to, not in lieu of, any other assessment provided for herein. Acquisition assessments are not refundable and shall be available for all necessary expenditures of the Association as determined by the Board. In addition to the foregoing but still considered an assessment hereunder, the Association or its managing agent may charge a reasonable transfer fee and a reasonable fee for producing a Resale Certificate and documents of the Association as required under the Texas Property Code and/or pursuant to the terms of Section 10.4.2 below.

10.4.2 The Board may, at its sole discretion, enter into a contract with a managing agent to oversee the daily operation and management of the Association; provided, however, during the Declarant Control Period, any contract with a managing agent by the Board shall be subject to the prior written approval of the CADG Declarant, which approval may be withheld in the CADG Declarant's sole and absolute discretion. The managing agent may, and probably will, have fees, which will be charged to an Owner for the transfer of a significant estate or fee simple title to a Lot and the issuance of a "Resale Certificate" (herein so called). The Association or its managing agent shall not be required to issue a Resale Certificate until payment for the cost thereof has been received by the Association or its agent. Transfer fees and fees for the issuance of a Resale Certificate **shall in no event exceed \$750.00 for each home being conveyed** and are not refundable and may not be regarded as a prepayment of or credit against regular or special assessments, and are in addition to any contribution to the capital reserve or improvement fund collected pursuant to Section 10.15 hereof. This Section does not obligate the Board or any third party to levy such fees.

10.4.3 At any time record title of a Lot in Phase 2 is transferred to an Owner (excluding Declarants or a Builder), a Phase 2 Street Maintenance Fund (as hereinafter defined) contribution shall be paid to the Association by such new Owner at closing in the amount of **Two Hundred And No/100 Dollars (\$200.00)** for each Lot in Phase 2 acquired. The Phase 2 Street Maintenance Fund contribution shall be in addition to, not in lieu of, any other assessment provided for herein. The Phase 2 Street Maintenance Fund contributions are not refundable and shall be available for all necessary expenditures of the Association to maintain, repair and/or replace the Phase 2 Streets, as determined by the Board.

Section 10.5 Special Assessments.

The Association may also levy in any assessment year a special assessment, applicable to that year only, for the purpose of defraying, in whole or in part, the costs of any construction or reconstruction, maintenance, unexpected repair or replacement of a described capital improvement upon the Common Properties, including the necessary fixtures and personal property related thereto; provided that any such assessment shall be approved by the affirmative vote of sixty percent (60%) of the votes of those Association Members who are voting, in person or by proxy, at a meeting duly called for such purpose.

Section 10.6 Special Individual Assessments, Interest and Fines.

In the event that any Owner fails to comply with the provisions of this Declaration, the Design Guidelines, the Street Tree Guidelines or the Community-Wide Standard and/or the Association incurs any cost or expense in either enforcing said provisions against any such Owner or in carrying out the obligations of any such Owner, the Association shall have the right to assess against such Owner and the Lot of such Owner a special individual assessment in the amount of all such costs incurred by the Association plus interest and/or in the amount of any violation fine(s) levied by the Board. Special individual assessment, interest and fines to be paid by the applicable Owner upon demand by the Association.

Section 10.7 Uniform Rate of Assessments.

Both annual and special assessments (excepting therefrom special individual assessments) shall be fixed at a uniform rate for all Lots.

Section 10.8 Date of Commencement and Due Dates of Assessments.

The obligation to pay assessments commences as to each Lot: (a) upon acquisition of record title to a Lot by the Owner thereof other than a Declarant; or (b) the month in which the Board first determines a budget and levies assessments pursuant to this Article, whichever is later. The initial annual assessment levied on each Lot shall be adjusted according to the number of months remaining in the fiscal year at the time assessments commence on the Lot. Annual assessments shall be payable in advance on the first (1st) business day of each January; provided, if the Board so elects, annual assessments may be paid in monthly, quarterly, or semi-annual installments. The Board may require advance payment of all or any portion of the annual

assessment at closing of the transfer of title to a Lot. The due date or dates, if it is to be paid in installments, of any special assessment under Section 10.5 shall be fixed in the respective resolution authorizing such assessment.

Section 10.9 Duties of the Board of Directors with Respect to Assessments.

10.9.1 The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period and shall, at that time, prepare a roster of the Lots and assessments applicable thereto, which shall be kept in the office of the Association and shall be open to inspection by any Owner.

10.9.2 Only if such assessment is an amount different from that charged for the previous year, written notice of the assessment shall thereupon be delivered or mailed to every Owner subject thereto (according the Association's then current records).

10.9.3 The Board of Directors shall, upon demand, cause to be furnished to any Owner liable for said assessments a certificate in writing signed by an officer or agent of the Association, setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid. A reasonable charge may be made by the Board or the Association's managing agent for the issuance of such certificates.

Section 10.10 Assessment Lien to Secure Charges and Assessments.

All assessments, interest, late charges, collection fees and attorneys' fees, as provided for herein, shall constitute and be secured by a separate and valid and subsisting assessment lien, hereby created and fixed, and which shall exist upon and against each Lot and all improvements and fixtures thereon, for the benefit of the Association. Notwithstanding any other provision hereof, the lien to secure the payment of assessments or any other sums due hereunder and any other lien which the Association may have on any Lot pursuant to this Declaration shall be subordinate to the lien or equivalent security interest of any first lien mortgage or deed of trust on any Lot. Any foreclosure of any such superior lien under the power of sale of any mortgage, deed of trust or other security instrument, or through court proceedings in which the Association has been made a party, shall extinguish the liens securing maintenance charges or assessments or any other sums due hereunder which became due and payable prior to such foreclosure date, but no such foreclosure shall free any Lot from the liens securing assessments thereafter becoming due and payable, nor shall the liability of any Member personally obligated to pay maintenance charges or assessments which become due prior to such foreclosure be extinguished by any foreclosure, nor shall the lien for future assessments or charges be affected in any manner.

Section 10.11 Effect of Nonpayment of Assessment.

If any assessment is not paid within thirty (30) days from the due date thereof, the same shall bear interest, at any time and from time to time at the discretion of the Board, from the due date until paid at the highest nonusurious rate allowed under the laws of the State of Texas, or other

applicable law, or if no such limitation imposed then at the rate of fifteen percent (15%) per annum, and if placed in the hands of an attorney for collection or if collected through probate or other judicial proceedings, there shall be reimbursed to the Association its reasonable attorneys' fees. Should any assessment provided for herein be payable in installments, the Association may accelerate the entire assessment and demand immediate payment thereof. In addition, a late charge shall be assessed against the non-paying Owner for each month that any assessment remains unpaid. The late charge shall be in the amount of **Twenty-Five and No/100 Dollars (\$25.00)** per month and shall serve to reimburse the Association for administrative expenses and time involved in collecting and processing delinquent assessments. The Association's managing agent shall be entitled to charge an Owner a monthly collection fee to compensate managing agent for its efforts in collecting delinquent assessments. The Collection Fee shall be in the amount of **Fifteen and No/100 Dollars (\$15.00)** per month and shall serve to reimburse the managing agent for its time and effort in the collection of delinquent assessments. A fee of **Twenty-Five and No/100 Dollars (\$25.00)** shall apply for any payment returned for insufficient funds or for any other reason and shall serve to reimburse the Association for bank fees and charges. The Association, in the Board's discretion, shall have the right to waive any part of or all of such interest and/or fees owed to the Association.

#### Section 10.12 Collection and Enforcement.

The Association shall have a lien on each Lot securing payment of any assessment, together with interest thereon as provided herein, reasonable attorneys' fees, late charges, collection fees and costs incurred in the collection of same and the enforcement of said lien. The Board of Directors shall take such action as it deems necessary to collect assessments and may settle and compromise the same if deemed appropriate in the exercise of the Board's business judgment. Such liens shall be effective as and in the manner provided for herein and shall have the priorities established in this Declaration.

The Board of Directors may bring an action at law against any Owner personally obligated to pay an assessment or foreclose the lien against such Owner's Lot, or both, and interest, costs and reasonable attorneys' fees of any such action shall be added to the amount of such assessment. Each Owner, by his acceptance of a deed to a Lot, hereby expressly vests in the Board of Directors of the Association or its agent the right and power to bring all actions against such Owner personally for the collection of such assessments as a debt and to enforce the aforesaid lien by all methods available for the enforcement of such liens, including, but not limited to, nonjudicial foreclosure pursuant to Texas Property Code Section 51.002 in force and effect on the date of this Declaration, or in accordance with the prescribed manner for foreclosure of deed of trust liens provided by any future amendment to such Section 51.002 or any other statute or article enacted in substitution therefor, and such Owner hereby expressly grants to the Board of Directors a private power of sale in connection with said lien. The Board is hereby appointed trustee, unless and until the Board of Directors shall designate a substitute or successor trustee, as hereinafter provided, to post the required notices as provided by law and conduct such foreclosure sale. The lien provided for in this Section shall be in favor of the Association and shall have the same effect as though each Owner had expressly granted to the Association a deed of trust lien as well as a security interest in said Lot to secure the payment of the assessments provided for herein. In addition to such notices as required by the aforesaid statute, the trustee shall mail to the Owner of a

Lot for which the assessment has not been paid, a copy of the notice of assessment lien prior to the date any notice of sale is posted, by certified, return receipt requested, at the Lot or such other address as the Board has been advised in writing for receipt of notices under this Declaration. Notwithstanding the foregoing, any mandatory foreclosure requirements of Section 209 of the Texas Property Code shall be adhered to by the foreclosing entity.

At any foreclosure, judicial or nonjudicial, the Association shall be entitled to bid up to the amount of its lien, together with costs and attorneys' fees, and to apply as a cash credit against its bid all sums due the Association covered by the lien foreclosed. All foreclosure sales provided for herein shall be subject to any then existing statutory right of redemption in favor of the former Owner. From and after any such foreclosure, the former Owner or Owners, their heirs and assigns, shall forthwith upon the making of such sale surrender and deliver possession of the property so sold to the purchaser at such sale, and in the event of their failure to surrender possession of said property upon demand, the purchaser, or his heirs or assigns, shall be entitled to institute and maintain an action for forcible detainer of said property in the Justice of the Peace Court in the Justice Precinct in which such Lot, or any part thereof, is situated. The Board of Directors in any event is hereby authorized to appoint a substitute trustee, or a successor trustee, to act in the place of the trustee without any formality other than the designation in writing of a substitute or successor trustee; and the authority hereby conferred by the Board of Directors shall extend to the appointment of other successor and substitute trustees successively until the delinquent assessment or assessments have been paid in full, or until said property is sold, and each substitute and successor trustee shall succeed to all the rights and powers of the original trustee appointed by the Board of Directors or its agents.

#### Section 10.13 Homestead.

By acceptance of a deed thereto, the Owner and spouse thereof, if married at the time of the conveyance or subsequently married, of a Lot shall be deemed to have waived any exemption from liens created by this Declaration or the enforcement thereof by foreclosure or otherwise, which may otherwise be available by reason of the homestead exemption provisions of Texas law, if for any reason such are applicable. This Section is not intended to limit or restrict in any way the lien or rights granted to the Association by this Declaration, but construed in its favor.

#### Section 10.14 Omission of Assessments.

**The omission of the Board of Directors, before the expiration of any assessment period, to fix the assessments hereunder for that or the next assessment period, shall not be deemed a waiver or modification in any respect of the provisions of this Declaration, or a release of any Owner from the obligation to pay the assessments, or any installment thereof for that or any subsequent assessment period, but the assessment fixed for the preceding assessment period shall continue until a new assessment is fixed or levied by the Board.**

#### Section 10.15 Maintenance Fund; Working Capital Fund; Phase 2 Street Maintenance Fund.

10.15.1 The Association may, but is not obligated to, establish and maintain a maintenance reserve fund for the periodic maintenance and improvement of the Common Properties. This fund is separate from the Acquisition Assessment and upon establishment, shall be maintained in a separate account from the operating account of the Association. Subject to the provisions of Section 10.3 above, the Board may at any time ratably increase or decrease the amounts of regular annual assessments in accordance with this Declaration to such level as shall be reasonably necessary in the judgment of the Board to cover obligations of the Association under this Declaration, including provisions for reasonable reserves. So long as the Board exercises business judgment in determining the amount or necessity of the reserve fund, the amount held in reserves shall be considered adequate.

10.15.2 The Association may establish a working capital fund for the initial operation of the Common Properties in such amount as the Board shall determine.

10.15.3 The Association shall establish and maintain a maintenance fund for the periodic maintenance, repair and/or replacement of the Phase 2 Streets (the "Phase 2 Street Maintenance Fund"). The Phase 2 Street Maintenance Fund shall be funded by the Phase 2 Street maintenance contributions collected in accordance with Section 10.4.3 hereof. The Lennar Declarant or the Board may also levy in any assessment year a special assessment against Lots in Phase 2, applicable to that year only, for the purpose of defraying, in whole or in part, the costs of any construction or reconstruction, maintenance, unexpected repair or replacement of the Phase 2 Streets. So long as the Lennar Declarant or the Board, as applicable, exercises business judgment in determining the amount or necessity of the reserves held in the Phase 2 Maintenance Fund, the amount held in reserves shall be considered adequate. In no event shall the CADG Declarant or any Owners of Lots in portions of the Property other than Phase 2 have any liability or responsibility to fund amounts or reserves into the Phase 2 Street Maintenance Fund.

Section 10.16 Exempt Property.

The following property subject to this Declaration shall be exempted from the assessments, charges and liens created herein:

10.16.1 All properties dedicated and accepted by the local public authority and devoted to public use; and

10.16.2 All Lots and/or Property owned by Declarant, subject to the terms of Section 10.17 and 10.18 below; and

10.16.3 All Common Properties.

Section 10.17 Declarant Subsidy.

Declarant may, but shall not be obligated to, pay a subsidy to the Association (in addition to any amounts paid by Declarant under Section 10.18 below) in order to reduce the total annual

assessment which would otherwise be necessary to be levied against all Lots to cover the estimated expenses of the Association (excluding reserve contributions, if any). Any such subsidy shall be disclosed as a line item in the income portion of the budget. **The subsidy may be treated by the Declarant, in its sole discretion, as a loan from the Declarant to the Association or as an advance against future assessments due or as a contribution.** Notwithstanding the foregoing or anything to the contrary contained herein, in no event shall the CADG Declarant be liable or responsible for subsidizing any Association expenses related to Common Properties located within Phase 2 (which include, without limitation, the Phase 2 Streets), and in no event shall the Lennar Declarant be liable or responsible for subsidizing any Association expenses related to Common Properties located within portions of the Property other than Phase 2.

