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Mary Louise Nicholson

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR SMITH FARM ADDITION

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

Le Chateau Homes LLC, a Texas limited liability company ("**Declarant**") is the developer of all that certain land described in **EXHIBIT "A"**, attached hereto and incorporated herein for all purposes (the "**Property**") and the owner of the Property (except for the Other Builder Lots (defined below)).

RECITALS

WHEREAS, C & D Real Estate Holdings, LLC, a Texas limited liability company (herein referred to as the "**Other Builder**") is the owner of those certain lots known as Lot 8R, Block 2 and Lot 10R, Block 2, Smith Farm Addition, an Addition to the City of North Richland Hills, Tarrant County, Texas, according to the Plat thereof recorded in Clerk's File No. D219045648, Plat Records of Tarrant County, Texas (the "**Other Builder Lots**") that have been developed by Seller and sold by Seller to Other Builder;

WHEREAS, Declarant, with the consent and approval of the Other Builder, desires to create and carry out a general and uniform plan for the improvement, development, maintenance, use and continuation of a residential community on the Property as set forth in herein for the mutual benefit of the Owners and their successors in title which Property, including but not limited to the Other Builder Lots, will be conveyed subject to the covenants, conditions, restrictions, liens, charges and easements as set forth herein.

NOW, THEREFORE, Declarant hereby declares that the Property shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of establishing a general scheme for the development of all of the lots in the Property, and which shall run with the land and be binding on all property or any part thereof, and shall inure to the benefit and binding upon of each owner thereof, and his heirs, administrators, successors and assigns.

DEFINITIONS

The following words when used in this Declaration or any amendment or supplement hereto (unless the context shall otherwise clearly indicate or prohibit) shall have the following meanings:

"Assessment" shall mean any of the assessments described Article IV hereof.

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"Association" shall mean and refer to Smith Farm Homeowners Association, Inc., a Texas non-profit corporation, which after its formation, but subject to the provisions of this Declaration, shall have the power, duty and responsibility of maintaining and administering the Common Area, collecting the Assessments and charges hereinafter prescribed, and the right of administering and enforcing this Declaration.

"Board" shall mean the Board of Directors of the Association.

"Builder" shall mean an Owner who is primarily engaged in the business of homebuilding and is building Residences on one or more Lots.

"Common Area" shall mean and refer to the following: (a) four (4) two and a half foot (2 ½') "Screening Wall Easements" and fifteen foot (15') Visibility Easements as shown on the Plat, the purpose of which is to provide an area for a wall, subdivision sign, lighting, décor and landscaping for the Association and (b) the "Common Open Space Tree Preservation Public Access & Drg. Esmt." and "Common Open Space Tree Preservation & Public Access" both as shown on the Plat, and (c) a twenty-three foot (23') strip of land located between Lots 9 and 10, Block 2 as shown on the Plat, of the all of which are hereby conveyed to the Association.

"Committee" shall have the meaning described is section 5.11 hereof.

"County" shall mean Tarrant County, Texas.

"Declarant" shall mean and refer to Le Chateau Homes LLC, a Texas limited liability company and its successors and assigns (if any). No person or entity purchasing one or more Lots from Declarant in the ordinary course of business shall be considered a "Declarant".

"Development Period" shall mean the period beginning on the date of recording of this Declaration and expiring twenty (20) years thereafter unless previously waived in writing by Declarant; during the Development Period, the Declarant reserves the right to facilitate the development, construction and marketing of the Property and the right to direct the size, shape, and composition of the Property pursuant to section 209.002 (4-a) of the Texas Property Code.

"First Mortgagee" shall mean the holder, insurer, or guarantor of a purchase money mortgage secured by a recorded first deed of trust lien against a Lot, or any renewal, modification or refinancing thereof.

"Lot" shall mean and refer to any plot or tract of land shown upon the Plat, as amended from time to time, which is designated as a lot therein by a number and which is or will be improved with a Residence. If any Common Area may be platted as separate lots in the Plat, same shall be excluded from the definition of "Lot" as used herein. "Adjoining Lot" shall mean and refer to a Lot which is immediately adjacent to any other Lot as shown on the Plat. Any reference herein to the visibility of an item from any Adjoining Lot shall mean the visibility of such item from the ground level of the structure located on the Adjoining Lot and not the second story of a two-story dwelling located thereon.

"Member" shall mean and refer to each Owner of a Lot.

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"Owner" shall mean and refer to each and every person or business entity who or which is a record owner of a fee or undivided fee interest in any Lot; however, the word "Owner" shall not include person(s) or entity (ies) who hold a bona fide lien or interest in a Lot as security for the performance of an obligation.

"Plat" shall mean the plat of the Property recorded as Instrument No. D217125359, Plat Records, Tarrant County, Texas.

"Property" shall mean and refer to the Property described in **EXHIBIT "A"**, and any additions thereto which are subject to this Declaration or any amendment or supplement hereto, prepared and filed of record pursuant to the provisions hereof.

"Residence" shall mean any dwelling constructed on a Lot.

"Street" shall mean Smith Farm Drive.

ARTICLE I

MEMBERSHIP AND VOTING RIGHTS

Section 1.1. Membership. Every Owner of a Lot shall automatically be a Member of the Association for so long as he is an Owner.

Section 1.2. Voting Rights. The Association shall have three classes of Members:

CLASS A: Class A Members shall be all Members other than Class B and Class C Members. Class A Members shall be entitled to one (1) vote for each Lot in which they hold the interest required for membership. When more than one person holds such interest or interests in any Lot, all such persons shall be Members, and the vote for such Lot shall be exercised as they, among themselves, determine, but in no event shall more than one (1) vote be cast with respect to any such Lot.

CLASS B: Class B Members shall be any Builders. Class B Members shall be entitled to one (1) vote for each Lot owned. The Class B membership shall cease when a Residence is conveyed to a third party who is not a Builder.

CLASS C: The Class C Member shall be the Declarant. The Class C Member shall be entitled to ten (10) votes for each Lot which it owns and for each Lot owned by all Class B Members; this membership Class shall expire upon the conveyance to third parties of all Lots owned by Declarant.

Section 1.3. Quorum, Notice and Voting Requirements. The quorum, notice and voting requirements of and pertaining to the Association are set forth within the Bylaws of the Association as same may be amended from time to time.

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ARTICLE II

GENERAL POWERS OF THE BOARD OF DIRECTORS

Section 2.1. General Powers. The affairs of the Association shall be conducted by its Board. The Board shall be selected in accordance with the Certificate of Formation and Certificate of Correction of the Association (attached hereto as **EXHIBIT "B"**) and Bylaws of the Association (attached hereto as **EXHIBIT "C"**). The Board, for the benefit of the Common Area and the Owners, shall have the following rights:

(a) To provide for the care of and preservation of the Common Area and the furnishing and upkeep of any desired fixtures, personal property and landscaping in the Common Area, and to maintain any drainage pipes in Common Area or in easements conveyed to the Association;

(b) To maintain the Common Area, including care for the grass, shrubs, flowers, and trees;

(c) To provide for any private trash and garbage collection service and security arrangements, at its discretion;

(d) To pay for taxes, insurance and utilities (including without limitation, electricity, gas, water and sewer charges) which pertain to the Common Area only;

(e) To hire the services of a person or firm (including Declarant and any affiliates of Declarant) to manage the Association or any separate portion thereof, and to maintain the Common Area, to the extent deemed advisable by the Board, and the services of such other personnel as the Board shall determine to be necessary or proper for the operation of the Association, whether such personnel are employed directly by the Board or by a manager designated by the Board;

(f) To contract for legal and accounting services;

(g) To obtain and purchase any other materials, supplies, furniture, labor, services, maintenance, repairs, and structural alteration which the Board is required to obtain or pay for pursuant to the terms of this Declaration or which in its opinion shall be necessary or proper for the operation or protection of the Association or for the enforcement of this Declaration;

(h) To execute all declarations of ownership for tax assessment purposes with regard to any of the Common Area;

(i) To enter into agreements or contracts with companies and taxing authorities with respect to: (i) taxes on the Common Area; (ii) insurance coverage (if any) on Common Area, and (iii) utility installation, consumption and service matters;

(j) To borrow funds to pay costs of operations and improvements, secured by assignment or pledge of income, if the Board sees fit, or secured by such assets of the Association as deemed appropriate by the lender and the Board;

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(k) To enter into contracts, maintain one or more bank accounts, and, generally, to have all the powers necessary or incidental to the operation and management of the Association;

(l) To protect or defend the Common Area from loss or damage by suit or otherwise, to sue or defend in any court of law on behalf of the Association and to provide adequate reserves for repairs and replacements;

(m) To make reasonable rules and regulations for the Common Area and to amend them from time to time;

(n) To make available to each Owner, within one hundred twenty (120) days after the end of each fiscal year, an annual report;

(o) To adjust the amount, collect, and use any insurance proceeds to repair damage or replace lost property;

(p) To enforce the provisions of this Declaration and any rules made hereunder and to assess, institute foreclosure, fine, enjoin and/or seek damages from any Owner for violation of such of provisions or rules; provided, that the Board may exercise discretion in deciding to enforce the provisions of this Declaration and said rules, so long as it does not act in an arbitrary or capricious manner.

(q) To do such other acts as are contemplated by or are appropriate to this Declaration and the Certificate of Formation, Certificate of Correction, and Bylaws of the Association.

Section 2.2. Board Powers, Exclusive. The Board, acting through any Officer of the Association, shall have the exclusive right to contract for all goods, services, and insurance, and the exclusive right and obligation to perform the functions of the Board, except as otherwise provided herein. In the event or if for any reason the Board is not deemed authorized to act for and on behalf of the Association and the Members, then Declarant may exercise its power and authority described herein to act for and on behalf of the Association and the Members, and the Association shall reimburse Declarant for any and all reasonable expenses incurred in so acting.

