



- E. The Declarant desires to amend, restate and supersede the Original Declaration in its entirety and, accordingly, has executed this Declaration to amend, restate and supersede the Original Declaration in its entirety and impose the covenants, conditions, restrictions, and easements herein described upon the Property as set forth in this Declaration.

## ARTICLE 1

### ESTABLISHMENT

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

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

“**Architectural Control Committee**” or “**Committee**” shall have the meaning assigned to such term in Section 7.1 hereof.

“**Architectural Approval**” shall have the meaning assigned to such term in Section 7.2 hereof.

“**Association**” shall mean and refer to UPD Homeowner’s Association, Inc. Prior to conveying any Lot to any other Owner, Declarant shall cause such entity to be organized as a Texas non-profit corporation. The Certificate of Formation and other dedicatory instruments for the Association are attached hereto as **Exhibit B**.

“**Attached Dwelling**” shall mean and refer to any Dwelling constructed on a Townhome Lot as a single-family attached townhome.

“**Board of Directors**” or “**Board**” means the board of directors of the Association. From and after the date on which Declarant no longer has the right to appoint 100% of the members of the Board, at least one (1) director on the Board shall be elected by a vote of the Board of the Sub-Association (the “**Townhome Director**”).

“**City**” means the City of Dallas, Texas.

“**Declarant**” means CADG DALLAS 163, LLC, a Texas limited liability company and its successors in interest to the Land through (i) a voluntary disposition of all (or substantially all) of the assets of such limited liability company and/or the voluntary disposition of all (or

substantially all) of the right, title and interest of the limited liability company in and to the Land where such voluntary disposition of right, title and interest expressly provides for the transfer and assignment of the rights of such limited liability company as Declarant as provided in Section 12.6 hereof, or (ii) an involuntary disposition of all or any part of the Land owned by Declarant prior to completion of development of the Land as a residential community. No person or entity purchasing one or more Lots from such limited liability company in the ordinary course of business shall be considered as "Declarant".

**"Design Guidelines"** shall have the meaning assigned to such term in Section 7.2 hereof.

**"Detached Dwelling"** shall mean and refer to any Dwelling constructed on a 40' Lot, 50' Lot or 60' Lot as a single-family detached home.

**"Development Period"** means the period of time commencing on the date of this Declaration and continuing through and including the earlier of (i) the date on which Declarant no longer owns any portion of the Property, or (ii) the date which is fifteen (15) years after recordation of this Declaration in the Official Public Records of Dallas County and Collin County, Texas, or (iii) the date of recording in the Official Public Records of Dallas County and Collin County, Texas, of a notice signed by the Declarant terminating the Development Period.

**"Dwelling"** means the improvement located on each Lot that is designed to be or appropriate for use as a single-family residence, together with any garage incorporated therein, whether or not such residence is actually occupied.

**"Land"** means the real property in Dallas County and Collin County, Texas, described on **Exhibit A**, attached hereto and incorporated herein, and such other real property as may be made subject to the terms of the Declaration in accordance with the provisions hereof.

**"Lot"** means a residential lot shown as such on the Plat and which is or is intended to be improved with a Dwelling. Some portions of the Master Common Area may be platted as one or more "lots" on the Plat, however, such Master Common Area lots are expressly excluded from the definition of "Lot" as used herein.

**"Managing Agent"** means any individual, corporation, limited liability company, partnership or other entity of any kind or type whatsoever who has been engaged and designated by the Board to manage the daily affairs and operations of the Association.

**"Master Common Area(s)"** means any common areas located in the Property to serve and benefit all Owners of Lots within the Subdivision and all Members of the Association, and which are to be dedicated and/or conveyed to the Association to be maintained by the Association. The Declarant shall at all times have and retain the right, but without obligation whatsoever, to effect minor redesigns or reconfigurations of the Master Common Area located on such Declarant's portion of the Property and to execute any open space declarations applicable to such Master Common Area which may be permitted in order to reduce property taxes, and to take whatever steps as may be appropriate to lawfully avoid or minimize the imposition of federal and state ad valorem and/or income taxes. All Master Common Area shall be maintained by the Association whether or not owned in fee by the Association.

**“Master Common Improvements”** means those improvements within the Master Common Area, together with such other improvements as may be made hereafter by the Association.

**“Member”** means an Owner who is a member of the Association.

**“Neighborhood Common Areas”** means any common area located in Phase One-C Townhomes to serve and benefit all Owners of Townhome Lots made subject to the Sub-Declaration and all Members of the related Sub-Association with respect to such Phase One-C Townhomes, and which are to be dedicated and/or conveyed to such Sub-Association to be maintained by such Sub-Association pursuant to the terms of the Sub-Declaration. Notwithstanding anything to the contrary contained herein, any alleys, roads or streets which are not publically dedicated and accepted by the City for maintenance purposes within Phase One-C Townhomes shall be Neighborhood Common Areas of such Phase One-C Townhomes.

**“Owner”** shall mean and refer to every person or entity who is a record owner of a fee or undivided fee interest in any Lot, including contract sellers. If a Lot is owned in undivided interests by more than one person or entity, each owner shall be an Owner for purposes of this Declaration. A person or entity that owns only a lien or other similar interest in a Lot as security for performance of an obligation is not an Owner with respect to that Lot.

**“Person”** shall mean and refer to any individual, partnership, corporation, limited liability company, trust or other entity.

**“Phase”** or **“Phases”** shall mean and refer generally to either Phase One-A, Phase One-B, Phase One-C, Phase One-C Townhomes or Phase One-D, as the context may require or collectively, or any combination of, Phase One-A, Phase One-B, Phase One-C, Phase One-C Townhomes, and/or Phase One-D.

**“Phase One-A”** shall mean that portion of the Land described as “Sub Area 1” in the Planned Development Ordinance, including no more than thirty-five (35) typical 60’ by 120’ Lots (**“60’ Lots”**), sixty-five (65) typical 40’ by 110’ Lots (**“40’ Lots”**), and seventy (70) typical 50’ by 115’-120’ Lots (**“50’ Lots”**).

**“Phase One-B”** shall mean that portion of the Land described as “Sub Area 2” in the Planned Development Ordinance, including no more than Two Hundred fifteen (215) typical 50’ Lots.

**“Phase One-C”** shall mean that portion of the Land described as “Sub Area 3” in the Planned Development Ordinance, including no more than one hundred sixty-five (165) 40’ Lots.

**“Phase One-C Townhomes”** shall mean that portion of the Land described as “Sub Area 3” in the Planned Development Ordinance, including no more than one hundred eighty (180) typical 26’ x 105’ Lots (the **“Townhome Lots”**).

**“Phase One-D”** shall mean that portion of the Land described as “Sub Area 4” in the Planned Development Ordinance, including no more than twenty (20) 60’ Lots, seventy (70) 40’ Lots, and ninety-five (95) 50’ Lots.

**“Planned Development Ordinance”** shall mean Ordinance No. 29430 establishing PD 921 under Zoning Case No. Z134-275, passed by the City Council of the City on August 27, 2014, granting a change in the zoning of the Land to allow for the development contemplated by this Declaration, and any ordinance that may hereafter be adopted by the City Council of the City with respect to any addition to the Land, as such ordinance or ordinances may from time to time hereafter be modified, amended or superseded. All references herein to the Planned Development Ordinance shall also include any other applicable provisions of the Zoning Ordinances of the City, as the same may from time to time hereafter be amended, or its successor provision.

**“Plat”** means (i) initially, the preliminary plat, and thereafter the final plat, for any Phase or other portion of the Property submitted to and approved by the City, or any other applicable governmental entity; (ii) after recordation thereof, the final Plat for any Phase or other portion of the Property as recorded in the Official Public Records of Dallas County and/or Collin County, Texas; and, (iii) any replat of, or amendment to, the foregoing made by the Declarant, the Sub-Declarant, the Owners or the Association in accordance with this Declaration and the applicable requirements of the City or other applicable governmental authority. The term “Plat” shall also include the final recorded plat of any additional property annexed into the Property pursuant to the terms of this Declaration.

**“Property”** means the Land and all improvements thereto, whether now existing or hereafter placed thereon.

**“Structure”** shall refer to a building containing two (2) or more Dwellings that (i) is located on two (2) or more adjacent Lots, and (ii) has one (1) or more party walls separating the Dwellings comprising such building.

**“Sub-Association”** means the property owners association created to administer the Townhome Lots pursuant to the terms of a Sub-Declaration. The formation of the Sub-Association must be approved in advance and in writing by the Declarant during the Development Period, and a majority of the Board after expiration or termination of the Development Period together with the written consent of Declarant (for as long as Declarant owns any portion of the Property).

**“Sub-Declarant”** means the “Declarant” pursuant to the Sub-Declaration.

**“Sub-Declaration”** means a subordinate declaration of covenants pertaining to the Townhome Lots which provides for the creation of the Sub-Association and assessments to be levied by the Sub-Association to discharge costs and expenses anticipated to be incurred by the Sub-Association. The Sub-Declaration must be approved in advance and in writing by the Declarant during the Development Period, and a majority of the Board after expiration or termination of the Development Period together with the written consent of Declarant (for as long as Declarant owns any portion of the Property).

**“Townhome Lots”** shall have the meaning assigned to such term in this Section 1.2 under the definition “Phase One-C Townhomes.”

1.3 Establishment of the Sub-Declaration and Creation of the Sub-Association.

(a) The Owner of the Phase One-C Townhomes, as a Sub-Declarant, may (but is in no way obligated to) establish the Sub-Declaration and the Sub-Association for a portion of the Property by recordation of such Sub-Declaration in the Official Public Records of Dallas County and/or Collin County, Texas. The creation of the Sub-Association and establishment of the Sub-Declaration will not modify any obligations, limitations, rights, benefits or burdens established by this Declaration, except as may otherwise be expressly provided herein. The Sub-Declaration, as approved by Declarant and/or the Board, may provide for the performance of certain rights and/or obligations of the Declarant and/or the Association by the Sub-Declarant named in such Sub-Declaration or the Sub-Association.

(b) The terms and provisions of the Sub-Declaration and/or governing documents of the Sub-Association, together with any modifications, supplements and/or amendments thereto, are subject to the review and approval of the Declarant in advance and in writing during the Development Period, and thereafter by the Board with Declarant's approval for as long as Declarant owns any portion of the Property, which approval of Declarant and/or the Board may be withheld in the Declarant's or Board's, as applicable, sole and absolute discretion. The Sub-Declaration (and/or any modifications, supplements and/or amendments thereto that conflict with the terms of this Declaration), filed in the Official Public Records of Dallas County and Collin County, Texas, against all or any portion of the Property which has not been approved by Declarant or the Board, as evidenced by Declarant and/or an officer of the Association indicating Board approval of such Sub Declaration, as applicable, shall be void and of no force or effect.

(c) The Sub-Declaration may provide that the Sub-Association created by the Sub-Declaration and/or the Owners of Dwellings provide maintenance to the Townhome Lots and Dwellings thereon.

## ARTICLE 2

### PROPERTY SUBJECT TO THE DECLARATION

2.1 Initial Properties. The properties that shall initially be subject to this Declaration shall include the Land and all improvements now or hereafter constructed thereon.

2.2 Addition to Properties. Additional land may from time to time be made subject to this Declaration during the Development Period. The addition of any such additional land (referred to as "**Adjacent Land**") to this Declaration may be accomplished by the recordation in the Official Public Records of Dallas County and Collin County, Texas, of a Supplementary Declaration, signed by Declarant and the owner of such Adjacent Land, which shall extend the scheme of this Declaration to such Adjacent Land, automatically extending the jurisdiction, functions, rights, and duties of Declarant, the Association (including membership therein) and the Architectural Control Committee to the Adjacent Land. In connection with the addition of any such Adjacent Land to this Declaration, Declarant shall have the right to extend then existing

streets and other right-of-ways located on the Land to, through or across such Adjacent Land and to take any other actions which Declarant, in its sole discretion, deems advisable in order to connect such Adjacent Land to any of the Land or otherwise establish or maintain a link between them. If Declarant is not a Member immediately prior to the recordation of a Supplementary Declaration, then upon the recordation of such Supplementary Declaration, Declarant shall become a Class C Member. No consent or approval of the Association or of any Owner shall be required in order to extend the scheme of this Declaration to any Adjacent Land or for Declarant to take any of the actions authorized by this Section. If any Adjacent Land is made subject to this Declaration, then, without the necessity of any further action, such Adjacent Land shall be included within the definition of the Land, and all other terms of this Declaration shall be modified as necessary to extend the coverage of this Declaration to the Adjacent Land. In any such Supplementary Declaration, Declarant and the owner of such Adjacent Land shall have the authority to make any amendments to this Declaration as Declarant and such owner deem advisable in connection with the addition of the Adjacent Land to this Declaration, without the joinder or consent of the Association or of any Owner. Notwithstanding anything to the contrary contained herein, until expiration of the Development Period, this Section 2.2 may not be modified or amended without the express written consent of Declarant.

### ARTICLE 3

#### USE OF PROPERTY AND LOTS - PROTECTIVE COVENANTS

The Property and each Lot situated thereon shall be constructed, developed, occupied and used as follows:

3.1 Residential Purposes. Each Lot (including land and improvements) shall be used and occupied for single family residential purposes only, as such use is defined in accordance with the ordinances of the City from time to time in effect.

3.2 Replatting. No Lot shall be resubdivided; provided, however, that Declarant shall have and reserves the right, at any time, or from time to time, to file a replat of the Plat or a portion thereof to effect a reconfiguration of any Lots in the Property then owned by Declarant, and subject to obtaining any necessary approval, joinder or consent of the appropriate county and/or municipal authorities. The consent or approval of Owners other than Declarant shall not be required for such replatting.

3.3 Combining Lots. Any person owning two or more adjoining Lots may consolidate such Lots into a single building location for the purpose of constructing one (1) Dwelling thereon (the plans and specifications therefor being approved as set forth in this Declaration) and such other improvements as are permitted herein; provided, however, any such consolidation must comply with the rules, ordinances and regulations of any governmental authority having jurisdiction over the Property. In the event of any such consolidation, the consolidated Lots shall be deemed to be a single Lot for purposes of applying the provisions of this Declaration; provided, however, such Owner shall continue to pay assessments on such Lots as if such Lots had not been consolidated and shall be entitled to one vote for each Lot (determined prior to such consolidation) owned by such Owner. Any such consolidation shall give consideration to easements as shown and provided for on the Plat and any required

abandonment or relocation of any such easements shall require the prior written approval of Declarant, during the Development Period, or the Association, thereafter, as well as the prior written approval of any utility company having the right to the use of such easements.

#### 3.4 Drainage.

(a) Neither the Declarant nor its successors or assigns, shall be liable for, and each Owner hereby waives any right of recovery against Declarant, its successors and assigns for any loss of, use of, or damage done to, any shrubbery, trees, flowers, improvements, fences, sidewalks, driveways, or buildings of any type or the contents thereof on any Lot caused by any water levels, rising waters, or drainage waters.

(b) After completion of building construction on a Lot, the Owner of such Lot shall cause such Lot to be graded so that surface water will flow to streets, alleys, drainage easements, or Master Common Area. Such grading shall be in conformity with the general drainage plans for the Subdivision approved by the City. It shall be the responsibility of each Owner to maintain or modify, if necessary, the drainage characteristics of its Lot (i) with respect to any Lot on which Detached Dwellings are constructed, so that storm water runoff from such Lot will not run across or collect upon any adjacent Lot, and (ii) with respect to any Lot on which an Attached Dwelling is located, so that the Owners of Attached Dwellings within the same Structure do not allow storm water run off from the Lots on which such Structure is located to run across or collect upon any adjacent Lot not including such Structure, it being specifically acknowledged that cross lot drainage shall be permitted between Lots on which Attached Dwellings which are part of the same Structure are located. If a retaining wall or underground drainage improvements are necessary to control and prevent drainage from one Lot onto an adjacent Lot, it shall be the responsibility of the Owner of the Lot having the higher surface elevation to construct and maintain the retaining wall or underground drainage improvements, which shall be subject to the approval of the Architectural Control Committee.

3.5 Dirt Removal. The digging of dirt or the removal of any dirt from any Lot is prohibited, except as necessary in conjunction with landscaping or construction of improvements thereon.

3.6 Utilities. All utilities shall be installed underground. Each residence situated on a Lot shall be connected to the water and sewer lines as soon as practicable. No individual water supply system shall be permitted on any Lot. No privy, cesspool, or septic tank shall be placed or maintained upon or in any Lot. However, portable toilets will be allowed during building construction. The installation and use of any propane, butane, liquid petroleum gas or other gas tank, bottle or cylinder of any type (except portable gas grills) shall require the explicit, itemized approval of the Architectural Control Committee, and, if so approved, the Architectural Control Committee may require that such tank, bottle or cylinder be installed underground. Any control boxes, valves, connection, utility risers or refilling or refueling devices shall be completely landscaped with shrubbery so as to obscure their visibility from the streets within or adjoining the Property or from any other Lot or the Master Common Area.

3.7 Setback Requirements and Building Location. All front, side, and rear setbacks must be approved by the Architectural Control Committee and must meet the requirements of the Design Guidelines, Plat and the Planned Development Ordinance. The location of the main residence on each Lot and the facing of the main elevation with respect to nearby streets shall be subject to the approval of the Architectural Control Committee. Additionally, each Owner must comply with the yard, lot coverage and minimum building separation requirements of the Planned Development Ordinance.

3.8 Minimum Floor Space. Each Dwelling constructed on any 40' Lot shall contain a minimum of 1,800 square feet and maximum of 3,150 square feet of floor area, exclusive of garages, breezeways and porches. Each Dwelling constructed on any 50' Lot shall contain a minimum of 2,000 square feet and a maximum of 4,000 square feet of floor area, exclusive of garages, breezeways and porches. Each Dwelling constructed on any 60' Lot shall contain a minimum of 2,400 square feet of floor area, exclusive of garages, breezeways and porches. Each Dwelling constructed on any Townhome Lot shall contain a minimum of 1,800 square feet of floor area, exclusive of garages, breezeways and porches.

3.9 Height. No Dwelling or other building on any Lot shall have a height in excess of the lesser of (i) thirty-six feet (36') or (ii) the maximum height allowed by the Planned Development Ordinance. No Dwelling or other building on any Lot shall exceed the lesser of two (2) stories or the maximum permitted by the Planned Development Ordinance.

3.10 Construction Requirements. All construction on any Lot shall meet the requirements of the Design Guidelines and the Planned Development Ordinance and shall be subject to the explicit, itemized approval of the Architectural Control Committee in accordance with this Declaration.

3.11 Garages. Each Dwelling erected on any Townhome Lot shall provide garage space for a minimum of one (1) conventional automobile, and each Dwelling erected on any 40' Lot, 50' Lot or 60' Lot shall provide garage space for a minimum of two (2) conventional automobiles, unless some greater number is required by the City or under the terms of the Planned Development Ordinance. Garage doors shall be closed at all times when not in use. All garage doors must be of material, design and color per the Design Guidelines and as approved by the Architectural Control Committee. Porte cocheres must be approved by the Architectural Control Committee. No carport shall be built, placed, constructed or reconstructed on any Lot. As used herein, the term "carport" shall not be deemed to include a porte cochere. No garage shall ever be changed, altered, reconstructed or otherwise converted for any purposes inconsistent with the garaging of automobiles.

