

DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR
THE VILLAGES OF HURRICANE CREEK

STATE OF TEXAS

KNOW ALL PERSONS BY THESE PRESENTS:

COUNTY OF COLLIN

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE VILLAGES OF HURRICANE CREEK, (as may be amended from time to time, the "Declaration") is made by, CADG Hurricane Creek, LLC, a Texas limited liability company ("Declarant").

WITNESSETH:

Declarant, as the owner of the real property described in Exhibit A, intends by recording this Declaration in the Official Public Records of Collin County, Texas, to create a general plan of development for a single-family home planned community known or to be known as the "The Villages of Hurricane Creek" (the "Subdivision"), which Subdivision may exclude certain tracts of land for the purpose of future Fire Station and / or School Site. Exhibit A-1 attached hereto reflects that certain save and except tract of land to be dedicated as (the future "Fire Station Site"). The Declarant reserves the right to dedicate additional land for the purpose of a future ("School Site"). Tracts of land exempted as "save and except" tracts of land shall herein be defined as the "Restricted Outparcels."

This Declaration provides for the overall development, administration, maintenance, and preservation of the real property now and hereafter comprising the Property (as hereinafter defined) and to establish architectural review and controls with respect to the Restricted Outparcels in accordance with the terms of Section 3.8 hereof. An integral part of the development plan is the creation of The Villages of Hurricane Creek Homeowners Association, Inc., a Texas non-profit corporation, or other named non-profit corporation formed to perform the duties of the "Association" hereunder, whose members shall be all owners of real property subject to this Declaration, to own, operate, and/or maintain various common areas and community improvements (herein referred to as the "Common Properties", and as more particularly defined below) and to administer and enforce the covenants, conditions, restrictions, and easements set forth in this Declaration.

NOW, THEREFORE, Declarant hereby declares that the property described in Exhibit A, and any additional property which is subjected to this Declaration in the future in accordance with Article 14 of this Declaration, shall be owned, conveyed, used, occupied and otherwise encumbered subject to this Declaration, which shall run with the title to such property. This Declaration shall be binding upon all Persons having any right, title, or interest in any portion of the Property, their heirs, successors, successors-in-title, and assigns.

ARTICLE 1 DEFINITIONS

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

(a) "Architectural Review and Control Committee" and/or "ACC" shall mean and refer to the architectural review body for the Property, as described in Article 3. During the Declarant Control Period (as defined below), the Declarant shall have the sole right to appoint and remove members of the ACC or may reserve the rights of the ACC and perform for the ACC (directly or through its designee) as the "Reviewer" (as such term is defined in Section 3.1(d) hereof). Other certain Declarant rights may exist and Members appointed by Declarant need not be Owners or Members. Throughout this Declaration the term for the Architectural Review and Control Committee or Body may also appear as "Reviewer", "ARC or Architectural Review Committee". Regardless of the term used and whether such term is in the singular, all such definitions when used in this Declaration refer to one and the same architectural review body.

(b) "Association" shall mean and refer to The Villages of Hurricane Creek Homeowners Association, Inc., a Texas non-profit corporation, or other non-profit corporation formed by the Declarant to perform the duties of the "Association" hereunder, and which shall have the right to enforce this Declaration.

(c) "Board of Directors" or "Board" shall mean and refer to the body selected as provided in the Bylaws, being responsible for the general governance and administration of the Association and this Declaration. The initial Board shall be those individuals set forth in the Certificate of Formation and/or Articles of Incorporation for the Association and, during the time of Declarant control, the Declarant has the right to appoint and remove all Directors to the Board, provided that prior to the 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 (may be referred to in the Bylaws at the "75% Transition Period"), or (ii) ten (10) years from the date on which the Declaration is recorded, at least 1/3 of the directors serving on the Board shall be person(s) elected by a majority vote of Class A Members at a meeting of the members at which quorum is present. 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. Remaining transition requirements of the Board shall be found in the Bylaws of the Association.

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

(e) "Bylaws" shall mean and refer to the Bylaws of the Association, approved by the Board of Directors, as may be amended from time to time.

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

(g) "Community-Wide Standard" shall mean the standard of conduct, maintenance and appearance, including landscaping, generally prevailing throughout the Property or the minimum standards established pursuant to the Design Guidelines, Rules and Board resolutions, whichever is the highest standard. Declarant initially shall establish such standard and the Association, through its Board, shall ensure that the Community-Wide Standard established by the Declaration for the Property shall continue after the termination or expiration of the Class B membership. The Community-Wide Standard may contain objective elements, such as specific setbacks, placement or location restrictions, lawn or house maintenance requirements, and subjective elements, such as matters subject to the Board's discretion. ***The Community-Wide Standard may or may not be in writing and are subject to the enforcement rules and regulations of this Declaration or any policy adopted by the Association to include fines for non-compliance or self-help remedies. The Community-Wide Standard may evolve as development progresses and as the Property changes.*** The Community-Wide Standard shall not fall below the level established for the Property as of the date the Class B membership terminates or expires. The Community-Wide Standard shall have the right to objectively govern certain aesthetics as well as the use and placement of certain items within the community such as but, not limited to, setback limitations, portable basketball goals, playsets, sports equipment, yard lights, security cameras, or decorations, as well as yard furniture or any temporary or permanent structure. Failure of an Owner to uphold the Community-Wide Standard or failure to abate any violation given as a breach of a Community-Wide Standard will be treated the same as any other violation of the Declaration, Bylaws and any rules, regulations, and policies of the Association, and as may from time to time be amended.

(h) "County" shall mean and refer to Collin County, Texas, in which the Property is located, as the context may require.

(i) "Declarant" shall mean and refer to not only CADG Hurricane Creek, LLC, a Texas limited liability company, but also any successor, alternate or additional Declarant as appointed by CADG Hurricane Creek, LLC, as successor, alternate or additional Declarant by written instrument, filed of record in the office of the County Clerk, specifically setting forth that such successor, alternate or additional Declarant is to have, in whole or in part, together with CADG Hurricane Creek, LLC, the Declarant rights, duties, obligations and responsibilities for all or a specific portion or Phase of the Property. The term "Declarant" shall not include any person or entity that purchases a Lot from Declarant unless such purchaser is specifically assigned, by a separate recorded instrument, some or all of the Declarant rights under this Declaration as to the conveyed property.

(j) "Declarant Control Period" means that period of time during which Declarant controls the operation and management of the Association, pursuant to Exhibit B of this Declaration.

(k) "Design Guidelines" shall mean and refer to the construction and design standards and guidelines adopted by the Declarant, as may be amended in accordance with Article 3, representing the minimum specifications for the construction of all residences, additions to such residences, and other improvements associated with each residence including, without limitation, other structures or improvements located on a residential Lot, and the minimum requirements for landscaping to be installed and maintained on each Lot. The construction and design guidelines are an integral part of this Declaration and the development plan of the Property and/or Subdivision and may also include a number of City Ordinance Requirements specific to the Villages of Hurricane Creek development. The initial Design Guidelines are attached hereto as Exhibit C. All Builders and prospective Owners or those desirous of constructing a residence on a Lot are strongly encouraged to obtain a current copy of the Design Guidelines prior to preparing plans and specifications for submission to the Architectural Control Committee for approval.

(l) "Development Period" means a period commencing on the date of recordation of this Declaration in the County real property records, and ending on the date that is the earlier of (i) twenty-five (25) years after the date this Declaration is recorded, or (ii) the date on which Declarant records a written notice of termination of the Development Period in the County real property records, and during which Declarant has certain rights pursuant to Exhibit B hereto. The Development Period is for a term of years and does not require that Declarant own land described in Exhibit A. Declarant may terminate the Development Period at any time by recording a notice of termination in the County real property records.

(m) "ETJ" means the extraterritorial jurisdiction of the City in which the development is to be located. The Villages of Hurricane Creek may be fully or partially located within an ETJ or the City limits.

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

(o) "Fire Station Site" shall mean and refer to that certain 2.5± tract of land described and/or depicted on Exhibit A-1 attached hereto. The property affected by this Declaration is or will be in the vicinity of a fire station. The location of the fire station in the vicinity of the Property will create noise and traffic disruptions, among other adverse conditions. While the Association retains certain architectural review and controls related to the exterior design and/or construction of improvements within the Fire Station Site, neither the Association, nor the Declarant, nor the ACC, or any of its officers, directors, managers, members, or constituent parties (the "Association Related Parties") have any control over the use of the Fire Station Site by the owner thereof or creation of any adverse conditions thereon. Each Owner by acceptance of title to a Lot acknowledges it has been advised of

the location of the fire station in the vicinity of the Property and waives any claims against the Association Related Parties with respect to the Fire Station Site.

(p) "Governing Documents" means, singly or collectively as the case may be, this Declaration, the Final Plat, the Bylaws, the Association's certificate of formation, articles of incorporation, and rules, regulations, and policies of the Association, as any of these may be adopted and/or amended from time to time. An appendix, exhibit, schedule, or certification accompanying a Governing Document is a part of that Governing Document. All Governing Documents are to be recorded in every county in which all or a portion of the Property is located. The Governing Documents are Dedicatory Instruments as defined in Texas Property Code Section 202.

(q) "Lot" shall mean and refer to any one (1) of the enumerated plots or tracts of land shown upon a Final Plat, and "Lots" shall mean and refer to more than one (1) of same; provided, however, Common Properties shall in no event be treated as "Lot" for purposes of this Declaration, and are hereby specifically excluded from the term "Lot" as used hereunder. The Villages of Hurricane Creek development shall consist of approximately 883± single family Lots consisting of varying Lot sizes.

(r) "Member" shall mean and refer to a member of the Association, as described in Article 8.

(s) "Outparcel School Site" shall mean and refer to that certain 9.0+ acre tract of land which is to be dedicated as a save and except tract subject only to those restrictions set forth in this Declaration and as described as "Restricted Outparcel" or "Outparcel School Site." The property affected by this Declaration is or will be in the vicinity of a School. The location of a school in the vicinity of the Property will create noise and traffic disruptions, among other adverse conditions. While the Association retains certain architectural review and controls related to the exterior design and/or construction of improvements, Association Related Parties have no control over the use of the School Site by the owner thereof or creation of any adverse conditions thereon. Each Owner by acceptance of title to a Lot acknowledges it has been advised of the location or plans for a School in the vicinity of the Property and waives any claims against the Association Related Parties with respect to the School Site.

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

(u) "PID" means a Public Improvement District and refers to a public improvement district created by the City for the benefit of the PID property pursuant to Chapter 372, Texas Local Government Code, which is known or may be known as The Villages of Hurricane Creek.

(v) "Phase" shall mean and refer to each separately developed residential area or addition as set forth and more fully described on a Final Plat depicting real property that has been subjected to the Declaration. The Villages of Hurricane Creek development will consist of multiple phases.

(w) "Planned Development" is both a concept and a zoning classification which may include, in addition to planned unit development, other commercial, retail, and industrial uses or a combination thereof. Planned Development may include all lands and buildings for principal and accessory structures and/or use including, but not limited to, comprehensive and detailed plans and elevations of all buildings, residences as intended to be constructed and used. Planned Development may, and probably will, have additional language and requirements attributed to it through the City's concept and zoning ordinances and/or agreements. For the development of The Villages of Hurricane Creek the City of Anna's planning and development ordinance No. 689-2015 sets forth certain planning, developing, and construction requirements. All Builders and Owners should familiarize themselves with this development ordinance.

(x) "Property" shall mean and refer to the real property described on Exhibit A, any improvements now or hereafter situated thereon, and any and all additional real property (and the improvements thereon) which Declarant hereafter subjects to this Declaration, in accordance with Article 14 hereof. The Property shall have a plat or plats containing certain notes, certifications, and dedications that are binding in nature whether or not such plat notes, certifications, and dedications are referred to in this Declaration. Declarant may exercise its rights with regard to certain restricted outparcels such as, but not limited to, a Fire Station Site, School Site, Multi-Family Site(s) or other Outparcel Sites to include the dedication and use of the land and exclusion from all or any part of this Declaration without any consent or joinder of the Members. However, the Multi-Family Site and any other tract of land designated within the Property by Declarant pursuant to any Supplemental Declaration hereafter filed in the Official Public Records of Collin County, Texas, for commercial, retail, restaurant, or multi-family use and part of the "Restricted Outparcels" shall each be subject to the architectural review and control requirements of Article 3 hereof, as more specifically set forth in Section 3.8 hereof.

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

(z) "TIRZ" means a tax increment reinvestment zone the City may create for the benefit of a PID property thereof pursuant to Chapter 311, Texas Tax Code. The City of Anna reserves the right to implement such "TIRZ" benefits should doing so be so ordained under the planning and development agreement by the City of Anna adopted as part of the comprehensive plan for the development and use proposed.

ARTICLE 2

CONSTRUCTION OF IMPROVEMENTS AND USE OF LOTS

Section 2.1 Residential Use.

The Property shall be used for single-family residential purposes and small home office uses and accessory uses. The Board of Directors shall have the sole right, in their own discretion what constitutes a suitable home office or accessory use. No building or other structure shall be erected, altered, placed or permitted to remain on any Lot other than one (1) detached single-family residence per Lot, which residence may not exceed the height set forth in any of Anna ordinance or this Declaration, and a private garage as provided below. Any building or structure to be placed or constructed on a Lot is subject to approval in writing by the ACC under Article 3. Other detached structures regardless of their purpose, shall require the prior written consent of the ACC who may require Builder or Owner to show proof of City approval prior to any review or approval granted. As noted in Section 2.2.1 below, no short-term rentals or leases of any kind are allowed including, but not limited to VRBO's, Air B-and-B, Vacation Rental, Room for Rent, or House Swapping.

Section 2.2 Single-Family Use.

Except as otherwise provided in this Section 2.2, each single family residence may be occupied only by persons living and cooking together as a single housekeeping unit, together with any household employees, and except for families consisting of persons related by blood, adoption, or marriage (a "Family Unit"), no more than two persons per bedroom may occupy the same residence on a regular and consistent basis.

Section 2.2.1 Leasing. No more than ten percent (10%) of the residences within the Subdivision may be leased to a non-Owner occupant at any given time without the express written consent and approval of the Board, which may be withheld in the Board's sole and absolute discretion. The Board may grant a variance of this use restriction on a case by case basis at the sole and absolute discretion of the Board. An Owner must complete an application and deliver a the application and a copy of any proposed lease for approval by the Board as a condition to the effectiveness of such lease, and any proposed lease must include a requirement that the tenant and any occupants of a residence by such lease fully comply with the terms of this Declaration. Owners who rent or lease their residence are required to execute a written lease agreement, signed by the tenant and a copy provided to the Association prior to the tenant's possession of the residence. **Notwithstanding the foregoing, during the Declarant Control Period, this Section may not be enforced without the express written consent of Declarant. Any lease allowed by Declarant during the Declarant Control Period shall not be counted as part of the ten percent (10%) maximum hereunder and shall have additional rights and protections as set forth in I, II, and III below.** The Declarant and/or the Board retains the right to rescind a variance, perpetual or otherwise, at any time an Owner does not keep the home and Lot in good and aesthetically pleasing condition or should the Owner's tenant become a nuisance and/or fail to abide by the restrictions, rules, and regulations of the Association.

The lease shall contain, at minimum, the following requirements:

- a. Term of Lease. Initial term of the lease shall not be less than one (1) year.
- b. Entire Residence. The property leased includes the entire residence. No short-term leasing, bed and breakfast, vacation or house swapping rentals or leasing is allowed. Rooms for Rent must be approved in writing by the Board and shall be reviewed and considered on a case by case basis.
- c. Single Family. Lease is restricted to single family per Section 2.2 above. Owner shall provide to the Association or its managing agent the names and contact information for the tenants.
- d. Abide by Rules. The Owner must make available to the tenant copies of the Governing Documents as described in Article 1, Section 1, and all amendments thereto. Tenant must agree to abide by all Association rules, regulations, and policies, and must acknowledge that failure to do so may constitute a default under the lease terms and agreement. Owner must obtain a signed acknowledgment from the tenant that this section of the CCR's has been explained in detail.
- e. No assignment or sub leasing is allowed.
- f. Renter's Insurance is Required. The Association reserves the right to require proof of coverage which is to be obtained by the Tenant and is to remain in full force and effect the entire term of the Lease or any renewal of lease which may later occur.
- g. Owner Responsibility. Owner shall be responsible at all times for his tenant, all occupants and guests. The maintenance and upkeep of the residence and Lot shall be borne by the Owner. Should the tenant violate a rule, regulation, or policy, and a violation notice or Notice of Fine is sent, the Owner shall be responsible for ensuring the tenant's compliance and ensuring the violation is immediately abated. Should a fine for non-compliance result, the Owner shall be responsible for payment to the Association for all fines or any monetary expense the Association may incur for the enforcement and abatement of a violation. Fine(s) will be levied against the Owner's account for payment to the Association and shall be subject to collections as may be set forth in this Declaration or any existing collection policy of the Association which may be adopted at any time and from time to time.

Whether or not it is so stated in a lease, every lease is subject to this Declaration and any rules, regulations, design guidelines or other dedicatory instruments promulgated hereunder. An Owner is responsible for providing its tenant with copies of this Declaration, and any and all rules, regulations, design guidelines or other dedicatory instruments promulgated hereunder, and notifying its tenant of changes thereto. AN OWNER IS RESPONSIBLE FOR HIS/HER TENANTS/OCCUPANTS. Failure by the tenant or his invitees to comply with this Declaration and any rules, regulations, design guidelines or other dedicatory instruments promulgated hereunder is deemed to be a default under the lease. When the Association notifies an Owner of its tenant's violation, the Owner will promptly obtain his tenant's compliance or exercise its rights as a landlord for tenant's breach of lease. If the tenant's violation continues or is repeated, and if the Owner is unable, unwilling, or unavailable to obtain his tenant's compliance, then the Association has the power and right, but is not the obligation, to pursue the remedies of a landlord under the lease or

state law for the default, including eviction of the tenant. **THE OWNER OF A LEASED LOT IS LIABLE TO THE ASSOCIATION FOR ANY EXPENSES INCURRED BY THE ASSOCIATION IN CONNECTION WITH ENFORCEMENT OF THIS DECLARATION, AND ANY AND ALL RULES, REGULATIONS, DESIGN GUIDELINES OR OTHER DEDICATORY INSTRUMENTS PROMULGATED HEREUNDER AGAINST HIS TENANT.** The Board may reject any proposed lease that would result in more than ten percent (10%) of the residences in the Subdivision being leased to non-Owner occupants or which fail to include the Required Lease Terms except under the following conditions:

- I. during the Declarant Control Period, no Builder shall be subject to the leasing restrictions contained in this Section with respect to any Lot owned. Lots owned by a Builder and sold during the Declarant Control Period are exempt from the ten percent (10%) limitation as set forth in this Section or as may be amended or supplemented through additional rules and restrictions with the following exclusions applied.
- II. exclusion to Builders are limited to the Builder and transfer of ownership to the first purchaser of the Residence/Lot from a Builder. Should the initial purchaser sale or transfer the residence, in whole or in part, the exclusion privileges become null and void. Notwithstanding, if the home is occupied by a tenant at the time the exclusion protection is lifted, the Board shall honor the existing lease and allow it to complete its terms unless circumstances arise warranting the Board making written demand for eviction or removal of the tenant.
- III. Owners who are forced to relocate due to job transfers or other unforeseen circumstances that would result in an Owner vacating their home. Should an Owner under such circumstances, request permission to lease their residence and can provide sufficient documentation or supporting evidence validating their request, the Board shall give consideration to the request and shall not count such lease as part of the ten percent (10%) limit on leases.

Declarant is perpetually exempt from all leasing rules and restrictions at all times and during the Declarant Control Period, the Declarant may waive and/or or render void any leasing restriction or rule previously placed on an Owner by the Board as it deems necessary or desirable without consent or joinder of the Board. All decisions rendered by the Declarant shall be subject to the terms as presented in the written waiver or exclusion executed by the Declarant. All such waivers or exclusions may not be made subject to or counted as part of the ten percent (10%) limitations on leasing unless it is specifically stated in the written waiver or exclusion provided. A copy of each waiver or exclusion shall be placed in the property file of the Association. Such waivers or exclusions do not run with the land. The Association is not liable to the Owner for any damages, including lost rents, suffered by the Owner in relation to the Association's enforcement of this Declaration, and any and all rules, regulations, design guidelines or other dedicatory instruments promulgated hereunder against the Owner's tenant.

Section 2.3 Garage Required.

Each residence shall have an enclosed garage and shall conform to the requirements set forth in the Design Guidelines and any City of Anna Ordinance. The garage shall conform in design and materials with the main structure and may not be used as a living quarter at any time or for the purpose of conducting business. The prior written consent of

the Reviewer shall be required prior to installation, modification, or change of any garage door. Refer to the Construction and Design Guidelines for all required construction and design criteria.

Section 2.4 Driveways.

Refer to the Construction and Design Requirements for specific requirements for the driveways. No widening of driveway is allowed without the proper written consent of the Reviewer. The Reviewer may require proof that a permit from the required governing entity was obtained prior to commencing any review. No stain or color variations or patterned concrete of driveways or sidewalks shall be allowed unless such designs are specifically called out as a requirement in the Construction and Design Guidelines, without the express written consent of the Reviewer. Reviewer has the right to require greater setbacks than the standard requirements of the City or those set forth in this Declaration or its Design Guidelines.

Generally, the Community-Wide Standard for enforcement of rules set forth in this Declaration, as well as in adopted Rules and Regulations, will be regularly enforced throughout the community. Notwithstanding, from time to time special circumstances may occur when enforcing a rule against an Owner may be delayed or withheld. Examples may include, but are not limited to, a family of an active military member, an Owner unable to perform certain tasks or maintenance on their own, or an Owner facing financial hardships. The Board may take such matters into consideration when determining whether limited or delayed enforcement is warranted. Any such grace period the Board extends shall only be extended once to the same Owner without extenuating circumstances present. Additionally, the granting of one such variance does not obligate the Board to grant the same or similar variance to another Owner nor can an act of "good will" conducted by the Board be considered an act of bias or breach of duties.

Section 2.5 Uses Specifically Prohibited.

(a) No temporary or permanent structure including, but not limited to, children's play structures, play houses, and play sets, dog houses, greenhouses, sports equipment, residences, shop, storage building, gazebos, pergolas, cabanas, covered patios, trailer or mobile home, pools, spas, and other water features, buildings for storage of lawn maintenance equipment, or any kind of improvement of a temporary or permanent character shall be permitted on any Lot without the express written consent of the Reviewer, except that dog houses and small, low-lying green houses that are **not visible over the fence** are allowed and do not require the consent of the Reviewer to install. Greenhouses or landscape of any kind may not be installed within five feet (5') of a fence and may not contain trellises or the use of other structures, including fences, to encouraging or support vining of any kind. **Due to open visibility, Owners with Lots consisting of wrought iron fencing may be more limited and/or restricted as to the placement and use of any item or structure, including those normally allowed within Lots enclosed by wood fencing.** As a Community Wide Standard, all structures, regardless of type, shall be subject to, but not limited to, placement,

height, styles, types, and use restrictions and setbacks which may vary and/or be greater than the requirement of any City restrictions or rules. As a standard rule, all structures and items desired to be added to one's Lot shall be required to sit at least five (5) feet back from any fence or the foundation of the home except for actual extensions of the main residence itself. Owners are hereby advised the Association's restrictions may have higher and stricter standards for any temporary or permanent structure, regardless of type or use. At all times the higher standard shall prevail and be upheld unless a written variance by Declarant or the Reviewer is granted. Variances may be temporary or permanent and must be issued in writing. As a general rule, no structure whether temporary or permanent shall be allowed if such structure would be visible from the front of the residence or the street. **As a standard throughout the community, structures that exceed the height of the existing fence may be restricted as to allowance and/or placement it being the goal of the Reviewer to ensure the structure is not visible from the front of the residence or street or visibility of the structure is limited.**

Residences on corner Lots may be subject to certain restrictions or limitations other Lots aren't such as, but not limited to, visibility easements and line of sight considerations, and greater front, side, or rear setbacks. All structures with regard to placement are subject to the discretion and the approval of the Reviewer. (b) Portable or permanent basketball goals may only be allowed upon prior written consent of the ACC Reviewer. The allowance of and placement of any temporary or permanent basketball goal is at the sole discretion of the Reviewer. The ACC Reviewer may require the storage of portable basketball goals when not in use and for permanent goals, may require basketball goals with crank poles allowing for the goal to be cranked down when not in use. No portable basketball goal may be played or kept in the street or in a manner that blocks a sidewalk and may not be placed in the grass area located between the front building line and street. **Goals (or any other play or sports equipment) placed or left in any unauthorized area is subject to removal by the Association at the sole expense and liability of the Owner. Costs associated with the removal and temporary storage of any item shall be billed back to the Owner's account for full reimbursement to the Association.** Goals must be kept in good repair at all times and may not use unsightly weights such as tires, sand bags, or rocks unless the Owner can provide written proof from the manufacturer that such weights are the recommended means to weight down the goal. The Property address must be displayed on the front side of the pole for easy identification. Play equipment of any kind should be stored out of view when not in use.

(b) **All requests, regardless of type, are reviewed on a case by case basis and the approval or variance granted to one Owner does not obligate the Reviewer to provide the same variance or approval to another Owner.** No improvements, installation, construction, modification, addition, planting, or other change of any kind or type to the exterior of a residence or Lot may be done without the express written consent of the Reviewer. Failure to obtain prior written consent shall constitute an immediate violation and may be subject to immediate fines after the Association submits one (1) written notice to an Owner describing the violation and advising the amount of the fine, (herein referred to as a "Notice of Fine Warning"). Such fines shall not be less than \$25.00 per day for violations fined on a daily basis, or less than \$100.00 per fine occurrence. Most fines shall have a maximum fine limit of \$1,000.00 per occurrence. Notwithstanding, non-curable violations and violations or infractions that threaten the health, safety, and welfare of other residents, homes, property, or

animals, may be subject to greater and more immediate fines depending upon the severity of the violation or infraction committed.

(c) Builders or contractors may have temporary improvements (such as a sales office and/or construction trailer) on a given Lot during construction of the residence on that Lot or on a different Lot as agreed to between the Builder or contractor and Declarant and/or as otherwise set Out in the Design Guidelines. Excluding Builders and Contractors, no building material of any kind or character shall be placed or stored upon the Property until the Owner thereof is ready to commence construction of improvements, and then such material shall be placed on the driveway or if landscaping has not yet been installed, within the property lines of the Lot upon which the improvements are to be erected. **No Owner shall interfere with the Declarant, the Developer, a Builder or a Contractor at any time. Owners shall not interfere with construction or development related activities at any time.** Interference by an Owner is subject to notice of violation and the maximum fine allowed by the Association. If issues arise, Owners are encouraged to contact the Managing Agent for assistance. The affected party or parties may also take action against an Owner independently of the Association which may include the filing of a suit, restraining order, or other legal alternatives. Owners should be aware that interference with the ongoing development of the community and construction process of Builders may result in damages in monetary losses beyond any known ability to calculate, depending upon the nature and extent of damage done. Interference can include verbal as well as physical attacks or any act or action that disrupts in any way and for any length of time the ongoing development of the community, construction of common areas or elements and/or the construction of homes. Such damages may include, but are in no wise limited to, damages sustained due to defamation of character, slander, libel, or the maligning of a person or a business.