#### Section 10.18 Declarant's Assessment.

Notwithstanding any provision of this Declaration or the Certificate of Formation or Bylaws to the contrary, so long as there is Class B membership in the Association, the Declarants may, on an annual basis, elect either to pay annual assessments on its unsold Lots or pay the difference between: (a) the Association's operating expenses otherwise to be funded by annual assessments (after applying all income received by the Association from other sources); and (b) the sum of the revenues of the Association from all sources; provided, however in no event shall the CADG Declarant be liable or responsible for any expenses of the Association related to Common Properties located within Phase 2 (which include, without limitation, the Phase 2 Streets), and in no event shall the Lennar Declarant be liable or responsible for any Association expenses related to Common Properties located within portions of the Property other than Phase 2. Upon ninety (90) days notice to the Association, the Declarants may each and severally change their election hereunder during the fiscal year. "All sources" includes, but is not limited to, revenues from the operation of Common Properties, capital contributions, accounting service fees, property management fees, guest fees, user fees, and the assessments levied against the owners of Lots, other than the Declarants. Such difference, herein called the "deficiency", shall not include any reserve for replacements, operating reserves, depreciation reserves, capital expenditures or special assessments, and Declarant shall not be responsible, in any event, for any reserve for replacements, operating reserves, depreciation reserves, capital expenditures or special assessments. Any sums paid by any Declarant to the Association to fund the "deficiency" or any sums paid by a Declarant to the Association in excess of the annual assessment otherwise due on such Declarant's unsold Lots may be considered by the Declarant to be the payment of a subsidy to the Association pursuant to Section 10.17 of this Article. A Declarant's obligations hereunder may be satisfied in the form of cash or by "in kind" consideration of services or materials, or by a combination of these. After termination of the Class B membership, Declarants shall pay assessments on its unsold Lots in the same manner as any other Owner.

**ARTICLE XI  
GENERAL POWERS OF THE  
BOARD OF DIRECTORS OF THE ASSOCIATION**

**Section 11.1 Power and Duties.**

Except as provided in Article XII below, the Board, for the benefit of the Association, the Property and the Owners, shall have the right to do all things which are necessary or advisable in connection with enforcing the provisions of this Declaration. Such powers shall include, but shall not be limited to, the following:

11.1.1 Paying assessments and charges for sewer, water and garbage pickup services for the Properties, if any, the installation and maintenance charges for street lighting for the Property, if any, and taxes, assessments and other charges which shall properly be assessed or charged against the Common Properties.

11.1.2 Performing maintenance on the Common Properties which may include, without limitation, the following: (a) maintenance of any driveways, private roadways, jogging paths, walkways and sidewalks; (b) maintenance of grounds, including care of trees, shrubs and grass, lighting systems, sprinkler systems (if installed) and similar facilities on the Common Properties; and (c) maintenance of the entry monument(s) and any screening walls or fences constructed around the perimeter of the Property; provided, further, that in the event that the need for maintenance or repair is caused through the willful or negligent act of any Owner, his family, his guests or invitees, the cost of such maintenance or repairs shall be added to and become a part of the assessment to which such Lot is subject.

11.1.3 Managing and maintaining the Common Properties and full maintenance of a utility service for the Common Properties; the furnishing and upkeep of any desired personal property for use in the Common Properties.

11.1.4 Purchasing a policy or policies of insurance insuring the Association against any liability to the public or to the Owners (and/or invitees or tenants) incident to the operation of the Association, in an amount not less than \$250,000.00 to indemnify against the claim of one person, \$500,000.00 against the claims of two or more persons in any one occurrence, and property damage insurance in an amount not less than \$50,000.00 per occurrence; which policy or policies shall contain an endorsement providing that the rights of the named insured shall not be prejudiced with respect to actions against other named insureds; provided, that under no circumstances shall the Board be authorized to provide or pay for fire, casualty, or other insurance insuring the interest of any Owner in his Lot.

11.1.5 Executing all replats of the Property and all declarations of ownership for tax assessment purposes with regard to the Common Properties on behalf of all Owners.

11.1.6 Borrowing funds to pay costs of operation, secured by assignment or pledge of rights against delinquent Owners, if the Board sees fit.

11.1.7 Entering into contracts, maintaining one or more bank accounts, and generally exercising all the powers necessary or incidental to the operation and management of the Association, expressly including the power to enter into management and maintenance contracts.

11.1.8 Protecting or defending the Common Properties from loss or damage by suit or otherwise, and to provide adequate reserves for replacements.

11.1.9 Making reasonable rules and regulations for the operation of the Common Properties and Association, and amend them from time to time, provided that any rule or regulation may be amended or repealed by the vote of at least sixty percent (60%) of those Members present, in person or by proxy, at a meeting called for such purpose (without limiting the generality of the foregoing language, the rules and regulations may provide for limitations on use of the Common Properties during certain periods by youthful persons, visitors or otherwise).

11.1.10 Adjusting the amount, collecting and using any insurance proceeds to repair damage or replace lost property, and if proceeds are insufficient to repair damage or replace lost property, assessing the Members in proportionate amounts to cover the deficiency.

11.1.11 Enforcing the provisions of this Declaration, the Design Guidelines, any Community-Wide Standard, and any rules made hereunder, and to enjoining and seeking damages from any Owner for violation of such provisions or rules.

11.1.12 Exercising the rights granted to the Association in this Declaration, including, without limitation, all rights of the Board, the Association, and the ACC relating to architecture, design, and construction review and inspections under Article III.

The Association may exercise any right or privilege given to it expressly or by reasonable implication by this Declaration, the Bylaws, or the Certificate of Formation, and may take action reasonably necessary to effectuate any such right or privilege. Except as otherwise specifically provided in such documents or by law, all of the Association's rights and powers may be exercised by the Board without a vote of the membership.

The Board may institute, defend, settle, or intervene on the Association's behalf in mediation, binding or non-binding arbitration, litigation, or administrative proceedings in matters pertaining to the Common Properties, enforcement of this Declaration, or any other civil claim or action. **However, the Board shall exercise business judgment in determining whether to take any such action under particular circumstance and shall have no legal duty to institute litigation under any circumstances on behalf of or in the name of the Association or the Members.**

Section 11.2 Board Power, Exclusive.

The Board shall have the exclusive right to contract for all goods, services and insurance, payment for which is to be made from the maintenance fund, and the exclusive right and obligation to perform the functions of the Board, except as otherwise provided herein.

Section 11.3 Owner's Obligations to Repair.

Except for those portions of each Lot constituting the Common Properties, each Owner shall at his sole cost and expense, maintain and repair his Lot and the improvements situated thereon, keeping the same in good condition and repair at all times. In the event that any Owner shall fail to maintain and repair his Lot and such improvements as required hereunder, the Association, in addition to all other remedies available to it hereunder or by law, and without waiving any of said alternative remedies, shall have the right but not the obligation, subject to the notice and cure provisions of Section 6.1 above, through its agents and employees, to enter upon said Lot and to repair, maintain and restore the Lot and the exterior of the buildings and any other improvements erected thereon; and each Owner (by acceptance of a deed for his Lot) hereby covenants and agrees to repay to the Association the cost thereof immediately upon demand, and the failure of any such Owner to pay the same shall carry with it the same consequences as the failure to pay any assessments hereunder when due.

Section 11.4 Maintenance Contracts with Owners or Board.

The Board, on behalf of the Association, shall have full power and authority to contract with any Owner or Board member for the performance by or for the Association of services pursuant to the terms hereof (including, but not limited to, the maintenance and repair of fences owned by any such Owner), such contracts to be upon such terms and conditions and for such consideration as the Board may deem proper, advisable and to the best interest of the Association; provided, however, that same must be commercially reasonable in all circumstances. Contracts entered into with Board Members shall comply with Section 209.0052 of the Texas State Property Code and if applicable, any amendment thereof.

Section 11.5 Liability of the Board of Directors.

The Association shall indemnify every officer, director, and committee member against all damages and expenses, including attorneys' fees, reasonably incurred in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding if approved by the Board of Directors at the time of such settlement) to which he or she may be a party by reason of being or having been an officer, director, or committee member.

**OFFICERS, DIRECTORS, AND COMMITTEE MEMBERS SHALL NOT BE LIABLE FOR ANY MISTAKE OF JUDGMENT, NEGLIGENCE OR OTHERWISE, EXCEPT FOR THEIR OWN INDIVIDUAL WILLFUL MISFEASANCE, MALFEASANCE, MISCONDUCT, OR BAD FAITH. The Association's officers and directors shall have no personal liability with respect to any contract or other commitment made or action taken in good faith on behalf of the Association. The Association shall**

**indemnify and forever hold each such officer, director, and committee member harmless from any and all liability to others on account of any such contract, commitment, or action. This right to indemnification shall not be exclusive of any other rights to which any present or former officer, director, or committee member may be entitled. The Association shall, as an Association expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.**

**Section 11.6 Notice and Hearing Procedures Prior to the Initiation of Certain Types of Actions by the Association.**

Except as set forth in paragraph (c) below, prior to filing suit to enforce the provisions of this Declaration, the Design Guidelines, the Street Tree Guidelines, any Community-Wide Standard or rules promulgated hereunder, the Association shall comply with the notice and hearing procedures set forth in subsections (a) and (b) below.

(a) **Notice.** The Association shall serve the alleged violator with a minimum of one (1) written notice describing (i) the nature of the alleged violation, (ii) the action which the Association proposes or intends to take unless the violation is corrected within ten (10) calendar days after the date of the written notice, and (iii) a period of not less than thirty (30) calendar days within which the alleged violator may present a written request for a hearing. If a timely request for a hearing is not made within the thirty (30) day period, the Association may proceed with the action. If the violation is abated within the time period set forth in the written notice, the Association shall suspend the proposed action unless a similar violation occurs within six (6) months from the date of the written notice. Such suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions and rules by any Owner.

(b) **Hearing.** If a hearing is requested within the allotted thirty (30) day period, the hearing shall be held before a committee appointed by the Board consisting of three (3) persons, all of whom shall be Owners or Residents of the Subdivision or representatives of the Declarants. A representative of the Association shall be afforded a reasonable opportunity to make a statement describing the alleged violation and to present any evidence or witnesses to support its statement. The alleged violator shall also be afforded a reasonable opportunity to be heard and to present any evidence or witnesses on his or her behalf. At the conclusion of all statements and presentations, the committee may close the hearing and retire to discuss the evidence and to render a judgment as to whether, in fact, a violation has occurred. The committee shall notify the Association and the alleged violator in writing of its determination within five (5) days after the hearing. If the committee determines that a violation has occurred, the Association may pursue any and all remedies described in its original notice of the violation. The alleged violator shall have the opportunity to appeal the decision of the committee to the Board in accordance with Section 209.007 of the Texas Residential Property Owners Act, Texas Property Code, as it may be amended.

(c) **Applicability.** The notice and hearing procedures set forth in this Section shall not apply to any claim: (i) upon which the Board deems it necessary to obtain emergency injunctive relief; (ii) pertaining to the collection of assessments; or (iii) where the Association decides to

exercise its right of self-help to cure the violation after written notice to the Owner and an opportunity to cure.

## ARTICLE XII AUTHORITY AND CONTROL BY DECLARANTS

### Section 12.1 Declarants' Rights.

Notwithstanding anything herein to the contrary, so long as a Declarant owns at least one (1) Lot, **the Declarants shall have the sole right (acting jointly, and neither may act independently to exercise the following rights unless otherwise expressly stated herein), but not the obligation, in their sole discretion, at any time, effective as of the date hereof, to control, perform and/or conduct the following:**

- (1) amend the Street Tree Guidelines, the Design Guidelines and the Community-Wide Standard, in whole or in part;
- (2) enforce the provisions of this Declaration;
- (3) review, determine and enforce the architectural control of the Lots (with the CADG Declarant exercising such rights with respect to Lots located in portions of the Property other than Phase 2 and the Lennar Declarant exercising such rights with respect to Lots in Phase 2, in accordance with Article III hereof); and
- (4) assigns its rights and obligations under this Declaration to any entity at any time, in whole or in part.

**The Declarants' rights set forth above are absolute in their sole discretion and do not require the approval, consent, or joinder of (i) any Owner, (ii) the Association, (iii) the Board of Directors, or (iv) any committees or other parties which may be established with respect hereto. At such time as the Declarants no longer own a Lot within the Property, all of such rights of enforcement shall revert to the Board of Directors of the Association.**

In the event any other provision in this Declaration is in contradiction to this Article XII, in whole or in part, this Article XII shall prevail.

### Section 12.2 Easement to Inspect and Right to Correct.

Declarants reserve for themselves and others they may designate the right, but not the obligation, to inspect, monitor, test, redesign, and correct any structure, improvement, or condition which may exist on Phase 2 with respect to the Lennar Declarant and any other portion of the Property with respect to the CADG Declarant, including Lots, and a nonexclusive easement of access throughout the Property to the extent reasonably necessary to exercise such right. Except in an emergency, entry onto a Lot shall be only after reasonable notice to the Owner and no entry into a dwelling or other structure on a Lot shall be permitted without the Owner's consent, which consent shall not unreasonably be withheld, conditioned, or delayed. The failure or refusal to

permit reasonable access to the Lot for the purposes contemplated under this paragraph shall excuse a Declarant or its designee from responsibility for repairs or damages relating to defective workmanship or materials.

Section 12.3 Right to Develop.

Declarants and their respective employees, agents, and designees shall have a right of access and use and an easement over and upon all of the Property for the purpose of making, constructing, and installing such improvements to Phase 2 with respect to the Lennar Declarant and all other portions of the Property with respect to the CADG Declarant, as each such Declarant deems appropriate in its discretion.

Section 12.4 Construction Activities.

