Kaufman County
Laura Hughes
County Clerk

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STATE OF TEXAS
COUNTY OF KAUFMAN
I hereby certify that this instrument was filed on the date and time stamped hereon by me and was duly recorded in the Official Public Records of Kaufman County, Texas.

Laura Hughes

Laura Hughes, County Clerk

Recorded By: Beatriz Sauceda **, Deputy**

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL, OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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1409 SUMMIT AVENUE
FORT WORTH, TX 76102

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

CARTWRIGHT RANCH HOMEOWNERS ASSOCIATION, INC.

CITY OF CRANDALL, KAUFMAN COUNTY, TEXAS

Return after recording
Essex Association Management, L.P.
1512 Crescent Drive, Suite 112
Carrollton, Texas 75006

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR CARTWRIGHT RANCH HOMEOWNERS ASSOCIATION, INC.

(City of Crandall, Kaufman County, Texas)

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

This Declaration of Covenants, Conditions and Restrictions for Cartwright Ranch Homeowners Association, Inc. (this "Declaration") is made by MM Cartwright Ranch, LLC, a Texas limited liability company ("Declarant"), on the date signed below. Declarant owns the real property described in Appendix A of this Declaration, together with the improvements thereon (the "Property").

Declarant desires to establish a general plan of development for the planned community developed within the Property to be known as "Cartwright Ranch Homeowners Association, Inc." (the "Subdivision") consisting of 3,500± residential lots to be governed by the Association (as hereinafter defined). Declarant also desires to provide a reasonable and flexible procedure by which Declarant may expand the Property to include additional real property such as, but not limited to, multi-family, mixed use, retail, business, and commercial uses, and to maintain certain development rights that are essential for the successful completion and marketing of the Property.

Declarant further desires to provide for the preservation, administration, and maintenance of portions of Subdivision, and to protect the value, desirability, and attractiveness of the Property therein. As an integral part of the development plan, Declarant deems it advisable to create the Association to perform these functions and activities more fully described in this Declaration and the other Documents described below.

Declarant DECLARES that the Property, and any additional property made subject to this Declaration by recording one or more amendments of or supplements to this Declaration, will be owned, held, transferred, sold, conveyed, leased, occupied, used, insured, and encumbered subject to the terms, covenants, conditions, restrictions, and easements of this Declaration, including Declarant representations and reservations in the attached Appendix B, which run with the real property and bind all parties having or acquiring any right, title, or interest in any part of the property, their heirs, successors, and assigns, and inure to the benefit of each Owner of any part of the Property.

ARTICLE 1
DEFINITIONS

The following words and phrases, whether or not capitalized, have specified meanings when used in the Documents, unless a different meaning is apparent from the context in which the word or phrase is used.

1.1 "Applicable Law" means the statutes and public laws and ordinances in effect at the time a provision of the Documents is applied, and pertaining to the subject matter of the Document

provision. Statutes and ordinances specifically referenced in the Documents are "Applicable Law" on the date of the Document, and are not intended to apply to the Project if they cease to be applicable by operation of law, or if they are replaced or superseded by one or more other statutes or ordinances.

1.2 "Applicable Zoning" means the zoning and/or ordinance applicable by and through the City of Crandall, Texas specific to Cartwright Ranch Homeowners Association, Inc. as may be modified and/or amended from time to time.

1.3 "Architectural Reviewer" means the entity having jurisdiction over a particular application for architectural approval. Architectural Reviewer may also be known as "Architectural Control Committee" or "Architectural Review Committee" -or "ARC" or "ACC" or any similar variation of the name thereof. During the Development Period, the Architectural Reviewer is Declarant, Declarant's designee, or Declarant's delegate. Thereafter, the Board-appointed ARC or the Board (if no ARC is appointed by the Board), is the Architectural Reviewer.

1.4 "Area of Common Responsibility" means that portion of the Property for which the Association has maintenance responsibilities and/or ownership. Area of Common Responsibility and Common Areas are used interchangeably throughout this Declaration and its Appendixes / Exhibits. At no time does the use of these descriptions include an Owner's Lot, Residence, or Property.

1.5 "Assessment" means any charge levied against a Lot or Owner by the Association, pursuant to the Documents or State law, including but not limited to Regular Assessments, Special Assessments, Insurance Assessments, Individual Assessments, and Deficiency Assessments, as defined in Article 9 of this Declaration.

1.6 "Association" means the association of Owners of all Lots and Residences in the Property, initially organized as Cartwright Ranch Homeowners Association, Inc., a Texas nonprofit corporation, and serving as the "homeowners' association." The failure of the Association to maintain its corporate charter from time to time does not affect the existence or legitimacy of the Association, which derives its authority from this Declaration and the Bylaws.

1.7 "Board" means the board of directors of the Association. During the Declarant Control Period, the Declarant shall maintain the sole right to appoint and remove directors of the Board.

1.8 "Bylaws" means the Bylaws of Cartwright Ranch Homeowners Association, Inc., which have been adopted by the Declarant and/or Board and is or shall be recorded in Kaufman County, Texas.

1.9 "CCNs" or "Certificates of Convenience" means certificates of convenience the City holds to provide retail water and sewer service to the Property as set forth in the Cartwright Ranch Development Agreement (the "Development Agreement") filed of record with the Kaufman County Clerk on the 19th day of August 2020, under Document No. 2020-0024494.

1.10 "City" means the City of Crandall, Texas, in which the Property is located.

1.11 "Claims" means collectively, all claims, demands, suits, proceedings, actions, causes of action (whether civil, criminal, administrative or investigative and including, without limitation, causes of action in tort), losses, penalties, fines, damages, liabilities, obligations, costs, and expenses (including attorneys' fees and court costs) of any and every kind or character, known or unknown, including but not limited to, cost recovery, contribution and other claims.

1.12 "Common Area" means portions of real property and improvements thereon that are owned and/or maintained by the Association, as described in Article 4 below and which may be referenced in Appendixes attached hereto, and shall include, without limitation, any and all entryway features, masonry walls, mews fence with brick columns, retaining walls and ornamental metal handrails, perimeter decorative metal fencing, common areas described on any Plat of the Property, club house or community center, pool, monument signage, community art installations, non-drainage related greenways and decorative water fountains, shade pavilions, park benches, private alleys, and private water wells. Common Area and Area of Common Responsibility are used interchangeably throughout this Declaration and its Appendixes / Exhibits and at no time refers to any Owners Lot, Residence or Property. Notwithstanding anything to the contrary contained herein, in no event shall the Common Area include any portion of the Property to be maintained by the City, if applicable.

1.13. "Concept Plan" means the concept plan and/or development standards agreed upon and by which the Property shall be developed and as may be further set forth in the Development Agreement. All such concepts and development plans shall be adhered to by the Developer, as well as all Builders and Owners. Any variance shall require prior written approval by the Architectural Reviewer and/or the City.

1.14 "Declarant" means MM Cartwright Ranch, LLC, a limited liability company, which is developing the Property, or any party which acquires any portion of the Property for the purpose of development, and which is designated a Successor Declarant in accordance with Appendix B, Section B.6 hereof, or by any such successor and assign, in a recorded document.

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

1.16 "Declaration" means this document, as it may be amended, modified and/or supplemented from time to time. In the event this Declaration contains a provision which is contrary to an applicable mandatory provision of the Texas Property Code, the Texas Property Code provision controls.

1.17 "Design Guidelines" means those certain initial design guidelines established for the Property hereby and attached hereto as Appendix D, as may be modified and/or amended by majority written consent of the Architectural Review Committee from time to time, together with the architectural requirements and design guidelines as adopted by the City, as modified, amended and/or supplemented from time to time (the "City Design Guidelines or City Development Agreement") to the extent applicable to the Property and/or as set forth in the Development Agreement, all such requirements being outlined in Appendix D-1. ***Design and Construction rules may be governed by a written or unwritten standard which may sometimes be referred to***

in this Declaration or by the Declarant, Architectural Reviewers or Board as "Community Wide Standard." This Community Wide Standard will likely change as the development progresses and is enforceable against all Owners whether said standard is in writing or not.

1.18 "Detached Residence" means a single-family detached patio home or single-family home located on an individually owned Lot, as described in the Applicable Zoning and/or the City Development Agreement and/or Design Guidelines.

1.19 "Detached Residence Lots" means the Lots on which a Detached Residence is or is to be constructed. Detached Residence Lots shall include "Patio" and "Single-Family" homes (herein so called), and may be designated as such in the Applicable Zoning.

1.20 "Development Agreement" means the Cartwright Ranch Development Agreement entered into between the City of Crandall, Texas (the "City") and MM Cartwright Ranch, LLC, (the "Developer"), recorded of record on August 19, 2020, under Document No. 2020-0024494 in the clerk's records of Kaufman County, Texas, and as may be amended from time to time.

1.21 "Development Period" means that certain twenty-five (25) year period beginning the date this Declaration is recorded, during which Declarant has certain rights pursuant to the Declaration and Appendix B hereto. The Development Period is for a term of years and does not require that Declarant owns land described in Appendix A. Declarant may terminate the Development Period at any time by recording a notice of termination.

1.22 "Documents" means, singly or collectively as the case may be, this Declaration, the Plat, the Bylaws of the Association, the Association's Certificate of Formation and the Policies and Rules of the Association, as any of these may be amended from time to time. An appendix, exhibit, schedule, or certification accompanying a Document is a part of that Document. All Documents are to be recorded in every county in which all or a portion of the Property is located. The Documents are Dedicatory Instruments as defined in Texas Property Code Section 202. Resolutions which may be established by the Board shall be binding documents upon the Association so long as they are duly recorded in the minutes of the meeting of the Board of Directors and shall not be required to be recorded. The Board shall cause a summary of Board Resolutions to be recorded in the minutes of the meeting and posted to the Association's website, if applicable, for review and access by all Owners of record. The Certificate of Formation, Organizational Consent and Bylaws of the Association along with certain Policies are herein incorporated as part of the Documents and are attached hereto as Appendix E.

1.23. "ETJ" or "Extraterritorial Jurisdiction" means the property is located entirely within the "ETJ" of the City and not within the "ETJ" or corporate limits of any other municipality. The Developer and the City desire to have the Property annexed into the City's corporate boundaries and to provide the City with greater regulatory powers and controls over the development of the Property as set forth in the Cartwright Ranch Development Agreement (the "Development Agreement") recorded of record on August 19, 2020, under Document No. 2020-0024494 in the clerk's records of Kaufman County, Texas.

1.24 "Lot" means a portion of the Property intended for independent ownership, on which there is or will be constructed a Detached Residence, as shown on the Plat. As a defined term,

"Lot" does not refer to Common Areas, or areas owned by the City and to be maintained by the City even if platted and numbered as a lot. Where the context indicates or requires, "Lot" includes all improvements thereon and any portion of a right-of-way that customarily is used exclusively by and in connection with the Lot.

1.25 "Majority" means more than half. A reference to "*a Majority of Owners*" in any Document or applicable law means "*Owners holding a majority of voting rights of all Lot Owners*" or *"Owners holding a majority of voting rights present in person or by proxy at a duly called meeting of the members for the purpose of election or vote"* regardless of the context or content of the matter as long as it is noticed to the members in advance of the meeting, unless a different meaning is specified.

1.26 "Member" means a member of the Association, each Member being an Owner of a Lot, unless the context indicates that member means a member of the Board or a member of a committee of the Association. In the context of votes and decision-making, each Lot has only one membership, although it may be shared by co-owners of a Lot.

1.27 "Owner" means a holder of recorded fee simple title to a Lot. Declarant is the initial Owner of all Lots. Contract sellers and mortgagees who acquire title to a Lot through a deed in lieu of foreclosure or through judicial or non-judicial foreclosure are "*Owners*." Persons or entities having ownership interests merely as security for the performance of an obligation are not "Owners." Every Owner is a Member of the Association and membership is mandatory. A reference in any Document or applicable law to a percentage or share of Owners or Members means Owners of at least that percentage or share of vote of the Owners of Lots, unless a different meaning is specified. For example, "*a Majority of Owners*" means Owners of at least a majority of the votes of Owners of Lots.