3.12 Antennae and Satellite Dishes. No television, radio, or other electronic towers, aerials, antennae, satellite dishes or device of any type for the reception or transmission of radio or television broadcasts or other means of communication shall hereafter be erected, constructed, placed or permitted to remain on any Lot or upon any improvements thereon, except that this prohibition shall not apply to those antennae specifically covered by 47 C.F.R. Part 1, Subpart S Section 1.4000 (or any successor provision) promulgated under the Telecommunications Act of 1996, as amended from time to time or satellite dishes or devices under twenty inches (20") in diameter as long as they comply with the installation and other requirements set forth below.

The Architectural Control Committee shall be empowered to adopt rules governing the types of antennae, satellite dishes and similar devices that are permissible hereunder and establishing reasonable, non-discriminatory restrictions relating to safety, location, installation, removal and maintenance of antennae. An antenna, dish or similar device permissible pursuant to rules of the Architectural Control Committee may only be installed within the area on each Lot that is not visible from the street, the adjoining Lots or the Master Common Area and that is integrated with the Dwelling and surrounding landscape. Antennae, dishes and similar devices must be installed in compliance with all state and local laws and regulations, including zoning, land-use, and building regulations.

3.13 Fences. No fence, wall or hedge shall be erected, placed or altered on any Lot without the approval of the Architectural Control Committee and the design of and materials used in the construction of fences and walls shall comply with the minimum fencing requirements listed in the Design Guidelines and the Planned Development Ordinance and have the explicit, itemized approval of the Architectural Control Committee. No fence, wall or hedge shall exceed eight (8) feet in height, as measured from the final grade of the Lot the fence sits on. The foregoing height limitation shall not apply to fences, walls and hedges constructed by Declarant along the perimeter of the Land. All service and sanitation facilities, wood piles, and air conditioning equipment must be enclosed within fences, walls or landscaping so as not to be visible from the immediate residential street, adjoining Lots or the Master Common Area.

3.14 Retaining Walls. The design and materials for all retaining walls shall be limited to those designs and materials in the Design Guidelines and must have the explicit, itemized approval of the Architectural Control Committee for each particular retaining wall.

3.15 Landscaping. Any and all plans for the landscaping of front yards and of side yards not enclosed by solid fencing, including alterations, changes or additions thereto, shall be subject to the approval of the Architectural Control Committee and shall comply with the requirements listed in the Design Guidelines. Lots shall further be landscaped and maintained as necessary to comply with the landscaping requirements of the Planned Development Ordinance. Subject to weather delay, each Lot shall be fully landscaped within sixty (60) days from the date on which the residence thereon is "complete"; as such term is defined in Section 3.23.

3.16 Trash Receptacles and Collection. Each Lot Owner shall make or cause to be made appropriate arrangements with the City for collection and removal of garbage and trash on a regular basis. Each and every Owner shall observe and comply with any and all regulations or requirements promulgated by the City and/or the Association in connection with the storage and removal of trash and garbage. All trash, garbage, or waste matter shall be kept in tightly sealed bags or other approved containers that shall be maintained in a clean and sanitary condition. An Owner may place trash on the street curb or access easement only on those days designated by the City as trash collection days. On all other days, an Owner must keep all trash, garbage and other waste material hidden from public view. No Lot shall be used for open storage of any materials whatsoever, except that building materials to be used in the construction of improvements erected on any Lot may be placed upon such Lot at the time construction is commenced and may be maintained thereon through completion of construction. No garbage, trash, debris, or other waste matter of any kind shall be burned on any Lot.

3.17 Mailboxes. Mailboxes for Lots shall be cluster mailboxes of a design approved in writing by the Architectural Control Committee prior to installation and shall conform to any applicable requirements of the City, the United States Postal Service or other applicable governmental authority.

In the event that any cluster mailbox installed in the Subdivision requires maintenance, replacement or repairs, such maintenance, replacement and/or repairs shall be performed by the Association and the costs and expenses incurred by the Association in connection therewith shall be charged on a pro rata basis (based on the total number of mailbox units within such cluster mailbox) as a special individual assessment to the Owners with mailbox units within the cluster mailbox that has been maintained, repaired and/or replaced. Such special individual assessment charged under this Section 3.17 shall be due and payable within thirty (30) days after invoicing therefor.

3.18 Parking. On-street parking is restricted to approved deliveries, pick-up or short-term guests and short-term invitees and shall be subject to such reasonable rules and regulations as shall be adopted by the Board of Directors. Parking in a driveway is permitted for not longer than three (3) consecutive days. However, there shall be no overnight parking in any driveway that is adjacent to a street, and no cars may be parked in a manner that blocks access to any alley. Each Owner shall additionally comply with any parking requirements contained in the Planned Development Ordinance.

3.19 Temporary Structures and Vehicles. No temporary structure of any kind shall be erected or placed upon any Lot except (i) children's playhouses, children's playsets, dog houses, greenhouses, gazebos and buildings for storage of lawn maintenance equipment, which may be placed on a Lot subject to approval by the Association and provided no part of any such structure is visible from any front or side street, adjoining Lots or the Master Common Area with the exception of children's playsets which may extend a maximum of two (2) feet above the fence line. No trailer, mobile, modular or prefabricated home, tent, shack, barn or any other structure or building, other than the residence to be built thereon, shall be placed on any Lot. Any truck, bus, boat, boat trailer, trailer, mobile home, campmobile, camper or any other vehicle other than conventional automobile shall, if brought within the Property, be stored, placed or parked within the garage of the appropriate Owner and concealed from view. However, Declarant reserves the exclusive right to erect, place and maintain, and may in its sole discretion, permit builders to erect, place and maintain, such construction, sale and presale facilities and construction trailers upon the Property as may be necessary or convenient in connection with construction, development and sale activities. Such facilities may include, without limitation, temporary construction or sales offices, storage areas and portable toilet facilities. Declarant and builders shall also have the temporary right to use a residence situated on a Lot as an office or model home in connection with construction and sales operations on the Property.

3.20 Signs. No signs or flags shall be displayed to the public view on any Lot without the explicit, itemized approval of the Architectural Control Committee, with the following exceptions:

- (a) Declarant and builders may erect and maintain a sign or signs for the construction, development, operation, promotion and sale of the Lots;

(b) Each Owner may post one (1) professional, ground-mounted security sign of not more than one (1) square foot in size.

(c) Each Owner may display up to two (2) flags not exceeding 4' x 6' in size on or at a Dwelling, which flags may include the United States flag(s), Texas state flag(s) or other state flag(s), an official or replica flag of any branch of the United States armed forces, seasonal flags (displayed no more than three [3] months during the then applicable season), flags in support of college or other athletic teams, or any other banners or flags otherwise consistent with the covenants, conditions and restrictions contained in this Declaration;

(d) One (1) sign for each candidate and/or ballot item on advertising such political candidate(s) or ballot item(s) for an election shall be permitted in accordance with Section 202.009 of the Texas Property Code, provided that:

(i) such signs may not be displayed (A) prior to the date which is ninety (90) days before the date of the election to which the sign relates, and (B) after the date which is ten (10) days after that election date;

(ii) such signs must be ground-mounted; and

(iii) such signs shall in no event (A) contain roofing material, siding, paving materials, flora, one or more balloons or lights, or any other similar building, landscaping, or nonstandard decorative component, (B) be attached in any way to plant material, a traffic control device, a light, a trailer, a vehicle, or any other existing Structure or object, (C) include the painting of architectural surfaces, (D) threaten the public health or safety, (E) be larger than four feet (4') by six feet (6'), (F) violate a law, (G) contain language, graphics, or any display that would be offensive to the ordinary person, as determined by the Association in its sole discretion, or (H) be accompanied by music or other sounds or by streamers or is otherwise distracting to motorists; and

(e) an Owner may erect a sign, which complies with standards established from time to time by the Architectural Control Committee, in order to advertise its Lot for sale.

Any signage must further comply with applicable provisions of the Planned Development Ordinance.

3.21 Offensive Activities. No noxious or offensive activity shall be conducted on any Lot nor shall anything be done thereon which is or may become an annoyance or nuisance to the other Owners. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot, except that dogs (other than pit bull dogs or pit terriers), cats or other household pets (not exceeding three (3) adult animals at any time) may be kept, provided that they are not kept, bred or maintained for commercial purposes.

3.22 Drilling and Mining Operations. No oil drilling, water drilling or exploration or development operations, oil refining, quarrying or mining operations of any kind shall be

permitted upon or in any Lot, nor shall oil wells, water wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any Lot. No derrick or other structure designed for use in boring for oil, natural gas or water shall be erected, maintained or permitted upon any Lot.

3.23 Duty of Construction. All construction on any Lot shall be completed no later than one (1) year following the commencement of construction. For the purposes of this Section, the term "commencement of construction" shall be deemed to mean the date on which the foundation forms are set. For purposes of this Section, construction shall be deemed completed when: all plumbing fixtures are installed and operational; all cabinet work is completed and installed; all interior walls, ceilings, and doors are completed and installed, floors have been completed (with hardwood, carpet, tile or other similar floor covering installed); and the appropriate final finish has been applied to all surfaces within the structure, such as paint, wallpaper, paneling, stain or the like.

3.24 Express Plat Requirements. Owners are deemed to be aware of all provisions of the Plat.

3.25 Development Activity. Notwithstanding any other provision hereof, Declarant and any builder of any initial Dwellings and their respective successors and assigns shall be entitled to conduct on the Property all activities normally associated with and convenient to the development of the Property, the initial construction of the Master Common Improvements, and the initial construction and sale of Dwellings thereon. A builder of any initial Dwellings shall have the right to leave any gates located on the Property open during any times that construction activities are permitted, without liability to any person.

## ARTICLE 4

### PROPERTY RIGHTS IN MASTER COMMON AREA

4.1 Title to the Master Common Area; Maintenance. The Declarant shall dedicate and convey the fee simple title to the Master Common Area to the Association prior to or upon completion of Declarant's initial construction of the Master Common Improvements. The Declarant and/or Association shall maintain the Master Common Area owned by it in good condition and shall make such repairs and replacements as necessary to maintain good order and the aesthetic harmony of the Property. The Sub-Declarant and/or Sub-Association shall maintain the Neighborhood Common Areas in good condition and repair, in accordance with the terms and requirements of the Sub-Declaration, as approved by Declarant in accordance with Section 1.31.3 hereof.

4.2 Owner's Easement of Enjoyment. Subject to the provisions of Section 4.3, every Owner and every tenant of every Owner, who resides on a Lot, and each individual who resides with either of them, respectively, on such Lot shall have a non-exclusive right and easement of use and enjoyment in and to the Master Common Areas and such easement shall be appurtenant to and shall pass with the title of every Lot; provided, however, such easement shall not give such person the right to make alterations, additions or improvements to the Master Common Areas.

4.3 Extent of Owners' Rights and Easements. The rights and easements of enjoyment created hereby shall be subject to the following:

(a) The right of the Association to adopt, amend, enforce and revoke rules and regulations governing the use, operation and maintenance of the Master Common Area, including, without limitation, the authority to charge reasonable fees and the authority to assess fines against Owners violating such rules and regulations. The Association is further authorized and empowered to prohibit the use, or to limit the manner and extent of use, of the Master Common Area by Owners owing unpaid fines, fees or assessments or violating rules and regulations of the Association.

(b) The right of the Association, by and through the Board, to enter into and execute contracts with a Managing Agent or any third parties (including the Declarant, any builder of the initial Dwelling on any Lot, or an affiliate of either of them) for the purpose of providing management, maintenance or other materials or services consistent with the purposes of the Association;

(c) The right of the Association, subject to approval by written consent by the Member(s) having a majority of the outstanding votes of the Association, in the aggregate, regardless of class, to dedicate or transfer all or any part of the Master Common Area to any public agency, authority, or utility company for such purposes and upon such conditions as may be approved by such Members; and

(d) The right of the public to the use and enjoyment of public rights-of-way, if any, located within the Master Common Area.

4.4 Restricted Actions by Owners. No Owner shall permit anything to be done on or in the Master Common Area which would violate any applicable public law or zoning ordinance (including without limitation the Planning Development Ordinance), which would result in the cancellation of or increase of any insurance carried by the Association, or which would be in violation of any law. No waste shall be committed in the Master Common Area. The Master Common Area designated as the open space and/or to be maintained by the Association on the Plat shall be used only for recreational and other similar purposes as approved by the Declarant. The Master Common Area consisting of landscaping, maintenance, wall maintenance easements, or similar areas shall be used for such purposes or similar purposes as approved by Declarant. The Master Common Area consisting of sanitary sewer easements, drainage easements, utility easements or similar areas shall be used for such purposes or similar purposes as approved by the applicable Declarant.

4.5 Damage to the Master Common Area. Each Owner shall be liable to the Association for all damage, other than ordinary wear and tear, to the Master Common Area caused by the Owner or such Owner's family, pets, tenants or other occupants of such Owner's Lot or by any guest or invitee of any of the foregoing. The Master Common Area may be subject to storm water overflow, natural bank erosion and other natural or man-made events or occurrences which cannot be defined or controlled. Under no circumstances shall Declarant or the Association ever be liable, and each person hereafter becoming an Owner hereby waives any right to recovery from Declarant or the Association, for any damages or injuries of any kind or

character or nature whatsoever resulting from: (i) the occurrence of any natural phenomena; (ii) the failure or defect of any structure or structures situated on or within the Master Common Area, including failures or defects occurring through the negligence of contractors employed by Declarant or the Association; or (iii) any negligent or willful act, conduct, omission or behavior of any individual, group of individuals, entity or enterprise occurring on, within or related to the Master Common Area.

## ARTICLE 5

### HOMEOWNERS ASSOCIATION

5.1 Purposes. The Association shall have the duty and responsibility to administer and maintain the Master Common Area, to maintain all commonly-owned road medians located within the Property, to discharge any maintenance obligations imposed upon it by the Plat, to discharge the additional maintenance obligations with respect to Lots and Dwellings imposed upon it by this Declaration, to procure insurance, to establish and collect assessments and to disburse collected funds as so permitted, to enforce this Declaration, and to perform any other functions imposed upon the Association by this Declaration.

5.2 Membership. Every Owner shall automatically be a Member of the Association.

5.3 Classes of Membership. The Association shall have three (3) classes of membership:

(a) Class A. Class A Members shall be all Owners who are not Class B Members or Class C Members. Class A Members shall be entitled to one 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 Class A Members; however, the vote for such Lot shall be exercised as the Owners of such Lot jointly determine, among themselves, and such vote shall not be counted if the Owners of such Lot cannot unanimously agree on such vote.

(b) Class B. Class B Members shall be any Owner (other than Declarant) of a Lot who acquired the Lot for the purpose of the initial construction of a Dwelling on the Lot for sale to consumers. Each Class B Member shall be entitled to three (3) votes for each Lot owned by it.

(c) Class C. The sole Class C Member shall be Declarant. The Declarant shall be entitled to ten (10) votes for each Lot owned by it. In determining the number of Lots owned by the Declarant for the purpose of Class C membership status hereunder, the total number of Lots covered by this Declaration, including all Lots annexed thereto in accordance with Section 2.2 herein shall be considered, subject to the terms of Section 12.3 hereof.

(d) Subject to the conditions set in this Declaration, the Class B membership and Class C membership shall be converted to Class A membership upon the earlier of (i) the total votes outstanding in the Class A membership equaling or exceeding the total votes outstanding in the Class B membership and Class C membership, in the aggregate,

(ii) fifteen (15) years from recordation of this Declaration, or (iii) the recording in the Official Public Records of Dallas County and Collin County, Texas, of a notice signed by the Declarant terminating Class B and Class C membership.

5.4 Administration and Maintenance of the Master Common Area; Other Maintenance Obligations. The Association shall take the actions required to care for and preserve the Master Common Area. The Board of Directors shall be empowered to establish, amend and repeal rules for the use of the Master Common Area. The Association shall further be obligated to perform the maintenance obligations on individual Lots required to be performed by the Association pursuant to this Declaration.

5.5 Assessments, Borrowing, Reserve Funds. The Board of Directors shall administer the assessment process described in Article VI hereof. The Board of Directors shall have the authority on behalf of the Association to borrow funds on a secured or unsecured basis without the approval of Declarant or the Members so long as the aggregate outstanding indebtedness with respect to such borrowing(s) does not exceed \$200,000.00 at any one time. Any borrowing in excess of such limitation may be made only with the prior approval of Declarant if during the Development Period, or if not during the Development Period then only with the prior approval of Members holding at least a majority of the votes of all Members. If any such borrowing is secured, the security may consist of the assignment of current or future assessments or the pledge of rights against delinquent Owners, provided, however, that the Association shall not have the power to mortgage the Master Common Area. The Association may also borrow funds in accordance with Section 6.15, which shall not be applicable to or impact any of the restrictions set forth in this Section. The Board of Directors shall have the authority to establish reserve funds in accordance with other provisions of this Declaration or for any other lawful purpose. Reserve funds shall be accounted for separately from other funds.

5.6 Disbursement of Association Funds. The Board of Directors shall have the exclusive right to authorize the Association to contract for all goods, services, and insurance and to hold and disburse Association funds in payment therefore.

5.7 Management Agreements. The Association, by and through the Board, shall be authorized to enter into management agreements with any Managing Agent or other third parties in connection with the performance of its obligations hereunder.

5.8 Declaration Enforcement. If, as and when the Board of Directors, in its sole discretion, deems necessary, it may cause the Association to take action to enforce the provisions of this Declaration and any rules made hereunder and to enjoin and/or seek damages from any Owner for violation thereof

5.9 Liability Limitations. Neither any Member nor the Board of Directors (or any member thereof) nor any officer of the Association shall be personally liable for debts contracted for or otherwise incurred by the Association or for the negligence, willful misconduct or other tort of another Member, whether such other Member was acting on behalf of the Association or otherwise. Neither the Declarant nor the Association nor their respective 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. Each Owner further acknowledges that neither Declarant, nor any Builder, nor the Association, nor their respective members, partners, managers, directors, officers, agents or employees will have any responsibility or liability for the safety or security of any person or property with respect to any acts or omissions of any third parties, including criminal acts.