**All Owners, occupants, and users of Lots are hereby placed on notice that Declarants, and/or their respective agents, contractors, subcontractors, licensees, and other designees, shall conduct development and construction activities within the Property and that such activities shall be conducted in phases and may cause disturbance and disruption which impact the use and enjoyment of a Lot.**

**By the acceptance of a deed or other conveyance or mortgage, leasehold, license, or other interest, and by using any portion of a Lot or the Property generally, the Owners and all occupants and users of Lots acknowledge, stipulate, and agree: (a) that such activities shall not be deemed nuisances, or noxious or offensive activities, under any applicable covenants or at law generally; (b) not to enter upon, or allow their children or other persons under their control or direction to enter upon, or allow their children or other persons under their control or direction to enter upon (regardless of whether such entry is a trespass or otherwise) any property within or in proximity to the Lot where such activities are being conducted (even if not being actively conducted at the time of entry, such as at night or otherwise during non-working hours); (c) that Declarants and all of their respective agents, contractors, subcontractors, licensees, and other designees, shall not be liable but, rather, shall be held harmless for any and all losses, damages (compensatory, consequential, punitive, or otherwise), injuries, or deaths arising from or relating to the aforesaid activities; (d) that any purchase or use of any portion of a Lot has been and will be made with full knowledge of the foregoing; and (e) this acknowledgment and agreement is a material inducement to Declarants to sell, convey, lease, and/or allow the use of Lots within the Property.**

#### Section 12.5 Changes in Master Plan.

Each Owner acknowledges that the Subdivision is a planned community, the development of which is likely to extend over many years, and agrees that the Association shall not engage in, or use Association funds to support any protest, challenge, or other form of objection to (a) changes in uses or density of property within the Property, or (b) changes in the master plan of the Subdivision, including, without limitation, the enlargement of the master plan and the acquisition or revision of regulatory approvals to reflect the annexation of real property, without both Declarants' prior written consent, which consent may be granted or withheld in each such Declarant's discretion.

Each Owner acknowledges and agrees that the present plans and themes for the Property's development may change and that it has not relied on any representation, warranty, or assurance by any person: (a) that any Lots, or other property or facilities will or will not be added, modified, or eliminated within the Property; or (b) as to the financial or other impact of such action on any Owner. Each Owner acknowledges and agrees that it is not entitled to rely upon and has not received or relied upon any representations, warranties, or guarantees whatsoever as to: (a) the design, construction, completion, development, use, benefits, or value of the Property; or (b) the number, types, sizes, prices, or designs of any residential structures or improvements built or to be built in any part of the Property.

#### Section 12.6 Dispute Resolution Involving Declarants.

(a) Right to Correct. Prior to the Association or any Member commencing any proceeding to which a Declarant is a party, including but not limited to an alleged defect of any improvement, such Declarant shall have the right to be heard by the Members, or the particular Member, and to access, inspect, correct the condition of, or redesign any portion of any improvement as to which a defect is alleged or otherwise correct the alleged dispute.

(b) Alternative Method for Resolving Disputes. Declarants, their respective officers, directors, employees and agents; the Association, its officers, directors and committee members; all persons subject to this Declaration; any Builder, its officers, directors, employees and agents; and any person not otherwise subject to this Declaration who agrees to submit to this Section 12.6 (each such entity being referred to as a "Bound Party") agree to encourage the amicable resolution of disputes, without the emotional and financial costs of litigation. Accordingly, each Bound Party covenants and agrees to submit those claims, grievances or disputes described in Section 12.6 (c) (collectively, the "Claims") to the mandatory procedures set forth in Section 12.6 (d).

(c) Claims. Those Claims between any of the Bound Parties, regardless of how the same might have arisen, relating to the quality of design or construction of improvements within the Property including the Common Properties or based upon any statements, representations, promises, or warranties made by or on behalf of any Bound Party, shall be subject to the provisions of this Section 12.6.

(d) Mandatory Procedures.

(i) Notice. Any Bound Party having a Claim ("Claimant") against any other Bound Party ("Respondent") (the Claimant and Respondent referred to herein being individually, as a "Party", or, collectively, as the "Parties") shall notify each Respondent in writing (the "Notice"), stating plainly and concisely:

(a) the nature of the Claim, including the persons involved and Respondent's role in the Claim;

(b) the legal basis of the Claim (*i.e.*, the specific authority out of which the Claim arises;

(c) the proposed remedy; and

(d) the fact that Claimant will meet with Respondent to discuss in good faith ways to resolve the Claim.

(ii) Negotiations and Mediation.

(a) The parties shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation. If requested in writing, accompanied by a copy of the Notice, the Board may appoint a representative to assist the Parties in negotiation.

(b) If the parties do not resolve the Claim within thirty (30) days after the date of the Notice (or within such other period as may be agreed upon by the Parties) ("Termination of Negotiations"), Claimant shall have two (2) days to submit the Claim to mediation under the auspices of the American Arbitration Association ("AAA") in accordance with the AAA's Commercial or Construction Industry Mediation Rules, as appropriate.

(c) If Claimant does not submit the Claim to mediation within such time, or does not appear for mediation, Claimant shall be deemed to have waived the Claim, and Respondent shall be released and discharged from any and all liability to Claimant on account of such Claim; provided, nothing herein shall release or discharge Respondent from any liability to any Person other than the Claimant.

(d) Any settlement of the Claim through mediation shall be documented in writing by the mediator and signed by the Parties. If the Parties do not settle the Claim within thirty (30) days after submission of the matter to the mediation, or within such other time as determined by the mediator or agreed to by the Parties, the mediator shall issue a notice of termination of the mediation proceedings ("Termination of Mediation"). The Termination of Mediation Notice shall set forth that the Parties are at an impasse and the date that mediation was terminated.

Each Party shall bear its own costs of the mediation, including attorneys' fees, and each Party shall share equally all charges rendered by the mediator. If the Parties agree to a resolution of any Claim through negotiations or mediation in accordance with this Section and any Party thereafter fails to abide by the terms of such agreement, then any other Party may file suit or initiate arbitration proceedings to enforce such agreement, without the need to again comply with the procedures set forth in this Section. In such event, the Party taking action to enforce the agreement shall be entitled to recover from the non-complying Party (or if more than one non-complying Party, from all such Parties pro rata) all costs incurred in enforcing such agreement, including, without limitation, attorneys' fees and court costs.

(iii) Binding Arbitration.

(a) Upon Termination of Mediation, Claimant shall thereafter be entitled to initial final, binding arbitration of the Claim under the auspices of the AAA in accordance with the AAA's Commercial or Construction Industry Arbitration Rules, as appropriate. Such Claims shall not be decided by or in a court of law. Any judgment upon the award rendered by the arbitrator may be entered in and enforced by any court having jurisdiction over such Claim. If the claimed amount exceeds \$250,000, the dispute shall be heard and determined by three (3) arbitrators. Otherwise, unless mutually agreed to by the Parties, there shall be one (1) arbitrator. Arbitrators shall have expertise in the area(s) of dispute, which may include legal expertise if legal issues are involved.

(b) Each Party shall bear its own costs and expenses and an equal share of the arbitrator's and administrative fees or arbitration. Notwithstanding the foregoing, if a Party unsuccessfully contests the validity or scope of arbitration in a court of law, the non-contesting Party shall be awarded reasonable attorneys' fees and expenses incurred in defending such contest. All decisions respecting the ability to arbitrate any Claim shall be decided by the arbitrator(s).

(c) The award of the arbitrator(s) shall be accompanied by detailed written findings of fact and conclusions of law. Except as may be required by law or for confirmation of an award, neither a Party nor an arbitrator may disclose the existence, content, or results of any arbitration hereunder without the prior written consent of both Parties.

**ARTICLE XIII  
OBLIGATIONS OF BOARD OF DIRECTORS**

Section 13.1 Obligations of Board of Directors.

Notwithstanding anything herein to the contrary, and so long as a Declarant is acting on behalf of the Board of Directors as further described in Section 13.2 below, the sole responsibility and obligation of the Board of Directors shall be to maintain the corporation books of the Association and maintain the Association in good corporate standing with Secretary of State of the State of Texas and in good standing with the Office of the Comptroller of Public Accounts of the State of Texas.

Section 13.2 Liability for Association Operations.

**THE ASSOCIATION SHALL, TO THE FULLEST EXTENT PERMITTED BY LAW, INDEMNIFY, DEFEND, AND HOLD HARMLESS DECLARANTS (INCLUDING THEIR RESPECTIVE SUCCESSORS, AND ASSIGNS) FROM AND AGAINST ANY AND ALL LOSSES, CLAIMS, DEMANDS, DAMAGES, COSTS, AND EXPENSES OF WHATEVER KIND OR NATURE (INCLUDING, WITHOUT LIMITATION, REASONABLE ATTORNEYS' FEES AND COSTS AT ALL TRIBUNAL LEVELS AND WHETHER OR NOT SUIT IS INSTITUTED, INCLUDING THOSE INCURRED IN ESTABLISHING THE RIGHT TO BE INDEMNIFIED, DEFENDED, AND HELD HARMLESS PURSUANT HERETO), WHICH RELATE TO OR ARISE OUT OF ASSOCIATION MANAGEMENT AND OPERATIONS, INCLUDING, WITHOUT LIMITATION, IMPROVEMENT, MAINTENANCE, AND OPERATION OF AMENITIES AND OTHER PORTIONS OF THE COMMON PROPERTIES AND THE COLLECTION OF ASSESSMENTS.**

Section 13.3 No Liability for Acts of Third Party.

**OWNERS AND OCCUPANTS OF LOTS, AND THEIR RESPECTIVE GUESTS AND INVITEES, ARE RESPONSIBLE FOR THEIR OWN PERSONAL SAFETY AND FOR THEIR PROPERTY WITHIN THE PROPERTY. THE ASSOCIATION MAY BUT IS NOT OBLIGATED TO MAINTAIN OR SUPPORT CERTAIN ACTIVITIES WITHIN THE PROPERTY WHICH PROMOTE OR ENHANCE SAFETY OR SECURITY WITHIN THE PROPERTY. HOWEVER, THE ASSOCIATION, AND DECLARANTS SHALL NOT IN ANY WAY BE CONSIDERED INSURERS OR GUARANTORS OF SAFETY OR SECURITY WITHIN THE PROPERTY, NOR SHALL THEY BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN.**

**NO REPRESENTATION OR WARRANTY IS MADE THAT ANY SYSTEMS OR MEASURES, INCLUDING FIRE PROTECTION, BURGLAR ALARM, OR OTHER SECURITY MONITORING SYSTEMS, OR ANY MECHANISM OR SYSTEM FOR LIMITING ACCESS TO THE PROPERTY, CANNOT BE COMPROMISED OR**

**CIRCUMVENTED, NOR THAT ANY SUCH SYSTEMS OR MEASURES UNDERTAKEN WILL IN ALL CASES PREVENT LOSS OR PROVIDE THE DETECTION OR PROTECTION FOR WHICH THE SYSTEM IS DESIGNED OR INTENDED. EACH OWNER ACKNOWLEDGES, UNDERSTANDS, AND SHALL BE RESPONSIBLE FOR INFORMING ITS TENANTS AND ALL OCCUPANTS OF ITS LOT THAT THE ASSOCIATION, THE BOARD AND ITS COMMITTEES, AND DECLARANTS ARE NOT INSURERS OR GUARANTORS OF SECURITY OR SAFETY AND THAT EACH PERSON WITHIN THE PROPERTY ASSUMES ALL RISKS OF PERSONAL INJURY AND LOSS OR DAMAGE TO PROPERTY, INCLUDING LOTS AND THE CONTENTS OF LOTS, RESULTING FROM ACTS OF THIRD PARTIES.**

**ARTICLE XIV  
EXPANSION OF THE PROPERTY**

Section 14.1 Expansion of the Property.

Declarants, in their sole discretion and without the approval of any other party, and upon consent and joiner of both Declarants, may from time to time subject this Declaration to additional real property by recording in the Real Property Records of the County, a Supplemental Declaration describing the additional real property to be subjected to this Declaration. Any such Supplemental Declaration which is executed by Declarants and the owner of such additional property, if other than Declarants, and recorded in the Real Property Records of the County shall not require the consent or approval of any other Owner or other person in order to be fully enforceable and effective to cause such additional real property to be incorporated herein. Nothing in this Declaration shall be construed to require Declarants to subject additional real property to this Declaration.

Section 14.2 Additional Covenants and Easements.

Declarants, in their sole discretion and without the approval of any other party, and upon consent and joiner of both Declarants, may from time to time subject any portion of the Property, whether now or hereafter a part of this Declaration, to additional covenants and easements, including, without limitation, covenants obligating the Association to maintain and insure such property and authorizing the Association to recover its costs through the assessments, as described in Article X hereof. Such additional covenants and easements may be set forth either in a Supplemental Declaration subjecting such property to this Declaration or in a separate Supplemental Declaration referencing property previously subjected to this Declaration. Any such Supplemental Declaration may supplement, create exceptions to, or otherwise modify the terms of this Declaration as it applies to the Property, whether now or hereafter a part of this Declaration, in order to reflect the different character and intended use of such Property. Any such Supplemental Declaration which is executed by Declarants and recorded in the Real Property Records of the County shall not require the consent or approval of any other Owner or other person in order to be fully enforceable and effective to cause such additional covenants and easements to be incorporated herein.

Section 14.3 Effect of Recording Supplemental Declaration.

A Supplemental Declaration shall be effective upon the recording of same in the Real Property Records of the County unless otherwise specified in such Supplemental Declaration. On the effective date of the Supplemental Declaration, any additional property subjected to this Declaration shall be assigned voting rights in the Association and assessment liability in accordance with the provisions of this Declaration.

**ARTICLE XV  
GENERAL PROVISIONS**

Section 15.1 Mortgages.

It is expressly provided that the breach of any of the conditions contained herein shall not defeat or render invalid the lien of any mortgage or deed of trust made in good faith and for value, as to the same premises or any part thereof encumbered by such mortgage or deed of trust, but said conditions shall be binding thereto as to Lots acquired by foreclosure, trustee's sale or otherwise, as to any breach occurring after such acquisition of title.

Section 15.2 Term.

This Declaration shall be enforceable by Declarants, the Association, any aggrieved Owner, and their respective legal representatives, heirs, successors, and assigns until December 31, 2050, after which time this Declaration shall extend automatically for successive 10-year periods unless at least sixty-seven percent (67%) of the then Owners have signed, within a six month period preceding the end of the initial term or any extension, an instrument which terminates this Declaration and such instrument is recorded in the Real Property Records of the County prior to the end of the term.

Section 15.3 Severability.

If any provision herein contained shall be invalid, which invalidity shall not be presumed until the same is determined by the final (*i.e.*, non-appealable) judgment or order of a court of competent jurisdiction, such invalidity shall in no way affect any other provision hereof, each of which shall remain in full force and effect.

Section 15.4 Binding Effect.

This Declaration is for the mutual benefit of, and shall be binding upon, each and every person acquiring any part of the Property, it being understood that the covenants, conditions, restrictions, easements, and other provisions contained in this Declaration are not for the benefit of the owner of any land except that which is a part of the Property. This Declaration, when executed, shall be filed of record in the Real Property Records of the County, so that each and every Owner or purchaser of any portion of the Property is on notice of the covenants, conditions, restrictions, easements, and other provisions herein contained.