(e) Except as otherwise provided in this Section, no vehicle may be parked or left upon any portion of a Lot except in a garage or on a driveway. Due to the often-controversial nature of on-street parking, the Board of Directors or the ACC shall have the sole discretion to review and determine potential non-compliance on a case by case basis. Parking in front of mail boxes, blocking driveways, intersections, or other publicly accessed areas is prohibited. Notwithstanding the above, short-term and visitor parking of a vehicle may be parked outside of an enclosed garage temporarily and irregularly to accommodate such use. The Board, in its discretion, may enact additional rules governing such temporary, irregular use or, in the absence of specific rules, shall have discretion in determining what constitutes permissible parking under such circumstances. This Section shall not apply to parking, for purposes of emergency vehicle repairs, construction, service, and delivery vehicles for periods necessary to perform the services or make a delivery and shall exclude first responders and Owners driving vehicles used for law enforcement, fire officials, medical or ambulance workers, or such other related vehicles as long as they are normal sized vehicles; any other vehicles shall be reviewed and considered at the sole discretion of the Board.

As used in this Section, the term "vehicles" includes, without limitation, automobiles, trucks, boats, trailers, motorcycles, campers, vans, and recreational vehicles. Absolutely no semi-trucks with or without trailers may park within the community. Violation of this rule will result in an immediate Notice of Fine Warning after which a fine for non-

compliance with an Association rule may be levied. Fine amounts may vary depending upon the severity or recurring nature of the violation. Recreational and commercial vehicles are not allowed to be parked or stored within the community. Temporary (short-term) parking on the street or in the driveway of certain vehicles such as RV's and boats present for **the loading, unloading, or cleaning only**, may be allowed and is limited to no more than a twenty-four (24) hour period. Except as provided in this Section, the following vehicles may never be parked on any street within the Property in any temporary or permanent manner: inoperable vehicles, vehicles over 1-ton, tow trucks (unless in the community to perform a service) car haulers or any other form of commercial or oversized vehicle regardless of its function or use, recreational vehicles, mobile homes, trailers of any kind, (including semi-truck cabs and trailers), any form of commercial or retail traveling business such as, but not limited to food trucks, coffee vendors, mobile DJ's or gaming centers, as well as campers, sports and recreation vehicles such as, but not limited to, jet skis and boats., **STREETS ARE PRIMARILY MEANT FOR THE PASSAGE OF VEHICLES AND ANY PARKING OR OTHER INTERRUPTION OR HINDERANCE TO THIS USE SHOULD BE AVOIDED.** Vehicles that block proper visibility line of sights or violate any City or Association parking or transportation laws or rules shall be subject to reporting to the City, City citations, tagging and possible towing by the City or the Association. The Association shall adopt a towing policy and shall enforce said policy in conjunction with any City ordinances or laws regarding parking and transportation. If an Owner desires to store a regular sized vehicle or a commercial vehicle used by an Owner or a Resident as their primary source of transportation, such vehicle must be stored inside a garage when not in use. Vehicles with advertisement are prohibited unless such vehicle may be stored inside an enclosed garage or upon written permission of the Board, small vehicles which may be tarped when not in use. The Board of Directors may grant a temporary variance at their sole discretion and all such requests shall be considered on a case by case basis. The granting of one variance does not obligate the Board to grant the same or similar variance to another Owner. **Unlicensed or inoperable vehicles must be kept in enclosed garages and may not be visible at any time.** "Sports utility vehicles" and "mini-vans" (as such vehicles are commonly referred to, as determined in the Board's discretion) and normal sized pick-up trucks shall be treated as automobiles and may be parked on driveways outside of enclosed garages.

The Association will utilize towing subject to all applicable laws and ordinances available to it for the towing of any unauthorized vehicle. The Association shall also report all such violations to the City requesting immediate assistance from City law enforcement or other responsible departments. If a vehicle is towed, all costs incurred will be at the sole expense of the Owner of the vehicle and Owner assumes all risk and responsibility for the vehicle as well as any personal items within the vehicle at the time the vehicle is towed.

(f) Declarant and Builders are excluded from vehicle and parking rules. Notwithstanding, ordinary care shall be taken to ensure vehicles do not damage streets, curbs, sidewalks, Common Properties, or adjoining Lots or residences, and areas of heavy traffic for construction related equipment and vehicles are kept clean and do not block the flow of traffic for neighboring residences and streets, driveways, mailboxes, or any area in which Owners require and have right-of-way rights and privileges. The Association will enforce against

Builders, Contractors, and Vendors when necessary. Damages caused by Builders, Contractors or Vendors that is corrected or repaired by the Association shall be billed back to the Builder or the Owner of the Lot or Lots known to be at fault. If the Association is required to hire porters or street sweepers to remove dirt and/or debris from Lots or streets, the costs thereof will be billed equally among all such Builders or Owners upon that street or streets for reimbursement to the Association. No vehicle of any size which transports flammable or explosive cargo may be kept or parked on the Property at any time, except for use by or on behalf of Declarant in connection with the development of the Property or by a Builder or contractor in connection with the construction of improvements on a Lot.

(g) No Owner shall interfere with a Builder, Contractor or with the Developer at any time. **Owners shall not interfere with construction or development related activities.** If issues arise, Owners are encouraged to contact the Managing Agent for assistance. Construction hours per the City of Anna shall not start earlier than 7:00 a.m. on weekdays nor continue after dark without prior permission from the City of Anna. Construction on Saturdays may not start before 7:00 a.m. and work on Sundays is prohibited by the City of Anna without special permission. If an Owner witnesses a Builder or any Contractor violating this rule, the Owner should notify the Managing Agent or the City of Anna.

(h) No animals or livestock of any kind shall be raised, bred or kept on the Property for commercial purposes. Dogs, cats or other small and usual household pets may be kept for the purpose of providing companionship for the private family. Owners are hereby put on notice that enforcing complaints of barking or howling dogs or noise from animals are difficult violations to enforce; however, those pets which are permitted to roam free, or, in the sole discretion of the Board and to the extent permitted under applicable law, constitute a nuisance, threatens the safety of others or who show aggressive or vicious tendencies or who causes damage or inflicts harm or injury are subject to immediate removal upon written notice from the Board and may be subject to violation including the maximum fine amount allowed under this Declaration or the Notice and Hearing; Schedule of Fines, whichever is greater. Provided, however, in no event, the Board or Association shall have no liability or obligation to ensure removal of a pet from the Subdivision and cannot be held liable or responsible if any enforcement actions taken by the Association are unsuccessful. Notwithstanding anything contained herein to the contrary, the Board in its sole discretion and without incurring any further duty or obligation to Owners or occupants within the Property, may decide to take no action and refer complaining parties to the appropriate municipal or governmental authorities for handling and final disposition. Owners should not place unreasonable expectations on the Board or its managing agent in attempting to enforce this rule. Owners should be mindful of their neighbors and be prepared to keep their pets under control at all times when outside the confines of the residence or when walking your pet within the Subdivision, **do not have your pet outside your home or fenced yard without a leash. The animal must be in the possession of an adult or person capable of controlling the animal at all times.** Pets shall be registered, licensed and inoculated as required by law and must be properly tagged for identification. The Board has the right, but not the obligation, to cause all pets to registered with the Association including a photograph and note from a certified vet the animal is up to date on its inoculations. It is the Owner's responsibility to keep the front and rear of their Lot

clean and free of pet debris and to pick up and properly dispose of their pet's waste wherever deposited. Notwithstanding anything seemingly herein to the contrary, no more than two (2) dogs weighing fifty (50) pounds each or more or three (3) smaller dogs shall be permitted on each Lot. No more than three (3) cats shall be permitted on each Lot. No potbellied pigs, pigs, rodents, snakes, skunks, chickens, or other poultry of any kind, no undomesticated animal, no wild or reptilian animals of any kind are allowed to be kept, bred, or housed in an Owner's residence or on an Owner's Lot. The Declarant and the Board reserve the right to determine what animal outside of domesticated dogs and cats may be allowed. EACH OWNER BY ACCEPTANCE OF TITLE TO ITS LOT OR OCCUPANCY OF A RESIDENCE THEREON HEREBY RELEASES AND WAIVES THE ASSOCIATION, DECLARANT, THE BOARD AND/OR ITS MANAGING AGENT AND THEIR RESPECTIVE MEMBERS, EMPLOYEES, DESIGNEES, ADMINISTRATORS, INSPECTORS, CONTRACTORS, AND AGENTS, AND AGREES TO INDEMNIFY AND DEFEND SAME AND HOLD THEM HARMLESS FROM AND AGAINST ANY CLAIMS, LIABILITIES, LOSS, DAMAGE, COSTS AND EXPENSES, INCLUDING BUT NOT LIMITED TO ATTORNEYS' FEES, IN CONNECTION WITH OR ARISING OUT OF ANY ACTIONS OR ATTACK BY OWNER'S PET OR BY ANY PET RESIDING ON AN OWNER'S LOT WITHIN THE SUBDIVISION. ALL BREEDS OF PETS THAT ARE DETERMINED TO BE AGGRESSIVE OR VICIOUS BREEDS BY THE BOARD OR ANY APPLICABLE GOVERNMENTAL AUTHORITY (INCLUDING SPECIFICALLY, WITHOUT LIMITATION, PIT BULLS OR ROTTWEILERS) ARE STRICTLY PROHIBITED WITHIN THE SUBDIVISION AND ARE DEEMED TO BE A NUISANCE AND SUBJECT TO REMOVAL PROVISIONS SET FORTH HEREIN.

(i) Keep your personal items and possessions with you at all times, do not abandon your possessions or leave them laying. Do not place or leave items of any kind on sidewalks – do not block sidewalks or walking paths or trails at any time. DO NOT LITTER OR CLUTTER UP YOUR LOT. No Lot or other area on the Property shall be used as a dumping ground for rubbish or a site for the accumulation of unsightly materials or items of any kind, including, but not limited to, broken or rusty equipment, disassembled or inoperative cars, other vehicles or discarded appliances and furniture, toys, barbeque grills, or any other item. If items are left or abandoned and the owner of such items cannot be identified or is not known, the items will be removed as an act of self-help. The Association shall have no responsibility to store any items; however, if the Association does choose to store items and an Owner claims an item, the Association shall have the right to charge a reasonable storage fee for the return of the item. The Association, when applicable, shall enforce with diligence violations regarding placement or storage restrictions. Some violations may be deemed as “uncurable” which violations sometime allow for little or no notice requirement and can carry greater fines up to the maximum fine amount allowed. Costs of removal and storage, if applicable, shall be billed to the Owner's account and payable to the Association immediately upon presentation of a statement of amount due by e-mail and/or U.S. mail.

(j) Trash, garbage or other waste shall be kept in sanitary containers with lids at all times and shall be kept out of public view or screened from view of the street and any adjacent Lot or Common Properties. The construction or installation of concrete pads for trash or recycle containers shall require the prior written consent of the ACC and all such pads, if approved, shall require screening with wood fencing matching the fencing on the Lot or live screening mature and tall enough to conceal the containers. Oversized objects that cannot fit into available trash containers should be kept out of sight until day of scheduled garbage

pickup. Items such as furniture and green waste may not be placed outside for pickup more than twelve (12) hours before the scheduled pickup service. Items not picked up on time must be removed by the Owner and placed out of sight or hauled off. If items are left out and after notification to the Owner requesting removal the Owner fails to comply, the Association will exercise self-help and have the items removed and the cost thereof shall be billed back to the Owner's account as an Individual Assessment or Special Individual Assessment and shall be due and payable to the Association as of the date the charge is posted to the Owner's account. The Association will violate and if necessary, exercise self-help for any trash or debris, junk, clutter, toys, or other items scattered or left abandoned on lawns, driveways or any place not considered a proper place to store such items. The Association will carry out any enforcement and/or self-help measures available to it against any Owner who allows his or her Lot to become cluttered with unsightly items, trash, or debris, **do not junk up your yard and Lot**. The Lots of Owners should be kept with the highest of care, keeping lawns and plants and trees healthy, trimmed, and beautiful. Lots are NOT dumping grounds and storage facilities and any such action by an Owner, tenant, occupant, guest or invitee, shall be treated as a violation subject to enforcement and/or self-help actions. No incinerators allowed without written consent of the ACC. Materials incident to construction of improvements may be stored on Lots during construction so long as construction progresses without undue delay and waste storage bins are utilized.

The Declarant or Board of Directors may, after notice is served either by mail, email, or by posting on the door of the residence, initiate self-help actions to abate violations if Owners or Builders fail to abate the violation in a sufficient and/or timely manner or if items are abandoned or left unattended, the Association may cause for the removal of such items and the costs of such self-help actions shall be billed back to the Owner's account and shall be due and payable to the Association as of the date said charge(s) are posted to the Owner(s) account.

(k) No air-conditioning apparatus shall be installed on the ground in front of a residence. No air-conditioning apparatus shall be attached to any wall or window of a residence that is visible to the public or neighboring unit. All air-conditioning equipment must be installed in the rear yard, side yard or screened in a manner so as not to be seen. No item or apparatus shall be allowed to project from the outer wall of the residence other than those vents and other projections common to the construction of a residence. Written permission of the ACC is required to make any form of modification or change to the outside of the residence or to any portion of the Lot.

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

to safety, location and maintenance of antennae. To the extent that reception of an acceptable signal would not be impaired or the cost of installation would not be unreasonably increased, an antenna permissible pursuant to the Declaration or the rules of the Association may only be installed in a side or rear yard location, not visible from the street or neighboring property, and integrated with the residence and surrounding landscape. Antennae shall be installed in compliance with all state and local laws and regulations, including zoning, land-use and building regulations.

(m) No Lot or improvement thereon shall be used for commercial or manufacturing purposes of any kind other than a small home office such as home schooling, tutoring or giving lessons such as art or music, so long as such activities are consistent with the residential character of the Property, do not materially increase the number of cars parked on the street, create excess traffic or parking, constitute a nuisance or is hazardous or offensive in purpose or use, or threaten the security or safety of others within the Property, and/or as may be determined in the Board's discretion. Nothing in this subparagraph shall prohibit a Builder's use of a residence as a sales office until such Builder's last residence on the Property is sold and closed. No building previously constructed elsewhere shall be moved onto any Lot without the express written consent of the ACC, it being the intention that only new construction be placed and erected thereon.

(n) No sign of any kind shall be displayed to the public view on any Lot, except: (i) political signs which may be placed on the Lot no earlier than six (6) weeks prior to an election and which must be removed within two (2) weeks after the election for which such sign is displayed; (ii) one (1) professional security service sign of not more than one square foot; (iii) one (1) sign of not more than five square feet advertising the property for rent or sale during any period that the Lot actually is for rent or sale; or (iv) signs used by a Builder to advertise the Property during the construction and sales period, each of which shall, in any event, comply with all statutes, laws or ordinances governing same. No signs shall be displayed in common areas at any time without the Board's prior written consent. The Board of Directors or its agents shall have the right to remove any sign, banner, billboard or other advertising structure that does not comply with the above, and in so doing shall not be subject to any liability for trespass, loss of property, or otherwise in connection with such removal.

(o) The drying of clothes in public view is prohibited. Clothes lines are prohibited. Items hung on the outside of fences and visible to the public are prohibited without the express written consent of the Reviewer.

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

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

Section 2.6 Fences and Walls.

Permits from City of Anna are required prior to any installation, alteration, addition or change to a fence. Any repair or maintenance must be done with similar materials unless replacing the entire fence notwithstanding permit from the City of Anna and prior written approval of the ACC shall be required for any installation, alteration, addition, or change including, but not limited to, staining or re-staining of fence. Approval for minor repairs such as replacing broken pickets, etc., or up-righting a leaning or fallen panel is not required. Fences and walls are prohibited in drainage easements. Refer to the Design Guidelines for rules on material types, style, height, and other restrictions for fencing. Any discrepancy between this Declaration and the Design Guidelines shall be settled in favor of the Association with the higher standard prevailing.

No fence or wall shall be permitted to extend nearer to any street than five (5) feet behind the front façade of any residence; Notwithstanding, the Architectural Review Committee may require the fence to be set back further from the front of the residence up to fifteen feet (15') when in the sole discretion of the ACC such a setback is warranted. Generally, all side yard fencing on corner Lots shall run parallel to the curb and may be placed no nearer than five feet (5') to the side Lot line and shall not extend beyond a point of five feet (5') from the front of the residence notwithstanding, any City of Anna fencing ordinance which has a higher standard shall prevail. Fences or walls erected by Declarant shall become the property of the Owner of the Lot on which the same are erected and as such shall be maintained and repaired by such. Wall easements shall be kept clear and may not contain any planting, structure, or other items. Occasionally, an Owner may be allowed to place items within an easement; Notwithstanding, certain additional permissions and requirements may apply and/or be required for any such request. All fences shall be maintained in good condition and meet the minimum standards set forth in this Declaration and the City of Anna Code of Ordinances. All fences shall comply with the following:

(i) Any and all plants, flowers, vegetation of any kind and/or weeds, shall be kept clear of fences and shall not be allowed to grow into, under, or over a fence. The Association will remove any such plant materials regardless of type and the cost of removal shall be billed back to the Owner as a Special Individual Assessment.

(ii) Wood fences shall be regularly stained to maintain in good, aesthetic condition. It shall be a violation of the City of Anna and of this Declaration to fail to maintain a fence in good condition by failing to meet any of the requirements of the City of Anna and this Declaration. Any damage, deterioration, or unaligned condition, graffiti or vegetation or any other disrepair shall be violated by the Association and the Association shall report all such disrepair to the City of Anna.

The Architectural Review Committee may require a Builder or Owner to provide a copy of a city permit, neighbor consent, authorization from an easement owner or any other documentation that will provide sufficient proof the Lot owner has obtained necessary clearance or permitting prior to commencing construction. Failure to provide the requested document or information may result in a denial of all or a portion of the request for construction or modification submitted. The ACC is not required to approve work in an easement regardless of whether a consent is obtained or not. The ACC has the right to require a greater setback for the installation of any structure or item, temporary or permanent, than that required of the City or by this Declaration.

Section 2.8 Landscaping.

Each Builder of a residence upon each Lot shall, upon or before the first occupancy of a house, install landscaping as outlined in the Design Guidelines and plant the minimum size and number of trees and minimum size and number of shrubs and other landscaping, as applicable, in the front yard against the foundation of the house or as outlined in the Design Guidelines and/or the City of Anna Landscape Ordinance. The City of Anna has a "Tree Preservation" ordinance which every Builder and Owner is required to follow. **Permits to remove and/or replace certain trees may be required.** All protected trees, bushes, and landscaping plants are required to have proper irrigation and are to be protected under the City's Tree Preservation rules. Builders and Landscapers contracted to perform the initial install shall be required to educate themselves on the City's Tree Preservation as well as other ordinances or prohibitions such as limits around the primary root zone of a tree, grading changes around a protected tree, and more. Underground irrigation systems are required except tree bubblers or drip lines may be used in tree wells as long as property installed and concealed. After the initial installation, each Owner of a Lot shall have the responsibility to properly maintain sod and all landscaping and in the event of dead or dying sod, trees (planting and replacement of trees requires a city permit), or other vegetation, shall replace such in accordance with the Design Guidelines. The Declarant and/or the Association shall have the right but not the obligation, to be exercised at its sole option, to remove and replace dead trees and landscaping and charge the costs thereof to the Owner's account as a special individual assessment. All landscaping installed by the Declarant within or that are part of the Common Properties shall become the responsibility of the Association to maintain immediately after installation. Any maintenance or replacement by the Declarant after initial installation shall be at the sole discretion or the Declarant.

Section 2.9 Design Guidelines.

In addition to any requirements set forth in this Declaration or the City of Anna Planned Development Ordinance 689-2015 and as may be modified by the City of Anna or by this Declaration at any time and from time to time, all Builders and Owners are required to comply with the Design Guidelines in the construction of improvements within the Property and the installation, maintenance and replacement of trees and landscaping within the Property as outlined in **Exhibit C.**

Section 2.10 CITY ORDINANCE NO. 689-2015

The Property and Lots are subject to City of Anna, Texas, Planned Development Ordinance 689-2015, or as such ordinance may be further modified or amended from time to time. The City's ordinance poses a comprehensive plan of development in order to create a master planned community featuring a mixture of housing types in a manner that will encourage sustainable neighborhoods. All Builders and Owners are required to review and know the City's Ordinance and to operate within the framework of that ordinance and this Declaration and may not rely solely on one without the other. In the event of a discrepancy between this Declaration and the City's ordinances, the higher standard shall always prevail unless written consent from the City and the ACC is received.

Section 2.11 Guns, Firearms and Weapons; Fireworks. No toys, weapons or firearms, including, without limitation, air rifles, BB guns, sling-shots or other items designed or capable of causing harm or damage (whether intentionally or negligently or otherwise) to any person, animal or property are permitted for unauthorized, unsupervised, or unlawful use within or upon any Common Area, Amenity, or Common Property owned and/or maintained by the Association. This section and its restrictions are not meant to conflict with or prohibit rights of an Owner under Texas Property Code 202.020 regarding lawful possession or storing of a firearm within their own residence. Violations of this restriction are enforceable by the Association and are subject to a fine up to \$1,000.00 per occurrence after notification is delivered. Fireworks are a danger to any community or neighborhood and are strictly prohibited anywhere within The Villages of Hurricane Creek without the express written consent of the Board. Unauthorized use of fireworks in the Subdivision is subject to a monetary fine of \$1,000.00 per occurrence for each violation. A sworn affidavit signed by a witness with legal capacity made and attesting to any violation witnessed which specifies the date and the approximate time of such violation which is received by the Association shall be sufficient evidence of such violation.

Section 2.12 Use of Association and Subdivision Name. The use of the name of the Association or the Subdivision, or any variation thereof, including initials used in any capacity without the express written consent of the Declarant during the Declarant Control Period, and thereafter the Board, is strictly prohibited. Additionally, the use of any logo adopted by the Association or the Subdivision, or use of any photographs of the entryway signage or other Subdivision signs or monuments or Common Properties without the express written consent of Declarant during the Declarant Control Period, and thereafter the Board, is strictly prohibited. This shall include an Owner creating a Facebook, Twitter, or any other social media platform using any Form of the Association's name, including initials, logo, or photographs without the proper approval.

The authority of The Villages of Hurricane Creek Homeowners Association is limited by the Texas Property Code and other laws to those powers and authority expressly authorized by the Declaration or other similar governing documents. A property owners association is not a law enforcement agency and it does not exist for the purpose of the enforcement of laws or regulating behavior of Members, Residents, Occupants, Tenants, Guests, or Invitees. Every Owner is responsible for his or her own behavior as well as the behavior of all occupants, tenants, guests or invitees. The Association will enforce rules using whatever measures it deems necessary or appropriate and shall immediately report any known or suspected unlawful acts to the authorities and every Owner who witnesses any such act is encouraged to report such incidents to the Authorities and submit a written report to the Managing Agent for the Association's records. Enforcement may include, but is not limited to, the levying of fines, suspension of amenity rights and privileges and from time to time, if circumstances warrant, filing of a suit and/or other legal actions as deemed necessary and appropriate by the Declarant and/or the Board of Directors.

Section 2.13 Noise and Odor. An Owner or occupant of a residence must exercise reasonable care to avoid making or permitting to be made loud, disturbing, or objectionable noises or noxious odors that are likely to disturb or annoy occupants of neighboring residences. The rules and regulations promulgated by the Association may limit, discourage, or prohibit noise-producing activities and items in the residences and on the Common Properties within the Subdivision. The Association shall provide an Owner with notice of its violation of this use restriction, and if an Owner receives more than one notice in any 12-month period, upon receipt of the second notice from the Association, the Owner shall be subject to fines hereunder. Notwithstanding anything contained herein to the contrary, the Board in its sole discretion and without incurring any further duty or obligation to Owners and occupants of residences within the Property, may decide to take no action and refer complaining parties to the appropriate municipal or governmental authorities for handling and final disposition. **IF ANY NOISE OR ODOR BECOMES A NUISANCE IN THE SUBDIVISION, OWNERS AND OCCUPANTS OF RESIDENCES ARE ENCOURAGED TO CONTACT THEIR LOCAL LAW ENFORCEMENT OFFICIALS FOR ASSISTANCE.** The Association shall have no liability or obligation to ensure the Subdivision or any Owner or occupant of a residence therein is free from nuisance and cannot be held liable or responsible if any enforcement actions taken by the Association under this Section 2.15 are unsuccessful. **EACH OWNER AND OCCUPANT OF A RESIDENCE BY ACCEPTANCE OF TITLE TO ITS LOT HEREBY RELEASES AND WAIVES THE ASSOCIATION, DECLARANT, THE BOARD AND/OR ITS MANAGING AGENT AND THEIR RESPECTIVE MEMBERS, EMPLOYEES, DESIGNEES, ADMINISTRATORS, INSPECTORS, CONTRACTORS, AND AGENTS, AND AGREES TO INDEMNIFY AND DEFEND SAME AND HOLD THEM HARMLESS FROM AND AGAINST ANY CLAIMS, LIABILITIES, LOSS, DAMAGE, COSTS AND EXPENSES, INCLUDING BUT NOT LIMITED TO ATTORNEYS' FEES, IN CONNECTION WITH OR ARISING OUT OF ANY ACTIONS OR INACTIONS OF AN OWNER OR THE OCCUPANTS OF SUCH OWNERS LOT THAT RESULTS IN NOISE OR ODORS THAT MAY BE A NUISANCE TO OTHERS WITHIN THE SUBDIVISION.** Any Owner in violation of this Section is subject up to a \$1,000 fine per occurrence, depending upon the severity or recurring nature of the violation (each day of violation being deemed to be a separate occurrence).

Section 2.16 Drones and Unmanned Aircraft. Any Owner operating or using a drone or unmanned aircraft within the Property and related airspace must register such drone or unmanned aircraft with the Federal Aviation Administration ("FAA"), to the extent required under applicable FAA rules and regulations, and mark such done or unmanned aircraft prominently with the serial number or registration number on the drone or unmanned aircraft for identification purposes.

BY ACCEPTANCE OF TITLE TO ANY PORTION OF THE PROPERTY, EACH OWNER ACKNOWLEDGES THAT USE OF A DRONE OR UNMANNED AIRCRAFT TO TAKE IMAGES OF PRIVATE PROPERTY OR PERSONS WITHOUT CONSENT MAY BE A VIOLATION OF TEXAS LAW AND CLASS C MISDEMEANOR SUBJECT TO LEGAL ACTION AND FINES UP TO \$10,000. IT IS YOUR RESPONSIBILITY TO KNOW AND COMPLY WITH ALL LAWS APPLICABLE TO YOUR DRONE AND/OR UNMANNED AIRCRAFT USE. Owners are hereby noticed that from time to time, the Association may use drones to capture photos of common areas and grounds, checking for maintenance items or areas that are not accessible on foot or by vehicle. Drones may also be used to capture panoramic, aerial views of the community for development staging among other uses. Obtaining panoramic views may capture photos of Lots or Residences which, to perform the necessary photographing, cannot be avoided however; no photos shall ever be used to encroach upon an Owner's or Residents privacy. If such photos are captured, they shall be for Association use only and shall not be viewable by any person outside of authorized Representatives of the Declarant, Developer, the Board, or the Managing Agent. Be advised, should the Association be required to release footage through a request of law enforcement or by court order, the Association will comply with such requests.