## ARTICLE 6

### ASSESSMENTS

6.1 Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Property, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association annual assessments, special assessments, and other charges to be established and collected as provided herein. The obligation of each Owner(s) of a Lot to pay such assessments and charges, together with interest thereon (if any) for past due payments at a rate or rates of interest, if applicable, determined and established from time to time by the Association (which rate or rates shall in no event exceed the maximum lawful rate of interest permitted under Texas law from time to time prevailing), late charges (in an amount or amounts determined and established from time to time by the Association), and costs incurred by the Association in connection with the collection of any of the foregoing assessments, charges, and other sums, or in connection with the enforcement of this provision, including without limitation reasonable attorneys' fees incurred by the Association in connection therewith, shall be a continuing charge and lien upon each such Lot as a covenant running with the land, and any such assessments, interest (if applicable), costs and other charges assessed or charged and remaining unpaid with respect to any Lot shall constitute a lien and encumbrance on such Lot until the same is paid in full. Declarant hereby reserves such a lien upon each Lot in the name of and for the benefit of the Association. Such lien shall constitute a contractual lien, and a power of sale is hereby granted with respect to such lien for the benefit of the Association as hereinafter set forth. Each such assessment or other charge, together with interest (if applicable), late charges, costs of collection and reasonable attorney's fees, shall also be the personal obligation of the person who is the Owner of such Lot at the time the assessment or other charge comes due (the "**Personally Obligated Owner**"); but personal liability for payment of delinquent assessments or other charges shall not pass to successors in title to the Personally Obligated Owner unless expressly assumed by them.

6.2 Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents of the Property and in particular for:

(a) the improvement and maintenance of the Master Common Area within the Property or any other maintenance necessary or desirable for the use and enjoyment of such Master Common Area. Notwithstanding the foregoing, no maintenance performed by an Owner shall reduce the assessment payable by him or her to the Association.

(b) the maintenance, repair and reconstruction, when needed as determined by the Association, of private water and/or sewer lines (and any meters or lift stations

associated therewith) serving any part of the Master Common Area, and driveways, walks, and parking areas situated in the Master Common Area;

(c) the payment of taxes and public assessments assessed against the Master Common Area;

(d) the procurement and maintenance of insurance in accordance with this Declaration;

(e) the employment of attorneys to represent the Association, when necessary or desirable;

(f) the provision of adequate reserves for the restoration or replacement of capital improvements; including, without limiting the generality of the foregoing, roofs, paving, foundations and any other major expense for which the Association is responsible; and

(g) such other needs as may arise in the performance of the Association's obligations under this Declaration.

The assessments the Association is authorized to levy under this Section 6.2 and under other applicable provisions of this Declaration shall include, but shall not be limited to, the costs and expenses incurred or to be incurred by the Association in managing, administering, paying for, performing or contracting for the performance of any of the items listed in subparagraphs (a) through (g) above.

6.3 Reserves. The Association may establish and maintain an adequate reserve fund for the periodic maintenance, repair, restoration and/or replacement of improvements in the Master Common Area and (b) those other portions of the Property which the Association may be obligated to maintain. If established, such reserve fund shall be established and maintained, insofar as is practicable, out of regular assessments for common expense.

6.4 Regular Assessments.

(a) The Board of Directors shall cause to be prepared an estimated annual budget for each fiscal year of the Association, taking into account all anticipated common expenses, the amount that should be set aside for unforeseen contingencies, the amount that should be set aside for capital improvements, the anticipated income, if any, of the Association from sources other than assessments, and the existence of any surplus or deficit remaining from the preceding year's budget. Included in the proposed budget shall be the proposed regular annual assessment for such fiscal year for each Lot based on the common expenses of the Association, which shall be assessed and charged against each Lot in each Phase (the "Subdivision Regular Assessment"). The proposed annual budget and the proposed regular annual assessment against each Lot for each fiscal year shall be approved and adopted by the Board of Directors. A copy of the proposed budget, including the proposed regular annual assessment against each Lot, shall be furnished to each Owner at least thirty (30) days prior to the earlier to occur of (i) the day that the Board of Directors adopts the budget and the regular annual assessment against each Lot,

or (ii) the beginning of each fiscal year of the Association. Copies of the proposed budget shall also be available to all Members for inspection during regular business hours at the Association's office during the same periods.

(b) Commencing on the earlier of January 1, 2015 or the date on which the first certificate of occupancy is issued for a Dwelling constructed on any Lot, the regular annual assessment for Lots shall be **Six Hundred Fifty and No/100 Dollars (\$650.00)** per Lot, annually which is the same as the Subdivision Regular Assessment. The Subdivision Regular Assessment may be increased, decreased or maintained at its then current level by the Board of Directors effective January 1 of each year without a vote of membership, but subject to the following limitations: if an adopted budget requires a Subdivision Regular Assessment against the Owners in any fiscal year exceeding one hundred twenty-five percent (125%) of the Subdivision Regular Assessment levied during the immediately preceding fiscal year, then upon written petition of Owners holding at least twenty percent (20%) of the votes of all Members of the Association that is received by the Board of Directors within fourteen (14) days after such budget was adopted, the Board of Directors shall call a meeting of the Members of the Association to consider the budget. When the meeting is held, regardless of whether or not a quorum is actually present at such meeting, the budget shall be deemed ratified by the Members of the Association unless enough votes are cast at such meeting in favor of rejecting the budget to qualify as a majority of all the votes that could have been cast at such meeting, if all Members had been present in person or by proxy at such meeting. In the event that the Board of Directors shall not approve an estimated annual budget or shall fail to determine new regular assessments for any year, or shall be delayed in doing so, each Owner shall continue to pay the amount of such Owner's regular assessment as last determined. Notwithstanding the foregoing, the regular annual assessment charged to an Owner of a Lot who is a Class B Member shall be one-fourth (1/4) of the regular annual assessment for a Lot owned by a Class A Member until such time as the construction of a Dwelling on the Lot owned by such Class B Member is substantially complete. For the purpose of this paragraph, a Dwelling shall be considered "substantially complete" when the Class B Member is capable of obtaining a certificate of occupancy for such Dwelling from the appropriate governmental authority. Notwithstanding the foregoing, the Class C Member's liability for assessments of any kind under this Declaration shall be only as provided in Section 6.14 of this Declaration.

(c) Regular annual assessments shall be paid ratably on such monthly, quarterly or other basis as shall be established from time to time by the Board of Directors. The due dates shall be established by the Board of Directors. Once the regular annual assessment for a fiscal year has been established by the Board of Directors, written notice of the monthly or other periodic payment amount with respect to such assessment shall be sent to every Owner subject thereto by the Association. The Association shall, within ten (10) business days after a request therefor and for a reasonable charge, furnish a certificate signed by an officer of the Association, setting forth whether the assessments on a specified Lot have been paid.

(d) Notwithstanding anything in this Section 6.4 to the contrary, if any amount is assessed against a Lot to some other part of the Property by the willful or

negligent act(s) of the Owner of the assessed Lot, such amount shall not be considered or counted in determining whether a regular assessment has been made against such assessed Lot under paragraphs (a) or (b) of this Section.

6.5 Special Assessments. In addition to the regular annual assessments authorized above and any other special assessments authorized by other provisions of this Declaration, the Association may levy in any assessment year a special assessment to Class A Members applicable to that year only for the purpose of supplying adequate reserve funds for the restoration and/or replacement of capital improvements or for defraying in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Master Common Area or the structural portions of any Dwelling(s) located on a Lot(s), provided that any such assessment shall require the assent of (i) Declarant, if during the Development Period, or (ii) a majority of the votes of the Members who are present in person or by proxy at a meeting duly called for this purpose, if after the Development Period.

6.6 Notice and Quorum for Certain Actions Authorized Under Sections 6.4 or 6.5. Written notice of any meeting of Members called for the purpose of taking any action authorized under Sections 6.4 or 6.5 shall be sent to all Members not less than ten (10) days nor more than thirty (30) days in advance of the meeting. At a meeting called for the purpose of considering a special assessment under Section 6.5, the presence of Members or of proxies entitled to cast thirty percent (30%) of all the votes of all Members shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be fifteen percent (15%) of all the votes of all Members. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

6.7 No Offsets; Uniform Rate of Assessment. All assessments shall be payable in the amount specified by the Association, and, except as may otherwise be expressly provided herein, no offsets against such amount shall be permitted for any reason. Both annual and special assessments shall, except as otherwise specifically provided herein, be fixed at a uniform rate for all Lots.

6.8 Reservation, Subordination, and Enforcement of Assessment Lien. Declarant hereby reserves for the benefit of itself and the Association, a continuing contractual lien (the "Assessment Lien") against each Lot located on the Property to secure payment of (1) the assessments imposed hereunder, and (2) payment of any amounts expended by such Declarant or the Association in performing a defaulting Owner's obligations as provided for hereunder. THE OBLIGATION TO PAY ASSESSMENTS IN THE MANNER PROVIDED FOR IN THIS ARTICLE, TOGETHER WITH INTEREST (IF APPLICABLE) FROM SUCH DUE DATE AT THE DEFAULT INTEREST RATE SET FORTH IN SECTION 6.9 HEREOF, THE CHARGES AND FEES MADE AS AUTHORIZED IN SECTION 6.9 HEREOF, ALL VIOLATION FINES AND THE COSTS OF COLLECTION, INCLUDING, BUT NOT LIMITED TO, REASONABLE ATTORNEYS' FEES, IS SECURED BY A CONTINUING CONTRACTUAL ASSESSMENT LIEN AND CHARGE ON THE LOT COVERED BY SUCH ASSESSMENT, WHICH SHALL BIND SUCH LOT AND THE OWNERS THEREOF AND THEIR HEIRS, SUCCESSORS, DEVISEES, PERSONAL REPRESENTATIVES AND ASSIGNEES. The continuing contractual Assessment Lien shall attach to the Property and Lots developed or to be

developed therein as of the date of the recording of this Declaration in the Official Public Records of Dallas County and Collin County, Texas, and such Assessment Lien shall be superior to all other liens except as otherwise provided in this Section 6.8. Each Owner, by accepting conveyance of a Lot, shall be deemed to have agreed to pay the assessments herein provided for and to the reservation of the Assessment Lien. The Assessment Lien shall be subordinate only to the liens of any valid first lien mortgage or deed of trust encumbering a particular Lot. Sale or transfer of any Lot shall not affect the Assessment Lien. However, the sale or transfer of any Lot pursuant to a first mortgage or deed of trust foreclosure (whether by exercise of power of sale or otherwise) or any proceeding in lieu thereof, shall only extinguish the Assessment Lien as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability and the Assessment Lien for any assessments thereafter becoming due. The Assessment Lien may be non-judicially foreclosed by power of sale in accordance with the provisions of Section 51.002 of the Texas Property Code (or any successor provision) or may be enforced judicially. Each Owner, by accepting conveyance of a Lot, expressly grants the Association a power of sale in connection with the foreclosure of the Assessment Lien. The Board is empowered to appoint a trustee, who may be a member of the Board, to exercise the powers of the Association to non-judicially foreclose the Assessments Lien in the manner provided for in Section 51.002 of the Texas Property Code (or any successor statute). The Association, through duly authorized agents, shall have the power to bid on the Lot at foreclosure sale and to acquire and hold, lease, mortgage and convey the same. The rights and remedies set forth in this Section 6.8 are subject to the Texas Residential Property Owners Protection Act, as amended from time to time (Texas Property Code, Section 209.001 *et seq.*).

6.9 Effect of Nonpayment of Assessments; Remedies of the Association. If any assessment is not paid within thirty (30) days from the due date thereof, in addition to any interest which may accrue thereon as may be determined by the Board of Directors of the Association at any time and from time to time, a late charge shall be assessed against the non-paying Owner for each month that any assessment remains unpaid as more specifically provided herein, and if placed in the hands of an attorney for collection or if collected through probate or other judicial proceedings, there shall be reimbursed to the Association its reasonable attorneys' fees. Should any assessment provided for herein be payable in installments, the Association may accelerate the entire assessment and demand immediate payment thereof. A late charge shall be assessed against the non-paying Owner for each month that any assessment remains unpaid. The late charge shall be in the amount of **Twenty-Five and No/100 Dollars (\$25.00)** per month and shall serve to reimburse the Association for administrative expenses and time involved in collecting and processing delinquent assessments. An additional fee of **Thirty-Five and No/100 Dollars (\$35.00)** shall be assessed to an owner's account for every check returned for non-sufficient funds. The Association's Managing Agent shall be entitled to charge an Owner a monthly collection fee of **Fifteen and No/100 Dollars (\$15.00)** to compensate Managing Agent for its efforts in collecting delinquent assessments. A separate charge of **Twenty and No/100 dollars (\$20.00)** may be charged by managing agent and shall be assessed to an Owner's account for the preparation and processing of Final Notices or Demand Letters sent by certified or certified and return receipt requested mail. The Association, in the Board's discretion, shall have the right to waive any part of or all of such fees and/or interest. The Association may bring an action at law against the Personally Obligated Owner or foreclose the lien against the Lot(s) subject to the unpaid assessments, interest or other charges, and in either event, the Association shall be entitled to recover the unpaid assessment, interest or other charges, the late charge

specified above, and any expenses and reasonable attorney's fees incurred by the Association in prosecuting such foreclosure and/or such collection. Each Owner of any Lot by acceptance of a deed therefore hereby grants to the Association a power of sale with respect to such Owner's Lot in connection with the enforcement of the lien established by this Article VI, together with the right to appoint and remove a trustee and any number of substitute trustees and to cause the trustee or substitute trustee to foreclose the Association's lien against such Lot pursuant to a non-judicial foreclosure sale conducted in accordance with the provisions of Section 51.002 of the Texas Property Code, as from time to time amended, or its successor provision. However, nothing herein shall prevent the Association from seeking a judicial foreclosure of such lien or any other right or remedy available to the Association with respect to any amounts owed hereunder. No Owner may waive or otherwise escape liability for any assessment provided for herein by non-use of the Master Common Area or abandonment of his Lot.

6.10 Suspension of Right to Use Master Common Area. In addition to the other powers herein granted, the Board may suspend the right of an Owner to use any of the Master Common Area during the time that such Owner is delinquent in paying any Assessment.

6.11 Working Capital Fund. Every time a Lot is sold to a purchaser who, as a result of such sale, will become a Class A Member an additional assessment equal to **Two Hundred Fifty and No/100 Dollars (\$250.00)** for such Lot (the "**Capitalization Fee**") shall be collected from the purchaser of such Lot and transferred to the Association to be held as a working capital fund. The purpose of said fund is to ensure that the Association will have adequate cash available to meet expenses contemplated herein, as well as unforeseen expenses, and to acquire additional equipment or services deemed necessary or desirable. Amounts so paid into the working capital fund shall not be considered an advance payment of regular assessments.

6.12 Transfer Fees and Fees for Issuance of Resale Certificates. Pursuant to the terms of Section 5.7 hereof, the Board may enter into a contract with a Managing Agent to oversee the daily operation and management of the Association. The Managing Agent may, and probably will, have fees, which will be charged to an Owner for the transfer of a significant estate or fee simple title to a Lot and the issuance of a "**Resale Certificate**" (herein so called). The Association or its agent shall not be required to issue a Resale Certificate until payment for the cost thereof has been received by the Association or its agent. Transfer fees and fees for the issuance of a Resale Certificate shall in no event exceed the greater of (i) two-thirds (2/3rds) of the current annual rate of Subdivision Regular Assessment applicable at the time of the transfer/sale, or (ii) \$450.00 for each home being conveyed and are not refundable and may not be regarded as a prepayment of or credit against regular or special assessments, and are in addition to the Capitalization Fee in Section 6.11 above. This Section does not obligate the Board or any third party to levy such fees.

6.13 Evidence of Lien. To evidence the Association's lien for unpaid assessments provided for in this Article VI, the Association may prepare a written notice of the lien setting forth the amount of the unpaid indebtedness, the name of the Owner(s) of the Lot covered by such lien, and a legal description of the Lot covered by such lien. Such notice shall be executed by an officer of the Association and shall be recorded in the real property records of the county in which such Lot is located. Notwithstanding the foregoing, any failure by the Association to record a notice as provided herein with respect to any Lot shall not prevent or otherwise affect

the Association's right or ability to seek collection of the assessment from the Personally Obligated Owner or to enforce the lien against the Lot.

6.14 Class C Assessments. The sole liability of the Class C Member for Assessments under this Declaration shall be as provided in this Section. So long as there is a Class C Membership in the Association, the Declarant may, on an annual basis, elect either to pay Assessments as and when due on its unsold Lots or pay the difference between: (a) the Association's operating expenses otherwise to be funded by Assessments collected in any given calendar year (after applying all income received by the Association from other sources); and (b) the sum of the revenues of the Association from all sources. Upon ninety (90) days written notice to the Association, the Declarant may change its election hereunder during the fiscal year. "All sources" includes, but is not limited to, revenues from operation of Master Common Area, capital contributions, accounting service fees; property management fees, guest fees, user fees, and the Assessments levied against Owners of Lots, other than Declarant. Such difference, herein called the "deficiency", shall not include any reserve for replacements, operating reserves, depreciation reserves, capital expenditures or special assessments, and Declarant shall not be responsible, in any event, for any reserve for replacements, operating reserves, depreciation reserves, capital expenditures or special assessments. Any sums paid by the Declarant to the Association to fund the "deficiency" or any sums paid by the Declarant to the Association in excess of the annual assessment otherwise due on the Declarant's unsold Lots may be considered by the Declarant to be the payment of a subsidy to the Association pursuant to Section 6.15 of this Article. Declarant's obligation hereunder may be satisfied in the form of cash or "in kind" consideration of services, materials, or by a combination of these. After the termination of Class C membership, Declarant shall pay assessments on its unsold Lots in the same manner as any other Owner.

6.15 Advances by Declarant or Class B Member during Development Period. In order to maintain the Master Common Area and sustain the services contemplated by Declarant during the Development Period, Declarant or any Class B Member may, in its sole discretion, provide amounts in excess of the funds raised by the regular assessments in order to maintain the Master Common Area within reasonable standards. Any such advances made by Declarant or any Class B Member during the Development Period shall be a debt of the Association to the advancing party. Notwithstanding the foregoing, Declarant, in its sole discretion, may cause the Association to borrow any deficiency amount from a lending institution at the then prevailing rate for such a loan in Dallas County and/or Collin County, Texas.

## ARTICLE 7

### ARCHITECTURAL CONTROL COMMITTEE

7.1 Architectural Control Committee. The Declarant shall establish an architectural control committee (the "Committee") for the Lots composed of three (3) individuals which shall, during the Declarant Control Period, be selected and appointed by the Declarant. The Committee shall function as the representative of the Association. The Committee shall exist and act for the purposes herein set forth as well as for all other purposes consistent with the creation and preservation of a first-class residential development. Any one or more of the members of a Committee may be removed from the Committee, with or without cause, by the

Declarant during the Declarant Control Period and thereafter by the Board of Directors. After the Declarant Control Period, the Board of Directors shall appoint members to the Committee.

A majority of the Committee may designate a member to act for it. No member of the Committee shall be entitled to any compensation for services performed hereunder nor be liable for claims, causes, causes of action or damages (except where occasioned by gross negligence or willful misconduct) arising out of services performed pursuant to this Declaration.