Section 15.5 Notices.

Any notices or correspondence to an Owner shall be addressed to the street address of the Lot or to such other address as is specified by any such Owner in writing to the Association. The burden shall be on the Owner to prove that such written notification was duly given and delivered to the Association as provided below. Any notices or correspondence to the Association shall be addressed to the registered office of the Association as shown by the records of the Secretary of State for the State of Texas or to such other address as is specified by the Association in writing to the Owners.

Except as this Declaration or the Bylaws otherwise provide, all notices, demands, bills, statements, or other communications under this Declaration or the Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or by private carrier; if sent by United States mail; or, if the intended recipient has given its prior written authorization to use such method of delivery, by facsimile or electronic mail with written confirmation of transmission.

Notices sent in accordance with this Declaration shall be deemed to have been duly given and effective:

(i) sent by United States mail, when deposited with the U.S. Postal Service, correctly addressed, with first class postage prepaid;

(ii) if delivered personally or by private carrier, when actually delivered to the address of the intended recipient, as evidenced by the signature of the person at such address who accepts such delivery; or

(iii) if sent by facsimile or electronic mail, upon transmission, as evidenced by a printed confirmation.

#### Section 15.6 Transfer Under Deed of Trust.

Upon any transfer of a Declarant's interest in and to the Property, or any part thereof, under the terms of any deed of trust lien upon the Property, whether voluntary or involuntary, by foreclosure, deed in lieu of foreclosure or otherwise, all rights, title and interests of such Declarant under this Declaration, shall be transferred to and devolve upon the party to whom the Property or any part thereof, is thereby conveyed.

#### Section 15.7 Notice of Transfer.

If at any time a Lot is sold, the new Owner shall have the sole obligation to promptly notify the Association of the name and address of the new Owner and shall be responsible for any cost, charge or expense added to the account of such Owner which may have otherwise been avoided if the above information was promptly delivered to the Association.

#### Section 15.8 No Liability for Trespass.

Whenever the Association, the Board of Directors or any Declarant exercises any right hereunder and in connection therewith enters upon any Lot, such parties shall not be liable for trespass upon such Lot.

Section 15.9 Lien Priority.

Notwithstanding any other provision of the Declaration, the lien to secure the payment of assessments and any other lien which the Association may have on any Lot pursuant to the Declaration for (a) assessments or other charges becoming payable on or after the date of recordation of the first mortgage or deed of trust on any Lot, or (b) any fees, late charges, fines or interest that may be levied by the Association in connection with unpaid assessments, shall be subordinate to the lien or equivalent security interest of any legitimate third-party first lien mortgage or deed of trust on any Lot, if any. Any foreclosure of any such superior lien under the power of sale of any mortgage, deed of trust or other security instrument, or through court proceedings in which the Association has been made a party, shall extinguish the liens securing maintenance charges or assessments which became due and payable prior to such foreclosure date, but no such foreclosure shall free any Lot from the liens securing assessments thereafter becoming due and payable, nor shall the liability of any Owner personally obligated to pay maintenance charges or assessments which become due prior to such foreclosure be extinguished by any foreclosure, nor shall the lien for future assessments or charges be affected in any manner. Any such maintenance charges or assessments which are extinguished pursuant to the foregoing provision shall be reallocated and assessed to all Lots as a common expense.

Section 15.10 Use of Recreational Facilities and Other Common Properties.

The property made subject to this Declaration will contain common recreational facilities available for the use and enjoyment of Owners of all or any portion of the Property, including Lots and homes, in the Subdivision, their families, tenants and other occupants of their property, and the guests of any such persons. EACH OWNER, BY ACCEPTANCE OF A DEED TO ANY PORTION OF THE PROPERTY MADE SUBJECT TO THIS DECLARATION, ACKNOWLEDGES THAT THE USE AND ENJOYMENT OF ANY RECREATIONAL FACILITY OR ANY OTHER PORTION OF THE COMMON PROPERTIES INVOLVES RISK OF PERSONAL INJURY OR DAMAGE TO PROPERTY.

Each Owner acknowledges, understands, and covenants to inform his or her family members, and tenants and other occupants of Owner's property that Declarants, the Association, the Board and any committees, and Builders constructing homes and other improvements within the Subdivision are not insurers of personal safety. EACH PERSON USING SUCH RECREATIONAL FACILITIES OR ANY OTHER PORTION OF THE COMMON PROPERTIES ASSUMES ALL RISKS OF PERSONAL INJURY, DEATH, AND LOSS OR DAMAGE TO PROPERTY, RESULTING FROM THE USE AND ENJOYMENT OF ANY RECREATIONAL FACILITY OR OTHER PORTION OF THE COMMON PROPERTIES. Each Owner agrees that Declarants, the Association, the Board and committees, and builders within the community shall not be liable to any person claiming any loss or damage, including, without limitation, indirect, special or consequential loss or damage arising from personal injury or

death, destruction of property, trespass, loss of enjoyment, or any other wrong or entitlement to remedy based upon, due to, arising from, or otherwise relating to the use of any recreational facility or other portions of the Common Properties, including, without limitation, any claim arising in whole or in part from the negligence of a Declarant, the Association, or any Builder within the community. THE FOREGOING RELEASE IS INTENDED TO RELEASE THE SPECIFIED PARTIES FROM LIABILITY FOR THEIR OWN NEGLIGENCE.

EACH OWNER ACKNOWLEDGES AND AGREES THAT THE ABOVE RELEASE FROM LIABILITY IS CONSIDERATION FOR, AND A CONDITION TO, THE USE AND ENJOYMENT OF THE RECREATIONAL FACILITIES AND OTHER COMMON PROPERTIES WITHIN THE SUBDIVISION AND THAT THIS ACKNOWLEDGMENT AND AGREEMENT IS A MATERIAL INDUCEMENT TO DECLARANTS AND BUILDERS TO SELL, CONVEY, LEASE, AND/OR ALLOW THE USE OF LOTS WITHIN THE SUBDIVISION. ANY VIOLATION OF THIS RELEASE AGREEMENT BY AN OWNER, OR ANY OF OWNER'S FAMILY MEMBERS, TENANTS AND OTHER OCCUPANTS OF OWNER'S PROPERTY, OR THEIR RESPECTIVE GUESTS SHALL BE GROUNDS FOR THE SUSPENSION OR TERMINATION OF ALL OF SUCH PERSONS' USE PRIVILEGES IN SUCH FACILITIES.

Section 15.11 Construction of Declaration and All Association Documents.

The provisions of this Declaration and all other documents of the Association shall be liberally construed to give effect to its intended purpose. All doubts regarding the meaning, significance or effect of a provision in this Declaration or other documents of the Association, shall be resolved in favor of the operation of the Association and its enforcement of the Declaration.

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EXECUTED to be effective as of the 25th day of May, 2017, and acknowledged as shown below.

**CADG DECLARANT:**  
CADG Lincoln Park, LLC,  
a Texas limited liability company

By: CADG Holdings, LLC,  
a Texas limited liability company,  
Its Sole Member

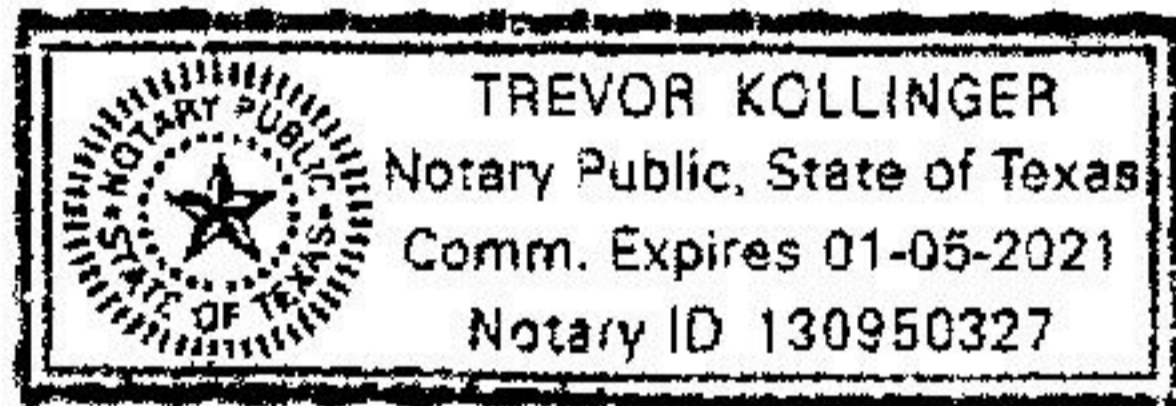
By: MMM Ventures, LLC,  
a Texas limited liability company  
Its Manager

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

By: [Signature]  
Name: Mehrdad Moayed  
Its: Manager

STATE OF TEXAS       §  
                                  §  
COUNTY OF DALLAS   §

This instrument was acknowledged before me on the 31 day of May, 2017, by Mehrdad Moayed, Manager of 2M Ventures, LLC, as Manager of MMM Ventures, LLC, as Manager of CADG Holdings, LLC, as Sole Member of CADG Lincoln Park, LLC, a Texas limited liability company on behalf of said company, and in the capacities herein stated.



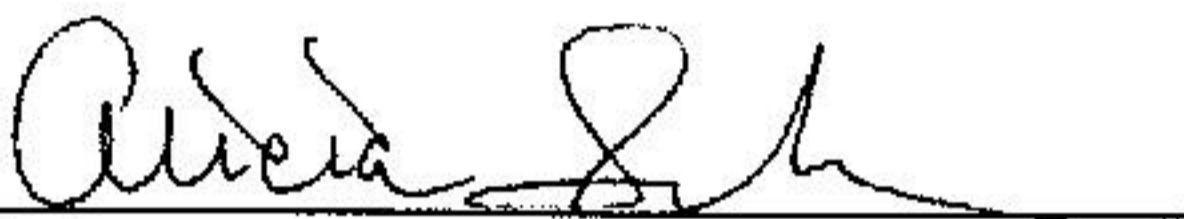
[Signature]  
Notary Public, State of Texas

EXECUTED on the date in the acknowledgment below to be effective as of this 6<sup>th</sup> day of June, 2017

**LENNAR DECLARANT:**

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

By: Lennar Texas Holding Company,  
a Texas corporation,  
it's General Partner

By:   
Alicia Schwarze, Authorized Agent

STATE OF TEXAS §  
  §  
COUNTY OF Dallas §

This instrument was acknowledged before me on the 6 day of 2017, 2017, by Alicia Schwarze, Authorized Agent of Lennar Texas Holding Company, a Texas corporation, as General Partner of Lennar Homes of Texas Land and Construction, Ltd., a Texas limited partnership, on behalf of said corporation and limited partnership, and in the capacities herein stated.

  
Notary Public, State of Texas



**EXHIBIT A  
TO  
DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS  
FOR HILLSTONE POINTE, DENTON COUNTY, TEXAS**

**LEGAL DESCRIPTION OF THE PROPERTY**

**TRACT I (23.906 Acres; Phase 1):**

BEING THAT CERTAIN TRACT OF LAND SITUATED IN THE MARSELLA JONES SURVEY, ABSTRACT NO. 662, IN DENTON COUNTY, TEXAS, AND BEING PART OF TWO TRACTS OF LAND DESCRIBED IN DEEDS TO CADG LINCOLN PARK, LLC, RECORDED IN DOCUMENT NUMBERS 2015-15945, AND 2015-16384 OF THE REAL PROPERTY RECORDS OF DENTON COUNTY, TEXAS (RPRDCT), AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A 5/8" IRON ROD WITH CAP MARKED "PETITT-RPLS 4087" FOUND ON THE EAST RIGHT-OF-WAY LINE OF OAK GROVE ROAD (VARIABLE WIDTH RIGHT-OF-WAY), BEING THE SOUTHWEST CORNER OF THAT CERTAIN TRACT OF LAND DESCRIBED IN DEED TO OAK GROVE UNITED METHODIST CHURCH, RECORDED IN DOCUMENT NUMBER 2007-17505, RPRDCT, AND ALSO BEING THE MOST WESTERLY NORTHWEST CORNER OF SAID CADG LINCOLN PARK, LLC TRACT RECORDED IN DOCUMENT NUMBER 2015-15945, RPRDCT;

THENCE SOUTH 88 DEGREES 42 MINUTES 52 SECONDS EAST, WITH THE NORTH LINE OF SAID CADG LINCOLN PARK, LLC TRACT RECORDED IN DOCUMENT NUMBER 2015-15945, RPRDCT AND THE SOUTH LINE OF SAID OAK GROVE UNITED METHODIST CHURCH TRACT, A DISTANCE OF 751.41 FEET TO A 1/2-INCH IRON ROD WITH CAP MARKED "#4561" FOUND FOR THE SOUTHEAST CORNER OF SAID OAK GROVE UNITED METHODIST CHURCH TRACT;

THENCE, OVER AND ACROSS SAID CADG LINCOLN PARK, LLC. TRACT RECORDED IN DOCUMENT NUMBER 2015-15945, RPRDCT, THE FOLLOWING COURSES AND DISTANCES TO 5/8-INCH IRON RODS WITH CAPS MARKED "PETITT-RPLS 4087" SET FOR CORNER:

SOUTH 88 DEGREES 29 MINUTES 37 SECONDS EAST, A DISTANCE OF 174.05 FEET;

SOUTH 01 DEGREE 30 MINUTES 23 SECONDS WEST, A DISTANCE OF 113.92 FEET;

SOUTH 88 DEGREES 27 MINUTES 26 SECONDS EAST, A DISTANCE OF 12.03 FEET;

SOUTH 01 DEGREE 32 MINUTES 34 SECONDS WEST, A DISTANCE OF 50.00 FEET;

NORTH 88 DEGREES 27 MINUTES 26 SECONDS WEST, A DISTANCE OF 12.00 FEET;

SOUTH 01 DEGREE 30 MINUTES 23 SECONDS WEST, A DISTANCE OF 236.00 FEET;

SOUTH 88 DEGREES 27 MINUTES 26 SECONDS EAST, A DISTANCE OF 12.03 FEET;

SOUTH 01 DEGREE 32 MINUTES 34 SECONDS WEST, A DISTANCE OF 50.00 FEET;

NORTH 88 DEGREES 27 MINUTES 26 SECONDS WEST, A DISTANCE OF 12.00 FEET;

