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# DECLARATION

OF



Holland Oaks

## CONDOMINIUMS

Dallas, Texas

By CityHomes

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# DECLARATION
# OF
# HOLLAND OAKS CONDOMINIUMS

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# DECLARATION
# OF
# HOLLAND OAKS CONDOMINIUMS

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This Declaration of Holland Oaks Condominiums is made by CityHomes, an assumed business name of Centex Homes, a Nevada general partnership ("**Declarant**"), on the date signed below. Declarant owns the real property described in Appendix A of this Declaration, together with the improvements thereon. By recording this Declaration, Declarant submits the property described in Appendix A to the provisions of the Texas Uniform Condominium Act, Chapter 82 of the Texas Property Code, for the purpose of creating Holland Oaks Condominiums.

Declarant desires to develop the real property with a residential condominium to be known as Holland Oaks. Declarant further desires to provide for the preservation and maintenance of portions of Holland Oaks, and to protect the value, desirability, and attractiveness of Holland Oaks. As required by State law, Declarant is creating a condominium association to perform the functions and activities more fully described in this Declaration.

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

## ARTICLE 1
## DEFINITIONS

DEFINITIONS. Unless defined otherwise in this Declaration, words and phrases defined in Section 82.003 of the Act have the same meaning when used in this Declaration. The following words and phrases, whether or not capitalized, have specified meanings when used in the Documents, unless a different meaning is apparent from the context in which the word or phrase is used.

1.1. "**ACC**" means the Architectural Control Committee of the Association.

1.2. "**Act**" means Chapter 82 of the Texas Property Code, the Texas Uniform Condominium Act, as it may be amended from time to time.

1.3. "**Applicable Law**" means the statutes and public laws and ordinances in effect at the time a provision of the Documents is applied, and pertaining to the subject matter of the Document provision. Statutes and ordinances specifically referenced in the Documents are "Applicable Law" on the date of the Document, and are not intended to apply to the Project if they cease to be applicable by operation of law, or if they are replaced or superceded by one or more other statutes or ordinances.

1.4. "**Assessment**" means any charge levied against a Unit or Owner by the Association, pursuant to the Documents, the Act, or other public law, including but not limited to Annual Assessments, Special Assessments, Utility Assessments, Individual Assessments, and Deficiency Assessments, as defined in Article 6 of this Declaration.

1.5. **"Association"** means the association of Owners of all Units in the Property, initially organized as Holland Oaks Homeowners Association, a Texas nonprofit corporation, and serving as the "association" defined by the Act, and as the "property owners' association" defined in applicable law, such as Section 202.001(2) of the Texas Property Code. The failure of the Association to maintain its corporate charter from time to time does not affect the existence or legitimacy of the Association, which derives its authority from this Declaration, the Bylaws, and the Act.

1.6. **"Board"** means the board of directors of the Association.

1.7. **"Bylaws"** means the bylaws of the Association, as they may be amended from time to time.

1.8. **"Common Element"** means all of the Property, save and except the 22 Units. All Common Elements are **"General Common Elements"** except, if any, **"Limited Common Elements"** allocated by this Declaration for the exclusive use of one or more but less than all of the Units.

1.9. **"Declarant"** means CityHomes, an assumed business name of Centex Homes, a Nevada general partnership, which is developing the Property, or the successors and assigns of Centex Homes d/b/a CityHomes which acquire any portion of the Property for the purpose of development and which are designated a Successor Declarant by Centex Homes d/b/a CityHomes, or by any such successor and assign, in a recorded document.

1.10. **"Declarant Control Period"** means that period of time during which Declarant controls the operation and management of the Association, pursuant to Appendix B of this Declaration. The duration of the Declarant Control Period is from the date this Declaration is recorded for a maximum period not to exceed the earlier of (1) 3 years from date this Declaration is recorded, or (2) 120 days after title to 75 percent of the Units in the Property has been conveyed to Owners other than Declarant.

1.11. **"Declaration"** means this document, as it may be amended from time to time.

1.12. **"Development Period"** means the 7-year period beginning the date this Declaration is recorded, during which Declarant has certain rights pursuant to Appendix B hereto, including rights relating to development, construction, expansion, and marketing of the Property. The Development Period is for a term of years and does not require that Declarant own any portion of the property described in Appendix A. Declarant may terminate the Development Period at any time by recording a notice of termination.

| |
|---|
| During the Development Period, Appendix B has priority over the main body of this Declaration. |

1.13. **"Documents"** means, singly or collectively as the case may be, this Declaration, the Plat and Plans recorded pursuant to the Act, the Bylaws, the Association's Articles of Incorporation, and the Rules of the Association, as any of these may be amended from time to time. An appendix, exhibit, schedule, or certification accompanying a Document is a part of that Document.

1.14. **"Majority"** means more than half.

1.15. **"Member"** means a member of the Association, each Member being an Owner of a Unit, unless the context indicates that member means a member of the Board or a member of a committee of the Association.

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1.16. "**Mortgagee**" means a holder, insurer, or guarantor of a purchase money mortgage secured by a recorded senior or first deed of trust lien against a Unit.

1.17. "**Owner**" means a holder of recorded fee simple title to a Unit. Declarant is the initial Owner of all Units. Sellers under contracts for deed are Owners. Mortgagees who acquire title to a Unit through a deed in lieu of foreclosure or through judicial or nonjudicial foreclosure are Owners. Persons or entities having ownership interests merely as security for the performance of an obligation are not Owners. Every Owner is a Member of the Association.

1.18. "**Property**" means all the land subject to this Declaration and all improvements, easements, rights, and appurtenances to the land. The name of the Property is Holland Oaks Condominiums. The Property is located on land described in Appendix A to this Declaration, and includes every Unit and Common Element thereon.

1.19. "**Resident**" means an occupant of a Unit, regardless of whether the person owns the Unit.

1.20. "**Rules**" means rules and regulations of the Association adopted in accordance with the Documents or the Act. The initial Rules may be adopted by Declarant for the benefit of the Association.

1.21. "**Underwriting Lender**" means Federal Home Loan Mortgage Corporation (Freddie Mac), Federal Housing Administration (HUD/FHA), Federal National Mortgage Association (Fannie Mae), or Government National Mortgage Association (Ginnie Mae), singly or collectively. The use of this term and these institutions may not be construed as a limitation on an Owner's financing options nor as a representation that the Property is approved by any institution.

1.22. "**Unit**" means a physical portion of the Property designated by this Declaration for separate ownership and occupancy, the boundaries of which are shown on the Plat and Plans attached hereto as Appendix D, as further described in the Unit Boundaries Section of this Declaration.

## ARTICLE 2
## PROPERTY SUBJECT TO DOCUMENTS

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

2.2. ADDITIONAL PROPERTY. Additional real property may be annexed to the Property and subjected to this Declaration and the jurisdiction of the Association on approval of Owners of at least two-thirds of the Units in the Property, or, during the Development Period, by Declarant as permitted in Appendix B. Annexation of additional property is accomplished by recording a declaration of annexation, including an amendment of Appendix A, in the county's Real Property Records. If Units are added to the Property, amendment of Appendix C is also required.

2.3. MERGER. Merger or consolidation of the Association with another association must be evidenced by an amendment to this Declaration. The amendment must be approved by Owners of at least two-thirds of the Units. On merger or consolidation of the Association with another association, the property, rights, and obligations of another association may, by operation of law, be added to the properties, rights, and obligations of the Association as a surviving corporation pursuant to the merger. The surviving or consolidated association may administer the provisions of the Documents within the

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Property, together with the covenants and restrictions established on any other property under its jurisdiction. No merger or consolidation, however, will effect a revocation, change, or addition to the covenants established by this Declaration within the Property.

2.4. RECORDED EASEMENTS AND LICENSES. In addition to the easements and restrictions contained in this Declaration, the Property is subject to any easements, licenses, leases, dedications, limitations, restrictions, reservations, and encumbrances of record. Recorded instruments that served the previous uses of the land on which the Property is located include (1) the 1981 Warner Amex Cable agreements recorded in Volume 81183, at Pages 300 and 382, and (2) the 1990 Solon laundry room lease memorandum recorded in Volume 90139, Page 504, Real Property Records, Dallas, County, Texas. Declarant makes no representations as to the applicability of the of the Warner Amex and Solon instruments to the Property. Each Owner, by accepting an interest in or title to a Unit, whether or not it is so expressed in the instrument of conveyance, covenants and agrees to be bound by prior-recorded instruments affecting the real property.

2.5. COMMON ELEMENTS. The Common Elements of the Property consists of all of the Property, save and except the 22 Units.

2.5.1. Ownership & Maintenance. The designation of Common Elements is determined by this Declaration. The Declarant may install, construct, or authorize certain improvements on Common Elements in connection with the initial development of the Property, and the cost thereof is not a common expense of the Association. Thereafter, all costs attributable to Common Elements, including maintenance, insurance, and enhancements, are automatically the responsibility of the Association, unless this Declaration elsewhere provides for a different allocation for a specific Common Element.

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

## ARTICLE 3
## PROPERTY EASEMENTS & RIGHTS

3.1. GENERAL. In addition to other easements and rights established by the Documents, the Property is subject to the easements and rights contained in this Article.

3.2. OWNER'S EASEMENT OF ENJOYMENT. Every Owner is granted a right and easement of enjoyment over the General Common Elements and to use of improvements therein, subject to other rights and easements contained in the Documents. An Owner who does not occupy a Unit delegates this right of enjoyment to the Residents of his Unit, and is not entitled to use the General Common Elements. Notwithstanding the foregoing, if a portion of the General Common Elements, such as a recreational feature, is designed for private use, the Association may temporarily reserve the use of such area for certain persons and purposes.

3.3. OWNER'S MAINTENANCE EASEMENT. Every Owner is granted an easement over adjoining Units and Common Elements for the maintenance or reconstruction of his Unit, subject to the consent of the Owner of the adjoining Unit, or the Association in the case of Common Elements, and provided

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the Owner's use of this easement does not damage or materially interfere with the use of the adjoining Unit or Common Element. Requests for entry to an adjoining Unit or Common Element will be made in advance for a time reasonably convenient for the adjoining Owner, who may not unreasonably withhold consent. If an Owner damages an adjoining Unit or Common Element in exercising this easement, the Owner is obligated to restore the damaged property to its original condition, at his expense, within a reasonable period of time.

3.4. OWNER'S INGRESS/EGRESS EASEMENT. Every Owner is granted a perpetual easement over the Property, as may be reasonably required, for vehicular and pedestrian ingress to and egress from his Unit or the appurtenant Limited Common Elements.

3.5. OWNER'S ENCROACHMENT EASEMENT. Every Owner is granted an easement for the existence and continuance of any encroachment by his Unit on any adjoining Unit or Common Element now existing or which may come into existence hereafter, as a result of construction, repair, shifting, settlement, or movement of any portion of a building, or as a result of condemnation or eminent domain proceedings, so that the encroachment may remain undisturbed so long as the improvement stands.

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

a. To perform inspections and/or maintenance that is permitted or required of the Association by the Documents or by applicable law.

b. To perform maintenance that is permitted or required of the Owner by the Documents or by applicable law, if the Owner fails or refuses to perform such maintenance.

c. To enforce the Documents, including without limitation the architectural standards and use restrictions.

d. To exercise self-help remedies permitted by the Documents or by applicable law.

e. To respond to emergencies.

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

g. To perform any and all functions or duties of the Association as permitted or required by the Documents or by applicable law.

**READERS, PLEASE PAY PARTICULAR HEED TO THE NEXT PROVISION TITLED "SECURITY".**

3.7. SECURITY. The Association may, but is not obligated to, maintain or support certain activities within the Property designed, either directly or indirectly, to improve safety in or on the Property. Each Owner and Resident acknowledges and agrees, for himself and his guests, that Declarant, the Association, and their respective directors, officers, committees, agents, and employees are not providers, insurers, or guarantors of security within the Property. Each Owner and Resident

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acknowledges and accepts his sole responsibility to provide security for his own person and property, and assumes all risks for loss or damage to same. Each Owner and Resident further acknowledges that Declarant, the Association, and their respective directors, officers, committees, agents, and employees have made no representations or warranties, nor has the Owner or Resident relied on any representation or warranty, express or implied, including any warranty of merchantability or fitness for any particular purpose, relative to any fire, burglary, and/or intrusion systems recommended or installed, or any security measures undertaken within the Property. Each Owner and Resident acknowledges and agrees that Declarant, the Association, and their respective directors, officers, committees, agents, and employees may not be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken.

3.8. UTILITY EASEMENT. The Association may grant permits, licenses, and easements over the Common Elements for utilities, roads, and other purposes necessary for the proper operation of the Property.

3.9. DECLARANT'S EASEMENT TO INSPECT & RIGHT TO CORRECT. For a period of 10 years after the expiration of the Development Period, Declarant reserves for itself and for Declarant's architect, engineer, other design professionals, builder, and general contractor the right, but not the duty, to inspect, monitor, test, redesign, correct, and relocate any structure, improvement, or condition that may exist on any portion of the Property, including the Units, and a perpetual nonexclusive easement of access throughout the Property to the extent reasonably necessary to exercise this right. Declarant will promptly repair, at its sole expense, any damage resulting from the exercise of this right. By way of illustration but not limitation, relocation of a sidewalk may be warranted by a change of circumstance, imprecise siting of the original sidewalk, or desire to comply more fully with public codes and ordinances. This Section may not be construed to create a duty for Declarant or the Association, and may not be amended without Declarant's written and acknowledged consent. In support of this reservation, each Owner, by accepting an interest in or title to a Unit, hereby grants to Declarant an easement of access and entry over, across, under, and through the Property, including without limitation all Common Elements and the Owner's Unit and all improvements thereon for the purposes contained in this Section.

## ARTICLE 4
## CERTAIN PROPERTY FEATURES

4.1. GENERAL. This Article discloses selective features of the Property that may not be obvious to potential Owners and Residents. Because features may change over time, no disclosure in this Article should be relied upon without independent confirmation.

4.2. SPECIAL DISTRICT. Among the city ordinances to which the Property is subject is Ordinance No. 21859, adopted by the City of Dallas on October 27, 1993, which creates the Oak Lawn Special Purpose District, P.D. No. 193, as amended, including without limitation Ordinance No. 24728, adopted by the City of Dallas on September 26, 2001. These ordinances create many requirements for the Property, including landscaping specifications. The Association should stay informed about the city's requirements and should be mindful that no amendment of the Documents nor any act or decision of the Association violates the requirements of the ordinance. Copies of city ordinances may be obtained from the City Secretary, if not available on the city's website.

4.3. CONTRACT SERVICES DISCLOSURE. In connection with construction of the Property, the Units may have been wired or fitted for one or more services to be provided by vendors to the individual Owners on a contract basis. Such services may include intrusion monitoring and cable television. In exchange for such installations, Declarant may have contracted on behalf of the Owners for a period of service to all Units. In that event, whether or not an Owner chooses to use the service, the Owner

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is required to pay the Unit's share of the contract for the contract period. The Association may serve as the conduit for the service fees and payments, which may be considered Individual Assessments. However, the Association is not the service provider and has no responsibility or liability for the availability or quality of the service, or for the maintenance, repair, or replacement of the wires, conduits, equipment, or other fittings relating to the contract service.

4.4. PEST CONTROL TUBES DISCLOSURE. The Property is being constructed with tubes in some walls for the delivery of chemicals to deter, control, or eliminate certain common pest populations via an external port on each Unit. By acquiring an ownership or occupancy interest in the Property, each Owner and Resident grants to the Association the right to use the tubing system for purposes of pest control. The Association has the right, but not the duty, (1) to treat the Property for pest control and (2) to use the tubing system for that purpose. Any Owner may petition the Board to have the Owner's Unit excluded from the Association's pest control treatment program, in which case the Owner is responsible for keeping his Unit substantially pest-free.

4.5. CABLE TV. On the date of this Declaration, neither the Declarant nor the Association has granted a blanket easement across the Property to a cable television franchise. The Property is being constructed with conduit for cable television lines. An Owner who contracts for cable television services must require his vendor to use the Common Element cable conduit on the Property, which may not be removed or relocated by the vendor without the Association's prior written approval. Without prior notice to any person, the Association may remove any cable line or additional conduit found elsewhere on the grounds or the exterior surfaces of the buildings that do not have the Association's prior written approval.

## ARTICLE 5
## UNITS, LIMITED COMMON ELEMENTS & ALLOCATIONS

5.1. UNIT BOUNDARIES. The boundaries and identifying number of each Unit are shown on the Plat and Plans attached as Appendix D. The boundaries are further described as follows:

5.1.1. Lower Boundary: The top surface of the concrete slab foundation is the horizontal plane defining the Unit's lower boundary. In other words, the concrete slab foundation is a Common Element. Anything on or affixed to the top of the slab is part of the Unit.

5.1.2. Upper Boundary: The bottom or inside surface of the roof sheathing is the horizontal plane defining the Unit's upper boundary.

**NOTICE**

The individually owned Units created by this Declaration include some portions of the building outside of the traditional air-conditioned living areas. For example, the garage, attic area, firebox and fireplace flue, exterior wall cavities, windows, doors, and some components of the roof and exterior walls are included within the Unit's boundaries.

5.1.3. Lateral Boundaries - Exterior Walls: On perimeter walls, the Unit's lateral boundaries are the planes defined by the inside-facing surfaces of the material comprising the outermost component of the exterior wall and by the outside-facing surfaces of the outermost component of doors and windows in the perimeter walls. For example, if the outermost material is brick veneer, the Unit extends to the inside-facing surface of the brick wall, and includes the entire wall cavity.

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5.1.4. Lateral Boundaries - Party Walls: On party walls -- walls between 2 Units -- the Unit's lateral boundaries are the planes defined by the midpoints of the party wall. The Unit on each side of a party wall extends to the middle of the party wall.

5.1.5. Garages. The garage that is attached to the living area of a Unit is part of the Unit.

5.1.6. Decks and Balconies. Any patio, balcony, or deck that is attached to the living area of a Unit and which is accessed via the Unit's living area is part of the Unit. The boundaries of the patio, balcony, or deck portion of a Unit are the outermost construction materials of the walls, floors, railings, and ceilings (if any) of the patio, balcony, or deck area, including, for example, concrete patio slabs, wood decking, wood siding, stucco walls, metal railings, and fabric awnings.

5.1.7. Pest Control Tubes. The Property is constructed with tube-in-the-wall technology for pest control purposes. Each Unit has an external port through which pest control materials may be injected for delivery through tubes under the Unit's slab foundation, or through tubes within some walls of the Unit. The Unit's external port and all of the tubes connected to the external port are part of the Unit ownership, no matter where a tube is located.

5.1.8. What the Unit Includes: Each Unit includes the spaces and improvements within the above-described vertical and horizontal boundaries, including without limitation any windows, window screens and frames, exterior doors and door hardware, garage and garage door, attic area, firebox and fireplace flue. Each Unit also includes improvements, fixtures, and equipment serving the Unit exclusively, whether located inside or outside the Unit, whether or not attached to or contiguous with the Unit, including but not limited to the following (if any): chimneys, water heaters, air conditioners, utility meters, fuse boxes, electrical switches, wiring, pipes, ducts, conduits, smoke detectors, security systems, television antennas, lighting fixtures, telephone and electrical receptacles, and skylights.

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**SIZE OF UNIT**

The size of a Unit may be measured different ways for different purposes, such as for tax purposes, appraisal purposes, sales purposes, and for purposes of carpeting and paint. No single measurement is definitive for all purposes. Measurements may be of the area under roof, or the air conditioned space, or the area within the Unit's legal boundaries. The Unit's partition wall cavities and/or its perimeter wall cavities may or may not be included. The Unit's garage area, attic area, front porch, and/or balcony space may or may not be included.

5.1.9. Exclusions: Except as specifically included above, each Unit excludes the spaces and improvements lying outside of the vertical and horizontal boundaries. Each Unit also excludes any chute, pipe, flue, duct, wire, or conduit running through a Unit for the purpose of furnishing utility and similar services to other Units and/or Common Elements.

5.1.10. Inconsistency with Plans: If the foregoing description of Unit boundaries is inconsistent with the Plats and Plans, then this Section will control.

5.1.11. Representations of Size. The space contained within the Unit's vertical and horizontal boundaries is not related to the size of the Unit's living areas. Similarly, the Units are initially marketed on the basis of a limited number of representational floorplans, each of which

is marked with a rounded and estimated size of air-conditioned space, taken from pre-construction architectural drawings. Those marketing sizes may vary from the size of the actual space contained within the Unit's vertical and horizontal boundaries.

5.2. INITIAL DESIGNATIONS OF LIMITED COMMON ELEMENTS. The following portions of the Common Elements are Limited Common Elements assigned to the Units.

5.2.1. Shown on Plats and Plans. Portions of the Common Elements may be allocated as Limited Common Elements on the Plats and Plans, attached hereto as Appendix D, by use of "LCE" and the identifying number of the Unit to which the Limited Common Element is appurtenant, or by use of a comparable method of designation.

5.2.2. Fenced Yards. Any fenced patio yard appurtenant to a Unit, being those which are accessed by or through a Unit, are Limited Common Elements, whether or not so designated on Plats and Plans.

5.2.3. Appurtenant Areas. Only to the extent they are not part of the Unit, any front porch or sidewalk that is obviously intended for the sole and exclusive use of the Unit to which the area is appurtenant is deemed a Limited Common Element, whether or not the area is so designated on Plats and Plans. If the boundaries of an appurtenant area change -- with the Board's approval -- the altered boundaries of the appurtenant area are the boundaries of the Limited Common Element.

5.3. SUBSEQUENT ALLOCATION OF LIMITED COMMON ELEMENTS. A Common Element not allocated by this Declaration as a Limited Common Element may be so allocated only pursuant to the provisions of this Article. Declarant reserves the right in Appendix B of this Declaration, to create and assign Limited Common Elements within the Property.

5.4. ALLOCATION OF INTERESTS. The table showing the identifying number and allocated interests of each Unit is attached as Appendix C. The interests have been allocated in accordance with the formulas set out in this Article. The same formulas are to be used in reallocating interests if Units are added to the Property. The date on which the amendment creating additional Units is recorded in the county's Real Property Records is the effective date for assigning allocated interests to those Units. The interests allocated to each Unit are calculated by the following formulas.

5.4.1. Common Element Interests. The percentage of undivided interest in the Common Elements allocated to each Unit is based on estimated air-conditioned square footage of architectural drawings for each plan type, compared to the total estimated air-conditioned square footage for all Units (by plan type) in the Property. Percentages may be rounded up or down to facilitate calculations. Also, Units of the same plan type may have allocations that differ slightly to facilitate the calculation of 100 percent.

5.4.2. Common Expense Liabilities. The percentage of liability for common expenses allocated to each Unit is based on the same formula for Common Element interests.

5.4.3. Votes. The one vote appurtenant to each Unit is weighted equally for all votes, regardless of the other allocations appurtenant to the Unit. In other words, the one vote appurtenant to each Unit is uniform and equal to the vote appurtenant to every other Unit.

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## ARTICLE 6
## COVENANT FOR ASSESSMENTS

6.1. PURPOSE OF ASSESSMENTS. The Association will use Assessments for the general purposes of preserving and enhancing the Property, and for the common benefit of Owners and Residents, including but not limited to maintenance of real and personal property, management and operation of the Association, and any expense reasonably related to the purposes for which the Property was developed. If made in good faith, the Board's decision with respect to the use of Assessments is final.

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

6.3. CONTROL FOR ASSESSMENT INCREASES. This Section of the Declaration may not be amended without the approval of Owners of at least 75 percent of the Units. In addition to other rights granted to Owners by this Declaration, Owners have the following powers and controls over the Association's budget. At least 30 days prior to the effective date of a Special Assessment or increase in Regular Assessments, the Board will notify an Owner of each Unit of the amount of, the budgetary basis for, and the effective date of the Special Assessment or increase. The Special Assessment or increase will automatically become effective unless Owners of at least a majority of the Units disapprove the Special Assessment or increase by petition or at a meeting of the Association. In that event, the last-approved budget will continue in effect until a revised budget is approved by the Board.

IF YOU OWN A UNIT IN HOLLAND OAKS,
YOU MUST PAY ASSESSMENTS TO THE ASSOCIATION.

6.4. TYPES OF ASSESSMENTS. There are 5 types of Assessments: Regular, Special, Utility, Individual, and Deficiency.

6.5. REGULAR ASSESSMENTS.

6.5.1. Purpose of Regular Assessments. Regular Assessments are used for common expenses related to the reoccurring, periodic, and anticipated responsibilities of the Association, including but not limited to:

a. Maintenance, repair, and replacement, as necessary, of the Common Elements, and improvements, equipment, signage, and property owned by the Association.

b. Annual maintenance examination and report, as per Article 9.

c. Utilities billed to the Association.

d. Pest control.

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e. Services obtained by the Association and available to all Units.

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

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

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

i. Insurance premiums and deductibles.

j. Contributions to the reserve funds.

k. Any other expense which the Association is required by law or the Documents to pay, or which in the opinion of the Board is necessary or proper for the operation and maintenance of the Property or for enforcement of the Documents.

6.5.2. Annual Budget. The Board will prepare and approve an estimated annual budget for each fiscal year. The budget will take into account the estimated income and common expenses for the year, contributions to reserve funds, and a projection for uncollected receivables. The Board will make the budget or its summary available to an Owner of each Unit, although failure to receive a budget or summary does not affect an Owner's liability for Assessments. The Board will provide copies of the detailed budget to Owners who make written request and pay a reasonable copy charge.

6.5.3. Basis of Regular Assessments. Regular Assessments will be based on the annual budget, minus estimated income from sources other than Regular Assessments. Each Unit will be liable for its allocated share of the annual budget. If the Board does not approve an annual budget or fails to determine new Regular Assessments for any year, or delays in doing so, Owners will continue to pay the Regular Assessment as last determined.

6.5.4. Supplemental Increases. If during the course of a year the Board determines that Regular Assessments are insufficient to cover the estimated common expenses for the remainder of the year, the Board may increase Regular Assessments for the remainder of the fiscal year in an amount that covers the estimated deficiency.

6.6. SPECIAL ASSESSMENTS. In addition to Regular and Utility Assessments, and subject to the Owners' control for Assessment increases, the Board may levy one or more Special Assessments against all Units for the purpose of defraying, in whole or in part, common expenses not anticipated by the annual budget or reserve funds. Special Assessments may be used for the same purposes as Regular Assessments. Special Assessments do not require the approval of the Owners, except that Special Assessments for the following purposes must be approved by Owners of at least a majority of the Units: (1) acquisition of real property, (2) construction of additional improvements to the Property -- not repair or replacement of existing improvements, and (3) any expenditure that may reasonably be expected to significantly increase the Association's responsibility and financial obligation for operations, insurance, maintenance, repairs, or replacement.