## 7.2 Architectural Approval.

(a) Design Guidelines. The Committee may, from time to time at its election, publish and promulgate design guidelines (the "**Design Guidelines**"), which are attached as **Exhibit C** hereto and which shall supplement these Covenants and shall be deemed incorporated herein by reference. The Committee shall have the right from time to time to amend the Design Guidelines, provided such guidelines, as amended, shall be in keeping with the overall quality, general architectural style and design of the community. The Committee shall have the authority to make final decisions in interpreting the general intent, effect and purpose of those matters for which it is responsible in accordance with these Covenants. The Committee shall endeavor to promulgate the Design Guidelines in such a manner that only materials complying with all applicable laws and regulations are specified therein, but each Owner of a Lot (and not the Committee) is responsible for complying with such laws and regulations on his respective Lot. If the Committee should be advised that materials specified by the Design Guidelines do not comply with applicable laws or regulations, the Committee shall use reasonable efforts to inquire into the nature of the non-compliance and to make appropriate revisions of the Design Guidelines.

(b) Required Approval. No building, structure, paving, pools, fencing, hot tubs or improvement of any nature shall be erected, placed or altered on any Lot until the site plan showing the location of such building, structure, driveway, paving or improvement, construction plans and specifications thereof and landscaping and grading plans therefor have been submitted to and approved in writing by the Committee ("**Architectural Approval**") as to: (i) location with respect to Lot lines, setback lines and finished grades with respect to existing topography, (ii) conformity and harmony of external design, color, and texture with existing structures and existing landscaping, (iii) quality of materials, adequacy of site dimensions, and proper facing of main elevation with respect to nearby streets; (iv) conformity with the Planned Development Ordinance; and (v) the other standards set forth within this Declaration or the Design Guidelines. The Committee is authorized to request the submission of samples of proposed construction materials or colors or proposed exterior surfaces.

(c) Procedure. Final plans and specifications shall be submitted in duplicate to the Committee by the Owner for approval or disapproval. If such 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 will be marked "Approved" and returned to the Owner. If such plans and specifications do not meet the approval of the Committee, one set of such plans and specifications shall be

returned marked "Disapproved," accompanied by a reasonable statement of the reasons for such disapproval. Any modification or change to the approved set of plans and specifications or to construction or reconstruction pursuant thereto which materially affects items (i) through (v) of the preceding Section 7.2(b) must again be submitted to the Committee, for its review and 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 they have been submitted to it, then Committee disapproval shall be presumed.

(d) Committee Discretion. The Committee is authorized and empowered to consider and review any and all aspects of Dwelling construction, construction of other improvements and location, quality and quantity of landscaping on the Lots, and may disapprove aspects thereof which may, in the discretion of the Committee, adversely affect the living enjoyment of one or more Owner(s) or the value of the Property. As an example, and not by way of limitation, the Committee may impose limits upon the location of window areas of one Dwelling that would overlook the enclosed patio area of an adjacent Dwelling. Also, the Committee is permitted to consider technological advance in design and materials and such comparable or alternative techniques, methods or materials may or may not be permitted, in accordance with the reasonable opinion of the Committee. The action of the Committee with respect to any matter submitted to it shall be final and binding upon the Owner submitting such matter, subject to the provisions of Article X hereof.

(e) Master Common Improvements. Declarant shall not be required to obtain Committee approval of the initial Master Common Improvements.

7.3 Variances. Upon submission of a written request for same, the Committee may, from time to time, in its sole discretion, permit Owners to construct, erect, or install improvements which are in variance from the Design Guidelines or covenants or restrictions provided in this Declaration. In any such case, variances shall be in basic conformity with and shall blend effectively with the overall quality, general architectural style and design of the community. No member of the Committee shall be liable to any Owner for any claims, cause of action, or damages arising out of the grant of, or the refusal to grant, any variance to an Owner. Each request for a variance submitted hereunder shall be reviewed separately and apart from other such requests and the granting of a variance to any Owner shall not constitute a waiver of the Committee's right to strictly enforce this Declaration against any other Owner.

7.4 Nonconforming and Unapproved Improvements. The Board of Directors may require any Owner to restore such Owner's improvements to the condition existing prior to the construction thereof (including, without limitation, the demolition and removal of any unapproved improvement) if such improvements were commenced or constructed in violation of this Declaration, including the Design Guidelines. In addition, the Board of Directors may, in its sole discretion, cause the Association to carry out such restoration, demolition and removal if the Owner fails to do so. The Board of Directors may levy the amount of the cost of such restoration, demolition and removal as a special assessment against the Lot upon which such improvements were commenced or constructed (without the necessity of Member approval) and shall have all the rights and remedies to enforce collection thereof provided by law and by this

Declaration. Dwellings or other improvements initially constructed in accordance with these Covenants and having received any necessary approval of the Architectural Control Committee in connection with their initial construction, may be repaired, maintained and restored in accordance with the standards in force at the time of their initial construction, notwithstanding any subsequent amendment or revision of these Covenants, the Design Guidelines or the Planned Development Ordinance. If such Dwellings or other improvements are totally destroyed or totally replaced, the new Dwellings or other new improvements must conform to the Covenants, the Design Guidelines, and the Planned Development Ordinance in force at the time of their construction.

7.5 Intentionally omitted.

7.6 No Liability. Neither Declarant, the Association, the Committee, the Board of Directors, nor the officers, directors, members, employees or agents of any of them, shall be liable in damages to anyone submitting plans and specifications to any of them for approval, or to any Owner by reason of mistake in judgment, negligence, or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve or disapprove any such plans or specifications. Every person who submits plans or specifications and every Owner agrees that he will not bring any action or suit against Declarant, the Association, the Committee, the Board of Directors, or the officers, directors, members, employees or agents of any of them, to recover any such damages and hereby releases, remises, and quitclaims all claims, demands and causes of action arising out of or in connection with any actual or alleged mistake of judgment, negligence or nonfeasance and hereby waives the provisions of any law which provides that a general release does not extend to claims, demands and causes of action not known at the time the release is given. Approval of plans and specifications by the Committee is not approval thereof for engineering or structural design or adequacy of materials. By approving such plans and specifications neither the Committee, the members thereof, the Declarant, the Association nor the Board of Directors assumes liability or responsibility for safety or adequacy of design, compliance with the Planned Development Ordinance or these Covenants, or for any defect to any structure constructed from such plans and specifications.

## ARTICLE 8

### INSURANCE AND INDEMNITY

8.1 Association Insurance Coverage. The Association shall obtain insurance coverage on the Property in accordance with the following provisions:

(a) Purchasing Policies; Primary Coverage. The Board of Directors or its duly authorized agent shall have the authority to purchase and shall purchase insurance policies upon the Property sufficient to provide the coverages required by this Section 8.1, for the benefit of the Association and the Owners and their mortgagees, as their interest may appear, and provisions shall be made for the issuance of certificates of mortgage endorsements to the mortgagees of Owners. All policies shall be written with a company licensed to sell insurance in the State of Texas. Except as provided in Section 8.3, in no event shall the insurance coverage obtained and maintained by the Association hereunder be brought into contribution with insurance purchased by individual Owners,

Lot occupants, or their mortgagees, and the insurance carried by the Association shall be primary.

(b) Casualty.

(i) Master Common Area. All buildings and improvements upon the Master Common Area and all personal property of the Association located in or upon the Master Common Area and/or used to maintain the Master Common Area shall be insured by the Association in an amount equal to one hundred percent (100%) insurable replacement value as determined annually by the Association with the assistance of the insurance company providing coverage. Such insurance shall be charged as a common expense to all Owners and shall be included in the Subdivision Regular Assessment. Such coverage shall provide protection against:

(A) Loss damage by fire and other hazards covered by a standard extended coverage endorsement; and

(B) Such other risks, as determined from time to time, as are customarily covered by casualty policies with respect to buildings of the type then existing on the Master Common Area.

(ii) Lots. **EACH OWNER OF A LOT, DWELLING OR OTHER IMPROVEMENTS THEREON WHICH ARE LOCATED ON LOTS SHALL BE SOLELY LIABLE AND RESPONSIBLE FOR OBTAINING ITS OWN POLICIES OF INSURANCE ON SUCH OWNER'S LOT, DWELLING OR OTHER IMPROVEMENTS. THE ASSOCIATION SHALL HAVE NO OBLIGATION TO CARRY CASUALTY INSURANCE ON ANY LOTS OR DWELLINGS OR OTHER IMPROVEMENTS LOCATED ON ANY LOTS FOR OR ON BEHALF OF ANY OWNER AND NO LIABILITY THEREFOR.**

(c) Liability. Public liability insurance shall be secured by the Association with limits of liability of not less than One Million Dollars (\$1,000,000.00) per occurrence and shall include an endorsement to cover liability of the Owners as a group to a single Owner. There shall also be obtained such other insurance coverage as the Association shall determine from time to time to be necessary or desirable.

(d) Policy Terms. The Association shall make every reasonable effort to ensure that all policies purchased by the Association contain clauses, endorsements or agreements providing:

(i) for waiver of subrogation;

(ii) that no policy may be canceled or substantially modified without at least ten (10) days' prior written notice to the Association;

(iii) that the "other insurance" clause in any such policy excludes individual Owners' policies from consideration; and

(iv) for a deductible of no greater than such amount per occurrence as shall from time to time be determined by the Board of Directors.

(e) Premiums. Premiums for insurance policies purchased by the Association shall be paid by the Association and shall be charged to Owners as part of the regular annual assessment described in Article VI above.

(f) Proceeds. All insurance policies purchased by the Association shall be for the benefit of the Association and the Owners and their mortgagees, as their interest may appear, and shall provide that all proceeds thereof shall be payable to the Association as insurance trustee under this Declaration. Exclusive authority to adjust losses under policies obtained by the Association shall be vested in the Board of Directors, provided, however, that no mortgagee having an interest in such losses shall be prohibited from participating in the settlement negotiations, if any, related thereto. Upon the payment of proceeds to the Association under any policy, the sole duty of the Association as insurance trustee shall be to receive such proceeds as are paid and to hold the same in trust for the purpose stated herein or stated in the bylaws of the Association and for the benefit of the Owners and their mortgagees in the following shares:

(i) Proceeds on account of damage to the Master Common Area shall be held for the Association.

(ii) Proceeds on account of damage to Lots shall be held in undivided shares for the Owners to such damaged Lots in proportion to the cost of repairing the damage suffered by each Owner, which cost shall be determined by the Association.

(iii) In the event a mortgagee or lender loss payable endorsement has been issued for any Lot, the share of the Owner shall be held in trust for the mortgagee and the Owner as their interests may appear.

8.2 Distribution of Insurance Proceeds Received by Association. Proceeds of insurance policies received by the Association as insurance trustee shall be distributed to or for the benefit of the beneficial Owners in the following manner:

(a) Expense of the Trust. All expenses of the insurance trustees shall be first paid or provisions made therefor.

(b) Reconstruction or Repair. The remaining proceeds shall be paid to defray the cost incurred by the Association of performing or obtaining the performance of the repairs, reconstruction or replacement of the damaged improvement(s) or other property, and the Association shall ensure that all mechanic's liens, materialmen's liens or other such liens which may result from such reconstruction, replacement or repair work are waived, satisfied or otherwise removed. Any proceeds remaining after defraying such costs shall be distributed as provided in Section 8.1(f).

In the event that the proceeds are insufficient to fully restore, repair or replace the loss or damage, the Association may levy an assessment to cover the deficiency.

8.3 Optional Insurance Coverage of Owners. Owners may, at their option, obtain insurance coverage at their own expense for their personal liability and living expense and such other coverage as they may desire.

## ARTICLE 9

### EASEMENTS

9.1 General. All of the Property, including Lots and Master Common Areas, shall be subject to such easements for driveways, walkways, parking areas, water lines, sanitary sewers, storm drainage facilities, gas lines, telephone, and electric power line and other public utilities as shall be established by the Declarant or by its predecessors in title, prior to the subjecting of the Property to this Declaration; and the Association shall have the power and authority to grant and establish upon, over, under, and across the Master Common Areas conveyed to it, such further easements as are requisite for the convenient use and enjoyment of the Property. In addition, there is hereby reserved in the Declarant and its agents and employees an easement and right of ingress and egress across all Master Common Areas, now or hereafter existing, for the purpose of construction and repairing of improvements within the Property, including the right of temporary storage of construction materials on said Master Common Areas.

9.2 Universal Easements. All Lots and the Master Common Area shall be subject to easements for the encroachment, and subject to easements for the maintenance by the Association or applicable Owner responsible for maintenance thereof, of initial improvements constructed on adjacent Lots by the Declarant and the Master Common Improvements to the extent that such initial improvements and Master Common Improvements actually encroach including, but not limited to, such items as overhanging eaves, privacy fences and party walls, and masonry columns constructed by Declarant as part of the perimeter wall or fencing within portions of the Master Common Area and adjacent Lots.

9.3 Reservation of Easements by Declarant. Declarant also reserves access easements over all Lots for construction, either for that Lot or any adjacent Lot or property, and easements over all Master Common Areas for the installation of public or private utilities and storm drainage (whether subsurface or surface), which easements may serve the Property or any adjacent property or properties (whether such adjacent property is owned by Declarant or a third party).

9.4 Cross Easements. There are non-exclusive reserved non-exclusive cross-access easements for maintenance, repair and construction in favor of Owners of Lots that comprise a Structure for access to and from each other Lot comprising the Structure and the Master Common Area adjacent to the Lots comprising the Structure, including, but not limited to the transportation of roll-out garbage containers; however, this does not include access to approved decks, patios or areas with approved fences.

9.5 Declarant/Association Right to Grant Easements. To the extent Declarant deems it necessary or appropriate to execute and file in the appropriate public records any instrument to specifically evidence, identify and/or establish of record any easement reserved generally herein, Declarant is and shall be authorized to grant such easements, in its own name or in the name of

the Association, and to execute and record written evidence of the same, without the approval or joinder of any other party, including, but not limited to, the Association, so long as Declarant holds record title to the Master Common Area. After the conveyance by Declarant to the Association of record title to the Master Common Area, any such written easement shall be given, if at all, by the Association and shall require the signature of the President of the Association (or any other duly authorized officer of the Association) or, if not the President or other officer duly authorized, then all of its Directors. Any third-party relying on a written and recorded easement instrument granted either by the Declarant or by the Association shall be entitled to rely upon any and all recitations set forth therein as true and correct statements of fact as to ownership of the Master Common Area and the authority of the person or party executing such easement instrument, and the same shall be deemed presumptively true, correct and legally binding for all purposes on all properties affected thereby, including any Lot(s) or portion(s) of the Master Common Area described therein or encumbered thereby.

## ARTICLE 10

### NOTICE AND HEARING; DISPUTE RESOLUTION; LIENS

#### 10.1 Notice and Hearing.

(a) Prior to the imposition of any fine for a violation of this Declaration or the levying of any special assessment on an Owner, the Association will give notice to the Owner in compliance with Section 209.006 of the Texas Property Code (the “**Property Code**”), as the same may be hereafter amended. Such notice shall be as follows:

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

(ii) The notice must describe the violation or property damage that is the basis for the fine for such violation, and state any amount due the Association from the Owner.

(iii) The notice must inform the Owner that the Owner is entitled to a reasonable time to cure the violation and avoid the fine and that the Owner may request a hearing under this Section 10.1 and Section 209.007 of the Texas Property Code on or before the 30th day after the Owner receives the notice.

(b) In compliance with Section 209.007 of the Texas Property Code, if the Owner submits a written request for a hearing, the Association shall hold a hearing not later than the thirtieth (30th) day after the date the Board receives the Owner’s request, and shall notify the Owner of the date, time and place of the hearing not later than the tenth (10th) day before the date of the hearing. The Board or the Owner may request a postponement, and, if requested, a postponement shall be granted for a period of not more than ten (10) days. Additional postponements may be granted by agreement of the parties. If the hearing is to be held before a committee appointed by the Board, the notice described in Section 10.1(a) hereof shall state that the Owner has the right to appeal the committee’s decision to the Board by written notice to the Board.

#### 10.2 Arbitration of Disputes Involving the Declarant.

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

(b) Notwithstanding the Declarant's and Owner's intent to submit any controversy or claim arising out of or relating to this Declaration to arbitration, in the event that a court of competent jurisdiction shall determine or a relevant law shall provide that a particular dispute is not subject to the arbitration provisions in this Section 10.2, then the parties agree to the following provisions: EACH OWNER ACKNOWLEDGES THAT THIS DECLARATION IS A SOPHISTICATED LEGAL DOCUMENT. ACCORDINGLY, JUSTICE WILL BEST BE SERVED IF ISSUES REGARDING THIS DECLARATION ARE HEARD BY A JUDGE IN A COURT PROCEEDING, AND NOT A JURY. EACH OWNER AGREES THAT ANY CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION, WITH RESPECT TO ANY ACTION, PROCEEDING, CLAIM, COUNTERCLAIM, OR CROSSCLAIM, WHETHER IN CONTRACT AND/OR IN TORT (REGARDLESS IF THE TORT ACTION IS PRESENTLY RECOGNIZED OR NOT), BASED ON, ARISING OUT OF, IN CONNECTION WITH OR IN ANY WAY RELATED TO THIS DECLARATION, ANY COURSE OF CONDUCT, COURSE OF DEALING, VERBAL OR WRITTEN STATEMENT, VALIDATION, PROTECTION, ENFORCEMENT ACTION OR OMISSION OF ANY PARTY SHALL BE HEARD BY A JUDGE IN A COURT PROCEEDING AND NOT A JURY.

10.3 Liens/Validity and Severability; Mortgagees. Violation of or failure to comply with this Declaration shall not affect the validity of any mortgage, lien or other similar security instrument which may then be existing on any Lot. Invalidation of any one (1) or more of the provisions of this Declaration, or any portions thereof, by a judgment or court order shall not affect any of the other provisions or covenants herein contained, which such other provisions and covenants shall remain in full force and effect. No default by an Owner of a Lot under any provision of this Declaration shall affect any existing lien or mortgage on that Lot. A mortgagee shall not be liable for Assessments made with respect to a Lot during any period in which its only interest in the Lot is that of a mortgagee.

## ARTICLE 11

### GENERAL PROVISIONS

11.1 Duration. The Covenants of this Declaration shall run with and bind the Property, and shall inure to the benefit of and be enforceable by Declarant, the Association and each Owner and each of their respective legal representatives, heirs, successors and assigns. This Declaration shall be effective for an initial term ending on December 31, 2054, after which time said Covenants shall be automatically extended for successive periods of ten (10) years each unless, at least one (1) year prior to the expiration of the then current term, an instrument terminating this Declaration is signed by Owners of at least seventy percent (70%) of the Lots, and is recorded in the Official Public Records of Dallas County and Collin County, Texas.

11.2 Amendments. Notwithstanding Section 11.1 of this Article, and in addition to Declarant's rights to amend this Declaration during the Development Period as set forth in Article XII hereof, this Declaration may be amended or otherwise changed (a) as provided in Section 2.2, or (b) upon the affirmative vote of at least sixty-seven percent (67%) of the outstanding votes of the Members of the Association taken at a meeting of the Members of the Association, duly called at which quorum is present. Any and all amendments of this Declaration shall be recorded in the Official Public Records of Dallas County and Collin County, Texas.