1.28 "Public Improvement District" or "PID" shall mean and refer to the Public Improvement District created or to be created by the City of Crandall, Texas, pursuant to Chapter 372, Texas Local Government Code and the subsequent issuance of PID Bonds for the payment of certain costs for the construction and acquisition of certain public improvements and other associated costs to benefit the Property, and the repayment to the Developer for any costs advanced for the construction and acquisition of certain public improvements to benefit the Property as set forth in the Development Agreement, and as may be amended.

1.29 "Plat" means all plats, singly and collectively, recorded in the Real Property Records of Kaufman County, Texas, and pertaining to the real property described in Appendix A of this Declaration or any real property subsequently annexed into the Property in accordance with the terms of this Declaration (including, by Declarant pursuant to its rights under Appendix B hereof), including all dedications, limitations, restrictions, easements, notes, and reservations shown on the plat(s), as may be amended from time to time. The plat of the Subdivision was or shall be recorded in the Plat Records, Kaufman County, Texas. Certain rights and responsibilities dedicated by Plat may have the same or greater effect with regard to such responsibility or ownership, with or without a secondary document existing or recorded such as, but not limited to, a special warranty deed or other document transferring or validating such responsibility or ownership to the Association or another party.

1.30 "Property" means all the land subject to this Declaration and all improvements, easements, rights, and appurtenances to the land. The Property is a Subdivision known as the "Cartwright Ranch Homeowners Association, Inc.." The Property is located on land described in Appendix A to this Declaration, and includes every Lot and any Common Area thereon, and may include Annexed Land (as defined in Appendix B) annexed into the Property subject to this Declaration by supplemental declaration filed by Declarant in accordance with Appendix B.

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

1.32 "Resident" means an occupant of a Detached Residence, regardless of whether the person owns the Lot.

1.33 "Rules" means rules and regulations of the Association adopted in accordance with the Documents or applicable law. The initial Rules may be adopted by Declarant for the benefit of the Association and Declarant may, from time to time, amend rules and regulations as it is deemed necessary.

1.34 "TIRZ" shall mean the one or more tax increment reinvestment zones (each a "TIRZ") in accordance with and formed pursuant to Chapter 311 of the Texas Tax Code, as amended ("TIF Act"), for the Property proposed to be developed as a master-planned community in the City of Crandall, Texas, applicable to the Property and as amended.

ARTICLE 2
PROPERTY SUBJECT TO DOCUMENTS

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

2.2 CITY ORDINANCE. The City may have ordinances pertaining to planned developments, which include, without limitation, the Applicable Zoning (herein referred to as the "City Ordinance(s)"). No amendment of the Documents or any act or decision of the Association may violate the requirements of any City Ordinance(s), which include, without limitation, the Applicable Zoning. Should this Declaration differ from a City Ordinance, the City Ordinance shall prevail notwithstanding, if the restriction in this Declaration is stricter than that of the City Ordinance, then this Declaration shall prevail. The higher standard shall always be the standard that prevails.

2.3 ADJACENT LAND USE. Declarant makes no representations of any kind as to current or future uses - actual or permitted - of any land that is adjacent to or near the Property, regardless of what the Plat shows as potential uses of adjoining land.

2.4 SUBJECT TO ALL OTHER DOCUMENTS. Each Owner, by accepting an interest in or title to a Lot, whether or not it is so expressed in the instrument of conveyance, covenants and agrees to be bound by all the Documents which are publicly recorded or which are made available to Owners by the Association, expressly including this publicly recorded Declaration. Certain uses may be prohibited and/or limited therefore, Owners should familiarize themselves with the Uses Specifically Prohibited or Limited as outlined in the Exhibit D-1, Design Guidelines under **Attachment A**.

2.5 PLAT DEDICATIONS, EASEMENTS & RESTRICTIONS. In addition to the easements and restrictions contained in this Declaration, the Property is subject to the dedications, limitations, notes, easements, restrictions, and reservations shown or cited on the Plat, which are incorporated herein by reference. Each Owner, by accepting an interest in or title to a Lot, whether or not it is so expressed in the instrument of conveyance, covenants and agrees to be bound by the Plat, and further agrees to maintain any easement that crosses his Lot and for which the Association does not have express responsibility.

2.6 STREETS WITHIN PROPERTY. Because streets, alleys, and cul-de-sacs within the Property (hereafter "Streets") are capable of being converted from publicly dedicated to privately owned, and vice versa, this Section addresses both conditions. If the Property has privately owned Streets, the Streets are part of the Common Area which is governed by the Association. Streets dedicated for public use are part of the Common Area only to the extent they are not maintained or regulated by the City or Kaufman County, Texas. In no event shall streets that are maintained by the City be included in the Common Areas or Area of Common Responsibility. To the extent not prohibited by public law, the Association, acting through the Board, is specifically authorized to adopt, amend, repeal, and enforce Rules for use of the Streets - whether public or private - including but not limited to:

a. Identification of vehicles used by Owners and Residents and their guests.

b. Designation of speed limits and parking or no-parking areas.

c. Limitations or prohibitions on curbside parking.

d. Removal or prohibition of vehicles that violate applicable Rules.

e. Fines for violations of applicable Rules.

2.7. LEASING OR RENTING OF RESIDENTIAL UNITS. The leasing or renting of any residence requires an Owner to submit an application for leasing or renting of their residence and must obtain a written approval from the Board of Directors or the Agent prior to advertising and/or leasing or renting out the residence. The submission of an application and written approval from the Board or the Agent applies to new as well as renewal of leases or renting of residences. As the standard for the Cartwright Ranch community, the number of leases or rentals allowed should be kept at or below twenty percent (20%). Homeowners 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.

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

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.
c. Single Family. Lease is restricted to single family. Multiple families in one residence are not allowed.
d. Owner shall provide to the Association or its Managing Agent the names and contact information for tenants.
e. Abide by Rules. The Owner must make available to the tenant copies of the CCR's, Rules and Regulations and all amendments thereto. Tenant must agree to abide by all Association rules 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 and provide written confirmation to the Association or its Agent.
f. No assignment or sub leasing is allowed.
g. Tenants must carry renter's insurance at all times.
h. The continual upkeep and aesthetic health and beauty of the community is a community wide standard, but the responsibility of every Owner. Therefore, Owners shall be responsible at all times for his tenant and the maintenance and upkeep of the home and lot. Any signs of disrepair or neglect will be reported to the Owner and the Owner is responsible for ensuring the immediate abatement of any such violation and obtaining the compliance and cooperation of his tenant(s). Repeated violations or failure to comply with abatement or rules of the Association will result in a written demand for the removal of the tenant and/or the Board may deny any request for new lease and/or renewal of lease or rent for that tenant or tenants and the members within the tenant(s) household.
i. Should the tenant violate a rule and a violation notice is sent, the Owner shall be responsible for the violation and ensure it is immediately abated. Should a fine for non-compliance result, the Owner shall be responsible for payment of the fine to the Association including any other monetary expenses the Association may incur for the enforcement and abatement of a violation. The Owner shall ensure the tenant complies with the CCR's, and all rules and regulations.

During the Declarant Control Period no leasing rules and/or regulations shall apply to the Declarant or any Builder. Any residences sold by Declarant or Builders during the Declarant Control Period shall be fully and perpetually excluded from any leasing or rental rules in this Declaration and any amendment, supplement, or other change or rule later adopted or amended regardless of the manner in which said amendment, supplement, or change is executed. *Such exclusion remains as a perpetual protection to Declarant and Builders unless the initial buyer to whom the Declarant or any Builder sold an excluded property sells.* ***Upon sale of the excluded property, all protections and exclusions become null and void. The Declarant may, but is under no obligation, to set a time or other limits on any exemption given or the Declarant may approve a perpetual exemption which may in no way be revoked or amended by the Board of Directors or the Association.***

ARTICLE 3
PROPERTY EASEMENTS AND RIGHTS

3.1 GENERAL. In addition to other easements and rights established by the Documents, the Property is subject to the easements and rights contained in this Article. No use shall be permitted on or within the Property which is not allowed under applicable public codes, ordinances and other laws either already adopted or as may be adopted by the City or other controlling public authorities. Each Owner, occupant or other user of any portion of the Property, shall at all times comply with this Declaration and all laws, ordinances, policies, rules, regulations and orders of all federal, state, county and municipal governments, and other agencies having jurisdictional control over the Property, specifically including, but not limited to, Applicable Zoning placed upon the Property, as they exist from time to time (collectively "Governmental Requirements"). IN SOME INSTANCES, REQUIREMENTS UNDER THE GOVERNMENTAL REQUIREMENTS MAY BE MORE OR LESS RESTRICTIVE THAN THE PROVISIONS OF THIS DECLARATION. IN THE EVENT A CONFLICT EXISTS BETWEEN ANY SUCH REQUIREMENTS UNDER ANY GOVERNMENTAL REQUIREMENT AND ANY REQUIREMENT OF THIS DECLARATION, THE MOST RESTRICTIVE REQUIREMENT SHALL PREVAIL, EXCEPT IN CIRCUMSTANCES WHERE COMPLIANCE WITH A MORE RESTRICTIVE PROVISION WOULD RESULT IN A VIOLATION OF MANDATORY APPLICABLE GOVERNMENTAL REQUIREMENTS, IN WHICH EVENT THOSE GOVERNMENTAL REQUIREMENTS SHALL APPLY. COMPLIANCE WITH MANDATORY GOVERNMENTAL REQUIREMENTS WILL NOT RESULT IN THE BREACH OF THIS DECLARATION EVEN THOUGH SUCH COMPLIANCE MAY RESULT IN NONCOMPLIANCE WITH PROVISIONS OF THIS DECLARATION. WHERE A GOVERNMENTAL REQUIREMENT DOES NOT CLEARLY CONFLICT WITH THE PROVISIONS OF THIS DECLARATION BUT PERMITS ACTION THAT IS DIFFERENT FROM THAT REQUIRED BY THIS DECLARATION, THE PROVISIONS THIS DECLARATION (IN ORDER OF PRIORITY) SHALL PREVAIL AND CONTROL. Property and all Lots therein shall be developed in accordance with this Declaration, as this Declaration may be amended or modified from time to time as herein provided.

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

3.3 OWNER'S MAINTENANCE EASEMENT. Every Owner is granted an access easement over adjoining Lots, Common Areas, and Areas of Common Responsibility for maintenance purposes and other improvements on his Lot, provided exercise of the easement does not damage or materially interfere with the use of the adjoining Owners, Common Area or Areas of Common Responsibility. Requests for entry to an adjoining Lot or Common Area must be made to the Owner of the adjoining Lot, or the Association in the case of Common Areas, in advance for a time reasonably convenient for the adjoining Owner, who may not unreasonably withhold consent. If an Owner damages an adjoining Lot or Common Area in exercising this easement, the Owner is obligated to restore the damaged property to its original condition as existed prior to the

Owner performing such maintenance or reconstruction work, at his expense, within a reasonable period of time.

3.4 OWNER'S INGRESS/EGRESS EASEMENT. Every Owner is granted a perpetual easement over the Streets within the Property, as may be reasonably required, for vehicular ingress to and egress from his Lot or Residence.

3.5 OWNER'S ENCROACHMENT EASEMENT. Every Owner, only as applicable to single family detached Lots, is granted an easement for the existence and continuance of any encroachment which may exist or come into existence hereafter, as a result of construction, repair, shifting, settlement, or movement of any portion of a Lot or as a result of condemnation or eminent domain proceedings, so that the encroachment may remain undisturbed so long as the improvement stands.

3.6 RIGHTS OF CITY. The City, including its agents and employees, has the right of immediate access to the Common Areas at all times if necessary, for the welfare or protection of the public, to enforce City Ordinances, or for the preservation of public property. If the Association fails to maintain the Common Areas to a standard acceptable to the City, the City may give the Association a written demand for maintenance. If the Association fails or refuses to perform the maintenance within a reasonable period of time after receiving the City's written demand (at least ninety (90) days), the City may maintain the Common Areas at the expense of the Association after giving written notice of its intent to do so to the Association. To fund or reimburse the City's cost of maintaining the Common Areas, the City may levy an Assessment against every Lot in the same manner as if the Association levied a Special Assessment against the Lots. The City may give its notices and demands to any officer, director, or agent of the Association, or alternatively, to each Owner of a Lot as shown in the City's tax rolls. The rights of the City under this Section are in addition to other rights and remedies provided by law.