6.7. UTILITY ASSESSMENTS. This Section applies to utilities serving the individual Units and consumed by the Residents that are billed to the Association by the utility provider, and which may or

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may not be submetered by or through the Association. In addition to Regular Assessments, the Board may levy a Utility Assessment against each Unit. If the Units are submetered for consumption of a utility, the Utility Assessment will be based on the submeter reading. If the Units are not submetered, the Board may allocate the Association's utility charges among the Units by any conventional method for similar types of properties. The levy of a Utility Assessment may include a share of the utilities for the Common Elements, as well as administrative and processing fees, and an allocation of any other charges that are typically incurred in connection with utility or submetering services. The Board may, from time to time, change the method allocation, provided the same type of method or combination of methods is used for all Units.

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

6.9. DEFICIENCY ASSESSMENTS. The Board may levy a Deficiency Assessment against all Units for the purpose of defraying, in whole or in part, the cost of repair or restoration if insurance proceeds or condemnation awards prove insufficient.

6.10. DUE DATE. Regular Assessments are due on the first calendar day of each month, and are delinquent if not received by the Association on or before the first day of the month. Special and Individual Assessments are due on the date stated in the notice of Assessment or, if no date is stated, within 10 days after notice of the Special or Individual Assessment is given.

6.11. RESERVE FUNDS. The Association will establish, maintain, and accumulate reserves for operations and for replacement and repair. The Association will budget for reserves and may fund reserves out of Regular Assessments.

6.11.1. Operations Reserves. The Association may maintain operations reserves at a level determined by the Board to be sufficient to cover the cost of operational or maintenance emergencies or contingencies, including deductibles on insurance policies maintained by the Association.

6.11.2. Replacement & Repair Reserves. The Association will maintain replacement and repair reserves at a level that anticipates the scheduled replacement or major repair of components of the Common Elements.

6.12. ASSOCIATION'S RIGHT TO BORROW MONEY. The Association is granted the right to borrow money, subject to the consent of Owners of at least a majority of the Units and the ability of the Association to repay the borrowed funds from Assessments. To assist its ability to borrow, the Association is granted the right to encumber, mortgage, pledge, or deed in trust any of its real or personal property, and the right to assign its right to future income, as security for money borrowed or debts incurred, provided that the rights of the lender in the pledged property are subordinate and inferior to the rights of the Owners hereunder.

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6.13. TRANSFER-RELATED FEES. A number of independent fees may be charged in relation to the transfer of title to a Unit, including but not limited to fees for resale certificates, estoppel certificates, copies of the Documents, compliance inspections, ownership record changes, and priority processing, provided the fees are customary in amount, kind, and number for the local marketplace. Transfer-related fees are not refundable and may not be regarded as a prepayment of or credit against Regular or Special Assessments. Transfer-related fees do not apply to the following transfers unless a party to the transfer requests the corresponding documentation: (1) foreclosure of a deed of trust lien, tax lien, or the Association's Assessment lien; (2) transfer to, from, or by the Association; (3) voluntary transfer by an Owner to one or more co-Owners, or to the Owner's spouse, child, or parent. Transfer-related fees may be charged by the Association or by the Association's managing agent, provided there is no duplication of fees. Transfer-related fees charged by or paid to a managing agent must have the prior written approval of the Association, are not subject to the Association's Assessment lien, and are not payable by the Association. This Section does not obligate the Board or the managing agent to levy transfer-related fees.

6.14. LIMITATIONS OF INTEREST. The Association, and its officers, directors, managers, and attorneys, intend to conform strictly to the applicable usury laws of the State of Texas. Notwithstanding anything to the contrary in the Documents or any other document or agreement executed or made in connection with the Association's collection of Assessments, the Association will not in any event be entitled to receive or collect, as interest, a sum greater than the maximum amount permitted by applicable law. If from any circumstances whatsoever, the Association ever receives, collects, or applies as interest a sum in excess of the maximum rate permitted by law, the excess amount will be applied to the reduction of unpaid Special and Regular Assessments, or reimbursed to the Owner if those Assessments are paid in full.

## ARTICLE 7
## ASSESSMENT LIEN

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

7.2. SUPERIORITY OF ASSESSMENT LIEN. The Assessment lien is superior to all other liens and encumbrances on a Unit, except only for (1) real property taxes and assessments levied by governmental and taxing authorities, (2) a deed of trust or vendor's lien recorded before this Declaration, (3) a recorded deed of trust lien securing a loan for construction of the original Unit, and (4) a first or senior purchase money vendor's lien or deed of trust lien recorded before the date on which the delinquent Assessment became due. The Assessment lien is superior to a lien for construction of improvements to the Unit, regardless of when recorded or perfected. It is also superior to any recorded assignment of the right to insurance proceeds on the Unit, unless the assignment is part of a superior deed of trust lien. The Assessment lien is subordinate and inferior to a recorded deed of trust lien that secures a first or senior purchase money mortgage.

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

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

7.5. POWER OF SALE. By accepting an interest in or title to a Unit, each Owner grants to the Association a private power of nonjudicial sale in connection with the Association's Assessment lien. The Board may appoint, from time to time, any person, including an officer, agent, trustee, substitute trustee, or attorney, to exercise the Association's lien rights on behalf of the Association, including the power of sale. The appointment must be in writing and may be in the form of a resolution recorded in the minutes of a Board meeting.

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If you fail to pay Assessments to the Association, you may lose title to your home if the Association forecloses its Assessment lien against your Unit.

7.6. FORECLOSURE OF LIEN. The Assessment lien may be enforced by judicial or nonjudicial foreclosure. A nonjudicial foreclosure must be conducted in accordance with the requirements applicable to the exercise of powers of sale under the laws applicable to such an Association in the Texas Property Code, or in any manner permitted by law. In any foreclosure, the Owner is required to pay the Association's costs and expenses for the proceeding, including reasonable attorneys' fees. The Association has the power to bid on the Unit at foreclosure sale and to acquire, hold, lease, mortgage, and convey the Unit.

## ARTICLE 8
## EFFECT OF NONPAYMENT OF ASSESSMENTS

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

8.1. INTEREST. Delinquent Assessments are subject to interest from the due date until paid, at a rate to be determined by the Board from time to time, not to exceed the lesser of 18 percent per annum or the maximum permitted by law. If the Board fails to establish a rate, the rate is 10 percent per annum.

8.2. LATE FEES. Delinquent Assessments are subject to reasonable late fees, at a rate to be determined by the Board from time to time.

8.3. COLLECTION EXPENSES. The Owner of a Unit against which Assessments are delinquent is liable to the Association for reimbursement of reasonable costs incurred by the Association to collect the delinquent Assessments, including attorneys fees and processing fees charged by the manager.

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8.4. ACCELERATION. If an Owner defaults in paying an Assessment that is payable in installments, the Association may accelerate the remaining installments on 10 days' written notice to the defaulting Owner. The entire unpaid balance of the Assessment becomes due on the date stated in the notice.

8.5. SUSPENSION OF USE AND VOTE. If an Owner's account has been delinquent for at least 30 days, the Association may suspend the right of the Owner and the Residents of the Owner's Unit to use Common Elements and common services during the period of delinquency. Services include master-metered or sub-metered utilities serving the Unit. The Association may not suspend an Owner or Resident's right of access to the Unit. The Association may also suspend the right to vote appurtenant to the Unit during the period of delinquency. Suspension does not constitute a waiver or discharge of the Owner's obligation to pay Assessments.

8.6. ASSIGNMENT OF RENTS. Every Owner hereby grants to the Association a continuing assignment of rents to secure the payment of assessments to the Association. If a Unit's account becomes delinquent during a period in which the Unit is leased, the Association may direct the tenant to deliver rent to the Association for application to the delinquent account, provided the Association gives the Owner notice of the delinquency, a reasonable opportunity to cure the debt, and notice of the Owner's right to a hearing before the Board. The Association must account for all monies received from a tenant and must remit to the Owner any rents received in excess of the past-due amount. A tenant's delivery of rent to the Association under the authority hereby granted is not a breach of the tenant's lease with the Owner and does not subject the tenant to penalties from the Owner.

8.7. MONEY JUDGMENT. The Association may file suit seeking a money judgment against an Owner delinquent in the payment of Assessments, without foreclosing or waiving the Association lien for Assessments.

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

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

## ARTICLE 9
## MAINTENANCE AND REPAIR OBLIGATIONS

9.1. ASSOCIATION MAINTAINS. The Association's maintenance obligations will be discharged when and how the Board deems appropriate. The Association maintains, repairs, and replaces, as a common expense, all General and Limited Common Elements, including the exterior materials of the buildings, including (if any) roof shingles and gutters, foundations, sealants and fillers, and exterior wall materials, such as brick veneer, stucco, or siding. The Association also maintains, as a common expense, any component of a Unit delegated to the Association by this Declaration.

9.2. ANNUAL INSPECTION OF COMMON AREA. From the period commencing at the expiration of the Development Period until 10 years thereafter, at least annually, the Association must examine the condition of the Common Elements to evaluate the quality, frequency, and adequacy of maintenance performed during the preceding year, and to recommend maintenance for the upcoming year. The

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examination and report may be performed by one or more experts hired by the Association for this purpose, such as a professional property manager, an engineer, or professional contractors such as landscapers and brick masons. Within 15 days after performing the inspection, the expert should submit to the Board a written report with findings and recommendations. The Board should evaluate the Association's operating budget and reserve accounts for maintenance, repair, and replacement in light of the expert's findings and recommendations. Any decision by the Board to reduce or defer recommended maintenance should be made with an evaluation of the potential consequences for future costs and deterioration. An expert's report is a record of the Association that is available to Owners for inspection and copying.

9.3. OWNER RESPONSIBILITY. Every Owner has the following responsibilities and obligations for the maintenance, repair, and replacement of the Property:

a. To maintain, repair, and replace his Unit, except for components expressly assigned to the Association by this Declaration.

b. To landscape and maintain any yard area appurtenant to his Unit and enclosed with a privacy fence, if the Property has such features.

c. The routine cleaning of any patio, balcony, porch, or deck area of his Unit, keeping same in a neat, clean, odorless, orderly, and attractive condition.

d. To maintain, repair, and replace all portions of the Property for which he is responsible under this Declaration or by agreement with the Association.

e. To not do any work or to fail to do any work which, in the reasonable opinion of the Board, would materially jeopardize the soundness and safety of the Property, reduce the value thereof, or impair any easement or real property right thereto.

f. To be responsible for his own willful or negligent acts and those of his or the Resident's family, guests, agents, employees, or contractors when those acts necessitate maintenance, repair, or replacement of Common Elements, the property of another Owner, or any component of the Property for which the Association has maintenance or insurance responsibility.

9.4. DISPUTES. If a dispute arises regarding the allocation of maintenance responsibilities by this Declaration, the dispute will be resolved by delegating responsibility to the individual Owners. Unit maintenance responsibilities that are allocated to the Association are intended to be interpreted narrowly to limit and confine the scope of Association responsibility. It is the intent of this Article that all components and areas not expressly delegated to the Association are the responsibility of the individual Owners.

9.5. SHEETROCK. Notwithstanding anything to the contrary in the Documents, the Association is not responsible for the repair and replacement of sheetrock in any Unit, or for any surface treatments on the sheetrock, regardless of the source of damage and the availability of insurance. This provision is provided for the benefit of the Association and is warranted by the difficulty of scheduling interior sheetrock work and the possibility that the Owner may not be satisfied with the quality or appearance of spot repairs. If the Association receives insurance proceeds for sheetrock damage to a Unit and chooses to not perform the repairs, the Owner of the damaged Unit is entitled to the proceeds in exchange for identification of the damage and a release from future claims for the same damage.

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9.6. CONCRETE. Minor cracks in concrete, including foundations, garage floors, sidewalks, porches, and patio slabs, are inevitable as a result of the natural movement of soil (expansion and contraction), shrinkage during the curing of the concrete, and settling of the building. The Association's duty to maintain and repair foundations and other concrete or cementuous components of the building does not extend to minor or cosmetic cracking. Generally, the Association is responsible for repair of the following conditions: (1) leakage or seepage through walls or floors, (2) cracks in concrete, masonry walls, or masonry veneer that exceed one-quarter inch in width, (3) improper drainage of water from stoops and patios, and (4) pitting, scaling, or spalling of concrete work.

9.7. BALCONIES & DECKS. Except for routine cleaning, which is the Owner's responsibility pursuant to Section 9.3, the Association is responsible for the maintenance, repair, and replacement of patios, balconies, and decks (if any) which are part of a Unit. If the outside components of the Unit are most easily accessed through the Unit, the Owner will cooperate in providing access to the outside components for the Association's agents and contractors. If requested by the Association, the Owner will remove all personal property from the outside components of his Unit to facilitate the required maintenance, repair, or replacement. The Owner is liable to the Association for any additional expense incurred by the Association due to an Owner's failure or refusal to cooperate with reasonable requests for access or removal. This Section may not be construed to prevent an Owner at the Owner's sole expense, without right of reimbursement from the Association, from maintaining, repairing, and replacing components of his Unit's patio, balcony, or deck (if any), subject to the Association's architectural control.

9.8. WARRANTY CLAIMS. If the Owner is the beneficiary of a warranty against defects of the Common Elements, the Owner irrevocably appoints the Association, acting through the Board, as his attorney-in-fact to file, negotiate, receive, administer, and distribute the proceeds of any claim against the warranty that pertains to Common Elements.

9.9. OWNER'S DEFAULT IN MAINTENANCE. If the Board determines that an Owner has failed to properly discharge his obligation to maintain, repair, and replace items for which the Owner is responsible, the Board may give the Owner written notice of the Association's intent to provide the necessary maintenance at Owner's expense. The notice must state, with reasonable particularity, the maintenance deemed necessary and a reasonable period of time in which to complete the work. If the Owner fails or refuses to timely perform the maintenance, the Association may do so at Owner's expense, which is an Individual Assessment against the Owner and his Unit. In case of an emergency, however, the Board's responsibility to give the Owner written notice may be waived and the Board may take any action it deems necessary to protect persons or property, the cost of the action being the Owner's expense.

## ARTICLE 10
## ARCHITECTURAL COVENANTS AND CONTROL

10.1. PURPOSE. Because the Units are part of a single, unified community, the Association has the right to regulate the exterior design, use, and appearance of the Units and Common Elements in order to preserve and enhance the Property's value and architectural harmony. One purpose of this Article is to promote and ensure the level of taste, design, quality, and harmony by which the Property is developed and maintained. Another purpose is to prevent improvements and modifications that may be widely considered to be radical, curious, odd, bizarre, or peculiar in comparison to then existing improvements. Also, to allow the Association to respond to changes in technology, style, and taste. The Association, acting through the ACC, has the right to regulate every aspect of proposed or existing improvements on the Property, including replacements or modifications of original construction or installation.

10.2. ARCHITECTURAL CONTROL COMMITTEE. The ACC consists of 3 persons appointed by Declarant during the Development Period. After the Development Period, the ACC consists of 3 persons appointed by the Board, pursuant to the Bylaws, or, at the Board's option, the Board may act as the ACC. If the Board acts as the ACC, all references in the Documents to the ACC are construed to mean the Board. Members of the ACC need not be Owners or Residents.

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

**BEFORE MAKING ANY IMPROVEMENT OR ALTERATION TO ANY PART OF THE PROPERTY, A BUILDER OR OWNER MUST APPLY FOR THE ACC'S PRIOR WRITTEN APPROVAL.**

10.4. PROHIBITION OF CONSTRUCTION, ALTERATION & IMPROVEMENT. Without the ACC's prior written approval, a person may not commence or continue any construction, alteration, addition, improvement, installation, modification, redecoration, or reconstruction of or to the Property, or do anything that affects the appearance, use, or structural integrity of the Property. The ACC has the right but not the duty to evaluate every aspect of construction and property use that may adversely affect the general value or appearance of the Property.

10.5. ACC APPROVAL. To request ACC approval, an Owner must make written application and submit 2 identical sets of plans and specifications showing the nature, kind, shape, color, size, materials, and locations of the work to be performed. The application must clearly identify any requirement of this Declaration for which a variance is sought. The ACC will return one set of plans and specifications to the applicant marked with the ACC's response, such as "Approved," "Denied," or "Submit Additional Information." The ACC will retain the other set of plans and specifications, together with the application, for the Association's files. Verbal approval by an Association director or officer, a member of the ACC, or the Association's manager does not constitute ACC approval, which must be in writing. ACC approval of a modification or improvement may not be deemed to constitute a waiver of the ACC's right to withhold approval of similar proposals, plans, or specifications that are subsequently submitted.

10.5.1. Deemed Approval. If the ACC fails to respond in writing -- negatively, affirmatively, or requesting information -- within 60 days after the ACC's actual receipt of the Owner's application, the Owner may submit a second request for processing of its original application. If the Board fails to respond within 45 days after the Board's actual receipt of the Owner's second request, the Owner's application is deemed approved. The Owner may then proceed with the improvement, provided he adheres to the plans and specifications which accompanied his application, and provided he initiates and completes the improvement in a timely manner. In exercising deemed approval, the burden is on the Owner to document the Board's actual receipt of the Owner's initial application and second request.

10.5.2. Building Permit. If the application is for work that requires a building permit from the city, the Owner must obtain the appropriate permit. The ACC's approval of plans and specifications does not mean that they comply with the city's requirements. Alternatively, approval by the city does not ensure ACC approval.

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10.5.3. No Approval Required. No approval is required to rebuild a Unit in accordance with originally approved plans and specifications. Nor is approval required for an Owner to remodel or repaint the interior of a Unit, provided the work does not impair the structural soundness of the building.

10.5.4. Declarant Approved. Notwithstanding anything to the contrary in this Declaration, any improvement to the Property made by Declarant during the Development Period is deemed to have been approved by the ACC.

10.6. CONTROL FOR VARIANCES. This Section of the Declaration may not be amended without the approval of Owners of at least 75 percent of the Units. If the ACC is considering approval of an application that seeks a variance or which, in the ACC's opinion, would constitute a variance of the Property's established standards, the ACC must notify an Owner of each Unit of the nature of the proposed variance at least 20 days before the ACC approves the application. The ACC may approve the variance unless Owners of at least a majority of the Units disapprove the proposed variance by petition or at a meeting of the Association.

10.7. PROHIBITED ACTS. The types of acts that may not be commenced without the ACC's prior written approval include, but are not limited to the following:

a. Installation of a receiving or transmitting tower, ornamental iron or burglar bars, storm window or door, exterior lighting, storage shed, basketball goal, treehouse, free standing mailbox, trash can enclosure, patio cover, chimney, or skylight -- if any are visible from another Unit, a street, or the Common Elements.

b. Installation of equipment that may create a noise annoyance, such as noise-producing security devices, exterior pumps, and speakers.

c. Installation of walls, screens, fences, gates, or carports.

d. Enclosure of patios, balconies, yards, or garages.

e. Installation of impermeable decking or other improvement that may interfere with established drainage patterns.

## ARTICLE 11
## USE RESTRICTIONS

11.1. VARIANCE. The use of the Property is subject to the restrictions contained in this Article, and subject to Rules adopted pursuant to this Article. The Board or the ACC, as the case may be, may grant a variance or waiver of a restriction or Rule on a case-by-case basis when unique circumstances dictate, and may limit or condition its grant. To be effective, a variance must be in writing. The grant of a variance does not effect a waiver or estoppel of the Association's right to deny a variance in other circumstances.

11.2. ASSOCIATION'S RIGHT TO PROMULGATE RULES. The Association, acting through the Board, is granted the right to adopt, amend, repeal, and enforce reasonable Rules, and penalties for infractions thereof, regarding the occupancy, use, disposition, maintenance, appearance, and enjoyment of the Property.

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11.3. RULES AND REGULATIONS. In addition to the restrictions contained in this Article, each Unit is owned and occupied subject to the right of the Board to establish Rules, and penalties for infractions thereof, governing:

a. Use of Common Elements.
b. Hazardous, illegal, or annoying materials or activities on the Property.
c. The use of Property-wide services provided through the Association.
d. The consumption of utilities billed to the Association.
e. The use, maintenance, and appearance of anything visible from the street, Common Elements, or other Units.
f. Landscaping and maintenance of yards.
g. The occupancy and leasing of Units.
h. Animals.
i. Vehicles.
j. Disposition of trash and control of vermin, termites, and pests.
k. Anything that interferes with maintenance of the Property, operation of the Association, administration of the Documents, or the quality of life for Residents.

11.4. AGES OF RESIDENTS. No person under the age of 18 years may occupy a Unit unless he lives with a Resident who is his spouse, parent, legal guardian, or a designee of his parent or legal guardian. Upon request by the Association, an Owner must provide satisfactory proof of the ages and relationships of the occupants of his Unit.

11.5. ANIMALS. No animal, bird, fish, reptile, or insect of any kind may be kept, maintained, raised, or bred anywhere on the Property for food or for any commercial purpose. Customary domesticated household pets may be kept subject to the Rules. The Board may adopt, amend, and repeal Rules regulating the types, sizes, numbers, locations, and behavior of animals at the Property. If the Rules fail to establish animal occupancy quotas, no more than 2 dogs, or 2 cats, or one dog and one cat, may be maintained in each Unit. Permission to maintain other types or additional numbers of household pets must be obtained in writing from the Board. The Board may require or effect the removal of any animal determined to be in violation the Rules.

**VOLUME CONTROL**
*Although music is a universal language,*
*no one type or volume of music is universally loved*
*- not even your favorite music, as wonderful as it is.*
Please be mindful of your neighbors' needs for quiet time at home.

11.6. ANNOYANCE. No Unit or Limited Common Element may be used in any way that: (1) may reasonably be considered annoying to neighbors; (2) may be calculated to reduce the desirability of the Property as a residential neighborhood; (3) may endanger the health or safety of Residents of other Units; (4) may result in the cancellation of insurance on any portion of the Property; (5) violates any law; or (6) creates noise or odor pollution. The Board has the sole authority to determine what constitutes an annoyance.

11.7. APPEARANCE. Both the exterior and interior of the Units must be maintained in a manner so as not to be unsightly when viewed from the street, Common Elements, or neighboring Units. The Board will be the arbitrator of acceptable appearance standards.

11.8. DECLARANT PRIVILEGES. In connection with the development and marketing of the Property, Declarant has reserved a number of rights and privileges to use the Property in ways that are

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not available to other Owners and Residents, as provided in Appendix B of this Declaration. Declarant's exercise of a Development Period right that appears to violate a Rule or a Use Restriction of this Article does not constitute waiver or abandonment of the restriction by the Association.

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

11.10. DRIVEWAYS. Sidewalks, driveways, and other passageways may not be used for any purpose that interferes with their ongoing use as routes of vehicular or pedestrian access.

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

11.12. GARAGES. The original garage area of a Unit may not be enclosed or used for any purpose that would prohibit the parking of operable vehicles therein, without the Board's written authorization. The automatic garage door opener is to be maintained by the Owner. Garage doors are to be kept closed at all times except when a vehicle is entering or leaving.

11.13. LANDSCAPING. No person may perform landscaping, planting, or gardening anywhere upon the Property, except within privacy fenced or enclosed Limited Common Elements, without the Board's prior written authorization.

11.14. NOISE & ODOR. A Resident must exercise reasonable care to avoid making or permitting to be made loud, disturbing, or objectionable noises or noxious odors that are likely to disturb or annoy Residents of neighboring Units. The Rules may limit, discourage, or prohibit noise-producing activities and items in the Units and on the Common Elements.

**NOT SOUNDPROOFED**
Although the Units are constructed to reduce the transmission of sound between adjoining Units, the Units are not soundproofed. Some noise transmission between adjoining Units is possible.

11.15. OCCUPANCY. The Board may adopt Rules regarding the occupancy of Units. If the Rules fail to establish occupancy standards, no more than 2 persons per bedroom may occupy a Unit, subject to the exception for familial status. The Association's occupancy standard for Residents who qualify for familial status protection under the fair housing laws may not be more restrictive than the minimum *(i.e., the fewest people per Unit)* permitted by the U. S. Department of Housing and Urban Development. A person may not occupy a Unit if the person constitutes a direct threat to the health or safety of other persons, or if the person's occupancy would result in substantial physical damage to the property of others.

11.16. RESIDENTIAL USE. The use of a Unit is limited exclusively to residential purposes or any other use permitted by this Declaration. This residential restriction does not, however, prohibit a Resident from using the Unit for personal business or professional pursuits provided that: (1) the uses are incidental to the use of the Unit as a dwelling; (2) the uses conform to applicable governmental ordinances; (3) there is no external evidence of the uses; (4) the uses do not entail visits to the Unit by employees or the public; and (5) the uses do not interfere with Residents' use and enjoyment of neighboring Units. Other than the air conditioned part of a Unit, no thing or structure on the Property

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may be occupied as a residence at any time by any person. This provision applies, without limitation, to the garage and campers.

11.17. SIGNS. No sign of any kind - including signs advertising Units for sale or for lease - may be erected, placed, or permitted to remain on the Property or to be visible from windows in the Units. The Board may, but is not required to, authorize a sign, and such authorization may specify the location, nature, dimensions, number, and time period of a sign. This prohibition against signs also applies to any object visible from a street or driveway which the Board deems to be unsightly or inappropriate. The Board may remove signs and objects that violate this Section, as permitted in Section 14.2.4.

11.18. SPECIFIC USES. Except for ingress and egress, the front yards, sidewalks, and driveways on the Property may not be used for any purpose that has not been authorized in writing by the Board.

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

11.20. TELEVISION. Each Resident of the Property will avoid doing or permitting anything to be done that may unreasonably interfere with the television, radio, telephonic, electronic, microwave, cable, or satellite reception on the Property. Without the prior written consent of the ACC, no person may install the following equipment on the Common Elements or the exterior of buildings if it would be visible from a street: an antenna, microwave or satellite dish, receiving or transmitting tower; provided, however, that (1) standard residential reception-only tv antennas, (2) direct broadcast satellites (DBS) that are one meter or less in diameter, and (3) multipoint distribution service (MDS) antennas that are one meter or less in diameter (the 3 permitted types hereafter referred to collectively as the **"Antenna/Dish"**) may be installed, subject to the following provisions.

11.20.1. Definitions. As used in this Section **"Antenna/Dish Unit"** means the Unit served by a satellite dish or antenna, or the Unit that is obviously intended to be served by a satellite dish or antenna, regardless of whether the service is operational. **"Antenna/Dish Owner"** means the Owner of a Unit served by a satellite dish or antenna, regardless of whether the Unit Owner purchases, uses, or has actual knowledge of the satellite dish or antenna.

11.20.2. Satellite Divot. The Property is designed for each Unit to have one rooftop divot for installation of one Antenna/Dish. Each Owner may use the divot for its intended purpose and for no other purpose.