11.3 Enforcement. Subject to the provisions of Article XI, these Covenants may be enforced against any person or persons violating or attempting to violate them, by any proceeding at law or in equity, including, without limitation, through actions to enjoin violations, to recover damages, or to enforce any lien created by these Covenants. The failure by the Association or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

11.4 Severability. If any provision of this Declaration is determined by judgment or court order to be invalid, or illegal or unenforceable, the remaining provisions of this Declaration shall remain in full force and effect in the same manner as if such invalid, illegal or unenforceable provision had been deleted from this Declaration by an amendment effective as of the date of such determination.

11.5 References. All references in this Declaration to articles, sections, subsections and paragraphs refer to corresponding articles, sections, subsections, and paragraphs of this

Declaration. Heading and titles used herein are for convenience only and shall not constitute substantive provisions of this Declaration. The words "this Declaration," "this instrument," "herein," "hereof," "hereby," "hereunder" and words of similar import refer to this Declaration as a whole and not to any particular provision unless expressly so limited. Words in the singular form shall be construed to include the plural and vice versa, unless the context otherwise requires. Words in any gender (including the neutral gender) shall include any other gender, unless the context otherwise requires. Examples shall not be construed to limit, expressly or by implication, the matter they illustrate. The word "includes" and its derivatives shall mean "includes, but is not limited to" and corresponding derivative expressions. The word "or" includes "and/or." All references herein to "\$" or "dollars" shall refer to U.S. Dollars. All exhibits attached to this Declaration are incorporated herein by reference.

11.6 Notices. Any notice required to be given to the Association, or to any Member or Owner under the provisions of this Declaration shall be deemed to have been properly delivered when deposited in the United States mail, postage prepaid, addressed to the last known address of such person as shown by the records of the Association at the time of such mailing.

11.7 Notices to Mortgagees. Upon written request delivered to the Association by the mortgagee of a Lot, the Association shall send to the requesting mortgagee written notification of any default hereunder affecting the mortgagor or the Lot covered by the mortgage of the requesting mortgagee. Any such request shall be in sufficient detail to enable the Association to determine the affected Lot and Owner and shall set forth the mailing address of the requesting mortgagee.

11.8 Liability Limitations; Indemnification. No Declarant, Member, director, officer or representative of the Association or the Board or the Committee shall be personally liable for the debts, obligations or liabilities of the Association. The directors and officers of the Association shall not be liable for any mistake of judgment, whether negligent or otherwise, except for their own individual willful misfeasance or malfeasance, misconduct, bad faith, intentional wrongful acts or as otherwise expressly provided in the Association dedicatory instruments. Declarant and directors, officers and Committee members shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association, and **THE ASSOCIATION, AS A COMMON EXPENSE OF THE ASSOCIATION, SHALL INDEMNIFY AND HOLD HARMLESS DECLARANT, DIRECTORS, OFFICERS AND MEMBERS OF THE COMMITTEE FROM ANY AND ALL EXPENSES, LOSS OR LIABILITY TO OTHERS ON ACCOUNT OF ANY SUCH CONTRACT OR COMMITMENT (TO THE EXTENT NOT COVERED BY INSURANCE PROCEEDS). IN ADDITION, EACH DIRECTOR AND EACH OFFICER OF THE ASSOCIATION AND EACH MEMBER OF THE COMMITTEE SHALL BE INDEMNIFIED AND HELD HARMLESS BY THE ASSOCIATION, AS A COMMON EXPENSE OF THE ASSOCIATION, FROM ANY EXPENSE, LOSS OR LIABILITY TO OTHERS (TO THE EXTENT NOT COVERED BY INSURANCE PROCEEDS) BY REASONS OF HAVING SERVED AS SUCH DIRECTOR, OFFICER OR COMMITTEE MEMBER AND AGAINST ALL EXPENSES, LOSSES AND LIABILITIES, INCLUDING, BUT NOT LIMITED TO, COURT COSTS AND REASONABLE ATTORNEYS' FEES, INCURRED BY OR IMPOSED UPON SUCH DIRECTOR, OFFICER OR COMMITTEE MEMBER IN CONNECTION WITH ANY PROCEEDING**

**TO WHICH SUCH PERSON MAY BE A PARTY OR HAVE BECOME INVOLVED BY REASON OF BEING SUCH DIRECTOR, OFFICER OR COMMITTEE MEMBER AT THE TIME ANY SUCH EXPENSES, LOSSES OR LIABILITIES ARE INCURRED SUBJECT TO ANY PROVISIONS REGARDING INDEMNITY CONTAINED IN THE ASSOCIATION'S DEDICATORY INSTRUMENTS, EXCEPT IN CASES WHEREIN THE EXPENSES, LOSSES AND LIABILITIES ARISE FROM A PROCEEDING IN WHICH SUCH DIRECTOR, OFFICER OR COMMITTEE MEMBER IS ADJUDICATED GUILTY OF WILLFUL MISFEASANCE OR WILLFUL MALFEASANCE, WILLFUL MISCONDUCT OR BAD FAITH IN THE PERFORMANCE OF SUCH PERSON'S DUTIES OR INTENTIONAL WRONGFUL ACTS OR ANY ACT EXPRESSLY SPECIFIED IN THE ASSOCIATION'S DEDICATORY INSTRUMENTS AS AN ACT FOR WHICH ANY LIMITATION OF LIABILITY SET FORTH IN THE ASSOCIATION'S DEDICATORY INSTRUMENTS IS NOT APPLICABLE; PROVIDED, HOWEVER, THIS INDEMNITY DOES COVER LIABILITIES RESULTING FROM SUCH DIRECTOR'S, OFFICER'S OR COMMITTEE MEMBER'S NEGLIGENCE.** Any right to indemnification provided herein shall not be exclusive of any other rights to which a director, officer or Committee member, or former director, officer or Committee member, may be entitled. The Association shall have the right to purchase and maintain, as a Common Expense, directors', officers', and Committee members', insurance on behalf of any Person who is or was a director or officer of the Association or the Committee member against any liability asserted against any such Person and incurred by any such Person in such capacity, or arising out of such Person's status as such Person.

11.9 Management of the Association. In the event that the Board elects to contract with a Managing Agent to perform any duties of the Board in accordance with Article V hereof, the Board shall record or cause to be recorded in each county in which the Property is located a management certificate, signed and acknowledged by an officer of the Managing Agent or the Association in accordance with the requirements of Section 209.004 of the Texas Property Code. An amended management certificate shall be recorded no later than the 30<sup>th</sup> day after the date on which the Association has notice of a change in any information pertaining to the Managing Agent applicable to the Association. Notwithstanding the foregoing or anything to the contrary contained herein, in no event shall the Declarant, the Association and/or their respective officers, directors, employees, and/or agents, or the Board be subject to liability to any Person for a delay in recording or failure to record a management certificate except as otherwise provided by law. In the event that the Sub-Declarant or the Sub-Association desires to engage a managing agent as may be permitted or contemplated under the Sub-Declaration or governing documents of such Sub-Association, such managing agent engaged by the Sub-Declarant or Sub-Association must be the same Managing Agent contracted with the Board in accordance with the terms of this Declaration.

11.10 Termination of and Responsibility of Declarant. If Declarant shall transfer all of its then remaining right, title and interest in and to the Land and shall additionally expressly assign all its rights, benefits and obligations as Declarant hereunder to the transferee of such remaining interest in the Land, then Declarant shall have no further rights or duties hereunder and such rights and duties of Declarant hereunder shall thereupon be enforceable and performable by such transferee of Declarant's rights hereunder.

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

## ARTICLE 12

### SPECIFIC DECLARANT RIGHTS

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

12.2 No Duty to Annex. Nothing herein contained shall establish any duty or obligation on the part of the Declarant or any Member to annex any Adjacent Land or other property to this Declaration and no owner of the property excluded from this Declaration shall have any right to have such property annexed thereto.

12.3 Effect of Annexation on Class C Membership. In determining the number of Lots owned by the Declarant for the purpose of Class C membership status according to Section 5.3 hereof, the total number of Lots covered by this Declaration and located or to be developed in such Declarant's portion of the Property, including all Lots acquired by the Declarant and annexed thereto, shall be considered. If Class C membership has previously lapsed but annexation of any Adjacent Land or additional property restores the ratio of Lots owned by the Declarant to the number required by Class C membership, such Class C membership shall be reinstated until it expires pursuant to the terms of Section 5.3.

12.4 Specific Declarant Rights to Amend Declaration. During the Development Period, the Declarant may unilaterally amend this Declaration without the joinder or vote of the Board, the Association, the other Owners, or any other party if such amendment is deemed necessary or desirable, in the Declarant's sole judgment for any purpose, including, without limitation, (i) to bring any provisions of this Declaration into compliance with any applicable governmental statute, rule, regulation or judicial determination; (ii) to enable any reputable title insurance company to issue title insurance coverage on the Lots; (iii) to enable any institutional or governmental lender, purchaser, insurer, or guarantor of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to purchase, insure, or guarantee mortgage loans on the Lots; (iv) to satisfy the requirements of any local, state or federal governmental agency; or (v) to correct or clarify errors, omissions, mistakes or ambiguities contained herein. No amendment pursuant to this paragraph, however, shall adversely affect the title to any Lot unless the Owner affected thereby shall consent in writing.

12.5 Easement/Access Right. The Declarant reserves a general easement over all streets, roads, rights of way, utility, maintenance, landscaping, wall and other easements in the Property and over the Master Common Area as reasonably necessary for access for the purpose of finishing development of the Property as a subdivision and as otherwise reasonably necessary

to affect each Declarant's rights hereunder. Such easements and rights shall expire upon expiration of the Development Period.

12.6 Assignment of Declarant Rights. The Declarant may assign its rights to a successor Declarant hereunder by execution of a written document, recorded in the Official Public Records of Dallas County and Collin County, Texas, expressly and specifically stating that such Declarant has assigned its rights as such to a designated assignee and declaring such assignee to be a new "Declarant" hereunder. No Person purchasing or otherwise acquiring one (1) or more Lots shall be considered "Declarant" hereunder, unless Declarant makes an express and specific assignment referenced in and accordance with the terms of the immediately preceding sentence or except in the event of an involuntary disposition of all or any part of the Land owned by Declarant prior to completion of development of the Land as a residential community.

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

12.8 Replatting or Modification of Plat. From time to time, the Declarant reserves the right to replat its Property or to amend or modify the Plat in order to assure harmonious and orderly development of the Property as herein provided. The Declarant may exercise such rights at any time during the Development Period and no joinder of any other Owner shall be required to give effect to such rights, each Owner consenting to the Declarant's execution of any replat on such Owner's behalf. However, any such replatting or amendment of the Plat shall be with the purpose of efficiently and economically developing the Property for the purposes herein provided or for compliance with any applicable governmental regulation. The Declarant's rights under this Section 12.8 shall expire upon expiration of the Development Period.

12.9 Limitation of Declarants' Liability. The Declarant shall not be responsible or liable for any deficit in the Association's funds. The Declarant may, but is under no obligation to, subsidize any liabilities incurred by the Association, and the Declarant may, but is not obligated to, lend funds to the Association to enable it to defray its expenses, provided the terms of such loans are on reasonable market conditions at the time.

12.10 Termination of the Declarant's Responsibilities. In consideration of the Declarant's deficit funding of the Association, if any, upon the occurrence of any of the following events: (i) conversion of the Declarant's Class C membership status to Class A membership status; (ii) completion of the Master Common Area by the Declarant and conveyance of same to the Association; (iii) assignment of the Declarant's rights hereunder pursuant to Section 12.6; or (iv) expiration of the Development Period, then and in such event the Declarant shall be fully released, relieved and forever discharged from any further duty or obligation to the Association or any of its members as the Declarant by reason of the terms and conditions of this Declaration including any amendments thereof or supplements thereto, save and except the duties and obligations, if any, of the Declarant as a Class A member by reason of the Declarant's continued ownership of one or more Lots, but not otherwise. Further, and without regard to whether or not the Declarant has been released from obligations and duties to the Association, during the Development Period or so long as the Declarant holds record title to at least one (1) Lot and holds same for sale in the ordinary course of business, neither the Association nor its Board, nor any member of the Association shall take any action that will impair or adversely affect the rights of the Declarant or cause the Declarant to suffer any financial, legal or other detriment, including but not limited to, any direct or indirect interference with the sale of Lots. In the event there is a breach of this Section, it is acknowledged that any monetary award which may be available would be an insufficient remedy and therefore, in addition to all other remedies, the Declarant shall be entitled to injunctive relief restraining the Association, its Board or any member of the Association from further breach of this Section.

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**EXHIBIT A**

**LEGAL DESCRIPTION OF THE LAND**

*[see attached]*

## LEGAL DESCRIPTION

BEING a 163.0 acre tract of land situated in the John Clay Survey, Abstract Number 223, Collin County, Texas, the John Clay Survey, Abstract Number 313, Dallas County, Texas, and the John W. Curtis Survey, Abstract Number 345, Dallas County, Texas, all within the City of Dallas, Texas, and all within City of Dallas Block Number 8735, said tract being part of that tract of land described as Tract B in Deed Of Gift dated September 1, 1972, to The State of Texas for the benefit and use of the Board Of Directors Of The Texas A&M University System as recorded in Volume 837, Page 591 of the Deed Records of Collin County, Texas (D.R.C.C.T.), and Volume 72221, Page 2873 of the Deed Records of Dallas County, Texas (D.R.D.C.T.) (hereinafter referred to as "Tract B"), and being more particularly described as follows:

BEGINNING at 1/2-inch set iron rod with a yellow plastic cap stamped "HALFF" (hereinafter referred to as "with cap") for the northwest corner of said Tract B and for the intersection of the east right-of-way line of Coit Road (a 130 foot wide right-of-way) and the southeasterly right-of-way line of that tract of land described in Deed to Dallas Area Rapid Transit Property Acquisition Corporation (a 100 foot wide right-of-way) as recorded in Volume 3424, Page 126, D.R.C.C.T., and from which a 1/2-inch found iron rod with "KCS 4019" cap bears North 00 degrees 31 minutes 35 seconds West, 0.9 feet;

THENCE North 74 degrees 11 minutes 05 seconds East (record North 75 degrees 09 minutes 35 seconds East, 2,806.89 feet), with said southeasterly Dallas Area Rapid Transit right-of-way line, a distance of 2,807.41 feet to a 3/8-inch found iron rod for the northeast corner of said Tract B and for the northwest corner of Block A/8735 of U.T.D. SYNERGY PARK – PHASE I, AN INDUSTRIAL ADDITION, an addition to the City of Dallas, Dallas and Collin Counties, Texas, as recorded in Cabinet F, Page 483 of the Map Records of Collin County, Texas;

THENCE South 00 degrees 45 minutes 30 seconds East (record South 00 degrees 13 minutes West, 4,171.04 feet), departing said southeasterly Dallas Area Rapid Transit right-of-way line, with the east line of said Tract B, a distance of 4,171.71 feet to a 1/2-inch found iron rod with "PACHECO KOCH" cap for the southeast corner of said Tract B and the southwest corner of Lot 2, Block A/8735 of U.T.D. SYNERGY PARK – PHASE II, an addition to the City of Dallas, Dallas County, Texas, as recorded in Volume 86051, Page 3744, D.R.D.C.T., said point also being on the north right-of-way line of Cullum Street (a 40-foot wide right-of-way) as dedicated by the plat of FIRST INSTALLMENT OF TECHNOLOGY PARK, an addition to the City of Richardson, Dallas County, Texas, as recorded in Volume 67123, Page 1285, D.R.D.C.T.;

THENCE South 88 degrees 49 minutes 12 seconds West (record North 89 degrees 57 minutes West, 200.23 feet), with the south line of Tract B and with the north right-of-way line of said Cullum Street, a distance of 200.41 feet to a 1/2-inch found iron rod with "PRECISE LAND SURV." cap for the northeast corner of UNIVERSITY WORLD, LOT 1A, BLOCK 4, an addition to the City of Richardson, Dallas County, Texas, as recorded in Volume 98122, Page 60, D.R.D.C.T.;

THENCE South 89 degrees 04 minutes 01 second West (record North 89 degrees 55 minutes West, 2,607.08 feet), departing the north right-of-way line of said Cullum Street, with the south

line of said Tract B, a distance of 2,607.08 feet to a set "X" cut in concrete for the southwest corner of said Tract B on the east right-of-way line of said Coit Road (a variable width right-of-way at this point);

THENCE North 00 degrees 31 minutes 59 seconds West (record North 00 degrees 29 minutes East), with the common west line of said Tract B and the east right-of-way line of said Coit Road, a distance of 772.51 feet to a 1/2-inch set iron rod with cap for corner;

THENCE over and across said Tract B through the following courses and distances:

North 89 degrees 04 minutes 01 second East, departing said common line, a distance of 1,876.27 feet to a 1/2-inch set iron rod with cap for corner;

North 00 degrees 45 minutes 30 seconds West, a distance of 1,856.15 feet to a 1/2-inch set iron rod with cap for corner;

South 89 degrees 04 minutes 01 second West, a distance of 1,791.70 feet to a 1/2-inch set iron rod with cap for corner on the common west line of said Tract B and the east right-of-way line of said Coit Road (a 130-foot wide right-of-way at this point), said point being the beginning of a non-tangent circular curve to the left having a radius of 2,929.79 feet (record 2,929.79 feet) and a chord that bears North 01 degree 13 minutes 52 seconds East a distance of 179.70 feet;

THENCE Northerly, with said common line and with said curve, through a central angle of 03 degrees 30 minutes 53 seconds, an arc distance of 179.73 feet to found concrete monument for the point of tangency;

THENCE North 00 degrees 31 minutes 35 seconds West (record North 00 degrees 26 minutes 55 seconds East, 644.76 feet), continuing with said common line, a distance of 643.33 feet to the POINT OF BEGINNING AND CONTAINING 163.0 acres (or 7,100,280 square feet) of land, more or less.

**EXHIBIT B**

**Certificate of Formation and other Dedicatory Instruments**

*[see attached]*



## Office of the Secretary of State

### CERTIFICATE OF FILING OF

UPD Homeowner's Association, Inc.  
File Number: 802059354

The undersigned, as Secretary of State of Texas, hereby certifies that a Certificate of Formation for the above named Domestic Nonprofit Corporation has been received in this office and has been found to conform to the applicable provisions of law.

ACCORDINGLY, the undersigned, as Secretary of State, and by virtue of the authority vested in the secretary by law, hereby issues this certificate evidencing filing effective on the date shown below.

The issuance of this certificate does not authorize the use of a name in this state in violation of the rights of another under the federal Trademark Act of 1946, the Texas trademark law, the Assumed Business or Professional Name Act, or the common law.