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

3.7.1 Purposes. Subject to the limitations stated below, the Association may exercise this easement of access and entry for the following express purposes:

a. To inspect the Property for compliance with maintenance and architectural standards.

b. To perform maintenance that is permitted or required of the Association by the Documents or by applicable law.

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

c. To enforce architectural standards.

e. To enforce use restrictions.

f. The exercise of self-help remedies permitted by the Documents or by applicable law.

g. To enforce any other provision of the Documents.

h. To respond to emergencies.

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

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

3.7.2 No Trespass. **In exercising this easement on an Owner's Lot, the Association is not liable to the Owner for trespass.**

3.7.3 Limitations. If the exercise of this easement requires entry onto an Owner's Lot, including into an Owner's fenced yard, the entry will be during reasonable hours. This Subsection does not apply to situations that - at time of entry - are deemed to be emergencies that may result in imminent damage to or loss of life or property, which entry for such emergencies may be made without notice to the Owner.

3.8 UTILITY EASEMENT. The Association may grant permits, licenses, and easements over Common Areas for utilities, roads, and other purposes necessary for the proper operation of the Property. A company or entity, public or private, furnishing utility service to the Property, is granted an easement over the Property for ingress, egress, meter reading, installation, maintenance, repair, or replacement of utility lines and equipment, and to do anything else necessary to properly maintain and furnish utility service to the Property; provided, however, this easement may not be exercised without prior notice to the Board. Utilities may include, but are not limited to, water, sewer, trash removal, electricity, gas, telephone, master or cable television, and security.

3.9 SECURITY. The Association may, but is not obligated, maintain or support certain activities within the Property designed, either directly or indirectly, to improve safety in or on the Property. Each Owner and Resident acknowledges and agrees, for himself and his guests, that Declarant, the Association, and their respective directors, officers, committees, agents, and employees are not providers, insurers, or guarantors of security within the Property. **Each Owner and Resident acknowledges and accepts his sole responsibility to provide security for his own person and property, and assumes all risks for loss or damage to same. Each Owner and Resident further acknowledges that Declarant, the Association, and their respective directors, officers, committees, agents, and employees have made no representations or warranties, nor has the Owner or Resident relied on any representation or warranty, express or implied, including any warranty of merchantability or fitness for any particular purpose, relative to any fire, burglar, and/or intrusion systems recommended or installed, or any security measures undertaken within the Property. Each Owner and Resident acknowledges and agrees that Declarant, the Association, and their respective directors, officers,**

committees, agents, and employees may not be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken.

3.10 RISK. **Each Owner, Owners' immediate family, guests, agents, permittees, licensees and Residents shall use all Common Areas at his/her own risk. All Common Areas are unattended and unsupervised. Each Owner, Owners' immediate family, guests, agents, permittees, licensees and Residents is solely responsible for his/her own safety. The Association disclaims any and all liability or responsibility for injury or death occurring from use of the Common Areas. Each Owner shall be individually responsible and assume all risk of loss associated with its use of the Common Areas, and use by its family members and guests.** Neither the Association nor the Declarant, nor any managing agent engaged by the Association or Declarant, shall have any liability to any Owner or their family members or guests, or to any other Person, arising out of or in connection with the use, in any manner whatsoever, of the Common Area, or any improvements comprising a part thereof from time to time.

ARTICLE 4
COMMON AREA; AREAS OF COMMON RESPONSIBILITY (ALL LOTS)

4.1 OWNERSHIP. The designation of any portion of the Property as a Common Area is determined by the Plat and this Declaration, and not by the ownership of such portion of the Property. This Declaration contemplates that the Association will eventually hold title to every Common Area, facility, structure, improvement, system, or other property that are capable of independent ownership by the Association. The Declarant may install, construct, or authorize certain improvements on Common Areas in connection with the initial development of the Property, and the cost thereof is not a Common Expense of the Association. **The Common Area shall be maintained by the Association following completion of initial improvements thereon by Declarant, whether or not title to such Common Area is conveyed to the Association. All costs attributable to Common Areas, including maintenance, property taxes, Insurance, and enhancements, are automatically and perpetually the responsibility of the Association, regardless of the nature of title to the Common Areas, unless this Declaration elsewhere provides for a different allocation for a specific Common Area.**

4.2 AS IS CONDITION; RELEASE. EACH OWNER, RESIDENT, AND THEIR GUESTS ACCEPT THE CURRENT AND FUTURE CONDITION OF THE PROPERTY AND ALL IMPROVEMENTS CONSTRUCTED THEREON **AS IS AND WITH ALL FAULTS**. NO REPRESENTATION OR WARRANTY, EITHER EXPRESS OR IMPLIED, IS MADE BY DECLARANT, THE ASSOCIATION OR ANY OF THEIR OFFICERS, DIRECTORS, EMPLOYEES OR AGENTS AS TO THE CONDITION OF THE PROPERTY OR ANY IMPROVEMENTS THEREON. EACH OWNER AND RESIDENT HEREBY RELEASE AND AGREES TO HOLD HARMLESS THE DECLARANT, THE ASSOCIATION, AND THEIR RESPECTIVE DIRECTORS, OFFICERS, COMMITTEES, AGENTS, AND EMPLOYEES (COLLECTIVELY, THE "RELEASED PARTIES"), FROM ANY CLAIM ARISING OUT OF OR IN CONNECTION WITH THE PROPERTY OR ANY IMPROVEMENTS THEREON, INCLUDING WITHOUT LIMITATION, ANY OF THE MATTERS DISCLOSED IN THIS ARTICLE 4, WHETHER BY AN OWNER, RESIDENT OR A THIRD PARTY, EVEN IF DUE TO THE NEGLIGENCE OF THE RELEASED PARTIES OR ANY ONE OF THEM. EACH OWNER AND RESIDENT FURTHER ACKNOWLEDGES THAT THE RELEASED PARTIES

HAVE MADE NO REPRESENTATIONS OR WARRANTIES, NOR HAS THE OWNER OR RESIDENT RELIED ON ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY, SUITABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, RELATIVE TO THE CONDITION OF THE PROPERTY OR ANY IMPROVEMENTS THEREON, AND ALL SUCH WARRANTIES ARE HEREBY WAIVED AND RELEASED BY EACH OWNER AND RESIDENT.

4.3 COMPONENTS OF COMMON AREA. The Common Area of the Property may consist of some, but not all, the following components on or adjacent to the Property, even if located on a Lot or a public right-of-way. This list is not inclusive and does NOT create, insinuate, or establish that all of the components of common areas listed exist or will exist:

a. All of the Property save and except for the Lots or portions of the Property owned and maintained by the City.

b. Any area shown on the Plat as Common Area or an area to be maintained by the Association, including, without limitation, any visitor's parking, if applicable, to serve the Common Area within the Subdivision.

c. The formal entrances to the Property, including (if any) the signage, landscaping, electrical and water installations, planter boxes and fencing related to the entrance.

d. Any screening walls, fences, or berms along the side of the Property, including, without limitation within any "Wall & Wall Maintenance Easement" shown on the Plat. Any masonry walls or decorative metal fencing must be located within the two and one-half foot (2.5') wall maintenance easement described on the Plat of the Subdivision.

e. Any landscape buffers, within the approximately ten foot (10') wide landscaping buffer or other similar areas shown on the Plat.

f. Landscaping on any Street within or adjacent to the Property, to the extent it is not maintained by the City.

g. Any property adjacent to the Subdivision, if the maintenance of same is deemed to be in the best interests of the Association and if not prohibited by the Owner or operator of said property.

h. Any modification, replacement, or addition to any of the above-described areas and improvements.

i. Personal property owned by the Association, such as books and records, office equipment, and supplies.

j. The drainage, detention, pond and retention improvements located within the Property, if applicable.

k. The irrigation systems, raised medians, and other right-of-way landscaping, detention areas, drainage areas, screening walls, parks, trails, lawns, and other

common improvements or appurtenances required by the City to be maintained by the Association pursuant to the terms of that certain Development Agreement, Declaration of Common Area Easement and Maintenance Agreement, if applicable, and/or Architectural Restrictions recorded or to be recorded in the Official Public Records of Kaufman County, Texas. Common Areas including, but not limited to, all landscaped entrances to the PID and right-of-way landscaping shall be maintained by the Association. Maintenance of public rights-of-way by the Association shall comply with City Regulations and shall be subject to oversight by the City.

l. The Common Area of the Property as described in this Section 4.3 may not be modified or amended without the prior written consent of the City.

4.4 INSURANCE FOR COMMON AREAS. The Association shall insure the Common Areas, and property owned by the Association, including, if any, records, furniture, fixtures, equipment, and supplies, in an amount sufficient to cover one hundred percent (100%) of the replacement cost of any repair or reconstruction in the event of damage or destruction from any insurable hazard. The Association is not required to insure any Lot or Residence, automobiles, watercraft, furniture or other personal property located within a Residence or on any Common Area unless specifically set forth in this Agreement. The Association shall maintain a commercial general liability insurance policy on an occurrence-based form covering the Common Area for bodily injury and property damage. All insurance maintained by the Association shall be written by an insurer with an A.M. Best rating of A-VII or higher. The insurance policies required under this Section 4.4 or otherwise will provide blanket waivers of subrogation for the benefit of Declarant, shall provide primary coverage, not secondary, and provide first dollar coverage. Additionally, the insurance policies under this paragraph shall provide that Declarant shall receive thirty-days written notice prior to cancellation of the policy and that Declarant shall permitted to pay any premiums to keep the Association's insurance policies in full force and effect. The Association shall cause Declarant and the Managing Agent to be named as an additional insured on all insurance required under Section 4.5 or as otherwise set forth herein. In addition to the other indemnities herein and without limitation, if the Association fails to name Declarant as an additional insured as set forth herein, the Association shall hold harmless, defend and indemnify Declarant for any loss, claim, damage and/or lawsuit suffered by Declarant for the Association's failure described herein. To the extent of any conflict between this Section 4.4 and a provision in Article 15 as it relates to insurance for Common Areas, this Section 4.4 shall control.

4.5 MAINTENANCE STANDARD. Notwithstanding the foregoing, the Association shall maintain the Common Areas in accordance with the standards and requirements established by the City under the Applicable Zoning, the CAM Agreement, if applicable, the City and Association Design Guidelines, the Design Guidelines or otherwise. The Association shall maintain the open spaces, common areas, hike and bike trails which may be located in common areas, portions of which may be open to the public, right-of-way irrigation systems, raised medians and other right-of-way landscaping and screening walls within the development and assigned to the Association for maintenance. Section 4.6 may not be modified or amendment without the express written consent of the City.

ARTICLE 5

ARCHITECTURAL COVENANTS AND CONTROL

5.1 PURPOSE. Because all Lots are part of a single, unified community, this Declaration creates rights to regulate the design, use, and appearance of the Lots and Common Areas in order to preserve and enhance the Property's value and architectural harmony. One purpose of this Article is to promote and ensure the level of taste, design, quality, and harmony by which the Property is developed and maintained. Another purpose is to prevent improvements and modifications that may be widely considered to be radical, curious, odd, bizarre, or peculiar in comparison to the existing improvements. A third purpose is to regulate the appearance of every aspect of proposed or existing improvements on a Lot, including but not limited to Residences, Lots, fences, landscaping, retaining walls, yard art, sidewalks, driveways, and further including replacements or modifications of original construction or installation of the Residence and any construction, modification, or change of any structure, permanent or temporary regardless of its placement, purpose or intent. During the Development Period, the primary purpose of this Article is to reserve and preserve Declarant's right of architectural control. **No exterior modification is allowed without the prior written consent of the Architectural Reviewer**.

5.2 ARCHITECTURAL CONTROL DURING THE DEVELOPMENT PERIOD. During the Development Period, neither 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 plans and specifications for new Residences to be constructed on vacant Lots. **During the Development Period, the Architectural Reviewer for plans and specifications for all Lots to be constructed on vacant Lots is the Declarant or its delegates**. Declarant may delegate any person of its choosing who shall serve at the Declarant's sole discretion.