Section 2.3. Contracts With Owners. The Board, on behalf of the Association, shall have full power and authority to contract with any Owner (including without limitation, Declarant) for the performance, on behalf of the Association, of services which the Board is otherwise required to perform pursuant to the terms hereof, such contracts to be upon such terms and conditions and for such consideration as the Board may deem proper, advisable and in the best interest of the Association.

Section 2.4. Liability Limitations. Neither any Member, the Board, any Director, nor any Officer of the Association shall be personally liable for debts contracted for, or otherwise incurred by the Association, or for a tort of another Member or the Association, whether such other Member was acting on behalf of the Association or otherwise. Neither Declarant, the Association, nor their Directors, officers, agents, or employees shall be liable for any incidental or consequential damages for failure to inspect any premises, improvements or portion thereof or for failure to repair or maintain the same.

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Section 2.5. Reserve Funds. The Board may establish reserve funds which may be maintained and accounted for separately from other funds maintained for annual operating expenses.

Section 2.6. Restrictions on Contracts. Neither Declarant nor the Association may directly or indirectly enter into any management agreement or any other contract on behalf of the Association which extends beyond the expiration of the Development Period. The Association may, however, following such date, enter into new management agreements or other contracts in accordance with this Declaration.

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ARTICLE III

PROPERTY RIGHTS IN THE COMMON AREA

Section 3.1. Members' Easement of Enjoyment. Subject to the provisions contained herein, the Association and the Members shall have and are hereby granted, transferred and conveyed a non-exclusive right and easement in and to the Common Area. The use of the Common Area by any Member, licensee, or guest of either, shall be at their own risk.

Section 3.2. Easements to the Common Area. The Declarant hereby reserves for the benefit of the Association and transfers to the Association the Common Area. The Declarant shall have the right and option (without the joinder and consent of any person or entity, save and except any consent, joiner or approval required by any governmental authority) to redesign, reconfigure, alter, improve, landscape and maintain the Common Area, provided that Declarant fully and timely complies with any and all requirements of any governmental authorities.

Section 3.3. Extent of Members' Easement. The rights and easements created hereby shall be subject to the following:

(r) The right of the Association to prescribe reasonable regulations and policies governing the Common Area;

(s) All matters recorded in the Real Property Records of the County, to the extent that same affect the Common Area as of the date of the recording of this Declaration, and such further easements, restrictions and exceptions as the Declarant or the Association may grant to other parties;

(t) The right of the Association to enter into and execute contracts with any party (including, without limitation, Declarant) for the purpose of providing maintenance or such other materials or services consistent with the purposes of the Association.

Section 3.4. Declarant's and Association's Responsibilities for Common Area.

(a) All initial improvements to the Common Area shall be performed by Declarant at its sole cost and expense prior to the conveyance of the Common Area to the Association. Such initial improvements shall include the grading and planting of any landscaping on the Common Area, and any other improvements on the Common Area, in Declarant's discretion.

(b) Upon completion of the improvements described in (a) above, the Association shall cause the Common Area to be maintained, including, but not limited to, maintaining landscaping, payment of taxes on and insurance premiums, if any, for Common Area, the cost of replacing and repairing improvements to the Common Area, and paying the cost of labor, services, materials, and equipment (including the cost of renting same, if any) related to the Common Area and the improvements therein.

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ARTICLE IV

COVENANTS FOR ASSESSMENTS

Section 4.1. Assessments. Each Owner of a Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed, as a part of the purchase money consideration for such deed and conveyance, to covenant and agree to pay to the Association (or to an independent entity or agency which may be designated by the Association to receive such monies):

(u) Regular Assessments (herein so called) for the costs of (i) promoting the health, recreation, safety and welfare of the Owners; (ii) improving and maintaining any Common Area and any improvements thereon; (iii) maintaining the landscaping and wall in the Common Area; (iv) paying taxes on the Common Area and insurance in connection with the Common Area and the repair, replacement and additions thereto; (v) paying for utility services to the Common Area; (vi) trash and garbage collection and security arrangements as may be determined necessary and appropriate by the Association from time to time; (vii) paying the cost of labor, equipment (including the expense of leasing any equipment) and materials required for, and the management and supervision of, the Common Area; (viii) carrying out the rights and duties of the Board as set forth herein, (ix) carrying out the various matters set forth or envisioned in this Declaration or in any amendment or supplement hereto, and in the Certificate of Formation and Bylaws of the Association; and (x) for any matter or thing required by any governmental authorities in connection with any zoning, subdivision, or platting of the Property;

(v) Special Assessments (herein so called) for capital improvements or unusual or emergency matters;

(w) Special Individual Assessments (herein so called) levied against individual Owners for (i) extra costs for maintenance and repairs caused by the willful or negligent acts of the individual Owner and/or his guests, contractors, and agents, and not caused by ordinary wear and tear or (ii) fines levied against individual Owners for violations of rules and regulations pertaining to the Association or the Common Area or (iii) costs to correct violations of this Declaration, including costs to maintain a Lot or improvements on any Lot because the Owner thereof failed to do so.

Section 4.2. Creation of Lien. The Regular, Special and Special Individual Assessments, together with such late charges, interest and costs of collection thereof, as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon each Lot against which each such Assessment is made. Declarant and the Association hereby reserve a vendor's lien in favor of the Association against each Lot to secure the payment of any Assessment which may be levied against such Lot pursuant to the terms hereof, and the expenses incurred in connection with the enforcement thereof, including, without limitation, interest at the maximum rate permitted by law, costs, and reasonable legal fees. Such lien may be enforced by non-judicial or judicial foreclosure and the amounts secured thereby shall be the obligation of and chargeable to the Owner of the Lot against which such amounts accrue. Such lien shall be

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and is subordinate and inferior only to the following: (i) assessments, liens and charges in favor of the State of Texas and any political subdivision thereof for taxes past due and unpaid on the Lot; and (ii) amounts due under any first lien deed of trust duly recorded prior to the recordation of any Assessment lien as provided herein.

Section 4.3. Assessment Lien.

(x) All Assessments against a Lot but unpaid, including interest thereon at the maximum rate permitted by law from the date such Assessments are due until said Assessments are paid (subject to the limitation that the interest contracted for, charged or received pursuant to this Declaration may not exceed the maximum permitted by applicable law) shall constitute a lien on such Lot superior to all other liens and encumbrances, except as provided in section 4.2. Declarant or the Board or its duly appointed agent, may (but shall not be required to) prepare a written notice setting forth the amount of such unpaid indebtedness, the name of Owner and a description of the Lot. Such notice shall be signed by Declarant or the Board or its duly appointed agent and may be recorded in the office of the County Clerk of the County. Such lien may be enforced by the foreclosure of it upon the Lot to which it pertains or the Board or its duly appointed agent by judicial or non-judicial means. In any such proceeding, the Owner shall be required to pay the costs, expenses and legal fees incurred in connection with filing the lien, and in the event of any foreclosure proceeding, all additional costs, expenses and legal fees incurred in connection with any such foreclosure proceeding. Declarant or the Board or its duly appointed agent shall have the power to bid on the Lot at foreclosure or other legal sale and to acquire and hold, lease, mortgage, convey or otherwise deal with the same. Any mortgagee holding a lien on the Lot may pay, but shall not be required to pay, any unpaid Assessments owing with respect to the Lot and the Association may contact any mortgagee regarding any unpaid Assessment. All liens for Assessments hereunder shall be inferior to the lien held by a First Mortgagee such that foreclosure of any First Mortgagee's lien extinguishes the Association's claim against the Lot which is subject to said First Mortgagee's lien for unpaid Assessments that accrued prior to the date of foreclosure, but shall not extinguish the Association's claim against the Owner of such Lot and does not extinguish the Association's right to assess such Lot for Assessments after the foreclosure. Any action taken pursuant to this Section 4.3 shall only be taken after Declarant or the Association, as the case may be, first complies with Chapter 209 of the Texas Property Code, as same may be amended and in effect at the time of such action;

(y) The amount of the Assessments assessed against the Lot shall also be a personal obligation or indebtedness of the Owner thereof at the time the Assessments are made. Suit to recover a money judgment for unpaid Assessments shall be maintainable without foreclosing or waiving the lien securing same;

(z) Owner, by acceptance of the deed to the Property, hereby expressly vests in Declarant, the Association or its agents the right and power to bring all actions against Owner personally for the collection of such charges as a debt, and to enforce the aforesaid liens by all methods available for the enforcement of such liens. No Owner may waive or otherwise escape liability for the Assessments provided herein by non-use of the Common Area or by abandonment of his Lot;

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(aa) If any Assessment remains unpaid at the expiration of thirty (30) calendar days from and after the due date established by the Declarant and/or the Board, a late charge may be assessed, if permitted by applicable law, against the Owner for each month that any portion of an Assessment remains unpaid. The late charge shall be in the amount of Twenty-Five and No/100 U.S. Dollars ($25.00) for all Class A Members. A reasonable service charge in an amount established by the Board may be charged for each check that is returned because of insufficient funds. The amounts of late charges and service charges may be adjusted, from time to time, by the Board consistent with any changes in the amounts of Regular or Special Assessments. Any such late charges and service charges shall be secured by the same lien that secures Assessments.

(bb) No Assessments shall be levied against any public street or the Common Area.

Section 4.4. Basis and Amount of Regular Maintenance Assessments.

(cc) Until and unless otherwise determined by the Declarant and/or the Board, the initial maximum Regular Assessment shall be Four Hundred Eighty and No/100 U.S. Dollars ($480.00) per Lot per year. The Regular Assessment shall be prorated for the initial Owner who is a Class A member based on the number of days remaining in the year in which such Owner purchased a Lot.

(dd) The Board may establish the maximum annual Regular Assessment for each Lot, provided that the maximum annual Regular Assessment may not be increased more than thirty percent (30%) above the maximum annual Regular Assessment for the previous year unless otherwise approved by a majority of the total votes of the Members.

Section 4.5. Special Assessments for Capital Improvements. In addition to the Regular Assessments authorized above, the Association may levy in any fiscal year a Special Assessment applicable to that year only, provided that any such Special Assessment shall have the affirmative approval of a simple majority of the total votes of the Members.