Dated: 09/08/2014

Effective: 09/08/2014



*NANDITA BERRY*

Nandita Berry  
Secretary of State

Form 202

Secretary of State  
P.O. Box 13697  
Austin, TX 78711-3697  
FAX: 512/463-5709



**Certificate of Formation  
Nonprofit Corporation**

Filed in the Office of the  
Secretary of State of Texas  
Filing #: 802059354 09/08/2014  
Document #: 566942720005  
Image Generated Electronically  
for Web Filing

Filing Fee: \$25

**Article 1 - Corporate Name**

The filing entity formed is a nonprofit corporation. The name of the entity is :

**UPD Homeowner's Association, Inc.**

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

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

OR

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

Name:

**Mehrdad Moayedi**

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

Street Address:

**1221 N. I-35E, Suite 200 Carrollton TX 75006**

**Consent of Registered Agent**

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

OR

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

**Article 3 - Management**

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

OR

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

Director 1: **Mehrdad Moayedi**

Title: **Director**

Address: **1221 N. I-35E, Suite 200 Carrollton TX, USA 75006**

Director 2: **Michael Dees**

Title: **Director**

Address: **1221 N. I-35E, Suite 200 Carrollton TX, USA 75006**

Director 3: **Victor Tannous**

Title: **Director**

Address: **1221 N. I-35E, Suite 200 Carrollton TX, USA 75006**

**Article 4 - Organization Structure**

A. The corporation will have members.

or

B. The corporation will not have members.

**Article 5 - Purpose**

The corporation is organized for the following purpose or purposes:

**Homeowner's Association**

**Supplemental Provisions / Information**

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

**Effectiveness of Filing**

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

OR

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

**Organizer**

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

**Mehrdad Moayed**      **1221 N. I-35E, Suite 200, Carrollton, Texas 75006**

**Execution**

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

**Mehrdad Moayed**

Signature of organizer.

**FILING OFFICE COPY**

**ARTICLES OF INCORPORATION  
OF  
UPD HOMEOWNER'S ASSOCIATION, INC.  
(A Non-Profit Corporation)**

The undersigned natural person of the age of eighteen (18) years or more, acting as the sole incorporator of a corporation under the Texas Non-Profit Corporation Act, does hereby adopt the following Articles of Incorporation for such corporation:

**ARTICLE ONE**

The name of the corporation is UPD Homeowner's Association, Inc.

**ARTICLE TWO**

The corporation is a non-profit corporation.

**ARTICLE THREE**

The period of its duration is perpetual.

**ARTICLE FOUR**

The purposes for which the corporation is organized are to exercise all powers and privileges and perform all duties and obligations of the corporation as granted and required in the Declaration of Covenants, Conditions and Restrictions for UPD Homeowner's Association Inc. (to be) recorded in the Records of Dallas County, Texas (the "**Declaration**"), and to be treated as a homeowners' association within the meaning of the Internal Revenue Code, and to do all other things necessary and proper to accomplish any and all of the purposes and to exercise such of the general powers of a non-profit corporation.

**ARTICLE FIVE**

The corporation shall have members as provided in the Declaration.

**ARTICLE SIX**

The address of its initial registered office is 1221 N. I35-E, Suite 112, Carrollton, Texas 75006 and the name of its initial registered agent at such address is Mehrdad Moayedi.

## ARTICLE SEVEN

The number of directors constituting the initial Board of Directors is three (3) and the name and address of the person who is to serve as the director of the corporation for the term set forth opposite his name or until his successor is elected and qualified is:

<u>NAME</u>	<u>ADDRESS</u>	<u>INITIAL TERM OF OFFICE</u>
Mehrdad Moayedi	1221 N. I-35E, Suite 112 Carrollton, Texas 75006	Until first election
Michael Dees	1221 N. I 35-E, Suite 112 Carrollton, Texas 75006	Until first election
Victor Tannous	1221 N. I35-E, Suite 112 Carrollton, Texas 75006	Until first election

The right of members to cumulative voting in the election of directors is expressly prohibited.

## ARTICLE EIGHT

The address of the incorporator is 1221 N. I-35E, Suite 112, Carrollton, Texas 75006.

## ARTICLE NINE

Except as may be provided in the By-Laws of the corporation, the power to alter, amend, or repeal the By-Laws or to adopt new By-Laws of the corporation shall be by the affirmative vote or written consent, or combination thereof, of Voting Members representing two-thirds (2/3rds) of the total votes in the Association, provided however, the By-Laws made by the Board of Directors and the power so conferred may be repealed or changed by action of the members.

## ARTICLE TEN

Any action authorized or required by the Texas Non-Profit Corporation Act to be taken at any annual or special meeting of members, board of directors, or any committee thereof, or any action which may be taken at any annual or special meeting of members, may be taken without a meeting, without prior notice, and without a vote, if a consent or consents in writing, setting forth the action so taken, shall have been signed by the holder or holders of a sufficient number of voted to take such action at a meeting at which all members were present and voted.

## ARTICLE ELEVEN

No director of the corporation shall be liable to the corporation or its members for monetary damages for an act or omission in the director's capacity as a director, except for liability (1) for any breach of the director's duty of loyalty to the corporation or its members, (2) for acts or omissions not in good faith that constitute a breach of duty of the director to the corporation or an act or omission that involves intentional misconduct or a knowing violation of law, (3) for any transaction from which the director received an improper benefit, whether or not the benefit resulted from an act taken within scope of the director's office, and (4) for acts or omissions for which the liability of a director is expressly provided by statute. Any repeal or amendment of this Article by the members of the corporation shall be prospective only, and shall not adversely affect any limitation on the personal liability of a director of the corporation existing at the time of such repeal or amendment. In addition to the circumstances in which a director of the corporation is not personally liable as set forth in the preceding sentences, a director shall not be liable to the fullest extent permitted by any amendment to the Texas statutes hereafter enacted that further limits the liability of a director.

## ARTICLE TWELVE

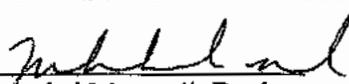
The corporation is a non-profit corporation, without capital stock, organized solely for the purposes specified in Article Four, and no part of its property, whether income or principal, shall ever inure to the benefit of any director, officer, or employee of the corporation, or any individual having a personal or private interest in the activities of the corporation, nor shall any such director, officer, employee, or individual receive or be lawfully entitled to receive any profit from the operations of the corporation except a reasonable allowance for salaries and other compensation for personal services actually rendered in carrying out the corporation's stated purposes.

## ARTICLE THIRTEEN

These articles may be amended by the affirmative vote or written consent of Owners (all Classes) owning at least 67% of the votes, provided that so long as the Class B membership provided for in the Declaration exists, Declarant may determine whether any amendment of these Articles shall require a prior written approval.

IN WITNESS WHEREOF, the undersigned has set his hand on 15<sup>th</sup> of September, 2014.

Sole incorporator of the  
UPD Homeowner's Association, Inc.

  
Mehrdad Moayedi, Declarant and Board of Director

**CONSENT OF DIRECTORS IN LIEU OF  
ORGANIZATIONAL MEETING  
OF  
UPD HOMEOWNER'S ASSOCIATION, INC.**

The undersigned, being all of the members of the Board of Directors of UPD Homeowner's Association, Inc., a Texas non-profit corporation (hereinafter referred to as the "Association"), do hereby consent, pursuant to the Texas Business Organization Code, to the adoption of the following resolutions:

**1. DIRECTORS**

RESOLVED, that each of the undersigned, being all of the directors of the Association, as named in its Certificate of Formation filed with the Secretary of State of the State of Texas on September 8, 2014, does hereby accept appointment to such office and does hereby agree to serve as a director of the Association until the first annual meeting of the members and until said director's successor or successors have been duly elected and qualified or until his or her earlier death, resignation, retirement, disqualification or removal from office.

**2. BYLAWS**

RESOLVED, that the form of bylaws attached hereto as Exhibit A, are approved and adopted as the Bylaws of the Association, and the Secretary of the Association is instructed to insert the original thereof in the minute book of the Association.

**3. OFFICERS**

RESOLVED, that each of the following-named persons be and they hereby are elected as officers of the Association for the office or offices set forth below opposite his or her name, and to hold any such office to which elected until the first annual meeting of the Board of Directors of the Association and until his or her successor should be chosen and qualified in his or her stead, or until his or her earlier death, resignation, retirement, disqualification or removal from office:

Mehrdad Moayedi	-	President
Michael Dees	-	Executive Vice President/Secretary
Victor Tannous	-	Vice President/Treasurer

**4. REGISTERED OFFICE; REGISTERED AGENT**

RESOLVED, that the registered office of the Association be established and maintained at 1221 N. I-35E, Suite 200, Carrollton, Texas 75006, and that Mehrdad Moayedi is hereby appointed as registered agent of the corporation in said office.

## **5. BOOKS AND RECORDS**

RESOLVED, that the Secretary of the Association be and hereby is authorized and directed to procure all necessary books and records of the Association.

## **6. ORGANIZATIONAL EXPENSES**

RESOLVED, that the President of the Association or other officer be and hereby is authorized and directed to pay all fees, expenses and costs incident to or necessary for the incorporation and organization of the Association and to reimburse any person who may have paid any of such fees, expenses and costs.

## **7. CORPORATE SEAL**

RESOLVED, that a corporate seal is not adopted at this time and that no impression of a corporate seal is required on any Association document.

## **8. DEPOSITORY RESOLUTIONS**

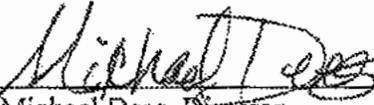
RESOLVED, that an account shall be established in the name of the Association with a financial institution to be determined by the Board (the "Bank"), under the rules and regulations as prescribed by said Bank wherein may be deposited any of the funds of this Association, whether represented by cash, checks, notes or other evidences of debt, and from which deposit withdrawals are hereby authorized in the name of the Association by any one of the following persons:

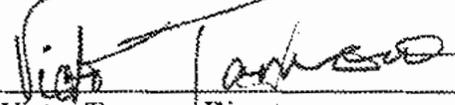
Victor Tannous, Treasurer  
Ron Corcoran, Essex Management

BE IT FURTHER RESOLVED, that the Bank is hereby authorized to honor any and all withdrawal items against the Association's funds, although payable to the officer or agent signing or countersigning the same and whether presented for encashment or for credit to the personal account of such officer or agent or any other person, and said Bank need make no inquiry concerning such items and/or the disposition of the money, items, or credit given therefor.

IN WITNESS WHEREOF, the undersigned have executed this instrument as of and effective the 8<sup>th</sup> day of September, 2014.

  
Mehrdad Moayedi, Director

  
Michael Dees, Director

  
Victor Tannous, Director

R:\ESSEX\A&M TRACT (DALLAS TX)\HOA ORG\ORGANIZATIONAL CONSENT- UPD HOMEOWNER'S ASSOCIATION, INC..DOC

**EXHIBIT A**

**Bylaws**

[See Attached]

**BYLAWS  
OF  
UPD HOMEOWNER'S ASSOCIATION, INC.**

**ARTICLE I  
INTRODUCTION**

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

The Association is organized to be a nonprofit corporation.

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

**ARTICLE II  
DEFINITIONS**

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

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

**Section 2.2. Association.** "Association" shall mean and refer to UPD Homeowner's Association, Inc., a Texas non profit corporation.

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

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

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

**Section 2.6. Board.** "Board" shall mean the Board of Directors of the Association.

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

**Section 2.8. Certificate.** “Certificate” shall mean the Certificate of Formation of UPD Homeowner’s Association, Inc., a Texas non-profit corporation, filed in the office of the Secretary of State of the State of Texas, as the same may from time to time be amended.

**Section 2.9. Declarant.** “Declarant” shall mean CADG DALLAS 163, LLC, a Texas limited liability company, and its duly authorized representatives or their successors or assigns; provided that any assignment of the rights of Declarant must be expressly set forth in writing and the mere conveyance of a portion of the Property without written assignment of the rights of Declarant shall not be sufficient to constitute an assignment of the rights of Declarant hereunder.

**Section 2.10. Declaration.** “Declaration” shall mean the “Declaration of Covenants, Conditions and Restrictions for University Place”, recorded in the Official Public Records of Dallas County, Texas, as the same may be amended from time to time.

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

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

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

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

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

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

### **ARTICLE III MEETING OF MEMBERS**

**Section 3.1. Annual Meetings.** The first annual meeting of the Members shall be held on such date as selected by the Board of Directors which is on or before the earlier of (i) the date which is one hundred twenty (120) days after seventy-five percent (75%) of the Lots have been sold to non-Declarant Owners, or (ii) ten (10) years from the date on which the Declaration is recorded in the Official Public Records of Dallas County, Texas, and each subsequent regular annual meeting of the Members shall be held on such date as selected by the Board of Directors. If the day for the annual meeting of the Members is a Saturday, Sunday, or legal holiday, the meeting will be held on the first day following which is not a Saturday, Sunday, or legal holiday.

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

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

**Section 3.4. Notice of Meetings.** At the direction of the Board, written notice of meetings of the Association will be given to the Members at least ten (10) days but not more than sixty (60) days prior to the meeting. Notices of meetings will state the date, time, and place the meeting is to be held. Notices will identify the type of meeting as annual or special, and will state the particular purpose of a special meeting. Notices may also set forth any other items of information deemed appropriate by the Board and shall be deemed to have been duly noticed upon the Members upon deposit for delivery with the U. S. Postal Service or by any third party vendor licensed to do business hired to perform the printing and delivery of Notices of meetings.

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

**Section 3.6. Quorum.** The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, ten percent (10%) of the total votes of the membership shall constitute a quorum for any action, except as otherwise provided in the Certificate, the Declaration, or these Bylaws. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half or five percent (5%) of all the votes of all Members. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting. If the required quorum is not present or represented at any meeting, the Members entitled to vote at the meeting shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented.

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

acknowledgments and oaths; or (b) the Association also receives the original proxy within five (5) days after the vote.

**Section 3.8. Conduct of Meetings.** The president, or any person designated by the Board, presides over meetings of the Association. The secretary keeps, or causes to be kept, the minutes of the meeting which should record all resolutions adopted and all transactions occurring at the meeting, as well as a record of any votes taken at the meeting. The person presiding over the meeting may appoint a parliamentarian. Votes should be tallied by tellers appointed by the person presiding over the meeting.

**Section 3.9. Order of Business.** Unless the notice of meeting states otherwise or the assembly adopts a different agenda at the meeting, the order of business at meetings of the Association is as follows:

- Determine votes present by roll call or check-in procedure
- Announcement of quorum
- Proof of notice of meeting
- Approval of minutes of preceding meeting
- Reports of Officers (if any)
- Election of Directors (when required)
- Unfinished or old business
- New business

**Section 3.10. Adjournment of Meeting.** At any meeting of the Association, a majority of the Members present at that meeting, either in person or by proxy, may adjourn the meeting to another time and place.

**Section 3.11. Action without Meeting.** Subject to Board approval, any action which may be taken by a vote of the Members at a meeting of the Association may also be taken without a meeting by written consents. The Board may permit Members to vote by any method allowed by the Texas Business Organization Code, which may include hand delivery, United States Mail, facsimile, e-mail, or any combination of these. Written consents by Members representing at least a majority of votes in the Association, or such higher percentage as may be required by the Documents, constitutes approval by written consent. This Section may not be used to avoid the requirement of an annual meeting and does not apply to the election of Directors.

**Section 3.12. Telephone Meetings.** Members of the Association may participate in and hold meetings of the Association by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in the meeting constitutes presence in person at the meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

**ARTICLE IV  
BOARD OF DIRECTORS**

**Section 4.1. Authority; Number of Directors.**

(a) The affairs of the Association shall be governed by a Board of Directors. The number of Directors shall be fixed by the Board of Directors from time to time. The initial Directors shall be three (3) in number and shall be those Directors named in the Certificate. The initial Directors shall serve until their successors are elected and qualified. **Except as is provided in the Declaration and in Sections 4.1(b) and 4.1(c) below, Declarant shall have the absolute right to appoint and remove members of the Board of Directors.**

(b) From and after the first annual meeting of Members and until the date (the "Transition Date") which is the earlier of (i) one hundred-twenty (120) days after seventy-five (75%) of the Lots have been sold to non-Declarant Owners, or (ii) ten (10) years from the date on which the Declaration is recorded in the Official Public Records of Dallas County, Texas, the Board of Directors shall consist of three (3) persons appointed by Declarant who need not be Members of the Association. On and after the Transition Date, the Board of Directors shall include two (2) persons appointed by Declarant and one (1) person elected by a majority vote of Class A Members ("Non-Declarant Director") at such meeting at which quorum is present, which Non-Declarant Member shall serve for a period which is the shorter of one (1) year, or until the next annual meeting of the Members at which the Non-Declarant Member (or replacement thereof) shall be elected; provided, however, that in any event from and after the Transition Date, at least one (1) director (which may or may not be the Non-Declarant Director) on the Board shall be elected by a vote of Members of the Association owning Townhome Lots (as defined in the Declaration (the "Townhome Director"). The Non-Declarant Director shall be elected at the first annual meeting (or special meeting called for such purpose by the President of the Association) of Members held on or after the Transition Date. On and after the date on which the last Lot is sold to a non-Declarant Owner (the "Declarant Turnover Date"), the Board of Directors may be increased to five (5) members. The President of the Association will thereupon call a meeting of the Members of the Association where the Members will elect Directors for staggered terms which may not exceed a three (3) year term. A Board of three individuals should stagger as follows: two members with a three year term and one member with a two year term. A Board of five individuals shall be as follows: two members with a three year term and three members with a two year term. Upon expiration of the term of a Director elected by the Members pursuant to this Section 4.1(b), his or her successor will be elected to serve a term that will allow for continuity but, no less than a term of two (2) years. A Director takes office upon the adjournment of the meeting or balloting at which he is elected or appointed and, absent death, ineligibility, resignation, or removal, will hold office until his successor is elected or appointed. The Board shall have the right to increase or decrease the number of Board members from time to time and shall hold a regular open meeting of the Board in which the Board members must have a majority vote. The actions of the Board shall be recorded in the minutes of the meeting.

(c) Each Director, other than Directors appointed by Declarant, shall be a Member and resident, or in the case of corporate or partnership ownership of a Lot, a duly authorized agent or representative of the corporate or partnership Owner. The corporate, or partnership Owner shall be designated as the Director in all correspondence or other documentation setting forth the names of the Directors. **Notwithstanding anything to the contrary contained herein, from and after the Transition Date at least one Director on the Board of Directors shall always be an Owner of a Townhome notwithstanding, should there be no Owner of a Townhome that chooses to run for election, the Board of Directors shall be chosen from the available candidates.**

**Section 4.2. Compensation.** The Directors shall serve without compensation for such service.

**Section 4.3. Nominations to Board of Directors.** Members may be nominated for election to the Board of Directors in either of the following ways:

(a) A Member who is not a Director and who desires to run for election to that position shall be deemed to have been nominated for election upon his filing with the Board of Directors a written petition of nomination; or

(b) A Director who is eligible to be re-elected shall be deemed to have been nominated for re-election to the position he holds by signifying his intention to seek reelection in a writing addressed to the Board of Directors.