AND SOUTH 01 DEGREE 30 MINUTES 23 SECONDS WEST, AT A DISTANCE OF 152.10 FEET PASSING THE COMMON SOUTH LINE OF SAID CADG LINCOLN PARK TRACT RECORDED IN DOCUMENT NUMBER 2015-15945, RPRDCT, AND THE NORTH LINE OF SAID CADG LINCOLN PARK TRACT RECORDED IN DOCUMENT NUMBER 2015-16384, RPRDCT, CONTINUING IN ALL, A TOTAL DISTANCE OF 220.00 FEET TO A 5/8-INCH IRON ROD WITH CAP MARKED "PETITT-RPLS 4087" SET FOR CORNER;

THENCE, OVER AND ACROSS SAID CADG LINCOLN PARK, LLC. TRACT RECORDED IN DOCUMENT NUMBER 2015-16384, RPRDCT, THE FOLLOWING COURSES AND DISTANCES TO 5/8-INCH IRON RODS WITH CAPS MARKED "PETITT-RPLS 4087" SET FOR CORNER:

SOUTH 88 DEGREES 27 MINUTES 26 SECONDS EAST, A DISTANCE OF 12.03 FEET;

SOUTH 01 DEGREE 32 MINUTES 34 SECONDS WEST, A DISTANCE OF 50.00 FEET;

NORTH 88 DEGREES 27 MINUTES 26 SECONDS WEST, A DISTANCE OF 12.00 FEET;

SOUTH 01 DEGREE 30 MINUTES 23 SECONDS WEST, A DISTANCE OF 236.00 FEET;

SOUTH 88 DEGREES 27 MINUTES 26 SECONDS EAST, A DISTANCE OF 11.34 FEET;

SOUTH 01 DEGREE 32 MINUTES 34 SECONDS WEST, A DISTANCE OF 50.00 FEET;

NORTH 88 DEGREES 27 MINUTES 26 SECONDS WEST, A DISTANCE OF 23.00 FEET;

AND SOUTH 01 DEGREE 32 MINUTES 34 SECONDS WEST, A DISTANCE OF 112.80 FEET, SAID IRON ROAD ALSO BEING LOCATED IN THE NORTHERLY LINE OF THAT CERTAIN TRACT OF LAND DESCRIBED IN DEED TO WESTERN RIM INVESTORS 2015-1, L.P., RECORDED IN DOCUMENT NUMBER 2015-17019, RPRDCT, FROM WHICH A 5/8 INCH IRON ROD MARKED "PETITT -RPLS 4087" FOUND AT THE NORTHEAST CORNER OF SAID WESTERN RIM INVESTORS 2015-1, L.P TRACT BEARS SOUTH 88 DEGREES 29 MINUTES 37 SECONDS EAST, A DISTANCE OF 178.63 FEET;

THENCE NORTH 88 DEGREES 29 MINUTES 37 SECONDS WEST, WITH SAID NORTH LINE, A DISTANCE OF 924.37 FEET TO A 5/8 INCH IRON ROD MARKED "PETITT -RPLS 4087" FOUND AT THE NORTHWEST CORNER OF SAID WESTERN RIM INVESTORS 2015-1, L.P. TRACT, SAID IRON ROD ALSO BEING LOCATED ON SAID EAST RIGHT-OF-WAY LINE OF OAK GROVE ROAD;

THENCE NORTH 02 DEGREES 01 MINUTE 37 SECONDS EAST, WITH SAID EAST RIGHT-OF-WAY LINE OF OAK GROVE ROAD, A DISTANCE OF 516.71 FEET TO A 5/8 INCH IRON ROD MARKED "PETITT -RPLS 4087" FOUND AT THE NORTHWEST CORNER OF SAID CADG LINCOLN PARK, LP TRACT RECORDED IN DOCUMENT NUMBER 2015-16384, RPRDCT, AND THE SOUTHWEST CORNER OF SAID CADG LINCOLN PARK, LP TRACT, RECORDED IN DOCUMENT NUMBER 2015-15945, RPRDCT;

THENCE NORTH 02 DEGREES 04 MINUTES 46 SECONDS EAST, CONTINUING WITH SAID EAST RIGHT-OF-WAY LINE OF OAK GROVE ROAD, A DISTANCE OF 599.15 FEET TO THE POINT OF BEGINNING OF HEREIN DESCRIBED TRACT, CONTAINING 23.906 ACRES OF LAND.

**TRACT II (59.121 Acres; Phase 2):**

WHEREAS OAK GROVE 380 INVESTORS, LLC, JENNIFER HAYLEY WHISENANT CROWELL, INVESCROW GROUP, LLC, AND LITTLE BRO BIG SIS, LLC, ARE THE OWNERS OF THAT CERTAIN TRACT OF LAND SITUATED IN THE MARSELLA JONES SURVEY, ABSTRACT NO. 662, IN DENTON COUNTY, TEXAS, SAID TRACT BEING ALL OF A CALLED 59.217 ACRE TRACT OF LAND DESCRIBED IN DEED TO SAID OWNERS, RECORDED IN DOCUMENT NUMBER 2015-128308, OF THE REAL PROPERTY RECORDS OF DENTON COUNTY, TEXAS (RPRDCT), AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A 1/2-INCH IRON ROD WITH CAP MARKED "5310" FOUND FOR

CORNER ON THE SOUTH RIGHT-OF-WAY LINE OF FISHTRAP ROAD (PARTIALLY DEDICATED COUNTY ROAD), SAID IRON ROD ALSO BEING LOCATED AT THE NORTHWEST CORNER OF SAID 59.217 ACRE TRACT, FROM WHICH A 5/8-INCH IRON ROD WITH CAP FOUND AT THE NORTHEAST CORNER OF A 15-FOOT RIGHT-OF-WAY DEDICATION FOR FISHTRAP ROAD ACCORDING TO FINAL PLAT OF VILLAGES AT CROSS ROADS. AN ADDITION TO THE TOWN OF CROSS ROADS, DENTON COUNTY, TEXAS, RECORDED IN CABINET X, PAGE 883 OF THE PLAT RECORDS OF DENTON COUNTY, TEXAS (PRDCT) BEARS SOUTH 26°15'26" WEST, A DISTANCE OF 0.45 FEET; THENCE SOUTH 88°23'27" EAST, WITH SAID SOUTH RIGHT-OF-WAY LINE OF FISHTRAP ROAD, A DISTANCE OF 819.95 FEET TO A 1/2-INCH IRON ROD WITH CAP MARKED "5310" FOUND FOR CORNER AT THE NORTHERN END OF A CORNER CLIP LOCATED AT THE INTERSECTION OF SAID SOUTH RIGHT-OF-WAY LINE OF FISHTRAP ROAD AND THE WEST RIGHT-OF-WAY LINE OF OAK GROVE ROAD (PARTIALLY DEDICATED PUBLIC ROAD);

THENCE SOUTH 52°51'28" EAST, WITH SAID CORNER CLIP, A DISTANCE OF 13.96 FEET TO A 1/2-INCH IRON ROD WITH CAP MARKED "5310" FOUND FOR CORNER AT THE SOUTH END OF SAID CORNER CLIP;

THENCE SOUTH 01°47'25" WEST, WITH SAID WEST RIGHT-OF-WAY LINE OF OAK GROVE ROAD, A DISTANCE OF 3149.14 FEET TO A 1/2-INCH IRON ROD WITH CAP MARKED "5310" FOUND FOR THE SOUTHEAST CORNER OF SAID 59.217 ACRE TRACT, SAID IRON ROD ALSO BEING LOCATED ON THE NORTH LINE OF LOT 4 OF OAK GROVE RETAIL, AN ADDITION TO DENTON COUNTY, TEXAS, ACCORDING TO FINAL PLAT RECORDED IN CABINET Y, PAGE 386, PRDCT;

THENCE NORTH 79°42'07" WEST, WITH SAID NORTH LINE OF LOT 4, A DISTANCE OF 842.85 FEET TO A 1/2-INCH IRON ROD WITH CAP MARKED "5310" FOUND FOR THE SOUTHWEST CORNER OF SAID 59.217 ACRE TRACT, SAME BEING AN INTERIOR "ELL" CORNER OF LOT 7R1, BLOCK A, OF CROSS ROADS RETAIL, AN ADDITION TO THE TOWN OF CROSS ROADS, DENTON COUNTY, TEXAS, ACCORDING TO REPLAT RECORDED IN DOCUMENT NUMBER 2016-65, PRDCT;

THENCE NORTH 01°49'57" EAST, WITH THE WEST LINE OF SAID 59.217 ACRE TRACT, A DISTANCE OF 3029.93 FEET TO THE POINT OF BEGINNING AND CONTAINING A CALCULATED AREA OF 59.121 ACRES OF LAND, MORE OR LESS.

**EXHIBIT A-1  
TO  
DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS  
FOR HILLSTONE POINTE, DENTON COUNTY, TEXAS**

**LEGAL DESCRIPTION OF PHASE 2**

THAT CERTAIN TRACT OF LAND SITUATED IN THE MARSELLA JONES SURVEY, ABSTRACT NO. 662, IN DENTON COUNTY, TEXAS, SAID TRACT BEING ALL OF A CALLED 59.217 ACRE TRACT OF LAND DESCRIBED IN DEED TO OAK GROVE 380 INVESTORS, LLC, JENNIFER HAYLEY WHISENANT CROWELL, INVESCROW GROUP, LLC AND LITTLE BRO BIG SIS, LLC, RECORDED IN DOCUMENT NUMBER 2015-128308, OF THE REAL PROPERTY RECORDS OF DENTON COUNTY, TEXAS (RPRDCT), AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A 1/2-INCH IRON ROD WITH CAP MARKED "5310" FOUND FOR CORNER ON THE SOUTH RIGHT-OF-WAY LINE OF FISHTRAP ROAD (PARTIALLY DEDICATED COUNTY ROAD), SAID IRON ROD ALSO BEING LOCATED AT THE NORTHWEST CORNER OF SAID 59.217 ACRE TRACT, FROM WHICH A 5/8-INCH IRON ROD WITH CAP FOUND AT THE NORTHEAST CORNER OF A 15-FOOT RIGHT-OF-WAY DEDICATION FOR FISHTRAP ROAD ACCORDING TO FINAL PLAT OF VILLAGES AT CROSS ROADS, AN ADDITION TO THE TOWN OF CROSS ROADS, DENTON COUNTY, TEXAS, RECORDED IN CABINET X, PAGE 883 OF THE PLAT RECORDS OF DENTON COUNTY, TEXAS (PRDCT) BEARS SOUTH 26°15'26" WEST, A DISTANCE OF 0.45 FEET;

THENCE SOUTH 88°23'27" EAST, WITH SAID SOUTH RIGHT-OF-WAY LINE OF FISHTRAP ROAD, A DISTANCE OF 819.95 FEET TO A 1/2-INCH IRON ROD WITH CAP MARKED "5310" FOUND FOR CORNER AT THE NORTHERN END OF A CORNER CLIP LOCATED AT THE INTERSECTION OF SAID SOUTH RIGHT-OF-WAY LINE OF FISHTRAP ROAD AND THE WEST RIGHT-OF-WAY LINE OF OAK GROVE ROAD (PARTIALLY DEDICATED PUBLIC ROAD);

THENCE SOUTH 52°51'28" EAST, WITH SAID CORNER CLIP, A DISTANCE OF 13.96 FEET TO A 1/2-INCH IRON ROD WITH CAP MARKED "5310" FOUND FOR CORNER AT THE SOUTH END OF SAID CORNER CLIP;

THENCE SOUTH 01°47'25" WEST, WITH SAID WEST RIGHT-OF-WAY LINE OF OAK GROVE ROAD, A DISTANCE OF 3149.14 FEET TO A 1/2-INCH IRON ROD WITH CAP MARKED "5310" FOUND FOR THE SOUTHEAST CORNER OF SAID 59.217 ACRE TRACT, SAID IRON ROD ALSO BEING LOCATED ON THE NORTH LINE OF LOT 4 OF OAK GROVE RETAIL, AN ADDITION TO DENTON COUNTY, TEXAS, ACCORDING TO FINAL PLAT RECORDED IN CABINET Y, PAGE 386, PRDCT;

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"ELL" CORNER OF LOT 7R1, BLOCK A, OF CROSS ROADS RETAIL, AN ADDITION TO THE TOWN OF CROSS ROADS, DENTON COUNTY, TEXAS, ACCORDING TO REPLAT RECORDED IN DOCUMENT NUMBER 2016-65, PRDCT;

THENCE NORTH 01°49'57" EAST, WITH THE WEST LINE OF SAID 59.217 ACRE TRACT, A DISTANCE OF 3029.93 FEET TO THE POINT OF BEGINNING AND CONTAINING A CALCULATED AREA OF 59.121 ACRES OF LAND, MORE OR LESS.

**EXHIBIT B  
TO  
DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS  
FOR HILLSTONE POINTE, DENTON COUNTY, TEXAS**

**DESIGN GUIDELINES**

**PART ONE: LANDSCAPING, FENCES AND EXTERIOR ELEMENTS**

**SECTION 1.1 LANDSCAPING:**

Upon completion of each dwelling unit, each dwelling must comply with the landscaping requirements of any applicable regulations or ordinances, and the Association Rules. Notwithstanding compliance with the foregoing, the following landscape elements shall be installed prior to occupancy of the dwelling:

- 1.1.1 Sod: Each dwelling shall have full sod installed for the entire front yard, rear yard, and a minimum of ten (10) feet back from the front wall face for each side yard, or to the side yard fence, whichever is greater.
- 1.1.2 Trees: Two (2) trees with a minimum caliper of 3", measured at a point six (6) inches above ground level in compliance with the Street Tree Guidelines. Each homeowner shall be responsible for maintenance and preservation of trees located on their property and shall promptly replace dead trees within thirty (30) days when favorable weather permits, otherwise, within ninety (90) days of loss occurrence. See Street Tree Guidelines for instructions. Trees protected under any City ordinance may be subject to city requirements or restrictions.
- 1.1.3 Shrubbery and Planting Beds: Each Dwelling shall have a minimum of ten (10) one (1) gallon shrubs planted in a mulched planting bed; the planting bed shall have edging materials to separate the sod and bed mulch areas. The homeowner shall be responsible for the maintenance a preservation of the shrubs and planting bed, and shall promptly replace dead plants within thirty (30) days when favorable weather permits, otherwise, within ninety (90) days of loss occurrence.