ARTICLE 3

ARCHITECTURAL CONTROL

Section 3.1 Review Authority.

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

(b) **Declarant.** Declarant shall have exclusive authority to administer, review and act upon all applications for architectural and other improvements within the Property at all times so long as the Declarant Control Period remains in effect. With regard to new construction plans submitted by a Builder or other person intending to construct or reconstruct a residence on a Lot, all such applications shall continue to be reviewed by the Declarant appointed architectural review committee regardless of whether the Declarant Control Period has elapsed or not. Declarant may, but is under no obligation, to voluntarily assign those review rights to the Board or a Board appointed Architectural Review Committee prior to the end of Declarant Control Period. Declarant may designate or engage one or more persons or entities to act on its behalf with respect to some or all matters coming within the purview of this Article 3 which persons need not be Owners or Members. In reviewing and acting upon any request for approval, Declarant or its designee act solely in Declarant's interest and owe no duty to any other person. Declarant is not required to hold meetings or keep minutes relating to its review under this Article. Declarant may from time to time delegate or assign all or any portion of its rights under this Article to any other person, entity or committee, including the Architectural Control Committee. Any such delegation shall be in writing, shall specify the delegated responsibilities, and shall be subject to (i) Declarant's right to revoke such delegation at any time and reassume

its prior jurisdiction, and (ii) Declarant's right to veto any decision which it determines, in its discretion, to be inappropriate or inadvisable for any reason. So long as Declarant has any rights under this Article, the jurisdiction of other entities shall be limited to such matters as Declarant specifically delegates.

By submitting any plan for approval, the submitting party expressly acknowledges that the ACC and any constituent members thereof is/are not reviewing plans or submittals in their professional capacity (if any) as, engineers, architects, or builders for purposes of plan review, and that any approval or disapproval of any plans expressly excludes any opinion on the suitability of the plans on an engineering, architectural, or construction basis. The ACC, and any delegate, officer, member, director, employee or other person or entity exercising the ACC's rights under this Declaration or any other Governing Documents shall have no liability for its decisions made and in no event shall be responsible for: (1) errors in or omissions from the plans and specifications submitted, (2) supervising construction for the Owner's compliance with approved plans and specifications, or (3) the compliance of the Owner's plans and specifications with governmental codes and ordinances, state and federal laws. The ACC has sole discretion with respect to taste, design, and all standards specified by this Article and/or the Design Guidelines for any construction of improvements within the Subdivision.

(c) Architectural Control Committee. Upon Declarant's delegation or upon expiration or termination of Declarant's rights, the Association, acting through the ACC, shall assume jurisdiction over architectural matters except for new construction or reconstruction of a residence. The ACC shall consist of at least three persons. From and after Declarant's rights to administer, review and act upon application for architectural and other improvements within the Property has expired or terminated, the ACC shall consist of Class A Members of the Association or the spouse of a Class A Member, and may, but need not, include architects, engineers, or similar professionals, who may be compensated in such manner and amount, if any, as the Board may establish. Spouses or occupants from the same household may not serve on the ACC Committee at the same time. The ACC members shall be appointed and serve at the sole discretion of the Board and shall be designated, shall serve, and may be removed and replaced in the Board's discretion. An ACC member may be removed and replaced at any time and from time upon written notice to the ACC and the member being removed.

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

Subcommittees may be established to preside over particular areas of review (*e.g.*, landscape plans) and shall be governed by procedures the Declarant, Board or the ACC may establish. Any subcommittee's actions are subject to review and approval by Declarant, for as long as Declarant may review the ACC's decisions, and the ACC. Notwithstanding the above, neither the ACC nor Declarant shall be obligated to review all actions of any subcommittee, and the failure to take action in any instance shall not be a waiver of the right to act in the future. Unless and until such time as Declarant delegates any of its reserved rights to the ACC or Declarant's rights under this Article expire or terminate, the Association shall have no jurisdiction over architectural matters.

(d) Reviewer. The entity having jurisdiction in a particular case, whether Declarant or its designee or the ACC, shall be referred to and used interchangeably throughout this Declaration as the ACC, Architectural Control Committee, Architectural Review Committee, or "Reviewer".

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

Section 3.2 Review Requirements.

No building, including detached structures such as but, not limited to garages, guest or servant's quarters, walls, pool, pool house, cabanas, or other structures of any kind shall be commenced, erected, installed, placed, or substantially altered on any Lot, nor shall any exterior painting (other than repainting of trim on a home or around windows in the same or similar color) of, exterior addition to, or substantial alteration of, such items be made until all plans and specifications and a plot plan have been submitted to and approved in writing by the Reviewer. The Reviewer is authorized and empowered to consider and review any and all aspects of construction and landscaping which may, in the reasonable opinion of the Reviewer, adversely affect the living enjoyment of one (1) or more Owners or the general value of the Property. In reviewing each submission, the Reviewer may consider any factors it deems relevant, including, without limitation, harmony of the proposed exterior design with surrounding structures and environment and additional or greater setbacks than those required by the plat or the City Building and Zoning Ordinance. Decisions may be based on purely aesthetic considerations. Each Owner acknowledges that aesthetic determinations are purely subjective and that opinions may vary as to the desirability and/or attractiveness of particular improvements. The Reviewer shall have the sole discretion to make final, conclusive, and binding determinations on matters of aesthetic judgment and such determinations are not subject to judicial review so long as they are made in good faith and in accordance with the required procedures.

Section 3.3 Procedure for Approval.

PRIOR TO THE COMMENCEMENT OF ANY CONSTRUCTION BY ANY PERSON OR ENTITY, THE BUILDER SHALL OBTAIN FROM THE REVIEWER A BUILDING PERMIT AND SHALL PAY, IN ADVANCE, ANY RELATED INSPECTION FEES AND FEES

OWING OR TO BE OWED AS DETERMINED BY THE REVIEWER. THIS REQUIREMENT NOT ONLY APPLIES TO ORIGINAL CONSTRUCTION BUT TO POOL INSTALLATIONS, MODIFICATIONS OR ADDITIONS TO EXISTING STRUCTURES OF IMPROVEMENTS. FAILURE TO OBTAIN SUCH PERMIT OR PAY SUCH FEES PRIOR TO INITIATION OF CONSTRUCTION SHALL BE CAUSE FOR THE REVIEWER OR THE ASSOCIATION TO REQUEST AND OBTAIN EMERGENCY TEMPORARY RELIEF TO RESTRAIN ALL ASPECTS OF CONSTRUCTION. FINES FOR FAILURE TO OBTAIN PRIOR WRITTEN REVIEWER'S APPROVAL MAY BE LEVIED BY THE BOARD OR THE REVIEWER UP TO \$1,000.00 PER VIOLATION OCCURRENCE. REVIEWER MAY OFFER RUSH REVIEW PROCESSING FOR AN ADDED FEE AT REVIEWER'S SOLE DISCRETION.

In addition to the foregoing requirement, final plans and specifications may be submitted in any of the following manners: electronically, via the Association's website, if applicable, in hardcopy form by mail or hand delivery or via e-mail if a dedicated e-mail for delivery of such requests is available. Applications for new home construction may be submitted electronically by e-mail or in hardcopy form. The Owner or Builder shall be solely responsible to ensure delivery of the plans. The Declarant, Reviewer, or the Association shall not be responsible for plans lost in the mail. The plans and specifications shall show the nature, kind, shape, height, materials and location of all landscaping and improvements. The application shall specify in writing any requested variances from the requirements set forth in this Declaration, the Design Guidelines or any Community-Wide Standard. The Reviewer is authorized to request the submission of samples of proposed construction materials and such other information as they reasonably deem necessary to make their determination. Applications shall not be considered complete until the Reviewer determines that all required information needed for proper architectural review has been received. At such time as the plans and specifications meet the approval of the Reviewer, one complete set of plans and specifications will be retained by the Association and another complete set of plans shall be marked "Approved" and returned to the Lot Owner or his designated representative. If disapproved by the Reviewer, one set of such plans shall be returned marked "Disapproved" and shall be accompanied by a reasonable statement of the reasons for disapproval. Any modification of the approved set of plans and specifications must again be submitted to the Reviewer for its approval.

The Reviewer's approval or disapproval, as required herein, shall always be in writing **NO VERBAL APPROVAL SHALL EVER BE GIVEN OR PRESUMED**. Any reliance upon a verbal approval of any plans by the Reviewer shall be wholly unjustified, at the risk of the Lot Owner and subject to any subsequent or otherwise conflicting written response by the Reviewer. If the Reviewer fails to approve or disapprove any such plans and specifications or modification thereto submitted by a Builder within ten (10) business days after the date of submission of all information shall be deemed to have been approved notwithstanding, it shall be the sole responsibility of the Builder to ensure that all requirements or restrictions as set forth in this Declaration or the Design Guidelines are adhered to as well as any city ordinance which may exist. The Reviewer, The Association or its managing agent shall not be held responsible for a Builder's failure to adhere to all applicable Design Guidelines and City Ordinances as it exists or may be amended. Failure to comply could result in a request for the removal and / or replacement of any non-conforming structure or items and/or a fine for non-compliance. Any Builder who is constructing residences on multiple Lots shall have the option of submitting a master set of final plans and specifications

for all of the residences it intends to construct within the Property to the Reviewer in accordance with the provisions of this paragraph. Once the master set of plans has been approved, the Builder shall be allowed to construct residences in accordance with such approved plans and no further submittals shall be required unless material deviations have been made to such approved plans. For all other plans the Reviewer shall have up to thirty (30) business days after the date of submission of all information the Reviewer requires in order to review and submit a decision. Should the Reviewer ask for more information the Owner will have up to ten (10) days to provide the additional information requested. Should the Owner fail to deliver all the information requested, an automatic denial of the application may be issued by the Reviewer and the Owner shall be required to submit a new application with all supporting documentation included. Should the Reviewer fail to provide a response within thirty (30) business days, the plan shall be deemed to be disapproved. The Reviewer may, but is not obligated to, permit or require that plans be submitted or considered in stages, in which case, a final decision shall not be required until after the final, required submission stage.

As part of any approval, the Reviewer may require that construction in accordance with approved plans commence within a specified time period, generally within six (6) months from the date the approval is issued. If construction does not commence within the required period, the approval shall expire and the Owner must reapply for approval before commencing any activities. Once commenced, construction must be diligently pursued to completion. All construction work shall be completed within one (1) year of commencement unless otherwise specified in the notice of approval or the Design Guidelines, or unless the Reviewer, in its discretion, grants an extension in writing. If approved work is not completed within the required time, it shall be in violation of this Article and shall be subject to enforcement action. As a part of the review process, the Reviewer may require that the construction of any improvement be inspected on a periodic basis prior to completion for compliance with the plans, codes adopted by the Declarant and other matters relating to the quality or method of construction. The Association may conduct such inspections or, in the alternative, it may contract with third parties for such purposes. Should a violation of the construction rules be found or proof the construction and design guidelines have been violated, the Owner shall be liable for any costs incurred by the Association in relation with a third-party inspection.

Builders must keep construction areas and Lots **clean and free of debris** and an industrial sized construction waste bin must be maintained on lots to hold waste. Builders should ensure all contractors, workers, and vendors are disposing of ALL debris, including trash and construction materials properly. Proper respect and consideration should be shown at all times toward all Owners, other Builders and contractors. Streets within the Association must be kept clean and free of mud, dirt and debris. Builder or contractors shall hire street cleaners when needed to keep streets clean and free of debris. If the Association is required to hire street cleaners, the costs thereof shall be billed equally among all Builders constructing on that street or block, the costs being billed to the account of a Builder and due upon receipt of notice from the Association. Builders shall ensure tool boxes, containers, and other equipment is kept closed to prevent spilling of debris or construction items into street. Builders are responsible for all contractors and workers and their adherence to the rules.

Section 3.4 Standards.

The Reviewer shall have sole discretion with respect to taste, design and all standards specified herein. One objective of the Reviewer is to prevent unusual, radical, curious, odd, bizarre, peculiar or irregular structures from being built on the Property. The Reviewer shall have the authority to interpret and amend the Design Guidelines, subject to Declarant's approval for so long as Declarant or any Builder owns any portion of the Property and, thereafter, subject to the approval of the Board. Any amendment shall be filed as a dedicatory instrument and delivered or made available to all Class A Members. The Association may use any electronic means of delivery or the Association's website or other electronic platform to make such amendments available to Owners. The Reviewer may, from time to time, publish and promulgate bulletins regarding architectural standards, which shall be fair, reasonable and uniformly applied and shall carry forward the spirit and intention of this Declaration.

Section 3.5 Requests for Variance.

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

Section 3.6 Liability of Reviewer.

Neither Declarant, the Board of Directors, the Architectural Control Committee, nor any of their respective members, officers, employees, designees, contractors, administrators, inspectors and agents, shall have any liability whatsoever for decisions made in accordance with this Article so long as such decisions are made in good faith and are not arbitrary or capricious. The plans or the site plan submitted to the Reviewer shall be the responsibility of the Owner of the Lot to which the improvements relate, and the Reviewer shall have no obligation to check for errors in or omissions from any such plans, or to check for such plans' compliance with the general provisions of this Declaration, or any codes, ordinances, regulations or other laws, whether statutory or not, and whether the same relate to Lot lines, building lines, easements or any other issue. Review and approval of any plans pursuant to this Article may be based on purely aesthetic considerations. The Reviewer is not responsible for the structural integrity or soundness of approved construction or modifications, for compliance with building codes and other governmental requirements, or for ensuring that every residence is of comparable quality, value, or size, of similar design, or aesthetically pleasing or otherwise acceptable to other Owners.

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

Section 3.7 Special Rights of Declarant.

Notwithstanding anything to the contrary contained herein, any Lot owned by Declarant or its successor or assign, shall not be subject to the provisions of this Article 3 and Declarant shall not be required to submit plans and specifications, etc. to the Architectural Control Committee nor obtain the consent, permission or approval of the Architectural Control Committee for the matters otherwise required pursuant to this Article 3, and the consent, permission or approval of the Architectural Control Committee shall be deemed given for plans and specifications, plot plans and the like to be used by Declarant, or Declarant's assigns, in the construction of any residence on any Lot owned or sold to a Builder by Declarant. **DECLARANT ALSO RETAINS SPECIAL AND UNIQUE RIGHTS AND PRIVILEGES IN ARTICLE 12 THAT TAKE PRECEDENCE OVER ALL OTHER ARTICLES OR SECTIONS IN THIS DECLARATION.**

Section 3.8 Review of Restricted Outparcels.

(a) The Declarant may designate from and after the date of this Declaration by recordation of a Supplemental Declaration in the Official Public Records of Collin County Texas making reference to this Declaration, any portion of the Property to be developed for commercial, retail, restaurant or multi-family uses as a "Restricted Outparcel" (herein so called and collectively, the "Restricted Outparcels", and each generally referred to herein as a "Restricted Outparcel"), and upon such designation, the Restricted Outparcel shall not be subject to, and shall be automatically excluded from, the covenants, conditions, restrictions, and assessments set forth in this Declaration, except as specifically provided in this Section 3.8. The initial Restricted Outparcel hereby designated by Declarant shall be the Fire Station and the School. Owners of any Restricted Outparcel are not Members of the Association, however, by acceptance of title to and occupancy of any Restricted Outparcel, the owners of the Restricted Outparcels and their occupants agree to be bound by the terms of this Section 3.8 for the benefit of each Member and the Association. The terms of this Section 3.8 may be enforced against each Restricted Outparcel and any owner or occupant thereof by the Association, and also by Declarant during the Declarant Control Period.

(b) Any building, structure or other improvements to be constructed within any Restricted Outparcel (including, without limitation, and renovation, expansion or alteration thereof) (the "Restricted Outparcel Improvements") shall be subject to the prior review and approval of the Reviewer in accordance with the terms of this Article 3, applying the same procedures and requirements as if such Restricted Outparcel were one of the Lots; provided,

however, the Reviewer may (but is not obligated to) establish and impose differing Design Guidelines specifically tailored to each Restricted Outparcel. The Association or Declarant may exercise any right or remedies hereunder that would apply to an Owner of a Lot, or at law or in equity, including, without limitation, the right to injunctive relief, in the event of a failure of the owner of a Restricted Outparcel to obtain the prior written consent and approval of the Reviewer with respect to any Restricted Outparcel Improvements, as required by the terms of this Section 3.8.

(c) No Restricted Outparcel shall be included in the Property or Common Properties described in this Declaration. Neither the Association, nor declarant, shall have any obligations to maintain or repair any portion of the Restricted Outparcels or any Restricted Outparcel Improvements thereon. The Restricted Outparcels and the Restricted Outparcel Improvements are made subject to this Declaration solely for the purposes of establishing and enforcing the architectural review and control rights of the Association and the Reviewer in accordance with this Article 3.

ARTICLE 4

SPECIAL FENCING AND LANDSCAPING

Section 4.1 Fences, Walls and Screening Landscaping.

Declarant and/or the Association shall have the right, but not the obligation, to erect, install, maintain, repair and/or replace fences, walls and/or screening landscaping within that portion of any Lot situated along the perimeter of the Property or on Lots adjacent to Common Properties, as shown on a Final Plat. Any such fence, wall or sprinkler system shall be the property of the Owner of the Lot on which such fence, wall or sprinkler system is erected or installed, subject to the easements and rights of Declarant and the Association set forth below. With respect to any fencing installed within a Lot that is adjacent to a thoroughfare, the Association shall have the exclusive right to make repairs and stain the exterior of such fence facing the thoroughfare whenever, in the Board's sole and absolute discretion, it deems necessary. Should such repairs extend beyond the normal replacement of broken pickets or correction of leaning fences, and other such minor repairs as determined by the Association through the Board in its sole and absolute discretion, the Association shall have the right to bill such repairs back to the Owner of the Lot on which such fence improvements are located, and levy such charges to such Owner's account as a Special Individual Assessment.

Section 4.2 Landscaping.

Declarant and/or the Association shall have the right to grade, plant and/or landscape and maintain, repair, replace and/or change such grading, planting and landscaping on any portion of the Property not comprising any portion of a Lot and, without limitation whatsoever, to do all things necessary within the Property to obtain full compliance with applicable City ordinances.

Section 4.3 Easement.

Declarant and the Association shall have, and hereby reserve, the right and easement to enter upon the Common Properties and those Lots which are situated along the perimeter

of the Property and/or the Common Properties, as shown on a Final Plat, or the Lots adjacent to a thoroughfare, for the purpose of exercising the discretionary rights set forth in this Article 4.

Section 4.4 Declarant and the Association's Discretion.

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

Section 4.5 Twenty (20) Year Limitation.

The provisions of this Article 4 regarding Declarant's rights shall terminate and be of no further force and effect from and after that date which is twenty (20) years after the recording of this Declaration. Declarant may waive said right prior to the twenty (20) years by filing a waiver with the Collin County Clerk's Office. The rights of the Association shall continue throughout the term hereof.

ARTICLE 5

LOT MAINTENANCE BY OWNERS

Section 5.1 Lot Maintenance.

After the installation of the landscaping on a Lot by a Builder, the Owner of the Lot shall thereafter maintain the yard in a sanitary and attractive manner, including adequate watering and immediate replacement of dead vegetation and trees. Yards shall be mowed, edged, and kept free of weeds in lawn, tree wells, and flowerbeds in order to maintain lawn in an attractive manner. The height of grass may be considered on a case by case basis depending upon the type of grass planted and the manner in which the yard is maintained; Notwithstanding, no grass shall be allowed to exceed six inches (6") in height. No vegetables shall be grown in any portion of a Lot or yard that faces a street or is not screened by fencing built in accordance with the terms hereof.

Section 5.2 Maintenance of Improvements.

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

Owners who lease out their residence(s) have the same responsibility and obligation to keep their residence in good condition and repair at all times. Owners are responsible for all tenants, occupants, invitees, and guests that violates any rule or restriction. Fines levied for non-compliance shall be the responsibility of the Owner to pay. If a tenant, occupant, invitee, or guest of any Owner violates a rule, amenity privileges of such Owner and his/her tenant, invitee, occupant or guest in violation may be revoked at the sole discretion of the Board.

ARTICLE 6

ENFORCEMENT

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

In the event an Owner or any tenant or occupant or any guest or invitee fails to comply with any provision of this Declaration, the Design Guidelines, including but not limited to any requirement contained in this Declaration and any amendment thereto, as well as any Policy, Rule or Regulation that is adopted at any time and from time to time by the Association as well as other governing documents regulating or outlining provisions and rules by which any persons or person is to conduct oneself or requirements of adherence to rules. Prior to the Board or the Association enforcing the compliance of such failure or seeking against such Owner remedies in accordance with this Declaration (or such other remedies as may be available to the Board and/or the Association at law or in equity), the Board shall first be obligated to give such Owner (Owner's shall at all times be responsible for the conduct of all occupants, tenants, guests, and invitees) a minimum of one (1) notice of such failure and a reasonable time to cure such violation or failure. The amount of time allotted for cure shall vary depending upon the severity of the violation, the reoccurrence of a violation, as well as the type of violation. Violations of certain restrictions such as pet violations and violations putting at risk the safety, health, and welfare of other persons, animals, or property or those violations considered to be of a "non-curable" nature, may carry a different notice requirement and fine structure which may be determined by the Declarant during the Declarant Control Period and thereafter, by the Board of Directors.

If the Owner shall not have corrected such failure within such reasonable time after the giving of such notice, when applicable, the Board of Directors shall have the right but not the obligation, to assess monetary fines up to \$1,000.00 per occurrence which may be levied in increments or as a lump sum depending upon the type, severity or reoccurrence of the violation and after notice to the Owner, (time allowance of notices may vary depending upon the severity or recurring nature of the violation) may enter upon the Lot to bring the Lot, and any improvements thereon, into full compliance with this Declaration and any rules existing and enforceable by the Association. All costs and expenses incurred by the Association in connection with correcting any such failure shall be borne by the Owner. If any Owner does not promptly reimburse the Association for all such costs, expenses and violation fines assessed after receipt of written request for same, the Board shall have the right to assess the Owner for same plus interest, such assessment, interest and fines being a special individual assessment under the provisions of Section 10.6 below. Self-help will be considered to abate any violation as deemed

necessary or appropriate by the Association. Owners shall be solely responsible for the compliance of any resident, occupant, guest, or invitee. Any violation cited against an Owner's residence or Lot shall be the sole responsibility of the Owner to abate and bring into compliance. The Board of Directors may but, is not obligated to send violation notices to the resident or occupant notwithstanding the Owner shall be solely responsible for any monetary penalty or self-help actions enforced against his residence or Lot.

In certain contexts, throughout this Declaration as well as may be seen in certain Policies, Rules and other Governing Documents, the word "Association" may be used to identify the powers, rights, and authority delegated by such documents. When used in such context, the meaning may include, but shall not be limited to, the powers, rights and authority of the Declarant, Board of Directors, ACC, the Managing Agent, or any other person or persons to whom such responsibility has been assigned or delegated.

Section 6.2 Enforcement.

In addition to but not in lieu of the enforcement rights set forth in Section 6.1, the Association may impose sanctions for violation of this Declaration (including any rules, regulations, policies, guidelines or standards adopted pursuant to the Declaration) in accordance with the applicable procedures set forth in any policy or procedure adopted by the Declarant or the Board of Directors. Notwithstanding, should any such policy contain rules or sanctions less than those rules and sanctions present in this Declaration, this Declaration and any rules or regulations promulgated hereunder shall prevail. Such sanctions may include all remedies available at law and/or in equity and all remedies herein, including, without limitation, the following:

(a) Fines. The Board of Directors may impose reasonable monetary fines which shall constitute a lien upon the Owner of the Lot related to or connected with the alleged violation. The Owner shall be liable for the actions of any occupant, guest, or invitee of the Owner of such Lot. The same violation, regardless of its origin, noted and properly noticed shall be deemed as a separate occurrence.

(b) Suspension of Rights to Use the Common Properties. The Board of Directors may suspend any person's or entity's right to use any recreational facilities within the Common Properties and this rule shall also apply to any Owner or Owner's occupants, tenants, guests, or invitees that violate a posted rule at pools, parks, or any other amenity or Common Properties within the Subdivision. Depending upon the severity of the violation, suspensions may remain in place for up to six (6) months or permanently if such violation causes injury or damage to any person, place, or thing. Provided, however, nothing herein shall authorize the Board of Directors to limit ingress or egress to or from a Lot.

(c) Right to Require Removal. The Board of Directors may require an Owner, at the Owner's expense, to remove any dead tree or landscaping from an Owner's Lot and to restore or install the necessary trees or landscaping as required by the applicable City ordinances, or as required by Association rules, regulations, and/or policies, upon failure of the Owner to do so, the Board of Directors or its designee shall have the right to enter the Lot, remove and cure the

violation without such action being deemed a trespass and charge the costs thereof to the Owner's account as a special individual assessment in accordance with Section 10.6 below.

(d) Levy Special Individual Assessment. The Board of Directors may levy a special individual assessment in accordance with Section 10.6 as a violation fine and/or to cover costs incurred by the Association in bringing a Lot into compliance with this Declaration, the Design Guidelines, rules, regulation, policies as well as any Community-Wide Standard whether or not said standard is in writing.

(e) Lawsuit, Injunction or Damages. The Board of Directors may bring a suit at law or in equity to enjoin any violation or to recover monetary damages, or both. Failure by Declarant or the Board of Directors, to enforce any covenant, condition, agreement or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. In addition to the Association's enforcement rights, this Declaration may be enforced by any aggrieved Owner. The decision to pursue enforcement action in any particular case shall be left to the Board's discretion, except that the Board shall not be arbitrary or capricious in taking enforcement action. Without limiting the generality of the foregoing sentence, the Board may determine that, under the circumstances of a particular case: (i) the Association's position is not strong enough to justify taking any or further action; (ii) the covenant, restriction, or rule being enforced is, or is likely to be construed as, inconsistent with applicable law; (iii) although a technical violation may exist or may have occurred, it is not of such a material nature as to be objectionable to a reasonable person or to justify expending the Association's resources; or (iv) that it is not in the Association's best interests, based upon hardship, expense, or other reasonable criteria, to pursue enforcement action. So long as the Board of Directors has taken measures to address a violation with an Owner and has exhausted those enforcement measures allowed per this Declaration and as deemed appropriate at the sole discretion of the Board the Association shall have been considered to have performed their due diligence and no Owner shall have the right to harass, defame through any form of media or social media, e-mail, or any other communication tool, and may not bring suit against the Association, the Declarant, the Board of Directors, or the managing agent of the Association to include all successors or assigns of any of the persons or entities named above.

ARTICLE 7

AMENDMENT AND TERMINATION

Section 7.1 Amendment.