11.20.3. Cable Conduit. The Property is designed with a conduit for use with cable television lines. Each Owner may use the conduit for its intended purpose and for no other purpose. The draping of cable wires on the exteriors of buildings, or the installation of additional conduits are prohibited without the ACC's prior written consent.

11.20.4. Prohibited Act. Other than the proper use of the satellite divot and the cable conduit, any other installation pertaining to an Antenna/Dish is prohibited without the prior written consent of the ACC.

11.20.5. Owner Responsibility. The installation of an Antenna/Dish on Common Elements automatically subjects the Antenna/Dish Unit and its Owner to this Section, regardless of who installs the Antenna/Dish and regardless of whether the Antenna/Dish Owner has actual notice of the installation. The Antenna/Dish Owner is solely responsible for (1) the cost of maintaining, repairing, replacing, and removing, as necessary, the Antenna/Dish, and (2) the cost of repairing

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Common Elements if such repairs are necessitated by the Antenna/Dish or its installation, maintenance, repair, or replacement, irrespective of whether the repairs are undertaken by the Antenna/Dish Owner or the Association. If required by the Association, the Antenna/Dish Owner will remove the Antenna/Dish, as necessary, to permit the Association to maintain, repair, or replace Common Elements as the Association, in its sole discretion, deems necessary or desirable.

GET BOARD'S WRITTEN APPROVAL BEFORE YOU SHOP
FOR AN EXTERIOR ANTENNA OR SATELLITE DISH

11.20.6. Association Controls. To the extent permitted by public law, the Association may adopt and amend reasonable standards for the color, appearance, location, method of installation, maintenance, camouflaging, screening, and use of Antenna/Dishes. The location and installation of an Antenna/Dish on the Common Elements must have the prior written approval of the Association, unless the location and installation comply with this Declaration and the most current standards that have been adopted and published by the Association.

11.20.7. Interference. An Antenna/Dish or the use of an Antenna/Dish may not interfere with satellite or broadcast reception to other Units or the Common Elements, or otherwise be a nuisance to Residents of other Units or to the Association. The Board of Directors may determine what constitutes a nuisance to the Association.

11.20.8. Risk. An Antenna/Dish on the Common Elements exists at the sole risk of the Owner and/or occupant of the Antenna/Dish Unit. The Association does not insure the Antenna/Dish and is not liable to the Antenna/Dish Owner or any other person for any loss or damage to the Antenna/Dish from any cause. The Antenna/Dish Owner will defend and indemnify the Association, its directors, officers, and Members, individually and collectively, against losses due to any and all claims for damages or lawsuits, by anyone, arising from his Antenna/Dish.

***Yes, there are lots of Rules!***
EVERY RESIDENT OF HOLLAND OAKS
IS EXPECTED TO COMPLY WITH THESE RULES
AND WITH RULES ADOPTED BY THE BOARD OF DIRECTORS.

11.21. VEHICLES. All vehicles on the Property, whether owned or operated by the Residents or their families and guests, are subject to this Section and any Rules regulating the types, sizes, numbers, conditions, uses, appearances, and locations of vehicles on the Property. The Board may prohibit any vehicle which the Board deems to be a nuisance, unsightly, or inappropriate. The Board may prohibit sales, storage, washing, repairs, or restorations of vehicles on the Property. Vehicles that transport inflammatory or explosive cargo are prohibited from the Property at all times. No vehicle may obstruct the flow of traffic, constitute a nuisance, or otherwise create a safety hazard on the Property. The Association may effect the removal of any vehicle in violation of this Section or the Rules without liability to the owner or operator of the vehicle.

11.22. WINDOW TREATMENTS. All window treatments within the Unit, that are visible from the street or another Unit, must be maintained in good condition and must not detract from the appearance of the Property. The ACC may require an Owner to change or remove a window treatment that the ACC determines to be inappropriate or unattractive. The ACC may prohibit the use of certain colors or materials for window treatments.

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## ARTICLE 12
## UNIT LEASING

12.1. LEASE CONDITIONS. The leasing of Units is subject to the following conditions: (1) no Unit may be rented for transient or hotel purposes or for a period less than 30 days; (2) no Unit may be subdivided for rent purposes, and not less than an entire Unit may be leased; (3) all leases must be in writing and must be made subject to the Documents; (4) an Owner is responsible for providing his tenant with copies of the Documents and notifying him of changes thereto; and (5) each tenant is subject to and must comply with all provisions of the Documents, federal and State laws, and local ordinances.

12.2. OWNER OCCUPANCY. For purposes of this Article, a Unit is considered "owner occupied" if at least one Resident of an occupied Unit is an Owner of the Unit or is related by blood, marriage, or adoption to an Owner of the Unit, or if the Unit is vacant -- except that a Unit being offered for lease may not be considered "owner occupied" even though the Unit is then-vacant or then-occupied by an Owner. In calculating occupancy, Units are counted uniformly regardless of size.

12.3. EVICTION OF TENANTS. Every lease agreement on a Unit, whether written or oral, express or implied, is subject to and is deemed to include the following provisions:

12.3.1. Violation Constitutes Default. Failure by the tenant or his invitees to comply with the Documents, federal or State law, or local ordinance is deemed to be a default under the lease. When the Association notifies an Owner of his tenant's violation, the Owner will promptly obtain his tenant's compliance or exercise his rights as a landlord for tenant's breach of lease. If the tenant's violation continues or is repeated, and if the Owner is unable, unwilling, or unavailable to obtain his tenant's compliance, then the Association has the power and right to pursue the remedies of a landlord under the lease or State law for the default, including eviction of the tenant, subject to the terms of this Section.

12.3.2. Association as Attorney-in-Fact. Notwithstanding the absence of an express provision in the lease agreement for enforcement of the Documents by the Association, each Owner appoints the Association as his attorney-in-fact, with full authority to act in his place in all respects, solely for the purpose of enforcing the Documents against his tenants, including but not limited to the authority to institute forcible detainer proceedings against his tenant on his behalf, provided the Association gives the Owner at least 10 days' notice, by certified mail, of its intent to so enforce the Documents.

12.3.3. Association Not Liable for Damages. The Owner of a leased Unit is liable to the Association for any expenses incurred by the Association in connection with enforcement of the Documents against his tenant. The Association is not liable to the Owner for any damages, including lost rents, suffered by the Owner in relation to the Association's enforcement of the Documents against the Owner's tenant.

12.4. RESTRICTIONS ON LEASING. Leasing of Units is regulated by this Section and Article to protect the Owners' equity in the Property, to preserve the character of the Property as a residential community of predominantly owner-occupied Units, to prevent the Property from assuming the character of a renter-occupied apartment complex, and to comply with eligibility requirements of Underwriting Lenders for mortgage financing.

12.4.1. Board Determination. Any Owner or prospective Owner who intends for his Unit to be occupied by Residents who are not Owners must request from the Board a statement of the number of owner-occupied Units. If the Board does not respond to an oral request, the Owner

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may submit the request in writing. If the Board does not respond to the written request within 10 days after receipt of same, the Owner may assume that at least 80 percent of the Units are owner-occupied unless the Owner has actual knowledge of the owner occupancy ratio.

12.4.2. Notice Only. If at least 80 percent of the Units are owner-occupied at the time a lease originates or renews, the Unit may be leased without obtaining the Board's approval. However, the Owner of the leased Unit must give the Board written notice of the lease or renewal.

**CONTACT BOARD BEFORE LEASING**
This Declaration has unusual restrictions on leasing Units.
Under some circumstances, no leasing is permitted.

12.4.3. Board Approval Required. If fewer than 80 percent of the Units are owner-occupied at the time a lease originates or renews, the lease must have the prior written approval of the Board. Under the following circumstances, the Board may approve an Owner's written application for occupancy by Residents who are not Owners:

a. Exception for High Ratios. The Board may approve an Owner's application to lease the Unit for a stated period of time if the Unit was occupied for at least one year by an Owner of the Unit, and if, according to the Board's calculations, the percentage of Units in the Property that are owner-occupied would not be less than 75 percent if the subject Unit were renter-occupied.

b. Exception for Undue Hardship. The Board may approve an Owner's application to lease the Unit for a stated period of time to avoid undue hardship. By way of illustration and not limitation, examples of circumstances that may contribute to "undue hardship" are those in which (1) an Owner must relocate to another region when market conditions do not favor a timely sale for an amount exceeding the debt against the Unit; (2) the Unit is being administered by the deceased Owner's estate; (3) the Owner temporarily relocates and intends to return to occupy the Unit; (4) the Unit is to be leased to a member of the Owner's extended family. The Owner's application must state why this prohibition against leasing would result in undue hardship to the Owner, and describe the circumstances necessitating the leasing.

c. Application and Approval. The Board may allow reasonable leasing of a Unit on written application by an Owner who demonstrates, to the Board's satisfaction, that one of the 2 above exceptions applies. Approval by the Board must be in writing, and may not be deemed from lack of a response. The Board's approval may be limited to a stated period of time which, if not stated, is deemed to be one year from the date written approval is granted. On expiration of that period, the Owner must apply anew for Board approval. The Board's approval is not self-renewing.

d. Violation of Prohibition. A lease or lease renewal made without written approval of the Board is voidable by the Board. The Board has the power to make and enforce reasonable rules and fines relating to enforcement of this Section.

12.5. EXEMPTIONS. A Mortgagee that acquires title to a Unit by foreclosure of its deed of trust lien or by deed in lieu of foreclosure of its lien is exempt from the effect of this Article. During the Development Period, Declarant is exempt from the effect of this Article.

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## ARTICLE 13
## ASSOCIATION OPERATIONS

13.1. THE ASSOCIATION. The duties and powers of the Association are those set forth in the Documents, together with the general and implied powers of a condominium association and a nonprofit corporation organized under the laws of the State of Texas. Generally, the Association may do any and all things that are lawful and necessary, proper, or desirable in operating for the peace, health, comfort, and general benefit of its Members, subject only to the limitations on the exercise of such powers as stated in the Documents. The Association comes into existence on issuance of its corporate charter. The Association will continue to exist at least as long as the Declaration is effective against the Property, regardless of whether its corporate charter lapses from time to time.

EVERY OWNER OF A UNIT IN HOLLAND OAKS
AUTOMATICALLY JOINS A MANDATORY MEMBERSHIP ASSOCIATION.

13.2. BOARD. The Association will be governed by a Board of Directors elected by the Members. Unless the Association's Bylaws or Articles of Incorporation provide otherwise, the Board will consist of at least 3 persons elected at the annual meeting of the Association, or at a special meeting called for that purpose. Unless the Documents expressly reserve a right, action, or decision to the Members/Owners, Declarant, or another party, the Board acts in all instances on behalf of the Association. Unless the context indicates otherwise, references in the Documents to the "Association" may be construed to mean "the Association acting through its Board of Directors."

13.3. MEMBERSHIP. Each Owner is a Member of the Association, ownership of a Unit being the sole qualification for membership. Membership is appurtenant to and may not be separated from ownership of the Unit. The Board may require satisfactory evidence of transfer of ownership before a purported Owner is entitled to vote at meetings of the Association. If a Unit is owned by more than one person or entity, each co-owner is a Member of the Association and may exercise the membership rights appurtenant to the Unit. A Member who sells his Unit under a contract for deed may delegate his membership rights to the contract purchaser, provided a written assignment is delivered to the Board. However, the contract seller remains liable for all Assessments attributable to his Unit until fee title to the Unit is transferred. Unless the Documents provide otherwise, any action requiring approval of the Members may be approved in writing by Owners of at least a majority of all Units, or at a meeting by Owners of at least a majority of the Units that are represented at the meeting.

13.4. MANAGER. The Board may delegate the performance of certain functions to one or more managers of managing agents of the Association. To assist the Board in determining whether to delegate a function, a Guide to Association's Major Management & Governance Functions is attached to this Declaration as Appendix E. The Guide lists several of the major management and governance functions of a typical residential development with a mandatory owners association. The Guide, however, may not be construed to create legal duties for the Association and its officers, directors, members, employees, and agents that are not justified by the needs of the Association. Rather, the Guide is intended as a tool or an initial checklist for the Board to use periodically when considering a delegation of its functions. As a list of functions that owners associations commonly delegate to a manager, the Guide should not be considered as a complete list of the Board's duties, responsibilities, or functions. Notwithstanding any delegation of its functions, the Board is ultimately responsible to the Members for governance of the Association.

13.5. BOOKS & RECORDS. The Association will maintain copies of the Documents and the Association's books, records, and financial statements. Books and records of the Association will be

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made available for inspection and copying pursuant to the requirements of applicable law, such as the Texas Nonprofit Corporation Act.

13.6. INDEMNIFICATION. The Association indemnifies every officer, director, and committee member (for purposes of this Section, "**Leaders**") against expenses, including attorney's fees, reasonably incurred by or imposed on the Leader in connection with any threatened or pending action, suit, or proceeding to which the Leader is a party or respondent by reason of being or having been a Leader. A Leader is not liable for a mistake of judgment. A Leader is liable for his willful misfeasance, malfeasance, misconduct, or bad faith. This right to indemnification does not exclude any other rights to which present or former Leaders may be entitled. As a common expense, the Association may maintain general liability and directors and officers liability insurance to fund this obligation.

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

13.7.1. Information. Within 30 days after acquiring an interest in a Unit, within 30 days after the Owner has notice of a change in any information required by this Subsection, and on request by the Association from time to time, an Owner will provide the Association with the following information: (1) a copy of the recorded deed by which Owner has title to the Unit; (2) the Owner's address, phone number, and driver's license number, if any; (3) any Mortgagee's name, address, and loan number; (4) the name and phone number of any Resident other than the Owner; and (5) the name, address, and phone number of Owner's managing agent, if any.

13.7.2. Pay Assessments. Each Owner will pay Assessments properly levied by the Association against the Owner or his Unit, and will pay Regular Assessments without demand by the Association.

13.7.3. Comply. Each Owner will comply with the Documents as amended from time to time.

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

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

## ARTICLE 14
## ENFORCING THE DOCUMENTS

14.1. NOTICE AND HEARING. Before levying a fine for violation of the Documents (other than nonpayment of Assessments), or before levying an Individual Assessment for property damage, the Association will give the Owner written notice of the levy and an opportunity to be heard, to the extent required by applicable law. The Association's written notice must contain a description of the violation or property damage; the amount of the proposed fine or damage charge; a statement that not later than the 30th day after the date of the notice, the Owner may request a hearing before the Board to contest the fine or charge; and a stated date by which the Owner may cure the violation to avoid the fine -- unless the Owner was given notice and a reasonable opportunity to cure a similar violation within the preceding 12 months. The Association may also give a copy of the notice to the Resident. Pending the hearing, the Association may continue to exercise its other rights and remedies for the violation,

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as if the declared violation were valid. The Owner's request for a hearing suspends only the levy of a fine or damage charge. The Owner may attend the hearing in person, or may be represented by another person or written communication. The Board may adopt additional or alternative procedures and requirements for notices and hearing, provided they are consistent with the requirements of applicable law.

14.2. REMEDIES. The remedies provided in this Article for breach of the Documents are cumulative and not exclusive. In addition to other rights and remedies provided by the Documents and by law, the Association has the following right to enforce the Documents:

14.2.1. Nuisance. The result of every act or omission that violates any provision of the Documents is a nuisance, and any remedy allowed by law against a nuisance, either public or private, is applicable against the violation.

14.2.2. Fine. The Association may levy reasonable charges, as an Individual Assessment, against an Owner and his Unit if the Owner or Resident, or the Owner or Resident's family, guests, employees, agents, or contractors violate a provision of the Documents. Fines may be levied for each act of violation or for each day a violation continues, and does not constitute a waiver or discharge of the Owner's obligations under the Documents.

14.2.3. Suspension. The Association may suspend the right of Owners and Residents to use Common Elements (except rights of ingress and egress) for any period during which the Owner or Resident, or the Owner or Resident's family, guests, employees, agents, or contractors violate the Documents. A suspension does not constitute a waiver or discharge of the Owner's obligations under the Documents.

14.2.4. Self-Help. The Association has the right to enter a Common Element or Unit to abate or remove, using force as may reasonably be necessary, any sign, erection, thing, animal, person, vehicle, or condition that violates the Documents. In exercising this right, the Board is not trespassing and is not liable for damages related to the abatement. The Board may levy its costs of abatement against the Unit and Owner as an Individual Assessment. Unless an emergency situation exists in the good faith opinion of the Board, the Board will give the violating Owner 15 days' notice of its intent to exercise self-help. By accepting an interest in or title to a Unit, each Owner grants to the Association all powers and rights necessary to exercise this right of self-help as to property used or owned by the Owner or a Resident of the Unit, and their respective invitees. Accordingly, this Subsection constitutes an Owner's actual written consent if any is required by applicable law.

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

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

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

14.5. RECOVERY OF COSTS. The costs of curing or abating a violation are the expense of the Owner or other person responsible for the violation. If legal assistance is obtained to enforce any provision of the Documents, or in any legal proceeding (whether or not suit is brought) for damages or for the enforcement of the Documents or the restraint of violations of the Documents, the prevailing party is entitled to recover from the nonprevailing party all reasonable and necessary costs incurred by it in such action, including reasonable attorneys' fees.

## ARTICLE 15
## INSURANCE

15.1. GENERAL PROVISIONS. The broad purpose of this Article is to require that the Property be insured with the types and amounts of coverage that are customary for similar types of properties and that are acceptable to mortgage lenders, guarantors, or insurers that finance the purchase or improvement of Units. Because the insurance requirements of mortgage underwriters are subject to change, as are State-promulgated insurance regulations and policies, this Article tries to balance the need for certain minimum insurance requirements with the desire to adapt to a periodically changing insurance environment. The Board will make every reasonable effort to comply with the requirements of this Article.

15.1.1. Unavailability. The Association, and its directors, officers, and managers, will not be liable for failure to obtain any coverage required by this Article or for any loss or damage resulting from such failure if the failure is due to the unavailability of a particular coverage from reputable insurance companies, or if the coverage is available only at demonstrably unreasonable cost.

15.1.2. No Coverage. Even if the Association and the Owner have adequate amounts of recommended and required coverages, the Property may experience a loss that is not covered by insurance. In that event, the Association is responsible for restoring the Common Elements as a common expense, and the Owner is responsible for restoring his Unit at his sole expense. This provision does not apply to the deductible portion of a policy.

15.1.3. Requirements. The cost of insurance coverages and bonds maintained by the Association is a common expense. Insurance policies and bonds obtained and maintained by the Association must be issued by responsible insurance companies authorized to do business in the State of Texas. The Association must be the named insured on all policies obtained by the Association. The Association's policies should contain the standard mortgage clause naming either the Mortgagee or its servicer followed by "its successors and assigns." The loss payee clause should show the Association as trustee for each Owner and Mortgagee. Policies of property and general liability insurance maintained by the Association must provide that the insurer waives its rights to subrogation under the policy against an Owner. The Association's insurance policies will not be prejudiced by the act or omission of any Owner or Resident who is not under the Association's control.

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15.1.4. Association as Trustee. Each Owner irrevocably appoints the Association, acting through its Board, as his trustee to negotiate, receive, administer, and distribute the proceeds of any claim against an insurance policy maintained by the Association.

15.1.5. Notice of Cancellation or Modification. Each insurance policy maintained by the Association should contain a provision requiring the insurer to give prior written notice, as provided by the Act, to the Board before the policy may be canceled, terminated, materially modified, or allowed to expire, by either the insurer or the insured. The Board will give to Eligible Mortgagees, and the insurer will give to Mortgagees, prior notices of cancellation, termination, expiration, or material modification.

15.1.6. Deductibles. An insurance policy obtained by the Association may contain a reasonable deductible, and the amount thereof may not be subtracted from the face amount of the policy in determining whether the policy limits satisfy the coverage limits required by this Declaration or an Underwriting Lender. In the event of an insured loss, the deductible is treated as a common expense of the Association in the same manner as the insurance premium. However, if the Board reasonably determines that the loss is the result of the negligence or willful misconduct of an Owner or Resident or their invitee, then the Board may levy an Individual Assessment against the Owner and his Unit for the amount of the deductible that is attributable to the act or omission, provided the Owner is given notice and an opportunity to be heard in accordance with the Notice and Hearing Section of this Declaration.

15.2. PROPERTY INSURANCE. The Association will obtain blanket all-risk insurance, if reasonably available, for all improvements insurable by the Association. If blanket all-risk insurance is not reasonably available, then at a minimum, the Association will obtain an insurance policy providing fire and extended coverage. This insurance must be in an amount sufficient to cover 100 percent of the replacement cost of any repair or reconstruction in event of damage or destruction from any insured hazard. The Federal National Mortgage Association recommends use of a guaranteed replacement cost endorsement, or a replacement cost endorsement, together with an agreed amount endorsement in case of coinsurance.

15.2.1. Common Property Insured. The Association will insure (1) General Common Elements; (2) Limited Common Elements; and (3) property owned by the Association including, if any, records, furniture, fixtures, equipment, and supplies.

15.2.2. Units Insured by Association. In addition to insuring the Common Elements against casualty loss, the Association will maintain property insurance on the Units as originally constructed. The Association may insure betterments and improvements installed by current or previous Owners. In insuring Units, the Association may be guided by types of policies customarily available for similar types of properties.

15.2.3. Endorsements. To the extent reasonably available, the Association will obtain endorsements to its property insurance policy if required by an Underwriting Lender, such as Inflation Guard Endorsement, Building Ordinance or Law Endorsement, and a Special Condominium Endorsement.

15.3. LIABILITY INSURANCE. The Association will maintain a commercial general liability insurance policy over the Common Elements -- expressly excluding the liability of each Owner and Resident within his Unit -- for bodily injury and property damage resulting from the operation, maintenance, or use of the Common Elements. The amount of coverage should be at least that required by an Underwriting Lender, to the extent reasonably available. The purpose of this requirement is, in part, to assure mortgage companies that the Association maintains at least minimum

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levels of insurance coverage. For example, the Federal National Mortgage Association requires a minimum of $1 million for bodily injury and property damage per single occurrence. If the policy does not contain a severability of interest provision, it should contain an endorsement to preclude the insurer's denial of an Owner's claim because of negligent acts of the Association or other Owners.

15.4. WORKER'S COMPENSATION. The Association may maintain worker's compensation insurance if and to the extent necessary to meet the requirements of State law or if the Board so chooses.

15.5. FIDELITY COVERAGE. The Association may maintain blanket fidelity coverage for any person who handles or is responsible for funds held or administered by the Association, whether or not the person is paid for his services. The policy should be for an amount that exceeds the greater of (1) the estimated maximum funds, including reserve funds, that will be in the Association's custody at any time the policy is in force; or (2) an amount equal to 3 months of Regular Assessments on all Units. A management agent that handles Association funds should be covered for its own fidelity insurance policy with the same coverages. If the Property has more than 20 Units, the Association must maintain fidelity coverage to the extent reasonably available.

15.6. DIRECTORS AND OFFICERS LIABILITY. The Association may maintain directors and officers liability insurance, errors and omissions insurance, indemnity bonds, or other insurance the Board deems advisable to insure the Association's directors, officers, committee members, and managers against liability for an act or omission in carrying out their duties in those capacities.

15.7. MORTGAGEE REQUIRED POLICIES. Unless coverage is not available or has been waived in writing, the Association will maintain any insurance and bond required by an Underwriting Lender for condominium developments as long as an Underwriting Lender is a Mortgagee or an Owner.

15.8. OTHER POLICIES. The Association may maintain any insurance policies and bonds deemed by the Board to be necessary or desirable for the benefit of the Association.

15.9. OWNER'S RESPONSIBILITY FOR INSURANCE.

15.9.1. Insurance by Owners. Notwithstanding the foregoing, the Board may establish minimum insurance requirements, including types and minimum amounts of coverage, to be individually obtained and maintained by Owners if the insurance is deemed necessary or desirable by the Board to reduce potential risks to the Association or other Owners. If an Owner fails to maintain required insurance, the Board may obtain it on behalf of the Owner who will be obligated for the cost as an Individual Assessment.

15.9.2. Owners' Responsibilities. On request, an Owner will give the Board written notification of any and all structural changes, additions, betterments, or improvements to his Unit, and any other information the Board may require to maintain adequate levels of insurance coverage. Each Owner will comply with reasonable requests by the Board for periodic inspection of the Unit for purposes of insurance appraisal. Each Owner, at his expense, will maintain any insurance coverages required of Owners by the Association pursuant to this Article. Each Owner, at his expense, may obtain additional insurance coverage of his real property, improvements, and betterments thereto, or personal property.

15.9.3. Association Does Not Insure. The Association does not insure an Owner or Resident's personal property. Each Owner and Resident is solely responsible for insuring his personal property in his Unit and on the Property, including furnishings, vehicles, and stored

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items. The Association strongly recommends that each Owner and Resident purchase and maintain insurance on his personal belongings.

## ARTICLE 16
## RECONSTRUCTION OR REPAIR AFTER LOSS

16.1. SUBJECT TO ACT. The Association's response to damage or destruction of the Property will be governed by Section 82.111(i) of the Act. The following provisions apply to the extent the Act is silent.

16.2. RESTORATION FUNDS. For purposes of this Article, Restoration Funds include insurance proceeds, condemnation awards, Deficiency Assessments, Individual Assessments, and other funds received on account of or arising out of injury or damage to the Property. All funds paid to the Association for purposes of repair or restoration will be deposited in a financial institution in which accounts are insured by a federal agency. Withdrawal of Restoration Funds requires the signatures of at least 2 Association directors or that of an agent duly authorized by the Board.

16.2.1. Sufficient Proceeds. If Restoration Funds obtained from insurance proceeds or condemnation awards are sufficient to repair or restore the damaged or destroyed property, the Association, as trustee for the Owners, will promptly apply the funds to the repair or restoration.

16.2.2. Insufficient Proceeds. If Restoration Funds are not sufficient to pay the estimated or actual costs of restoration as determined by the Board, the Board may levy a Deficiency Assessment against the Owners to fund the difference.

16.2.3. Surplus Funds. If the Association has a surplus of Restoration Funds after payment of all costs of repair and restoration, the surplus will be applied as follows. If Deficiency Assessments were a source of Restoration Funds, the surplus will be paid to Owners in proportion to their contributions resulting from the Deficiency Assessment levied against them; provided that no Owner may receive a sum greater than that actually contributed by him, and further provided that any delinquent Assessments owed by the Owner to the Association will first be deducted from the surplus. Any surplus remaining after the disbursement described in the foregoing paragraph will be common funds of the Association to be used as directed by the Board.

16.3. COSTS AND PLANS.

16.3.1. Cost Estimates. Promptly after the loss, the Board will obtain reliable and detailed estimates of the cost of restoring the damaged Property. Costs may include premiums for bonds and fees for the services of professionals, as the Board deems necessary, to assist in estimating and supervising the repair.