Section 4.6. Uniform Rate of Annual and Special Assessment. Both Regular and Special Assessments must be determined at a uniform rate for all Lots owned by Members of the same Class. Each Lot owned by a Class A Member shall be charged with one hundred percent (100%) of the established per Lot Assessment; each Lot owned by a Class B Member shall not be charged with any Regular or Special Assessment until the certificate of occupancy for a Residence on a Lot has been issued (and may be charged with Special Individual Assessments, as appropriate); and Lots owned by Declarant shall not be charged with any portion of any Regular or Special Assessment.

Section 4.7. Date of Commencement of Assessments and Due Dates. The Board may prescribe from time to time that the Regular Assessments are to be collected on an annual, semi-annual, quarterly or monthly basis, and accordingly, the Declarant and/or the Board shall prescribe the appropriate due dates. All Regular Assessments shall be collected in advance. The due date or dates (if it is to be paid in installments) of any other Assessments shall be fixed in the respective resolution authorizing such Assessment, including the due date of the Assessment.

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Section 4.8. Duties of the Board With Respect to Assessments.

(ee) In the event of a revision to the amount or rate of the Regular Assessment, or establishment of a Special Assessment or Special Individual Assessment, the Board shall fix the amount of the Assessment, and the applicable due dates for each Assessment, at least sixty (60) days in advance of such due date or period, and the Board shall, at that time, prepare a roster of the Lots and Assessments applicable thereto which shall be kept in the office of the Declarant and/or the Association.

(ff) Written notice of the Assessment shall thereupon be delivered or mailed to every Owner subject thereto.

(gg) The Association shall furnish to any Owner liable for any Assessment a certificate in writing in accordance with Section 207.003 of the Texas Property Code, as amended. Such certificate shall be conclusive evidence of payment of any Assessment therein stated to have been paid. A reasonable charge may be made by the Association for the issuance of such certificate.

Section 4.9. Transfer Related Fees. At the time of transfer of ownership to an Owner other than Declarant or a Builder, a fee in the amount of Three Hundred and No/100 Dollars ($300.00) will be paid to the Association, to be deposited in the Association's replacement reserve funds. The fee shall be paid by the transferee and will be collected at closing. Such reserve fund contribution is not refundable and may not be regarded as a prepayment of or credit against Regular or Special Assessments. Other independent fees may be charged in relation to the transfer of title to a Lot, including but not limited to fees for resale certificates, estoppel certificates, copies of documents, compliance inspections, ownership record changes, and priority processing, provided the fees are customary in amount, kind, and number for the local marketplace. Other 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 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.

ARTICLE V

CONSTRUCTION OF IMPROVEMENTS AND USE OF LOTS

Section 5.1. Residential Use. All Lots shall be used for single-family residential purposes only. No building shall be erected, altered, placed or permitted to remain on any Lot other than (a) one (1) detached single-family Residence per Lot, which Residence may not exceed two (2) stories in height, (b) a private garage as provided below and (c) accessory buildings such as children's playhouses, dog houses, greenhouses, gazebos and storage buildings, which may be placed on a Lot only in places which are not visible from the Street. Any storage building on a Lot (i) shall be built of the same type of materials and architecture as the Residence built on such Lot, (ii) shall not exceed one hundred fifty (150) square feet, and (iii) shall not exceed fifteen feet (15') in height.

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Section 5.2. Single-Family Use. Each Residence constructed on a Lot may be occupied by only one family consisting of persons related by blood, adoption or marriage or no more than two unrelated persons living and cooking together as a single housekeeping unit together with any household servants.

Section 5.3. Car Garage Required. Each Residence constructed on a Lot shall have a garage suitable for parking not less than two (2) nor more than three (3) standard-sized automobiles, which garage conforms in design and materials with the main structure. If the garage is built for two standard-sized vehicles, it shall have entry from the side (i.e., with a door that does not face the street). If the garage is built to hold three standard-sized vehicles, only one door for one vehicle space may face the street.

Section 5.4. Restrictions on Resubdivision. None of the Lots shall be subdivided into smaller lots.

Section 5.5. Driveways. All driveways on a Lot shall be surfaced with concrete or similar substance approved by the Committee.

Section 5.6. Uses Specifically Prohibited.

(hh) No temporary dwelling, shop, trailer or mobile home of any kind or any improvements of a temporary character shall be permitted on any Lot except that a Builder or its contractor may have temporary improvements (such as a sales office and/or construction trailer) on a given Lot during the entire time that construction activities within the Property are underway. No building material of any kind or character shall be placed or stored upon the Property until the Owner thereof is ready to commence construction of improvements, and then such material shall be placed within the property lines of the Lot upon which the improvements are to be erected.

(ii) No boat, marine craft, hovercraft, aircraft, recreational vehicle, pick-up camper, travel trailer, motor home, camper body or similar vehicle or equipment may be parked or stored in the front yard or driveway of any Lot nor parked on any Street adjacent to a Lot, nor shall any such vehicle or equipment be parked for storage in the side or rear yard of any Residence unless completely concealed from public view from the Street. No such vehicle or equipment shall be used as a residence or office temporarily or permanently. This restriction shall not apply to any vehicle, machinery or equipment temporarily parked and in use for the construction, maintenance or repair of a Residence in the immediate vicinity, or for visitors of an adjacent Residence who temporarily are staying with the Owner of such Residence.

(jj) No Owner shall permit trucks with tonnage in excess of one ton to park overnight on any Street adjacent to a Lot except those used by a Builder during the construction of improvements.

(kk) No vehicle of any size, which transports flammable or explosive cargo, may be kept on the Property or any adjoining Street at any time.

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(ll) No oil drilling, oil development operation, oil refining, quarrying or mining operations of any kind shall be permitted on the Property, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any part of the Property. No derrick or other structure designed for use in quarrying for oil or natural gas shall be erected, maintained or permitted on the Property.

(mm)No animals, livestock or poultry of any kind shall be raised, bred or kept on the Property except that dogs, cats or other household pets may be kept for the purpose of providing companionship for an Owner. Animals are not to be raised, bred or kept for commercial purposes or for food. It is the purpose of these provisions to restrict the use of the Property so that no person shall quarter on any Lot cows, horses, bees, hogs, sheep, goats, guinea fowls, ducks, chickens, turkeys, skunks or other similar animals, and no dangerous, normally wild, animals whatsoever. No more than four (4) pets will be permitted on each Lot. Pets must be restrained or confined on the Owner's backyard inside a fenced area or within such Owner's Residence or kept on a leash at all times. It is the pet owner's responsibility to keep the Property clean and free of his or her pet's debris. All pets must be properly tagged for identification. The Board shall have the right to adopt, amend, and repeal rules regulating types, sizes, and behavior of animals kept within the Property. Pets may only be kept in such a manner that does not disturb the peaceful enjoyment of other Owners.

(nn) No Lot or other part of the Property shall be used as a dumping ground for rubbish. Trash, garbage or other waste shall not be kept except in sanitary containers. All incinerators or other equipment for the storage or other disposal of such shall be kept in clean and sanitary condition. Materials incident to construction of improvements may be stored on Lots during construction so long as construction progresses without undue delay. Nothing herein shall prohibit a compost area for only vegetation on a Lot provided that same is not visible from a Street, is not more than twenty square feet in area, and is subject to rules established by the Board from time to time that do not conflict with Section 202.007 of the Texas Property Code, as amended.

(oo) No individual water supply system shall be permitted on the Property; provided, an Owner may install rain barrel(s) so long as any such rain barrels are not visible from any Street.

(pp) No individual sewage disposal systems shall be permitted on the Property.

(qq) No garage, garage house or other out-building (except for sales offices and construction trailers during the construction period) shall be occupied by any Owner, tenant or other person prior to the erection of a Residence.

(rr) No air-conditioning apparatus shall be installed on the ground in front of a Residence. No air-conditioning apparatus shall be attached to any front wall or window of a Residence. No evaporative cooler shall be installed on the front wall or window of a Residence.

(ss) No antennas or satellite dishes shall be permitted within the Property except AM or FM radio reception and UHF and VHF television reception. Only one (1) antenna may be attached to a Residence and, in all cases, no antenna of any style shall be: (a) erected as a

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freestanding structure; (b) permitted to be visible from the street adjoining the Residence, or (c) maintained on any portion of the Lot forward of the front building line; or (d) if a satellite dish, greater than 24" in diameter.

(tt) No Lot or improvement thereon shall be used for business, professional, commercial or manufacturing purposes of any kind, except that an Owner may use a home office for incidental office use. No activity, whether for profit or not, shall be conducted which is not related to single-family residential purposes. No noxious of offensive activity shall be undertaken within the Property, nor shall anything be done which is or may become an annoyance or nuisance to the neighborhood.

(uu) No fence, wall, hedge or shrub planting which obstructs sight lines at elevations between three (3) and six (6) feet above the roadway shall be placed or permitted to remain on any corner Lot in the Visibility Easement shown on the Plat. The same sight-line limitations shall apply on any Lot within ten (10) feet from the intersection of the Street right-of-way line with the edge of a private driveway pavement. No tree shall be permitted to remain within such distance of such intersections unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

(vv) Except for children's playhouses, doghouses, greenhouses, and gazebos, no building previously constructed elsewhere shall be moved onto any Lot, it being the intention that only new construction be placed and erected thereon.

(ww) Within easements on each Lot, no structures, planting or materials shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, which may change the direction of flow within drainage channels or which may obstruct or retard the flow of water through drainage channels.