**Section 4.4. Removal of Directors for Cause.** If a Director breaches such Director's duties hereunder or violates the terms of the Declaration, the Certificate, the Association Rules or these Bylaws, such Director may be removed by Declarant unless Declarant no longer has the right to appoint and remove Directors in accordance with Section 4.1 of these Bylaws, and then by a majority vote of the remaining Directors after Declarant's right to appoint and remove Directors has expired. No Director shall have any voting rights nor may such Director participate in any meeting of the Board of Directors at any time that such Director is delinquent in the payment of any Assessments or other charges owed to the Association. Any Director that is ninety (90) days delinquent in the payment of Assessments or other charges more than three (3) consecutive times shall be removed as a Director.

**Section 4.5. Vacancies on Board of Directors.** After such time as Declarant's right to appoint and remove Directors has expired or been terminated, if the office of any elected Director shall become vacant by reason of death, resignation, retirement, disqualification, removal from office or otherwise, the remaining Directors, at a special meeting duly called for this purpose, shall choose a successor who shall fill the unexpired term of the directorship being vacated. If there is a deadlock in the voting for a successor by the remaining Directors, the one Director with the longest continuous term on the Board shall select the successor. At the expiration of the term of his position on the Board of Directors, the successor Director shall be re-elected or his successor shall be elected in accordance with these Bylaws.

**Section 4.6. Removal of Directors by Members.** Subject to the right of Declarant to nominate and appoint Directors as set forth in Section 4.1 of these Bylaws, an elected Director may be removed, with or without cause, by a majority vote of the Members at any special meeting of the Members of which notice has been properly given as provided in these Bylaws; provided the same notice of this special meeting has also been given to the entire Board of Directors, including the individual Director whose removal is to be considered at such special meeting.

**Section 4.7. Consent in Writing.** Any action by the Board of Directors, including any action involving a vote on a fine, damage assessment, appeal from a denial or architectural control approval, or suspension of a right of a particular Member before the Member has an opportunity to attend a meeting of the Board of Directors to present the Member's position on the issue, may be taken without a meeting if all of the Directors shall unanimously consent in writing to the action. Such written consent shall be filed in the Minute Book. Any action taken by such written consent shall have the same force and effect as a unanimous vote of the Directors.

## ARTICLE V MEETINGS OF DIRECTORS

**Section 5.1. Regular Meetings.** Regular meetings of the Board shall be held annually or such other frequency as determined by the Board, without notice, at such place and hour as may be fixed from time to time by resolution of the Board.

**Section 5.2. Special Meetings.** Special meetings of the Board shall be held when called by the President of the Association, or by any two Directors, after not less than three (3) days' notice to each Director.

**Section 5.3. Quorum.** A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board of Directors.

**Section 5.4. Telephone Meetings.** Members of the Board or any committee of the Association may participate in and hold meetings of the Board or committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in such meeting constitutes presence in person at the meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

**Section 5.6. Action without a Meeting.** Any action required or permitted to be taken by the Board at a meeting may be taken without a meeting, if all Directors individually or collectively consent in writing to such action. The written consent must be filed with the minutes of Board meetings. Action by written consent has the same force and effect as a unanimous vote.

**ARTICLE VI  
POWERS AND DUTIES OF THE BOARD**

**Section 6.1. Powers.** The Board shall have power and duty to undertake any of the following actions, in addition to those actions to which the Association is authorized to take in accordance with the Declaration:

(a) adopt and publish or cause to be adopted and published the Association Rules, including regulations governing the use of the Association Property and facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;

(b) suspend the voting rights of a Member and right of a Member to use of the Association Property during any period in which such Member shall be in default in the payment of any Assessment levied by the Association, or after notice and hearing, for any period during which an infraction of the Association Rules by such Member exists;

(c) exercise for the Association all powers, duties and authority vested in or related to the Association and not reserved to the membership by other provisions of the Association Restrictions;

(d) to enter into any contracts or agreements including a municipal agency or utility company to provide electric utility service to all or any portion of the Property;

(e) declare the office of a member of the Board to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board;

(f) employ such employees as they deem necessary, and to prescribe their duties;

(g) as more fully provided in the Declaration, to:

(1) fix the amount of the Assessments against each Lot in advance of each annual assessment period and any other assessments provided by the Declaration; and

(2) foreclose the lien against any property for which Assessments are not paid within thirty (30) days after due date or to bring an action at law against the Owner personally obligated to pay the same;

(h) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any Assessment has been paid and to levy a reasonable charge for the issuance of these certificates (it being understood that if a certificate states that an Assessment has been paid, such certificate shall be conclusive evidence of such payment);

(i) procure or cause to be procured and maintain adequate liability and hazard insurance on property owned by the Association;

(j) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and

(k) exercise such other and further powers or duties as provided in the Declaration or by law.

**Section 6.2. Duties.** It shall be the duty of the Board to:

(a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by Members who are entitled to cast fifty-one percent (51%) of all outstanding votes; and

(b) supervise all officers, agents and employees of the Association, and to see that their duties are properly performed.

## ARTICLE VII OFFICERS AND THEIR DUTIES

**Section 7.1. Enumeration of Offices.** The officers of the Association shall be a President and a Vice-President, who shall at all times be members of the Board, a Secretary and a Treasurer, and such other officers as the Board may from time to time create by resolution.

**Section 7.2. Election of Officers.** The election of officers shall take place at the first meeting of the Board following each annual meeting of the Members.

**Section 7.3. Term.** The officers of the Association shall be elected annually by the Board and each shall hold office for one (1) year unless he resigns sooner, or shall be removed or otherwise disqualified to serve.

**Section 7.4. Special Appointments.** The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

**Section 7.5. Resignation and Removal.** Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Such resignation shall take effect on the date of 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.

**Section 7.6. Vacancies.** A vacancy in any office may be filled through appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

**Section 7.7. Multiple Offices.** The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 7.4.

**Section 7.8. Duties.** The duties of the officers are as follows:

(a) **President.** The President or any person designated by the Board, shall preside at all meetings of the Board; shall see that orders and resolutions of the Board are carried out; shall sign or approve all leases, mortgages, deeds and other written instruments and shall co-sign all promissory notes.

(b) **Vice President.** The Vice President or Vice Presidents (including, without limitation, Executive Vice Presidents and Senior Vice Presidents), if any, shall generally assist the President and shall have such powers and perform such duties and services as shall from time to time be prescribed or delegated to him by the President or the Board.

(c) **Secretary.** The Secretary shall record or cause to be recorded the votes and keep the minutes or caused to be kept the minutes of all meetings and proceedings of the Board and of the Members; serve notice or cause to be served notice of meetings of the Board and of the Members; keep or cause to be kept appropriate current records showing the Members of the Association together with their addresses; and shall perform or cause to be performed such other duties as required by the Board.

(d) **Assistant Secretaries.** Each Assistant Secretary shall generally assist the Secretary and shall have such powers and perform such duties and services as shall from time to time be prescribed or delegated to him or her by the Secretary, the President, the Board or any committee established by the Board.

(e) **Treasurer.** The Treasurer shall receive and deposit or shall oversee the deposit in appropriate bank accounts all monies of the Association and shall disburse or cause to be disbursed such funds as directed by resolution of the Board; shall, if required, sign all checks and promissory notes of the Association; shall keep or cause to be kept proper books of account in appropriate form such that they could be audited by a public accountant whenever ordered by the Board or the membership; and shall prepare or cause to be prepared an annual budget and a statement of income and expenditures to be presented to the membership at its regular meeting, and deliver a copy of each to the Members.

**ARTICLE VIII**

**OTHER COMMITTEES OF THE BOARD OF DIRECTORS**

The Board may, by resolution adopted by affirmative vote of a majority of the number of Directors fixed by these Bylaws, designate two or more Directors (with such alternates, if any, as may be deemed desirable) to constitute another committee or committees for any purpose; provided, that any such other committee or committees shall have and may exercise only the power of recommending action to the Board of Directors and of carrying out and implementing any instructions or any policies, plans, programs and rules theretofore approved, authorized and adopted by the Board. Notwithstanding the foregoing or anything to the contrary contained herein, the Architectural Control Committee (as defined in the Declaration) shall be established by Declarant and comprised of members appointed by Declarant during the Declarant Period (as

defined in the Declaration) in accordance with Section 8.1 of the Declaration, as amended from time to time.

## **ARTICLE IX BOOKS AND RECORDS**

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Association Restrictions shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

## **ARTICLE X ASSESSMENTS**

As more fully provided in the Declaration, each Member is obligated to pay to the Association Assessments which are secured by a continuing lien upon the property against which the Assessments are made. Assessments shall be due and payable in accordance with the Declaration.

## **ARTICLE XI CORPORATE SEAL**

The Association may, but shall have no obligation to, have a seal in a form adopted by the Board.

## **ARTICLE XII DECLARANT PROVISIONS**

**Section 12.1. Conflict.** The provisions of this Article control over any provision to the contrary elsewhere in these Bylaws.

**Section 12.2. Board of Directors.** As provided in Section 4.1 of these Bylaws, Declarant is entitled to appoint and remove all members of the Board of Directors until the Transition Date and thereafter, two members of the Board of Directors until the Declarant no longer owns any portion of the Property (as defined in the Declaration). Until Declarant's right to appoint members of the Board of Directors terminates, the Directors appointed by Declarant need not be Owners or residents and may not be removed by the Owners. In addition, Declarant has the right to fill vacancies in any directorship vacated by a Declarant appointee.

## **ARTICLE XIII AMENDMENTS**

**Section 13.1.** These Bylaws may be amended, (i) on or before the Declarant Turnover Date, by the Declarant without a vote or written consent of a majority of the Directors or the Members, and thereafter (ii) the Board of Directors may amend these Bylaws so long as a majority vote of the Board is obtained.

**Section 13.2.** In the case of any conflict between the Certificate and these Bylaws, the Certificate shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

**ARTICLE XIV  
INDEMNIFICATION OF DIRECTORS AND OFFICERS**

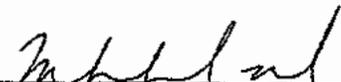
THE ASSOCIATION SHALL INDEMNIFY EVERY DIRECTOR AND OFFICER OF THE ASSOCIATION AGAINST, AND REIMBURSE AND ADVANCE TO EVERY DIRECTOR AND OFFICER FOR, ALL LIABILITIES, COSTS AND EXPENSES INCURRED IN CONNECTION WITH SUCH DIRECTORSHIP OR OFFICE AND ANY ACTIONS TAKEN OR OMITTED IN SUCH CAPACITY TO THE GREATEST EXTENT PERMITTED UNDER THE TEXAS BUSINESS ORGANIZATION CODE AND ALL OTHER APPLICABLE LAWS AT THE TIME OF SUCH INDEMNIFICATION, REIMBURSEMENT OR ADVANCE PAYMENT; PROVIDED, HOWEVER, NO DIRECTOR OR OFFICER SHALL BE INDEMNIFIED FOR: (A) A BREACH OF DUTY OF LOYALTY TO THE ASSOCIATION OR ITS MEMBERS; (B) AN ACT OR OMISSION NOT IN GOOD FAITH OR THAT INVOLVES INTENTIONAL MISCONDUCT OR A KNOWING VIOLATION OF THE LAW; (C) A TRANSACTION FROM WHICH SUCH DIRECTOR OR OFFICER RECEIVED AN IMPROPER BENEFIT, WHETHER OR NOT THE BENEFIT RESULTED FROM AN ACTION TAKEN WITHIN THE SCOPE OF DIRECTORSHIP OR OFFICE; OR (D) AN ACT OR OMISSION FOR WHICH THE LIABILITY OF SUCH DIRECTOR OR OFFICER IS EXPRESSLY PROVIDED FOR BY STATUTE.

**ARTICLE XV  
MISCELLANEOUS**

The fiscal year of the Association shall begin on the first day of January and end on the 31<sup>st</sup> day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

I, the undersigned, being the Secretary of UPD HOMEOWNER'S ASSOCIATION, INC. does hereby certify that the foregoing are the Bylaws of said non-profit corporation, as adopted by the Association's Board of Directors pursuant to a Unanimous Consent of Directors in Lieu of Organizational Meeting of the Corporation dated to be effective as of December 10, 2015.

**Filed and Recorded  
Official Public Records  
John F. Warren, County Clerk  
Dallas County, TEXAS  
03/18/2016 12:07:16 PM  
\$334.00  
201600072624**

  
\_\_\_\_\_  
Printed Name: Mehrdad Moayedi  
Title: President





## **EXHIBIT C**

### **UPD HOMEOWNER'S ASSOCIATION, INC.**

#### **Design Guidelines** **Detached Dwellings and Attached Dwellings**

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

#### **SECTION 1.1 LANDSCAPING:**

Upon completion of each Dwelling, each Dwelling must comply with the landscaping requirements of any applicable ordinances of the City, the Planned Development Ordinance, the Declaration, these Design Guidelines and any Association rules, as may be promulgated, modified, supplemented and/or amended from time to time. Notwithstanding compliance with the foregoing, the following landscape elements shall be installed prior to occupancy of the Dwelling:

- 1.1.1 Sod: Each Dwelling shall have full sod installed for the entire front and rear side yards and a minimum of ten (10) feet back from the front wall face for each side yard, or to the side yard fence, whichever is greater; provided, however that areas between Structures including Attached Dwellings may substitute decomposed granite for sod in areas where sod growth would be poor.
- 1.1.2 Trees: Townhome Lots are required to plant one (1) tree with a three inch (3") caliper or greater as measured four feet (4') from the ground in the front for every two Attached Dwellings within a Structure and two (2) trees with a three inch (3") caliper or greater as measured four feet (4') from the ground in the front and/or side yard area of any true corner or corner Lot. Lots (other than Townhome Lots) measuring 45' or less along the front are required to plant one (1) tree with a three inch (3") caliper or greater as measured four feet (4') from the ground in the front of the residence. Lots measuring greater than 45' are required to plant two (2) trees with a two inch (2") caliper or greater as measured four (4') feet from the ground in the front of the residence. Dwellings backing to or along sides of major throughfares are required to plant one (1) tree with a one and one half (1½") inch caliper or greater as measured four (4') feet from the ground in the back yard of the Dwelling and within 12' of the back or side of the property fencing on such Lot.
- 1.1.3 Shrubbery and Planting Beds: Lots measuring 45' or less shall have a minimum of three (3) five (5) gallon shrubs and ten (10) one (1) gallon shrubs planted in the front yard. Lots measuring greater than 45' up to 50' shall have a minimum of four (4) five (5) gallon shrubs and twelve (12) one (1) gallon shrubs planted in the front yard. Lots measuring greater than 50' up to 60' shall have a minimum of five (5) five (5) gallon shrubs and fifteen (15) one (1) gallon shrubs planted in the front yard. The Owner of a Lot shall be responsible for the maintenance a preservation of the shrubs and planting beds, and shall promptly replace dead plants within sixty (60) days of loss occurrence.

## **SECTION 1.2 FENCES:**

- 1.2.1 Major thoroughfares and corner Lots: All fencing on corner Lots and backing up to streets and major thoroughfares will be considered major thoroughfare fencing. Fencing, which shall be board on board with a maximum height of eight feet (8'), with a cap, and pre-stained cedar fence, with steel posts, and wall construction shall comply with the details indicated in Exhibit Attachment 1.2.1.1. All such fencing facing major thoroughfare shall be stained and preserved as follows:

Manufacturer: Sherwin Williams  
Color: Banyan Brown – or similar color acceptable to the Committee.

Manufacturer: Standard Paint  
Color: Sable Brown – or similar color acceptable to the Committee.

Manufacturer: Seal Rite  
Color: Medium Brown – or similar color acceptable to Committee.

- 1.2.2 Standard Side and Rear Yard Fences – Interior Lots: For all interior Lots, fences shall not exceed eight feet (8') max fence height, and (i) with respect to all Lots, may be constructed of pre-stained cedar, with steel posts, and top rail, or (ii) with respect to side and rear fencing for Townhome Lots or rear fencing for rear entry 40' Lots, may (but are not required to) be constructed black finish 60" tubular steel or wrought iron of a design consistent with other ornamental metal or wrought iron fencing within the Property or approved in writing by the ACC. All fences to have step ups and step downs to adjust for grade. Wood fencing detail is attached hereto as Exhibit Attachment 1.2.2.1. All portions of any wood fence that are viewable from the street shall be stained with the colors specified above at Section 1.2.1.

- 1.2.3 Greenbelt Areas, Open Spaces and Parks: All lots adjacent to any Master Common Area which are designated or maintained as greenbelt area, open spaces and parks shall have black finished forty-eight inch (48") high tubular steel or wrought iron fences for the rear sixteen feet (16') of each side and the full width of rear Lot lines as detailed in Exhibit Attachment 1.2.3.2. All fences shall be consistent; no variation of design shall be permitted. Fence areas shall be unobstructed by screening or other materials unless specifically approved by the Association.

## **SECTION 1.3 MAIL BOXES:**

- 1.3.1 Standard Mail Boxes: All Lots shall utilize cluster mailboxes in accordance with the terms of the Declaration.

- 1.3.2 Mail Box Location: Cluster mailboxes utilized by the Lots shall be located as and where required by the United States Postal Service or as otherwise approved by the Committee.

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

- 1.4.1 The only flags which may be displayed are: (i) the flag of the United States of America; (ii) the flag of the State of Texas, School Flags; and (iii) an official or replica flag of any branch of the United States armed forces. No other types of flags, pennants, banners, kits or similar types of displays are permitted on a Lot if the display is visible from a street or Master Common Area.
- 1.4.2 The flag of the United States must be displayed in accordance with 4 U.S.C. Sections 5-10.
- 1.4.3 The flag of the State of Texas must be displayed in accordance with Chapter 3100 of the Texas Government Code.
- 1.4.4 Any freestanding flagpole, or flagpole attached to a dwelling, shall be constructed of permanent, long-lasting materials. The materials used for the flagpole shall be harmonious with the dwelling, and must have a silver finish with a gold or silver ball at the top. The flagpole must not exceed three (3) inches in diameter.
- 1.4.5 The display of a flag, or the location and construction of the supporting flagpole, shall comply with applicable zoning ordinances, easements, and setbacks of record.
- 1.4.6 A displayed flag, and the flagpole on which it is flown, shall be maintained in good condition at all times. Any flag that is deteriorated must be replaced or removed. Any flagpole that is structurally unsafe or deteriorated shall be repaired, replaced, or removed.
- 1.4.7 Only one flagpole will be allowed per Lot. A flagpole can either be securely attached to the face of the dwelling (no other structure) or be a freestanding flagpole. A flagpole attached to the dwelling may not exceed 4 feet in length. A freestanding flagpole may not exceed 20 feet in height. Any freestanding flagpole must be located in either the front yard or backyard of a Lot, and there must be a distance of at least 5 feet between the flagpole and the property line.
- 1.4.8 Any flag flown or displayed on a freestanding flagpole may be no smaller than 3'x5' and no larger than 4'x6'.
- 1.4.9 Any flag flown or displayed on a flagpole attached to the dwelling may be no larger than 3'x5'.
- 1.4.10 Any freestanding flagpole must be equipped to minimize halyard noise. The preferred method is through the use of an internal halyard system. Alternatively, swivel snap hooks must be covered or "Quiet Halyard" Flag snaps installed. Neighbor complaints of noisy halyards are a basis to have flagpole removed until Owner resolves the noise complaint.