5.3 Declarant's Rights Reserved. Each Owner, by accepting an interest in or title to a Lot, whether or not it is so expressed in the instrument of conveyance, covenants and agrees that Declarant has a substantial interest in ensuring that the improvements within the Property enhance Declarant's reputation as a community developer and do not impair Declarant's ability to market its property or the ability of Builders (as defined in Appendix B) to sell Residences in the Property. Accordingly, each Owner agrees that - during the Development Period - no improvements will be started or progressed on any Owner's Lot without the prior written approval of Declarant, which approval may be granted or withheld at Declarant's sole discretion. **In reviewing and acting on an application for approval, Declarant may act solely in its self-interest and owes no duty to any other person or any organization. Declarant may designate one or more persons from time to time to act on its behalf in reviewing and responding to applications.**

5.4 Delegation by Declarant. During the Development Period, Declarant may from time to time, but is not obligated to, delegate all or a portion of its reserved rights under this Article as the Architectural Reviewer to (1) an ARC/ACC appointed by the Board, or (2) a committee comprised or architects, engineers, or other persons who may or may not be Members of the Association. Any such delegation must be in writing and must specify the scope of delegated responsibilities. 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.

5.5 Limits on Declarant's Liability. The Declarant has sole discretion with respect to taste, design, and all standards specified by this Article during the Development Period. The Declarant, and any delegate, officer, member, director, employee or other person or entity exercising Declarant's rights under this Article 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. By submitting any plan for approval, the submitting party expressly acknowledges that Declarant and/or the Architectural Reviewer are not 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

5.6 PLAN APPROVAL IS REQUIRED. No Plat or plans for Detached Residences or other improvements shall be submitted to the City or other applicable governmental authority for approval until such Plat and/or related construction plans have been approved in writing. Furthermore, no Detached Residence, or other improvements shall be constructed on any Lot within the Property until plans therefore have been approved in writing by the Architectural Reviewer as provided in this Declaration; provided that the Detached Residence, or other improvements in any event must comply with the requirements and restrictions set forth in this Declaration and the Design Guidelines established thereby.

5.7 ARCHITECTURAL CONTROL BY ASSOCIATION. Unless and until such time as Declarant delegates all or a portion of its reserved rights to the architectural control committee (the "ARC" / "ACC"), or the Development Period is terminated or expires, the Association has no jurisdiction over architectural matters. On termination or expiration of the Development Period, or earlier if delegated in writing by Declarant, the Association, acting through the ARC or its Board (if not ARC/ACC has been established by the Board) will assume jurisdiction over architectural control and shall be the Architectural Reviewer for purposes hereunder.

5.7.1 ARC/ACC. After the period of Declarant control, the ARC/ACC will consist of at least 3 but not more than 5 people appointed by the Board, pursuant to the Bylaws. Members of the ARC/ACC serve at the pleasure of the Board and may be removed and replaced at the Board's discretion. At the Board's option, the Board may act as the ARC/ACC, in which case all references in the Documents to the ARC/ACC are construed to mean the Board. Members of the ARC/ACC need not be Owners or Residents, and may but need not include architects, engineers, and design professionals whose compensation, if any, may be established from time to time by the Board.

5.7.2 Limits on Liability. The ARC/ACC has sole discretion with respect to taste, design, and all standards specified by this Article. The members of the ARC/ACC have no liability for the ARC's/ACC's decisions made in good faith, and which are not arbitrary or capricious. The ARC/ACC is not responsible for: (1)

errors in or omissions from the plans and specifications submitted to the ARC/ACC, (2) supervising construction for the Owner's compliance with approved plans and specifications, or (3) the compliance of the Owner's plans and specifications with governmental codes and ordinances, state and federal laws. By submitting any plan for approval, the submitting party expressly acknowledges that the ARC/ACC and/or the Architectural Reviewer are not 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.

5.8 PROHIBITION OF CONSTRUCTION, ALTERATION & IMPROVEMENT. Without the Architectural Reviewer's prior written approval, a person may not construct a Residence or make an addition, alteration, improvement, installation, modification, redecoration, or reconstruction of Residence or any other part of the Property or Lot. The Architectural Reviewer has the right but not the duty to evaluate every aspect of construction, landscaping, and property use that may adversely affect the general value or appearance of the Property. At the sole discretion of the Architectural Reviewer the Reviewer shall have the right at any time and from time to time to require a greater setback for certain additions, alterations, improvements, installations, modifications, redecorations, or reconstructions. The review of plans pursuant to this Declaration may be subject to all review and approval procedures set forth in guidelines, restrictions and/or requirements of applicable zoning or otherwise established by the by the Architectural Reviewer in its review of plans pursuant hereto.

5.9 ARCHITECTURAL APPROVAL. To request architectural approval, an Owner must make written application and submit to the Architectural Reviewer as follows: at least one (1) full set of plans and specifications showing the nature, kind, shape, color, size, materials, and locations of the work to be performed when an Owner submits application using an online submission program. Applications submitted by mail or hand delivered shall require two (2) identical sets of plans and specifications showing the nature, kind, shape, color, size, materials, and locations of the work to be performed. In support of the application, the Owner may but is not required to submit letters of support or non-opposition from Owners of Lots that may be affected by the proposed change. The Architectural Reviewer may require the written consent of neighbors at their sole discretion when it is considered in the best interest of all Parties to do so. The application must clearly identify any requirement of this Declaration for which a variance is sought. The Architectural Reviewer will have thirty (30) days to make a determination and shall return one set of plans and specifications to the applicant marked with the Architectural Reviewer's response, such as "Approved," "Denied," or "More Information Required." The Architectural Reviewer will retain the other set of plans and specifications, together with the application, for the Association's files. If the application is returned to the Owner marked "More Information Required" the application review process is placed on hold and the burden to provide the information needed shall be solely upon the Owner. If within fifteen (15) days the Owner does not provide the information requested the Architectural Reviewer shall deny the application and return a letter of denial to the Owner. Owner will, at that time, be required to submit a new application for review and approval.

5.9.1 No Verbal Approval. Verbal approval by an Architectural Reviewer, the Declarant, an Association director or officer, a member of the ARC/ACC, or the

Association's manager does not constitute architectural approval by the appropriate Architectural Reviewer, which must be in writing.

5.9.2 No Deemed Approval. The failure of the Architectural Reviewer to respond to an application submitted by an Owner may **NOT** be construed as approval of the application. Under no circumstance may approval of the Architectural Reviewer be deemed, implied, or presumed.

5.9.3 No Approval Required. Approval is not required for an Owner to remodel or repaint the interior of their Residence, provided the work does not impair the structural soundness of the Residence.

5.9.4 Building Permit. If the application is for work that requires a building permit from a governmental body, the Architectural Reviewer's approval is conditioned on the issuance of the appropriate permit. The Architectural Reviewer's approval of plans and specifications does not mean that they comply with the requirements of the governmental body. Alternatively, governmental approval does not ensure Architectural Reviewer approval.

5.10 Neighbor Input. To determine whether an application for modification should be approved, the Architectural Reviewer may solicit comments or require a neighbor consent on the application, including from Owners or Residents of Residences that may be affected by the proposed change, or from which the proposed change may be visible or consist of shared elements such as fences located on the property line between adjoining Lots. Whether to solicit comments, from whom to solicit comments, and whether to make the comments available to the applicant is solely at the discretion of the Architectural Reviewer. The Architectural Reviewer is not required to respond to the commenter in ruling on the application.

5.11 Declarant Approved. Notwithstanding anything to the contrary in this Declaration, any improvement to the Property made or approved in writing by Declarant during the Development Period is deemed to have been approved by the Architectural Reviewer and is not subject to revocation or further review by the Board or Architectural Committee at any time to include after the Declarant Period ends.

5.12 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, Board resolutions, and/or City Ordinance, 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 Declarant and this Declaration, as may be amended from time to time, for the Property shall continue after the termination or expiration of the Class B membership and/or Declarant Control Period, whichever is last. The Community-Wide Standard may contain objective elements, such as specific lawn or house maintenance requirements, height and placement requirements, aesthetic considerations, and subjective elements, such as matters subject to the discretion of the Declarant, the Board, or the ARC/ACC. ***The Community-Wide Standard may or may not be in writing and will, most likely, evolve as development progresses and as the Property changes. The Community Wide Standard is enforceable the same as any written violation or rule and subject to the same***

enforcement rights and remedies set forth in this Declaration, any Rules and Regulations or Policies, or as the Declarant, the Board, or the ARC/ACC may deem reasonable and necessary. The Community-Wide Standard shall not fall below the level established for the Property as of the date the Class B membership or Declarant Control Period terminates or expires, whichever is last.

ARTICLE 6

CONSTRUCTION AND USE RESTRICTIONS

6.1 VARIANCE. The use of the Property is subject to the restrictions contained in this Article, and subject to Rules adopted pursuant to this Article as well as development standards of the City. The Board or the Architectural Reviewer, as the case may be, may grant a variance or waiver of a restriction or Rule on a case-by-case basis when unique circumstances dictate or at least a majority of the Architectural Review Team deem it appropriate, and may limit or condition its grant. To be effective, a variance must be in writing. The grant of a variance does not affect a waiver or estoppel of the Association's right to deny a variance in other circumstances, whether similar in nature or not. Approval of a variance or waiver may not be deemed, implied, or presumed under any circumstance.

6.2 PROHIBITION OF CONSTRUCTION, ALTERATION & IMPROVEMENT. Without the Architectural Reviewer's prior written approval, a person may not commence or continue any construction, alteration, addition, improvement, installation, modification, redecoration, or reconstruction of or to the Property, or do anything that affects the appearance, use, or structural integrity of the Property. The Architectural Reviewer has the right but not the duty to evaluate every aspect of construction and property use that may adversely affect the general value, use, or appearance of the Property. A violation of this prohibition may result in a fine up to one-thousand Dollars, ($1,000.00), and/or a demand for removal and/or modification or change to the unapproved construction, alteration, addition, improvement, installation, modification, redecoration, or reconstruction of or to the Property. Failure of an Owner or Builder to comply with a notice of violation or prohibition issued by the Association may result in a fine as noted above and/or self-help actions by the Association to correct the infraction and all costs and expenses thereof shall be billed to the Owner's account and shall be payable upon written demand.

6.3 LIMITS TO RIGHTS. No right granted to an Owner by this Article or by any provision of the Documents is absolute. The Documents grant rights with the expectation that the rights will be exercised in ways, places, and times that are customary for the Subdivision. This Article and the Documents as a whole do not try to anticipate and address every creative interpretation of the restrictions. The rights granted by this Article and the Documents are at all times subject to the Board's determination that a particular interpretation and exercise of a right is significantly inappropriate, unattractive, or otherwise unsuitable for the Subdivision, and thus constitutes a violation of the Documents. In other words, the exercise of a right or restriction must comply with the spirit of the restriction as well as with the letter of the restriction.

6.4 ASSOCIATION'S RIGHT TO PROMULGATE RULES. The Association, acting through its Board, is granted the right to adopt, amend, repeal, and enforce reasonable Rules, and

penalties for infractions thereof, regarding the occupancy, use, disposition, maintenance, appearance, and enjoyment of the Property. Said adoptions, amendments, repeals, and enforcement of reasonable Rules, and penalties for infractions thereof may be done by Resolution of the Board as long as at least a majority of the Board are in favor of said changes and the Resolution affecting such changes is recorded with the County Clerk and a copy of the changes is posted to the Association's website, if applicable, and a copy of the changes or notice thereof is broadcast to Owners. In order for the Association to effectively broadcast such notices, each Owner shall register primary and secondary contact information to include the minimum of one (1) valid phone number and one (1) valid e-mail. Failure of an Owner to provide up to date contact information with the Association at all times shall constitute a waiver of that Owner regarding any notice of change and releases the Association, the Board of Directors, the Architectural Review Committee, the Managing Agent, and any successors or assigns from all liability.