16.3.2. Plans and Specifications. Common Elements will be repaired and restored substantially as they existed immediately prior to the damage or destruction. Units will be repaired and restored substantially in accordance with original construction plans and specifications, unless the Association insures betterments and improvements made by Owners, in which case the Units will be repaired and restored substantially as they existed immediately prior to the damage or destruction. Alternate plans and specifications for repair and restoration of either Common Elements or Units must be approved by Owners of at least two-thirds of the Units and by certain Mortgagees if so required by the Mortgagee Protection article of this Declaration.

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16.4. OWNER'S DUTY TO REPAIR.

16.4.1. Uninsured Loss. Within 60 days after the date of damage, the Owner will begin repair or reconstruction of any portion of his Unit not covered by the Association's blanket insurance policy, subject to the right of the Association to supervise, approve, or disapprove repair or restoration during the course thereof.

16.4.2. Insured Loss. If the loss to a Unit is covered by the Association's insurance policy, the Owner will begin repair or restoration of damage on receipt of the insurance proceeds or any portion thereof from the Association, subject to the rights of the Association to supervise, approve, or disapprove the repair or restoration during the course thereof.

16.4.3. Failure to Repair. If an Owner fails to repair or restore damage as required by this Section, the Association may effect the necessary repairs and levy an Individual Assessment against the Owner and Unit for the cost thereof, after giving the Owner reasonable notice of the Association's intent to do so.

16.5. OWNER'S LIABILITY FOR INSURANCE DEDUCTIBLE. If repair or restoration of Common Elements or Units is required as a result of an insured loss, the Board may levy an Individual Assessment, in the amount of the insurance deductible, against the Owner or Owners who would be responsible for the cost of the repair or reconstruction in the absence of insurance.

## ARTICLE 17
## TERMINATION AND CONDEMNATION

17.1. ASSOCIATION AS TRUSTEE. Each Owner hereby irrevocably appoints the Association, acting through its Board, as trustee to deal with the Property in the event of damage, destruction, obsolescence, condemnation, or termination of all or any part of the Property. As trustee, the Association will have full and complete authority, right, and power to do all things reasonable and necessary to effect the provisions of this Declaration and the Act, including, without limitation, the right to receive, administer, and distribute funds, awards, and insurance proceeds; to effect the sale of the Property as permitted by this Declaration or by the Act; and to make, execute, and deliver any contract, deed, or other instrument with respect to the interest of an Owner.

17.2. TERMINATION. Termination of the terms of this Declaration and the condominium status of the Property will be governed by Section 82.068 of the Act, subject to the following provisions. In the event of substantially total damage, destruction, or public condemnation of the Property, an amendment to terminate must be approved by Owners of at least 67 percent of the Units and by certain Mortgagees pursuant to the Mortgagee Protection article of this Declaration. In the event of condemnation of the entire Property, an amendment to terminate may be executed by the Board without a vote of Owners or Mortgagees. In all other circumstances, an amendment to terminate must be approved by Owners of at least 80 percent of the Units and by certain Mortgagees pursuant to the Mortgagee Protection article of this Declaration.

17.3. CONDEMNATION. The Association's response to condemnation of any part of the Property will be governed by Section 82.007 of the Act. On behalf of Owners, but without their consent, the Board may execute an amendment of this Declaration to reallocate allocated interests following condemnation and to describe the altered parameters of the Property. If the Association replaces or restores Common Elements taken by condemnation by obtaining other land or constructing additional improvements, the Board may, to the extent permitted by law, execute an amendment without the prior consent of Owners to describe the altered parameters of the Property and any corresponding change of facilities or improvements.

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## ARTICLE 18
## MORTGAGEE PROTECTION

18.1. INTRODUCTION. This Article is supplemental to, not a substitution for, any other provision of the Documents. In case of conflict, this Article controls. Some sections of this Article apply to "Mortgagees," as defined in Article 1. Other sections apply to "Eligible Mortgagees," as defined below.

18.1.1. Known Mortgagees. An Owner who mortgages his Unit will notify the Association, giving the complete name and address of his Mortgagee and the loan number. The Association's obligations to Mortgagees under the Documents extend only to those Mortgagees known to the Association. All actions and approvals required by Mortgagees will be conclusively satisfied by the Mortgagees known to the Association, without regard to other holders of mortgages on Units. The Association may rely on the information provided by Owners and Mortgagees.

18.1.2. Eligible Mortgagees. "**Eligible Mortgagee**" means the holder, insurer, or guarantor of a first purchase money mortgage secured by a recorded deed of trust lien against a Unit who has submitted to the Association a written notice containing its name and address, the loan number, and the identifying number and street address of the mortgaged Unit. A single notice per Unit will be valid so long as the Eligible Mortgagee holds a mortgage on the Unit. The Association will maintain this information. The Association will treat the notice as the Eligible Mortgagee's request to be notified of any proposed action requiring the consent of Eligible Mortgagees. A provision of the Documents requiring the approval of a specified percentage of Eligible Mortgagees will be based on the number of Units subject to mortgages held by Eligible Mortgagees. For example, "51 percent of Eligible Mortgagees" means Eligible Mortgagees of 51 percent of the Units that are subject to mortgages held by Eligible Mortgagees.

18.2. AMENDMENT. This Article establishes certain standards for the benefit of Underwriting Lenders, and is written to comply with their requirements and guidelines in effect at the time of drafting. If an Underwriting Lender subsequently changes its requirements, the Board, without approval of Owners or Mortgagees, may amend this Article and other provisions of the Documents, as necessary, to meet the requirements of the Underwriting Lender.

18.3. TERMINATION. An action to terminate the legal status of the Property after substantial destruction or condemnation must be approved by Owners of at least 67 percent of the Units, and by at least 51 percent of Eligible Mortgagees. An action to terminate the legal status for reasons other than substantial destruction or condemnation must be approved by at least 67 percent of Eligible Mortgagees.

18.4. IMPLIED APPROVAL. The approval of an Eligible Mortgagee is implied when the Eligible Mortgagee fails to respond within 30 days after receiving the Association's written request for approval of a proposed amendment, provided the Association's request is delivered by certified or registered mail, return receipt requested.

18.5. OTHER MORTGAGEE RIGHTS.

18.5.1. Inspection of Books. The Association will maintain current copies of the Documents and the Association's books, records, and financial statements. Mortgagees may inspect the Documents and records, by appointment, during normal business hours.

18.5.2. Financial Statements. A Mortgagee may have an audited statement prepared at its own expense.

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18.5.3. Attendance at Meetings. A representative of an Eligible Mortgagee may attend and address any meeting which an Owner may attend.

18.5.4. Right of First Refusal. Any right of first refusal imposed by the Association with respect to a lease, sale, or transfer of a Unit does not apply to a lease, sale, or transfer by a Mortgagee, including transfer by deed in lieu of foreclosure or foreclosure of a deed of trust lien.

18.5.5. Management Contract. If professional management of the Association is required by this Article, the contract for professional management may not require more than 90 days' notice to terminate the contract, nor payment of a termination penalty.

18.6. INSURANCE POLICIES. If an Underwriting Lender that holds a mortgage on a Unit or desires to finance a Unit has requirements for insurance of condominiums, the Association must try to obtain and maintain the required coverages, to the extent they are reasonably available, and must try to comply with any notifications or processes required by the Underwriting Lender. Because underwriting requirements are subject to change, they are not recited here.

18.7. NOTICE OF ACTIONS. The Association will use its best efforts to send timely written notice to Eligible Mortgagees of the following actions:

a. Any condemnation or casualty loss that affects a material portion of the Property or the mortgaged Unit.

b. Any 60-day delinquency in the payment of Assessments or charges owed by the Owner of the mortgaged Unit.

c. A lapse, cancellation, or material modification of any insurance policy maintained by the Association.

d. Any proposed action that requires the consent of a specified percentage of Eligible Mortgagees.

e. Any proposed amendment of a material nature, as provided in this Article.

f. Any proposed termination of the condominium status of the Property.

18.8. AMENDMENTS OF A MATERIAL NATURE. A Document amendment of a material nature must be approved by Owners representing at least 67 percent of the common element interests, and by at least 51 percent of Eligible Mortgagees. This approval requirement does not apply to amendments effected by the exercise of a Development Right provided in Appendix B hereto. A change to any of the provisions governing the following would be considered material:

a. Voting rights.

b. Increases in Assessments that raise the previously assessed amount by more than 25 percent, Assessment liens, or the priority of Assessment liens.

c. Reductions in reserves for maintenance, repair, and replacement of Common Elements.

d. Responsibility for maintenance and repairs.

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e. Reallocation of interests in the General or Limited Common Elements, or rights to their use; except that when Limited Common Elements are reallocated by agreement between Owners, only those Owners and only the Eligible Mortgagees holding mortgages against those Units need approve the action.

f. Redefinitions of boundaries of Units, except that when boundaries of only adjoining Units are involved, or a Unit is being subdivided, then only those Owners and the Eligible Mortgagees holding mortgages against the Unit or Units need approve the action.

g. Convertability of Units into Common Elements or Common Elements into Units.

h. Expansion or contraction of the Property, or the addition, annexation, or withdrawal of property to or from the Property.

i. Property or fidelity insurance requirements.

j. Imposition of any restrictions on the leasing of Units.

k. Imposition of any restrictions on Owners' right to sell or transfer their Units.

l. Restoration or repair of the Property in a manner other than that specified in the Documents, after hazard damage or partial condemnation.

m. Any provision that expressly benefits mortgage holders, insurers, or guarantors.

## ARTICLE 19
## AMENDMENTS

19.1. CONSENTS REQUIRED. As permitted by the Act or by this Declaration, certain amendments of this Declaration may be executed by Declarant alone, or by certain Owners alone, or by the Board alone. Otherwise, amendments to this Declaration must be approved by Owners representing at least 67 percent of the common element interests.

19.2. METHOD OF AMENDMENT. This Declaration may be amended by any method selected by the Board from time to time, pursuant to the Bylaws, provided the method gives an Owner of each Unit the substance if not exact wording of the proposed amendment, a description in layman's terms of the effect of the proposed amendment, and an opportunity to vote for or against the proposed amendment. For amendments requiring the consent of Eligible Mortgagees, the Association will send each Eligible Mortgagee a detailed description, if not exact wording, of any proposed amendment.

19.3. EFFECTIVE. To be effective, an amendment must be in the form of a written instrument (1) referencing the name of the Property, the name of the Association, and the recording data of this Declaration and any amendments hereto; (2) signed and acknowledged by an officer of the Association, certifying the requisite approval of Owners and, if required, Eligible Mortgagees; and (3) recorded in the Real Property Records of Dallas County, Texas.

19.4. DECLARANT PROVISIONS. No amendment may affect Declarant's rights under this Declaration or the Act without Declarant's written and acknowledged consent, which must be part of the recorded amendment instrument. Because Appendix B of this Declaration is destined to become obsolete, beginning 12 years after the date this Declaration is first recorded, the Board may restate, rerecord, or publish this Declaration without Appendix B, provided the other appendixes are not relettered. The automatic expiration and subsequent deletion of Appendix B does not constitute an

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amendment of this Declaration. This Section may not be amended without Declarant's written and acknowledged consent.

## ARTICLE 20
## DISPUTE RESOLUTION

20.1. INTRODUCTION & DEFINITIONS. The Association, the Owners, Declarant, all persons subject to this Declaration, and any person not otherwise subject to this Declaration who agrees to submit to this Article (collectively, the "**Parties**") agree to encourage the amicable resolution of disputes involving the Property and to avoid the emotional and financial costs of litigation if at all possible. Accordingly, each Party hereby covenants and agrees that this Article applies to all claims as hereafter defined. As used in this Article only, the following words, when capitalized, have the following specified meanings:

20.1.1. "**Claim**" means any claim, grievance, or dispute between Parties involving the Properties, except Exempt Claims as defined below, and including without limitation:

a. Claims arising out of or relating to the interpretation, application, or enforcement of the Documents.

b. Claims relating to the rights and/or duties of Declarant as Declarant under the Documents.

c. Claims relating to the design, construction, or maintenance of the Property.

20.1.2. "**Claimant**" means any Party having a Claim against any other Party.

20.1.3. "**Exempt Claims**" means the following claims or actions, which are exempt from this Article:

a. The Association's claim for Assessments, and any action by the Association to collect Assessments.

b. An action by a Party to obtain a temporary restraining order or equivalent emergency equitable relief, and such other ancillary relief as the court deems necessary to maintain the status quo and preserve the Party's ability to enforce the provisions of this Declaration.

c. Enforcement of the easements, architectural control, maintenance, and use restrictions of this Declaration.

d. A suit to which an applicable statute of limitations would expire within the notice period of this Article, unless a Party against whom the Claim is made agrees to toll the statute of limitations as to the Claim for the period reasonably necessary to comply with this Article.

e. A dispute that is subject to alternate dispute resolution - such as mediation or arbitration - by the terms of a public law or another instrument, such as a contract or warranty agreement, in which case the dispute is exempt from this Article, unless the Parties agree to have the dispute governed by this Article.

20.1.4. "**Respondent**" means the Party against whom the Claimant has a Claim.

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20.2. MANDATORY PROCEDURES. Claimant may not file suit in any court or initiate any proceeding before any administrative tribunal seeking redress or resolution of its Claim until Claimant has complied with the procedures of this Article.

20.3. NOTICE. Claimant must notify Respondent in writing of the Claim (the "**Notice**"), stating plainly and concisely: (1) the nature of the Claim, including date, time, location, persons involved, and Respondent's role in the Claim; (2) the basis of the Claim (i.e., the provision of the Documents or other authority out of which the Claim arises); (3) what Claimant wants Respondent to do or not do to resolve the Claim; and (4) that the Notice is given pursuant to this Section.

20.4. NEGOTIATION. Claimant and Respondent will make every reasonable effort to meet in person to resolve the Claim by good faith negotiation. Within 60 days after Respondent's receipt of the Notice, Respondent and Claimant will meet at a mutually-acceptable place and time to discuss the Claim. At such meeting or at some other mutually-agreeable time, Respondent and Respondent's representatives will have full access to the property that is subject to the Claim for the purposes of inspecting the property. If Respondent elects to take corrective action, Claimant will provide Respondent and Respondent's representatives and agents with full access to the property to take and complete corrective action.

20.5. MEDIATION. If the parties negotiate but do not resolve the Claim through negotiation within 120 days from the date of the Notice (or within such other period as may be agreed on by the parties), Claimant will have 30 additional days within which to submit the Claim to mediation under the auspices of a mediation center or individual mediator on which the parties mutually agree. The mediator must have at least 5 years of experience serving as a mediator and must have technical knowledge or expertise appropriate to the subject matter of the Claim. If Claimant does not submit the Claim to mediation within the 30-day period, Claimant is deemed to have waived the Claim, and Respondent is released and discharged from any and all liability to Claimant on account of the Claim.

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

20.7. ALLOCATION OF COSTS. Except as otherwise provided in this Section, each Party bears all of its own costs incurred prior to and during the proceedings described in the Notice, Negotiation, and Mediation sections above, including its attorneys fees. Respondent and Claimant will equally divide all expenses and fees charged by the mediator.

20.8. ENFORCEMENT OF RESOLUTION. Any settlement of the Claim through negotiation or mediation will be documented in writing and signed by the Parties. If any Party thereafter fails to abide by the terms of the agreement, then the other Party may file suit or initiate administrative proceedings to enforce the agreement without the need to again comply with the procedures set forth in this Article. In that event, the Party taking action to enforce the agreement is entitled to recover from the non-complying Party all costs incurred in enforcing the agreement, including, without limitation, attorneys fees and court costs.

20.9. GENERAL PROVISIONS. A release or discharge of Respondent from liability to Claimant on account of the Claim does not release Respondent from liability to persons who are not party to Claimant's Claim. A Party having an Exempt Claim may submit it to the procedures of this Article.

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20.10. LITIGATION APPROVAL & SETTLEMENT. In addition to and notwithstanding the above alternate dispute resolution procedures, the Association may not initiate any judicial or administrative proceeding without the prior approval of Owners of at least 75 percent of the Units, except that no such approval is required (1) to enforce provisions of this Declaration, including collection of assessments; (2) to challenge condemnation proceedings; (3) to enforce a contract against a contractor, vendor, or supplier of goods or services to the Association; (4) to defend claims filed against the Association or to assert counterclaims in a proceedings instituted against the Association; or (5) to obtain a temporary restraining order or equivalent emergency equitable relief when circumstances do not provide sufficient time to obtain the prior consents of Owners in order to preserve the status quo. Also, the Association may not initiate any judicial or administrative proceeding against Declarant without the approval of Owners of at least 75 percent of the Units. The Board, on behalf of the Association and without the consent of Owners, is hereby authorized to negotiate settlement of litigation, and may execute any document related thereto, such as settlement agreements and waiver or release of claims. This Section may not be amended without the approval of Owners of at least 75 percent of the Units and 51 percent of Known Mortgagees as described in Article 18 above.

## ARTICLE 21
## GENERAL PROVISIONS

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

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

21.3. NOTICE. All demands or other notices required to be sent to an Owner or Resident by the terms of this Declaration will be sent by ordinary or certified mail, postage prepaid, to the party's last known address as it appears on the records of the Association at the time of mailing. If an Owner fails to give the Association an address for mailing notices, all notices may be sent to the Owner's Unit, and the Owner is deemed to have been given notice whether or not he actually receives it.

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

*DRAFTER'S DICTUM*

*Users of this document should periodically review statutes and court rulings that may modify or nullify provisions of this document or its enforcement, or may create rights or duties not anticipated by this document.*

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

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

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

21.8. DURATION. Unless terminated or amended by Owners as permitted herein, the provisions of this Declaration run with and bind the Property, and will remain in effect perpetually to the extent permitted by law.

21.9. PREPARER. This Declaration was prepared in the law offices of Sharon Reuler of SETTLEPOU, 4131 N. Central Expressway, Suite 1000, Dallas, Texas 75204.

21.10. APPENDIXES. The following appendixes are attached to this Declaration and incorporated herein by reference:

A - Description of Subject Land
B - Declarant Representations & Reservations
C - Schedule of Allocated Interests
D - Plats and Plans
E - Guide to Association's Major Management & Governance Functions

**SIGNED AND ACKNOWLEDGED**

SIGNED on this 27th day of January 2004.

**CITYHOMES**, an assumed business name of
CENTEX HOMES, a Nevada general partnership

By: Centex Real Estate Corporation, a Nevada corporation,
its managing general partner

By: _____
Thomas E. Lynch, Senior Division President
Centex Homes - Dallas/Fort Worth Metro

THE STATE OF TEXAS §
§
COUNTY OF DALLAS §

This instrument was acknowledged before me on the 28th day of January 2004 by Thomas E. Lynch, Senior Division President of Centex Homes - Dallas/Fort Worth Metro of Centex Real Estate Corporation, a Nevada corporation, on behalf of said corporation in its role as managing general partner of Centex Homes, a Nevada general partnership, on behalf of said partnership, doing business as CityHomes.

WENDY HAZELWOOD
NOTARY PUBLIC STATE OF TEXAS
COMMISSION EXPIRES:
OCTOBER 26, 2007

_____
Notary Public, The State of Texas

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**APPENDIX A**
**DESCRIPTION OF SUBJECT LAND**

**HOLLAND OAKS CONDOMINIUMS**

Lot 16A and Lot 17A of Holland Oaks Addition, an addition to the City of Dallas, Texas, according to the plat thereof recorded on October 10, 2003, in Volume 2003201, Page 00121, Real Property Records, Dallas County, Texas, also described by metes and bounds in the Owner's Certification as a 0.9183-acre tract.

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## APPENDIX B
## DECLARANT REPRESENTATIONS & RESERVATIONS

B.1. GENERAL PROVISIONS.

B.1.1. Introduction. Declarant intends the Declaration to be perpetual and understands that provisions pertaining to the initial development, construction, marketing, and control of the Property will become obsolete when Declarant's role is complete. As a courtesy to future users of the Declaration, who may be frustrated by then-obsolete terms, Declarant is compiling the Declarant-related provisions in this Appendix.

B.1.2. General Reservation & Construction. Notwithstanding other provisions of the Documents to the contrary, nothing contained therein may be construed to, nor may any Mortgagee, other Owner, or the Association, prevent or interfere with the rights contained in this Appendix which Declarant hereby reserves exclusively unto itself and its successors and assigns. In case of conflict between this Appendix and any other Document, this Appendix controls. This Appendix may not be amended without the prior written consent of Declarant. The terms and provisions of this Appendix must be construed liberally to give effect to Declarant's intent to protect Declarant's interests in the Property.

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

B.2. DECLARANT CONTROL PERIOD RESERVATIONS. For the benefit and protection of Owners and Mortgagees, and for the purpose of ensuring a complete and orderly buildout and sellout of the Property, Declarant will retain control of the Association, subject to the following:

B.2.1. Organizational Meeting. Before the end of the Declarant Control Period or within 120 days after the conveyance of 75 percent of the Units that may be created (including property subject to annexation) to Owners other than Declarant, the Owners will elect directors to the Board at an organizational meeting of the Members of the Association. Declarant or the Association will give written notice of the organizational meeting to an Owner of each Unit at least 10 days before the meeting. For the organizational meeting, Owners of 10 percent of the Units constitute a quorum. The Board elected at the organizational meeting will elect the officers of the Association not later than 30 days after the end of the Declarant Control Period. The directors elected at the organizational meeting will serve until the next annual meeting of the Association or a special meeting of the Association called for the purpose of electing directors, at which time the staggering of terms will begin.

B.2.2. Officers & Directors. During the Declarant Control Period, the Board may consist of 3 persons. Declarant may appoint, remove, and replace any officer or director of the Association, none of whom need be Members or Owners, and each of whom is indemnified by the Association as a "Leader," subject to the following limitation. Within 120 days after the conveyance of 50 percent of the Units that may be created (including property subject to annexation, if any) to Owners other than Declarant, at least one-third of the Board must be elected by Owners other than Declarant.

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B.2.3. Obligation for Assessments. For each Unit owned by Declarant, Declarant is liable for Special Assessments, Utility Assessments, Individual Assessments, and Deficiency Assessments in the same manner as any Owner. Regarding Regular Assessments, during the Declarant Control Period only, Declarant at Declarant's option may support the Association's budget by either of the following methods. Declarant will pay Regular Assessments on each Declarant owned Unit in the same manner as any Owner. Or, alternatively, Declarant will assume responsibility for the difference between the Association's actual common expenses as they are paid and the Regular Assessments received from Owners other than Declarant, and will provide any additional funds necessary to pay actual cash outlays of the Association. On termination of the Declarant Control Period, Declarant must begin paying Assessments on each Declarant owned Unit according to the Unit's allocated interest for Assessments.

B.2.4. Expenses of Declarant. Expenses related to the completion and marketing of the Property will be paid by Declarant and are not expenses of the Association.

B.2.5. Budget Control. During the Declarant Control Period, the right of Owners to veto Special Assessments or increases in Regular Assessments is not effective and may not be exercised.

B.2.6. Management Contract. If Declarant enters into a professional management contract on behalf of the Association during the Declarant Control Period, the Association has the right to terminate the contract without cause or penalty, but with at least 30 days notice to the manager, at any time after a Board elected by the Owners takes office.

B.2.7. Common Elements. At or prior to termination of the Declarant Control Period, if title or ownership to any Common Element is capable of being transferred, Declarant will convey title or ownership to the Association by deed - with or without warranty. At the time of conveyance, the Common Element will be free of encumbrance except for the property taxes, if any, accruing for the year of conveyance. Declarant's conveyance of title or ownership is a ministerial task that does not require and is not subject to acceptance by the Association or the Owners.

B.3. DEVELOPMENT PERIOD RESERVATIONS. Declarant makes the following representations and reservations regarding Declarant's development of the Property:

B.3.1. Changes in Development Plan. Declarant may modify the initial development plan to respond to perceived or actual changes and opportunities in the marketplace. Modifications may include, without limitation, changes in the sizes, styles, configurations, materials, and appearances of Units, buildings, and Common Elements.

B.3.2. Architectural Control. During the Development Period, Declarant has the absolute right to appoint the ACC, consisting of any number of persons who serve at the pleasure of Declarant, and who may be removed and replaced by Declarant. Notwithstanding the foregoing, during the Development Period - after termination of Declarant Control, or earlier if Declarant permits - the Board may appoint or serve as a "modifications committee" to respond exclusively to modifications of completed Units that are owned by persons other than Declarant. A modifications committee may not involve itself with the approval of new Units, Common Elements, or Units owned or leased by Declarant.

B.3.3. Transfer Fees. During the Development Period, Declarant may not be required to pay transfer-related and resale certificate fees.

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B.3.4. Amendment. During the Development Period, Declarant may amend this Declaration and the other Documents, without consent of other Owners or any Mortgagee, for the following limited purposes:

a. To meet the requirements, standards, or recommended guidelines of an Underwriting Lender to enable an institutional or governmental lender to make or purchase mortgage loans on the Units.

b. To correct any defects in the execution of this Declaration or the other Documents.

c. To add real property to the Property, in the exercise of statutory Development Rights.

d. To create Units, General Common Elements, and Limited Common Elements within the Property, in the exercise of statutory Development Rights.

e. To subdivide, combine, or reconfigure Units or convert Units into Common Elements, in the exercise of statutory Development Rights.

f. To withdraw from the Property any portion of the real property marked on the Plat and Plans as "Development Rights Reserved," in the exercise of statutory Development Rights.

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

h. To change the name or entity of Declarant.

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

B.3.5. Statutory Development Rights. As permitted by the Act, Declarant reserves the following Development Rights which may be exercised during the Development Period: (1) to add real property to the Property; (2) to create Units, General Common Elements, and Limited Common Elements within the Property; (3) to subdivide Units or convert Units into Common Elements; (4) to withdraw from the Property any portion of the real property marked on the Plat and Plans as "Development Rights Reserved," provided that no Unit in the portion to be withdrawn has been conveyed to an Owner other than Declarant.

B.3.6. Development Rights Reserved. Regarding portions of the real property shown on the Plat and Plans as "Development Rights Reserved," if any, Declarant makes no assurances as to whether Declarant will exercise its Development Rights, the order in which portions will be developed, or whether all portions will be developed. The exercise of Development Rights as to some portions will not obligate Declarant to exercise them as to other portions.