(xx) No sign of any kind shall be displayed to the public view on any Lot except (i) one (1) professional sign of not more than five (5) square feet in size offering a Lot for sale or for rent, (ii) signs used by a Builder to advertise property during the construction and sales period, (iii) "spirit" signs regarding school children, and (iv) political signs not more than five (5) square feet in size advocating the election of one or more political candidates or ballot item, provided that same may not be erected more than ninety (90) days in advance of the election to which they pertain and shall be removed within ten (10) days after the election. All permitted signs shall be ground-mounted and not more than three feet (3') high. No sign of any kind or character that maligns or disparages Declarant, any Builder of a Residence within the Property, or the Property itself, or protests or complains of Declarant, any such Builder, or the Property, or the construction practices by Declarant or any such Builder, shall be displayed on any Lot or elsewhere within the Property, and any internet or electronic publication of any such complaint or protest shall be immediately removed from publication by the author thereof upon notice from Declarant. Further, no Owner may use the internet, publications or other print or broadcast media to malign or disparage the Property, the Declarant or any such Builder, it being acknowledged that any such public action creates controversy that diminishes the value of the Property and the Residences within it. Declarant or its agents shall have the right to remove any sign, billboard or other advertising structure that does not comply with the above, and in so doing shall not be subject to any liability for trespass or any other liability in

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connection with such removal. Nothing herein shall prohibit the erection of traffic directional signs or streets signs. No sign may be erected within the Common Area without the prior written consent of the Association.

(yy) The drying of clothes in view of the Street is prohibited.

(zz) Except within fireplaces in or attached to a Residence and except for outdoor grill cooking, no person shall be permitted to burn anything within the Property.

(aaa) Any retaining wall shall be maintained by the Owner of the Lot on which said wall is located.

Section 5.7. Minimum Floor Area. The total air-conditioned living area of a Residence built on a Lot, as measured to the outside of exterior walls but exclusive of open porches, garages, patios and detached accessory buildings, shall be not less than two thousand eight hundred (2,800) square feet.

Section 5.8. Building/Landscaping Materials. The exterior wall area of each Residence constructed or placed on a Lot shall be built of not less than seventy five percent (75%) brick, brick veneer, stone, stone veneer, masonry or other material reasonably acceptable to the Committee. Roofing shall be a 30 year shingle minimum. A roof shall have a minimum slope of 8:12. The front elevation of any Residence shall be entirely built of stone, brick or masonry (except for windows, dormers, and doors). All Lots shall be sodded immediately upon completion of the Residence thereon.

Section 5.9. Side Line and Front Line Setback Restrictions. No Residence shall be located on any Lot nearer to the front Lot line or nearer to the side Street line than the minimum building set back lines shown on the Plat or required by any applicable governmental authority. For the purpose of this Declaration, eaves and steps and open porches shall not be considered as a part of the building, provided, however, that this shall not be construed to permit any portion of a building on a Lot to encroach upon another Lot.

Section 5.10. Fences and Walls. Any fence or wall on a Lot must be constructed of 1' x 6'cedar wood and stained a color provided by the Committee; provided, Lots 7-12 (inclusive) on Block 2 as shown on the Plat shall have wrought iron fences in the rear of such Lots (with a wrought iron gate in the fence if the Owner so desires). No chain link fence shall be allowed. No fence or wall shall be permitted to extend on a Lot nearer to any street than forty feet (40'). No fence shall exceed six feet (6') in height. This section shall not apply to any fence maintained by the Association within the Common Area.

Section 5.11 Architectural Control Committee.

a. Appointment. Declarant shall designate and appoint an Architectural Control Committee (herein called the "Committee") composed of three (3) individuals, each generally familiar with residential and community development design matters and knowledgeable about design standards within the Property. The Committee shall use its best efforts to promote and ensure a high level of taste, design, quality, harmony and conformity throughout the Property

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consistent with this Declaration. The initial Committee shall be the initial Directors of the Association.

b. Successors. Until the end of the Development Period, in the event of the death, resignation or removal by Declarant of any member of the Committee, the Declarant shall have full authority to designate and appoint a successor. No member of the Committee shall be entitled to receive compensation for, or be liable for claims, causes of action or damages arising out of, services performed pursuant to this Declaration. After expiration of the Development Period, the Board shall appoint the Committee.

c. Authority. No building, fence, wall or other structure shall be commenced, erected, placed, maintained or altered on any Lot, nor shall any exterior painting of, exterior addition to, or alteration of, such items or the color, material or texture of any exterior of same, be made until all plans and specifications for same and a plot plan have been submitted to and approved in writing by a majority of the members of the Committee as to:

(i) quality of workmanship and materials, adequacy of site dimensions, adequacy of structural design, proper facing of main elevation with respect to the Streets;

(ii) conformity and harmony of the external design, color, type and appearance of exterior surfaces and landscaping in relation to the various parts of the proposed improvements and in relation to improvements on other Lots in the Property;

(iii) location with respect to topography and finished grade elevation and effect of location and use on Adjoining Lots, improvements and drainage arrangements; and

(iv) the other standards set forth within this Declaration (and any amendments hereto) or matters in which the Committee had been vested with the authority to render a final interpretation and decision.

In considering the harmony of external design between existing structures and the proposed building being erected, placed or altered, the Committee shall consider only the general appearance of the proposed building as that can be determined from front, rear and side elevations on submitted plans and material samples. No member of the Committee shall be liable for any decision made by the Committee in good faith. The Committee is not responsible for (a) judging the adequacy of any structural design whatsoever, (b) any errors or omissions in any plans or specifications, or (c) supervising construction of any structure.

d. Procedure for Approval. Final plans and specifications shall be submitted in duplicate by certified mail to the Committee or by hand delivery. The plans and specifications shall show the nature, kind, shape, height, materials and location of all landscaping and improvements. The documents shall specify any requested variance from the setback lines, garage location or any other requirement set forth in this Declaration. The Committee is authorized to request the submission of samples of proposed construction materials. At such time as the plans and specifications meet the approval of the Committee, one complete set of plans and specifications will be retained by the Committee and the other complete set of plans shall be marked "Approved", signed by a member of the Committee and returned to the Owner or his designated

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representative. No verbal approval by any member of the Committee shall be binding on the Committee. If disapproved by the Committee, one set of such plans and specifications shall be returned marked "Disapproved" and shall be accompanied by a reasonable statement of the reasons for disapproval, which statement shall be signed by a member of the Committee. Any modification of the approved set of plans and specifications must again be submitted to the Committee for its approval. The Committee's approval or disapproval, as required herein, shall be in writing. If the Committee fails to approve or disapprove such plans and specifications within thirty (30) days after the date of request by an Owner or his designated representative, written approval of the matters submitted shall not be required and compliance with this Article shall be deemed to have been completed. In case of a dispute about whether the Committee responded within such time period, the person submitting the plan shall have the burden of establishing when and if the Committee received the plans. The Committee may approve plans and specs for all the houses proposed to be built by a Builder at one time (Master Plans) and that Builder may submit changes to the Master Plans for specific approval from time to time. Approval of plans by any governmental authority shall not obviate the need to obtain the approval by the Committee hereunder.

e. Standards. The Committee shall have sole discretion with respect to taste, design and all standards specified herein. One objective of the Committee is to prevent unusual, radical, curious, odd, bizarre, peculiar or irregular designs or appearances from being built in the Property. Another objective of the Committee is to prevent the same elevation of a Residence from occurring too frequently; therefore, the same elevation may not be used more than every fourth house on the same block of the Plat. The Committee shall also have the authority to specify that chimney flues be covered with brick or masonry or wood, to prohibit the use of light-weight composition roof material, to require that the colors of roofing materials be earth tones, to require the use of painted anodized aluminum or vinyl clad wood windows, and generally to require that any plans meet the standards of the existing improvements on Adjoining Lots. The Committee may from time to time publish and promulgate bulletins regarding architectural standards, which shall be fair, reasonable and uniformly applied and shall carry forward the spirit and intention of this Declaration.

ARTICLE VI

GENERAL PROVISIONS

Section 6.1. Registration with the Association. Each and every Owner shall have an affirmative duty and obligation to provide, within fifteen (15) days after such Owner acquires one or more Lots, and thereafter revise and update, within fifteen (15) days after a material change has occurred, various items of information to the Association such as: (a) the full name, address and email address of the Owner; (b) the full name of each individual family member who resides within the Residence of the Owner; (c) the business address, occupation and telephone numbers of each Owner; (d) the description and license plate number of each automobile owned or used by Owner and brought within the Property; and (e) such other information as may be reasonably requested from time to time by the Association.

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Section 6.2. Activation. At or before the earlier of the expiration of the Development Period, or the election of a Board of Directors by the Members other than the Class C Member, Declarant shall transfer control to the Association over any utilities related to the Common Area.

Section 6.3. Easements. Easements areas for the installation and maintenance of utilities and drainage facilities are reserved as shown on the Plat. Easements are also reserved for the installation, operation, maintenance and ownership of utility service lines from the property lines to the Residences. Declarant reserves the right to make changes in and additions to the above easements for the purpose of most efficiently and economically installing improvements.

Section 6.4. Recorded Plat. All dedications, limitations, restrictions and reservations shown on the Plat are incorporated herein and shall be construed as being adopted in each contract, deed or conveyance executed or to be executed by Declarant, conveying Lots in the Property, whether specifically referred to therein or not.

Section 6.5. Lot Maintenance. The Owner and occupant of each Lot shall maintain the yard on his Lot in a sanitary and attractive manner and shall edge the street curbs that run along the property line. Grass, weeds and vegetation on each Lot must be kept mowed at regular intervals so as to maintain the property in a neat and attractive manner. No vegetables shall be grown in any yard that faces a street. No Owners shall permit weeds or grass to grow to a height of greater than six inches (6") upon his Lot. In addition, each Owner shall maintain the area between his Lot and the adjoining Street in a neat and attractive manner. Notwithstanding the foregoing, no Owner shall be required to maintain the landscaping or brick wall located within the Common Area.

Section 6.6. Maintenance of Improvements. Subject to the provisions contained herein, each Owner shall maintain the exterior of all buildings, fences, walls and other improvements on his Lot in good condition and repair, and shall replace worn and rotten parts, and shall regularly repaint all painted surfaces and shall not permit the roofs, rain gutters, down spouts, exterior walls, windows, doors, walks, driveways, parking areas or other exterior portions of the improvements to deteriorate in an unattractive manner.