6.5 In addition to the restrictions contained in this Article, each Lot is owned and occupied subject to the right of the Board to establish Rules, and penalties for infractions thereof, governing:

a. Use of Common Areas and Areas of Common Responsibility.

b. Hazardous, illegal, or annoying materials or activities on the Property.

c. The use of Property-wide services provided through the Association.

d. The consumption of utilities billed to the Association.

e. The use, maintenance, and appearance of exteriors of Detached Residences, and Lots.

f. Landscaping and maintenance of yards for Detached Residences.

g. The occupancy and leasing of Residences.

h. Animals. Restrictions as to the type and number of household pets shall be strictly enforced.

i. Vehicles. Vehicle regulations shall be strictly enforced. Towing of any unauthorized vehicle will be enforced. The Association shall have the right to contact a towing company for any vehicle that blocks driveways, fire hydrants, is inoperable, or presents a safety hazard at any time.

j. Disposition of trash and control of vermin, termites, and pests.

k. Anything that interferes with maintenance of the Property, safety of the Owners, tenants, or guests, operation of the Association, administration of the Documents, or the quality of life for Residents.

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

6.7 ANIMALS. **DOMESTIC ANIMALS ONLY**. No wild animal, tame or otherwise, pigs, bird, other than small, caged birds, fish, other than those suited for fish tanks, reptile, rodent, or insect of any kind may be kept, maintained, raised, or bred anywhere on the Property for a pet, commercial purpose or for food. Customary domesticated household pets may be kept subject to the Rules. The Board may, by Resolution, adopt, amend, and repeal Rules regulating the types, sizes, numbers, locations, and behavior of animals at the Property. The Board may require or effect the removal of any animal determined to be in violation of this Section or the Rules. There will be zero tolerance for animals who are vicious or cause any form of nuisance. Unless the Rules provide otherwise:

Number. **No more than four (4)** household pets with no more than two (2) dogs having a weight of fifty (50) pounds each or more shall be allowed without the express written consent of the Board. Allowed pets are cats, dogs, small birds accustomed to or adapted to cage living and small fish tanks only.

Disturbance. Pets must be kept in a manner that does not disturb the peaceful enjoyment of Residents of other Lots. As part of this rule, NO pet may be permitted to bark, howl, whine, screech, or make other loud noises for extended or repeated periods of time and Owner shall ensure that their pet(s) comply with these rules at all times. Pets must be kept on a leash when outside the Residence. The Board is the sole arbiter of what constitutes a threat or danger, disturbance or annoyance and may upon written notice require the immediate removal of the animal(s) should the Owner fail to be able to bring the animal into compliance with this Declaration or any rules and regulations promulgated hereunder or hereafter. Any animal that is being abused or neglected will be turned in to the local authorities for immediate action. The Board may choose to contact the local authorities or animal control rather than attempting correction through notice(s) of violation from the Association. Should this method of abatement be used the Board will have met any requirement or responsibility under this Declaration or any Rule later promulgated by the Board.

Pooper Scooper. All Owners and Residents are responsible for the removal of their pet's waste from the Property. Unless the Rules provide otherwise, a Resident must prevent his pet from relieving itself on the Common Area, the Area of Common Responsibility, or the Lot of another Owner and must keep their own yard/lot free of animal waste/debris at all times. The Association may levy fines up to $300.00 per occurrence for any Owner who violates this section and does not comply with the rules as set forth herein. A written affidavit from a neighboring Owner or any person witnessing an Owner not picking up after their pet(s) shall be considered valid proof of violation for the purpose of issuing a violation notice and/or fine and pursuing compliance and/or abatement from an Owner.

Liability. An Owner is responsible for any property damage, injury, or disturbance caused or inflicted by an animal kept on the Lot. The Owner of a Lot on which an animal is kept is deemed to indemnify and to hold harmless the Board, the Association, the Managing Agent, and other Owners and Residents, from any loss, claim, or liability resulting from any action of the animal or arising by reason of keeping the animal on the Property. **Aggressive animals ARE**

PROHIBITED and are subject to request for removal and shall be reported to the local authorities, including a request to the authorities for immediate removal of any such animal.

6.8 ANNOYANCE. No Lot or Common Area may be used in any way that: (1) may reasonably be considered annoying to neighbors; (2) may be calculated to reduce the desirability of the Property as a residential neighborhood; (3) may endanger the health or safety of Residents of other Lots; (4) may result in the cancellation of insurance on the Property; or (5) violates any law or Governmental Requirement. The Board has the sole authority to determine what constitutes an annoyance.

6.9 APPEARANCE. **During the Declarant Control Period, ALL architectural rules and regulations are subject to the review and authority of the Architectural Review Committee**. Both the Lot and the Residence must be maintained in a manner so as not to be unsightly and may not be left in any disrepair whatsoever when viewed from the Street or neighboring Lots or Common Areas. No trash or debris, collection or accumulation of any item(s) may be left anywhere on the Lot. The Architectural Reviewer is the arbitrator of acceptable appearance standards.

6.10 ACCESSORY STRUCTURES AND SHEDS. All structures and sheds whether temporary or permanent, must be approved in writing, in advance by the ARC. No Owner, regardless of residential type shall move, place, install, construct, or reconstruct any item on the exterior of the residence or anywhere within the Lot without the prior written consent of the ARC. The Architectural Reviewer shall have the sole authority with regard to allowance, size, height, and placement. The Community Wide Standard may be used by the ARC at any time and from time to time, in whole or in part, as a deciding factor as to whether any request to move, place, install, construct, or reconstruct any item on the exterior of the residence or anywhere within the Lot shall be allowed.

6.11 BARBECUE. Exterior fires are prohibited on the Property unless contained in commercial standard grilling device approved by the Board.

6.12 COLOR CHANGES. Because the relative merits of any color are subjective matters of taste and preference, the Architectural Reviewer determines the colors that are acceptable to the Association for the exterior of any residence, including items such as, but not limited to, doors, garage doors, window and door trims, trim around the home, as well as gutters and downspouts. A Resident may not change or add colors that are visible from the Street, a Common Area, or another Lot without the prior written approval of the Architectural Reviewer.

6.13 YARDS. All yards of any Lot shall be maintained by the Owner of such Lot in a neat and attractive manner that is consistent with the Subdivision and such Owner shall water his yard with the appropriate amounts of water needed to keep the yard healthy and alive and shall mow, trim, treat for weeds and maintain the yard, flowerbeds, tree wells, and all other portions of the yard, fenced or not, in good condition and aesthetically appealing at all times. The Association shall consider water restrictions should any such restriction apply. If the Architectural Reviewer perceives that the appearance of yards detracts from the overall appearance of the Property, the ARC may limit the colors, numbers, sizes, or types of furnishings, plantings, and other items kept in the yard. Fake flowers, plants, and turf are not allowed. Plastic or vinyl edging, or borders are

not allowed. Stone and brick borders shall be allowed upon written consent of the ARC; however, borders shall be mortared and shall be of the same or similar color of the mason present on the main residence. Stone and brick may not be slanted or applied haphazardly at any time and the ARC shall have the sole authority as to what is allowed. A yard may never be used for storage. All sports or play items as well as barbeque grills or other items or structures must be stored out of view at all times when not in use. **No basketball goals or courts are allowed without the express written consent of the ARC. The ARC is the sole and final authority as to what will or will not be allowed and each request shall be considered on a case-by-case basis and may be considered independent of any other request based on same or varying factors such as, but not limited to, how visible the item would be, placement of the item, whether temporary or permanent, Lot location, Lot size, etc.** Any major change to the front or side yards which shall be visible requires the prior written consent of the ARC including, but not limited to, yard art or ornaments, flags and flag poles, the removal or addition of trees, landscape, lights, or other.

6.14 DECLARANT PRIVILEGES. In connection with the development and marketing of the Property, Declarant has reserved a number of rights and privileges to use the Property in ways that are not available to other Owners and Residents, as provided in Appendix B of this Declaration. Declarant's exercise of a Development Period right that appears to violate a Rule or a use restriction of this Article does not constitute waiver or abandonment of the restriction by the Association.

6.15 DECORATION. Any major change to the front or side yards which shall be visible requires the prior written consent of the ARC including, but not limited to, yard art or ornaments, flags and flag poles, the removal or addition of trees, landscape, lights, or other. The ARC shall have the sole discretion to determine what is acceptable or not and any holiday decorations may not be installed thirty (30) days before a holiday and must be removed within fifteen (15) days after the holiday without written permission from the ARC.

6.16 DRAINAGE. No person may interfere with the established drainage pattern over any part of the Property unless an adequate alternative provision for proper drainage has been approved by the Board. Violation of this rule may result in a fine as well as the non-compliant Owner being subject to payment or reimbursement to any Owner or the Association for any damages sustained due to or related in any way to the violation of this rule.

6.17 DRIVEWAYS. The driveway portion of a Lot may not be used for any purpose that interferes with its ongoing use as a route of vehicular access to the garage. Without the ARC's prior approval, a driveway may not be used: (1) for storage purposes, including storage of boats, trailers (of any kind), sports vehicles of any kind, and inoperable vehicles; or (2) for any type of repair or restoration of vehicles. Driveways may not be widened or extended without the prior written approval of the ARC. Barbeque grills must be stored out of view when not in use.

6.18 BASKETBALL GOALS. This Section shall serve to supplement rules set forth in this Declaration for portable or permanent basketball goals, courts or sports courts of any kind as well as any other similar request. Portable basketball goals may be allowed by written consent of the ARC, provided however, (i) no goals may be kept in the street, (ii) no goals may be placed in driveways except goals may be placed to the side of a driveway so as not to block the driveway at any time, (iii) or in a manner that blocks a sidewalk and may not be placed in the grass area located

between the curb and the front building line of the home. Portable goals must be stored out of sight whenever possible; storing the goals on their side at the side of the home is acceptable notwithstanding, goals with a pole that can be cranked up and down shall be allowed to remain in place as long as the pole is cranked down when not in use. Permanent basketball goals are prohibited without prior written consent of the ARC. Goals attached to the home are prohibited without the prior written consent of the ARC. 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 of weighing down the goal.

6.19 RE SAFETY. No person may use, misuse, cover, disconnect, tamper with, or modify the fire and safety equipment of the Property or interfere with the maintenance and/or testing of same by persons authorized by the Association or by public officials.

6.20 GARAGES. Without the ARC's prior written approval, garage area of a Residence may not be enclosed or used for any purpose that prohibits the parking of two (2) standard-size operable vehicles therein. Garage doors are to be kept closed except when a vehicle is entering or exiting, yard work is being performed or other activities that require repeated access to the garage for limited amounts of time. Garage doors are to be kept in good repair at all times. Do not paint or change a garage door without the prior written consent of the ARC. Any damage sustained to a garage door must be promptly repaired and/or the garage door replaced.

6.21 FIREARMS AND WEAPONS. Hunting and shooting are not permitted anywhere on or from the Property. No toys, weapons or firearms, including, without limitation, air rifles, BB guns, sling-shots or other item that is designed to cause harm to any person, animal or property ("Weapons") may be used in a manner to cause such harm (whether intentionally, negligently, or otherwise) to any person, animal or property. Violation of this restriction is subject to an immediate fine of up to $1,000 per occurrence after a "Notification of Violation and Fine Warning" are served on the Owner by Certified Mail or which may be served by hand delivery or posting to the door of the Owner's residence, or by any means permitted under applicable law. A sworn affidavit signed by a witness with legal capacity made under penalty of perjury attesting to the violation and specifying the date of approximate time of such violation which is received by the Association shall be sufficient evidence of such violation. The Board may adopt Rules to ban the carrying and use of Weapons within Common Areas and the Subdivision to the extent permitted under applicable law.

6.22 FIREWORKS ARE STRICTLY PROHIBITED. Without a prior written permit, the use of fireworks in the Subdivision is prohibited and subject to a monetary fine of $1,000.00 for each violation. A sworn affidavit signed by a witness with legal capacity made under penalty of perjury attesting to the violation and specifying the date of approximate time of such violation which is received by the Association shall be sufficient evidence of such violation. At the Board's sole discretion, a deposit and fee program may be adopted for the issuance of a permit and such fees shall be set aside and used for expenses associated with damages and cleanup resulting from the use of fireworks and any activities associated with the use of fireworks such as bar-be-ques and parties where debris is left behind. Any costs exceeding the fee charged will be billed back to the Owner(s) account(s) and due and payable to the Association immediately upon delivery of invoice by the Association to the responsible Owner(s).