B.4. SPECIAL DECLARANT RIGHTS. As permitted by the Act, Declarant reserves the below-described Special Declarant Rights, to the maximum extent permitted by law, which may be exercised, where applicable, anywhere within the Property during the Development Period. Unless terminated earlier by an amendment to this Declaration executed by Declarant, any Special Declarant Right may be exercised by Declarant so long as Declarant holds a Development Right to create additional Units

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or Common Elements or Declarant owns a Unit, whichever ceases last. Earlier termination of certain rights may occur by statute.

a. The right to complete or make improvements indicated on the Plat and Plans.

b. The right to exercise any Development Right permitted by the Act and this Declaration.

c. The right to make the Property part of a larger condominium or planned community.

d. The right to use Units owned or leased by Declarant as models, storage areas, and offices for the marketing, management, maintenance, customer service, construction, and leasing of the Property.

e. For purposes of promoting, identifying, and marketing the Property, Declarant reserves an easement and right to place or install signs, banners, flags, display lighting, potted plants, exterior decorative items, seasonal decorations, temporary window treatments, and seasonal landscaping on the Property, including items and locations that are prohibited to other Owners and Residents. Declarant reserves an easement and right to maintain, relocate, replace, or remove the same from time to time within the Property. Declarant also reserves the right to sponsor marketing events - such as open houses, MLS tours, and brokers parties - at the Property to promote the sale of Units.

> *DIFFERENT RULES*
> The developer has rights and privileges to use the property in ways that are not available to other owners and residents.

f. Declarant has an easement and right of ingress and egress in and through the Common Elements and Units owned or leased by Declarant for purposes of constructing, maintaining, managing, and marketing the Property, and for discharging Declarant's obligations under the Act and this Declaration.

g. The right to appoint or remove any Declarant-appointed officer or director of the Association during the Declarant Control Period consistent with the Act.

B.5. ADDITIONAL EASEMENTS & RIGHTS. Declarant reserves the following easements and rights, exercisable at Declarant's sole discretion, for the duration of the Development Period:

a. An easement and right to erect, construct, and maintain on and in the Common Elements and Units owned or leased by Declarant whatever Declarant determines to be necessary or advisable in connection with the construction, completion, management, maintenance, and marketing of the Property.

b. The right to sell or lease any Unit owned by Declarant. Units owned by Declarant are not subject to leasing or occupancy restrictions or prohibitions contained elsewhere in this Declaration or the other Documents.

c. The right of entry and access to all Units to perform warranty-related work, if any, for the benefit of the Unit being entered, adjoining Units, or Common Elements. Requests for entry must be made in advance for a time reasonably convenient for the Owner who may not unreasonably withhold consent.

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d. An easement and right to make structural changes and alterations on Common Elements and Units used by Declarant as models and offices, as may be necessary to adapt them to the uses permitted herein. Declarant, at Declarant's sole expense, will restore altered Common Elements and Units to conform to the architectural standards of the Property. The restoration will be done within 120 days after termination of the Development Period.

e. An easement over the entire Property, including the Units, to inspect the Common Elements and all improvements thereon and related thereto to evaluate the maintenance and condition of the Common Element improvements.

B.6. COMMON ELEMENTS.

B.6.1. Maintenance Orientation. Within 60 days of the organizational meeting, Declarant will invite a non-Declarant representative of the Association to an orientation on the maintenance aspects of the Property. The Association's managing agent is qualified to serve as the Association's representative at the orientation, even if having been hired by the Declarant-appointed Board. One purpose of the orientation is to provide continuity of maintenance information during the period in which control of the Association transfers from Declarant to the other Owners. A typical orientation occurs during a site inspection and is formalized with a writing signed by the representatives of Declarant and the Association.

B.6.2. No Conveyance. Because the Common Elements are owned by the Owners, collectively and in undivided interests, the Common Elements are not capable of being separately conveyed. The transfer of control of the Association at the end of the Declarant Control Period is not a transfer of the ownership of the Common Elements. Because ownership of the Common Elements is not conveyed by Declarant to the Association, there is no basis for the popular misconception that Owners may "accept" or "refuse" the Common Elements.

B.7. WORKING CAPITAL FUND. Declarant may establish a working capital fund for the Association in an amount that is at least equal to 2 months of Regular Assessments for all Units. If Declarant establishes this fund, each Unit's contribution will be collected when the sale of the Unit closes or on termination of the Declarant Control Period, whichever occurs first. Contributions to the fund are not advance payments of Regular Assessments and are not refundable. Not later than termination of the Declarant Control Period, the fully funded working capital fund will be transferred to the Association for deposit to a segregated fund. Declarant may not use the fund to defray Declarant's expenses, reserve contributions, or construction costs, or to cover the Association's budget deficits during the Declarant Control Period. If Declarant has unsold Units on termination of the Declarant Control Period, Declarant may reimburse itself for a Unit's pre-paid contributions from monies collected at the Unit's closing.

B.8. SUCCESSOR DECLARANT. Declarant may designate one or more Successor Declarants for specified designated purposes and/or for specified portions of the Property, or for all purposes and all of the Property. To be effective, the designation must be in writing, signed and acknowledged by Declarant and Successor Declarant, and recorded in the Real Property Records of Dallas County, Texas. Declarant (or Successor Declarant) may subject the designation of Successor Declarant to limitations and reservations. Unless the designation of Successor Declarant provides otherwise, a Successor Declarant has the rights of Declarant under this Section and may designate further Successor Declarants.

*[End of Appendix B]*

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## APPENDIX C
## SCHEDULE OF ALLOCATED INTERESTS

## HOLLAND OAKS CONDOMINIUMS

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• Randomly selected for rounding down to achieve 100.0%.

| UNIT | BUILDING | PLAN TYPE | PERCENTAGE COMMON ELEMENT OWNERSHIP | PERCENTAGE LIABILITY FOR COMMON EXPENSES | UNIFORM WEIGHT OF VOTE |
|---|---|---|---|---|---|
| 1 | 1 | CS-2L Alt | 4.5 • | 4.5 • | 1 |
| 2 | 1 | CS-2 | 4.6 | 4.6 | 1 |
| 3 | 1 | CS-2R | 4.8 | 4.8 | 1 |
| 4 | 2 | CS-2R | 4.8 | 4.8 | 1 |
| 5 | 2 | CS-3 | 4.4 | 4.4 | 1 |
| 6 | 2 | CS-2 | 4.6 | 4.6 | 1 |
| 7 | 2 | CS-3 | 4.4 | 4.4 | 1 |
| 8 | 2 | CS-2 | 4.6 | 4.6 | 1 |
| 9 | 2 | CS-3 | 4.4 | 4.4 | 1 |
| 10 | 2 | CS-2L | 4.8 | 4.8 | 1 |
| 11 | 3 | CS-1R | 4.8 | 4.8 | 1 |
| 12 | 3 | CS-1 | 4.6 | 4.6 | 1 |
| 13 | 3 | CS-1L | 4.8 | 4.8 | 1 |
| 14 | 4 | HO-2L | 4.6 | 4.6 | 1 |
| 15 | 4 | HO-2 | 4.6 | 4.6 | 1 |
| 16 | 4 | HO-1 | 4.1 | 4.1 | 1 |
| 17 | 4 | HO-1 | 4.1 | 4.1 | 1 |

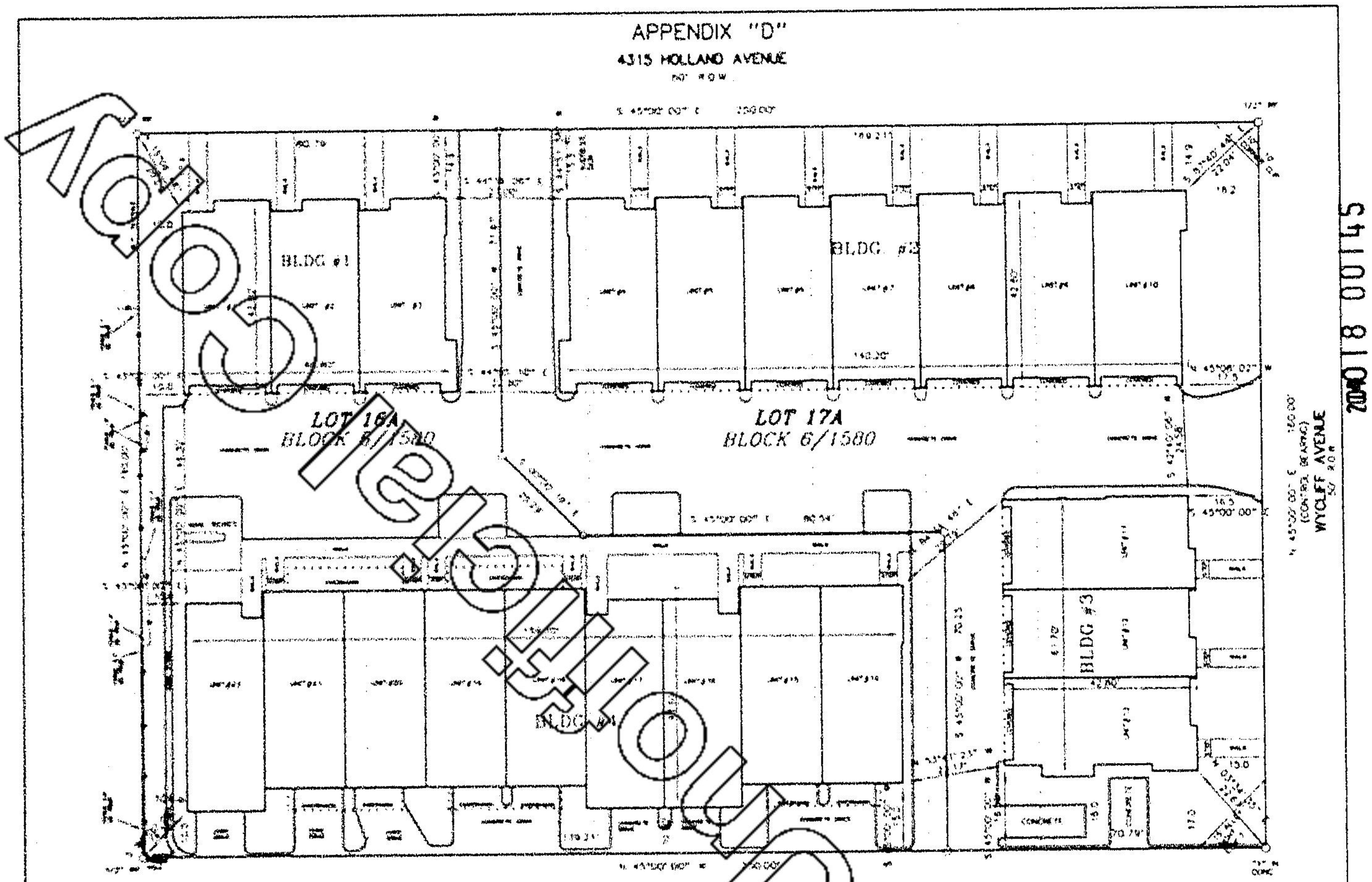
| UNIT | BUILDING | PLAN TYPE | PERCENTAGE COMMON ELEMENT OWNERSHIP | PERCENTAGE LIABILITY FOR COMMON EXPENSES | UNIFORM WEIGHT OF VOTE |
|---|---|---|---|---|---|
| 18 | 4 | HO-2 | 4.6 | 4.6 | 1 |
| 19 | 4 | HO-2 | 4.6 | 4.6 | 1 |
| 20 | 4 | HO-2 | 4.6 | 4.6 | 1 |
| 21 | 4 | HO-2 | 4.6 | 4.6 | 1 |
| 22 | 4 | HO-1R | 4.1 | 4.1 | 1 |
| **22 UNITS** | **4 BLDGS.** | | **100.0 PERCENT** | **100.0 PERCENT** | **22 VOTES** |

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APPENDIX "D"

4315 HOLLAND AVENUE

50' R.O.W.




# SITE PLAN
# HOLLAND OAKS CONDOMINIUMS

SCALE 1"=30'

I hereby certify as of January 15, 2004 that this survey contains all the information required of Plats and Plans under Section 82.059 of the Texas Uniform Condominium Act, Chapter 82, Texas Property Code

Signed on this 15th day of January, 2004

T.W. BARROW
REGISTERED PROFESSIONAL
LAND SURVEYOR
7104 GRAPEVINE HIGHWAY
FORT WORTH, TEXAS 76118
(817) 268-0200

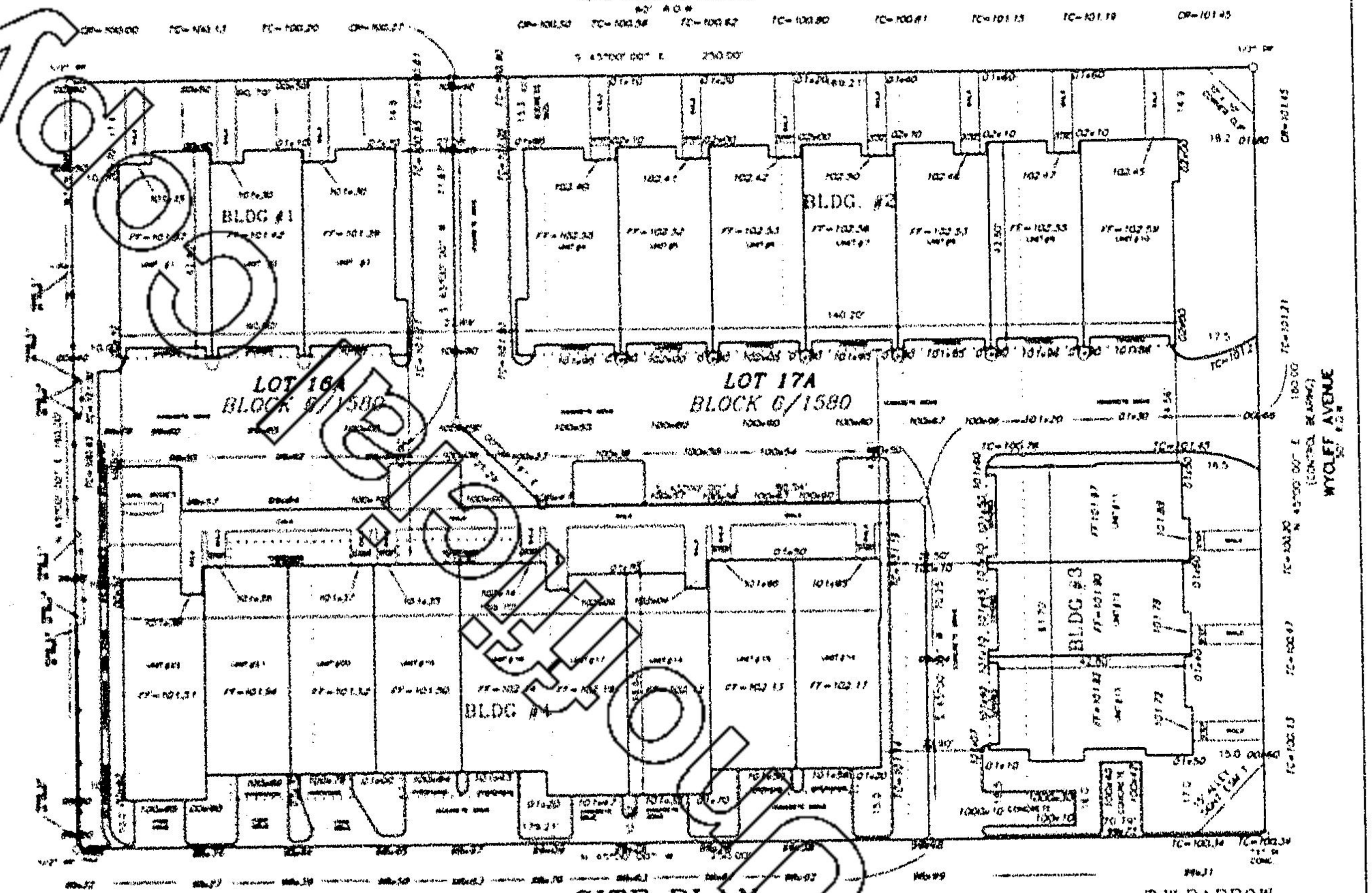
JOB NO
0201-6/1580
LOTS 16A & 17A

Notice: Recorded
Document

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# APPENDIX "D"

## 4315 HOLLAND AVENUE




# SITE PLAN
# HOLLAND OAKS CONDOMINIUMS

I hereby certify as of January 15, 2004, that this survey contains all the information required of Plats and Plans under Section 82.059 of the Texas Uniform Condominium Act, Chapter 82, Texas Property Code.

Signed on this 15th day of January, 2004

SCALE: 1"=30'

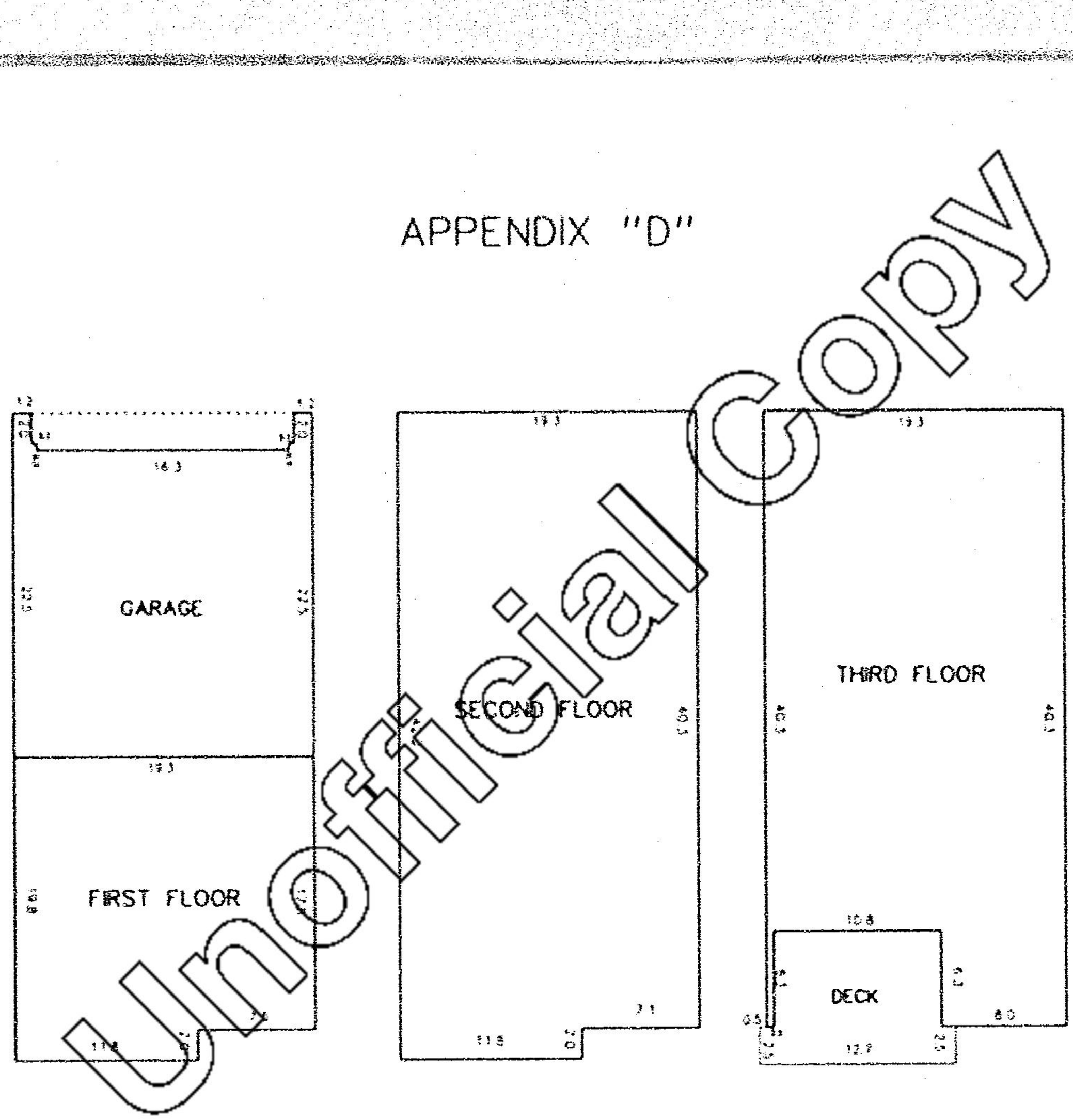
T.W.BARROW
REGISTERED PROFESSIONAL
LAND SURVEYOR
7104 GRAPEVINE HIGHWAY
FORT WORTH, TEXAS 76118
(817) 268-0200

JOB NO.
0201-6/1580
LOTS 16A & 17A

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APPENDIX "D"




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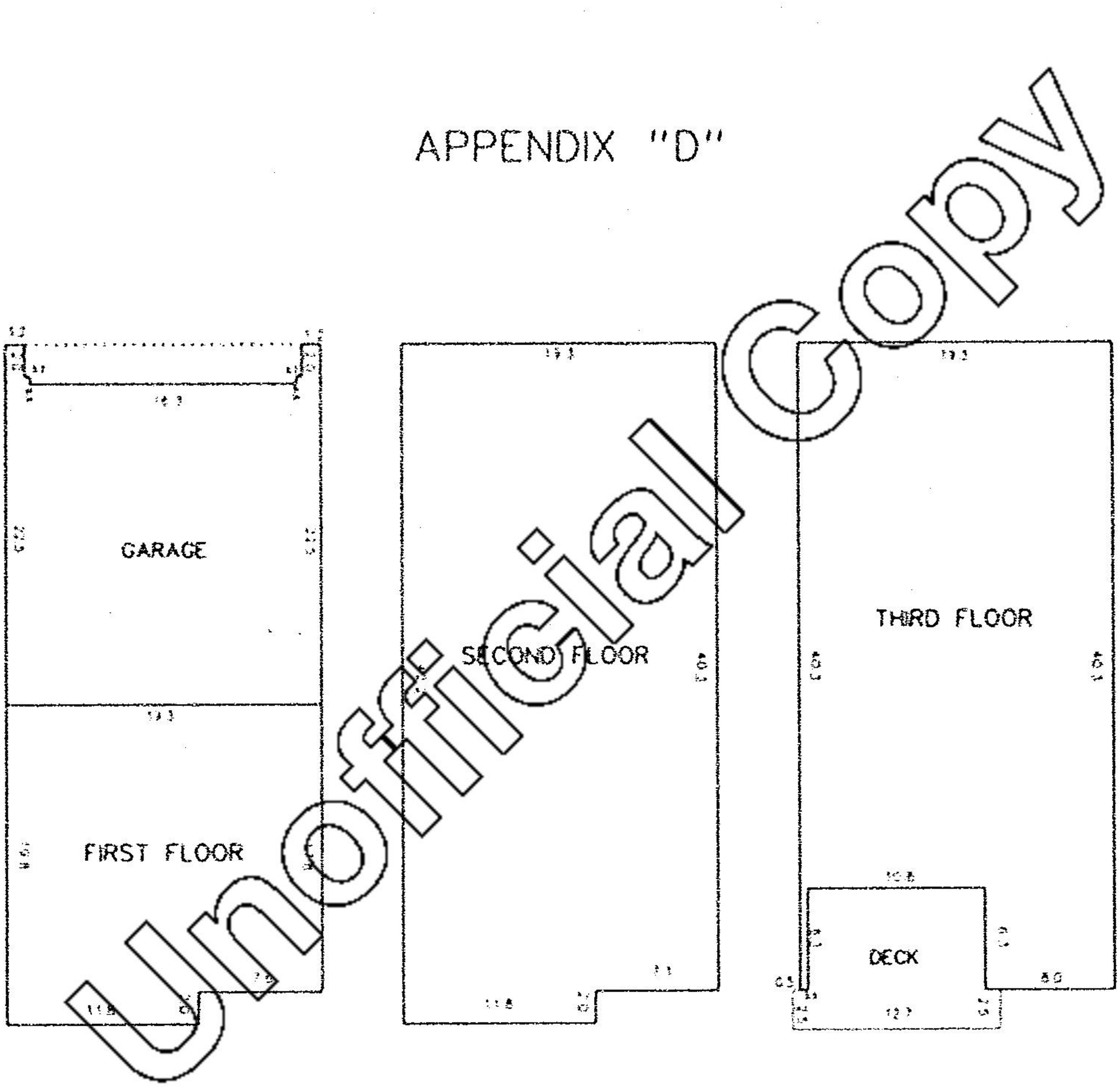
Note: Height from top of garage slab to underside of roof decking is 35.3'.