**SECTION 1.2 FENCES:**

- 1.2.1 Major thoroughfares and Corner Lots: All fencing on corner lots and backing up to streets and major thoroughfares will be considered major thoroughfare fencing. Fencing, which shall be board on board and wall construction shall comply with the details indicated in Attachment 1.2.1. All supporting posts and structures shall not be visible. All such fencing facing major thoroughfare shall be stained and preserved as follows:

Manufacturer:	Sherwin Williams
Color:	Banyan Brown – Apply per product installation

Manufacturer: Standard Paint  
Color: Sable Brown – Apply per product installation

- 1.2.2 Standard Side and Rear Yard Fences – Interior Lots: For all interior lots, fence and wall construction shall comply with the materials and details indicated in Attachment 1.2.2. All portions of the fence that are viewable from the street shall have all supporting posts and structures on the inside and must be stained with the colors specified above at Section 1.2.1
- 1.2.3 Central Greenbelt Area Side and Rear Yard Fences: All side and rear lot lines of Lots that are adjacent to Greenbelt areas shall have black finished forty-eight inch (48") high wrought iron fences for the rear sixteen feet (16') of each side and the full width of rear lot lines as detailed in Attachment 1.2.3. All fences shall be consistent; no variation of design shall be permitted. Fence areas shall be unobstructed by screening or other materials unless specifically approved by the Association.

### **SECTION 1.3 MAIL BOXES:**

- 1.3.1 Cluster Mail Boxes: Mail Box shall be cluster mailboxes and shall be similar to the example as shown in Attachment 1.3.1.
- 1.3.2 Mail Box Location: The Developer / Builders in conjunction with the U.S. Postal Service shall determine the locations of said cluster mail boxes..

### **SECTION 1.4 FLAGS AND FLAGPOLES**

- 1.4.1 The only flags which may be displayed are: (i) the flag of the United States of America; (ii) the flag of the State of Texas; and (iii) an official or replica flag of any branch of the United States armed forces. No other types of flags, pennants, banners, kits or similar types of displays are permitted on a Lot if the display is visible from a street or Common Properties.
- 1.4.2 The flag of the United States must be displayed in accordance with 4 U.S.C. Sections 5-10.
- 1.4.3 The flag of the State of Texas must be displayed in accordance with Chapter 3100 of the Texas Government Code.
- 1.4.4 Any freestanding flagpole, or flagpole attached to a dwelling, shall be constructed of permanent, long-lasting materials. The materials used for the flagpole shall be harmonious with the dwelling, and must have a silver finish with a gold or silver ball at the top. The flagpole must not exceed three (3) inches in diameter.

- 1.4.5 The display of a flag, or the location and construction of the supporting flagpole, shall comply with applicable zoning ordinances, easements, and setbacks of record.
- 1.4.6 A displayed flag, and the flagpole on which it is flown, shall be maintained in good condition at all times. Any flag that is deteriorated must be replaced or removed. Any flagpole that is structurally unsafe or deteriorated shall be repaired, replaced, or removed.
- 1.4.7 Only one flagpole will be allowed per Lot. A flagpole can either be securely attached to the face of the dwelling (no other structure) or be a freestanding flagpole. A flagpole attached to the dwelling may not exceed 4 feet in length. A freestanding flagpole may not exceed 20 feet in height. Any freestanding flagpole must be located in either the front yard or backyard of a Lot, and there must be a distance of at least 5 feet between the flagpole and the property line.
- 1.4.8 Any flag flown or displayed on a freestanding flagpole may be no smaller than 3'x5' and no larger than 4'x6'.
- 1.4.9 Any flag flown or displayed on a flagpole attached to the dwelling may be no larger than 3'x5'.
- 1.4.10 Any freestanding flagpole must be equipped to minimize halyard noise. The preferred method is through the use of an internal halyard system. Alternatively, swivel snap hooks must be covered or "Quiet Halyard" Flag snaps installed. Neighbor complaints of noisy halyards are a basis to have flagpole removed until Owner resolves the noise complaint.
- 1.4.11 The illumination of a flag is allowed so long as it does not create a disturbance to other residents in the community. Solar powered, pole mounted light fixtures are preferred as opposed to ground mounted light fixtures. Compliance with all municipal requirements for electrical ground mounted installations must be certified by Owner. Flag illumination may not shine into another dwelling. Neighbor complaints regarding flag illumination are a basis to prohibit further illumination until Owner resolves complaint.
- 1.4.12 Flagpoles shall not be installed in Common Properties or any property maintained by the Association.
- 1.4.13 All freestanding flagpole installations must receive prior written approval from the Reviewer.

## **SECTION 1.5 RAIN BARRELS OR RAINWATER HARVESTING SYTEMS**

- 1.5.1 Rain barrels or rain water harvesting systems and related system components (collectively, "Rain Barrels") may only be installed after receiving the written

approval of the Reviewer.

- 1.5.2 Rain Barrels may not be installed upon or within Common Properties.
- 1.5.3 Under no circumstances shall Rain Barrels be installed or located in or on any area within a Lot that is in-between the front of the property owner's home and an adjoining or adjacent street.
- 1.5.4 The rain barrel must be of color that is consistent with the color scheme of the property owner's home and may not contain or display any language or other content that is not typically displayed on such Rain Barrels as manufactured.
- 1.5.5 Rain Barrels may be located in the side-yard or back-yard of an owner's Residential Parcel so long as these may not be seen from a street, another Lot or any Common Properties.
- 1.5.6 In the event the installation of Rain Barrels in the side-yard or back-yard of an owner's property in compliance with paragraph 1.5.5 above is impossible, the Reviewing Body may impose limitations or further requirements regarding the size, number and screening of Rain Barrels with the objective of screening the Rain Barrels from public view to the greatest extent possible. The owner must have sufficient area on their Lot to accommodate the Rain Barrels.
- 1.5.7 Rain Barrels must be properly maintained at all times or removed by the owner.
- 1.5.8 Rain Barrels must be enclosed or covered.
- 1.5.9 Rain Barrels which are not properly maintained become unsightly or could serve as a breeding pool for mosquitos must be removed by the owner from the Lot.

## **SECTION 1.6 RELIGIOUS DISPLAYS**

- 1.6.1 An owner may display or affix on the entry to the owner's or resident's dwelling one or more religious items, the display of which is motivated by the owner's or resident's sincere religious belief.
- 1.6.2 If displaying or affixing of a religious item on the entry to the owner's or resident's dwelling violates any of the following covenants, the Association may remove the item displayed:
  - (1) threatens the public health or safety;
  - (2) violates a law;
  - (3) contains language, graphics, or any display that is patently offensive to a passerby;

- (4) is in a location other than the entry door or door frame or extends past the outer edge of the door frame of the owner's or resident's dwelling; or
  - (5) individually or in combination with each other religious item displayed or affixed on the entry door or door frame has a total size of greater than 25 square inches
- 1.6.3 No owner or resident is authorized to use a material or color for an entry door or door frame of the owner's or resident's dwelling or make an alteration to the entry door or door frame that is not authorized by the Declaration or otherwise expressly approved by the Reviewer.

## **PART TWO: DWELLING UNITS**

### **SECTION 2.1 ROOFS**

- 2.1.1 Roof Pitch: All Roof Pitches shall have a minimum of 6-in-12 slopes.
- 2.1.2 Roofing Materials: Roofing materials shall be asphalt shingles with a 20-year rated shingle having a minimum weight of 220 pounds per square (100 square feet) and have a weathered brown or gray color. Other roofing materials shall not be used without written approval from the Architectural Control Committee.
- 2.1.3 Dormers & Above Roof Chimneys: Dormers and Chimney Chases, above roof structure and roofing materials, may be finished with an approved exterior grade siding material. All Fireplace flues shall be enclosed and finished; exposed pre-fabricated metal flue piping is prohibited.

### **SECTION 2.2 CERTAIN ROOFING MATERIALS**

- 2.2.1 Roofing shingles covered by this Section are exclusively those designed primarily to: (i) be wind and hail resistant; (ii) provide heating and cooling efficiencies greater than those provided by customary composite shingles; or (iii) provide solar generation capabilities (collectively, "Roofing Shingles").
- 2.2.2 Roofing Shingles allowed under these Guidelines shall:
  - (1) resemble the shingles used or otherwise authorized for use in the Subdivision;
  - (2) be more durable than and are of equal or superior quality to the shingles used or otherwise authorized for use in the Subdivision; and
  - (3) match the aesthetics of the property surrounding the property of the owner requesting permission to install the Roofing Shingles.
- 2.2.3 The owner requesting permission to install the Roofing Shingles will be solely responsible for accrediting, certifying and demonstrating to the Reviewer that the

proposed installation is in full compliance with paragraphs a and b above.

- 2.2.4 Roofing Shingles shall be installed after receiving the written approval of the Reviewer.
- 2.2.5 Owners are hereby placed on notice that the installation of Roofing Materials may void or adversely other warranties.

### **SECTION 2.3 SOLAR PANELS**

- 2.3.1 Solar energy devices, including any related equipment or system components (collectively, "Solar Panels") may only be installed after receiving the written approval of the Reviewer.
- 2.3.2 Solar Panels may not be installed upon or within Common Properties or any area which is maintained by the Association.
- 2.3.3 Solar Panels may only be installed on designated locations on the roof of a home, on any structure allowed under any Association dedicatory instrument, or within any fenced rear-yard or fenced-in patio of the owner's property, but only as allowed by the Reviewer. Solar Panels may not be installed on the front elevation of the home.
- 2.3.4 If located on the roof of a home, Solar Panels shall:
  - (1) not extend higher than or beyond the roofline;
  - (2) conform to the slope of the roof;
  - (3) have a top edge that is parallel to the roofline; and
  - (4) have a frame, support bracket, or wiring that is black or painted to match the color of the roof tiles or shingles of the roof. Piping must be painted to match the surface to which it is attached, i.e. the soffit and wall. Panels must blend with the color of the roof to the greatest extent possible.
- 2.3.5 If located in the fenced rear-yard or patio, Solar Panels shall not be taller than the fence line or visible from a Lot, Common Properties or street.
- 2.3.6 The Reviewer may deny a request for the installation of Solar Panels if it determines that the placement of the Solar Panels, as proposed by the property owner, will create an interference with the use and enjoyment of land of neighboring owners.
- 2.3.7 Owners are hereby placed on notice that the installation of Solar Panels may void or adversely affect roof warranties. Any installation of Solar Panels which voids material warranties is not permitted and will be cause for the Solar Panels to be removed by the owner.

- 2.3.8 Solar Panels must be properly maintained at all times or removed by the owner.
- 2.3.9 Solar Panels which become non-functioning or inoperable must be removed by the owner of the property.

#### **SECTION 2.4 EXTERIOR WALLS**

- 2.4.1 Exterior Wall Materials: Exterior walls shall be masonry and exterior-grade siding materials; minimum masonry coverage percentage for first floor walls shall be fifty percent (50%), excluding openings:
- 2.4.1.1 Front Walls: All front wall surfaces shall be a minimum of one hundred percent (100%) masonry, except siding may be used for hidden or concealed wall surfaces not directly visible from the lot front property line. Siding can be used in limited quantities for upper gable areas that would create a "brick-on-wood" condition; this provision is for special conditions only and is not intended to reduce the essential one hundred percent (100%) masonry requirement for the front wall areas and approval of the use of this provision is at the sole discretion of the Reviewer.
- 2.4.1.2 Side Walls: Side wall surfaces of the first floor may be constructed using an exterior-grade siding; **Second floor side wall surfaces may be exterior-grade siding materials provided that masonry shall be used for a minimum of ten (10) feet back from a "front wall" intersection.**
- 2.4.1.3 Rear Walls: Rear wall surfaces of the first floor may be constructed using exterior-grade siding; Second floor wall surfaces may be exterior-grade siding materials.
- 2.4.1.4 Chimneys: Chimney wall structures that are a direct extension of an exterior wall shall match the requirement of said wall.

#### **SECTION 2.5 ELEVATION AND BRICK USAGE**

- 2.5.1 Same Plan with Same Elevation: The repeat of the same floor plan with the same elevation design shall be governed by the following provisions:
- 2.5.1.1 Same Side of Street: When dwelling units, using the same floor plan and same elevation, are constructed on the same side of the street, they shall be separated by a minimum of two (2) lots. A one (1) lot separation will be permitted when a street intersection occurs, the street right-of-way serves as a lot equivalent.
- 2.5.1.2 Opposite Side of Street: When dwelling units, using the same floor plan and same elevation, are constructed on opposite sides of the street, they shall not

be constructed directly or diagonally across from each other.

2.5.2 Repeat Brick Usage: All Dwelling submittals shall calculate the percentage coverage for each material as follows:

2.5.2.1 Same Side of Street: No combination of brick color, mortar color, and sand color shall be repeated for adjacent dwellings. Street and alley intersections are acceptable separation elements.

2.5.2.2 Opposite Side of Street: There are no restrictions for the use of brick color, mortar color, and sand color for dwelling units on opposing sides of the street.

2.5.2 Exterior Material Area Calculations: All Dwelling submittals shall calculate the percentage coverage for each material as follows:

2.5.2.1 Calculation Method: Calculations for material coverage percentages shall include all exposed areas of the wall surface, excluding window and door openings.