This Declaration may be amended by Declarant at any time so long as Declarant owns at least one (1) Lot from the date this Declaration is filed of record with the office of the County or for a period of not less than twenty-five (25) years. **Within such period, Declarant may amend the Declaration for any reason without the consent or joinder of any party or without the need to call a meeting of the Association.** In addition to the foregoing, the Declaration may be amended by an instrument containing such amendment(s) and recorded in the Official Public Records of the County, provided, that (i) during the period Declarant owns at least one Lot, no such amendment shall be valid or effective without the joinder and consent of Declarant and (ii) such amendment shall first be approved by the affirmative vote or written consent of the Association's Members representing at least 51% of the votes in the Association

voting, in person or by proxy, at a duly convened meeting of the Association. If an Owner consents to any amendment to this Declaration or the Bylaws, it will be conclusively presumed that the Owner has the authority to consent, and no contrary provision in any mortgage or contract between the Owner and a third-party will affect the validity of such amendment.

Furthermore, Declarant or the Board may, at its sole discretion and without a vote or the consent of any other party, modify, amend, or repeal this Declaration: (i) as necessary to bring any provision into compliance with any applicable statute, governmental rule, regulation, or judicial determination; (ii) as necessary to comply with the requirements of VA, or HUD (Federal Housing Administration), FHLMC or FNMA or any other applicable governmental agency or secondary mortgage market entity; or (iii) as necessary for clarification or to correct technical, typographical or scrivener's errors; provided, however, any amendment pursuant to clause (ii) and/or (iii) immediately above must not have a material adverse effect upon any right of any Owner. Any amendment to this Declaration must be recorded in the Real Property Records of the County.

No amendment may remove, revoke, or modify any right or privilege of Declarant, the Class B Member, or a Builder without the written consent of Declarant or the Class B Member, respectively (or the assignee of such right or privilege).

Section 7.2 Termination.

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

ARTICLE 8

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 8.1 Membership.

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

Section 8.2 Classes of Membership.

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

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

CLASS B. The Class B Member(s) shall be Declarant. Until such time as 99% of the maximum number of Lots planned or approved for the Property has been conveyed to Class A Members other than Builders who purchase Lots for development and sale, the Class B Member shall have twenty-five (25) votes for each Lot owned by such Declarant. Class B Membership shall expire after title to 99% of the maximum number of Lots planned or approved for the Property has been transferred to Class A Members other than Builders who purchase Lots for development and sale. After such time, the Class B Member shall be a Class A Member entitled to one (1) vote for each Lot it owns. The Declarant Control Period, the Development Period, and Declarant rights are not contingent upon Declarant's Class B status.

Section 8.3 Quorum and Notice Requirements.

8.3.1. Except as expressly provided herein to the contrary, any action requiring vote of the Members shall require the assent of a majority of the votes of those Association Members who are present at a meeting, in person or by proxy. Written notice of any meeting, except Board Meetings (unless notice of such Board Meeting is required to be delivered to

Members under applicable law), shall be given to all Members not less than ten (10) days nor more than sixty (60) days in advance of such meeting. Notices shall be mailed to the address of record. If an Owner fails to keep an updated address and e-mail on file with the Association, the Association may not be deemed to have failed to provide notice to that Owner.

8.3.2. A quorum is required for any action referred to in Section 8.3.1, unless otherwise provided, for any action for which a percentage vote at a meeting is required. A quorum shall be determined as set forth in this Section 8.3.2. For every meeting of the Members, with the exception of Board meetings or other meetings as may defined separately in this Declaration or the Bylaws, whether regular or special, the presence at the meeting of Members, or of proxies, entitled to cast at least ten percent (10%) of all of the votes of the Association's Members, without regard to class, shall constitute a quorum. If the required quorum is not present at the initial meeting, additional meetings may be called, subject to the notice requirement hereinabove set forth, and the required quorum at such subsequent meeting(s) shall be one-half (1/2) of the quorum requirement for such prior meeting. The Association may call as many subsequent meetings as may be required to achieve a quorum (although the quorum requirement shall be reduced for each such meeting, in no event shall a quorum be less than one-tenth (1/10) of the votes of the Association). During the Declarant Period, should quorum not be obtained after the first meeting, the presence of the Declarant or a delegate of the Declarant shall constitute a quorum. At such adjourned or subsequent meeting at which a quorum shall

be present or represented, any business may be transacted which may have been transacted at the meeting as originally notified.

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

Section 8.4 Right of Inspection.

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

ARTICLE 9

THE COMMON PROPERTIES

Section 9.1 Initial Common Properties.

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

as the maintenance and repair of Common Properties and Property, improvements and amenities shall be the responsibility of the Association after initial construction or installation. The Declarant, after initial construction and / or installation shall not be responsible for the maintenance, upkeep or repair.

Section 9.2 Additional Common Properties.

Additional property may be added to the Common Properties hereunder upon the sole discretion of Declarant during such time as Declarant owns at least one (1) Lot. Thereafter, additional property may be added to the Common Properties hereunder upon the affirmative vote of at least fifty-one percent (51%) of the votes of those Association Members, regardless of class, who are voting, in person or by proxy, at a meeting duly called for such purpose.

Assessments and monetary obligations of Owners of Lots are not contingent upon the construction or existence of any Common Area, Common Element, or Amenity.

Section 9.3 Acceptance and Control of Common Properties.

Declarant, or any third-party at the request of Declarant, may transfer to the Association, and the Association shall accept "AS IS" Common Properties, personal property and/or fee title or other property interests in any improved or unimproved real property included within the property described in **Exhibit A** or any other real property made subject to this Declaration in the future in its "As Is" condition. Should the Association refuse or delay acceptance, the Declarant may perform the transfer to the Association as an administrative task without further consent or permission of the Association required. Upon Declarant's written request, the Association shall transfer back to Declarant any unimproved real property originally conveyed to the Association for no payment, to the extent conveyed by Declarant in error or needed by Declarant to make minor adjustments in property lines.

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

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

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

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

9.4.3 Subject to applicable law (including, without limitation, Section 209.006 of the Texas Property Code), the right of the Association to suspend the right of any individual to use any of the Common Properties and/or common facilities for any period during which any assessment against a Lot resided upon or owned by such individual remains unpaid, and for any period in which an infraction of the rules and regulations of the Association, the Declaration, or the Design Guidelines remains uncured; and

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

Section 9.5 Dedication of the Common Properties.

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

ARTICLE 10

COVENANT FOR ASSESSMENTS

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

Each Owner hereby covenants and agrees, and each purchaser of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association (or to a mortgage company or other collection agency designated by the Association) the following: (a) annual assessments or charges; (b) acquisition assessments; (c) special assessments for capital improvements; (d) individual special assessments (including, without limitation interest and fines) levied against individual Owners for violations of the Declaration, Design Guidelines or the Community-Wide Standard or to reimburse the Association for extra costs for maintenance and repairs caused by the willful or negligent acts of the individual Owner, his tenant(s) occupying his Lot, if applicable, and their respective family, agents, guests and invitees, or for costs incurred by the Association resulting from any Owner failing to comply with the terms and provisions hereof or maintenance and repairs performed by the Association on behalf of some, but not all Members. All such assessments shall be fixed, established and collected as hereinafter provided. The annual, acquisition, benefitted, special capital, and individual special assessments, together with such interest thereon and costs of collection thereof as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon each Lot against which each such assessment is made. Each such assessment, together with late charges, collection costs, such interest thereon and cost of collection thereof, including attorneys' fees, as hereinafter provided, shall also be the continuing personal obligation of the person who was the Owner of such property at the time when the assessment fell due.

Fines shall be assessed upon the expiration of a reasonable time after the date notice of such violation was sent to the violating Owner. In all instances of violations, the Owner shall be responsible for correcting such violation within the time noted in the violation notice, regardless as to whether the residence is occupied by the Owner or a tenant. Violations causing damages or resulting in the infliction of harm or injury may carry an even greater fine or additional charges such as charges incurred to abate or address situations where and when an Owner or any occupant, tenant, guest or invitee has failed to respect and honor the restrictions and rules created for the benefit of the Association. The lien provided for herein shall secure payment of fines not timely paid and the Owner shall also have personal liability for the payment of same.

Section 10.2 Purpose of Assessments.

The assessments levied by the Association are the source by which the Association meets its obligations and establishes certain reserves or contingencies for use when needed. The Assessments levied shall be used as follows: (a) for the purpose of promoting the interests of the Association and the recreation, health and welfare of the residents of the Property, and in particular for the improvement, repair and maintenance of the entry ways or any other properties, services and facilities devoted to this purpose and comprising or directly relating to the use and enjoyment of the Common Properties, including, but not limited, to the payment of taxes on and insurance in connection with the Common Properties, and the repair, replacement

and additions thereto; (b) for paying the cost of labor, equipment (including the expense of leasing any equipment) and materials required for, and management and supervision of, the Common Properties; (c) for carrying out the duties of the Board of Directors of the Association as set forth in Article 11 hereafter including, but not limited to, the payment by the Association of all assessments and charges payable in connection with sewer, water and garbage pickup services and the installation and maintenance of lighting (if any) of the Common Properties; (d) for paying the cost of maintenance of the monument sign for the Property, if any, in the event the appropriate governmental authority refuses to maintain the same; or (e) for carrying out the purposes of the Association as stated in its Certificate of Formation or any other purpose which may be deemed the responsibility of the Association.

Section 10.3 Basis and Amount of Annual Assessments.

10.3.1 The Board of Directors may fix the annual assessment at any amount equal to or less than the maximum annual assessment for that year, as herein below provided. The annual assessment for each Lot beginning with fiscal year 2020 shall be **Nine Hundred and No/100 Dollars (\$900.00)**. Commencing with the recording of this Declaration and each year thereafter, the Board of Directors may set the amount of the maximum annual assessment (the "maintenance assessment") for that year and for following years for each Lot based upon the budgetary and other known or presumed expenses and needs of the Association. Notwithstanding, the maximum annual maintenance assessment may not be increased more than fifty percent (50%) above the maximum annual maintenance assessment for the previous year without a vote of the membership taken in accordance with the provisions of Section 10.3.2. Should a shortfall ("deficiency") in the operating budget occur at any time during the course of a fiscal year, the Board may increase the annual maintenance assessment up to twenty-five percent (25%) without consent or joinder of any Member, but only after the Board has announced the increase in an open Board meeting and the proper notice is issued. A minimum ten (10) day notice of increase during the course of a fiscal year to cover a deficiency or shortfall shall be required prior to taking effect. Increases levied for shortfalls during the course of a fiscal year are separate from increases for the maintenance assessment referenced above.

Section 10.4 Working Capital / Acquisition Assessment

At any time, record title is transferred to any Owner (excluding Lot sales from Declarant to a Builder), a Working Capital / Acquisition Assessment shall be paid to the Association by such Owner at closing in the amount of **Five Hundred and No/100 Dollars (\$500.00) for each Lot acquired**. Working Capital / Acquisition Assessments are in addition to and, not in lieu of, any other fees or assessment provided for herein. Working Capital/ Acquisition Assessments are not refundable and shall be available for all necessary expenditures of the Association as may be determined by the Board. The Board shall review the Working Capital / Acquisition Assessment each year and may ratably increase or decrease the assessment as deemed necessary and appropriate. No decrease of the Working Capital/ Acquisition Assessment is allowed during the Declarant Control Period. The Board may adjust the Working Capital/ Acquisition Assessment by Resolution signed by at least a majority of the Board. In addition to the foregoing but still considered an assessment hereunder, the Board may, at its sole discretion, enter into a

contract with a managing agent to oversee the daily operation and management of the Association. 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 \$500.00 for each Lot being conveyed and are not refundable and may not be regarded as a prepayment of or credit against regular or special assessments, and are in addition to any other contribution which may exist or be established from time to time. This Section does not obligate the Board or any third party to levy such fees. Notwithstanding anything to the contrary contained in this Section 10.4, transfer fees and fees for the issuance of a Resale Certificate in connection with each Lot sale or transfer from Declarant to any Builder, the Builder shall pay a base rate fee of One Hundred Twenty-Five and NO/100 Dollars (\$125.00) per Lot sale / transfer in addition to any Assessment and other transfer fees owed or to be collected. 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.

Section 10.5 Special Assessments.

The Association may also levy in any assessment year a special assessment, applicable to that year only, for the purpose of defraying, in whole or in part, the costs of any unbudgeted, underbudgeted, unforeseen, extraordinary expenses or needs, construction or reconstruction, maintenance, unexpected repair or replacement of a common amenity or element and/or capital improvement upon the Common Properties, including the necessary fixtures and personal property related thereto; provided that any such assessment shall not exceed fifty percent (50%) of the then current Assessment rate. Any amount over fifty percent (50%) must be approved by the affirmative vote of fifty-one percent (51%) of the votes of those Association Members, regardless of Class, who are voting, in person or by proxy, at a meeting duly called for such purpose.

Section 10.6 Special Individual Assessments, Interest and Fines.

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

Section 10.7 Uniform Rate of Assessments.

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

Section 10.8 Date of Commencement and Due Dates of Assessments.

The obligation to pay assessments commences as to each Lot: (a) upon acquisition of record title to a Lot by the Owner thereof other than Declarant; the initial annual assessment

levied on each Lot shall be adjusted according to the number of months remaining in the fiscal year at the time assessments commence on the Lot. Annual assessments shall be payable in advance on the first (1st) business day of each January; provided, if the Board so elects, annual assessments may be paid in monthly, quarterly, or semi-annual installments. The Board may require advance payment or any difference in payment of all or any portion of the annual assessment at closing of the transfer of title to a Lot. The due date or dates, if it is to be paid in

installments, of any special assessment under Section 10.5 shall be fixed in the respective resolution authorizing such assessment. Payment of Assessments is not contingent upon the construction, production, placement or existence of any amenity.

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

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

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

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

Section 10.10 Assessment Lien to Secure Charges and Assessments.

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

Section 10.11 Effect of Nonpayment of Assessment.

If any assessment is not paid within thirty (30) days from the due date thereof, the same shall bear interest from time to time, at the sole discretion of the Board, from the due date until paid at the highest non-usurious rate allowed under the laws of the State of Texas, or other applicable law, or if no such limitation imposed then at the rate of fifteen percent (15%) per annum, and if placed in the hands of an attorney for collection or if collected through probate or other judicial proceedings, there shall be reimbursed to the Association its reasonable attorneys' fees. Should the Board set different terms for payment of Assessments the Board shall, at that time, set the standard with regard to amount of time Owners shall have to submit the payment without being considered late. Should any assessment provided for herein be payable in installments, the Association may accelerate the entire assessment and demand immediate payment thereof. In addition, a late charge shall be assessed against the non-paying Owner for each month that any assessment remains unpaid. The late charge shall be in the amount of **Twenty-Five and No/100 Dollars (\$25.00)** per month and shall serve to reimburse the Association for administrative expenses and time involved in collecting and processing delinquent assessments. Monthly charges may, and probably will, be charged by the Association's managing agent for reimbursement of collection and processing of delinquent accounts. The Association's managing agent may and probably will have other fees by which compensation is made to managing agent for its efforts in collecting delinquent assessments. Such fees may include but, are not limited to, collection fee charges, demand letter and certified mail processing charges and work with third party collection agencies, certified and return receipt mailings and processing, payment plan processing and monitoring and other. A charge of not less than **Twenty-Five and No/100 Dollars (\$25.00)** or an amount equal to the bank charge incurred, if greater, shall be assessed against an Owner for payment returned for insufficient funds or for any other reason. The Association, in the Board's discretion, shall have the right to waive any part of or all of such interest and/or fees owed to the Association.

Section 10.12 Collection and Enforcement.

The Association shall have a lien on each Lot securing payment of any assessment, together with interest thereon as provided herein, reasonable attorneys' fees, late charges, collection fees and costs incurred in the collection of same and the enforcement of said lien. The Board of Directors shall take such action as it deems necessary to collect assessments and may settle and compromise the same if deemed appropriate in the exercise of the Board's business judgment. Such liens shall be effective as and, in the manner, provided for herein and shall have the priorities established in this Declaration. The Board of Directors may bring an action at law against any Owner personally obligated to pay an assessment or foreclose the lien against such Owner's Lot, or both, and interest, costs and reasonable attorneys' fees of any such action shall be added to the amount of such assessment. Each Owner, by his acceptance of a deed to a Lot, hereby expressly vests in the Board of Directors of the Association or its agent the right and power to bring all actions against such Owner personally for the collection of such assessments as a debt and to enforce the aforesaid lien by all methods available for the enforcement of such liens, including, but not limited to, nonjudicial foreclosure pursuant to Texas Property Code Section 51.002 in force and effect on the date of this Declaration, or in accordance with the prescribed manner for foreclosure of deed of trust liens provided by any future amendment to such Section 51.002 or any other statute or article enacted in substitution therefore, and such Owner hereby expressly grants to the Board of Directors a private power of sale in connection with said lien. The

Board is hereby appointed trustee, unless and until the Board of Directors shall designate a substitute or successor trustee, as hereinafter provided, to post the required notices as provided by law and conduct such foreclosure sale. The lien provided for in this Section shall be in favor of the Association and shall have the same effect as though each Owner had expressly granted to the Association a deed of trust lien as well as a security interest in said Lot to secure the payment of the assessments provided for herein. In addition to such notices as required by the aforesaid statute, the trustee shall mail to the Owner of a Lot for which the assessment has not been paid, a copy of the notice of assessment lien prior to the date any notice of sale is posted, by certified, return receipt requested, at the Lot or such other address as the Board has been advised in writing for receipt of notices under this Declaration.

Notwithstanding the foregoing, any mandatory foreclosure requirements of Section 209 of the Texas Property Code shall be adhered to by the foreclosing entity. At any foreclosure, judicial or nonjudicial, the Association shall be entitled to bid up to the amount of its lien, together with costs and attorneys' fees, and to apply as cash credit against its bid all sums due the Association covered by the lien foreclosed. All foreclosure sales provided for herein shall be subject to any then existing statutory right of redemption in favor of the former Owner. From and after any such foreclosure, the former Owner or Owners, their heirs and assigns, shall forthwith upon the making of such sale surrender and deliver possession of the property so sold to the purchaser at such sale, and in the event of their failure to surrender possession of said property upon demand, the purchaser, or his heirs or assigns, shall be entitled to institute and maintain an action for forcible detainer of said property in the Justice of the Peace Court in the Justice Precinct in which such Lot, or any part thereof, is situated. The Board of Directors in any event is hereby authorized to appoint a substitute trustee, or a successor trustee, to act in the place of the trustee without any formality other than the designation in writing of a substitute or successor trustee; and the authority hereby conferred by the Board of Directors shall extend to the appointment of other successor and substitute trustees successively until the delinquent assessment or assessments have been paid in full, or until said property is sold, and each substitute and successor trustee shall succeed to all the rights and powers of the original trustee appointed by the Board of Directors or its agents.

Section 10.13 Homestead.

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

Section 10.14 Omission of Assessments.

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

Section 10.15 Reserve Fund.

10.15.1 The Association, after the Declarant Control Period, shall, at the earliest time possible, establish and maintain a Reserve Fund for the periodic maintenance or improvements of the Common Properties and for any need of the Association. A Reserve Fund as described in this Section is not the Working Capital and/or Acquisition Assessment noted in Section 10.4 above. At no time shall the Declarant have any obligation to establish or fund a Reserve Fund; Notwithstanding, should any such fund be established during the Declarant Control Period, it shall be a general reserve which shall be available for all necessary Association expenses including any shortfall in the Operating budget or other need of the Association which may occur and for which no budget or operating funds exist. Any such reserve, if established, shall be required to hold said funds apart from the general or normal Operating account. The Reserve Fund may be funded from Assessments collected but, may not be funded from Working Capital / Acquisition Assessments collected during the Declarant Control Period without the Declarant's written consent. After the Declarant Control Period ends, Working Capital / Acquisition Assessments may be used to establish and/or fund a Reserve account if no such account exists. Subject to the provisions of Section 10.3 above, the Board may at any time ratably increase or decrease the amounts of regular annual maintenance assessments in accordance with this Declaration to such level as shall be reasonably necessary in the judgment of the Board to cover obligations of the Association under this Declaration, including provisions for funding reasonable reserves. So long as the Board exercises business judgment in determining the amount or necessity of the reserve fund, the amount held in reserves shall be considered adequate.

10.15.2 The Association shall establish a general Operating account for the initial operation of the Common Properties.

Section 10.16 Exempt Property.

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

- 10.16.1 All properties dedicated and accepted by the local public authority and devoted to public use; and
- 10.16.2 All Lots and/or Property owned by Declarant, subject to the terms of Sections 10.17 and 10.18 below; and
- 10.16.2 All Common Properties.

Section 10.17 Declarant Subsidy.

Declarant may, but shall not be obligated to, pay a subsidy to the Association in order to reduce the total annual maintenance assessment or to fund any shortfall or deficiency assessment which would otherwise be necessary to be levied against all Lots to cover the estimated expenses of the Association (including reserve contributions, if any). Any such subsidy provided by the Declarant shall be disclosed as a line item in the income portion of the budget and may be treated by the Declarant, in its sole discretion, as a loan

from the Declarant to the Association or as an advance against future assessments due or as a contribution. Prior to Declarant subsidizing the Association, Declarant may require the Association to apply monies from all sources to include, but is not limited to, revenues from the operation of Common Properties, Working Capital / Acquisition Assessments, guest fees, user fees, and the assessments levied against the Owners of Lots, other than the Declarant as well as any reserve funds should the same exist. Any sums paid by the Declarant to the Association to fund the Association or a deficiency of the Association or any sums paid by the Declarant in the form of cash or in-kind services or materials may be considered by the Declarant as a loan subject to the terms as set forth in the Declaration or the Declarant's Reservations and Representations, or a promissory note. The Association shall cooperate, fully, with the repayment of any such loan upon the Declarant's request. After termination of the Class B membership, Declarant shall pay assessments on its unsold Lots in the same manner as any other Owner or may request subsidy provided be advanced against assessments on its unsold Lots.

Section 10.18 Declarant's Assessment.

Notwithstanding any provision of this Declaration or the Certificate of Formation or Bylaws to the contrary, so long as there is **Class B** membership in the Association, the Declarant is not subject to assessments.

ARTICLE 11

GENERAL POWERS OF THE BOARD OF DIRECTORS OF THE ASSOCIATION

Section 11.1 Power and Duties.

Except as provided in Article 12 below, the Board, for the benefit of the Association, the Property and the Owners shall have the right to do all things which are necessary or advisable in connection with enforcing the provisions of this Declaration. During the Declarant Control Period the Declarant may limit or delegate powers to the Board at its sole discretion. Such powers shall include, but shall not be limited to, the following unless Declarant dictates otherwise in writing:

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

11.1.2 Performing maintenance on the Common Properties which may include, without limitation, the following: (a) maintenance of any driveways, private roadways, jogging paths, walkways and sidewalks; (b) maintenance of grounds, including care of trees, shrubs and grass, lighting systems, sprinkler systems (if installed) and similar facilities on the Common Properties; and (c) maintenance of the entry monument(s) and any screening walls or fences constructed around the perimeter of the Property; provided, further, that in the event that the need for maintenance or repair is caused

through the willful or negligent act of any Owner, his family, his guests or invitees, the cost of such maintenance or repairs shall be added to and become a part of the assessment to which such Lot is subject.

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

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

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

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

11.1.7 Entering into contracts (contracts entered into by the Declarant are not subject to Board's approval and the Board may not terminate a contract executed by the Declarant), maintaining one or more bank accounts, and generally exercising all the powers necessary or incidental to the operation and management of the Association, expressly including the power to enter into management and maintenance contracts.

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

11.1.9 Making reasonable rules and regulations for the operation of the Common Properties and operation of the Association and ability to amend them from time to time, provided that any rule or regulation may be amended or repealed by the vote of at least sixty-seven percent (67%) of those Members present, in person or by proxy, at a meeting called for such purpose (without limiting the generality of the foregoing language, the rules and regulations may provide for limitations on use of the Common Properties during certain periods by youthful persons, visitors or otherwise).

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

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

11.1.12 Exercising the rights granted to the Association in this Declaration, including, without limitation, all rights of the Board, the Association, and the ACC relating to architecture, design, and construction review and inspections under Article 3.

The Association may exercise any right or privilege given to it expressly or by reasonable implication by this Declaration, the Bylaws, or the Certificate of Formation, and may take action reasonably necessary to effectuate any such right or privilege. Except as otherwise specifically provided in such documents or by law, all of the Association's rights and powers may be exercised by the Board without a vote of the membership. The Board may institute, defend, settle, or intervene on the Association's behalf in mediation, binding or non-binding arbitration, litigation, or administrative proceedings in matters pertaining to the Common Properties, enforcement of this Declaration, or any other civil claim or action. However, the Board shall exercise business judgment in determining whether to take any such action under particular circumstance and shall have no legal duty to institute litigation under any circumstances on behalf of or in the name of the Association or the Members.

Section 11.2 Board Power, Exclusive.

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

Section 11.3 Owner's Obligations to Repair.

Except for those portions of each Lot constituting the Common Properties, each Owner shall at his sole cost and expense, maintain and repair his Lot and the improvements situated thereon, keeping the same in good condition and repair. In the event that any Owner shall fail to maintain and repair his Lot and such improvements as required hereunder, the Association, in addition to all other remedies available to it hereunder or by law, and without waiving any of said alternative remedies, shall have the right but not the obligation, subject to the notice and cure provisions of

Section 6.1 above, through its agents and employees, to enter upon said Lot and to repair, maintain and restore the Lot and the exterior of the buildings and any other improvements erected thereon; and each Owner (by acceptance of a deed for his Lot) hereby covenants and agrees to repay to the Association the cost thereof immediately upon demand, and the failure of any such Owner to pay the same shall carry with it the same consequences as the failure to pay any assessments hereunder when due.

Section 11.4 Maintenance Contracts with Owners.

The Board, on behalf of the Association, shall have full power and authority to contract with any Owner, including Members of the Board, for the performance by or for the Association of services pursuant to the terms hereof (including, but not limited to, the

maintenance and repair of fences owned by any such Owner), such contracts to be upon such terms and conditions and for such consideration as the Board may deem proper, advisable and to the best interest of the Association; provided, however, that same must be commercially reasonable in all circumstances. Contracts which may be entered into with a member of the Board shall comply with all applicable local and /or State ordinances. Members of the Board may not be compensated for performance related to their duties as a Board of Director.

Section 11.5 Liability of the Board of Directors.

The Association shall indemnify every officer, director, and committee member against all damages and expenses, including attorneys' fees, reasonably incurred in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding if approved by the Board of Directors at the time of such settlement) to which he or she may be a party by reason of being or having been an officer, director, or committee member. **OFFICERS, DIRECTORS, AND COMMITTEE MEMBERS SHALL NOT BE LIABLE FOR ANY MISTAKE OF JUDGMENT, NEGLIGENCE OR OTHERWISE, EXCEPT FOR THEIR OWN INDIVIDUAL WILLFUL MISFEASANCE, MALFEASANCE, MISCONDUCT, OR BAD FAITH.** The Association's officers and directors shall have no personal liability with respect to any contract or other commitment made or action taken in good faith on behalf of the Association. The Association shall indemnify and forever hold each such officer, director, and committee member harmless from any and all liability to others on account of any such contract, commitment, or action. This right to indemnification shall not be exclusive of any other rights to which any present or former officer, director, or committee member may be entitled. The Association shall, as an Association expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

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

Except as set forth in paragraph (c) below, or prior to filing suit to enforce the provisions of this Declaration, the Design Guidelines, any Community-Wide Standard or rules promulgated hereunder and including, but not limited to, any Policies with Rules adopted or amended from time to time, the Association shall comply with the notice and hearing procedures set forth in subsections (a) and (b) below.