Section 6.7. Mortgages. No breach of the covenants, conditions and restrictions contained herein shall in any way defeat or render invalid the lien of any mortgage or deed of trust. These covenants, conditions and restrictions shall survive any foreclosure, trustee's sale or otherwise, and be binding upon any person acquiring any Lot by reason of any foreclosure, trustee's sale or otherwise. With respect to any First Mortgagee of which the Association has received written notice, the Association shall, in the event of any breach hereof by the Owner of the property covered by such lien, give such mortgagee or holder written notice of the breach and thirty (30) days time to cure. In dealing with the Association, a First Mortgagee may be represented by a servicer or agent. An action to terminate this Declaration must be approved by the First Mortgagees holding mortgages on two-thirds of the Lots. A First Mortgagee may inspect the books and records of the Association upon written notice to the Association. A First Mortgagee may prepare an audited financial statement of the Association's books and records at its own expense. If this Declaration or applicable law ever requires the consent of mortgagees for an act, amendment or other decision, then the approval of a mortgagee shall be conclusively presumed if

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the mortgagee fails to respond within sixty (60) days after receiving the Association's written request for approval.

Section 6.8. Development Period. During the Development Period, Declarant reserves all rights and privileges described in section 209.002 (4-a) of the Texas Property Code, including, specifically, the right to:

a. add or withdraw real estate from the purview of this Declaration and the Association;

b. amend the Declaration acting alone;

c. appoint the Board of Directors;

d. appoint the members of the Committee;

e. use one or more Lots for model home(s), and consent to the use of Lots by other Builders as model home(s), which may include offices and storage areas;

f. install, and permit Builders to install, signs, banners, flags, lighting, decorative items and other promotional items on the Lots and to have and sponsor marketing events at the Lots;

g. change Lot size or configuration and revise any plat of any Lots;

h. resolve any conflicts within this Declaration or between this Declaration and any other documents attached hereto.

All decisions regarding any of the foregoing may be made by Declarant at its discretion.

Declarant may voluntarily terminate the Development Period at any time by signing and acknowledging a notice so stating that is recorded in the Real Property Records of the County. The Development Period shall continue even if Declarant no longer owns any portion of the Property.

Section 6.9. Term. The foregoing covenants and restrictions shall run with and bind the land and shall remain in full force and effect for a term of twenty (20) years after this Declaration is recorded. They shall be automatically extended for successive periods of ten (10) years unless terminated by an instrument approved by a majority of the votes of the Owners in writing and recorded in the deed records of the county where the Property is situated.

Section 6.10. Severability. If any condition, covenant or restriction herein contained shall be invalid, which invalidity shall not be presumed until the same is determined by the judgment or order of a court of competent jurisdiction, such invalidity shall in no way affect any other condition, covenant or restriction, each of which shall remain in full force and effect.

Section 6.11. Binding Effect. Each of the conditions, covenants, restrictions and agreements herein contained is made for the mutual benefit of, and is binding upon, each and every person acquiring any part of the Property, it being understood that such conditions,

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covenants, restrictions and agreements are not for the benefit of the owner of any land except land in the Property. This instrument, when executed, shall be filed of record in the deed records of the Tarrant County, Texas, so that each and every Owner is on notice of the conditions, covenants, restrictions and agreements herein contained.

Section 6.12. Enforcement. The Owner of any Lot shall have the right to have each and all of the foregoing restrictions, conditions and covenants faithfully carried out and imposed upon every other Lot. So long as the Association shall remain in existence, each Owner grants to the Association the right to enforce the performance of all terms and conditions in this Declaration, by injunction or other appropriate remedy, at law or in equity. Should the Association or any Owner employ counsel to enforce or defend any of the restrictions, conditions and covenants herein contained, the prevailing party in any litigation shall be entitled to receive from the losing party all costs incurred in such enforcement or defense, including reasonable attorneys' fees. Failure by the Association, or any Owner, including Declarant, to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. Any decision to enforce this Declaration by the Board shall be at the Board's discretion, it being acknowledged that the Board may choose not to pursue enforcement for any of a variety of reasons, including, but not limited to, lack of materiality of the violation, the cost of enforcement, inconsistency with applicable law, etc. If an Owner fails to maintain his Lot in accordance with Sections 6.5 and 6.6, then the Association may do so and the costs thereof shall be a Special Individual Assessment.

Section 6.13. Other Authorities. If other authorities, such as Tarrant County or North Richland Hills, impose more demanding, expensive or restrictive requirements than those set forth herein, the requirements of such authorities shall be complied with. Said authorities' imposition of lesser requirements than those set forth herein shall not supersede or diminish the requirements herein.

Section 6.14. Addresses. Any notices or correspondence to an Owner shall be sent to the street address of the Lot or email address of the Owner. Any notice or correspondence to the Association or Committee shall be addressed to the address shown beneath the signature of Declarant below or to such other address as is specified by the Association or Committee pursuant to an instrument recorded in the Real Property Records of the County.

Section 6.15. Amendments. This Declaration may be amended or changed by the Declarant acting alone for any purpose until the end of the Development Period. Thereafter, this Declaration may be amended and/or changed in whole or in part with the consent of sixty-seven percent (67%) or more of the outstanding votes of the Association. For any such amendment by the Owners, the Board shall prescribe a method for soliciting votes of the Owners that gives each Owner the exact wording of the proposed amendment and the opportunity to vote for or against same. If the proposed amendment is passed, then a written document describing this Declaration, the amendment, and referencing the Property shall be signed and acknowledged by an officer of the Association and duly recorded in the real property records of the County.

Section 6.16. Assignment. Declarant may assign its rights and obligations under this Declaration to any party which assumes such rights and obligations in writing. To be effective,

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such an assignment must be signed by Declarant and such assignee, with signatures acknowledged, and recorded in the real property records of the Tarrant County, Texas.

Section 6.17 Statute Reference. Any reference to any statute in this Declaration shall be to the statute so named, as same may be subsequently amended and/or restated.

Section 6.18 Soil Movement. Each Owner acknowledges that the failure or excessive movement of any foundation of any Residence within the Property can result in the diminished value and desirability of the entire Property. Each Owner agrees and understands that the maintenance of the moisture content and the soils on each Lot is necessary to preserve the structural integrity of each Residence built within the Property. Each Owner also acknowledges that the long-term value and desirability of the Property is contingent upon each Owner maintaining its Residence so that no structural failure or excessive soil movement occurs within such Owner's Lot.

EACH OWNER IS HEREBY NOTIFIED THAT THE SOIL COMPOSITION IN NORTH TEXAS IN GENERAL AND THE PROPERTY IN PARTICULAR AND THE CONDITION OF THE LOTS MAY RESULT IN THE SWELLING AND/OR CONTRACTION OF THE SOIL IN AND AROUND THE LOT IF THE OWNER OF THE LOT DOES NOT EXERCISE THE PROPER CARE AND MAINTENANCE OF THE SOIL NECESSARY TO PREVENT SOIL MOVEMENT.

If the Owner fails to exercise the necessary precautions, then damage, settlement, movement or upheaval to the foundation and structural failure may occur. Owners are highly encouraged to install and maintain proper irrigation around their Residence or take such other measures to ensure even, proportional, and prudent watering around the foundation of their Residence.

By each Owner's acceptance of a deed to any Lot, each Owner, on behalf of itself and its representatives, successors and assigns, hereby acknowledges that Declarant and any Builder in the Property shall not be liable for, and Owner shall assume all risk and consequences of, any damage, settlement, movement or upheaval to the foundation, structural failure, or any damage to any other part of their Residence caused by such Owner's failure to exercise proper care and maintenance of the soil necessary to prevent soil movement, and hereby releases and forever discharges, all Builders of Residences within the Property and Declarant and their respective shareholders, members, officers, directors, partners, employees, agents, representatives, affiliates, attorneys, successors and assigns, of and from any and all claim for the relief and causes of actions, liabilities, damages and claims whatsoever, known or unknown, direct or indirect, arising from or relating to Owner's failure to exercise proper care and maintenance of the soil required to prevent soil movement, including but not limited to, any damage caused by or related in any fashion to the failure or improper or uneven watering of the Lot, planting of improper vegetation near the foundation or any action by any Owner that affects the drainage of any Lot.

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EXECUTED AS OF THE 30 DAY OF AUGUST, 2019.

DECLARANT:

LE CHATEAU HOMES LLC
By: Silver Bay Group, LLC
Its: Manager

By: _____
Michael Nawar
Its: Manager

Address: 1000 N. Beltline Road, Suite 204,
Irving, TX 75061

STATE OF TEXAS §
§
COUNTY OF DALLAS §

THIS INSTRUMENT was acknowledged before me on August 30, 2019, by Michael Nawar, Manager of Silver Bay Group, LLC, a Texas limited liability company, Manager of Le Chateau Homes LLC, a Texas limited liability company, on behalf of said company.

_____
Notary Public, State of Texas

DEBBIE CROWSON
Notary Public, State of Texas
Comm. Expires 01-31-2020
Notary ID 2213919

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CONSENT AND APPROVAL OF OTHER BUILDER

The undersigned, **C & D Real Estate Holdings, LLC, a Texas limited liability company,** identified in this Declaration as the Other Builder, is the owner of the Other Builder Lots as described in **Exhibit A** of this Declaration, and joins in the execution of this Declaration for the purposes of evidencing its consent to the imposition and encumbrance of the terms, conditions and provisions of the Declaration against the Other Builder Lots.

OTHER BUILDER:
C&D Real Estate Holdings, LLC,
a Texas limited liability company

By: _____
Name: Kelly P. Cavender
Title: Managing Member

STATE OF TEXAS §
§
COUNTY OF Tarrant §

THIS INSTRUMENT was acknowledged before me on August 3, 2019, by Kelly P. Cavender, Managing Member of C&D Real Estate Holdings, LLC, a Texas limited liability company, on behalf of said company.