# UNIT 1

2369 GROSS S.F.

# HOLLAND OAKS CONDOMINIUMS

# APPENDIX "D"




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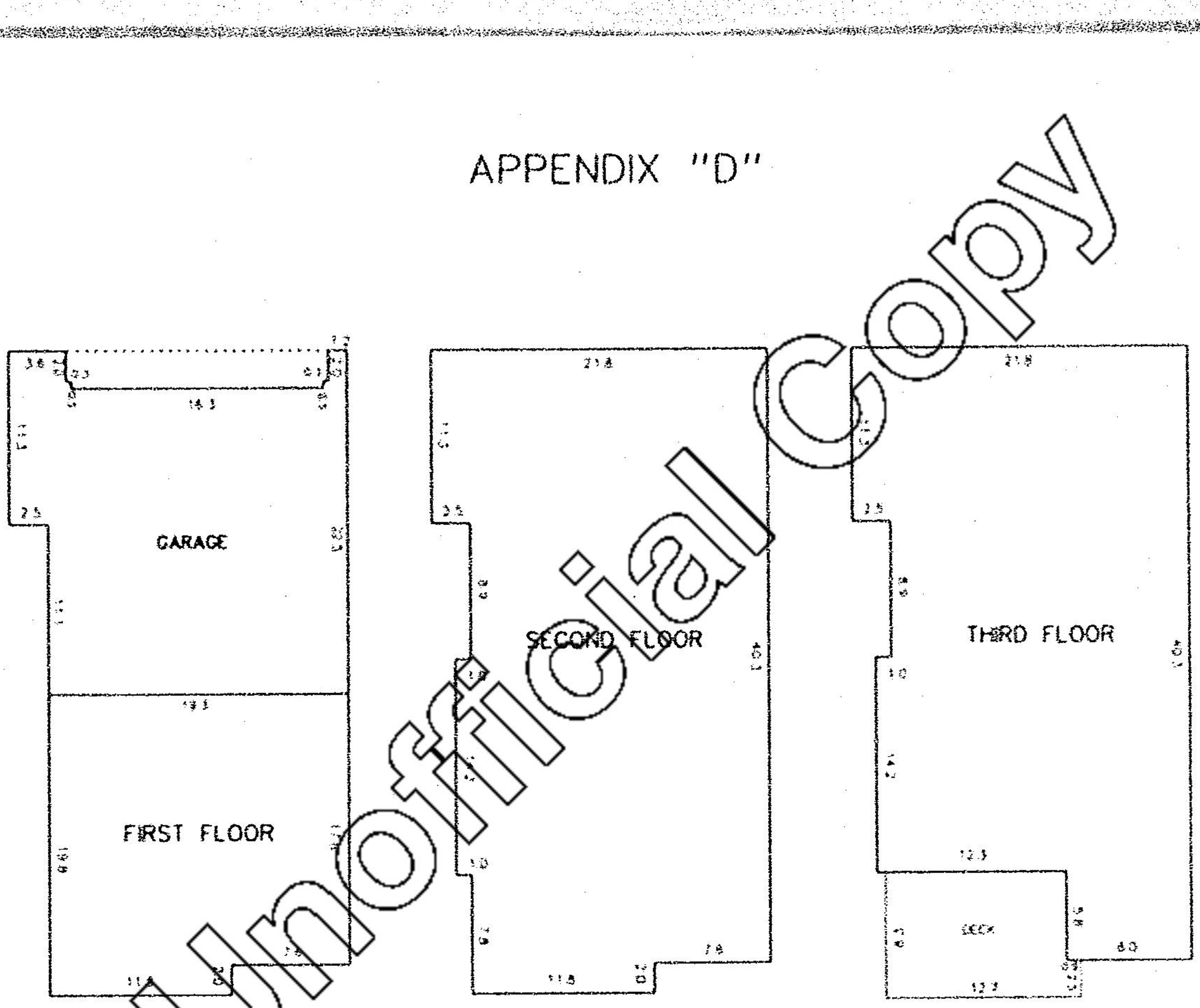
Note: Height from top of garage slab to underside of roof decking is 35.3'

## UNIT 2

2369 GROSS S.F.

## HOLLAND OAKS CONDOMINIUMS

# APPENDIX "D"




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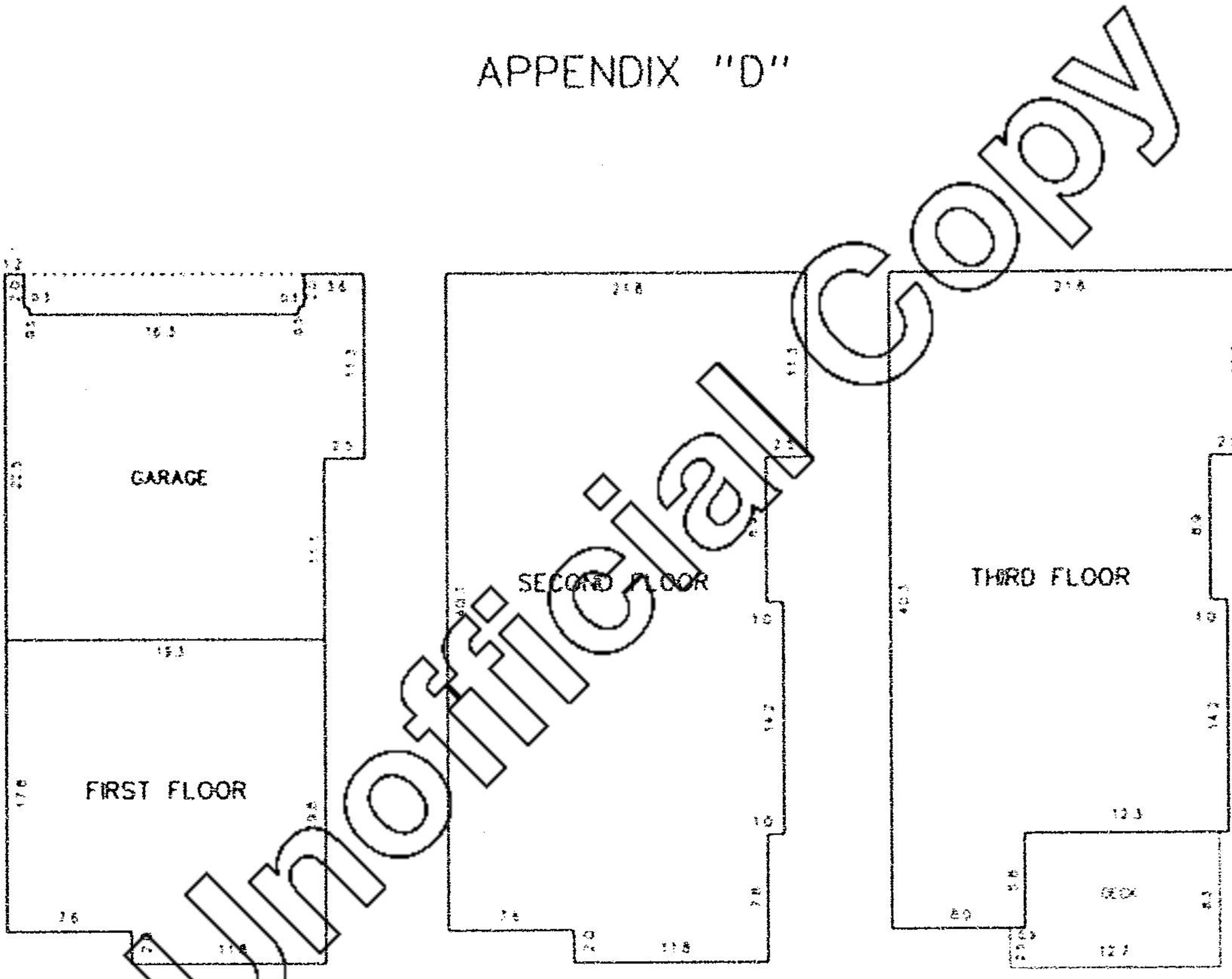
Note: Height from top of garage slab to underside of roof decking is 35.3'.

## UNIT 3

2485 GROSS S.F.

## HOLLAND OAKS CONDOMINIUMS

# APPENDIX "D"




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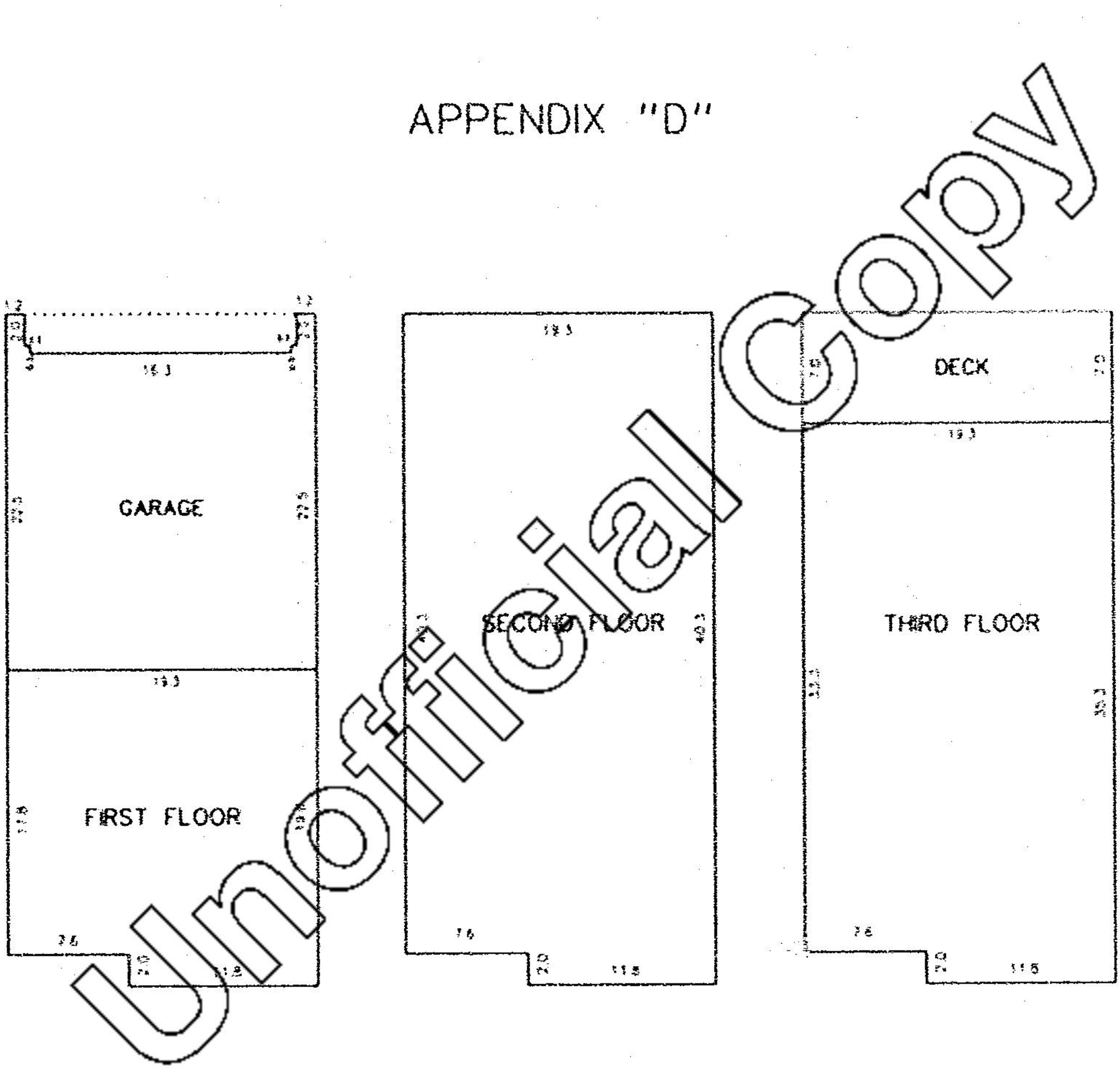
Note: Height from top of garage slab to underside of roof decking is 35.3'.

## UNIT 4

2485 GROSS S.F.

## HOLLAND OAKS CONDOMINIUMS

# APPENDIX "D"




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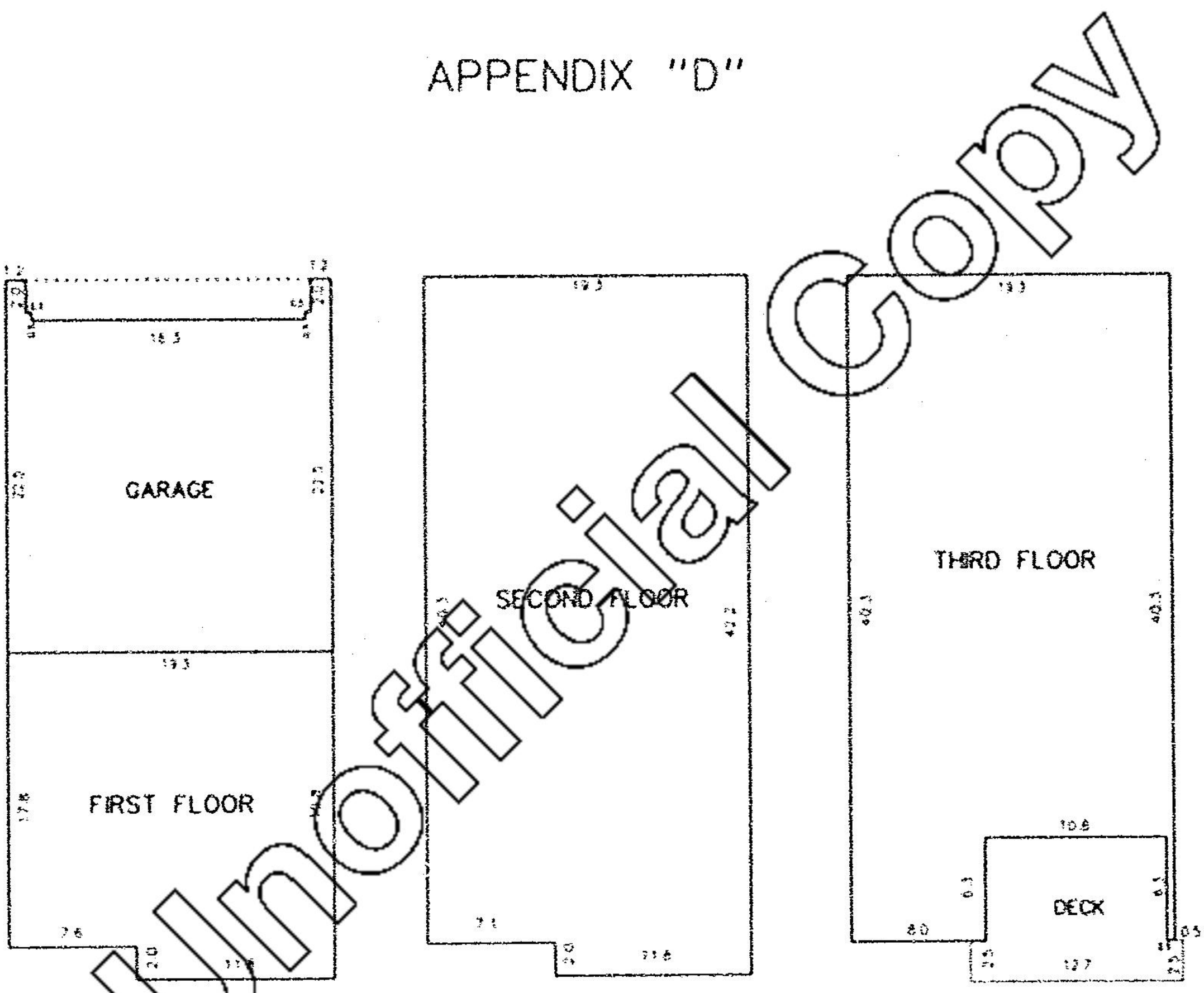
Note: Height from top of garage slab to underside of roof decking is 35.3'.

## UNIT 5

2365 GROSS S.F.

## HOLLAND OAKS CONDOMINIUMS

# APPENDIX "D"




Unofficial Copy

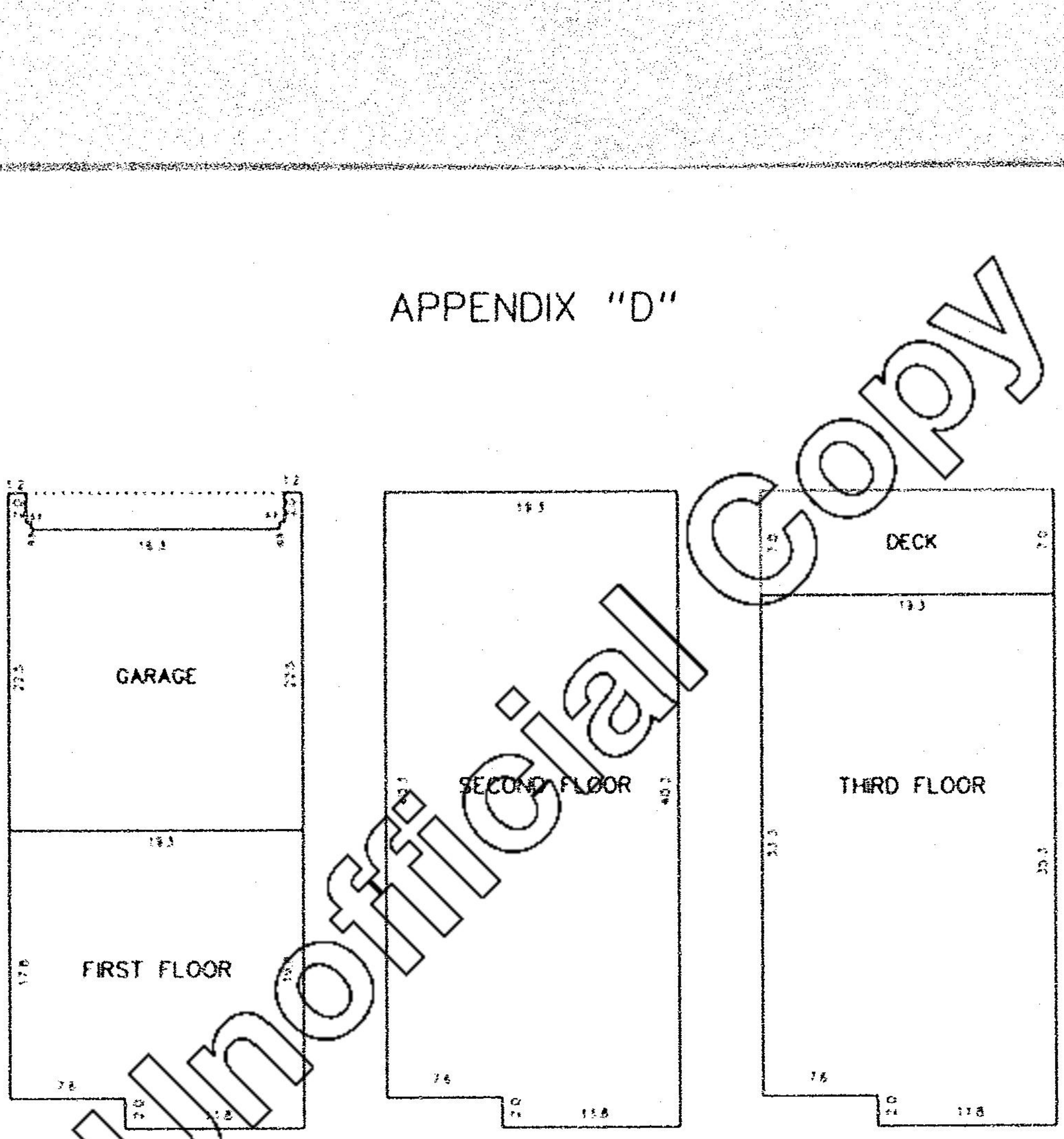
Note: Height from top of garage slab to underside of roof decking is 35.3'.

## UNIT 6

2369 GROSS S.F.

## HOLLAND OAKS CONDOMINIUMS

# APPENDIX "D"




Unofficial Copy

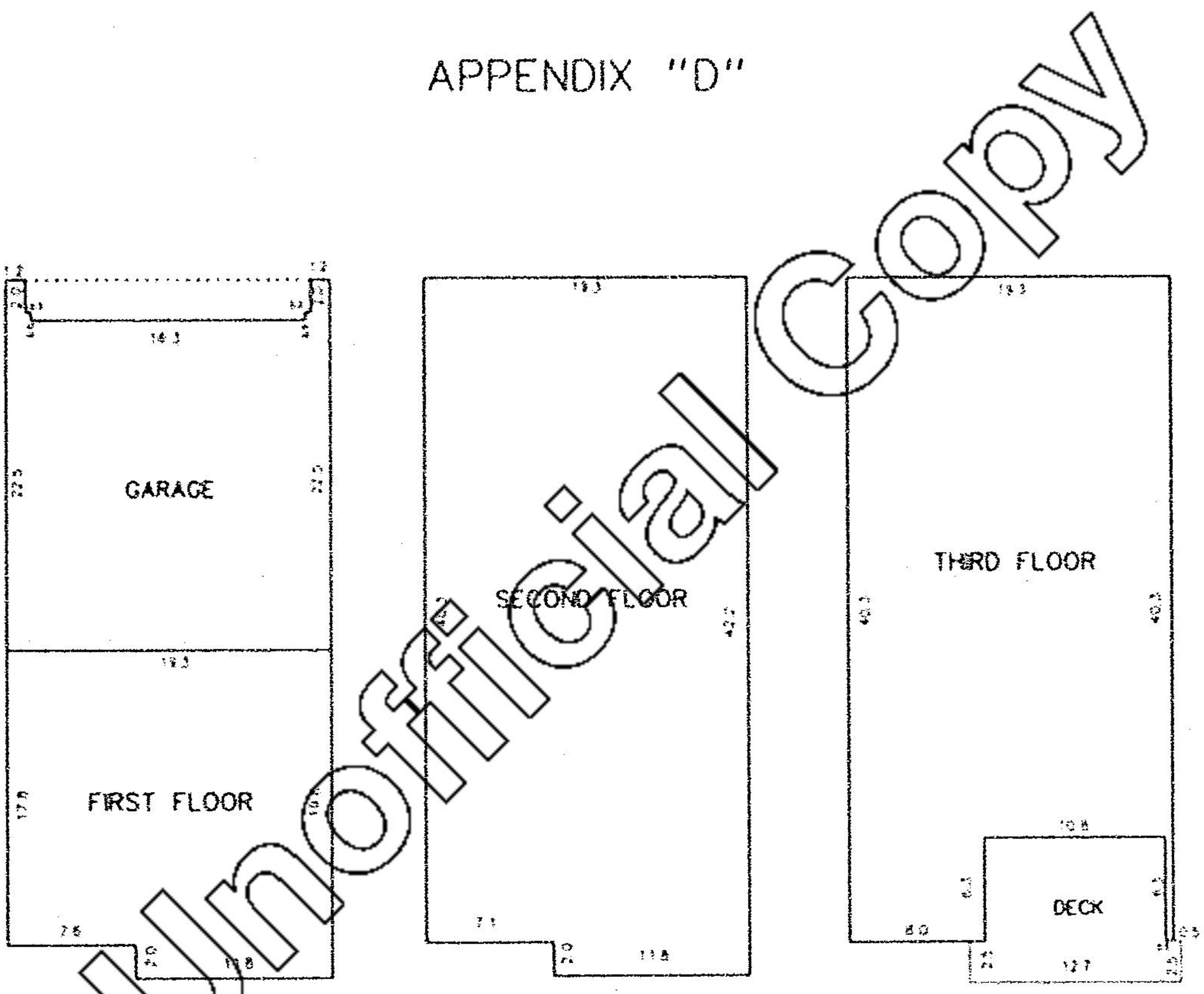
Note: Height from top of garage slab to underside of roof decking is 35.3'.

## UNIT 7

2363 GROSS S.F.

## HOLLAND OAKS CONDOMINIUMS

# APPENDIX "D"




Unofficial Copy

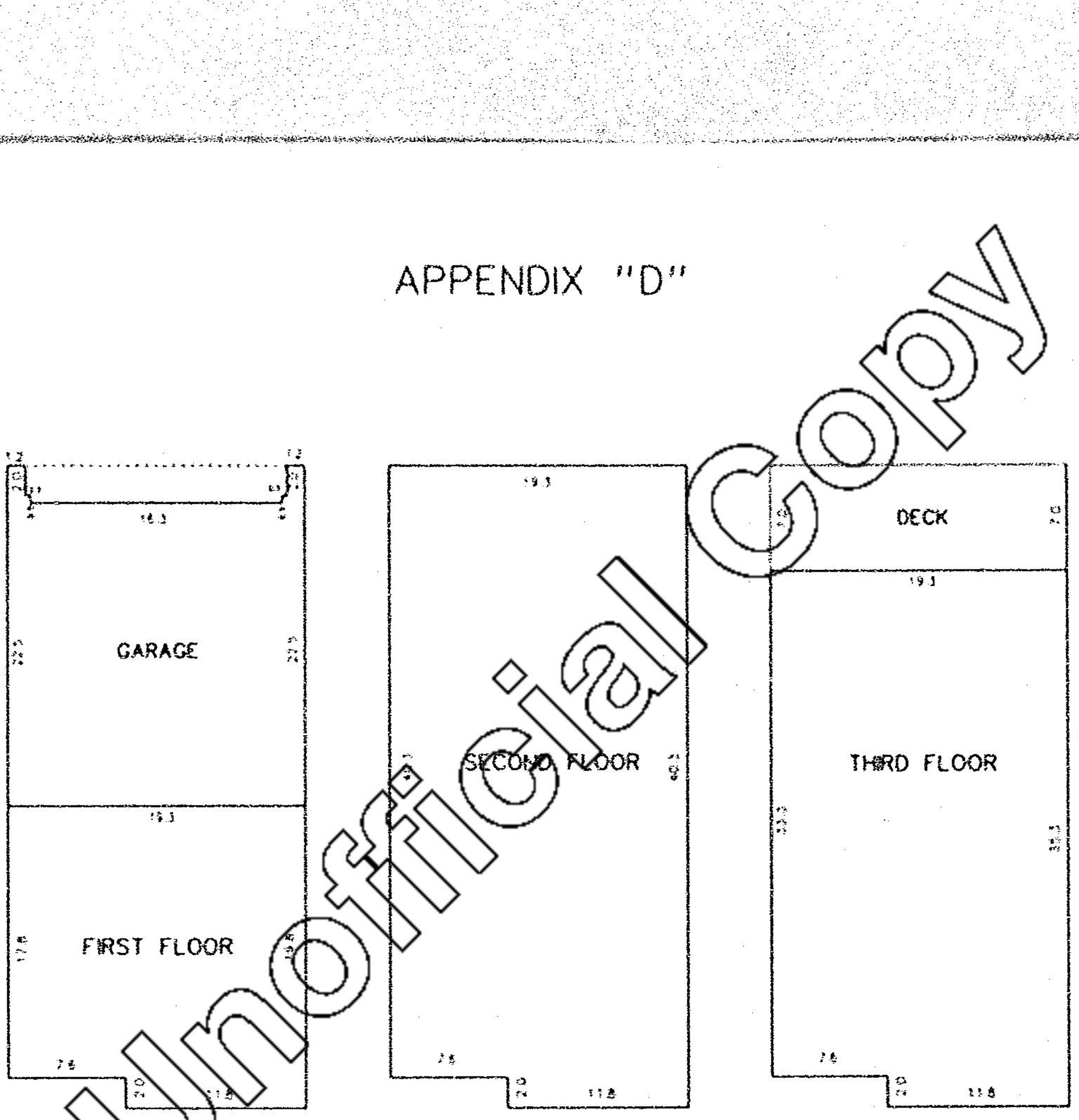
Note: Height from top of garage slab to underside of roof decking is 35.3'.