(a) Notice. The Association shall serve the alleged violator with a minimum of one (1) written notice describing (i) the nature of the alleged violation and a request for its abatement, (ii) the action which the Association proposes or intends to take unless the violation is corrected within the time allotted in the notice. If Owner does not abate/cure any violation within the time frame given, the Association may proceed with the next action which may include the Association's right to initiate Self Help actions wherein the Association shall make the necessary repairs to correct the violation and all charges incurred by the Association in abating the violation shall be assessed to the Owner's account. Emergency situations as they may be deemed to exist by the Declarant, the Board or its managing agent shall be exempt from the time restraints or limitations set forth for self-help so long as it is reasonably assumed, using good faith judgment, that the violation causes or may cause injury, be a health hazard, may cause damage to Owner's property or common property or neighbors adjoining property. When possible, the Association shall attempt a twenty-four (24) hour notice which may be delivered by e-mail or by posting on the door of the residence. If deemed appropriate, additional notices may be served on the Owner, notwithstanding, only the one (1) violation notice is required under this Declaration and the Notice and Hearing; Schedule of Fines Policy adopted or to be adopted by the Board.

Within a period of not less than thirty (30) days within which the Owner was notified of the alleged violation, the Owner may present a written request for a hearing. If Owner requests a hearing the violation and/or fine process shall be suspended until after the hearing is held and a decision has been rendered. Non-Payment of fines for non-compliance or charges assessed by

the Association for Self Help remedies will be collected according to applicable law and per current Texas Property Code regulations. Charges will be subject to possible late and/or collection charges when applicable. If the violation is abated within the time period set forth in the written notice, the Association shall close and/or suspend the proposed action, notwithstanding, recurring violations of the same or a similar nature occurs within a six (6) month period the Association will not be required to issue again notices previously sent. If the required notice was previously sent, the Association may, at its discretion, send an immediate notice of fine warning to the Owner which must allow the Owner a minimum of five (5) days to correct the violation, excluding any violation deemed to require immediate correction such as an emergency situation as outlined above. If Owner does not make the necessary corrections, the Association may begin fines or initiate Self Help action without further notice required; Notwithstanding, when initiating a fine, a Notice of Fine shall be issued.

(b) Hearing. If a hearing is requested within any allotted thirty (30) day period of violation notice being provided, the hearing shall be held before a committee appointed by the ACC or the Board consisting of three (3) persons, who shall consist of at least one (1) member from the ACC. The Managing Agent shall have a Representative present during the hearing to take minutes and may, at the Hearing Committee's request, facilitate the hearing. The ACC or the Board may not appoint persons who are adjoining neighbors of the violating Owner or of a neighbor located directly across the street. During the Declarant Control Period, the Declarant may appoint any person to sit on a Hearing Committee. Violating Owners shall be afforded a reasonable opportunity to make a statement describing the alleged violation and to present any evidence or witnesses to support his/her statements. The alleged violator shall also be afforded a reasonable opportunity to present any evidence or witnesses on his or her behalf. At the conclusion of all statements and presentations, the committee shall close the hearing and retire to discuss the evidence. The Committee must render a decision and notify the Violating Owner by U.S. certified mail no later than the 10th business day after the date of the hearing. The committee shall notify the Association in writing of its determination. If the committee determines that a violation has occurred, the Association may pursue any and all remedies described in its original notice of the violation. The alleged violator shall have the opportunity to appeal the decision of the committee to the Board in accordance with Section 209.007 of the Texas Residential Property Owners Act, Texas Property Code, as it may be amended.

(c) Applicability. The notice and hearing procedures set forth in this Section shall not apply to any claim: (i) upon which the Board deems it necessary to obtain emergency injunctive relief; (ii) pertaining to the collection of assessments; or (iii) where the Association decides to exercise its right of self-help to cure the violation after written notice to the Owner and an opportunity to cure.

(d) Right of Action. The Association shall not have the power to institute, pursue, join, intervene in, settle or compromise litigation, arbitration or other proceedings: (i) in the name of or on behalf of any Owner (whether one or more); or (ii) pertaining to a claim relating to the design, construction or repair of a residence, a Lot or any improvements on a Lot (other than a Claim (as defined in Section 12.6.2 hereof) relating to Common Properties to be maintained by the Association hereunder on one or more Lots). This Section may not be amended or modified without Declarant's written and acknowledged consent and the consent of Members entitled to

cast at least one hundred percent (100%) of the total number of votes of the Association, both of which must be part of the recorded amendment instrument.

ARTICLE 12

AUTHORITY AND CONTROL BY DECLARANT

Section 12.1 Declarant Rights.

Notwithstanding anything herein to the contrary, so long as Declarant owns at least one (1) Lot, Declarant shall have the right, but not the obligation, in its sole discretion, at any time, to control, perform and/or conduct the following:

- (1) amend this Declaration, the Design Guidelines and/or the Community-Wide Standard, in whole or in part for any reason as the Declarant in its discretion, deems necessary without the consent or joinder of the Board or Members;
- (2) enforce the provisions of this Declaration, Design Guidelines, policies, rules and regulations as they exist or may be adopted, amended, or rescinded. Limit or restrict the duties of the Board of Directors, enter into contracts and Agreements which may have extended terms at the Declarant's sole discretion;
- (3) review, determine and enforce the architectural control of the Lots. So long as Builders have Lots to purchase or upon which to construct, the Declarant alone or an ACC appointed by the Declarant shall have the review rights and act as "Reviewer" hereunder for Builders; and
- (4) assigns its rights and obligations under this Declaration to any entity at any time, in whole or in part.

Declarant's rights set forth above are absolute in its sole discretion and do not require the approval, consent, or joinder of (i) any Owner, (ii) the Association, (iii) the Board of Directors, or (iv) any committees or other parties which may be established with respect hereto. At such time as Declarant no longer owns a Lot within the Property, all of such rights of enforcement shall revert to the Board of Directors of the Association. In the event any other provision in this Declaration is in contradiction to this Article 12, in whole or in part, this Article 12 shall prevail. During the Declarant Control Period any provision in conflict with what is deemed necessary and/or appropriate to ensure a smooth and orderly buildout of the community shall be interpreted in favor of the Declarant.

Section 12.2 Easement to Inspect and Right to Correct.

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

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

Section 12.3 Right to Develop.

Declarant and its employees, agents, and designees shall have a right of access and use and an easement over and upon all of the Property for the purpose of making, constructing, and installing such improvements to the Property, as Declarant deems appropriate in its discretion.

Section 12.4 Construction Activities.

All Owners, occupants, and users of Lots are hereby placed on notice that Declarant, and/or its agents, contractors, subcontractors, licensees, and other designees, shall conduct development and construction activities within the Property and that such activities shall be conducted in phases and may cause disturbance and disruption which impact the use and enjoyment of a Lot. **No Owner shall interfere with the development and buildout of the Subdivision. Owners are hereby put on notice that any such interference shall result in any number of violations or actions which may be initiated by the Association, and/or the Declarant, Developer, or any Builder.** By the acceptance of a deed or other conveyance or mortgage, leasehold, license, or other interest, and by using any portion of a Lot or the Property generally, the Owners and all occupants and users of Lots acknowledge, stipulate, and agree: (a) that such activities shall not be deemed nuisances, or noxious or offensive activities, under any applicable covenants or at law generally; (b) not to enter upon, or allow their children or other persons under their control or direction to enter upon, or allow their children or other persons under their control or direction to enter upon (regardless of whether such entry is a trespass or otherwise) any property within or in proximity to the Lot where such activities are being conducted (even if not being actively conducted at the time of entry, such as at night or otherwise during non-working hours); (c) that Declarant and all of its agents, contractors, subcontractors, licensees, and other designees, shall not be liable but, rather, shall be held harmless for any and all losses, damages (compensatory, consequential, punitive, or otherwise), injuries, or deaths arising from or relating to the aforesaid activities; (d) that any purchase or use of any portion of a Lot has been and will be made with full knowledge of the foregoing; and (e) this acknowledgment and agreement is a material inducement to Declarant to sell, convey, lease, and/or allow the use of Lots within the Property.

Section 12.5 Changes in Master Plan.

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

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

Section 12.6 Dispute Resolution.

(a) **AGREEMENT TO ENCOURAGE RESOLUTION OF DISPUTES WITHOUT LITIGATION.**

12.6.1 Bound Parties. Declarant, the Association and its officers, directors, and committee members, Owners, residents, and all other parties subject to this Declaration ("Bound Party", or collectively, the "Bound Parties"), agree that it is in the best interest of all concerned to encourage the amicable resolution of disputes involving the Property without the emotional and financial costs of litigation. Accordingly, each Bound Party agrees not to file suit in any court with respect to a Claim described in subsection (b), unless and until it has first submitted such Claim to the alternative dispute resolution procedures set forth in this Section in a good faith effort to resolve such Claim.

12.6.2 Claim(s). As used in this Article, the term "Claim" or "Claims" will refer to any claim, grievance or dispute arising out of or relating to:

(i) Claims relating to the rights and/or duties of Declarant, the Association or an Owner under the Restrictions; or

(ii) Claims relating to the design or construction of improvements on the Common Properties or Lots, other than matters of aesthetic judgment under Article 11, which will not be subject to review.

12.6.3 Not Considered Claims. The following will not be considered "Claims" for purposes of this Article unless all parties to the matter otherwise agree to submit the matter to the procedures set forth herein:

(i) any legal proceeding by the Association to collect assessments or other amounts due from any Owner;

(ii) any legal proceeding by the Association to obtain a temporary restraining order (or emergency equitable relief) and such ancillary relief as the court may deem necessary in order to maintain the status quo and preserve the Association's ability to enforce the provisions of this Restrictions;

(iii) any legal proceeding which does not include Declarant or the Association as a party, if such action asserts a Claim which would constitute a cause of action independent of the Restrictions; and

(iv) any action by the Association to enforce the restrictions.

12.7 CLAIMS REGARDING COMMON PROPERTIES.

12.7.1 Claim by the Association — Common Properties. The Association does not have the power or right to institute, defend, intervene in, settle, or compromise litigation or administrative proceedings: (i) in the name of or on behalf of any Owner (whether one or more); or (ii) pertaining to a Claim, as defined in Section(s) described above, relating to the design or construction of a residence (whether one or more). In the event the Association or an Owner asserts a Claim related to the Common Properties, as a precondition to providing the Notice defined in this Article, initiating the mandatory dispute resolution procedures set forth in this Article or taking any other action to prosecute a Claim related to the Common Properties, the Association or an Owner, as applicable, must:

(i) Independent Report on the Condition of the Common Properties. Obtain an independent third-party report (the "Common Properties Report") from a licensed professional engineer in the same area of engineering practice of which the engineer is qualified which: (A) identifies the Common Properties subject to the Claim including the present physical condition of the Common Properties; (B) describes any modification, maintenance, or repairs to the Common Properties performed by the Owner(s) and/or the Association; (C) provides specific and detailed recommendations regarding remediation and/or repair of the Common Properties subject to the Claim. For the purposes of this Section, an independent third-party report is a report obtained directly by the Association or an Owner and paid for by the Association or an Owner, as applicable, and not prepared by a person employed by or otherwise affiliated with the attorney or law firm that represents or will represent the Association or an Owner in the Claim. As a precondition to providing the Notice described herein, the Association or Owner must provide at least ten (10) days prior written notice of the inspection to each party subject to a Claim which notice shall identify the independent third-party engaged to prepare the Common Properties Report, the specific Common Properties to be inspected, and the date and time the inspection will occur. Each party subject to a Claim may attend the inspection, personally or through an agent. Upon completion, the Common Properties Report shall be provided to each party subject to a claim. In addition, before providing the Notice described herein, the Association or the Owner, as applicable, shall have permitted each party subject to a Claim the right, for a period of ninety (90) days, to inspect and correct, any condition identified in the Common Properties Report.

(ii) Owner Meeting and Approval. Obtain approval from Members holding eighty five percent (85%) of the votes in the Association to provide the Notice described herein, initiate the mandatory dispute resolution procedures set forth in this Article 12, or take any other action to prosecute a Claim, which approval from Members must be obtained at a special meeting of Members called in accordance with the Bylaws. The notice of meeting required hereunder will be provided pursuant to the Bylaws but the notice must also include: (A) the nature of the Claim, the relief sought, the anticipated duration of prosecuting the Claim, and the likelihood of success; (B) a copy of the Common Properties Report; (C) a copy of any proposed engagement letter, with the terms of such engagement between the Association and an attorney to be engaged by the Association to assert or provide assistance with the claim (the "Engagement Letter"); (D) a description of the attorney fees, consultant fees, expert witness fees, and court costs, whether incurred by the Association directly or for which it may be liable if it is not the prevailing party or that the Association will be required, pursuant to the Engagement Letter or otherwise, to pay

if the Association elects to not to proceed with the Claim; (E) a summary of the steps previously taken, and proposed to be taken, to resolve the Claim; (F) an estimate of the impact on the value of each Lot and improvements if the Claim is prosecuted and an estimate of the impact on the value of each Lot and improvements after resolution of the Claim; (G) an estimate of the impact on the marketability of each Lot and improvements if the Claim is prosecuted and during prosecution of the Claim, and an estimate of the impact on the value of each Lot and improvements during and after resolution of the Claim; (H) the manner in which the Association proposes to fund the cost of prosecuting the Claim; and (I) the impact on the finances of the Association, including the impact on present and projected reserves, in the event the Association is not the prevailing party. The notice required by this paragraph must be prepared and signed by a person other than, and not employed by or otherwise affiliated with, the attorney or law firm that represents or will represent the Association or Owner, as applicable, in the Claim. If the Claim is prosecuted by the Association, in the event Members approve providing the Notice described herein, or taking any other action to prosecute a Claim, the Members holding a Majority of the votes in the Association, at a special meeting called in accordance with the Bylaws, may elect to discontinue prosecution or pursuit of the Claim.

(iii) Prohibition on Contingency Fee Contracts. The Association may not engage or contract with any attorney, law firm, consultant, expert or advisor on a contingency fee basis, in whole or in part, to assist in the prosecution of a Claim.

12.8 NOTICE

(i) Notice Requirements for All Claims. The Bound Party asserting a Claim ("Claimant") against another Bound Party ("Respondent") must notify the Respondent in writing of the Claim (the "Notice"), stating plainly and concisely: (A) the nature of the Claim, including date, time, location, persons involved, and Respondent's role in the Claim; (B) the basis of the Claim (i.e., the provision of the Restrictions or other authority out of which the Claim arises); (C) what Claimant wants Respondent to do or not do to resolve the Claim; and (D) that the Notice is given pursuant to this Section. All Bound Parties agree that the provisions of Chapter 27 of the Texas Property Code shall control any Claim, and they expressly adopt and incorporate the terms of Chapter 27 of the Texas Property Code as is full set forth herein. If the Claimant is the Association, prior to proceeding with negotiations under this Article/Section, the Association shall fully comply with provisions of Chapter 27 of the Texas Property Code, but for all other Claims, the time period for negotiation in Section(s) below or as provided herein, is equivalent to the sixty (60) day period under Section 27.004 of the Texas Property Code. If a Claim is subject to Chapter 27 of the Texas Property Code, the Claimant and Respondent are advised, in addition to compliance with this Article and all Sections, to comply with the terms and provisions of Section 27.004 during such sixty (60) day period. No Section of this Dispute Resolution is intended to modify or extend the time period set forth in Section 27.004 of the Texas Property Code.

Failure to comply with the time periods or actions specified in Section 27.004 shall not affect a Claim and the Respondent shall have all rights and remedies under Chapter 27 of the Texas Property Code. The one hundred and twenty (120) day period for mediation set forth herein below is intended to provide the Claimant and Respondent with sufficient time to resolve the Claim in the event resolution is not accomplished during negotiation. If the Claim is not resolved during negotiation, mediation pursuant to this Article is required without regard to the monetary amount of the Claim.

(ii) Special Notice for Association. If the Claimant is the Association, the Notice will also include: (A) a true and correct copy of the Common Properties Report; (13) a copy of the Engagement Letter; (C) copies of all reports, studies, analyses, and recommendations obtained by the Association related to the Common Properties which forms the basis of the Claim; (D) a true and correct copy of the special meeting notice provided to Members in accordance with this Article (ii) above; and (E) and reasonable and credible evidence confirming that Members holding eighty-five percent (85%) of the votes in the Association approved providing the Notice. If the Claimant is the Association, providing the information identified in this Section (ii) is a condition precedent to the assertion of any Claim. Should the Association fail to provide the information required by this Section (ii) to the Respondent, the Respondent shall be entitled to a temporary injunction enjoining the prosecution of the Claim until such time as the Association provides the information required by this Section (ii). Furthermore, should the Association fail to provide information required by this Section (ii) within one-hundred twenty (120) days after making a demand on the Respondent, the Association's Claim shall be dismissed with prejudice, and the Respondent may take such actions in law or in equity to confirm such dismissal.

12.9 NEGOTIATION. Claimant and Respondent will make every reasonable effort to meet in person to resolve the Claim by good faith negotiation. At any time during the negotiation period, if the Respondent is the Declarant, the Declarant may make repairs to the Common Properties to prevent further damage to any of these areas, the structures, or residence, whether or not such repairs would inhibit or prohibit Claimant from securing evidence of resulting damage. Within 60 days after Respondent's receipt of the Notice, Respondent and Claimant will meet at a mutually acceptable place and time to discuss the Claim. If the Claim involves all or any portion of the Property, then at such meeting or at some other mutually-agreeable time, Respondent and Respondent's representatives will have full access to the Property that is subject to the Claim for the purposes of inspecting the Property. If Respondent elects to take corrective action, Claimant will provide Respondent and Respondent's representatives and agents with full access to the Property to take and complete corrective action.

12.10 MEDIATION. If the parties negotiate, but do not resolve the Claim through negotiation within one-hundred twenty (120) days from the date of the Notice (or within such other period as may be agreed on by the parties), Claimant will have thirty (30) additional days within which to submit the Claim to mediation under the auspices of a mediation center or individual mediator on which the parties mutually agree. The mediator must have at least five (5) years of experience serving as a mediator and must have technical knowledge or expertise appropriate to the subject matter of the Claim. If Claimant does not submit the Claim to mediation within the 30-day period, Respondent will submit the Claim to mediation in accordance with this Section.

12.11 TERMINATION OF MEDIATION. If the Parties do not settle the Claim within thirty (30) days after submission to mediation, or within a time deemed reasonable by the mediator, the mediator will issue a notice of termination of the mediation proceedings indicating that the Parties are at an impasse and the date that mediation was terminated. Thereafter, if the Association is the Claimant, it shall provide a report of the mediation to the Members of the Association, which such report shall provide the last best offer made by the Respondent, the last best offer by the Association, and the reason the Association did not accept the offer made by the Respondent. After

such report is provided to the Members, the Board shall call a special meeting of the Members, at which special meeting the Members shall vote on whether to accept the last, best offer by the Respondent. If a Majority of the Members in attendance at the special meeting vote to accept the Respondent's last, best offer, the Board shall accept the Respondent's last, best offer and shall dismiss the Claim. Claimant may file suit or initiate arbitration proceedings on the Claim, as appropriate and permitted by this Article.

12.12 BINDING ARBITRATION-CLAIMS. All Claims must be settled by binding arbitration. Claimant or Respondent may, by summary proceedings (e.g., a plea in abatement or motion to stay further proceedings), bring an action in court to compel arbitration of any Claim not referred to arbitration as required by this Section.

12.13 Governing Rules. If a Claim has not been resolved after Mediation as required by this Article, the Claim will be resolved by binding arbitration in accordance with the terms of this Section and the rules and procedures of the American Arbitration Association ("AAA") or, if the AAA is unable or unwilling to act as the arbitrator, then the arbitration shall be conducted by another neutral reputable arbitration service selected by Respondent. Regardless of what entity or person is acting as the arbitrator, the arbitration shall be conducted in accordance with the AAA's "Construction Industry Dispute Resolution Procedures" and, if they apply to the disagreement, the rules contained in the Supplementary Procedures for Consumer-Related Disputes. If such rules have changed or been renamed by the time a disagreement arises, then the successor rules will apply. Also, despite the choice of rules governing the arbitration of any Claim, if the AAA has, by the time of Claim, identified different rules that would specifically apply to the Claim, then those rules will apply instead of the rules identified above. In the event of any inconsistency between any such applicable rules and this Section, this Section will control. Judgment upon the award rendered by the arbitrator shall be binding and not subject to appeal, but may be reduced to judgment in any court having jurisdiction. Notwithstanding any provision to the contrary or any applicable rules for arbitration, any arbitration with respect to Claims arising hereunder shall be conducted by a panel of three (3) arbitrators, to be chosen as follows:

12.13.1 Exceptions to Arbitration; Preservation of Remedies. No provision of, nor the exercise of any rights under, this Section will limit the right of Claimant or Respondent, and Claimant and the Respondent will have the right during any Claim, to seek, use, and employ ancillary or preliminary remedies, judicial or otherwise, for the purposes of realizing upon, preserving, or protecting upon any property, real or personal, that is involved in a Claim, including, without limitation, rights and remedies relating to: (i) exercising self-help remedies (including set-off rights); or (ii) obtaining provisions or ancillary remedies such as injunctive relief, sequestration, attachment, garnishment, or the appointment of a receiver from a court having jurisdiction before, during, or after the pendency of any arbitration. The institution and maintenance of an action for judicial relief or pursuit of provisional or ancillary remedies or exercise of self-help remedies shall not constitute a waiver of the right of any party to submit the Claim to arbitration nor render inapplicable the compulsory arbitration provisions hereof.

12.13.2 Statute of Limitations. All statutes of limitations that would otherwise be applicable shall apply to any arbitration proceeding under this Section, and to the fullest extent allowed under law, any' action, lawsuit and/or claim whatsoever initiated by the Association or its assigns, regardless of form, that arises from or relates to this Declaration, the Property, the Subdivision, the Lots, the residences, the improvements or otherwise is barred unless it is brought not later than two (2) years and one (1) day from the date the cause of action accrues.

12.13.3 Scope of Award; Modification or Vacation of Award. The arbitrator shall resolve all Claims in accordance with the applicable substantive law except as provided by this Section. The arbitrator may grant any remedy or relief that the arbitrator deem just and equitable and within the scope of this Section but subject to Section 12.14 below (attorney's fees and costs may not be awarded); provided, however, that for a Claim, or any portion of a Claim governed by Chapter 27 of the Texas Property Code, or any successor statute, in no event shall the arbitrator award damages which exceed the damages a Claimant would be entitled to under Chapter 27 of the Texas Property Code. In all arbitration proceedings the arbitrator shall make specific, written findings of fact and conclusions of law. In all arbitration proceedings the parties shall have the right to seek vacation or modification of any award that is based in whole, or in part, on (i) factual findings that have no legally or factually sufficient evidence, as those terms are defined in Texas law; (ii) conclusions of law that are erroneous; (iii) an error of federal or state law; or (iv) a cause of action or remedy not expressly provided under existing state or federal law or otherwise in accordance with the terms and conditions of this Declaration. In no event may an arbitrator award speculative, consequential, special, indirect, lost profit or punitive damages for any Claim. Notwithstanding anything else contained in this Declaration, no Claimant shall be entitled to an award in connection with a Claim related to or arising in connection with a violation of Applicable Law, and the arbitrator shall not provide an award, unless the arbitrator determines that such Claim was due to a material violation of any Applicable Law and that such material violation of Applicable Law creates an imminent threat to health and safety.

12.13.4 Other Matters. To the maximum extent practicable, an arbitration proceeding hereunder shall be concluded within one hundred and eighty (180) days of the filing of the Claim for arbitration by notice from either party to the other. Arbitration proceedings hereunder shall be conducted in the county where the Property is located. The arbitrator shall be empowered to impose sanctions and to take such other actions as the arbitrator deems necessary to the same extent a judge could pursuant to the Federal Rules of Civil Procedure, the Texas Rules of Civil Procedure and applicable law. The arbitrator shall have the power to award recovery of all costs and fees, subject to the limitations in this Article and any of the pertinent Sections thereto. Each party agrees to keep all Claims and arbitration proceedings strictly confidential, except for disclosures of information required in the ordinary course of business of the parties or by applicable law or regulation. In no event shall any party discuss with the news media or grant any interviews with the news media regarding a Claim or issue any press release regarding any Claim without the written consent of the other parties to the Claim.

12.14 ALLOCATION OF COSTS. Notwithstanding any provision in this Declaration to the contrary, each Party bears all of its own costs incurred prior to and during the proceedings described in the Notice, Negotiation, Mediation, and Arbitration sections above, including its attorney's fees. For avoidance of doubt, the prevailing party in any Arbitration shall not recover any attorneys' fees, expenses, or costs. Respondent and Claimant will equally divide all expenses and fees charged by the mediator and arbitrator.

12.15 GENERAL PROVISIONS. A release or discharge of Respondent from liability to Claimant on account of the Claim does not release Respondent from liability to persons who are not party to Claimant's Claim.

12.16 PERIOD OF LIMITATION.

12.16.1 For Actions by an Owner. The exclusive period of limitation for any of the Parties to bring any Claim, including, but not limited to, a Claim related to the design or construction of improvements (including, but not limited to residences) on the Common Properties or Lots, shall be no later than two (2) years and one (1) day from the date that the Owner discovered or reasonably should have discovered evidence of the Claim.

12.16.2 For Actions by the Association. The exclusive period of limitation for the Association to bring any Claim, including, but not limited to, a Claim related to the design or construction of improvements (including, but not limited to residences) on the Common Properties or Lots, shall be no later than two (2) years and one (1) day from the date that the Association or its agents discovered or reasonably should have discovered evidence of the Claim.

12.17 APPROVAL & SETTLEMENT. The Association must levy a Special Assessment to fund the estimated costs of arbitration, including estimated attorney's fees, conducted pursuant to this Article or any judicial action initiated by the Association. The Association may not use its annual operating income or reserve funds or savings to fund arbitration or litigation, unless the Association's annual budget or a savings account was established and funded from its inception as an arbitration and litigation reserve fund.

12.18 LIMITATION ON DAMAGES. NOTWITHSTANDING ANY PROVISION CONTAINED IN THIS DECLARATION OR ANY OF THE ASSOCIATION DOCUMENTS TO THE CONTRARY, IN NO EVENT SHALL DECLARANT OR THE ASSOCIATION BE LIABLE FOR SPECULATIVE, CONSEQUENTIAL, SPECIAL, INDIRECT, LOST PROFIT OR PUNITIVE DAMAGES IN CONNECTION WITH ANY CLAIM, EVEN IF DUE TO THE NEGLIGENCE OF DECLARANT OR THE ASSOCIATION.