- 1.4.11 The illumination of a flag is allowed so long as it does not create a disturbance to other residents in the community. Solar powered, pole mounted light fixtures are preferred as opposed to ground mounted light fixtures. Compliance with all municipal requirements for electrical ground mounted installations must be certified by Owner. Flag illumination may not shine into another dwelling. Neighbor complaints regarding flag illumination are a basis to prohibit further illumination until Owner resolves complaint.
- 1.4.12 Flagpoles shall not be installed in Master Common Area maintained by Declarant or the Association, except as may be installed by the Declarant and/or the Association.
- 1.4.13 All freestanding flagpole installations must receive prior written approval from the Committee.

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

- 1.5.1 Rain barrels or rain water harvesting systems and related system components (collectively, "Rain Barrels") may only be installed after receiving the written approval of the Committee.
- 1.5.2 Rain Barrels may not be installed upon or within Master Common Area, except as may be installed by Declarant or the Association.
- 1.5.3 Under no circumstances shall Rain Barrels be installed or located in or on any area within a Lot that is in-between the front of the Owner's Dwelling and an adjoining or adjacent street.
- 1.5.4 The rain barrel must be of color that is consistent with the color scheme of the Owner's Dwelling and may not contain or display any language or other content that is not typically displayed on such Rain Barrels as manufactured.
- 1.5.5 Rain Barrels may be located in the side-yard or back-yard of an Owner's Lots so long as these may not be seen from a street, another Lot or any Master Common Area.
- 1.5.6 In the event the installation of Rain Barrels in the side-yard or back-yard of an Owner's Lot in compliance with paragraph 1.5.5 above is impossible, the Committee may impose limitations or further requirements regarding the size, number and screening of Rain Barrels with the objective of screening the Rain Barrels from public view to the greatest extent possible. The Owner must have sufficient area on their Lot to accommodate the Rain Barrels.
- 1.5.7 Rain Barrels must be properly maintained at all times or removed by the Owner.
- 1.5.8 Rain Barrels must be enclosed or covered at all times. No rain barrels shall be kept outside the fence without the written consent of the Architectural Control Committee.

- 1.5.9 Rain Barrels which are not properly maintained become unsightly or could serve as a breeding pool for mosquitoes must be removed by the Owner from the Lot.

## **SECTION 1.6 RELIGIOUS DISPLAYS**

- 1.6.1 An Owner may display or affix on the entry to the Owner's or resident's Dwelling one or more religious items, the display of which is motivated by the Owner's or resident's sincere religious belief.
- 1.6.2 If displaying or affixing of a religious item on the entry to the Owner's or resident's Dwelling violates any of the following covenants, The Association may remove the item displayed:
- (1) threatens the public health or safety;
  - (2) violates a law;
  - (3) contains language, graphics, or any display that is patently offensive to a passerby;
  - (4) is in a location other than the entry door or door frame or extends past the outer edge of the door frame of the Owner's or resident's Dwelling; or
  - (5) individually or in combination with each other religious item displayed or affixed on the entry door or door frame has a total size of greater than 25 square inches
- 1.6.3 No Owner or resident is authorized to use a material or color for an entry door or door frame of the Owner's or resident's dwelling or make an alteration to the entry door or door frame that is not authorized by the Association, Declaration or otherwise expressly approved by the Architectural Control Committee.

## **PART TWO: DWELLING UNITS**

### **SECTION 2.1 ROOFS**

- 2.1.1 **Roof Pitch:** Minimum Roof Pitch for Dwellings is 6-in-12 slopes. Roofs and roof pitches must also conform to City Zoning Ordinances and the Planned Development Ordinance. 4-in-12 slopes will be considered on Mediterranean/Tuscan building styles only if approved by the City Zoning Ordinance, the Planned Development Ordinance and the Committee.
- 2.1.2 **Roofing Materials:** Roofing materials must have a minimum 30-year rated shingle and having a minimum weight of 220 pounds per square (100 square feet). The only authorized color is weatherwood. Other roofing materials or shingle color shall not be used without the written approval from the Committee.
- 2.1.3 **Dormers & Above Roof Chimneys:** Dormers and chimney chases, above roof structure and roofing materials, may be finished with an approved exterior grade siding material. All fireplace flues shall be enclosed and finished; exposed pre-fabricated metal flue piping is prohibited.

## **SECTION 2.2 CERTAIN ROOFING MATERIALS**

- 2.2.1 Roofing shingles covered by this Section are exclusively those designed primarily to: (i) be wind and hail resistant; (ii) provide heating and cooling efficiencies greater than those provided by customary composite shingles; or (iii) provide solar generation capabilities (collectively, "Roofing Shingles").
- 2.2.2 Roofing Shingles allowed under this Section 2.2 shall:
- (1) resemble the shingles used or otherwise authorized for use in the Subdivision;
  - (2) be more durable than and are of equal or superior quality to the shingles used or otherwise authorized for use in the Subdivision.
  - (3) match the aesthetics of the Lots surrounding the Lot of the Owner requesting permission to install the Roofing Shingles.
- 2.2.3 The Owner requesting permission to install the Roofing Shingles will be solely responsible for accrediting, certifying and demonstrating to the Committee that the proposed installation is in full compliance with paragraphs a and b above.
- 2.2.4 Roofing Shingles shall be installed after receiving the written approval of the Committee.
- 2.2.5 Owners are hereby placed on notice that the installation of Roofing Materials may void or adversely other warranties.

## **SECTION 2.3 SOLAR PANELS**

- 2.3.1 Solar energy devices, including any related equipment or system components (collectively, "Solar Panels") may only be installed after receiving the written approval of the Architectural Control Committee.
- 2.3.2 Solar Panels may not be installed upon or within Master Common Area or any area which is maintained by the Association.
- 2.3.3 Solar Panels may only be installed on designated locations on the roof of a Dwelling, on any structure allowed under any Association dedicatory instrument, or within any fenced rear-yard or fenced-in patio of the Owner's Lot, but only as allowed by the Committee. Solar Panels may not be installed on the front elevation of the Dwelling.
- 2.3.4 If located on the roof of a Dwelling, Solar Panels shall:
- (1) not extend higher than or beyond the roofline;
  - (2) conform to the slope of the roof;
  - (3) have a top edge that is parallel to the roofline; and
  - (4) have a frame, support bracket, or wiring that is black or painted to match the color of the roof tiles or shingles of the roof. Piping must be painted to match the surface to which it is attached, i.e. the soffit and wall. Panels must blend with the color of the roof to the greatest extent possible.

- 2.3.5 If located in the fenced rear-yard or patio, Solar Panels shall not be taller than the fence line or visible from a Lot, Master Common Area or street.
- 2.3.6 The Committee may deny a request for the installation of Solar Panels if it determines that the placement of the Solar Panels, as proposed by the Lot Owner, will create an interference with the use and enjoyment of Lots by neighboring Owners.
- 2.3.7 Owners are hereby placed on notice that the installation of Solar Panels may void or adversely affect roof warranties. Any installation of Solar Panels which voids material warranties is not permitted and will be cause for the Solar Panels to be removed by the Owner.
- 2.3.8 Solar Panels must be properly maintained at all times or removed by the Owner.
- 2.3.9 Solar Panels which become non-functioning or inoperable must be removed by the Owner of the Lot.

## **SECTION 2.4 EXTERIOR WALLS**

- 2.4.1 Exterior Wall Materials – Townhome Lots: The exterior wall materials for Townhome Lots shall comply with the Planned Development Ordinance and any other requirements of the City.
- 2.4.2 Exterior Wall Materials – Other Lots: Exterior walls for all Lots, other than Townhome Lots, shall be one hundred percent (100%) masonry front and a minimum of eighty percent (80%) brick and twenty percent (20%) exterior-grade siding materials overall. Dwellings on Lots (other than Townhome Lots) siding or backing collectors, major roads, open spaces, parks and amenity centers shall be one hundred percent (100%) brick or masonry on all sides.
  - 2.4.2.1 Front Walls: All front wall surfaces of Dwellings constructed on Lots (other than Townhome Lots) shall be full (100%) masonry, except siding may be used for hidden or concealed wall surfaces not directly visible from the Lot front property line. Siding can be used in limited quantities for upper gable areas that would create a “brick-on-wood” condition; this provision is for special conditions only and is not intended to reduce the essential 100% masonry requirement for the front wall areas and for Dwellings constructed on Lots (other than Townhome Lots) located where facing siding or backing collectors, major roads, open spaces and amenity centers. Approval of the use of this provision is at the sole discretion of the Committee and the City.
  - 2.4.2.2 Side Walls: Side wall surfaces of Dwellings constructed on Lots (other than Townhome Lots) may be constructed using brick as required to comply with the minimum eighty percent (80%) brick overall requirement.
  - 2.4.2.3 Rear Walls: Rear wall surfaces of the first floor of Dwellings constructed on Lots (other than Townhome Lots) may be constructed using a mixture

of brick and exterior-grade siding as required to comply with the minimum eighty percent (80%) brick overall requirement; second floor wall surfaces of Dwellings constructed on Lots (other than Townhome Lots) may be exterior-grade siding materials.

2.4.2.4 Chimneys: Chimney wall structures of Dwellings constructed on Lots (other than Townhome Lots) that are a direct extension of an exterior wall shall match the requirement of said wall.

2.4.2.5 Required masonry percentages under this Section 2.4.2 shall be calculated excluding exterior wall areas built on top of a roof.

## **SECTION 2.5 WINDOWS**

2.5.1 Windows shall be constructed of vinyl. Reflective glass is prohibited.

## **SECTION 2.6 GARAGE**

2.6.1 Front load garage doors of Dwellings constructed on Lots (other than Townhome Lots) shall be constructed of cedar. Rear loaded garage doors and rear or front loaded garage doors for Townhome Lots must be constructed of decorative aluminum – carriage door style.

## **SECTION 2.7 ADDRESS BLOCKS**

2.7.1 All address blocks shall be cast stone.

## **SECTION 2.8 SET BACKS**

2.8.1 No improvement may be erected, altered, placed or permitted to remain on any Lot nearer to the front, side and rear property lines than the minimum distance of setback applicable for such Lot as set forth on the plat or in the Planned Development Ordinance.

## **SECTION 2.9 ELEVATION AND BRICK USAGE**

2.9.1 Same Plan with Same Elevation: The repeat of the same floor plan with the same elevation design shall be governed by the following provisions and must comply with the Planned Development Ordinance and the zoning ordinance of the City:

2.9.1.1 Dwelling units using the same floor plan and same elevation shall be separated by a minimum of two (2) Lots for same floor plan and a minimum of three (3) Lots between one another for the same elevation. The street right-of-way serves as the equivalent of one Lot. This paragraph 2.9.1.1 does not apply to Townhome Lots.

2.9.2. Most brick, mortar and sand colors are acceptable and must comply with 2.9.3.1 below. Approval from the Architectural Control Committee is required for any variation from these guidelines and pink brick is prohibited.

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

2.9.3.1 Same Side of Street: No combination of brick color, mortar color, and sand color shall be repeated for adjacent Dwellings. Street and alley intersections are acceptable separation elements. This paragraph 2.9.3.1 does not apply to Townhome Lots.

2.9.4 Exterior Material Area Calculations: All Dwellings constructed on Lots (other than Townhome Lots) submittals shall calculate the percentage coverage for each material as follows:

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

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

Brick Calculations

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

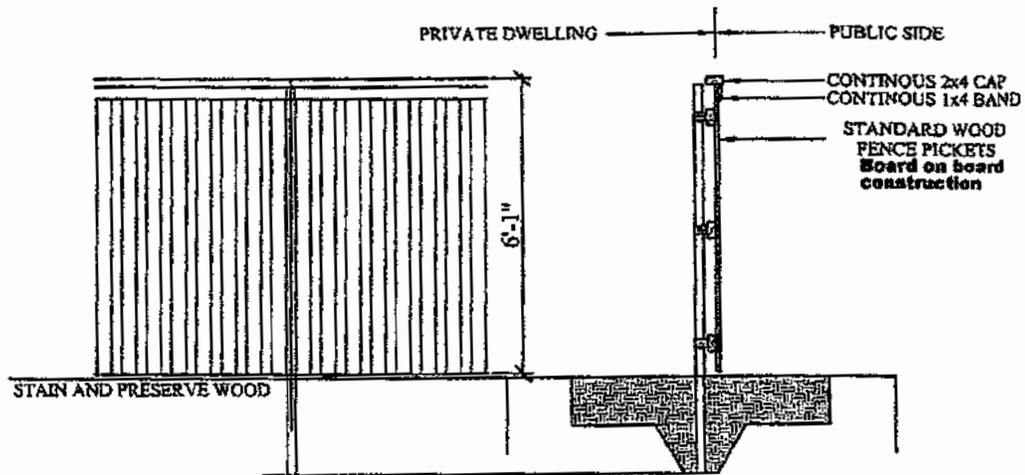
\*\* Openings removed from areas in all calculations

Exhibit Attachment 1.2.1.1 - Fencing on corner lots and backing up to major thoroughfare

Exhibit Attachment 1.2.2.1 - Standard Side and Rear Yard Fences

Exhibit Attachment 1.2.3.2 - Greenbelt Area Side and Rear Yard Fences

**Exhibit Attachment 1.2.1.1**  
**Fencing on corner lots and backing up to major thoroughfare**

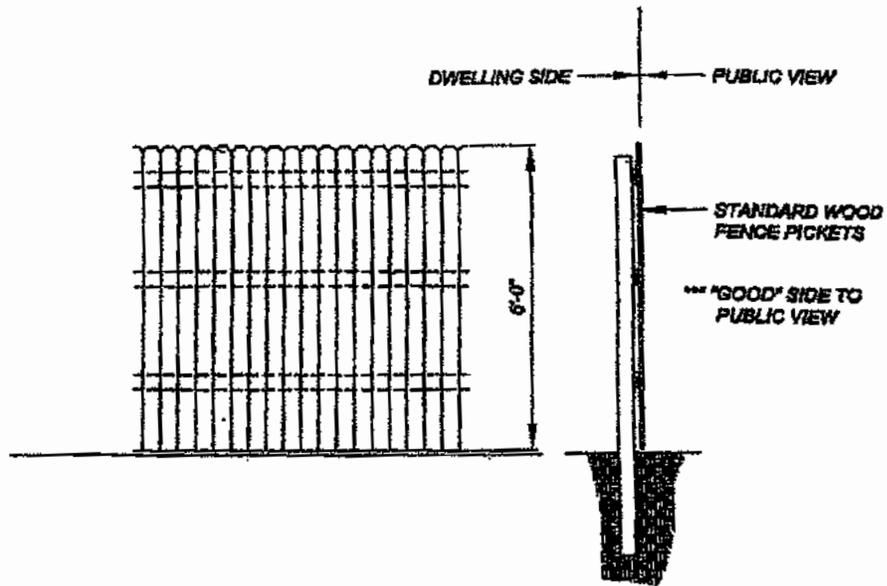


**Stain Color:**

Manufacturer: Sherwin Williams Color: Banyan Brown - Apply per product installation  
 Manufacturer: Standard Paint Color: Sable Brown - Apply per product installation

**Attachment 1.2.1.1  
 Major Thoroughfare and Corner Lot  
 Fence Details**

**Exhibit Attachment 1.2.2.1  
Standard Side and Rear Yard Fences**



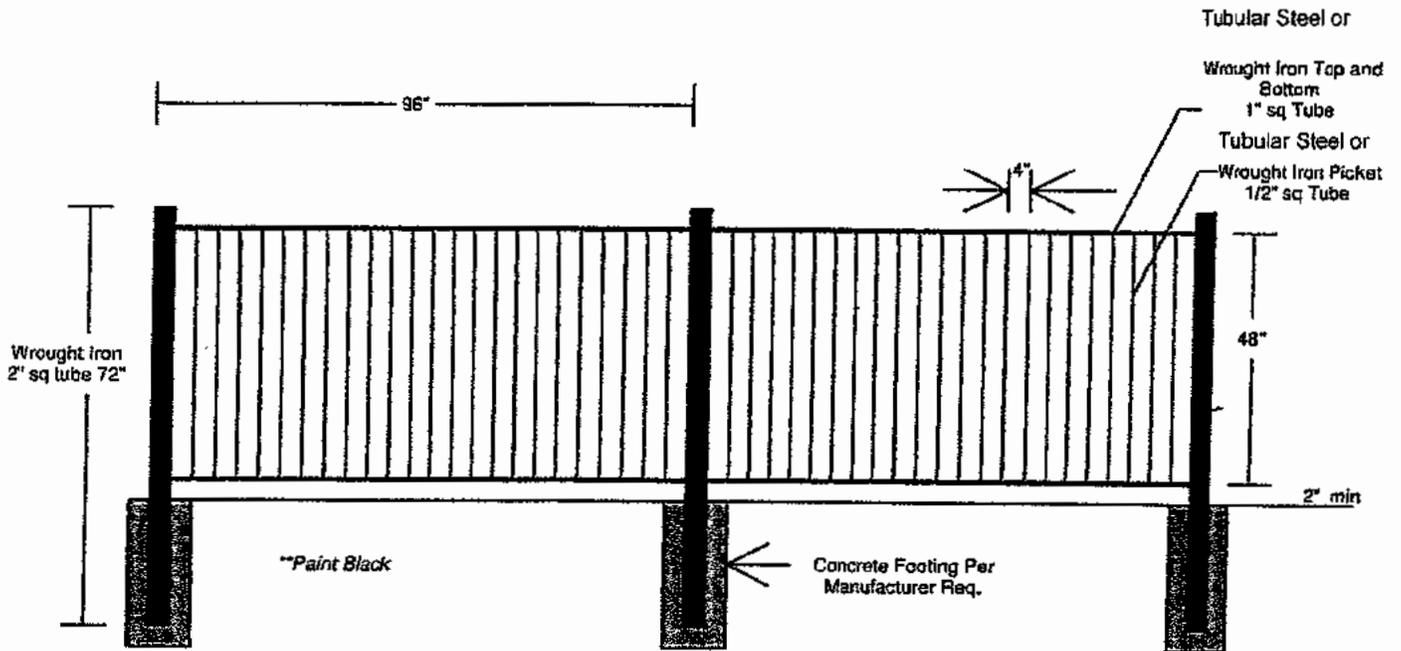
**ATTACHMENT: 1.2.2.1**  
**STANDARD LOT SIDE & REAR**  
**FENCE DETAILS**

Exhibit Attachment 1.2.3.2  
Greenbelt Areas, Open Spaces and Parks  
Side and Rear Yard Fences

**EXHIBIT ATTACHMENT 1.2.3.2**

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

**Iron Fence Detail**



Attachment: 1.2.3.2

Filed and Recorded  
Official Public Records  
Stacey Kemp, County Clerk  
Collin County, TEXAS  
03/24/2017 03:47:20 PM  
\$350.00 DFOSTER  
20170324000380490



*Stacey Kemp*