2.5.2.2 Calculation Format: Calculations shall indicate the area coverage for front, side, and rear wall areas. Calculations shall be submitted in the following format:

Brick Calculations

<b><i>Overall</i></b>	
Total Wall Area	0 sf
Total Brick Area	0 sf
Total Brick Percentage	0%
<b><i>Front</i></b>	
Total Wall Area	0 sf
Total Brick Area	0 sf
Total Brick Percentage	0%
<b><i>Left</i></b>	
Total Wall Area	0 sf
Total Brick Area	0 sf
Total Brick Percentage	0%
<b><i>Right</i></b>	
Total Wall Area	0 sf
Total Brick Area	0 sf
Total Brick Percentage	0%
<b><i>Rear</i></b>	
Total Wall Area	0 sf
Total Brick Area	0 sf
Total Brick Percentage	0%

\*\* Openings removed from areas in all calculations

Attachment 1.2.1.1 – Fence Detail  
Attachment 1.2.2.1 – Standard Side and Rear Yard Fence Detail  
Attachment 1.2.3.2 – Central Greenbelt Area Side and Rear Yard Fence Detail  
Attachment 1.3.1 – Cluster Mailbox Detail

*[Attachments referenced follow this page]*

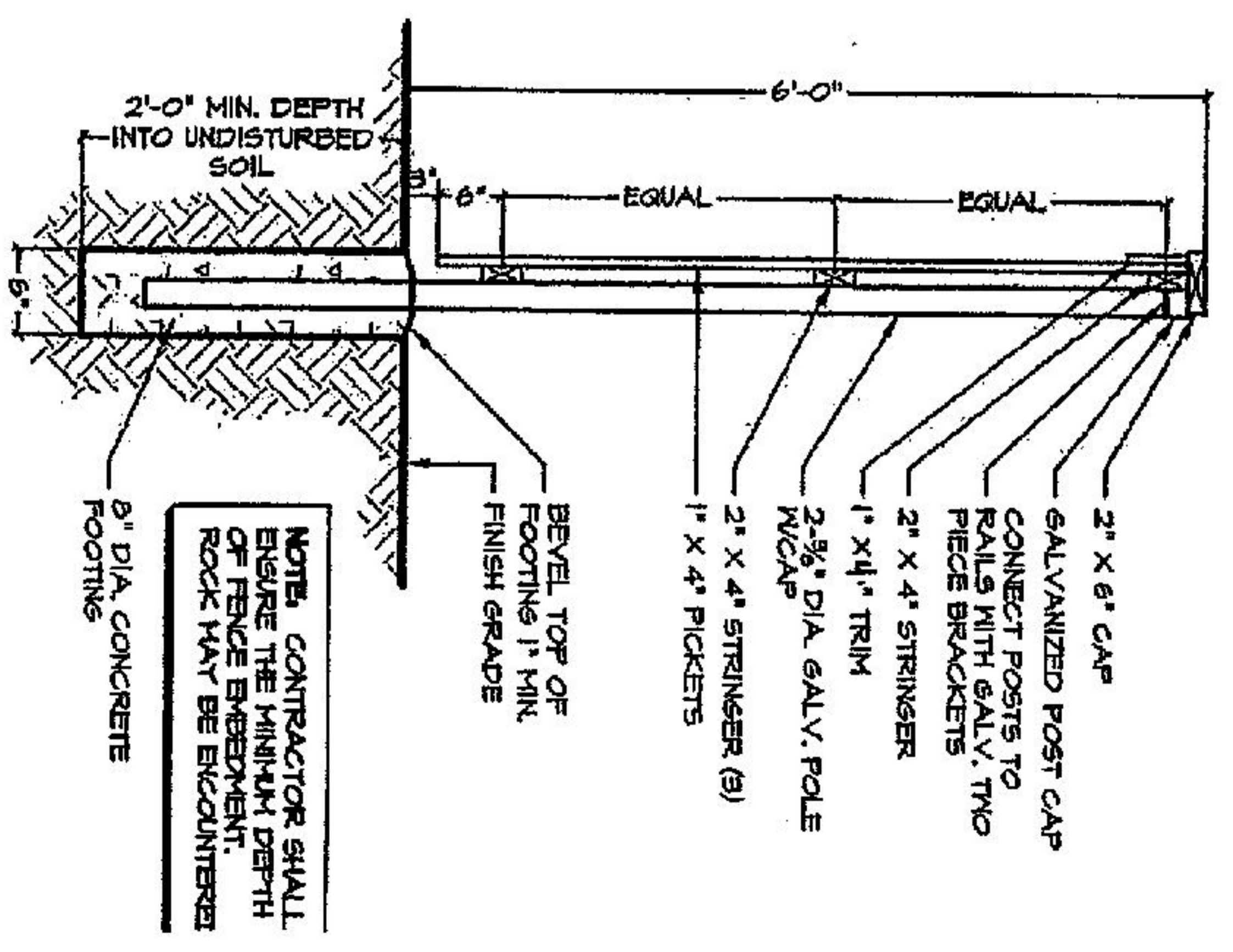
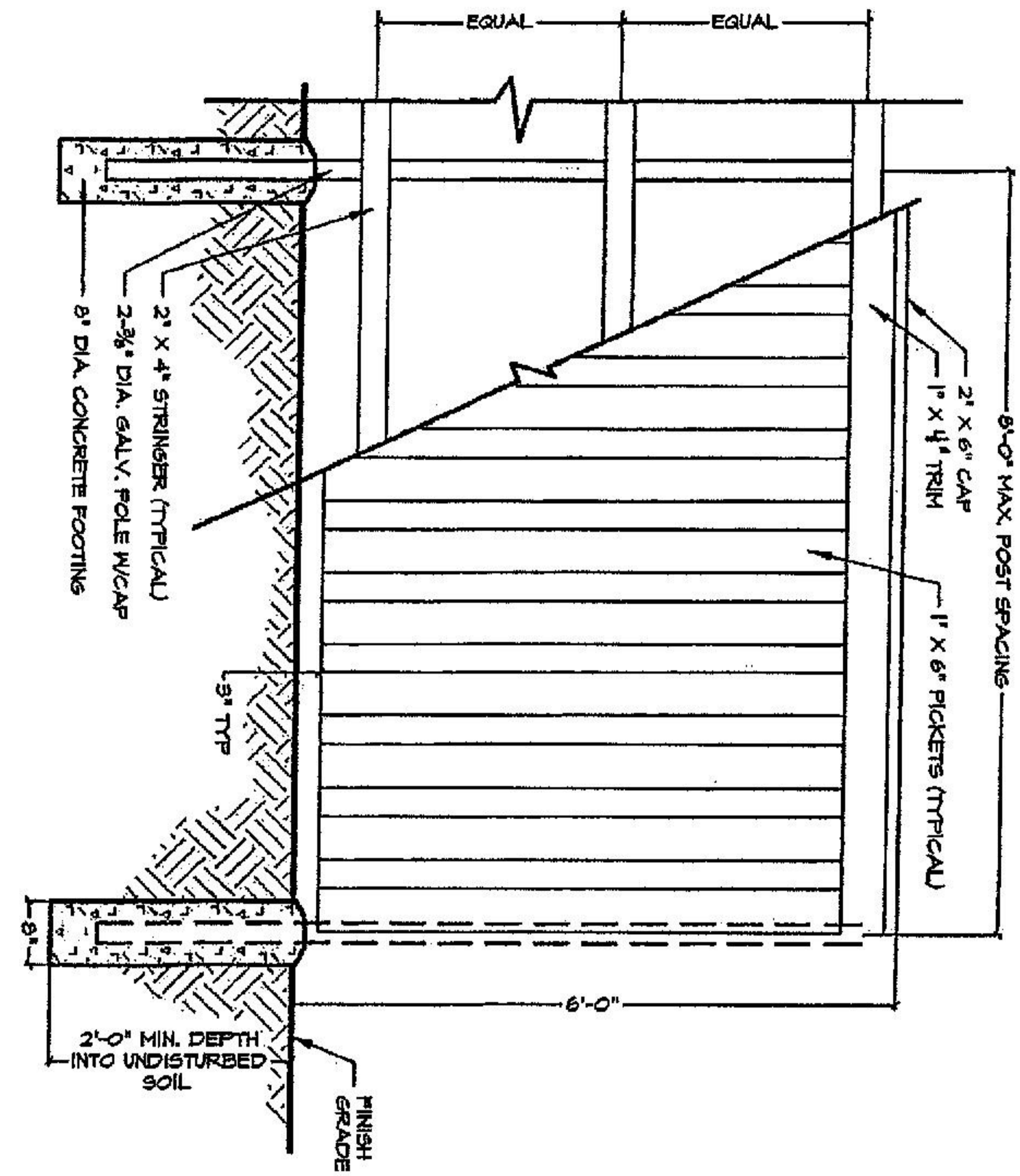
**EXHIBIT B, ATTACHMENT 1.2.1**

**FENCE DETAIL**

[see attached]

# EXHIBIT ATTACHMENT 1.2.1.1

## Part 1



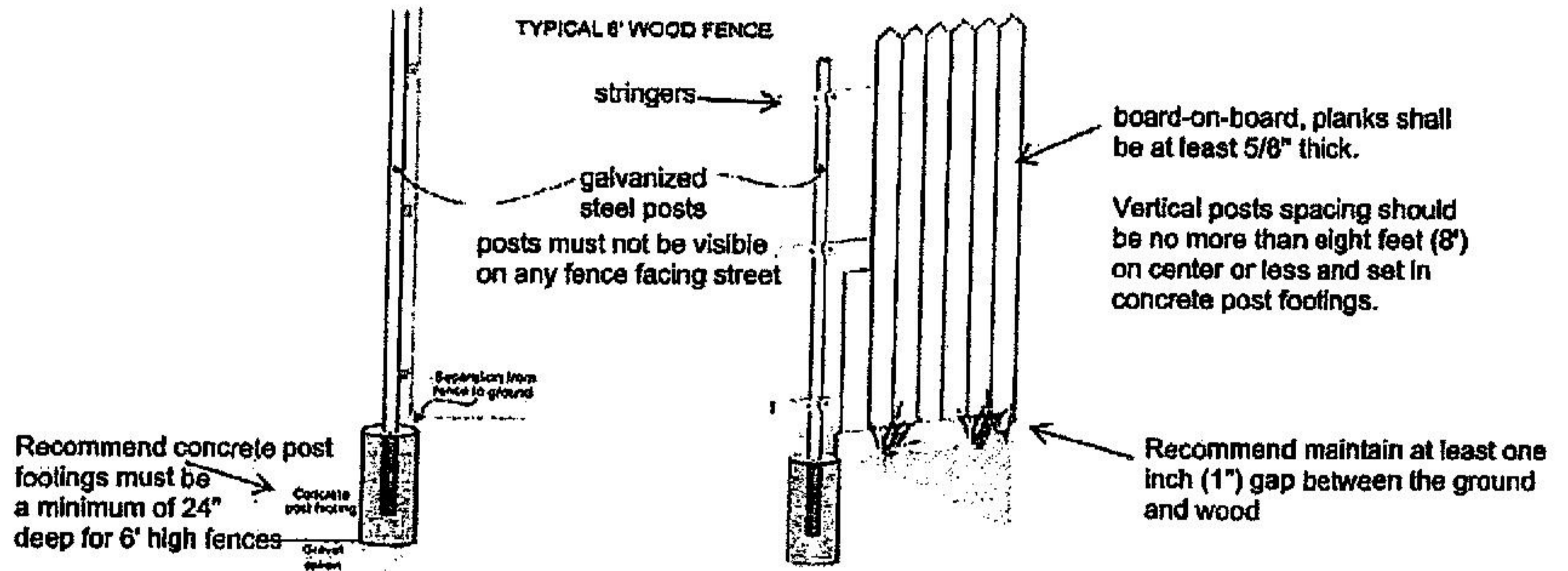
NOTE: CONTRACTOR SHALL ENSURE THE MINIMUM DEPTH OF FENCE EMBEDMENT. ROCK MAY BE ENCOUNTERED!

**EXHIBIT B, ATTACHMENT 1.2.2**  
**STANDARD SIDE AND REAR YARD FENCE DETAIL**

[see attached]

**EXHIBIT ATTACHMENT 1.2.2.1**  
**STANDARD SIDE AND REAR YARD FENCES**

**FENCES SHALL BE CONSTRUCTED OF SPRUCE OR BETTER**



**ALL FENCES MUST HAVE TOP RAIL. ALL PORTIONS OF THE FENCE THAT ARE VIEWABLE FROM ANY STREET SHALL BE STAINED WITH THE COLORS SPECIFIED IN SECTION 1.2.1 OF THE DESIGN GUIDELINES.**

**EXHIBIT B, ATTACHMENT 1.2.3**

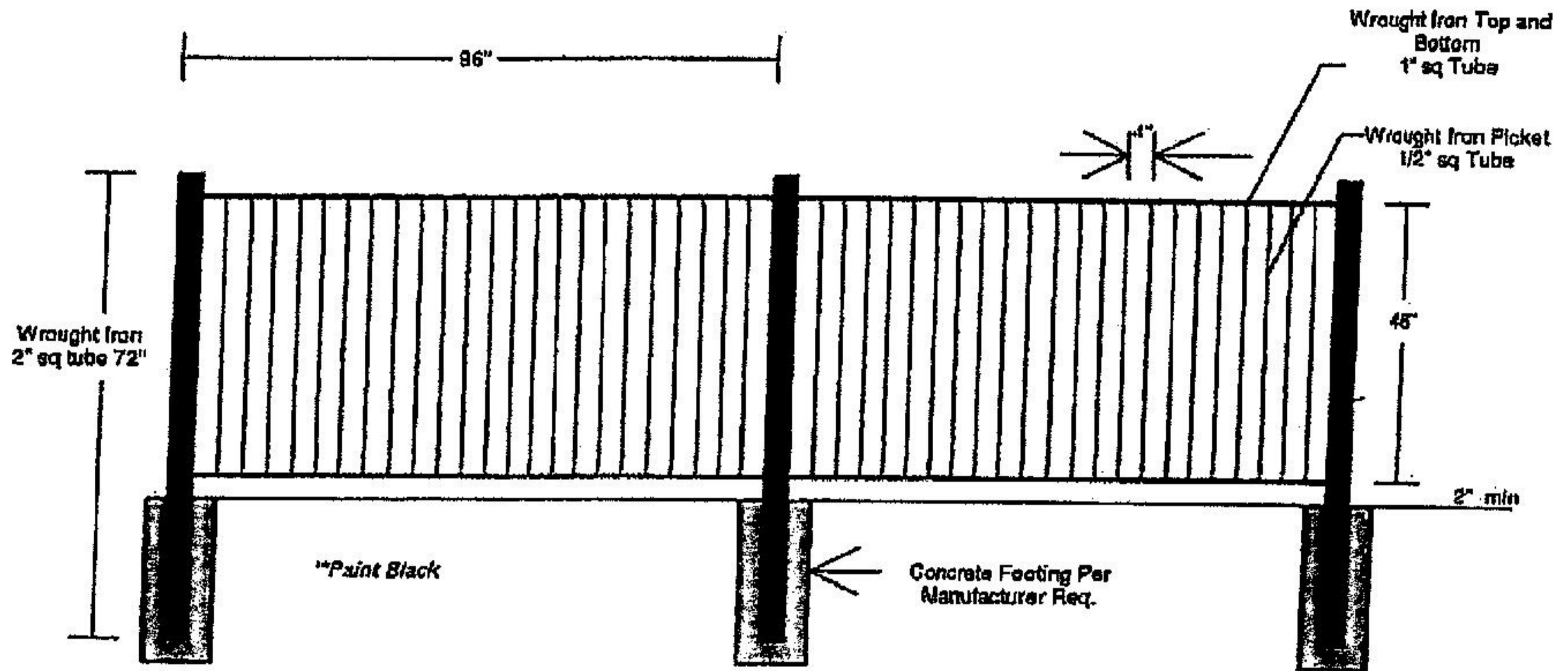
**GREENBELT AREA SIDE AND REAR YARD FENCE DETAIL**

[see attached]

**EXHIBIT ATTACHMENT 1.2.3.2**

**Greenbelt Areas, Open Spaces, and Parks  
Side and Rear Yard Fencing Requirements**

**Iron Fence Detail**



POWDER COATED TUBULAR STEEL WHICH SHALL HAVE A BLACK FINISH, RUST RESISTANT PAINT, FORTH-EIGHT INCHES (48") IN HEIGHT MAY BE USED IN LIEU OF WROUGHT IRON. THE FULL WIDTH OF THE REAR LOT LINE SHALL BE WROUGHT IRON OR TUBULAR STEEL. REFER TO SECTION 1.2.4 OF THE DESIGN GUIDELINES FOR MORE INFORMATION.