12.19 HOME CONSTRUCTION CLAIMS.

12.19.1 Claims Relating to Residences and Lots. EACH OWNER (WHICH INCLUDES WITHOUT LIMITATION EACH SUBSEQUENT PURCHASER OF A LOT), BY ACCEPTING AN INTEREST IN OR TITLE TO A LOT, AGREES THAT ALL CLAIMS AND CAUSES OF ACTION THAT SUCH OWNER MAY HAVE RELATING TO THE ORIGINAL DESIGN OR CONSTRUCTION OF SUCH OWNER'S RESIDENCE, LOT, OR ANY IMPROVEMENT ON SUCH OWNER'S LOT (OTHER THAN COMMON MAINTENANCE AREAS ON ONE OR MORE LOTS), INCLUDING, WITHOUT LIMITATION, CLAIMS BASED ON ANY EXPRESS OR IMPLIED WARRANTIES (COLLECTIVELY, "HOME CONSTRUCTION CLAIMS"), WILL BE GOVERNED EXCLUSIVELY BY THE TERMS AND CONDITIONS OF THE EXPRESS OR IMPLIED WARRANTY PROVIDED BY THE BUILDER OR CONTRACTOR WHICH CONSTRUCTED SUCH RESIDENCE OR IMPROVEMENT AND ANY OTHER AGREEMENTS BETWEEN THE INITIAL PURCHASER OF SUCH RESIDENCE AND SUCH BUILDER OR CONTRACTOR, INCLUDING WITHOUT LIMITATION ALL PROCEDURES AND AGREEMENTS CONTAINED THEREIN PERTAINING TO THE RESOLUTION OF DISPUTES. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, EACH OWNER (WHICH INCLUDES WITHOUT LIMITATION EACH SUBSEQUENT PURCHASER OF A LOT), BY ACCEPTING AN INTEREST IN OR TITLE TO A LOT, ASSUMES THE TERMS AND CONDITIONS OF THE EXPRESS OR IMPLIED WARRANTY PROVIDED BY THE BUILDER OR CONTRACTOR WHICH CONSTRUCTED THE RESIDENCE OR IMPROVEMENT, AND,

UNLESS THE EXPRESS WARRANTY OR CONTRACT PROVIDED BY SUCH BUILDER OR CONTRACTOR CONTAINS OTHER PROCEDURES TO RESOLVE HOME CONSTRUCTION CLAIMS, SPECIFICALLY AGREES TO THE FOLLOWING:

12.19.2 Agreement to Arbitrate Home Construction Claims. ALL HOME CONSTRUCTION CLAIMS SHALL BE RESOLVED BY BINDING ARBITRATION. This means each Owner (which includes without limitation each subsequent purchaser of a Lot) and the other parties involved in the Home Construction Claim GIVE UP THE RIGHT TO GO TO COURT OR TO A JURY to assert or defend Home Construction Claims (EXCEPT for matters that may be taken to SMALL CLAIMS COURT as provided below). Home Construction Claims will be determined by a NEUTRAL ARBITRATOR and NOT by a judge or jury. The parties to each Home Construction Claim will be entitled to a FAIR HEARING, but the arbitration procedures are simpler and more limited than the rules applicable in a court. The arbitrator's decision will be final and binding, subject to appeal as described below. Arbitrator decisions are as enforceable as any court order and are subject to very limited review by a court. For more information, read the provisions regarding arbitration below, review the American Arbitration Association's Home Construction Arbitration Rules and related information at www.adr.org, Alternatively, if the Home Construction Claim does not exceed the maximum jurisdictional amount for a small claims court in the state where the Lot is located, a party involved in a Home Construction Claim may elect to have the claim resolved in a small claims court rather than by binding arbitration (however, any appeal of a small claims court judgment must be resolved through arbitration in accordance with this Article).

12.19.3 Applicable Law. The original construction and sale of each Residence was a transaction involving interstate commerce. The Federal Arbitration Act shall govern the interpretation and enforcement of this agreement to arbitrate Home Construction Claims. Even if a part of these arbitration provisions is determined to be unenforceable under applicable law, the remainder shall survive, and the parties shall remain obligated to resolve Home Construction Claims through binding arbitration as set forth herein.

12.19.4 Arbitrator — American Arbitration Association. The arbitration shall be conducted before an arbitrator appointed by the AAA. If the AAA declines to arbitrate a Home Construction Claim, or if the AAA is not available, the parties will agree to an alternative arbitrator, or have a court appoint a new arbitrator who meets the qualification criteria of an AAA-trained arbitrator and has at least ten years of construction arbitration experience.

12.19.5 Arbitration Rules. The arbitration shall proceed in accordance with the AAA's Home Construction Arbitration Rules. If those rules have been repealed or replaced at the time the arbitration claim is filed, the AAA's rules then most applicable to residential construction shall apply. However, each Builder or contractor will be entitled to visually inspect and perform testing as to any component claimed to have a construction defect and no AAA rule shall apply if it is inconsistent with the provisions of this Section 12.19.

12.19.6 Additional Parties or Claims. Each party to a Home Construction Claim may join as a party to the arbitration any third-party consultant, contractor, supplier, manufacturer, engineer, architect or other professional involved in the manufacture, design or construction of any part of the residence, Lot or improvement on the Lot. Except as provided above, each Home

Construction Claim shall be between only the then Owner of a residence or Lot and the Builder, contractor and other parties involved in manufacture, design or construction of any part of such residence or improvements on such Lot and shall not be joined or consolidated with the claims or arbitration of any other party, and the arbitrator is not authorized to permit any consolidation or joinder with any other party. Each Owner and subsequent purchaser of a Lot waives the right to institute or participate in a class or any other type of representative arbitration or any type of legal action as a member or representative of a class for any Home Construction Claim and agrees the arbitrator is not authorized to permit any class or representative arbitration.

12.19.7 Arbitration Process. A party seeking to resolve a Home Construction Claim shall begin the arbitration process by filing a demand for arbitration with the AAA and serving a copy of the demand on the other party. The failure to initiate arbitration at any particular time shall not be considered a waiver of the right to compel arbitration of a Home Construction Claim. The only way this right to arbitrate claims may be waived is by a written agreement among the parties. To the extent not inconsistent with the Federal Arbitration Act, all provisions of this paragraph are subject to the general qualification that state laws, requirements and rules, including, but not limited to, state filing limitations (such as statute of limitations and statutes of repose), may affect how and when arbitration may be initiated and administered. The following is a brief description of the steps to initiate arbitration and the arbitration process:

(i) Step 1 — Filing a Request. The party initiating arbitration must notify the AAA in writing of the request for arbitration under the terms of this Agreement. If a Builder or contractor initiates arbitration, such Builder or contractor will pay the AAA's filing fee. If an Owner (including a subsequent purchaser of a Lot) initiates arbitration, such Owner will pay the lesser of 1/2 of the AAA filing fee or the amount provided by the AAA rules and the Builder or contractor will pay the other 1/2 or remainder. All other AAA arbitration fees and costs shall be paid in accordance with the applicable AAA fee schedule.

(ii) Step 2 - Hearing. The arbitration will be held at a location agreed to by the parties, usually in the metropolitan area where the Property is located. The hearing typically will be scheduled by the arbitrator at a time mutually agreeable to all parties. At the hearing, the arbitrator will hear and consider evidence presented by all parties. If a party timely notifies the AAA of a request for a record of the hearing prior to the earlier of the hearing date or the date in the AAA's rules, if specified, the arbitrator will preserve all evidence presented at the arbitration. Oral evidence will be preserved in a manner that it can be converted into a written transcript. The costs of the record will be paid by the party requesting the record or shared equally among the parties requesting a copy.

(iii) Step 3 - Award. The arbitrator's award will decide the relief to be awarded and, if requested by a party, the scope and manner of correction. The arbitrator's award shall be consistent with this agreement, based on applicable law (except to the extent the Federal Arbitration Act overrides and preempts state, local or other law), and shall include findings of fact and conclusions of law. If permitted by the AAA rules, either party may request a written explanation of the award. Each party shall bear its own attorney's fees and expenses (including without limitation the costs and fees of any expert witnesses) in the arbitration, any confirmation proceeding and any appeal. Arbitrator compensation, expenses, and administrative fees (which include filing and hearing fees) shall not be subject to reallocation.

(a) Appeal. Each party shall have the right to appeal the arbitrator's award to the AAA by filing a written notice with the AAA (with a copy to the other party) within 30 days of the date of the arbitrator's award. The party appealing the award shall pay the fees necessary to initiate the appeal. If both sides appeal, the fees shall be split 50/50. The notice of appeal must include the specific items the party seeks to change in the award and the supporting facts and law. The appeal shall be heard by a panel of three arbitrators from the AAA. The appeal shall be conducted in accordance with the applicable rules of the AAA and this agreement as if the claim was being initially filed with the AAA, except that: (i) the only issues to be determined on appeal are the issues described in the notice of appeal and any issues raised by the non-appealing party in response to the issues in the notice of appeal, (ii) the arbitrators' award on appeal shall be final, binding and non-appealable, and (iii) no new evidence shall be accepted or considered by the arbitrators.

(b) Award after Appeal. The award of the arbitrator shall be final, subject to appeal as provided above. If a notice of appeal from the initial hearing is not received by the AAA within 30 days after the date of the initial award, then the initial award shall be final. Once the award is final, it will be binding on and enforceable against the parties, except as modified, corrected, or vacated according to the applicable arbitration rules and procedures or to the extent not inconsistent with the Federal Arbitration Act or applicable state law. Either party may present the final award to any court having jurisdiction over the Home Construction Claim to enter that award as a judgment of the court.

(iv) Step 4 - Repairs. Unless designated otherwise in the award (and unless appealed), any party ordered to perform a correction to the residence or Lot will, within 10 days after a final award, elect to either perform the correction awarded by the arbitrator or, at such party's option, pay the Owner of the residence or Lot the reasonable cost of such correction. If such party elects to perform a correction under an award, such party will complete the correction within 60 days after a final award or as may be specified by the arbitrator. If the correction cannot be completed in that time, the arbitrator must grant reasonable additional time to make the correction. If the Owner believes that the correction was not performed satisfactorily or in a timely manner, such Owner may have those issues determined in a later arbitration. If the cost of correction is not specified in the award and party ordered to perform a correction elects to pay the Owner the reasonable cost of the correction, such Owner may have the amount of that payment reviewed in a later arbitration.

12.19.8 Expenses. Except as stated above, each party shall bear its own attorney's fees and other expenses incurred in connection with a Home Construction Claim. However, if a party to such a claim files a court action in violation of this Article and the other party is required to compel arbitration by filing a motion with the court, the court shall award the moving party its court costs and reasonable attorneys' fees incurred in connection with the motion. **LIKE ALL COVENANTS CONTAINED IN THIS DECLARATION, THE AGREEMENTS CONTAINED IN THIS ARTICLE ARE COVENANTS RUNNING WITH TITLE TO EACH LOT, CONCERN EACH LOT AND THE RESIDENCE AND OTHER IMPROVEMENTS ON SUCH LOT, AND SHALL BE BINDING UPON EACH SUCCESSIVE OWNER OF A LOT (WHICH INCLUDES WITHOUT LIMITATION EACH SUBSEQUENT PURCHASER OF A LOT).**

ARTICLE 13

OBLIGATIONS OF BOARD OF DIRECTORS

Section 13.1 Obligations of Board of Directors.

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

Section 13.2 Liability for Association Operations.

The Association shall, to the fullest extent permitted by law, indemnify, defend, and hold harmless Declarant (including its successors, and assigns) from and against any and all losses, claims, demands, damages, costs, and expenses of whatever kind or nature (including, without limitation, reasonable attorneys' fees and costs at all tribunal levels and whether or not suit is instituted, including those incurred in establishing the right to be indemnified, defended, and held harmless pursuant hereto), which relate to or arise out of Association management and operations, including, without limitation, improvement, maintenance, repair and operation of amenities and other portions of the Common Properties and the collection of assessments.

Section 13.3 No Liability for Acts of Third Party.

OWNERS AND OCCUPANTS OF LOTS, AND THEIR RESPECTIVE GUESTS AND INVITEES, ARE RESPONSIBLE FOR THEIR OWN PERSONAL SAFETY AND FOR THEIR PROPERTY WITHIN THE PROPERTY. THE ASSOCIATION MAY BUT IS NOT OBLIGATED TO MAINTAIN OR SUPPORT CERTAIN ACTIVITIES WITHIN THE PROPERTY WHICH PROMOTE OR ENHANCE SAFETY OR SECURITY WITHIN THE PROPERTY. HOWEVER, THE ASSOCIATION, AND DECLARANT SHALL NOT IN ANY WAY BE CONSIDERED INSURERS OR GUARANTORS OF SAFETY OR SECURITY WITHIN THE PROPERTY, NOR SHALL THEY BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN. NO REPRESENTATION OR WARRANTY IS MADE THAT ANY SYSTEMS OR MEASURES, INCLUDING FIRE PROTECTION, BURGLAR ALARM, OR OTHER SECURITY MONITORING SYSTEMS, OR ANY MECHANISM OR SYSTEM FOR LIMITING ACCESS TO THE PROPERTY, CANNOT BE COMPROMISED OR CIRCUMVENTED, NOR THAT ANY SUCH SYSTEMS OR MEASURES UNDERTAKEN WILL IN ALL CASES PREVENT LOSS OR PROVIDE THE DETECTION OR PROTECTION FOR WHICH THE SYSTEM IS DESIGNED OR INTENDED. EACH OWNER ACKNOWLEDGES, UNDERSTANDS, AND SHALL BE RESPONSIBLE FOR INFORMING ITS TENANTS AND ALL OCCUPANTS OF ITS LOT THAT THE ASSOCIATION, THE BOARD AND ITS COMMITTEES, AND DECLARANT ARE NOT INSURERS OR GUARANTORS OF SECURITY OR SAFETY AND THAT EACH PERSON WITHIN THE PROPERTY ASSUMES ALL RISKS OF PERSONAL INJURY OF ANY TYPE OR KIND, DEATH, AND LOSS OR DAMAGE TO PROPERTY, INCLUDING LOTS AND THE CONTENTS OF LOTS, RESULTING FROM ACTS OF THIRD PARTIES.

ARTICLE 14

EXPANSION OF THE PROPERTY

Section 14.1 Expansion of the Property.

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

Section 14.2 Additional Covenants and Easements.

Declarant, in its sole discretion and without the approval of any other party, may from time to time subject any portion of the Property, whether now or hereafter a part of this Declaration, to additional covenants and easements, including, without limitation, covenants obligating the Association to maintain and insure such property and authorizing the Association to recover its costs through the assessments, as described in Article 10 hereof. Such additional covenants and easements may be set forth either in a Supplemental Declaration subjecting such property to this Declaration or in a separate Supplemental Declaration referencing property previously subjected to this Declaration. Any such Supplemental Declaration may supplement, create exceptions to, or otherwise modify the terms of this Declaration as it applies to the Property, whether now or hereafter a part of this Declaration, in order to reflect the different character and intended use of such Property. Any such Supplemental Declaration which is executed by Declarant and recorded in the Real Property Records of the County shall not require the consent or approval of any other Owner or other person in order to be fully enforceable and effective to cause such additional covenants and easements to be incorporated herein.

Section 14.3 Effect of Recording Supplemental Declaration.

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

ARTICLE 15

GENERAL PROVISIONS

Section 15.1 Mortgages.

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

Section 15.2 Term.

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

Section 15.3 Severability.

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

Section 15.4 Binding Effect.

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

Section 15.5 Notices.

Any notices or correspondence to an Owner shall be addressed to the street address of the Lot or to such other address as is specified by any such Owner in writing to the Association. The burden shall be on the Owner to prove that such written notification was duly given and delivered to the Association as provided below. Any notices or correspondence to the Association shall be addressed to the registered office of the Association as shown by the records of the Secretary of State for the State of Texas or to such other address as is specified by the Association in writing to the Owners. Except as this Declaration or the Bylaws otherwise provide, all notices, demands, bills, statements, or other communications under this Declaration or the Bylaws shall be in writing and shall be deemed to have been

duly given if delivered personally or by private carrier; if sent by United States mail; or, if the intended recipient has given its prior written authorization to use such method of delivery, by facsimile or electronic mail with written confirmation of transmission. ***The Association has adopted an E-mail Registration Policy and every Owner is required to familiarize him/herself with such policy as the Association may utilize this policy often for the announcement of meetings and other events. The Association may also utilize any means of holding a meeting such as, but not limited to, online and/or telephonic when holding a meeting in person is deemed to be unsafe or at the sole discretion of the Board.***

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

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

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

(iii) if sent by facsimile or electronic mail, upon transmission, as evidenced by a printed confirmation or so long as a copy of the e-mail transmission is on file with the Association or its Managing Agent.

Section 15.6 Transfer Under Deed of Trust.

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

Section 15.7 Notice of Transfer.

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

Section 15.8 No Liability for Trespass.

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

Section 15.9 Lien Priority.

Notwithstanding any other provision of the Declaration, the lien to secure the payment of assessments and any other lien which the Association may have on any Lot pursuant to the Declaration for (a) assessments or other charges becoming payable on or after the date of recordation of the first mortgage or deed of trust on any Lot, or (b) any fees, late charges, fines or

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

Section 15.10 Use of Recreational Facilities and Other Common Properties.

The property made subject to this Declaration may contain common recreational facilities available for the use and enjoyment of Owners of all or any part of the Property, including Lots and residences, within the Subdivision, their families, tenants and other occupants of their property, and the guests of any such persons.

EACH OWNER, BY ACCEPTANCE OF A DEED TO ANY PORTION OF THE PROPERTY MADE SUBJECT TO THIS DECLARATION, ACKNOWLEDGES THAT THE USE AND ENJOYMENT OF ANY RECREATIONAL FACILITY OR ANY OTHER PORTION OF THE COMMON PROPERTIES INVOLVES RISK OF PERSONAL INJURY, DEATH, OR DAMAGE TO PROPERTY. Each Owner acknowledges, understands, and covenants to inform his or her family members, and tenants and other occupants of Owner's property that Declarant, the Association, the Board and any committees, and Builders constructing residences and other improvements within the Property are not insurers of personal safety. **EACH PERSON USING SUCH RECREATIONAL FACILITIES OR ANY OTHER PORTION OF THE COMMON PROPERTIES ASSUMES ALL RISKS OF PERSONAL INJURY, DEATH, AND LOSS OR DAMAGE TO PROPERTY, RESULTING FROM THE USE AND ENJOYMENT OF ANY RECREATIONAL FACILITY OR OTHER PORTION OF THE COMMON PROPERTIES.**

Each Owner agrees that Declarant, the Association, the Board and committees, and Builders within the Subdivision shall not be liable to any person claiming any loss or damage, including, without limitation, indirect, special or consequential loss or damage arising from personal injury or death, destruction of property, trespass, loss of enjoyment, or any other wrong or entitlement to remedy based upon, due to, arising from, or otherwise relating to the use of any recreational facility or other portions of the Common Properties, including, without limitation, any claim arising in whole or in part from the negligence of Declarant, the Association, or any Builder within the Subdivision. **THE FOREGOING RELEASE IS INTENDED TO RELEASE THE SPECIFIED PARTIES FROM LIABILITY FOR THEIR OWN NEGLIGENCE. EACH OWNER ACKNOWLEDGES AND AGREES THAT THE ABOVE RELEASE FROM LIABILITY IS CONSIDERATION FOR, AND A CONDITION TO, THE USE AND ENJOYMENT OF THE RECREATIONAL FACILITIES AND OTHER COMMON PROPERTIES WITHIN THE SUBDIVISION AND THAT THIS ACKNOWLEDGMENT AND AGREEMENT IS A MATERIAL INDUCEMENT TO DECLARANT AND BUILDERS TO SELL, CONVEY, LEASE, AND/OR ALLOW THE USE OF LOTS WITHIN THE SUBDIVISION. ANY VIOLATION OF THIS RELEASE AGREEMENT BY AN OWNER, OR ANY OF OWNER'S FAMILY MEMBERS, TENANTS AND OTHER OCCUPANTS OF OWNER'S PROPERTY, OR THEIR RESPECTIVE**

GUESTS SHALL BE GROUNDS FOR THE SUSPENSION OR TERMINATION OF ALL OF SUCH PERSONS' USE PRIVILEGES IN SUCH FACILITIES.

Section 15.11 Construction of Declaration and All Association Documents.

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

(Signature page follows)

Signed this 11 day of December, 2020, on behalf of the Villages of Hurricane Creek Homeowners Association, Inc.

DECLARANT

CADG Hurricane Creek, LLC,
a Texas limited liability company

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

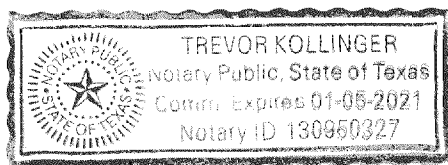
By: MMM Ventures, LLC,
a Texas limited liability company
Its Manager

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

By: Mehrdad Moayed
Name: Mehrdad Moayed
Its: Manager

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on the 11 day of December, 2020, by Mehrdad Moayed, Manager of 2M Ventures, LLC, as Manager of MMM Ventures, LLC, as Manager of CADG Holdings, LLC, as Sole Managing Member of CADG Hurricane Creek, LLC, a Texas limited liability company on behalf of said company.



T. Kollinger
Notary Public, State of Texas

Exhibit "A"
to
**DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR
THE VILLAGES OF HURRICANE CREEK**

LEGAL DESCRIPTION

PHASE 1

BEING a tract of land situated in the Joseph Boyle Survey, Abstract Number 105, W.S. Rattan Survey, Abstract Number 752, T. Rattan Survey, Abstract Number 782, and the J. Coffman Survey, Abstract Number 197, Collin County, Texas and being part of that tract of land described in deed to CADG Hurricane Creek, LLC, recorded in Instrument Number 20150529000631020 of the Official Public Records of Collin County, Texas and being more particularly described as follows:

BEGINNING at a 5/8" iron rod found for the northeast corner of a remainder tract WBK Partners, LTD recorded in Volume 4292, Page 27 of said Official Public Records and the easternmost southeast corner of said CADG Hurricane Creek, LLC tract;

THENCE S 88°58'27" W, 1,910.63 feet with the south line of said CADG tract to a 5/8" iron rod with plastic cap stamped "PELTON" set;

THENCE departing said south line of the CADG Hurricane Creek, LLC tract, N 00°15'27" E, 421.11 feet to a 5/8" iron rod with plastic cap stamped "PELTON" set;

THENCE N 46°18'49" E, 320.76 feet to a 5/8" iron rod with plastic cap stamped "PELTON" set; THENCE N 43°41'11" W, 120.00 feet to a 5/8" iron rod with plastic cap stamped "PELTON" set; THENCE S 46°18'49" W, 117.06 feet to a 5/8" iron rod with plastic cap stamped "PELTON" set; THENCE N 43°41'11" W, 50.00 feet to a 5/8" iron rod with plastic cap stamped "PELTON" set; THENCE N 46°18'49" E, 145.00 feet to a 5/8" iron rod with plastic cap stamped "PELTON" set; THENCE N 43°41'11" W, 120.00 feet to a 5/8" iron rod with plastic cap stamped "PELTON" set; THENCE N 46°18'49" E, 570.00 feet to a 5/8" iron rod with plastic cap stamped "PELTON" set; THENCE N 43°41'11" W, 170.00 feet to a 5/8" iron rod with plastic cap stamped "PELTON" set;

THENCE N 46°18'49" E, 2.17 feet to a 5/8" iron rod with plastic cap stamped "PELTON" set to the beginning of a curve to the right;

THENCE, with said curve to the right, an arc distance of 47.91 feet, through a central angle of 05°54'13", having a radius of 465.00 feet, the long chord bears N 49°15'56" E, 47.89 feet to a 5/8" iron rod with plastic cap stamped "PELTON" set;

THENCE N 43°41'11" W, 163.78 feet to a 5/8" iron rod with plastic cap stamped "PELTON" set;

THENCE N 46°18'49" E, 259.23 feet to a 5/8" iron rod with plastic cap stamped "PELTON" set;

THENCE N 89°13'07" E, 741.15 feet to a 5/8" iron rod with plastic cap stamped "PELTON" set;

THENCE S 23°12'58" E, 16.58 feet to a 5/8" iron rod with plastic cap stamped "PELTON" set; THENCE

N 89°13'07" E, 140.84 feet to a 5/8" iron rod with plastic cap stamped "PELTON" set; THENCE N

59°26'33" E, 195.37 feet to a 5/8" iron rod with plastic cap stamped "PELTON" set; THENCE N

89°13'07" E, 731.48 feet to a 5/8" iron rod with plastic cap stamped "PELTON" set; THENCE S

00°46'53" E, 284.46 feet to a 5/8" iron rod with plastic cap stamped "PELTON" set; THENCE N

89°13'07" E, 660.00 feet to a 5/8" iron rod with plastic cap stamped 'PELTON" set; THENCE S 00°46'53" E, 50.00 feet to a 5/8" iron rod with plastic cap stamped 'PELTON" set; THENCE S 89°13'07" W, 135.00 feet to a 5/8" iron rod with plastic cap stamped 'PELTON" set; THENCE S 00°46'53" E, 410.00 feet to a 5/8" iron rod with plastic cap stamped 'PELTON" set; THENCE S 89°13'07" W, 170.00 feet to a 5/8" iron rod with plastic cap stamped 'PELTON" set; THENCE S 01°32'35" W, 138.83 feet to a 5/8" iron rod with plastic cap stamped "PELTON" set; THENCE S 03°56'49" W, 63.28 feet to a 5/8" iron rod with plastic cap stamped "PELTON" set; THENCE S 20°40'36" W, 64.06 feet to a 5/8" iron rod with plastic cap stamped "PELTON" set; THENCE S 34°31'32" W, 64.92 feet to a 5/8" iron rod with plastic cap stamped 'PELTON" set; THENCE S 56°29'24" W, 66.49 feet to a 5/8" iron rod with plastic cap stamped 'PELTON" set; THENCE S 55°11'09" W, 70.72 feet to a 5/8" iron rod with plastic cap stamped "PELTON" set; THENCE S 33°07'12" E, 131.90 feet to a 5/8" iron rod with plastic cap stamped 'PELTON" set; THENCE S 36°16'47" E, 50.00 feet to a 5/8" iron rod with plastic cap stamped 'PELTON" set; THENCE S 53°43'13" W, 1.72 feet to a 5/8" iron rod with plastic cap stamped 'PELTON" set;

THENCE S 36°16'47" E, 163.61 feet to a 5/8" iron rod with plastic cap stamped 'PELTON" set in the east line of said CADG Hurricane Creek, LLC. Tract at the beginning of a curve to the right;

THENCE with said curve to the right, an arc distance of 61.57 feet, through an angle of 05°02'21", having a radius of 700.00 feet, and a long chord which bears S 56°44'35" W, 61.55 feet to a 5/8" iron rod with plastic cap stamped 'PELTON" set;

THENCE S 59°01'02" W, 294.65 feet to a 5/8" iron rod with plastic cap stamped "PELTON" set;

THENCE S 89°21'12" W, 420.50 feet to a 5/8" iron rod with plastic cap stamped 'PELTON" set;

THENCE S 01°31'10" E, 184.67 feet to the POINT OF BEGINNING and containing 4,022,375 square feet or 92.341 acres of land, more or less.