## UNIT 8

2369 GROSS S.F.

## HOLLAND OAKS CONDOMINIUMS

# APPENDIX "D"




Unofficial Copy

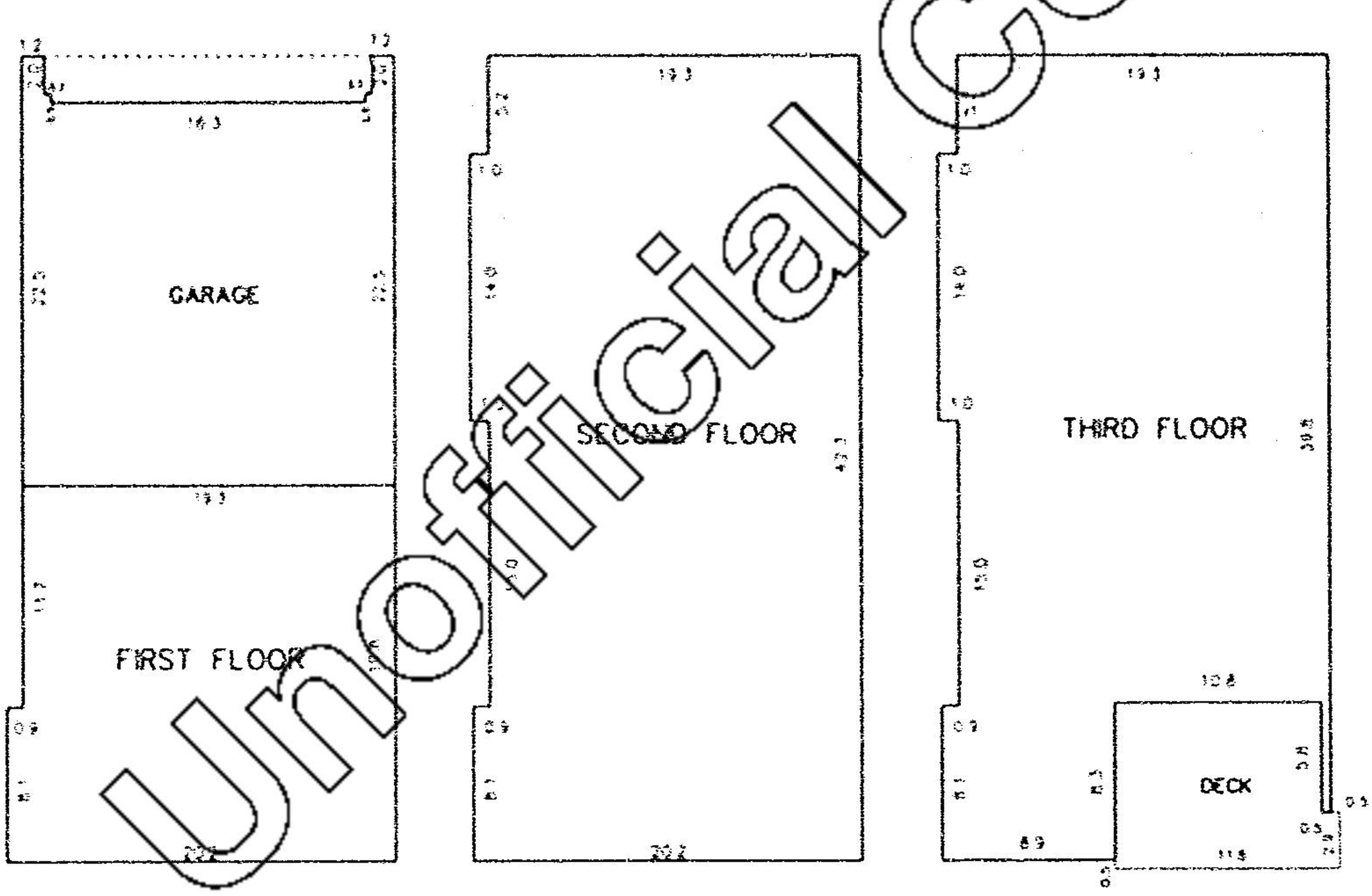
Note: Height from top of garage slab to underside of roof decking is 35.3'.

## UNIT 9

2363 GROSS S.F.

## HOLLAND OAKS CONDOMINIUMS

# APPENDIX "D"




Unofficial Copy

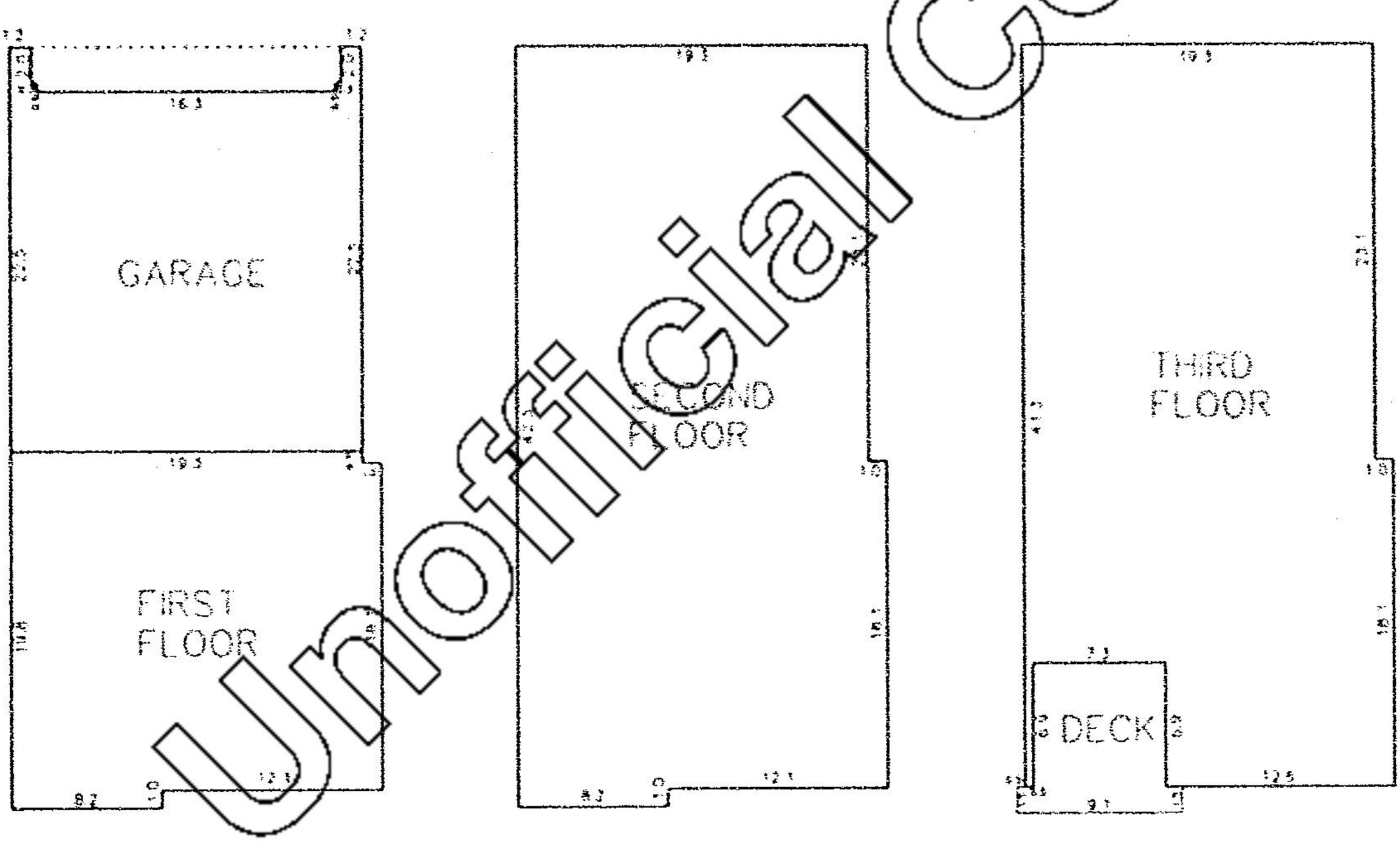
Note: Height from top of garage slab to underside of roof decking is 35.3'.

## UNIT 10

2462 GROSS S.F.

## HOLLAND OAKS CONDOMINIUMS

# APPENDIX "D"




Unofficial Copy

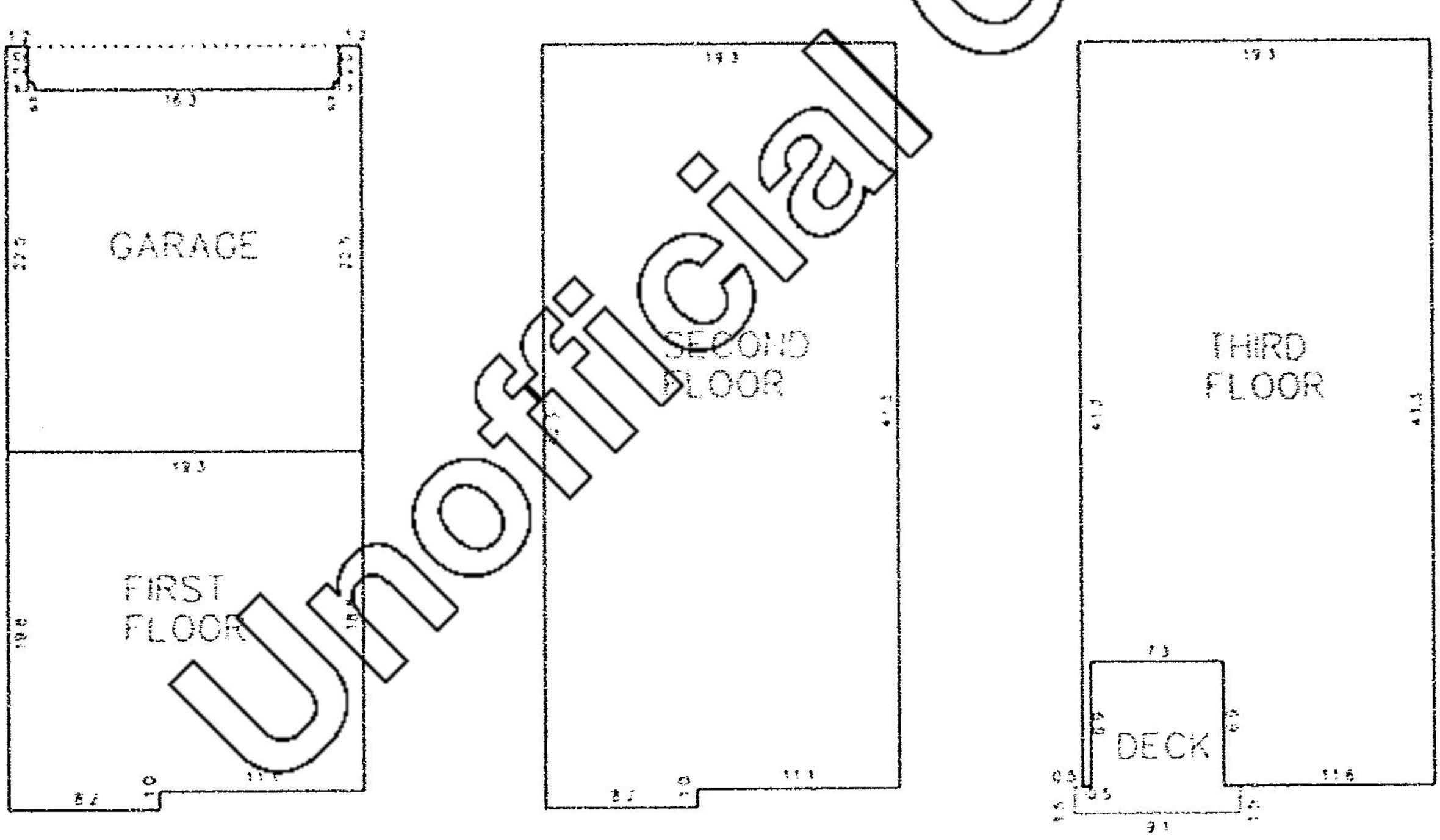
Note: Height from top of garage slab to underside of roof decking is 35.3'.

## UNIT 11

2435 GROSS S.F.

## HOLLAND OAKS CONDOMINIUMS

APPENDIX "D"




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Note: Height from top of garage slab to underside of roof decking is 35.3'

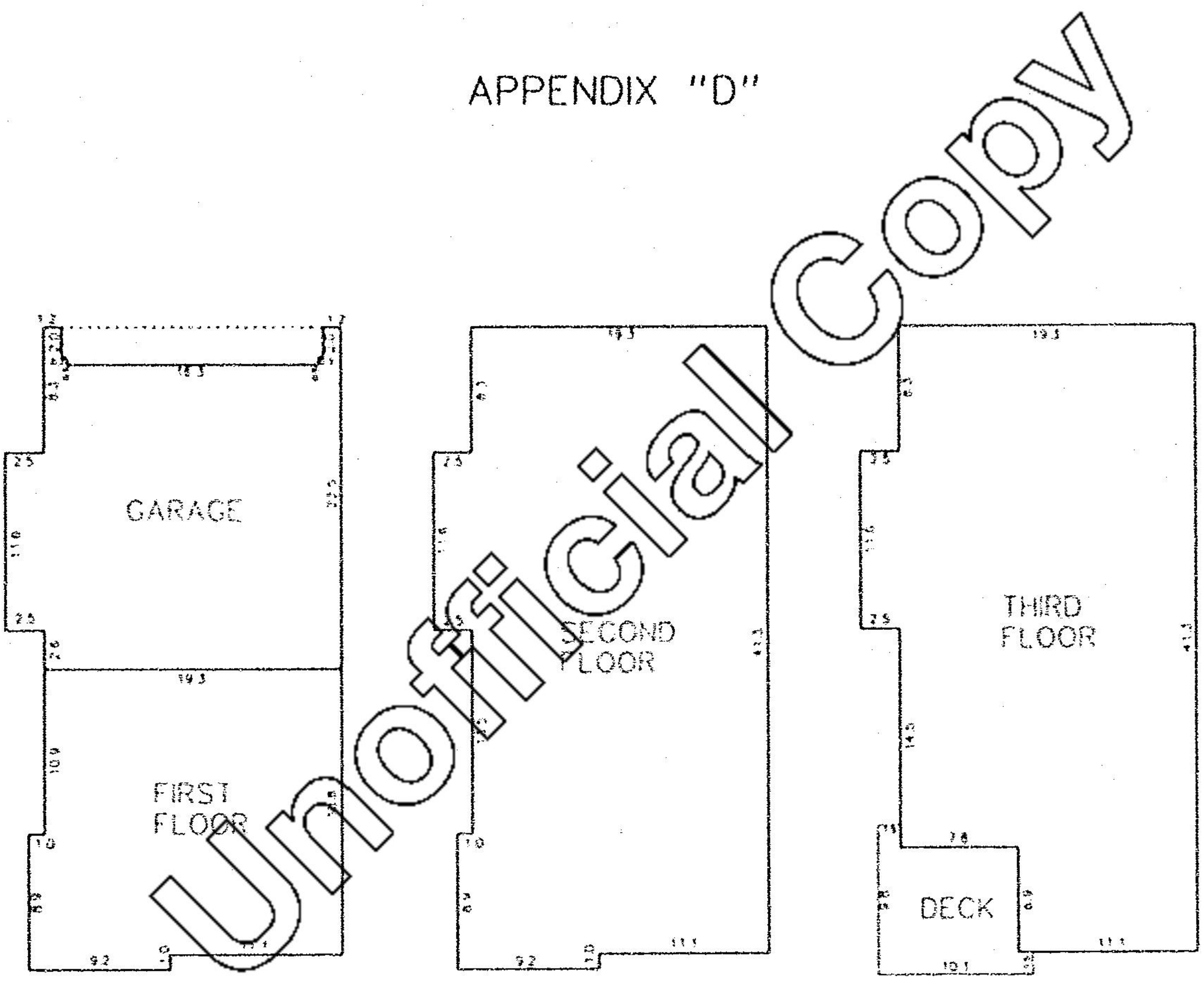
# UNIT 12

2381 GROSS S.F.

# HOLLAND OAKS CONDOMINIUMS

APPENDIX "D"

Unofficial Copy



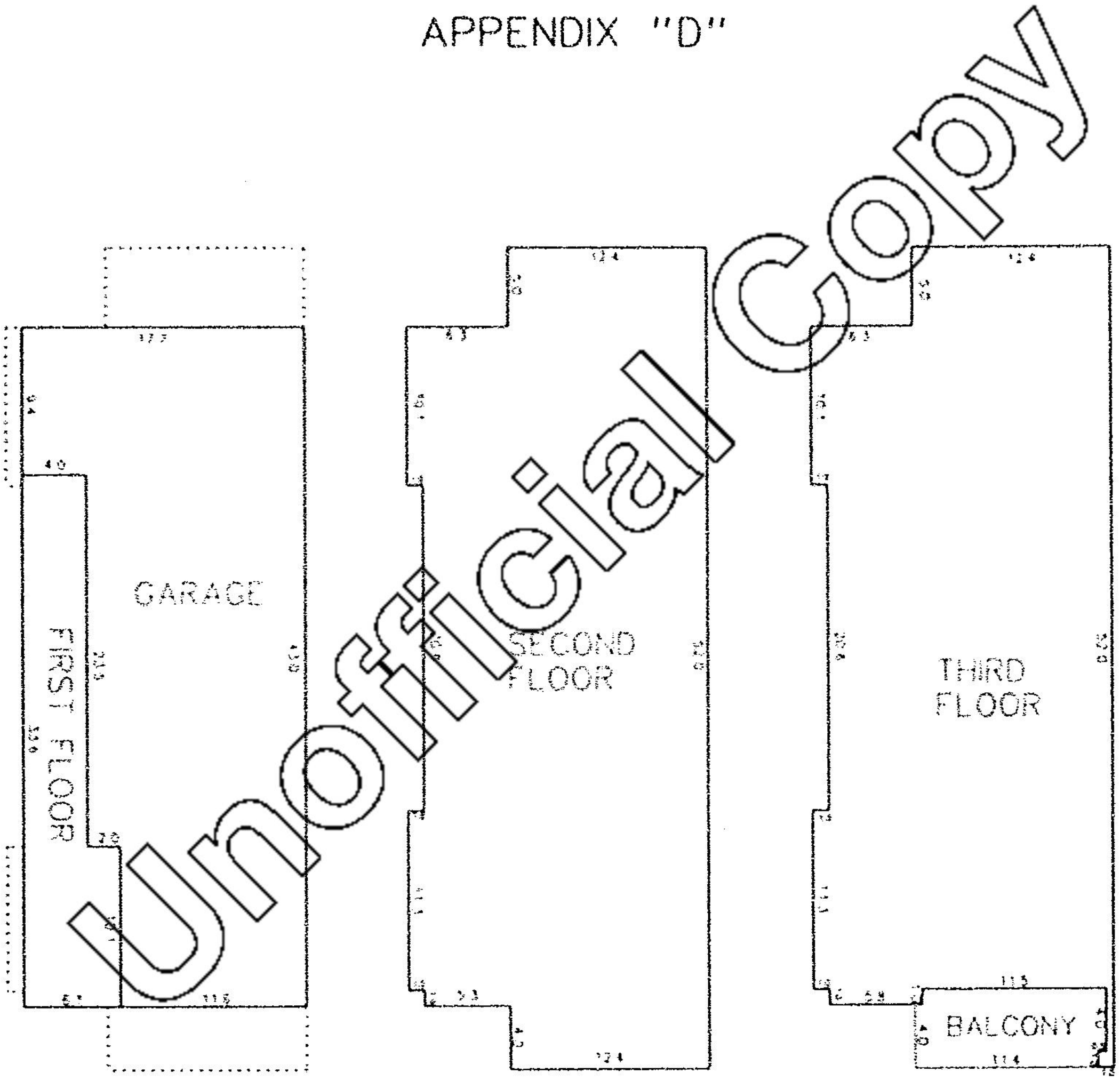

Note: Height from top of garage slab to underside of roof decking is 35.3'.

UNIT 13

2497 GROSS S.F.

HOLLAND OAKS CONDOMINIUMS

APPENDIX "D"




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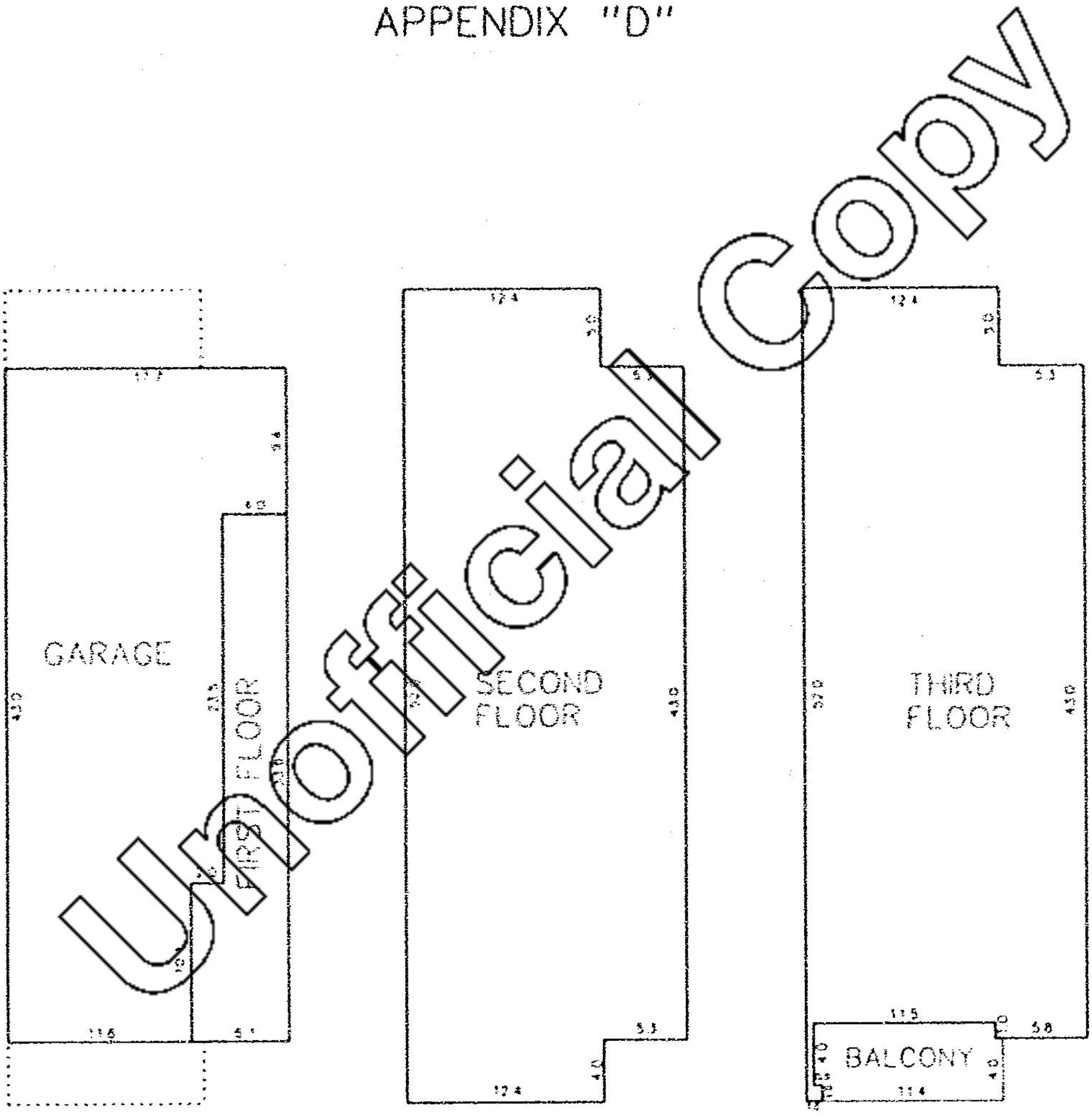
Note: Height from top of garage slab to underside of roof decking is 35.3'.

UNIT 14

2552 GROSS S.F.

HOLLAND OAKS CONDOMINIUMS

# APPENDIX "D"




Unofficial Copy

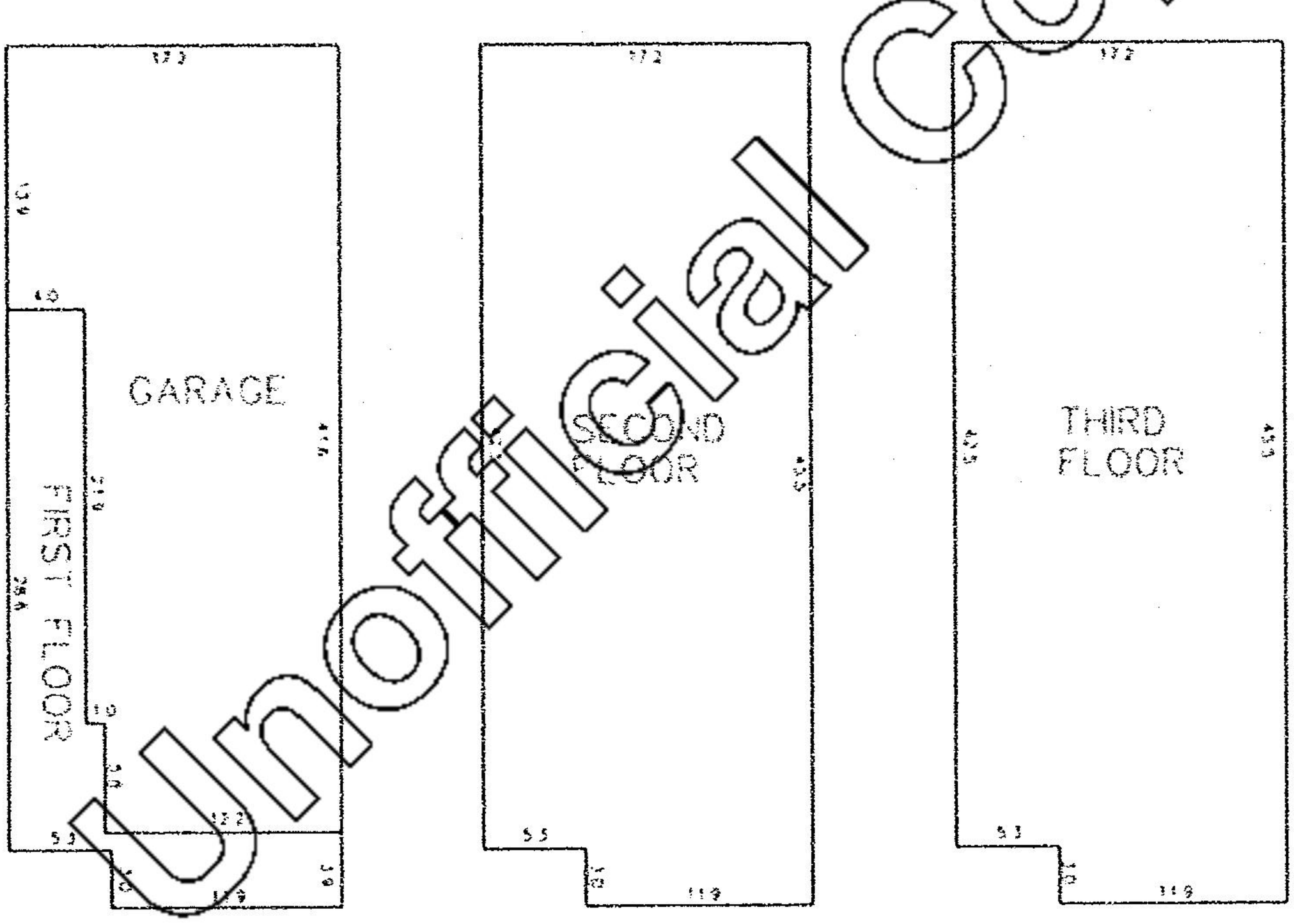
Note: Height from top of garage slab to underside of roof decking is 35.2'.

## UNIT 15

2508 GROSS S.F.

## HOLLAND OAKS CONDOMINIUMS

# APPENDIX "D"




Note: Height from top of garage slab to underside of roof decking is 36.5'.