Sept

_____
Notary Public, State of Texas

DEBBIE CROWSON
Notary Public, State of Texas
Comm. Expires 01-31-2020
Notary ID 2213919

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EXHIBIT A

(Legal Description of the Property)

All the real property subject to and described in that certain Final Plat of Smith Farm Addition, a plat recorded as Instrument No. D217125359, Real Property Records, Tarrant County, Texas.

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Exhibit B
(Certificates of Formation)

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CERTIFICATE OF FORMATION
OF
SMITH FARM HOMEOWNERS ASSOCIATION, INC.

The undersigned, being over the age of 18 years, acting as incorporator of the corporation under Chapter 22 of the Texas Business Organizations Code (the "Act"), hereby adopts the following Certificate of Formation for such corporation. All terms as used herein, such as (but not by way of limitation) "Owner," "Declarant," and "Member", shall have the same meanings as set forth in the Declaration (as hereinafter defined) unless otherwise specified and defined herein.

ARTICLE ONE

The name of the corporation is SMITH FARM HOMEOWNERS ASSOCIATION, INC. (hereinafter referred to as the "Association").

ARTICLE TWO

The Association is a non-profit corporation.

ARTICLE THREE

The period of its duration shall be perpetual.

ARTICLE FOUR

The Association is organized pursuant to the Act and does not contemplate pecuniary gain or profit to the members thereof and is organized for non-profit purposes. The purposes for which the Association is formed are to provide for the maintenance and management of the real estate development known as "Smith Farm Addition" located in Tarrant County, Texas, more fully described in that certain Declaration of Covenants, Conditions and Restrictions for Smith Farm Addition, as same may be amended from time to time (the "Declaration"), and to promote the health, safety and welfare of the Owners. Without limiting the foregoing, the powers of the Association shall include, without limitation, the following:

(a) all powers conferred on nonprofit corporations by the laws of the State of Texas;

(b) all rights and powers conferred upon homeowners associations by the laws of the State of Texas, including the Act, in effect from time to time;

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(c) all powers necessary, appropriate or advisable to perform any purpose or duty of the Association set forth in the Declaration and the Bylaws of the Association.

ARTICLE FIVE

Every Owner of a Lot shall be a Member of the Association. Membership shall be appurtenant to and shall not be separated from ownership of a Lot.

ARTICLE SIX

The street address of the initial registered office of the Association is 1000 N. Beltline Road, Suite 204, Irving, TX 75061, and the name of its initial registered agent at such address is Mike Nawar.

ARTICLE SEVEN

Except as mandated by the terms of the Declaration, the Members of the Association shall elect the Board of Directors of the Association (the "Board"), and the Board shall, by majority rule, conduct all of the business of the Association, except when votes of the Members are required pursuant to the Act, the Declaration, or the Bylaws of the Association. Votes shall be as apportioned in the Declaration. The number of Directors constituting the initial Board is three (3), and the names and addresses of the persons who are to serve as the initial Board are:

Name:	Address:
Mike Nawar	1000 N. Beltline Road, Ste 204 Irving, TX 75061
Daniel Nawar	1000 N. Beltline Road, Ste 204 Irving, TX 75061
Wagieh Farrag	1000 N. Beltline Road, Ste 204 Irving, TX 75061

ARTICLE EIGHT

The name and street address of the incorporator is:

Mike Nawar	1000 N. Beltline Road, Ste 204 Irving, TX 75061

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ARTICLE NINE

No Director, Officer, representative, employee, or Member of the Association shall be personally liable to the Association, any Member, or any other person, for the debts or liabilities of the Association. No Director or Officer of the Association shall be liable for any act or omission or mistake in judgment by a Director or Officer, unless, in conjunction n therewith, such Director or Officer commits or consummates (1) a breach of his duty of loyalty to the Association, (2) an act or omission in bad faith or which involves intentional misconduct or a knowing violation of the law, (3) a transaction from which a Director or Officer received an improper benefit, whether or not the benefit resulted from an action taken within the scope of the Director's or Officer's office, or (4) an act or omission for which the liability of a Director is expressly provided for by statute. Neither the amendment nor repeal of this Article shall eliminate or reduce the effect of this Article in respect of any matter occurring, or any cause of action, suit or claim that, but for this Article, would accrue or arise, prior to such amendment or repeal. If the Act or any other law of the State of Texas is hereafter amended to authorize corporate action eliminating or limiting the personal liability of directors or officers, then the liability of a Director or Officer hereunder shall be eliminated or limited to the fullest extent permitted by the Act, as so amended from time to time. This liability of Directors and Officers shall, to the fullest extent permitted by law, be limited by the Charitable Immunity and Liability Act of 1987, Chapter 84, of the Texas Civil Practice and Remedies Code.

ARTICLE TEN

Without limiting the anything in the prior Article, the following shall apply:

(a) The Association shall indemnify, to the extent provided in the following paragraphs, any person who is or was a Director, Officer, agent or employee of the Association. In the event the provisions of indemnification set forth below are more restrictive than the provisions of indemnification allowed by Chapter 8 of the Act, then such persons named above shall be indemnified to the full extent permitted by Chapter 8 of the Act as it may exist from time to time.

(b) In case of a threatened or pending suit, action or proceeding (whether civil, criminal, administrative or investigative) against a person named in paragraph (a) above by reason of such person's holding a position named in such paragraph (a), the Association shall indemnify such person if such person satisfies the standard contained in paragraph (c) below, for amounts actually and reasonably incurred by such person in connection with the defense or settlement of the suit as expenses (including court costs and attorneys' fees), amounts paid in settlement, judgments, penalties (including excise and similar taxes), and fines.

(c) A person named in paragraph (a) above will be indemnified only if it

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is determined in accordance with paragraph (d) below that such person:

(i) acted in good faith in the transaction which is the subject of the suit; and

(ii) reasonably believed:

(A) if acting in his or her official capacity as director, officer, agent or employee of the Association, that his or her conduct was in the best interests of the Association; and

(B) in all other cases, that his or her conduct was not opposed to the best interests of the Association; and

(iii) in the case of any criminal proceeding, had no reasonable cause to believe that his or her conduct was unlawful.

The termination of a proceeding by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, will not, of itself, create a presumption that such person failed to satisfy the standard contained in this paragraph (c).

(d) A determination that the standard in paragraph (c) above has been satisfied must be made:

(i) by a majority vote of a quorum consisting of Directors who at the time of the vote are not named defendants or respondents in the proceeding; or

(ii) if such quorum cannot be obtained, by a majority vote of a committee of the Board, designated to act in the matter by a majority vote of all Directors, consisting solely of two (2) or more Directors who at the time of the vote are not named defendants or respondents in the proceeding; or

(iii) by special legal counsel selected by the Board or a committee of the Board by vote as set forth in subparagraphs (i) or (ii) above, or, if such quorum cannot be obtained and such a committee cannot be established, by a majority vote of all Directors.

(e) Determination as to reasonableness of expenses must be made in the same manner as the determination that indemnification is permissible, except that if the determination that indemnification is permissible is made by special legal counsel, determination as to reasonableness of expenses must be made in the manner specified by subparagraph (d)(iii) above for the selection of special legal counsel.

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(f) The Association may reimburse or pay in advance any reasonable expenses (including court costs and attorneys' fees) which may become subject to indemnification under paragraphs (a) through (e) above, but only in accordance with the provisions as stated in paragraph (d) above, and only after the person to receive the payment (i) signs a written affirmation of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification under paragraph (c), and (ii) undertakes in writing to repay such advances if it is ultimately determined that such person is not entitled to indemnification by the Association. The written undertaking required by this paragraph must be an unlimited general obligation of the person but need not be secured. It may be accepted without reference to financial ability to make repayment.

(g) The indemnification provided by paragraphs (a) through (e) above will not be exclusive of any other rights to which a person may be entitled to by law, bylaws, agreement, vote of Members or disinterested Directors, or otherwise.

(h) The indemnification and advance payment provided by paragraphs (a) through (f) above will continue as to a person who has ceased to hold a position named in paragraph (a) above and will inure to such person's heirs, executors and administrators.

(i) The Association may purchase and maintain insurance on behalf of any person who holds or has held any position named in paragraph (a) above against any liability incurred by such person in any such position, or arising out of such person's status as such, whether or not the Association would have power to indemnify such person against such liability under paragraphs (a) through (f) above.

(j) Indemnification payments and advance payments made under paragraphs (a) through (i) above are to be reported in writing to the Members of the Association in the next notice or waiver of notice of annual meeting, or within twelve (12) months after the payments are made, whichever is sooner.

(k) All liability, loss, damage, cost and expense incurred or suffered by the Association by reason of or arising out of, or in connection with, the foregoing indemnification provisions shall be treated and handled by the Association as an expense subject to special assessment.

ARTICLE ELEVEN

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of the Members. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be applied and distributed in accordance with the provisions of Section 22.304 of the Act.

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ARTICLE TWELVE

The management and affairs of the Association shall be vested in the Board of Directors, except for those matters expressly reserved to others in the Declaration or the Bylaws.

ARTICLE THIRTEEN

An action approved by unanimous written consent of the Board of Directors has the effect of an approval by a unanimous vote of the Directors at a meeting. An action approved by the Members having at least the minimum number of votes that would be necessary to take the action at a meeting, may be taken via a written consent in accordance with the Bylaws and the Act.

IN WITNESS WHEREOF, the undersigned incorporator has executed this Certificate of Incorporation this 30 day of Sept Aug 2018.

Name: Mike Nawar

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Exhibit C
(Bylaws of the Association)

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BYLAWS
OF
SMITH FARM HOMEOWNERS ASSOCIATION, INC.

Article I

Name, Principal Office, and Definitions

1.1 Name. The name of the Association is Smith Farm Homeowners Association, Inc. (hereinafter sometimes referred to as the "**Association**").

1.2 Principal Office. The principal office of the Association shall be in the State of Texas. The Association may have such other offices, either within or outside the State of Texas, as the Board of Directors may determine or as the affairs of the Association may require.