6.23 COMMON AREA LANDSCAPING. No person may perform landscaping, planting, or gardening on the Common Area or Areas of Common Responsibility, without the Board's prior written authorization.

6.24 LEASING. An Owner may lease his Residence on his Lot subject to the requirements in this Declaration. ***Whether or not it is stated in a lease, every lease is subject to the Documents and all Governmental Requirements***. An Owner is responsible for providing his tenant with copies of the Documents and notifying him of changes thereto. Failure by the tenant or his invitees to comply with the Documents, federal or state law, or local ordinance or other Governmental Requirements is deemed to be a default under the lease. ***When the Association notifies an Owner of his tenant's violation, the Owner will promptly obtain his tenant's compliance or exercise his rights as a landlord for tenant's breach of lease. If the tenant's violation continues or is repeated, and if the Owner is unable, unwilling, or unavailable to obtain his tenant's compliance, then the Association has the power and right to pursue the remedies of a landlord under the lease or state law for the default, including eviction of the tenant. The Owner of a leased Lot is liable to the Association for any expenses incurred by the Association in connection with enforcement of the Documents and/or any Governmental Requirements against his tenant.*** The Association is not liable to the Owner for any damages, including lost rents, suffered by the Owner in relation to the Association's enforcement of the Documents against the Owner's tenant.

6.25 NOISE & ODOR. A Resident must exercise reasonable care to avoid making or permitting to be made loud, disturbing, or objectionable noises or noxious odors that are likely to disturb or annoy Residents of neighboring areas within the community. A sworn affidavit signed by a witness with legal capacity made under penalty of perjury attesting to the violation and specifying the date of approximate time of such violation which is received by the Association shall be sufficient evidence of such violation. The Rules may limit, discourage, or prohibit noise-producing activities and items in the Residence and on the Common Areas. No activities such as large gatherings of any type may take place on or within Common Areas without the issuance of a written permit from the ARC or the Board in advance of any such gathering. The Association may charge a deposit and a fee for any such permission granted which shall be used to cover costs of damage and cleanup. Any costs exceeding the fee charged will be billed back to the Owner(s) account(s) and due and payable to the Association immediately upon delivery of invoice by the Association to the responsible Owner(s). The Association may assign a Board or ARC Member to be present for oversight purposes or may make an appearance at any time without notice to ensure all rules and regulations are being respected

6.26 OCCUPANCY - NUMBERS. The Board may adopt Rules regarding the occupancy of Residences. If the Rules fail to establish occupancy standards, no more than one person per bedroom may occupy a Residence, subject to the exception for familial status. The Association's occupancy standard for Residents who qualify for familial status protection under the fair housing laws may not be more restrictive than the minimum permitted by the U. S. Department of Housing and Urban Development. Other than the living area of the Residence, no thing or structure on a Lot, such as the garage, may be occupied as a residence at any time by any person.

6.27 OCCUPANCY - TYPES. A person may not occupy a Residence if the person constitutes a direct threat to the health or safety of other persons, or if the person's occupancy would result in substantial physical damage to the property of others. This Section does not and may not be

construed to create a duty for the Association or the selling Owner to investigate or screen purchasers or prospective purchasers of Residences. By owning or occupying a Residence, each person acknowledges that the Subdivision is subject to local, state, and federal fair housing laws and ordinances. Accordingly, this Section may not be used to discriminate against classes or categories of people.

6.28 RESIDENTIAL USE. The use of a Residence is limited exclusively to residential purposes, or any other use permitted by this Declaration. This residential restriction does not, however, prohibit a Resident from using a Residence for personal business or professional pursuits provided that: (1) the uses are incidental to the use of the Residence as a residence; (2) the uses conform to applicable Governmental Requirements; (3) there is no external evidence of the uses; (4) the uses do not entail visits to the Residence by employees or the public in quantities that materially increase the number of vehicles parked on the Street; and (5) the uses do not interfere with Residents' use and enjoyment of neighboring Residences or Common Areas.

6.29 SIGNS. No signs, including signs advertising the Residences for sale or lease, or unsightly objects may be erected, placed, or permitted to remain on the Property or to be visible from windows in the Residence without written authorization of the Board or ARC. If the Board or ARC authorizes signs, the Board's or ARC's authorization may specify the location, nature, dimensions, number, and time period of any advertising sign. As used in this Section, "sign" includes, without limitation, lettering, images, symbols, pictures, shapes, lights, banners, and any other representation or medium that conveys a message. One (1) Security sign per Residence shall be allowed in the front or back but, may not be more than 12" x 12" without prior written consent of the ARC. The Association may affect the immediate removal of any sign or object that violates this Section or which the Board or ARC deems inconsistent with neighborhood standards without liability for trespass or any other liability connected with the removal, including the cost of the sign. The Board or the ARC are not required to store any sign that is placed without prior permission and/or placed in a prohibited area. Notwithstanding the foregoing, if public law - such as Texas Property Code Section 202.009 and local ordinances - grants an Owner the right to place political signs on the Owner's Lot, the Association may not prohibit an Owner's exercise of such right. The Association may adopt and enforce Rules regulating every aspect of political signs on Owners' Lots to the extent not prohibited or protected by public law. Unless the Rules or public law provide otherwise (1) a political sign may not be displayed more than 90 days before or 10 days after an election to which the sign relates; (2) a political sign must be ground-mounted; (3) an Owner may not display more than one political sign for each candidate or ballot item; and (4) a political sign may not have any of the attributes itemized in Texas Property Code Section 202.009(c), to the extent that statute applies to the Lot.

6.30 TELEVISION. Each Resident of the Property will avoid doing or permitting anything to be done that may unreasonably interfere with the television, radio, telephonic, electronic, microwave, cable, or satellite reception on the Property. Antennas, satellite or microwave dishes, and receiving or transmitting towers that are visible from a Street or from another Lot are prohibited within the Property, except (1) reception-only antennas or satellite dishes designed to receive television broadcast signals, (2) antennas or satellite dishes that are one meter or less in diameter and designed to receive direct broadcast satellite service (DBS), or (3) antennas or satellite dishes that are one meter or less in diameter or diagonal measurement and designed to receive video programming services via multipoint distribution services (MDS) (collectively, the

"Antenna") are permitted if located (a) inside the Residence (such as in an attic or garage) so as not to be visible from outside the Residence, (b) in a fenced yard, or (c) attached to or mounted on the rear wall of a Residence or within the last fifteen (15) to twenty (20) feet of each side of the residence and below the eaves. If a qualified installer determines that an Antenna or dish cannot be located in compliance with the above guidelines without precluding reception of an acceptable quality signal, the Owner may install the Antenna or dish in the least conspicuous location on the Lot or Residence thereon where an acceptable quality signal can be obtained. The Association may adopt reasonable Rules for the location, appearance, camouflaging, installation, maintenance, and use of the Antennas to the extent permitted by public law. An Owner must have written permission of the Architectural Reviewer to install any apparatus on the roof of the structure.

6.31 TRASH AND DEBRIS. Each Resident will endeavor to keep the Property clean and will dispose of all refuse in proper receptacles designated specifically by the Association or by the City for that purpose. All trash and debris must be placed entirely within the designated receptacle. NO trash or debris may be kept outside a container except such trash or debris may be placed out the day of scheduled trash pickup as long as the trash/debris is contained in tightly closed bags. The Association will violate any trash/debris left out including the container which must be stored out of public view except for the allowed hours or days indicated just below. NO CONTAINER MAY BE STORED ON THE DRIVEWAY, ANYWHERE ALONG THE FRONT OF THE HOME AT ANY TIME. The construction or installation of concrete pads for trash cans requires prior written consent of the ARC and are subject to the ARC's sole discretion regarding size, placement, and screening. The Board may adopt, amend, and repeal Rules regulating the disposal and removal of trash from the Property. If the Rules fail to establish hours for curbside trash containers, the container may be in the designated area from dusk on the evening before trash pick-up day until dusk on the day of trash pick-up. ***At all other times, trash containers must be kept out of public view and may not be visible from any Street or another Residence. THE PLACEMENT OF OVERSIZED OR BULK ITEMS MAY NOT BE PLACED OUT EXCEPT FOR THE DAY OF SCHEDULED PICKUP. THE ASSOCIATION MAY DELIVER BY E-MAIL OR POSTING TO THE OWNER'S DOOR ONE (1) NOTICE REQUESTING THE REMOVAL OF ANY SUCH ITEMS. SHOULD THE OWNER FAIL TO COMPLY AND AS A RESULT, THE ASSOCIATION CAUSES THE ITEMS TO BE REMOVED, ALL COSTS ASSOCIATED WITH SUCH REMOVAL SHALL BE THE OWNER'S RESPONSIBILITY AND THE COSTS THEREOF WILL BE BILLED BACK TO THE OWNER'S ACCOUNT AND SHALL BE DUE AND PAYABLE UPON DELIVERY OF THE INOVICE/STATEMENT TO THE OWNER. OWNER'S WHO HAVE NO MEANS OF REMOVING LARGE OR BULK ITEMS MAY REQUEST THE ASSOCIATION ARRANGE FOR THE REMOVAL AND SUCH COSTS WILL BE BILLED TO THE OWNER'S ACCOUNT AND THE OWNER SHALL BE RESPONSIBLE FOR PROMPT PAYMENT TO THE ASSOCIATION. FAILURE OF AN OWNER TO PROMPTLY PAY THE ASSOCIATION WITHIN FIVE (5) DAYS OF ISSUANCE OF AN INVOICE OR STATEMENT TO THE OWNER SHALL DISQUALIFY THAT OWNER FROM REQUESTING THIS SERVICE UNDER VOLUNTARY SITUATIONS AND DOES NOT, IN ANY WAY, AFFECT THE ASSOCIATION'S ABILITY TO VIOLATE AND ENFORCE ANY OTHER INFRACTION OF THIS SECTION AGAINST AN OWNER OR A TENANT.***

6.32 VEHICLES. All vehicles on the Property, whether owned or operated by the Residents or their families and guests, are subject to this Section and Rules adopted by the Board. The Board may adopt, amend, and repeal Rules regulating the types, sizes, numbers, conditions, uses, appearances, and locations of vehicles on the Property. The Board may affect the removal of any vehicle in violation of this Section or the Rules without liability to the owner or operator of the vehicle.

6.32.1 Parking in Street. Vehicles that are not prohibited below may park on public Streets only if the City allows curbside parking, and in designated parking areas, subject to the continuing right of the Association to adopt reasonable Rules if circumstances warrant; provided, however, parallel parking or parking of vehicles or vehicular equipment on any Streets located at or adjacent to the rear property line of a Lot or on any Streets with a width less than twenty-five feet (25') is expressly prohibited by this Declaration. To keep the streets safe and ensure that flow through traffic is not blocked or hindered, the Association may adopt towing rules and processes and the Association will diligently enforce rules on behalf of the community and its Owners.

6.32.2 Prohibited Vehicles. Without prior written Board approval, the following types of vehicles and vehicular equipment - mobile or otherwise - may not be kept, parked, or stored anywhere on the Property - including overnight parking on Streets, driveways, and visitor parking spaces, if applicable – no mobile homes, motor homes, buses, all trailers (including, without limitation, boat and/or jet ski trailers), boats, inoperable vehicles, commercial truck cabs, tow trucks, car haulers, food trucks, coffee carts, and other similar vendor trucks or trailers selling food or other items, regardless of the content, trucks with tonnage over one ton, vehicles which are not customary personal passenger vehicles, and any vehicle which the Board deems to be a nuisance, unsightly, or inappropriate. This restriction does not apply to vehicles and equipment temporarily on the Property in connection with law enforcement, medical help or aid, the construction or maintenance of a Residence or vendors providing a service. Vehicles that transport inflammatory or explosive cargo are prohibited from the Property at all times. Small vehicles with advertising used by an Owner as their primary source of transportation may be allowed ONLY if the vehicle is parked in the garage when not in use. At no time is an Owner to use his vehicle to solicit business within the community. Oversize work vehicles and commercial or work vehicles with advertising parked in the street or driveways are prohibited. The Board may allow variances from time to time as it deems necessary or appropriate. All variances must be in writing and may be temporary or perpetual in nature at the sole discretion of the Board.