**Attachment: 1.2.3.2**

**EXHIBIT B, ATTACHMENT 1.3.1**

**CLUSTER MAIL BOXES**

**(same or similar product may be used depending upon approval from the Declarants and  
U.S. Postal Service)**

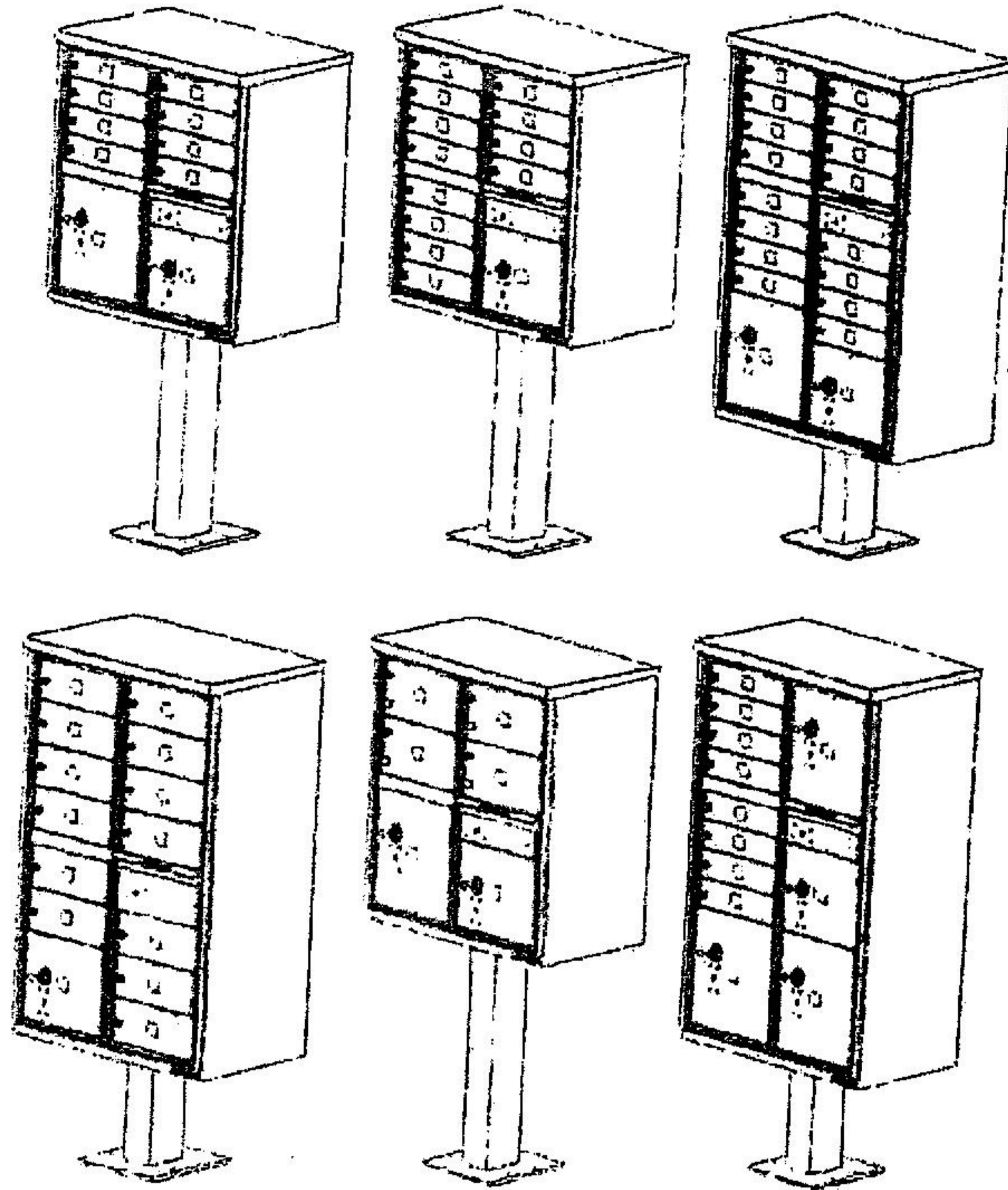
[see attached]

**EXHIBIT ATTACHMENT 1.3.1**

**SAMPLE EXHIBIT - CLUSTER STYLE MAILBOXES**

FINAL TYPE AND LOCATION OF CLUSTER MAILBOXES IS SUBJECT TO PRIOR WRITTEN APPROVAL OF THE ARCHITECTURAL REVIEWER AND THE DECLARANT AND THE U.S. POSTAL SERVICE WHEN REQUIRED.

**vital™ cluster box units**  
All Types - 1570 "F" Series




**AF FLORENCE**  
manufacturing company  
5935 Corporate Drive • Manhattan, KS 66503  
www.florencemailboxes.com • 800.275.1747

**EXHIBIT C**

**CERTIFICATE OF FORMATION, ORGANIZATIONAL CONSENT  
AND BYLAWS OF THE ASSOCIATION**

[see attached]

<b>Form 202</b> Secretary of State P.O. Box 13697 Austin, TX 78711-3697 FAX: 512/463-5709 Filing Fee: \$25	 <b>Certificate of Formation          Nonprofit Corporation</b>	Filed in the Office of the Secretary of State of Texas Filing #: 802505136 07/22/2016 Document #: 681357170002 Image Generated Electronically for Web Filing
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**Article 1 - Corporate Name**

The filing entity formed is a nonprofit corporation. The name of the entity is :  
**Hillstone Point Homeowners Association Inc.**

**Article 2 -- Registered Agent and Registered Office**

A. The initial registered agent is an organization (cannot be corporation named above) by the name of:  
 \_\_\_\_\_  
 OR

B. The initial registered agent is an individual resident of the state whose name is set forth below:

Name:  
**Mehrdad Moayed**

C. The business address of the registered agent and the registered office address is:

Street Address:  
**1800 Valley View Lane, Suite 300 Farmers Branch TX 75234**

**Consent of Registered Agent**

A. A copy of the consent of registered agent is attached.  
 OR

B. The consent of the registered agent is maintained by the entity.

**Article 3 - Management**

A. Management of the affairs of the corporation is to be vested solely in the members of the corporation.  
 OR

B. Management of the affairs of the corporation is to be vested in its board of directors. The number of directors, which must be a minimum of three, that constitutes the initial board of directors and the names and addresses of the persons who are to serve as directors until the first annual meeting or until their successors are elected and qualified are set forth below.

Director 1: **Mehrdad Moayed** Title: **Director**

Address: **1800 Valley View Lane, Suite 300 Farmers Branch TX, USA 75234**

Director 2: **Dustin Warren** Title: **Director**

Address: **1800 Valley View Lane, Suite 300 Farmers Branch TX, USA 75234**

Director 3: **Brock Babb** Title: **Director**

Address: **1800 Valley View Lane, Suite 300 Farmers Branch TX, USA 75234**

**Article 4 - Organization Structure**

A. The corporation will have members.  
 or

B. The corporation will not have members.

**Article 5 - Purpose**

The corporation is organized for the following purpose or purposes:  
**Homeowner's Association**

**Supplemental Provisions / Information**

[The attached addendum, if any, is incorporated herein by reference.]

**Effectiveness of Filing**

A. This document becomes effective when the document is filed by the secretary of state.

OR

B. This document becomes effective at a later date, which is not more than ninety (90) days from the date of its signing. The delayed effective date is:

**Organizer**

The name and address of the organizer are set forth below.

**Mehrdad Moayed**      **1800 Valley View Lane, Suite 300, Farmers Branch, Texas 75234**

**Execution**

The undersigned affirms that the person designated as registered agent has consented to the appointment. The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument and certifies under penalty of perjury that the undersigned is authorized under the provisions of law governing the entity to execute the filing instrument.

**Mehrdad Moayed**

Signature of organizer.

FILING OFFICE COPY

Denton County  
Juli Luke  
County Clerk

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Instrument Number: 125583

ERecordings-RP  
NOTICE

Recorded On: October 05, 2016 10:09 AM

Number of Pages: 44

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**\*\* Examined and Charged as Follows: \*\***

Total Recording: 198.00

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\*\*\*\*\* THIS PAGE IS PART OF THE INSTRUMENT \*\*\*\*\*  
Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY  
because of color or race is invalid and unenforceable under federal law.

**File Information:**

Document Number: 125583  
Receipt Number: 20161005000203  
Recorded Date/Time: October 05, 2016 10:09 AM  
User:  
Station: Station 8

**Record and Return To:**



STATE OF TEXAS  
COUNTY OF DENTON

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

Juli Luke  
County Clerk  
Denton County, TX

**NOTICE OF FILING OF DEDICATORY INSTRUMENT FOR  
HILLSTONE POINT HOMEOWNERS ASSOCIATION, INC.**

**STATE OF TEXAS**

**COUNTY OF DENTON**

**This Notice of Filing of Dedicatory Instruments for the Hillstone Point Homeowners Association, Inc., ("Notice") is made by and on behalf of the Hillstone Point Homeowners Association, Inc. (the "Association").**

**RECITALS:**

**WHEREAS, the Association is a property owners association as defined in Section 202.001(2) of the Texas Property Code; and**

**WHEREAS, The Association is governed by a dedicatory instrument, which covers the property described therein entitled Declaration of Covenants, Conditions and Restrictions for Hillstone Point, filed or to be filed in the Real Property Records of Denton County, Texas (the "Declaration"), as such may be amended, supplemented and/or corrected from time to time; and**

**WHEREAS, Section 202.006 of the Texas Property Code requires a property owners association to file the dedicatory instrument in the Real Property Records of each county in which the property to which the dedicatory instrument relates is located; and**

**WHEREAS, the Association desires to file a Notice by adding the instruments attached hereto herein adopted by the Association.**

**NOW THEREFORE, the Association files true and correct copies of the following instruments of the Association which are attached hereto:**

**1. BYLAWS**

**IN WITNESS WHEREOF, the undersigned agent of Hillstone Point Homeowners Association, Inc., certifies that, to the best of his/her knowledge, as of the effective date of this Notice of Filing of Dedicatory Instrument that the foregoing instruments are a true and correct copy of the current instruments of the Association.**

**[Signature follows on next page]**

HILLSTONE POINT HOMEOWNERS  
ASSOCIATION, INC

By: [Signature]  
Ronald J. Corcoran,  
Duly Authorized Managing Agent

Date: 10/3/16

STATE OF TEXAS

COUNTY OF Dallas

Before me, the undersigned authority, a Notary Public in and for said county and state, on this day personally appeared Ronald J. Corcoran, a duly authorized managing agent for Hillstone Point Homeowners Association, Inc., known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he/she executed the same for the purposes and consideration therein expressed, in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS 3<sup>rd</sup> DAY OF October, 2016.



[Signature]  
Notary Public in and for the State of Texas

After Recording Return To:  
Essex Association Management, LP  
1512 Crescent Drive, Suite 112  
Carrollton, Texas 75006

**BYLAWS  
OF  
HILLSTONE POINT HOMEOWNERS ASSOCIATION INC.,**

**ARTICLE I  
INTRODUCTION**

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

The Association is organized to be a nonprofit corporation.

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

**ARTICLE II  
DEFINITIONS**

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

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

**Section 2.2. Association.** "Association" shall mean and refer to Hillstone Point Homeowners Association Inc., a Texas non profit corporation.

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

**Section 2.4. Association Restrictions.** "Association Restrictions" shall mean the Declaration of Covenants, Conditions and Restrictions for Hillstone Point, Denton County, Texas as the same may be amended from time to time, together with the Certificate, Bylaws, and Association Rules from time to time in effect.

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

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

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

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

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

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

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

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

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

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

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

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

### ARTICLE III MEETING OF MEMBERS

**Section 3.1. Annual Meetings.** The first annual meeting of the Members shall be held on such date as selected by the Board of Directors which is on or before the earlier of (i) the date which is one hundred twenty (120) days after seventy-five percent (75%) of the Lots have been sold to non-Declarant Owners, or (ii) ten (10) years from the date on which the Declaration is recorded in the Official Public Records of Denton County, Texas (the "Transition Date"), and each subsequent regular annual meeting of the Members shall be held on the same day of the

same month of each year thereafter unless a different date is selected by the Board of Directors. If the day for the annual meeting of the Members is a Saturday, Sunday, or legal holiday, the meeting will be held on the first day following which is not a Saturday, Sunday, or legal holiday.

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

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

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

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

**Section 3.6. Quorum.** The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, ten percent (10%) of the total votes of the membership shall constitute a quorum for any action, except as otherwise provided in the Certificate, the Declaration, or these Bylaws. If, however, such quorum is not present or represented at any meeting, the Members entitled to vote at the meeting shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented.

**Section 3.7. Proxies.** Votes may be cast in person or by written proxy. To be valid, each proxy must: (i) be signed and dated by a Member or his attorney-in-fact; (ii) identify the Lot to which the vote is appurtenant; (iii) name the person or title (such as "presiding officer") in favor of whom the proxy is granted, such person having agreed to exercise the proxy; (iv) identify the meeting for which the proxy is given; (v) not purport to be revocable without notice; and (vi) be delivered to the secretary, to the person presiding over the Association meeting for which the proxy is designated, or to a person or company designated by the Board. Unless the proxy specifies a shorter or longer time, it terminates eleven (11) months after the date of its execution. Perpetual or self-renewing proxies are permitted, provided they are revocable. To revoke a proxy, the granting Member must give actual notice of revocation to the person presiding over the Association meeting for which the proxy is designated. Unless revoked, any proxy designated for a meeting which is adjourned, recessed, or rescheduled is valid when the meeting reconvenes. A proxy may be delivered by fax. However, a proxy received by fax may not be counted to make or break a tie-vote unless: (a) the proxy has been acknowledged or sworn to by the Member, before and certified by an officer authorized to take acknowledgments and oaths; or (b) the Association also receives the original proxy within five (5) days after the vote.