1.3 Definitions. Capitalized terms used in these Bylaws shall have the same meaning as set forth in that Declaration of Covenants, Conditions, and Restrictions for Smith Farm Addition filed or to be filed in the Public Real Estate Records of Tarrant County, Texas (said Declaration, as amended, renewed, or extended from time to time, is hereinafter sometimes referred to as the "**Declaration**"). All other words used in these Bylaws shall be given their normal, commonly understood definitions unless the context indicates otherwise.

Article II

Association: Members, Meetings, Quorum, Voting, Proxies

2.1 Members. The Association shall have three classes of Members: Class A, Class B, and Class C (all herein, the "**Members**") as more fully set forth in the Declaration, the terms of which are incorporated herein by reference. Pursuant to section 4.6 of the Declaration, Class A Members shall pay 100% of the established per Lot Regular and Special Assessment, and Class B Members shall pay Regular and Special Assessments from and after the issuance of a certificate of occupancy for a Residence on a Lot owned by the Class B Member, and the Class C shall not pay any Regular or Special Assessment for Lots owned by it. Pursuant to section 1.2 of the Declaration, each class of Members has certain voting rights.

2.2 Place of Meetings. Meetings of the Members shall be held at the principal office of the Association or at such other suitable place convenient to the Members as may be designated by the Board of Directors either within the Property or convenient thereto.

2.3 Annual Meetings. The first meeting of the Members, whether a regular or special meeting, shall be held within one year from the date of incorporation of the Association. Subsequent regular annual meetings shall be set by the Board so as to occur during the first quarter of the Association's fiscal year on a date and at a time set by the Board of Directors. Annual meetings during the Development Period may be for informational purposes only.

2.4 Special Meetings. The President may call special meetings. In addition, it shall be the duty of the President to call a special meeting if so directed by resolution of the Board or

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upon a petition signed by Members representing at least twenty-five percent (25%) of the total Class "A" votes of the Association plus the written consent of the Declarant, if such special meeting is to be held during the Development Period.

2.5 Notice of Meetings. Written or printed notice stating the place, day, and hour of any meeting of the Members shall be delivered, either personally or by mail or by email, to each Member entitled to vote at such meeting, not less than ten (10) nor more than sixty (60) days before the date of such meeting, by or at the direction of the President or the Secretary or the officers or persons calling the meeting.

In the case of a special meeting or when otherwise required by statute or these Bylaws, the purpose or purposes for which the meeting is called shall be stated in the notice. No business shall be transacted at a special meeting except as stated in the notice.

If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Member at his address as it appears on the records of the Association, with postage prepaid.

2.6 Waiver of Notice. Waiver of notice of a meeting of the Members shall be deemed the equivalent of proper notice. Any Member may, in writing, waive notice of any meeting of the Members, either before or after such meeting. Attendance at a meeting by a Member shall be deemed waiver by such Member of notice of the time, date, and place thereof, unless such Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting also shall be deemed waiver of notice of all business transacted unless an objection on the basis of lack of proper notice is raised before the business is put to a vote.

2.7 Adjournment of Meetings. If any meeting of the Association cannot be held because a quorum is not present, a majority of the Members who are present at such meeting may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the time the original meeting was called. At the reconvened meeting, if a quorum is present, any business may be transacted which might have been transacted at the meeting originally called. If a time and place for reconvening the meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for reconvening the meeting after adjournment, notice of the time and place for reconvening the meeting shall be given to Members in the manner prescribed for regular meetings.

The Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum.

2.8 Voting. The voting rights of the Members shall be as set forth in the Declaration, and such voting rights provisions are specifically incorporated herein by reference. Voting shall be by written ballot and each Member shall sign his or her own ballot, unless applicable law provides otherwise. At any meeting of the Members at which a quorum is present, the act of the Members shall be the action approved by the affirmative vote of a majority of the Members in attendance at the time the vote is taken, except as otherwise provided herein.

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2.9 Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing, signed by the Owner or his duly authorized attorney-in-fact, dated and filed with the Secretary of the Association at or prior to any meeting for which it is to be effective. Every proxy shall be revocable and shall automatically cease upon conveyance by the Owner of such Owner's Lot, or upon receipt of notice by the Secretary of the death or judicially declared incompetence of the Member, or of written revocation, or upon the expiration of eleven (11) months from the date of the proxy, unless otherwise provided in the proxy.

2.10 Majority. As used in these Bylaws, the term "majority" shall mean those votes, Owners, or other group as the context may indicate, totaling more than fifty percent (50%) of the total number.

2.11 Quorum. Except as otherwise provided in these Bylaws or in the Declaration, the presence of Members representing ten percent (10%) of the total votes in the Association plus the Class C Member, if during the Development Period, shall constitute a quorum at all meetings of the Association; provided, if a quorum is not present at any meeting when initially called, then the meeting may be adjourned and reconvened within thirty (30) days after the date originally called and the quorum requirement upon such reconvening shall be reduced to five percent (5%) of the total votes of the Association, plus the Class C Member, if during the Development Period.

2.12 Conduct of Meetings. The President shall preside over all meetings of the Association, unless the President is unable to do so, in which case the Vice President shall do so, and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions occurring at the meeting.

2.13 Action Without a Meeting. Any action required or permitted by law to be taken at a meeting of the Members may be taken without a meeting, without prior notice and without a vote if written consent specifically authorizing the proposed action is signed by Members holding at least the minimum number of votes necessary to authorize such action at a meeting if all Members entitled to vote thereon were present. Such consents shall be signed within sixty (60) days after receipt of the earliest dated consent, dated and delivered to the Association at its principal place of business in the State of Texas. Such consents shall be filed with the minutes of the Association, and shall have the same force and effect as a unanimous vote of the Members.

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Article III

Board of Directors: Number, Powers, Meetings

A. Composition and Selection.

3.1 Governing Body; Composition. The affairs of the Association shall be governed by a Board of Directors, each of whom shall have one equal vote. Except with respect to Directors appointed by the Declarant, the Directors shall be Members or spouses of Members,

except that no person and his or her spouse may serve on the Board at the same time. The foregoing limitations shall not apply to Directors appointed by the Declarant. In the case of a Member which is not a natural person, any officer, director, partner, employee or trust officer of such Member or of the general partner of such Member shall be eligible to serve as a Director unless otherwise specified by written notice to the Association signed by such Member; provided, no Member other than the Declarant may have more than one such representative on the Board at a time, regardless of the number of Lots owned by such Members.

3.2 Number of Directors. The Board of Directors shall initially consist of three (3) people; at the first annual meeting following the termination of the Development Period, the number of Directors shall be increased to five (5). The initial Board shall consist of those persons identified in the Certificate (the "Certificate").

3.3 Directors During Development Period. Subject to the provisions of Section 3.5 below, the Directors shall be selected by the Declarant acting in its sole discretion and shall serve at the pleasure of the Declarant until the termination of the Development Period.

3.4 Nomination of Directors. Nominations shall be taken from the floor of a Members' meeting. All candidates shall have a reasonable opportunity to communicate their qualifications to the Members and to solicit votes.

3.5 Election and Term of Office. Notwithstanding any other provision of these Bylaws:

(a) At the first annual meeting of the Members after the termination of the Development Period, or earlier upon the written notice of the Declarant, and at each annual meeting thereafter, the Directors shall be selected as follows: all five (5) Directors shall be elected by all Members voting without regard to class of Members, with each Member entitled to cast one vote per Lot owned for the number of Directors who are running, and the five nominees with the highest total shall be elected. Each Director shall be elected for a term that expires at the next annual meeting.

(b) Notwithstanding anything to the contrary herein, on or before the 120th day after the date seventy-five percent (75%) of the Lots that may be created and made subject to the Declaration have been conveyed to third parties other than Declarant or Builders, at least one-third of the Directors of the Association shall be elected by Owners other than Declarant.

(c) There shall be no cumulative voting. The candidates receiving the most votes shall be elected. The Directors elected by the Members shall hold office until their respective successors have been elected. Directors may be elected to serve any number of consecutive terms.

3.6 Removal of Directors and Vacancies. Any Director elected by the Members may be removed, with or without cause, by the vote of a majority of the votes entitled to be cast for election of Directors. Any Director whose removal is sought shall be given notice prior to any meeting called for that purpose. Upon removal of a Director, a successor shall be elected by the

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Members in the same manner provided in Section 3.5 to fill the vacancy for the remainder of the term of such Director.

Any Director elected by the Members who has three consecutive unexcused absences from Board meetings, or who is more than thirty (30) days delinquent in the payment of any assessment or other charge due the Association, may be removed by a majority of the Directors present at a regular or special meeting at which a quorum is present, and a successor may be appointed by the Board to fill the vacancy for the remainder of the term. In the event of the death, disability, or resignation of a Director, the Board may declare a vacancy and appoint a successor to fill the vacancy until the next annual meeting, at which time the Members shall elect a successor for the remainder of the term.

This Section shall not apply to Directors appointed by the Class C Member nor to any Director serving as a representative of the Class C Member. The Class C Member shall be entitled to appoint the Directors during the Development Period and to fill any vacancy on the Board resulting from the discharge, death, disability or resignation of a Director serving during the Development Period, except as required by section 209.00591 of the Texas Property Code or other applicable law. Notwithstanding anything to the contrary herein, the Class C Member may waive its right to appoint Directors at any time by written waiver.

B. Meetings.

3.7 Organizational Meetings. The first meeting of the Board of Directors following each annual meeting of the Members shall be held within twenty (20) days thereafter at such time and place as the Board shall fix.

3.8 Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as a majority of the Directors shall determine, but at least one (1) such meeting shall be held during each fiscal year. Notice of the time and place of the meeting shall be communicated to Directors not less than seven days prior to the meeting; provided, however, notice of a meeting need not be given to any Director who has signed a waiver of notice or a written consent to holding of the meeting.