End of Exhibit A Legal Description

Exhibit "A-1"
to
DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR
THE VILLAGES OF HURRICANE CREEK

Fire Station Site Description

SAVE AND EXCEPT LOT 19, BLOCK K

SITUATED IN PHASE 1 OF THE VILLAGES OF HURRICANE CREEK

SITUATED IN THE J. BOYLE SURVEY, ABSTRACT NO. 105,

THE J. COFFMAN SURVEY, ABSTRACT NO. 197,

THE T. RATTAN SURVEY, ABSTRACT NO. 782,

AND THE W.S. RATTAN SURVEY, ABSTRACT NO. 752,

CITY OF ANNA, COLLIN COUNTY, TEXAS

End of Exhibit A-1 Cover Page

EXHIBIT "B"

TO

DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR
THE VILLAGES OF HURRICANE CREEK

DECLARANT REPRESENTATIONS & RESERVATIONS

GENERAL PROVISIONS.

B.1.1. Introduction. Declarant intends the Declaration to be perpetual and understands that provisions pertaining to the initial development, construction, marketing, and control of the Property will become obsolete when Declarant's role is complete. As a courtesy to future users of the Declaration, who may be frustrated by then-obsolete terms, Declarant is compiling the Declarant-related provisions in this Exhibit. Owners are put on notice that throughout the Declaration and its exhibits the intention shall be that during the Declarant Control Period all restrictions, rules, regulations, policies and any other provision governing the Association shall be interpreted so as to be in the favor of the Declarant and the Builders. This is necessary to ensure the continual and smooth buildout of the Subdivision. The Declarant's decision on any matter shall be final and shall not be subject to the discretion, opinion, or interference of any Class A Member.

B.1.2. General Reservation & Construction. Notwithstanding other provisions of the Documents to the contrary, nothing contained therein may be construed to, nor may any mortgagee, other Owner, or the Association, prevent or interfere with the rights contained in this Exhibit which Declarant hereby reserves exclusively unto itself and its successors and assigns. In case of conflict between this Exhibit and any other Document, this Exhibit controls. This Exhibit may not be amended without the prior written consent of Declarant. To the extent any proposed amendment is for the purpose of either amending the provisions of this Declaration or the Association's Agreements pertaining to the use, operation, maintenance and/or supervision of any facilities, structures, improvements, systems, Common Properties, private Streets or grounds that are the responsibility of the Association, prior written consent of the City may be required. The terms and provisions of this Exhibit must be construed liberally to give effect to Declarant's intent to protect Declarant's interests in the Property.

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

B.1.4. Definitions. As used in this Exhibit and elsewhere in the Documents, the following words and phrases, when capitalized, have the following specified meanings:

"Builder" means a person or entity which purchases, or contracts to purchase, a Lot from Declarant or from a Builder for the purpose of constructing a residence for resale or under contract to an Owner other than Declarant. As used in this Declaration, Builder does not refer to Declarant or to any home building or home marketing company that is an affiliate of Declarant.

"Declarant Control Period" means that period of time during which Declarant controls the operation of the Association. The duration of the Declarant Control Period will be from the date this Declaration is recorded for a maximum period not to exceed the earlier of: (i) the date on which Declarant no longer owns any portion of the Property, or (ii) the date which is twenty-five (25) years after recordation of this Declaration in the Official Public Records of the County in which the Association is located, or (iii) the date of recording in the Official Public Records of the County in which the Association is located, of a notice signed by the Declarant terminating the Declarant Control Period.

B.1.5. Builders. Declarant, through its affiliates, may construct residences on the Lots in connection with the sale of the Lots. However, Declarant may sell some or all of the Lots to one or more Builders to improve the Lots with residences to be sold and occupied.

B.2. DECLARANT CONTROL PERIOD RESERVATIONS. Declarant reserves the following powers, rights, and duties during the Declarant Control Period:

B.2.1. Officers & Directors. During the Declarant Control Period, the Board may consist of three (3) persons. During the Declarant Control Period, Declarant may appoint, remove, and replace any officer or director of the Association, none of whom need be Members or Owners, and each of whom is indemnified by the Association as a "Leader;" provided, however, that on or before the date which is the earlier of (i) one hundred twenty (120) days after Declarant has sold seventy five percent (75%) of the Lots that may be developed within the Property, or (ii) ten (10) years after the date of recordation of this Declaration, at least one-third (1/3) of the directors on the Board shall be elected by non-Declarant Owners. Other provisions for final transition are found in the Bylaws of the Association.

B.2.2. Weighted Votes. During the Declarant Control Period, the vote appurtenant to each Lot owned by Declarant is weighted twenty-five (25) times that of the vote appurtenant to a Lot owned by Class A Members. On termination of the Declarant Control Period and thereafter, the vote appurtenant to Declarant's Lots is weighted uniformly with all other votes.

B.2.3. Budget Funding. Declarant may, **but is under no obligation**, to provide amounts in excess of the funds raised by the regular maintenance assessments in order to maintain the Common Properties within reasonable standards but would exclude any non-recurring expense or the funding of Reserves. Any such advances made by Declarant during the Declarant Period shall be a debt of the Association to the advancing party. The Association shall, upon written request of the Declarant, cooperate fully in the repayment of sums loaned to the Association by the Declarant. 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. Declarant is not responsible for funding the Reserve Fund and may, at its sole discretion, require

the Association to use Reserve Funds when available to pay operating expenses prior to the Declarant funding any deficiency.

B.2.4. Declarant Assessments. During the Declarant Control Period, any real property owned by Declarant is not subject to Assessments by the Association. After the Declarant or Class B Period should Declarant own Lots for which it will pay assessments, the Declarant may require the Association to apply any portion of a Declarant subsidy provided toward Declarant assessments owed.

B.2.5. Builder Obligations. During the Declarant Control Period only, Declarant has the right but not the duty (1) to reduce or waive the Assessment obligation of a Builder. **Any deficiency caused as a result of reducing or waiving a Builder's obligation shall be supplemented by the Declarant through payment of a subsidy.**

B.2.6. Commencement of Assessments. During the initial development of the Property, Declarant may elect to postpone the Association's initial levy of Regular Assessments until a certain number of Lots are sold. During the Declarant Control Period, Declarant will determine when the Association first levies Regular Assessments against the Lots.

B.2.7. Expenses of Declarant. Expenses related to the completion and marketing of the Property will be paid by Declarant and are not expenses of the Association.

B.2.8. Budget Control. During the Declarant Control Period, the Declarant approves the budget and controls the right to amend said budget without consent of joinder of the Members in order to establish and produce a budget commensurate with the Association's expenses, needs and expectations. Owners' shall have no right of veto regarding Amendment, Assessment increases or Special Assessments during the Declarant Control Period.

B.2.9. Organizational Meeting. Within one hundred twenty (120) days after the end of the Declarant Control Period, or sooner at the Declarant's option, Declarant will call an organizational meeting of the Members of the Association for the purpose of electing, by vote of the Owners, three directors to the Board. The transition from a Declarant to Homeowner Board may also schedule to correspond with an Annual Meeting if the timing of the transition allows. Written notice of the organizational meeting must be given to an Owner of each Lot at least ten (10) days but not more than thirty (30) days before the meeting. Owners of ten percent (10%) of the Lots constitute a quorum. The directors elected at the organizational meeting will serve staggered terms with the candidates obtaining the highest number of votes serving the longer term and the remaining candidates serving the shorter term as may also be outlined in the Bylaws. At this transition meeting, the Declarant will transfer control of all utilities, if applicable, related to the Common Properties provide information to the Association, if not already done so, relating to the total costs to date related to the operation and maintenance of the Common Properties.

B.3. DEVELOPMENT PERIOD RESERVATIONS. Declarant reserves the following easements and rights, exercisable at Declarant's sole discretion, at any time during the Development Period:

B.3.1. Builder Limitations. Declarant may require its approval (which may not be unreasonably withheld) of all documents and materials used by a Builder in connection with the development and sale of Lots, including without limitation promotional materials; deed restrictions; forms for deeds, Lot sales, and Lot closings. With Declarant's prior written approval, a Builder may use a sales office or model in the Property to market residences, Lots, or other products located outside the Property.

B.3.3. Architectural Control. During the Development Period, Declarant has the absolute right to serve as the Architectural Reviewer pursuant to the Declaration. Declarant may from time to time, but is not obligated to, delegate all or a portion of its reserved rights as Architectural Reviewer under the Declaration and this Exhibit to (1) a committee comprised of architects, engineers, or other persons who may or may not be Members of the Association chosen by the Declarant. Any such delegation is at all times subject to the unilateral rights of Declarant (1) to revoke such delegation at any time and reassume jurisdiction over the matters previously delegated and (2) to veto any decision which Declarant in its sole discretion determines to be inappropriate or inadvisable for any reason. Declarant also has the unilateral right to exercise architectural control over vacant Lots in the Property. The Association, the Board of Directors, nor a committee appointed by the Association or Board (no matter how the committee is named) may involve itself with the approval of Builders new construction plans and/or construction of new residences and related improvements on vacant Lots without the express written permission of the Declarant.

B.3.4. Amendment. During the Development Period, Declarant may amend this Declaration and the other Documents to include Bylaws, without consent of the Board, other Owners or mortgagee, or Members for any purpose, including without limitation the following purposes:

- (i) To create Lots, easements, and Common Properties within the Property.
- (ii) To subdivide, combine, or reconfigure Lots.
- (iii) To convert Lots into Common Properties and Common Properties back to Lots.
- (iv) To modify the construction and use restrictions of this Declaration.
- (v) To merge the Association with another property owner's association.
- (vi) To comply with the requirements of an underwriting lender.
- (vii) To resolve conflicts, clarify ambiguities, and to correct misstatements, errors, or omissions in the Documents.
- (viii) To enable any reputable title insurance company to issue title insurance coverage on the Lots.
- (ix) To enable an institutional or governmental lender to make or purchase mortgage loans on the Lots.
- (x) To change the name or entity of Declarant.

- (xi) To change the name of the addition in which the Property is located.
- (xii) To change the name of the Association.
- (xiii) For any other purpose, provided the amendment has no material adverse effect on any right of any Owner.

B.3.5. Completion. During the Development Period, Declarant has (1) the right to complete or make improvements indicated on the Plat; (2) the right to sell or lease any Lot owned by Declarant; and (3) an easement and right to erect, construct, and maintain on and in the Common Properties and Lots owned or leased by Declarant whatever Declarant determines to be necessary or advisable in connection with the construction, completion, management, maintenance, leasing, and marketing of the Property, including, without limitation, parking areas, temporary buildings, temporary fencing, portable toilets, storage areas, dumpsters, trailers, and commercial vehicles of every type.

B.3.6. Easement to Inspect & Right to Correct. During the Development Period, Declarant reserves for itself the right, but not the duty, to inspect, monitor, test, redesign, correct, and relocate any structure, improvement or condition that may exist on any portion of the Property, including the Lots, and a perpetual nonexclusive easement of access throughout the Property to the extent reasonably necessary to exercise this right. Declarant will promptly repair, at its sole expense, any damage resulting from the exercise of this right. By way of illustration but not limitation, relocation of a screening wall located on a Lot may be warranted by a change of circumstance, imprecise siting of the original wall, or desire to comply more fully with public codes and ordinances. This Section may not be construed to create a duty for Declarant or the Association.

B.3.7. Promotion. During the Development Period, Declarant reserves for itself an easement and right to place or install signs, banners, flags, display lighting, potted plants, exterior decorative items, seasonal decorations, temporary window treatments, and seasonal landscaping on the Property, including items and locations that are prohibited to other Owners and residents, for purposes of promoting, identifying, and marketing the Property and/or Declarant's residences, Lots, developments, or other products located outside the Property. Declarant reserves an easement and right to maintain, relocate, replace, or remove the same from time to time within the Property. Declarant also reserves the right to sponsor marketing events — such as open houses, MLS tours, and broker's parties — at the Property to promote the sale of Lots. During the Development Period, Declarant also reserves (1) the right to permit Builders to place signs and promotional materials on the Property and (2) the right to exempt Builders from the sign restriction in this Declaration. AT NO TIME AND IN NO EVENT SHALL OWNERS INTERFERE WITH OR TAKE ANY ACTION THAT WOULD PROHIBIT THE DECLARANT AND BUILDERS FROM PERFORMING THE SMOOTH AND ORDERLY CONSTRUCTION OF LOTS AND THE ORDERLY BUILDOUT OF THE SUBDIVISION. OWNERS AND BOARD MEMBERS MAY NOT ATTEMPT TO AMEND, MODIFY, OR RESCIND DAYS AND TIMES OF SHOWINGS, CONTRACTOR ACTIVITY ASSOCIATED WITH CONSTRUCTION OF THE DEVELOPMENT OR LOTS NOR SHALL THE BOARD OR ANY OWNER HAVE THE RIGHT TO LIMIT OPEN HOUSES OR OTHER SUCH SPECIAL EVENTS PROMOTING SALES. ANY SUCH ACTION IS SUBJECT TO SUIT BY THE DECLARANT OR A BUILDER.

B.3.8. Offices. During the Development Period, Declarant reserves for itself the right to use residences owned or leased by Declarant as models, storage areas, and offices for the marketing, management, maintenance, customer service, construction, and leasing of the Property and/or Declarant's developments or other products located outside the Property. Also, Declarant reserves for itself the easement and right to make structural changes and alterations on and to Lots and/or residences used by Declarant as models, storage areas, and offices, as may be necessary to adapt them to the uses permitted herein.

B.3.9. Access. During the Development Period, Declarant has an easement and right of ingress and egress in and through the Property for purposes of constructing, maintaining, managing, and marketing the Property and the Property Subject to Annexation (as hereinafter defined), and for discharging Declarant's obligations under this Declaration. Declarant also has the right to provide a reasonable means of access for the home buying public through any existing or future gate that restricts vehicular access to the Property in connection with the active marketing of Lots and residences by Declarant or Builders, including the right to require that the gate be kept open during certain hours and/or on certain days. This provision may not be construed as an obligation or intent to gate the Property.

B.3.10. Utility Easements. During the Development Period, Declarant may grant permits, licenses, and easements over, in, on, under, and through the Property for utilities, roads, and other purposes necessary for the proper development and operation of the Property. Declarant reserves the right to make changes in and additions to the easements on any Lot, as shown on the Plat, to more efficiently or economically install utilities or other improvements. Utilities may include, but are not limited to, water, sewer, trash removal, electricity, gas, telephone, television, cable, internet service, and security. To exercise this right as to land that is not a Common Property or not owned by Declarant, Declarant must have the prior written consent of the Owner.

B.3.11. Assessments. For the duration of the Development Period, any Lot owned by Declarant is not subject to mandatory assessment by the Association until the date Declarant transfers title to an Owner other than Declarant. If Declarant owns a Lot on the expiration or termination of the Development Period, from that day forward Declarant is liable for Assessments on each Lot owned by Declarant in the same manner as any Owner.

B.3.12. Land Transfers. During the Development Period, any transfer of an interest in the Property to or from Declarant is not subject to any transfer-related provision in the Documents, including without limitation on an obligation for transfer or Resale Certificate fees, and the transfer-related provisions of this Declaration. The application of this provision includes without limitation Declarant's Lot take-downs, Declarant's sale of Lots to Builders, and Declarant's sale of Lots to homebuyers.

B 4. COMMON PROPERTIES. Declarant will convey title to the Common Properties, including any and all facilities, structures, improvements and systems of the Common Properties owned by Declarant, to the Association by one or more deeds — with or without warranty and in "As Is" condition, at the end of or prior to the end of the Declarant Control Period. Any initial improvements within or that are part of the Common Properties will be installed, constructed, or authorized by Declarant, the cost of which is not a Common Expense of the Association. At the time of conveyance to the Association, the Common Properties will be free to encumbrance except for the property taxes accruing for the year of conveyance the terms of this Declaration and matters reflected on the Plat. Declarant's conveyance of title is a ministerial task that does not require and is not subject to acceptance by the Association or the

Owners. The transfer of control of the Association at the end of the Declarant Control Period is not a transfer of Common Properties requiring inspection, evaluation, acceptance, or approval of improvements within or that are part of the Common Properties by the Owners. **Declarant is under no contractual or other obligation to provide amenities of any kind or type.**

B.5. WORKING CAPITAL FUND. Declarant shall establish a working capital fund for the Association by requiring purchasers of Lots to make a one-time contribution to this fund, subject to the following conditions:

a. Subject to the foregoing a Lot's contribution should be collected from any Owner at closing.

b. Contributions to the fund are not advance payments of Regular Assessments or Special Assessments and are not refundable to the contributor by the Association or by Declarant. This may not be construed to prevent a selling Owner from negotiating reimbursement of the contribution from a purchaser. Working Capital Funds may be used for any expense or need of the Association.

c. Working Capital funds shall be deposited to the Association's operating account for use by the Association. Declarant may not use the fund to defray Declarant's personal expenses or construction costs however, Declarant may, if necessary, utilize funds for the Association's operating needs in the event of a deficit in the Association's operating budget.

B.6. SUCCESSOR DECLARANT. Declarant may designate one or more Successor Declarants' (herein so called) for specified designated purposes and/or for specified portions of the Property, or for all purposes and all of the Property. To be effective, the designation must be in writing, signed and acknowledged by Declarant and Successor Declarant, and recorded in the Real Property Records of Collin County, Texas. Declarant (or Successor Declarant) may subject the designation of Successor Declarant to limitations and reservations. Unless the designation of Successor Declarant provides otherwise, a Successor Declarant has the rights of Declarant under this Section and may designate further Successor Declarants.

B.7. Declarant's Right to Annex Adjacent Property. Declarant hereby reserves for itself and its affiliates and/or any of their respective successors and assigns the right to annex any real property in the vicinity of the Property (the "Property Subject to Annexation") into the scheme of this Declaration as provided in this Declaration. Notwithstanding anything herein or otherwise to the contrary, Declarant and/or such affiliates, successors and/or assigns, subject to annexation of same into the real property, shall have the exclusive unilateral right, privilege and option (but never an obligation), from time to time, for as long as Declarant owns any portion of the Property or Property Subject to Annexation, to annex (a) all or any portion of the Property Subject to Annexation owned by Declarant, and (b) subject to the provisions of this Declaration and the jurisdiction of the Association, any additional property located adjacent to or in the immediate vicinity of the Property (collectively, the "Annexed Land"), by filing in the Official Public Records of Collin County, Texas, a Supplemental Declaration expressly annexing any such Annexed Land. Such Supplemental Declaration shall not require the vote of the Owners, the Members of the Association, or approval by the Board or other action of the Association or any other Person, subject to the prior annexation of such Annexed Land into the

real property. Any such annexation shall be effective upon the filing of such Supplemental Declaration in the Official Public Records of Collin County, Texas (with consent of Owner(s) of the Annexed Land, if not Declarant). Declarant shall also have the unilateral right to transfer to any successor Declarant, Declarant's right, privilege and option to annex Annexed Land, provided that such successor Declarant shall be the developer of at least a portion of the Annexed Land and shall be expressly designated by Declarant in writing to be the successor or assignee to all or any part of Declarant's rights hereunder.

B.7.1. Procedure for Annexation. Any such annexation shall be accomplished by the execution by Declarant, and the filing for record by Declarant (or the other Owner of the property being added or annexed, to the extent such other Owner has received a written assignment from Declarant of the right to annex hereunder) of a Supplemental Declaration which must set out and provide for the following:

- (i) A legally sufficient description of the Annexed Land being added or annexed, which Annexed Land must as a condition precedent to such annexation be included in the real property;
- (ii) That the Annexed Land is being annexed in accordance with and subject to the provisions of this Declaration, and that the Annexed Land being annexed shall be developed, held, used, sold and conveyed in accordance with, and subject to, the provisions of this Declaration as theretofore and thereafter amended; provided, however, that if any Lots or portions thereof being so annexed are to be treated differently than any of the other Lots (whether such difference is applicable to other Lots included therein or to the Lots now subject to this Declaration), the Supplemental Declaration should specify the details of such differential treatment and a general statement of the rationale and reasons for the difference in treatment, and if applicable, any other special or unique covenants, conditions, restrictions, easements or other requirements as may be applicable to all or any of the Lots or other portions of Annexed Land being annexed; That all of the provisions of this Declaration, as amended, shall apply to the Annexed Land being added or annexed with the same force and effect as if said Annexed Land were originally included in this Declaration as part of the Initial Property, with the total number of Lots increased accordingly;
- (iv) That an Assessment Lien is therein created and reserved in favor of the Association to secure collection of the Assessments as provided in this Declaration, and as provided for, authorized or contemplated in the Supplemental Declaration, and setting forth the first year Maintenance Assessments and the amount of any other then applicable Assessments (if any) for the Lots within the Annexed Land being made subject to this Declaration; and
- (v) Such other provisions as the Declarant therein shall deem appropriate.

B.7.2. Amendment. The provisions of this B.7. or its sub-sections may not be amended without the express written consent of Declarant (and Declarant's successors and assigns in accordance with the terms hereof).

B.7.3. 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 property to this Declaration and no Owner of the property excluded from this Declaration shall have any right to have such property annexed thereto.

B.7.4. Effect of Annexation on Class B Membership. In determining the number of Lots owned by the Declarant for the purpose of Class B Membership status the total number of Lots covered by this Declaration and located in such Declarant's portion of the Property, including all Lots acquired by the Declarant and annexed thereto, shall be considered. If Class B Membership has previously lapsed but annexation of additional property restores the ratio of Lots owned by the Declarant to the number required by Class B Membership, such Class B Membership shall be reinstated until it expires pursuant to the terms of the Declaration.

[End of Exhibit B]

Exhibit C

TO

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE VILLAGES OF HURRICANE CREEK

Construction and Design Guidelines

The construction and design guidelines and restrictions apply to all Single-Family Detached Residences. The construction and design guidelines in this **Exhibit C** consist of restrictions and rules as set forth in the City of Anna Zoning Ordinance 689-2015 and The Villages of Hurricane Creek design requirements and cover at least three (3) different Lot sizes.

The ACC has sole discretion and authority as to any modification or addition regardless of the structure type. Failure to abide by the conditions set forth in this Declaration and/or the conditional approval of the ACC when such an approval is issued is grounds for possible cease construction, removal or replacement of the non-conforming object or structure, and the maximum fine allowed under this Declaration.

PART ONE

SECTION 1 MINIMUM FLOOR AREA, LOT SIZE/COVERAGE, AND MAXIMUM HEIGHT

Note: The total square feet of floor space within the interior dimensions of a residence, including each floor level, generally considered “air- conditioned space” is used when considering the minimum floor area and excludes cellars, garages, or any other non-air conditioned area or space that is not considered part of the living area within a residence. Any Lot size not listed below shall require inquiry of the ACC for proper restrictions.

1.1: 70' x 120' Lots

- Minimum Lot size shall be 8,400 square feet.
- The combined area covered by all main buildings and accessory structures shall not exceed fifty percent (50%) of the total Lot area.
- The minimum square footage of “air-conditioned space” shall be 2,000 square feet.

1.2: 80' x 120' Lots

- Minimum Lot size shall be 9,600 square feet.
- The combined area covered by all main buildings and accessory structures shall not exceed fifty percent (50%) of the total Lot area.
- The minimum square footage of “air-conditioned space” shall be 2,000 square feet.

1.3: 90' x 120' Lots

- Minimum Lot size shall be 10,800 square feet.
- The combined area covered by all main buildings and accessory structures shall not exceed fifty percent (50%) of the total Lot area.
- The minimum square footage of "air-conditioned space" shall be 2,000 square feet.

1.4 MAXIMUM HEIGHT:

- No building for any of the three Lot sizes noted in Part One, Section One above shall exceed thirty-five feet (35') in height. Number of stories allowed shall be based on City of Anna Zoning and Building Ordinance.

PART TWO:

SECTION 2 MINIMUM FRONT, SIDE, AND REAR YARD SETBACKS:

2.1: 70' x 120' Lots

- Minimum front yard setback shall be twenty feet (20').
- Minimum side yard setback for interior Lots shall be setback five feet (5').
- Minimum side yard setback for corner Lots, street side, shall be fifteen feet (15') or forty-five feet (45') where adjacent to another single-family or a multi-family residential district.
- Minimum rear yard setback is fifteen feet (15') which shall be open and unobstructed to the sky from a point thirty inches (30") above the average elevation of the graded rear yard, except for accessory buildings as may be permitted with written consent of the ACC. Eaves, covered porches, and roof extensions without structural support in the rear yard may extend into the rear yard a distance not to exceed four feet (4'). Balconies shall not project into the required rear yard.

2.2: 80' x 120' Lots

- Minimum front yard setback shall be twenty feet (20').
- Minimum side yard setback for interior Lots shall be setback five feet (5').
- Minimum side yard setback for corner Lots, street side, shall be fifteen feet (15') or forty-five feet (45') where adjacent to another single-family or a multi-family residential district.
- Minimum rear yard setback is fifteen feet (15') which shall be open and unobstructed to the sky from a point thirty inches (30") above the average elevation of the graded rear yard, except for accessory buildings as may be permitted with written consent of the ACC. Eaves, covered porches, and roof extensions without structural support in the rear yard may extend into the rear yard a distance not to exceed four feet (4'). Balconies shall not project into the required rear yard.

2.3: 90' x 120' Lots

- Minimum front yard setback shall be twenty feet (20').
- Minimum side yard setback for interior Lots shall be setback five feet (5').
- Minimum side yard setback for corner Lots, street side, shall be fifteen feet (15') or forty-five feet (45') where adjacent to another single-family or a multi-family residential district.
- Minimum rear yard setback is fifteen feet (15') which shall be open and unobstructed to the sky from a point thirty inches (30") above the average elevation of the graded rear yard, except for accessory buildings as may be permitted with written consent of the ACC. Eaves, covered porches, and roof extensions without structural support in the rear yard may extend into the rear yard a distance not to exceed four feet (4'). Balconies shall not project into the required rear yard.

PART THREE:

SECTION 3: LANDSCAPING, FENCES AND EXTERIOR ELEMENTS

Section 3.1: LANDSCAPING

Builders and Owners are hereby placed on notice that the City of Anna has specific requirements for landscaping which may include the need for permits, submission of detailed landscape plans, certain tree removal and tree protection restrictions as well as a pre-approved list of allowed trees and shrubs.

- **Irrigation is required – yards must be equipped with an underground irrigation system with rain and freeze sensors and evapotranspiration (ET) weather-based controllers.**

All development within the Villages of Hurricane Creek shall comply with the City of Anna Code of Ordinance part III-E (Landscape Regulations). The provisions of the City of Anna Code of Ordinance part III-E are deemed to be the minimum standards and shall apply to all new construction. Residential lawns must be covered with grass (sod), living groundcover, low bushes or plants and other approved vegetation.

- **Artificial turf of any kind per the City of Anna's Landscape Ordinance is prohibited.**

The Villages of Hurricane Creek has included some of the primary information from the City's ordinances below; Notwithstanding, the list and restrictions are not all inclusive therefore, it is the Builders and/or Owners responsibility to ensure compliance with all City of Anna landscape restrictions and ordinances prior to commencing installation. Should there be any discrepancy between the guidelines listed below and any City of Anna ordinances, the higher standard shall always prevail.

The following landscape elements shall be installed prior to occupancy of the residence:

3.1.1 **Sod:** Each residence shall have full sod installed for the entire front, sides, and rear yard. Sod shall be clean and reasonably free of weeds and noxious pests and insects.

- **Non-Living Materials:** Mulch, living groundcover, gravel, rock, crushed granite and other non-living materials shall be limited to flowerbeds and tree wells.
- No more than thirty percent (30%) of the front yard may be covered with any form of non-living material excluding driveway.