6.33 WINDOW COVERINGS. The ARC may require an Owner to change or remove a window treatment, window film, window screen, or window decoration that the ARC determines to be inappropriate, unattractive, or inconsistent with the Property's Community Wide Standard and/or uniformity. The ARC may prohibit the use of certain colors or materials for window treatments if it deems it appropriate to do so.

6.34 FLAGS. Each Owner and Resident of the Subdivision has a right to fly the flag on his Lot. The United States flag ("Old Glory") and/or the Texas state flag ("Lone Star Flag"), and/or an official or replica flag of any branch of the United States armed forces, may be displayed in a respectful manner on each Lot, subject to reasonable standards adopted by the Association for the height, size, illumination, location, and number of flagpoles, all in compliance with section 202.012 of the Texas Property Code. **All flag displays must comply with public flag laws**. No other types of flags, pennants, banners, kites, or similar types of displays are permitted on a Lot if the display is visible from a Street or Common Area without the prior written consent of the Board or the ARC. Unless the Rules provide otherwise, a flag must be wall-mounted to the first-floor

facade of the Residence or be an in-ground flag pole installed per the rules and guidelines set forth in this Declaration.

6.35 USE OF ASSOCIATION NAME/LOGO. The use of the name of the Association or the Subdivision, or any variation thereof, in any capacity without the express written consent of the Declarant during the Declarant Control Period, and thereafter the Board, is strictly prohibited. **This includes Facebook, twitter, and other such neighborhood social media platforms unless such platform is established, and the oversight thereof is by the Board, or an authorized committee appointed by the Board. No Owner may establish or maintain a social media platform using the Association's name or any variation thereof without the express written permission of the Board.** 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 the Declarant during the Declarant Control Period, and thereafter the Board, is strictly prohibited.

ARTICLE 7
ASSOCIATION AND MEMBERSHIP RIGHTS

7.1 ASSOCIATION. By acquiring an ownership interest in a Lot, a person is automatically and mandatorily a Member of the Association.

7.2 BOARD. Unless the Documents expressly reserve a right, action, or decision to the Owners, Declarant, or another party, the Board acts in all instances on behalf of the Association notwithstanding, throughout this Declaration and various rules which exist or may be adopted, the ARC shall have certain authorities and rights along with, in addition to, or in conjunction with the Board. Unless the context indicates otherwise, references in the Documents to the "*Association*" may be construed to mean "*the Association acting through its board of directors or the Architectural Reviewer.*"

7.3 THE ASSOCIATION. The duties and powers of the Association are those set forth in the Documents, primarily the Bylaws, together with the general and implied powers of a property owners association and a nonprofit corporation organized under the laws of the State of Texas. Generally, the Association may do any and all things that are lawful and necessary, proper, or desirable in operating for the peace, health, comfort, and general benefit of its Members, subject only to the limitations on the exercise of such powers as stated in the Documents. Among its duties, the Association levies and collects Assessments, maintains the Common Areas, and pays the expenses of the Association, such as those described in this Declaration. The Association comes into existence on the earlier of (1) filing of its Certificate of Formation of the Association with the Texas Secretary of State or (2) the initial levy of Assessments against the Lots and Owners. The Association will continue to exist at least as long as the Declaration is effective against the Property, regardless of whether its corporate charter lapses from time to time. Notwithstanding the foregoing, the Association may not be voluntarily dissolved without the prior written consent of the City.

7.4 GOVERNANCE. The Association will be governed by a Board of Directors elected by the Members. Unless the Association's Bylaws or Certificate of Formation provide otherwise, the Board will consist of at least 3 people elected at the annual meeting of the Association, or at a

special meeting called for that purpose. The Board shall consist of an odd number of Members to ensure staggered terms and the Association will be administered in accordance with the Bylaws. Unless the Documents provide otherwise, any action requiring approval of the Members may be approved in writing by Majority of Owners, or at a meeting of Members by affirmative vote of at least a Majority of Owners present at such meeting (all classes together and subject to quorum requirements being met).

7.5 MEMBERSHIP. Each Owner and all successive Owners are mandatory Members of the Association, ownership of a Lot being the sole qualification for membership. Membership is appurtenant to and may not be separated from ownership of the Lot. The Board may require satisfactory evidence of transfer of ownership before a purported Owner is entitled to vote at meetings of the Association. If a Lot is owned by more than one person or entity, the co-owners shall combine their vote in such a way as they see fit, but there shall be no fractional votes and no more than one (1) vote with respect to any Lot. A Member who sells his Lot under a contract for deed may delegate his membership rights to the contract purchaser, provided a written assignment is delivered to the Board. However, the contract seller remains liable for all Assessments attributable to his Lot until fee title to the Lot is transferred.

7.6 DECLARANT PROTECTION. Further, and without regard to whether or not the Declarant has been released from obligations and duties to the Association, during the Development Period or so long as the Declarant holds record title to at least one (1) Lot and holds same for sale in the ordinary course of business, neither the Association nor its Board, nor any member of the Association shall take any action that will impair or adversely affect the rights of the Declarant or cause the Declarant to suffer any financial, legal or other detriment, including but not limited to, any direct or indirect interference with the sale of Lots. In the event there is a breach of this Section, it is acknowledged that any monetary award which may be available would be an insufficient remedy and therefore, in addition to all other remedies, the Declarant shall be entitled to injunctive relief restraining the Association, its Board or any member of the Association from further breach of this Section.

7.7 VOTING. One vote is appurtenant to each Lot except for those votes assigned to the Declarant during the Class B Period. The total number of votes equals the total number of Lots in the Property. If additional property is made subject to this Declaration, the total number of votes will be increased automatically by the number of additional Lots included in the property annexed into the Property subject to this Declaration. Each vote is uniform and equal to the vote appurtenant to every other Lot, except during the Declarant Control Period as permitted in Appendix B. Cumulative voting is not allowed. Votes may be cast by written proxy as well as online balloting or other means, according to the requirements and/or allowances of the Association's Bylaws.

7.8 VOTING BY CO-OWNERS. The one vote appurtenant to a Lot is not divisible. If only one of the multiple co-owners of a Lot is present at a meeting of the Association, that person may cast the vote allocated to the Lot. If more than one of the co-owners is present, the Lot's one vote may be cast with the co-owners unanimous agreement. Co-owners are in unanimous agreement if one of the co-owners casts the vote and no other co-owner makes prompt protest to the person presiding over the meeting. Any co-owner of a Lot may vote by ballot or proxy, and may register protest to the casting of a vote by ballot or proxy by the other co-owners. If the person

presiding over the meeting or balloting receives evidence that the co-owners disagree on how the one appurtenant vote will be cast, the vote will not be counted.

7.9 BOOKS & RECORDS. The Association will maintain copies of the Documents and the Association's books, records, and financial statements. Books and records of the Association will be made available for inspection and copying pursuant to Section 209.005 of the Texas Property Code.

7.10 LIMITATION OF LIABILITY; INDEMNIFICATION; AND WAIVER OF SUBROGATION. No Declarant or managing agent of the Association, or their respective directors, officers, committee chairs, committee members, agents, members, employees, or representatives, or any member of the Board or the ARC/ACC or other officer, agent or representative of the Association (collectively, the "Leaders"), shall be personally liable for the debts, obligations or liabilities of the Association. The Leaders shall not be liable for any mistake of judgment, whether negligent or otherwise, except for their own individual willful misfeasance or malfeasance, misconduct, bad faith, intentional wrongful acts or as otherwise expressly provided in the Documents. The Leaders shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association, and THE ASSOCIATION INDEMNIFIES EVERY LEADER, AS A COMMONEXPENSE OF THE ASSOCIATION, AGAINST CLAIMS, EXPENSES, LOSS OR LIABILITIES (TO THE EXTENT NOT COVERED BY INSURANCE PROCEEDS) TO OTHERS BY ANY CONTRACT OR COMMITMENT, AND BY REASONS OF HAVING SERVED AS A LEADER, INCLUDING ATTORNEY'S FEES, REASONABLY INCURRED BY OR IMPOSED ON THE LEADER IN CONNECTION WITH ANY ACTION, CLAIM, SUIT, OR PROCEEDING TO WHICH THE LEADER IS A PARTY. A LEADER IS NOT LIABLE FOR A MISTAKE OF JUDGMENT, NEGLIGENT OR OTHERWISE. A LEADER IS LIABLE FOR HIS WILLFUL MISFEASANCE, MALFEASANCE, MISCONDUCT, OR BAD FAITH. THIS RIGHT TO INDEMNIFICATION DOES NOT EXCLUDE ANY OTHER RIGHTS TO WHICH PRESENT OR FORMER LEADERS MAY BE ENTITLED. THE ASSOCIATION MAY MAINTAIN GENERAL LIABILITY AND DIRECTORS' AND OFFICERS' LIABILITY INSURANCE TO FUND THIS OBLIGATION. ADDITIONALLY, THE ASSOCIATION MAY INDEMNIFY A PERSON WHO IS OR WAS AN EMPLOYEE, TRUSTEE, AGENT, OR ATTORNEY OF THE ASSOCIATION, AGAINST ANY CLAIM OR LIABILITY ASSERTED AGAINST HIM AND INCURRED BY HIM IN THAT CAPACITY AND ARISING OUT OF THAT CAPACITY. ADDITIONALLY, THE ASSOCIATION MAY INDEMNIFY A PERSON WHO IS OR WAS AN EMPLOYEE, TRUSTEE, AGENT, OR ATTORNEY OF THE ASSOCIATION, AGAINST ANY CLAIM OR LIABILITY ASSERTED AGAINST HIM AND INCURRED BY HIM IN THAT CAPACITY AND ARISING OUT OF THAT CAPACITY. Any right to indemnification provided herein shall not be exclusive of any other rights to which a director, officer, agent, member, employee and/or representative, or former director, officer, agent, member, employee and/or representative, may be entitled. The Association shall have the right to purchase and maintain, as a Common Expense, directors', officers', and ARC/ACC members', insurance on behalf of any Person who is or was Leader against any liability asserted against any such Person and incurred by any such Person in such capacity as a director, officer, agent, member, employee and/or representative, or arising out of such Person's status as such. SEPARATE AND APART FROM ANY OTHER WAIVER OF SUBROGATION IN THIS DECLARATION, THE ASSOCIATION WAIVES ANY AND ALL RIGHTS OF SUBROGATION WHATSOEVER IT

MAY HAVE AGAINST DECLARANT REGARDLESS OF FORM, AND TO THE EXTENT ANY THIRD-PARTY MAKES A CLAIM, SUIT, OR CAUSE OF ACTION AGAINST DECLARANT FOR OR ON BEHALF OF THE ASSOCIATION BY WAY OF A SUBROGATION RIGHT, THE INDEMNITY PROVISIONS HEREIN APPLY TO ANY SUCH SUBROGATION CLAIM, SUIT, CAUSE OF ACTION, OR OTHERWISE.

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

7.11.1 Pay Assessments. Each Owner will pay Assessments properly levied by the Association against the Owner or his Lot, and will pay Regular Assessments without demand or written statement by the Association. Payment of Assessments are NOT contingent upon the provision, existence, or construction of any common elements or amenity nor are they contingent upon the condition of any common element or amenity.

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

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

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

7.12 HOME RESALES. This Section applies to every sale or conveyance of a Lot or an interest in a Lot by an Owner other than Declarant:

Resale Certificate and Transfer Fees. Any Owner intending to sell his Residence will notify the Association and will request a Resale Certificate (herein so called) from the Association. The Resale Certificate shall include such information as may be required under Section 207.003(b) of the Texas Property Code; provided, however, that the Association or its managing agent may, and probably will, charge a fee in connection with preparation of the Resale Certificate to cover its administrative costs or otherwise, which fee(s) must be paid upon the earlier of (i) delivery of the Resale Certificate to any Owner, or (ii) the Owner's closing of the sale or transfer of his/her Residence. Declarant is exempt from any and all Resale Certificate and transfer fees. Resale Certificate and transfer fees paid by Builders may vary depending upon whether purchase of the Lot is from Declarant to Builder or the sale of the Lot from the Builder to any Owner which fees shall be determined at the sole discretion of the Board or the Managing Agent. The Board shall have no jurisdiction over the Managing Agent and its charges and fees. **No Right of First**

Refusal. The Association does not have a right of first refusal and may not compel a selling Owner to convey the Owner's Lot to the Association.