3.9 Special Meetings. Special meetings of the Board of Directors shall be held when called by written notice signed by the President or by any three Directors. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be given to each Director by: (a) personal delivery; (b) first class mail, postage prepaid; (c) telephone communication, either directly to the Director or to a person at the Director's office or home who would reasonably be expected to communicate such notice promptly to the Director; or (d) telecommunication, including facsimile, charges prepaid, with written confirmation of receipt; or (e) email. All such notices shall be given at the Director's telephone number or sent to the Director's address as shown on the records of the Association. Notices sent by first class mail shall be deposited into a United States mailbox at least seven business days before the time set for the meeting. Notices given by personal delivery, telephone, or telecommunication shall be delivered, telephoned, or given to the telegraph company at least seventy-two (72) hours before the time set for the meeting.

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3.10 Waiver of Notice. The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present, and (b) either before or after the meeting each of the Directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting also shall be deemed given to any Director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

3.11 Quorum of Board of Directors. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the votes of a majority of the Directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors, unless otherwise specifically provided in these Bylaws or the Declaration. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Directors, if any action taken is approved by at least a majority of the required quorum for that meeting. If any meeting of the Board cannot be held because a quorum is not present, a majority of the Directors present at such meeting may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the date of the original meeting. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

3.12 Compensation. No Director shall receive any compensation from the Association for acting as such. Any Director may be reimbursed for expenses incurred on behalf of the Association upon approval of a majority of the other Directors. Nothing herein shall prohibit the Association from compensating a Director, or any entity with which a Director is affiliated, for services or supplies furnished to the Association in a capacity other than as a Director pursuant to a contract or agreement with the Association, provided that such Director's interest was made known to the Board prior to entering into such contract and such contract was approved by a majority of the Board of Directors, excluding the interested Director.

3.13 Conduct of Meetings. The President shall preside over all meetings of the Board of Directors, and the Secretary shall keep a minute book of meetings of the Board of Directors, recording all resolutions adopted by the Board of Directors and all transactions and proceedings occurring at such meetings.

3.14 Open Meetings. Subject to the provisions of Section 3.15, all meetings of the Board shall be open to all Members, but no Member other than Directors may participate in any discussion or deliberation unless permission to speak is requested on his or her behalf by a Director and granted by the Board. In such case, the President may limit the time any Member may speak. Notwithstanding the above, the President may adjourn any meeting of the Board of Directors and reconvene in executive session, excluding Members, to discuss matters described in Section 209.0051(c) of the Texas Property Code. This section does not apply to any Board meeting occurring during the Development Period (as defined in the Declaration) unless and to the extent required by section 209.0051(i) of the Texas Property Code.

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3.15 Action Without a Formal Meeting. Any action to be taken at a meeting of the Directors or any action that may be taken at a meeting of the Directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors, and such consent shall have the same force and effect as a unanimous vote, provided that Section 209.0051(h) of the Texas Property Code is complied with.

C. Powers and Duties.

3.16 Powers. The Board of Directors shall have all of the powers and duties necessary for the administration of the Association's affairs and for performing all responsibilities and exercising all rights of the Association as set forth in the Declaration, these Bylaws, the Certificate, and as provided by law. The Board may do or cause to be done all acts and things as are not directed to be done and exercised exclusively by the Members generally by the Declaration, Certificate, these Bylaws, or Texas law.

3.17 Management. The Board of Directors may employ for the Association a professional management agent or agents at such compensation as the Board may establish, to perform such duties and services as the Board shall authorize. The Board of Directors may delegate such powers as are necessary to perform the manager's assigned duties, but shall not delegate policymaking authority. The Declarant, or an affiliate of the Declarant, may be employed as managing agent or manager.

The Board of Directors may delegate to one of its members the authority to act on behalf of the Board of Directors on all matters relating to the duties of the managing agent or manager, if any, which might arise between meetings of the Board of Directors.

The Association shall not be bound, either directly or indirectly, by any management contract executed during the Development Period unless such contract contains a right of termination exercisable by the Association, with or without cause and without penalty, at any time after termination of the Development Period upon not more than thirty (30) days written notice.

3.18 Accounts and Reports. The Board will adopt a record retention policy that complies with Section 209.005 of the Texas Property Code, as amended, and all Members shall have access to the Association's records as provided in said section. The following management standards of performance shall be followed for all Association records unless the Board by resolution specifically determines otherwise:

(a) accrual accounting, as defined by generally accepted accounting principles, shall be employed;

(b) accounting and controls should conform to generally accepted accounting principles;

(c) cash accounts of the Association shall not be commingled with any other accounts;

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(d) no remuneration shall be accepted by the managing agent from vendors, independent contractors, or others providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise; any thing of value received shall benefit the Association;

(e) any financial or other interest which the managing agent may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board of Directors;

(f) commencing at the end of the month in which the first Lot is sold and closed, financial reports shall be prepared for the Association at least quarterly containing:

(i) an income statement reflecting all income and expense activity for the preceding period on an accrual basis;

(ii) a statement reflecting all cash receipts and disbursements for the preceding period;

(iii) a variance report reflecting the status of all accounts in an "actual" versus "approved" budget format;

(iv) a balance sheet as of the last day of the preceding period; and

(v) a delinquency report listing all Owners who are delinquent in paying any assessments at the time of the report and describing the status of any action to collect such assessments which remain delinquent (Any assessment or installment thereof shall be considered to be delinquent on the fifteenth day following the due date unless otherwise specified by resolution of the Board of Directors); and

(g) an annual report which may include the following shall be made available to all Members within one hundred twenty (120) days after the close of the fiscal year: (1) a balance sheet; (2) an operating (income) statement; and (3) a statement of changes in financial position for the fiscal year. Such annual report shall be prepared on an audited or reviewed basis, as determined by the Board, by an independent public accountant.

3.19 Borrowing. The Association shall have the power to borrow money for any legal purpose.

3.20 Rights of the Association. The Association shall have the right to contract with any Person for the performance of various duties and functions. This right shall include, without limitation, the right to enter into common management, operational, or other agreements with other entities. Such agreements shall require the consent of a majority of the total number of Directors of the Association.

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Officers

4.1 Officers. The officers of the Association shall be a President, Vice President, Secretary, and Treasurer, to be elected from among the members of the Board by a majority of the Board of Directors. The Board of Directors may appoint such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed by the Board of Directors. Such other officers may, but need not be members of the Board. Any two or more offices may be held by the same person, except the offices of President and Secretary.

4.2 Election and Term of Office. The officers of the Association shall be elected annually by the Board of Directors at the first meeting of the Board of Directors following each annual meeting of the Members.

4.3 Removal and Vacancies. Any officer may be removed by the Board of Directors whenever in its judgment the best interests of the Association will be served thereby. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

4.4 Powers and Duties. The officers of the Association shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may specifically be conferred or imposed by the Board of Directors. The President shall be the chief executive officer of the Association and shall preside over meetings of the Members; provided, in his absence, the Vice President may preside over meetings of the Members. The Treasurer shall have primary responsibility for the initial preparation of the budget as provided for in the Declaration and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both.

4.5 Resignation. Any officer may resign at any time by giving written notice to the Board of Directors, the President, or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

4.6 Compensation. Compensation of officers shall be subject to the same limitations as compensation of Directors under Section 3.12 hereof.

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Article V

Committees

The Board may appoint such committees as it deems appropriate to perform such tasks and to serve for such periods as the Board may designate by resolution. Each committee shall operate in accordance with the terms of such resolution.

Article VI

Miscellaneous

6.1 Fiscal Year. The fiscal year of the Association shall be set by resolution of the Board of Directors. In the absence of a resolution, the fiscal year shall be the calendar year.

6.2 Parliamentary Rules. Except as may be modified by Board resolution, Robert's Rules of Order (current edition) shall govern the conduct of Association proceedings when not in conflict with Texas law, the Certificate, the Declaration, or these Bylaws.

6.3 Conflicts. If there are conflicts between the provisions of Texas law, the Certificate, the Declaration, and these Bylaws, then the provisions of Texas law, the Declaration, the Certificate, and the Bylaws (in that order) shall prevail.

6.4 Books and Records.

(a) Inspection by Members and Mortgagees. The Board shall make available for inspection and copying by any First Mortgagee of a Lot, any Member, or the duly appointed representative of any of the foregoing at any reasonable time and for a purpose reasonably related to his or her interest in a Lot: the Declaration, Bylaws, and Certificate, any amendments to the foregoing, the rules of the Association, the Members register, books of account, and the minutes of meetings of the Members, the Board, and committees. The Board shall provide for such inspection to take place at the office of the Association or at such other place within the Property as the Board shall designate.

(b) Rules for Inspection. The Board shall establish reasonable rules with respect to:

(i) notice to be given to the custodian of the records;

(ii) hours and days of the week when such an inspection may be made; and

(iii) payment of the cost of reproducing copies of documents requested.

(c) Inspection by Directors. Every Director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a Director includes the right to make a copy of relevant documents at his expense.

6.5 Notices. Unless otherwise provided in these Bylaws, all notices, demands, bills, statements, or other communications under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States mail, first class postage prepaid:

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(a) if to a Member, at the address or email address which the Member has designated in writing and filed with the Association or, if no such address has been designated, at the address of the Lot of such Member; or

(b) if to the Association, the Board of Directors, or the managing agent, at the principal office of the Association or the managing agent, if any, or at such other address as shall be designated by notice in writing to the Association pursuant to this Section.

6.6 Amendment. During the Development Period, these Bylaws may be amended by the Declarant acting alone. Thereafter, these Bylaws may be amended upon affirmative vote of a majority of the members of the Board of Directors and the written consent of the Class "B" Members, if such exists, plus a majority of the Class "A" Members in attendance at a meeting duly called. No amendment may remove, revoke, or modify any right or privilege of Declarant without the written consent of Declarant or the authorized assignee of such right or privilege.

IN WITNESS WHEREOF, the undersigned officer does hereby attest that the foregoing Bylaws were duly adopted by the Board of Directors as of the 30 day of August, 2018.9

By: _____
Mike Nawar, President

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