3.1.2 **Xeriscape:** When a xeriscape plan is desired, Builder or Owner must refer to Section 14.06.210 of the City of Anna Code of Ordinances and must have the prior written consent of the ARC. Xeriscape must compliment the aesthetics of the home and surrounding neighborhood.

3.1.3 **Groundcovers:** Groundcovers must be a living groundcover and may be subject to an approved groundcover list from the City of Anna. Groundcovers may not be used in lieu of grass or sod without the prior written consent of the ARC.

Section 3.2: TREE REQUIREMENTS

- For single-family residences Builders shall be required to plant three (3) large trees (minimum of three-inch (3") caliper and seven (7) feet high at time of planting) per Lot prior to obtaining a certificate of occupancy.
- At least one (1) of the trees shall be located in the front yard. Any existing quality trees of at least a three-inch (3") caliper that is maintained on the Lot shall count to meet this standard if appropriate tree protection measures have been followed (Ordinance No. 56-2003 adopted 02/11/2003).
- No tree may be planted closer to a right-of-way line or closer to a public utility line than what is allowed in the City of Anna Landscape Ordinance and unless no other alternative is available. Clearance from the City of Anna must be obtained.
- No tree which shall have a mature height of twenty-five feet (25') or more may be planted beneath an existing or proposed overhead utility line.
- No tree shall be permitted to remain within such distance of such intersections unless the foliage line is maintained at least eight feet (8') or a sufficient height to prevent obstruction of such sight lines.
- **Tree bubblers are required. All trees are to be equipped with bubbler irrigation system per City of Anna Landscape Ordinance.**

CITY OF ANNA APPROVED LARGE TREE LIST:

Caddo Maple	Pecan	Shagbark Hickory	Deodar Cedar
Tx Persimmon	Blk Walnut	Est Blk Walnut	Red Cedar
Est Red Cedar	Sweetgum	Southern Magnolia	Chinese Pistachio
Texas Pistache	Bur Oak	Chinquapin Oak	Shumard Oak
Texas Red Oak	Live Oak	Western Soapberry	Bald Cypress
Winged Elm	Cedar Elm	American Elm	Chinese Elm
Lace Bark Elm	Siberian Elm		

Section 3.3: SHRUBS, HEDGES, AND PLANTING BEDS

3.3.1 Shrubs & Hedges:

- Shrubs and hedges must meet the minimum requirement of City of Anna Landscape Ordinance and be chosen from the City of Anna's recommended plant list.
- Shrubs not of the dwarf variety shall be a minimum of two feet (2') in height when measured at time of planting.
- Hedges where installed for buffering purposes shall be planted and maintained so as to form a continuous, unbroken, solid visual screen which is to be three feet (3') in height at time of planting.
- Evergreen Vines, if allowed, shall not be used as groundcover and must be a minimum of two feet (2') in height at time of planting

PARTIAL LIST OF APPROVED SHRUBS:

Abelia	Barberry	Japanese Boxwood	Eleagnus
Junipers	Nandina	Chinese Holly	Texas Sage

PARTIAL LIST OF APPROVED LIVE SCREENING:

Atlas Cedar	Cryptomeria	Burford Holly	Wax Myrtle
Vitex	Cherry Laurel	Afgan Pine	Leyland Cypress

Section 3.4: FENCES

Per the City of Anna Residential Fencing Requirements, it shall be unlawful for any person to construct or repair a fence not in compliance with the City of Anna fencing ordinance and regulations. All fence construction, alterations, additions, or repairs require a permit from the City of Anna and the prior written consent of the ACC. All fence installers are required to be registered with the City of Anna. See Section 14.04.305 of the City of Anna's Fencing Requirements for all details.

- Repairs not involving posts or not in excess of fifty percent (50%) of any one run, such as replacing pickets or customary maintenance, may be completed without a permit.
- The staining or re-staining of a fence requires the prior written consent of the ACC.
- **It shall be unlawful and subject to citation by the City of Anna should a fence display any of the following conditions: (i) Any fence that leans, falls, becomes unstable, or causes damage to other property. (ii) Fences that are supported by any means other than the fence post. (iii) Missing or loose pickets, broken or missing parts, decayed members.**
- All fences shall be perpetually maintained, repaired, or replaced by the owner. Fences not required by a City ordinance, screening regulation, or other standard shall be either maintained or removed.

Section 3.4.1 **Adequate Plans:** Submission of adequate plans and specifications, which shall include a plot plan showing exact materials, easements, location, height, dimensions from property lines, sidewalks, curbs, and location of gates is required from a Builder or an Owner prior to commencing fence installation or repairs. The ACC may request a copy of the permit from the City prior to issuing an approval to commence with the installation or repair of a fence.

- No fence shall be erected on public right-of-way or within any drainage easement, unless otherwise authorized in advance, in writing, by the City Director and the ACC.
- Fences shall not encroach upon any property line (front, side, or rear). All fencing is subject to discretionary review and approval by the City Director.
- No fence, wall, hedge or shrub planting which obstructs sight lines at elevations between three feet (3') and six feet (6') above the roadway shall be placed or permitted to remain on any corner Lot within the triangular area formed by the street right-of-way lines and a line connecting them at points a minimum of ten feet (10') from the intersection of the street right-of-way lines, or, in the case of a rounded property corner, from the intersection of the street right-of-way lines as extended.
- The same sight-line limitations shall apply on any lot within ten (10) feet from the intersection of a street right-of-way line with the edge of a private driveway or alley pavement.

Section 3.4.2 **Maximum height of residential fences:**

- General fence height prevailing throughout the subdivision shall be six feet (6'). Under no circumstance shall a fence exceed eight feet (8') in height. Allowance for ground clearance and decorative caps shall be made when applicable.

Section 3.4.3 **Fence Materials and Rules:**

- Residential fences should only be wooden or black tubular steel (powder coated ornamental iron). Wood fencing shall be cedar or white wood, stained a natural brown or earth tone color.

Section 3.4.4 **Wooden Fence Standards.**

- (1) Vertical posts - all vertical posts shall be galvanized steel with a minimum two and three-eighths ($2\frac{3}{8}$) inch diameter, a minimum CS 20 (.095) thickness, and set in a concrete footing.
- (2) Concrete footings shall be a minimum of eight (8) inches in diameter.
- (3) Spacing of footings for fences six feet (6') in height, posts shall be spaced at a maximum of eight feet (8') on center, set in a concrete footing of no less than twenty-four inches (24") deep.
- (4) For fences that are eight feet (8') in height, posts shall be spaced at a maximum of six feet (6') on center, set in a concrete footing of no less than thirty-six inches (36") deep.

Section 3.4.5 Fences that back or side to other residences.

- Fences that back or side to another residence may have either side of the fence face the interior of the lot. The Association shall have no liability as to which side of the Lot the poles shall face.
- Fences that back or side to another residence are considered shared fencing and shall be considered “neighbor to neighbor” fencing. Any disputes or discrepancies involving shared fencing should be communicated between and resolved between those Owners sharing that portion of the fence.
- The Association may choose to limit or completely restrict any involvement by the ACC, the Board, or the Managing Agent in any issue involving a shared fence.

Section 3.4.6 Fences located on corner lots.

- On all corner lots, fences shall not be closer than fifteen feet (15') from the face of any curb, unless otherwise approved by the City and the ACC.

Section 3.4.7 Fences facing rights-of-way (on back, side, or corners).

- All fences erected on side yards of corner lots and reverse corner lots or backing to a right-of-way shall be cedar or white wood, Board-on-Board, with a decorative cap so that only the finished fence side faces the street.

Section 3.4.8 Fences located between houses that face the street.

- The portion of fence that is parallel to the street and perpendicular to the fence along the side yard must be constructed of cedar or white wood, Board-on-Board, with a decorative cap so that a finished fence side only faces the street.

Section 3.4.9 Private residential fence adjacent to a subdivision perimeter wall.

- A fence that is parallel to or perpendicular to such wall shall not exceed the height of the adjacent subdivision wall.
- A fence that is separated from the subdivision screening wall by a public alley or right-of-way is deemed to not be adjacent to the subdivision screening wall. If abutting, the height of the residential fence may transition in height from the height of the subdivision screening wall to the maximum allowable height of the residential fence (6-feet as a general rule), provided that the Zoning Ordinance, ARTICLE IV, Part 3, Screening & Fencing page 133 10-08-19 transition is a smooth rate of increase or decrease and does not exceed a span of sixteen (16) feet in length.

Section 3.4.10 Fences adjacent to scenic views.

- Fences adjacent to scenic views such as a floodplain, creek, or dedicated open space shall be black tubular steel and a minimum of fifty percent (50%) open.

Section 3.4.11 **Construction.**

- All materials shall be securely fastened, with vertical boards to horizontal stringers, stringers to vertical posts and top rail, to ensure an ongoing attractive appearance and safe condition, free from rot, rust, vandalism, and other sources of decay.

Section 3.2.12 **Interior fences.** Defined as fences within the property fence for specific uses, such as dog runs, swimming pool fences, and other similar situations within the interior of a back yard.

- These interior fences require the prior written consent of the ACC and may be constructed of alternate materials, upon approval of the ACC and as long as all exterior and shared fence lines are built to compliance with this section and the City of Anna and the alternate interior materials are shorter than the exterior fence and not visible to the public.

Section 3.4.13 **Gate embellishments.**

- Decorative gate embellishments are allowed; however, they shall not exceed the height of the fence by more than two (2) feet and require the prior written consent of the ACC.

PART FOUR:

SECTION 4: GARAGE, DRIVEWAYS, SIDEWALKS, AND DOORS

Section 4.1 Garage placement for The Villages of Hurricane Creek may be front facing or J-Swing.

- Garage setbacks must allow driveway parking that keeps the sidewalk clear of vehicles.
- The garage shall conform in design and materials with the main structure. Should the City of Anna building and zoning ordinance conflict with the restrictions set forth herein, the higher standard shall prevail.
- The garage width openings shall meet the City of Anna standards for this subdivision notwithstanding, unless the City of Anna has a varying rule, garage opening facing public streets shall normally be limited to twenty feet (20') or one-third the Lot width.
- Recessed garages may be allowed a greater width so long as the visible width fronting the street does not exceed the maximum.
- When Lot size permits, garage placement may be J-Swing located on the side of the residence and can be entered from the side.

Section 4.2 All garage doors must meet the following material and design standards:

- wood clad or equivalent garage doors, or
- wood composite doors.
- GARAGE DOORS MUST CONTAIN AT LEAST TWO OF THE FOLLOWING ENHANCEMENTS:
 - Two single garage doors (in lieu of double doors);
 - Decorative windows;

- Decorative hardware;
 - Garage door recessed a minimum of 12 inches from the garage face; or
 - Cast stone surround.
 - Masonry stone or cast stone accents;
 - Decorative window molding or lintels;
 - Arched or circle top windows;
 - Attic window or dormer;
 - Cedar or painted columns;
 - Ornamental rooftop feature;
 - Decorative gable feature;
 - Patio courtyard;
 - Parapet roof.
- **Builder must submit information on the type and style of garage door to be installed in advance. No install or change of a garage door should be done without the prior written consent of the ACC.**

Section 4.3 Driveways. Residential driveways provide access to a single-family residence. Driveway width refers to the width of the pavement at the property line.

- Driveways onto streets shall have minimum width of twelve feet (12') and a maximum width of twenty-four feet (24').
- Builders shall be required to comply with the driveway radius and driveway approaches as required in the City of Anna Building and Zoning Ordinance as set forth for The Villages of Hurricane Creek or with the City of Anna Building and Zoning Ordinance should no specific ordinance exist.
- No more than two (2) driveway approaches shall be permitted on any Lot.
 - Front entry driveways on SF-72 & SF-84 lots must incorporate at least one of the following enhanced decorative paving techniques:
 - Earth tone colored stained concrete;
 - Stamped/patterned concrete;
 - Brick, stone, or concrete pavers;
 - Salt-finished concrete;
 - Washed aggregate

Section 4.3.1 Underground fire main control valves shall not be installed beneath driveways.

Section 4.3.2

- All driveways shall be surfaced with concrete. No widening of driveway is allowed without the proper written consent of the Reviewer.
- No stain or color variations or patterned concrete of driveways or sidewalks shall be allowed without the express written consent of the Reviewer.

Section 4.5 Sidewalks. All residential developments shall provide pedestrian connections within the subdivision and stub out these trails or sidewalks to the edge of the property for future connections, if applicable.

- All sidewalk standards shall conform to the requirements of the subdivision ordinance and the engineering design standards of the City of Anna.

Section 4.6 Doors. To the extent possible, residences should be individualized through varying use of doors and windows that will bring character and aesthetic harmony to the residence.

- Doors on the front façade are to be wood, iron, glass, and/or architectural fiberglass.
- Stained doors are acceptable. Painted doors are not allowed under any circumstance.
- Stain color must be earth tone colors subtle in appearance yet with enough aesthetic appeal to bring beauty and character to the front of the residence.
- Builders and Owners are encouraged to choose doors with architectural enhancements such as windows or intricate designs, and filigrees notwithstanding, no writing, symbols (except Texas star), or other similar items that can be considered offensive are allowed.
- An Owner desiring to replace their front door after the initial installation must obtain the prior written consent of the ACC.
- Storm doors shall be allowed notwithstanding, the following storm doors are the **only** doors pre-approved for installation without obtaining the express, prior written consent of the ACC:
- Glass, metal or wrought iron doors tastefully designed to enhance the overall beauty and aesthetic of the front of the residence.

THE FOLLOWING RESTRICTIONS APPLY:

- NO Doors may have any writing, symbols (except the Texas Star is permissible), or other designs that may be considered offensive to others.
- Flimsy aluminum doors and doors that will detract from the overall aesthetics of the residence are prohibited.
- Prior written approval for exterior doors on the side or back of the residence is required if the door is visible to the public. An example is a yard with a wrought iron fence allowing the back of the residence and door to be seen or a side door or patio located outside a fenced area and visible from the street or a neighboring residence. The same rule applies to sliding glass doors when installation or replacement in an area visible to the public is desired.

Any violation of the rules in this Section 4.6 will result in a notice of violation and demand for removal of the unapproved door. Failure to comply may result in a notice of violation and a monetary fine.

PART FIVE: RESIDENTIAL ARCHITECTURAL STANDARDS

SECTION 5: WINDOWS, BUILDING ARTICULATION, MASONRY CONTENT, ROOFS, AND REPETITION

Section 5.1 WINDOWS: Windowless exterior walls, excluding garage doors that face a public right-of-way, or other similar highly visible areas are prohibited. Windows shall be in harmony with and proportionate to the rest of the structure. Notwithstanding, should any of the suggested requirements in this Section 5.1 conflict with the City of Anna's Ordinance for installation of windows in residential homes, the higher standard shall prevail.

- On two-story structures, windows are required on the first and second story facing a public right-of-way.
- Windows from second stories that can look over into neighboring yards or windows of neighboring homes is encouraged to have a type of glass that allows sun and light in, but does not allow a person to peer through the window.
- The use of Pop-Out's, Bay Windows, Recessed Windows, and Windowsills are strongly encouraged as long as approved by use the City of Anna. As a general rule, vinyl, divided light windows are among the more commonly used notwithstanding, as long as approved for use by the City of Anna, diversity and beauty in the type and style of windows used is encouraged.
- The use of reflective glass on residential structures is prohibited. Reflective glass will be defined as having a visible light reflectance rating of fifteen percent (15%) or greater.

Section 5.2 BUILDING ARTICULATION: At least four façade articulation techniques are required on each single-family residence to add architectural variety and interests to the community. The following features are acceptable for building articulation:

- (a) A base course or plinth course; banding, moldings, or stringcourses; quoins; oriels; cornices; arches; brackets; keystones; dormers; louvers as part of the exterior wall construction. (Quoins and banding shall wrap around the corners of the structure for at least two feet.)
- (b) Balconies;
- (c) Shutters;
- (d) Bay windows;
- (e) Masonry chimney(s);
- (f) Double-entry door(s);
- (g) Covered Entry(ies);

- (h) Horizontal banding continuing the length of the wall that faces a street, or other similar highly visible areas.
- (i) The use of both stone and brick on the front elevations with a minimum of ten percent coverage of one of the elements.
- (j) Front porch of at least ~~50~~40 square feet.
- (k) The installation of at least two (2) coach lights.
- (l) Other techniques for building articulation can be substituted if administratively approved by the administrative official.
- (m) Divided light windows in front is an acceptable technique for building façade articulation.
- (n) Other techniques for building articulation can be substituted ONLY after receiving approval from a City of Anna Administrative Official. A Builder who wants to use alternate techniques will be required to show written proof of approval from the City of Anna before seeking approval from the ACC.

Section 5.3 MASONRY CONTENT: Except as noted below, the exterior walls excluding windows and doors shall be as follows:

- First floor elevation of any single-family residence shall be ninety percent (90%) masonry (primarily stone and brick) and eighty percent (80%) on the second-floor front elevation.
- The total cumulative surface area of the remaining exterior walls (sides & rear) excluding windows and doors shall be eighty percent (80%) masonry.
- With written consents from the City of Anna and the ACC, second-floor Dutch Gable roof elements are not required to be masonry if setback at least three feet (3') from the first-floor front elevation vertical plane.
- Other acceptable masonry materials which may be used to meet the masonry requirements are: brick or stone veneer, or 3-coat hand or gun applied stucco. The ACC will allow cementitious siding only if the City of Anna allows such a masonry material to fulfill the higher percentage of masonry materials required especially for front facades.

Section 5.4 ROOFS: The Prior written consent of the ACC is required. Pitched roofs shall have an overhang at least one foot (1') beyond the building wall; however, the overhang shall not encroach into a setback more than one foot (1').

- Pitched roofs shall have a minimum slope of 6" x 12" (six inches vertical rise for every twelve inches horizontal run).
- Porch roofs and shed roofs must have a minimum pitch of 4" x 12" (four inches vertical rise for every twelve inches horizontal run).
- Roofing materials may only consist of architectural asphalt shingles (including laminated dimensional shingles), clay and concrete tile, slate and slate-type shingles. Any other type or style of roofing material (regardless of whether approved by City of Anna), shall require the prior written consent of the ACC).

- Approved color schemes are browns, grays, including charcoal gray, and upon written approval of the ACC, black.
- Under **no circumstance** shall three-tab shingles be allowed for use as a roofing material.
- Should architectural shingles be used as roofing material, said shingles shall be accompanied with a minimum twenty-five (25) year warranty.

Section 5.4.1 **Dormers & Above Roof Chimneys**: Dormers and Chimney Chases, above roof structure and roofing materials, must meet the City of Anna's Building and Zoning Ordinances for The Villages of Hurricane Creek. All Fireplace flues shall be enclosed and finished; exposed pre-fabricated metal flue piping is prohibited without prior written consent of the Reviewer. Flues used for gas fireplaces and other similar equipment if exposed, shall be installed in such a manner so as not to be visible from the front of the residence or street. Should installation of exposed flues be required elsewhere, prior written consent of the ACC shall be required.

Section 5.4.2 Roof-mounted and wall-mounted mechanical equipment is prohibited.

Section 5.4.3 Roofing shingles covered by this Section are exclusively those designed primarily to be more wind and hail resistant than those provided by customary composite shingles.

Roofing Shingles allowed under this Section shall:

- resemble the shingles used or otherwise authorized for use in the Subdivision and/or Property. Solar shingles shall be subject to placement restrictions as well as other restrictions governing the installation of solar shingles designed to generate solar energy;
- be more durable than and are of equal or superior quality to the shingles used or otherwise authorized for use in the Subdivision and/or Property.
- match the aesthetics of the property and surrounding properties.

Section 5.4.4 The Owner requesting permission to install the Roofing Shingles will be solely responsible for accrediting, certifying and demonstrating to the Reviewer that the proposed installation is in full compliance with the Construction and Design Guidelines and the City of Anna.

Section 5.4.6 Owners are hereby placed on notice that the installation of Roofing Materials may void or adversely affect other warranties.

Section 5.5 REPETITION RULES:

- Within The Villages of Hurricane Creek community, single-family homes with substantially identical exterior elevations may only be repeated every four (4) Lots when fronting the same right-of-way, including both sides of the street.
- Residences side by side or across the street and within one (1) residential Lot from one another; in other words, residences directly across the street or “caddy corner” across the street shall not have substantially identical exterior elevations.

PART SIX: MAILBOXES AND ADDRESS BLOCK

SECTION 6.1: Mailboxes shall be cluster mailboxes standardized throughout The Villages of Hurricane Creek and construction and placement shall be in accordance with the Developer and the U.S. Postal Service

- In the event that any cluster mailbox installed in the subdivision requires maintenance, replacement or repairs, such 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) and levied as a Special Individual Assessment to each Owner that particular cluster box unit served.
- The Association does not provide or maintain keys for the cluster mailboxes.

Section 6.2 ADDRESS BLOCK

- An address block shall be installed on the front façade of each residence. No vegetation or structure of any kind may block the address block; a clear line of sight from the street to the address block must be maintained at all times.
- An address block must be stylish and must match and enhance the aesthetics of the exterior of the residence. Placement under an outside light or a backlight to illuminate the address plate at night is recommended but not mandatory.

PART SEVEN: FLAGS AND FLAGPOLES

SECTION 7.1: The only flags which may be displayed are: (i) the flag of the United States of America; (ii) the flag of the State of Texas; and (iii) an official or replica flag of any branch of the United States armed forces. No other types of flags, pennants, banners, kits or similar types of displays are permitted on a Lot if the display is visible from a street or Common Properties.

7.1.1 The flag of the United States must be displayed in accordance with 4 U.S.C. Sections 5-10.

7.1.2 The flag of the State of Texas must be displayed in accordance with Chapter 3100 of the Texas Government Code.

7.1.3 Any freestanding flagpole, or flagpole attached to a residence, shall be constructed of permanent, long-lasting materials. The materials used for the flagpole shall be harmonious with the residence, 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.

7.1.4 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.

7.1.5 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.

7.1.6 Only one flagpole will be allowed per Lot. A flagpole can either be securely attached to the face of the residence (no other structure) or be a freestanding flagpole. A flagpole attached to the residence 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.

7.1.7 Any flag flown or displayed on a freestanding flagpole may be no smaller than 3'x5' and no larger than 4'x6'.

7.1.8 Any flag flown or displayed on a flagpole attached to the residence may be no larger than 3'x5'.

7.1.9 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.

7.1.10 The illumination of a flag is allowed so long as it does not create a disturbance to other residents in the Subdivision. 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 residence. Neighbor complaints regarding flag illumination are a basis to prohibit further illumination until Owner resolves complaint.

7.1.11 Flagpoles shall not be installed in Common Properties or any property maintained by the Association.

7.1.12 All freestanding flagpole installations must receive prior written approval from the Reviewer.

PART EIGHT: RAIN BARRELS OR RAINWATER HARVESTING SYSTEMS

SECTION 8.1: Rain barrels or rain water harvesting systems and related system components (collectively, "Rain Barrels") may only be installed after receiving the written approval of the Reviewer.

Section 8.1.1 Rain Barrels may not be installed upon or within Common Properties.

Section 8.1.2 Under no circumstances shall Rain Barrels be installed or located in or on any area within a Lot that is in-between the front of the property Owner's residence and an adjoining or adjacent street.

Section 8.1.3 The rain barrel must be of color that is consistent with the color scheme of the property Owner's residence and may not contain or display any language or other content that is not typically displayed on such Rain Barrels as manufactured.

Section 8.1.4 Rain Barrels may be located in the side-yard or back-yard of an Owner's Lot so long as these may not be seen from a street, another Lot or any Common Properties.

Section 8.1.5 In the event the installation of Rain Barrels in the side-yard or back-yard of an Owner's property in compliance with paragraph 1.5.5 above is impossible, the Reviewing Body may impose limitations or further requirements regarding the size, number and screening of Rain Barrels with the objective of screening the Rain Barrels from public view to the greatest extent possible. The Owner must have sufficient area on their Lot to accommodate the Rain Barrels.

Section 8.1.6 Rain Barrels must be properly maintained at all times or removed by the Owner.

Section 8.1.7 Rain Barrels must be enclosed or covered.

Section 8.1.8 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.

PART NINE: RELIGIOUS DISPLAYS

SECTION 9.1: An Owner may display or affix on the entry to the Owner's or occupant's residence one or more religious items, the display of which is motivated by the Owner's or resident's sincere religious belief.

Section 9.1.1 If displaying or affixing of a religious item on the entry to the Owner's or occupant's residence 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 occupant's residence; 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

Section 9.1.2 No Owner or resident is authorized to use a material or color for an entry door or door frame of the Owner's or occupant's residence 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 TEN: SOLAR PANELS

SECTION 10.1: 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.

Section 10.1.1 Solar Panels may not be installed upon or within Common Properties or any area which is maintained by the Association.

Section 10.1.2 Solar Panels may only be installed on designated locations on the roof of a residence, on any structure allowed under any Association dedicatory instrument, or within any fenced rear-yard or fenced-in patio of the Owner's property, but only as allowed by the Reviewer. **Solar Panels may not be installed on the front elevation of the residence.**

Section 10.1.3 If located on the roof of a residence, 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.

Section 10.1.4 If located in the fenced rear-yard or patio, Solar Panels shall not be taller than the fence line or visible from a Lot, Common Properties or street.

Section 10.1.5 The Reviewer may deny a request for the installation of Solar Panels if it determines that the placement of the Solar Panels, as proposed by the property Owner, will create an interference with the use and enjoyment of land of neighboring Owners.

Section 10.1.6 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.

Section 10.1.7 Solar Panels must be properly maintained at all times or removed by the Owner.

Section 10.1.7 Solar Panels which become non-functioning or inoperable must be removed by the Owner of the property.

PART ELEVEN: SWIMMING POOLS

SECTION 11.1:

Section 11.1.1 The Association requires a minimum of five feet (5') from the edge of any decking around the pool to the fence. The ACC will not accept a setback from the edge of the waterline to the fence as an appropriate setback.

Section 11.1.2 Lesser distance shall only be allowed with written variance from the Reviewer. To allow a lesser distance the Reviewer may require one or more french or short drains to help keep the flow of water moving along the natural or established drainage flow.

Section 11.1.3 No pool or decking may cover the entire yard. Structures must remain to the back of the residence unless prior written consent is provided by the Reviewer.

Section 11.1.4 Swimming pool fences and enclosures shall comply with all applicable City of Anna requirements as well as federal and state regulations. A copy of the permit from the City of Anna may be required by the ACC before an approval is released.

Section 11.1.5 Outdoor kitchens and any other improvements required prior written consent of the Reviewer and installation by licensed, professional contractors for all work is required. Copy of the permit from the City of Anna Required before approval will be issued.

Section 11.1.6 **NO ABOVE GROUND POOL INCLUDING SWIM SPAS ARE ALLOWED.**

Section 11.1.7 Hot tubs and small spas when appropriately placed and installed are permissible.

Section 11.1.8 **It shall be a violation to fail to meet the minimum standards required for maintaining a swimming pool enclosure or safety device as set forth by the City of Anna and any Ordinance or Local Government Code.**

[End of Exhibit C]



Filed and Recorded
Official Public Records
Stacey Kemp, County Clerk
Collin County, TEXAS
12/11/2020 02:37:01 PM
\$414.00 NPRECELLA
20201211002234640