## UNIT 16

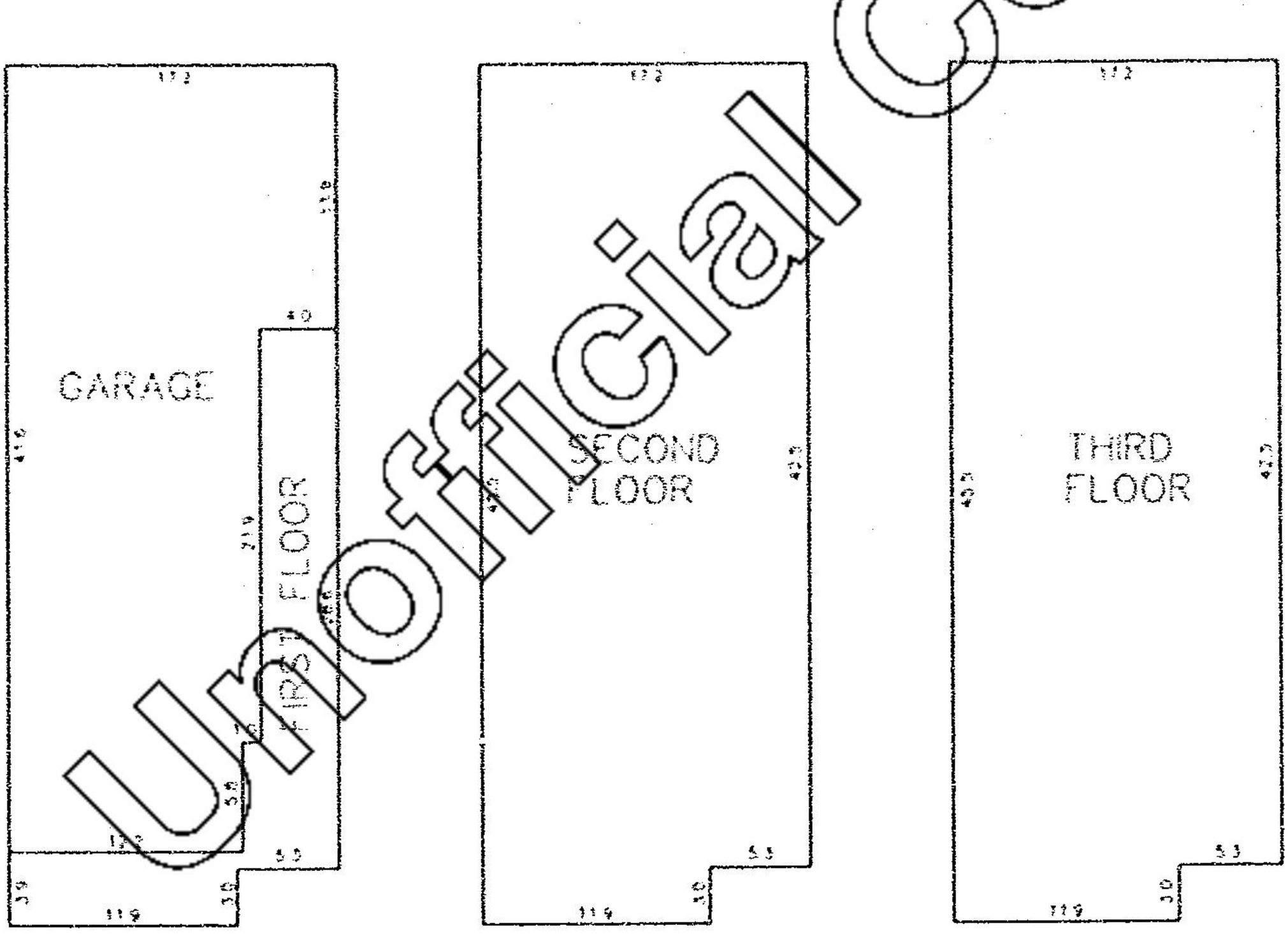
2301 GROSS S.F.

## HOLLAND OAKS CONDOMINIUMS

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# APPENDIX "D"

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Note. Height from top of garage slab to underside of roof decking is 36.5'.

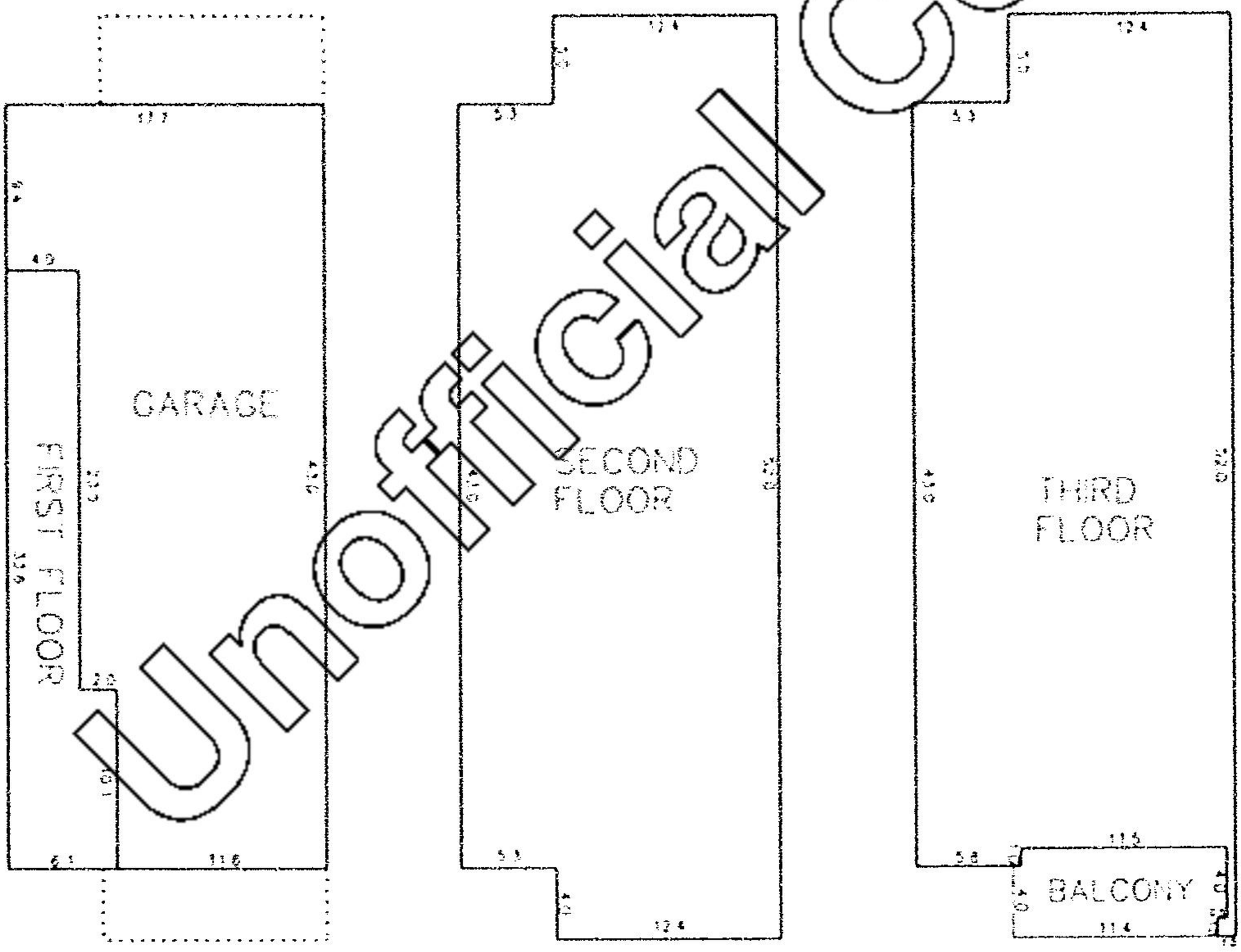
## UNIT 17

2301 GROSS S.F.

## HOLLAND OAKS CONDOMINIUMS

200018 00163

# APPENDIX "D"




Unofficial Copy

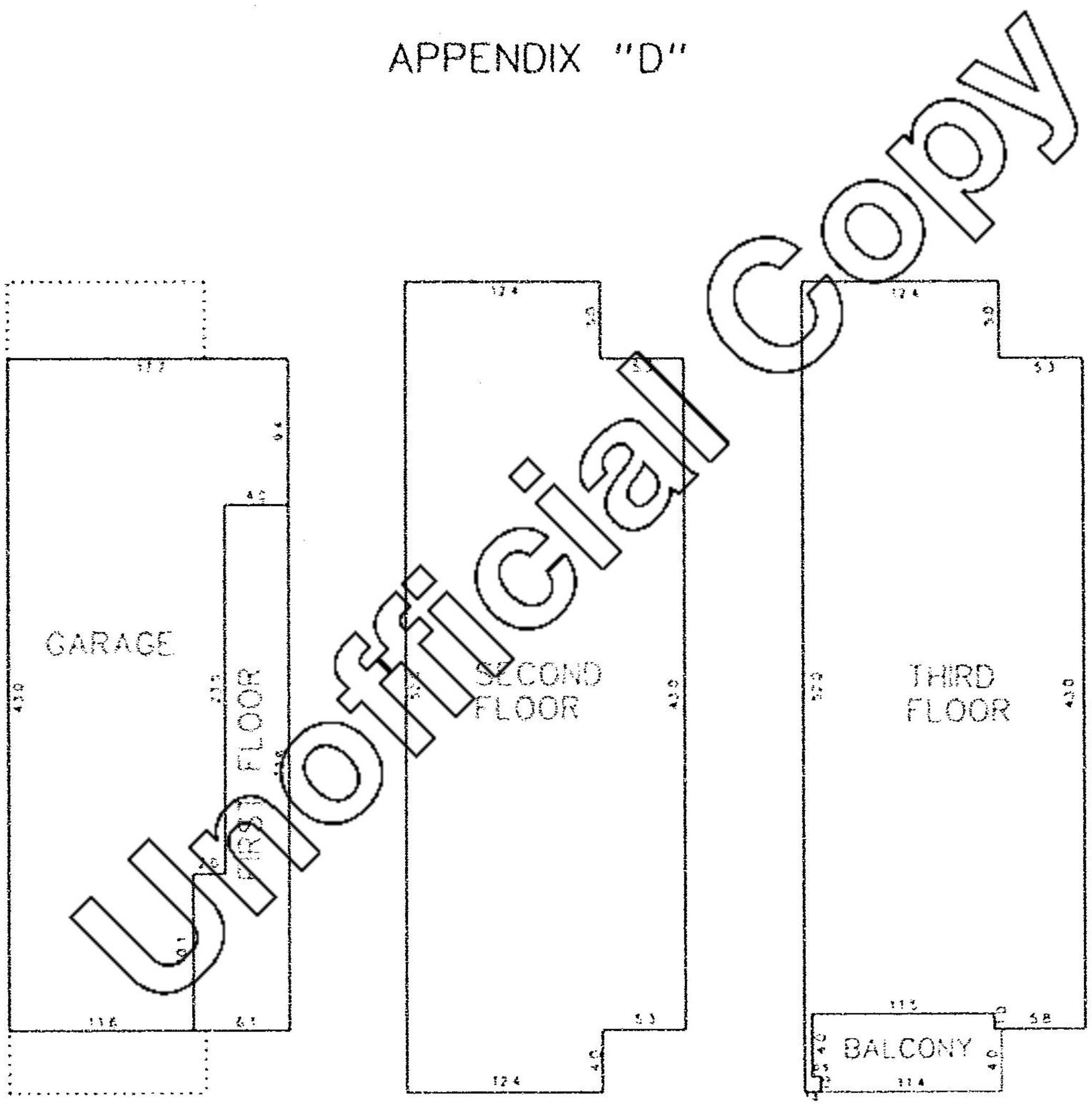
Note. Height from top of garage slab to underside of roof decking is 35.2'

## UNIT 18

2508 GROSS S.F.

## HOLLAND OAKS CONDOMINIUMS

APPENDIX "D"




Unofficial Copy

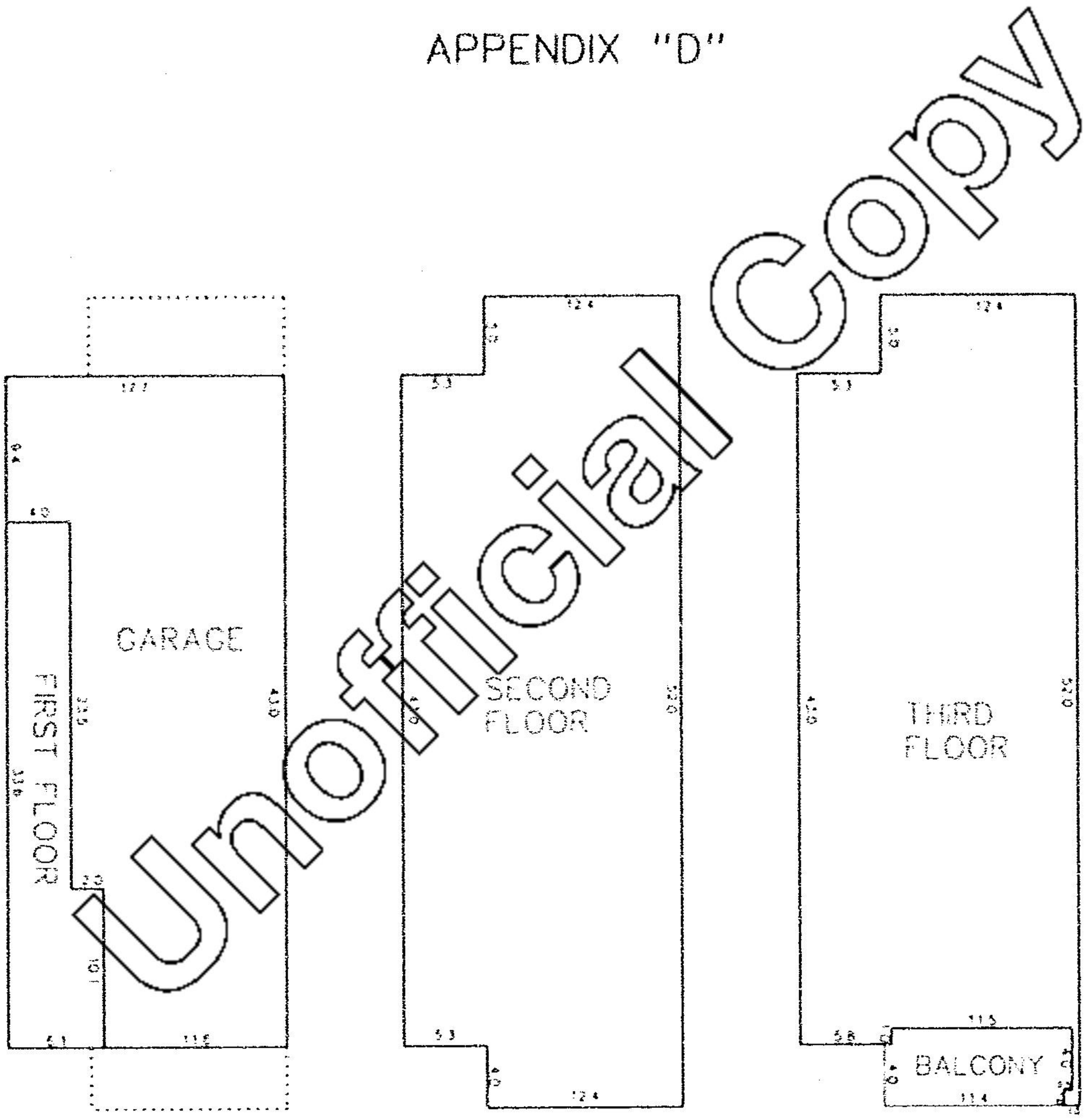
Note. Height from top of garage slab to underside of roof decking is 35.2'.

# UNIT 19

2508 GROSS S.F.

# HOLLAND OAKS CONDOMINIUMS

APPENDIX "D"




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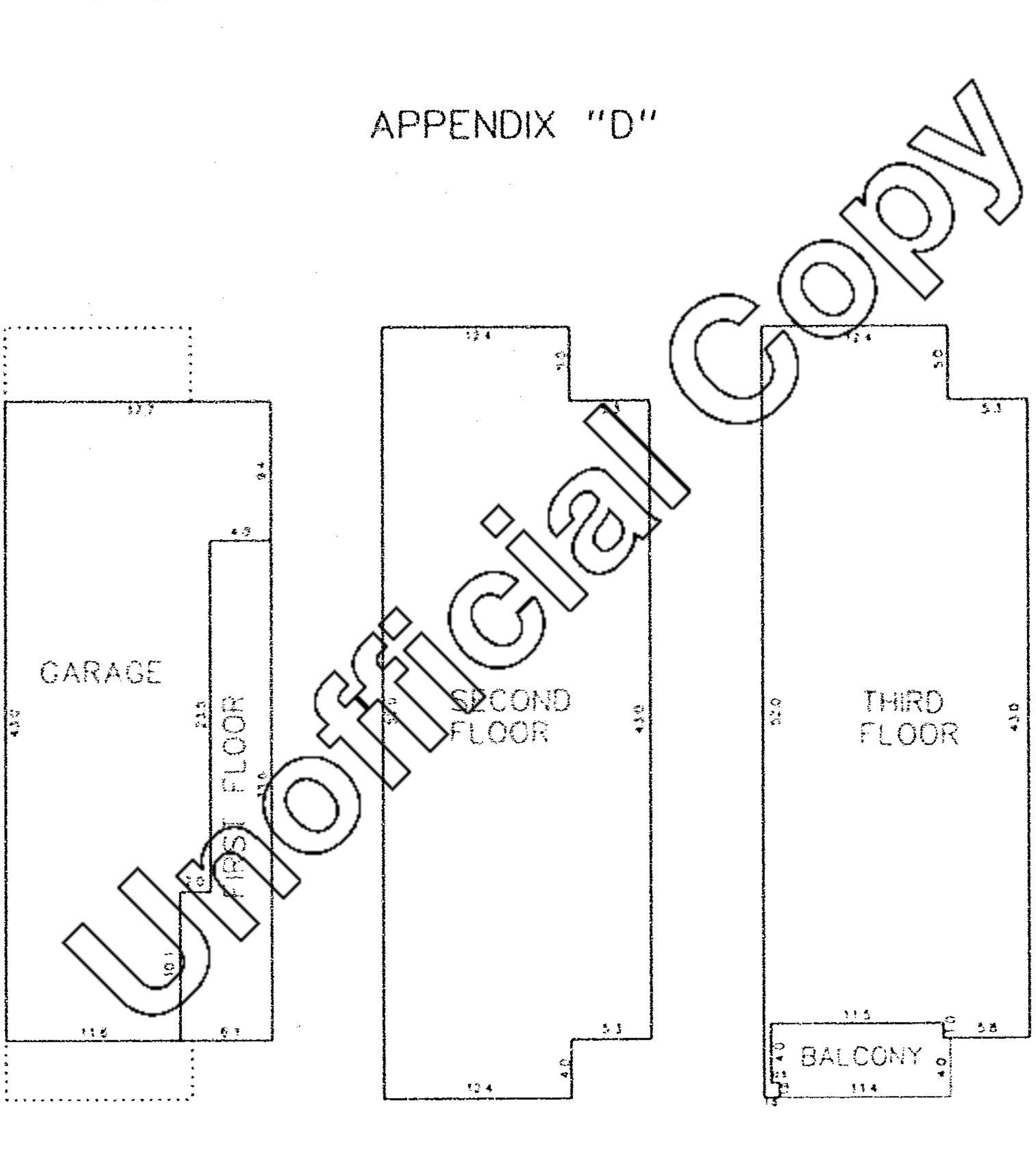
Note: Height from top of garage slab to underside of roof decking is 35.2'.

# UNIT 20

2508 GROSS S.F.

# HOLLAND OAKS CONDOMINIUMS

# APPENDIX "D"




Unofficial Copy

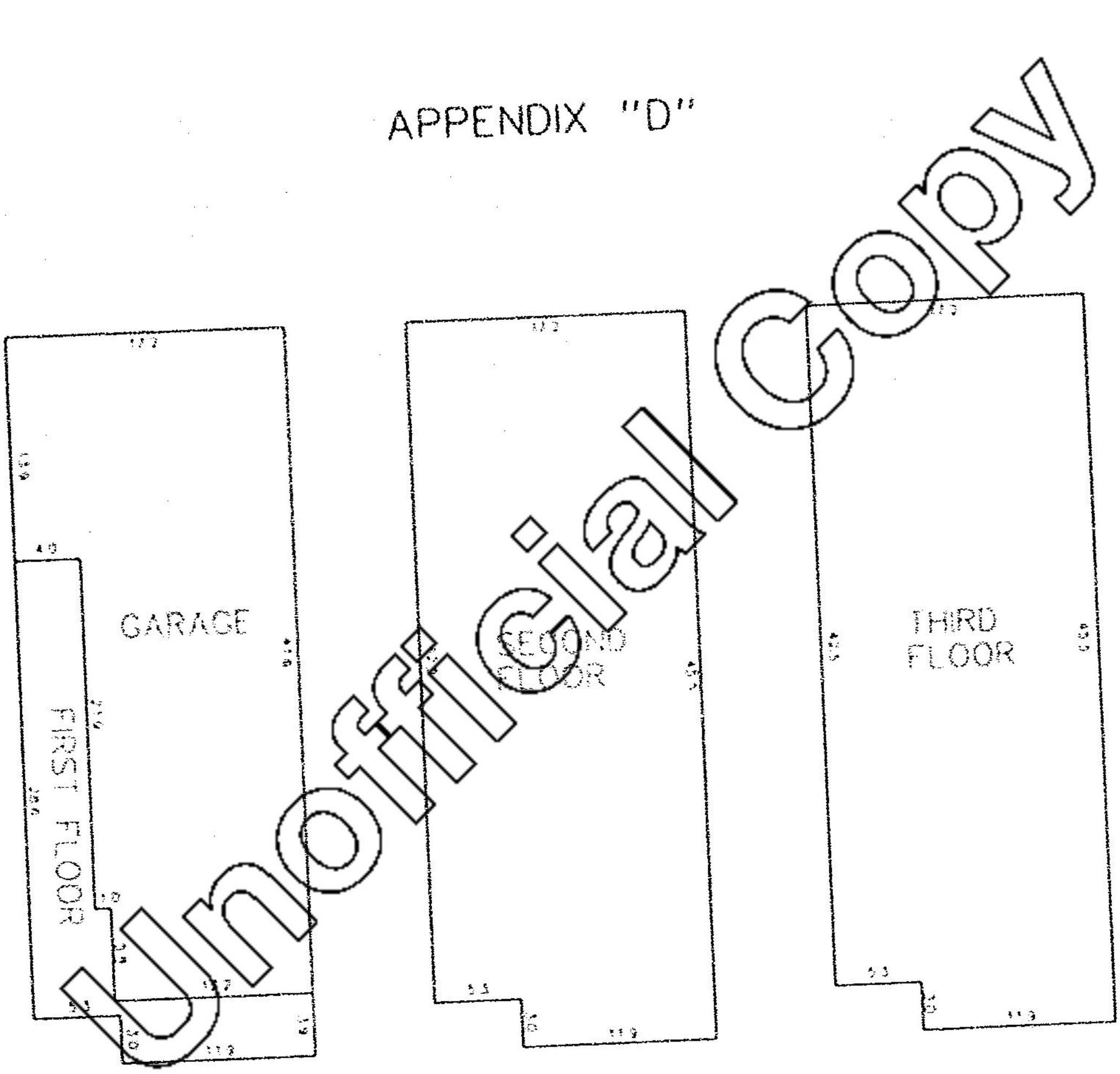
Note: Height from top of garage slab to underside of roof decking is 55.2'.

## UNIT 21

2508 GROSS S.F.

## HOLLAND OAKS CONDOMINIUMS

# APPENDIX "D"




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Note: Height from top of garage slab to underside of roof decking is 38.5'

UNIT 22

2301 GROSS S.F.

HOLLAND OAKS CONDOMINIUMS

## APPENDIX E
## GUIDE TO ASSOCIATION'S MAJOR MANAGEMENT & GOVERNANCE FUNCTIONS

This Guide lists several of the major management and governance functions of a typical residential development with a mandatory owners association. The Association's Board of Directors may, from time to time, use this Guide to consider what functions, if any, to delegate to one or more managers, managing agents, employees, or volunteers. Because laws and practices change over time, the Association and/or the Board should not use this Guide without taking account of applicable changes in law and practices.

| MAJOR MANAGEMENT & GOVERNANCE FUNCTIONS | Performed by HOA officers or directors | Delegated to HOA employee or agent |
|---|---|---|
| **FINANCIAL MANAGEMENT** | | |
| To adopt annual budget and levy assessments, per Declaration. | | |
| Prepare annual operating budget, periodic operating statements, and year-end statement. | | |
| Identify components of the property the HOA is required to maintain. Estimate remaining useful life of each component. Estimate costs and schedule of major repairs and replacements, and develop replacement reserve schedule for 5, 10, and 20-year periods. Annually update same. | | |
| Collect assessments and maintain HOA accounts. | | |
| Pay HOA's expenses and taxes. | | |
| Obtain annual audit and income tax filing. | | |
| Maintain fidelity bond on whomever handles HOA funds. | | |
| Report annually to members on financial status of HOA. | | |
| **PHYSICAL MANAGEMENT** | | |
| Inspect, maintain, repair, and replace, as needed, all components of the property for which the HOA has maintenance responsibility. | | |
| Contract for services, as needed to operate or maintain the property. | | |
| Prepare specifications and call for bids for major projects. | | |
| Coordinate and supervise work on the property, as warranted. | | |

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| MAJOR MANAGEMENT & GOVERNANCE FUNCTIONS | Performed by HOA officers or directors | Delegated to HOA employee or agent |
|---|---|---|
| **ADMINISTRATIVE MANAGEMENT** | | |
| Receive and respond to correspondence from owners, and assist in resolving owners' problems related to the HOA. | | |
| Conduct hearings with owners to resolve disputes or to enforce the governing documents. | | |
| Obtain and supervise personnel and/or contracts needed to fulfill HOA's functions. | | |
| Schedule HOA meetings and give owners timely notice of same. | | |
| Schedule board meetings, and give directors timely notice of same. | | |
| Enforce the governing documents. | | |
| Maintain insurance and bonds as required by the governing documents or state law, or as customary for similar types of property in the same geographic area. | | |
| Maintain HOA books, records, and files. | | |
| Maintain HOA's corporate charter and registered agent & address. | | |
| **OVERALL FUNCTIONS** | | |
| Promote harmonious relationships within the community. | | |
| Protect and enhance property values in the community. | | |
| Encourage compliance with governing documents and applicable laws and ordinances. | | |
| Act as liaison between the community of owners and governmental, taxing, or regulatory bodies. | | |
| Protect the HOA and the property from loss and damage by lawsuit or otherwise. | | |

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