7.12.1 Working Capital Contribution. At time of transfer of a Lot by any owner (other than by Declarant and initial sales of a Lot from Declarant to a Builder), a "Working Capital Contribution" (herein so called) shall be paid to the Association in the amount equal to the greater of (i) Seven Hundred Fifty and No/100 Dollars ($750.00) each time a Lot is sold or conveyed except for initial sales by the Declarant to any Builder. A Working Capital Contribution for Builder owned Lots shall be charged and collected by the Association upon sale of the Lot by the Builder to the initial purchaser. ***All sales of a Lot or Home, regardless of whether the initial purchase from a Builder or the resale of a home from one Owner to another Owner shall be subject to the Working Capital Contribution, Resale and other Transfer related fees***. At any time and from time to time by Resolution of the Declarant during the Declarant Control Period or by the Board, the Working Capital may be increased up to fifty percent (50%) of the then current Working Capital Contribution without joinder or consent of any Member or Owner. The Board may delegate a portion of Working Capital proceeds to a general Reserve Fund otherwise, funds collected from Working Capital shall be deposited into the Association's Operating account for use by the Association. The Working Capital may be paid by the seller or buyer, and will be collected at closing of the transfer of a Lot. If the Working Capital Contribution is not collected at closing, the buyer remains liable to the Association for the Working Capital Contribution until paid. The Working Capital Contribution is not refundable and may not be regarded as a prepayment of or credit against Regular Assessments or Special Assessments. The Association shall have the right to the use of Working Capital funds regardless of which account the funds are held in for the maintenance and upkeep of any area of the grounds, Common Areas, or any portion of the development, at any time and from time to time, and as may be deemed necessary by the Board of Directors so long as the Association is the responsible party.

7.12.2 Other Transfer-Related Fees. A number of independent fees may be charged in relation to the transfer of title to a Lot, including but not limited to fees for Resale Certificates, estoppel certificates, copies of Documents, compliance inspections, ownership record changes, questionnaires, and priority processing, provided the fees are customary in amount, kind, and number for the local marketplace are not refundable and may not be regarded as a prepayment of or credit against Regular Assessments or Special Assessments. 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, which fees shall be determined solely by the managing agent for each Lot transfer. The Association or its managing agent shall not be required to issue a Resale Certificate until payment for the cost thereof has been received by the Association or its managing agent. Transfer fees and fees for the issuance of a Resale Certificate shall in no event exceed the current annual rate of Regular Assessment applicable at the time of the transfer/sale for each

Residence being conveyed and are not refundable and may not be regarded as a prepayment of or credit against regular or special assessments. This Section does not oblige the Board or any third party to levy such fees. Transfer-related fees may and probably will be charged by the Association or by the Association's managing agent, provided there is no duplication. Transfer-related fees charged by or paid to a managing agent are not subject to the Association's Assessment Lien, and are not payable by the Association. The Association may not Declarant is exempt from transfer related fees.

7.12.3 Information. Within thirty days after acquiring an interest in a Lot, an Owner will provide the Association with the following information: a copy of the settlement statement or deed by which Owner has title to the Lot; the Owner's email address (if any), U. S. postal address, and phone number; any mortgagee's name, address, and loan number; the name and phone number of any Resident other than the Owner; the name, address, and phone number of Owner's managing agent, if any.

7.12.4 Right of Action by Association. Notwithstanding anything contained in the Documents, the Association shall not have the power to institute, defend, intervene in, settle or compromise litigation, arbitration, or administrative proceedings: (1) in the name of or on behalf of or against any Owner (whether one or more); or (2) pertaining to a Claim, as defined in Section 15.1(a) below, relating to the design or construction of improvements on a Lot (whether one or more), including Residences or any Areas of Common. Notwithstanding anything contained in the Documents, this Section may not be amended or modified without Declarant's written and acknowledged consent, and Members entitled to cast at least one hundred percent (100%) of the total number of votes of the Association, which must be part of the recorded amendment instrument.

ARTICLE 8
COVENANT FOR ASSESSMENTS

8.1 POWER TO ESTABLISH ASSESSMENTS AND PURPOSE OF ASSESSMENTS. The Association is empowered to establish and collect Assessments as provided in this Article 9 for the purpose of obtaining funds to maintain the Common Area, perform its other duties, and otherwise preserve and further the operation, maintenance, repairs and upkeep of the Property as a first-class, quality residential subdivision. The purposes for which Assessments may be used to fund the costs and expenses of the Association (the "Common Expenses") in performing or satisfying any right, duty or obligation of the Association hereunder or under any of the Documents, including, without limitation, maintaining, operating, managing, repairing, replacing or adding or improving the Common Area, or any improvements thereon; mowing grass and maintaining grades and signs; paying legal fees and expenses incurred in enforcing this Declaration; paying expenses incurred in collecting and administering Assessments; paying insurance premiums for liability and fidelity coverage for the ARC, the Board and the Association; paying operational and administrative expenses of the Association; and satisfying any indemnity

obligation under the Association Documents. The Board may reject partial payments and demand payment in full of all amounts due and owing the Association. The Board is specifically authorized to establish a policy governing how payments are to be applied. The Association will use Assessments for the general purposes of preserving and enhancing the Property, and for the common benefit of Owners and Residents, including but not limited to maintenance of real and personal property, management and operation of the Association, and any expense reasonably related to the purposes for which the Property was developed. If made in good faith, the Board's decision with respect to the use of Assessments is final. ***Notwithstanding the foregoing, the Association shall maintain the Common Areas in accordance with the standards and requirements established by the City under the City Design Guidelines or otherwise.***

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

8.3 CONTROL FOR ASSESSMENT INCREASES. In addition to other rights granted to Owners by this Declaration, the following controls over the Association's budget, increases in Assessments, Special Assessments, and other types of Assessments set forth in this Declaration. ***Notwithstanding, Owners may not exercise veto powers over any Budgetary matters or in relation to Assessments, levying of Assessments or other Assessments levied regardless of type, during the Declarant Control Period:***

8.3.1 Veto Increased Dues. At least 30 days prior to the effective date of an increase in Regular Assessments wherein the Regular Assessments due will increase more than fifty percent (50%) from the previous year's Regular Assessments the Board will notify an Owner of each Lot of the amount of, the budgetary basis for, and the effective date of the increase. The increase will automatically become effective unless Owners of at least a Majority of the Owners disapprove the increase by petition or at a meeting of the Association, subject to rights of the Board under this Declaration or other authorized document. An increase in Assessments may be initiated or levied at any time during a fiscal year when the Board deems it necessary and/or appropriate. In that event, the last-approved budget will continue in effect until a revised budget is approved. Increases of fifty percent (50%) or less shall not require a vote of the Owners, and may be approved by Declarant during the Development Period or, thereafter, by the Board.

8.3.2 Veto Special Assessment. At least 30 days prior to the effective date of a Special Assessment, the Board will notify the Owner of each Lot of the amount of, the budgetary basis for, and the effective date of the Special Assessment. The Special Assessment will automatically become effective unless Owners of at least

a Majority of the Owners (no less than 51% of Class A Members) disapprove the Special Assessment by petition or at a meeting of the Association. A Special Assessment may be levied at any time and from time to time by the Board and/or as outlined in this Declaration or other authorized document.

8.4 TYPES OF ASSESSMENTS. There are six types of Assessments: Regular Assessments, Special Assessments, Insurance Assessments, Individual Assessments, and Deficiency Assessments. Regular Assessments shall be reoccurring Assessments payable as defined in this Article or more particularly, as shown in this Declaration.

8.4.1 Regular Assessments. Regular Assessments are based on the annual budget and may, therefore, be subject to change (increase) from year to year. If the Board does not approve an annual budget or fails to determine new Regular Assessments for any year, or delays in doing so, Owners will continue to pay the Regular Assessment as last determined. The Board shall also have the right to determine a different schedule and a notice of a change in schedule shall be given by U.S. Mail to each Owner of a Lot and/or Home affected by the change at least thirty (30) days prior to change. Regular Assessments for all Lots has been set initially at **SEVEN HUNDRED FIFTY AND NO/100 DOLLARS ($750.00)** per Lot per year and shall be billed on an annual basis (unless the Board determines a different schedule) to be billed on the first (1st) day of every January. Assessments shall be considered late if not received by the last day of the calendar month in which such assessment is due. If during the course of any fiscal year the Board determines that Regular Assessments are insufficient to cover the estimated Expenses and/or Common Expenses for the remainder of the year, the Board may increase Regular Assessments for the remainder of the fiscal year in an amount that covers the estimated deficiency up to fifty percent (50%) without a vote of the Owners as set forth in Article 8. Notwithstanding the foregoing or the terms of Article 8, in the event that either (i) the Board determines that due to unusual circumstances the maximum annual Regular Assessment even as increased by fifty percent (50%) will be insufficient to enable the Association to pay the Common Expenses, or (ii) the Assessment increases resulting in an increase in excess of fifty percent (50%) above the previous year's Regular Assessment, then in such event, the Board shall have the right to increase the maximum annual Regular Assessment by the amount necessary to provide sufficient funds to cover the Common Expenses without the approval of the Members as provided herein; provided, however, the Board shall only be allowed to make one (1) such increase per calendar year pursuant to this Declaration and the terms of which shall apply for any additional increases of the Regular Assessment in a calendar year.

8.4.2 Special Assessments. In addition to Regular Assessments, and subject to the Owners' control for certain veto of Assessment increases, the Board may levy one or more Special Assessments against all Lots for the purpose of defraying, in whole or in part, Common Expenses not anticipated by the annual budget or the Reserve Funds, or depletion of Reserve Funds. Special Assessments do not require the approval of the Owners, and may be levied by action taken by the Declarant during the Development Period and thereafter, by the Board; provided, however, Special Assessments that would result in levying of an amount in excess of fifty percent (50%) of the then annual Regular Assessment for each Lot. Special Assessments may not be used for the following without a vote of fifty-one percent

(51%) of the Owners (all classes included) present in person or by proxy at a meeting duly called for the purpose of discussing and approving the following:

a. Acquisition of real property, other than the purchase of a Lot at the sale foreclosing the Association's lien against the Lot.

b. Construction of additional capital improvements within the Property with a construction cost equal to or greater than $50,000.00, but does not apply to repair or replacement of existing improvements.

c. Any expenditure that may reasonably be expected to significantly increase the Association's responsibility and financial obligation for operations, insurance, maintenance, repairs, or replacement of the Association by at least fifty percent (50%) or more.

8.4.3 Insurance Assessments. The Association's insurance premiums are Common Expenses that must be included in the Association's annual budget. The Board may levy an Insurance Assessment - separately from the Regular Assessment - to fund (1) insurance premiums, (2) insurance deductibles, and (3) other insurance related expenses as deemed necessary and/or appropriate by the Board of Directors. If the Association levies an Insurance Assessment, the Association must disclose the Insurance Assessment in Resale Certificates prepared by the Association.

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

8.4.5 Deficiency Assessments. The Board shall levy a Deficiency Assessment against all Lots for the purpose of defraying, in whole or in part, a deficit in the Association's operating budget or account occurring at any time during any fiscal year, or the cost of repair or restoration if insurance proceeds or condemnation awards prove insufficient. The Declarant is not responsible for any shortfall or deficit the Association may experience.

8.5 BASIS & RATE OF ASSESSMENTS. The share of liability for Common Expenses allocated to each Lot is to be uniform for all Lots, regardless of a Lot's location or the value and size of the Lot.

8.6 DECLARANT AND BUILDER OBLIGATION. (a) Declarant's obligation for an exemption from Assessments is described in Appendix B. Unless Appendix B creates an

affirmative assessment obligation for Declarant, **a Lot that is owned by Declarant during the Development Period is exempt from mandatory assessment by the Association**. Funding provided by the Declarant, or any Assessments voluntarily paid by the Declarant during the Declarant Control Period shall be a loan to the Association and shall be subject to repayment to the Declarant upon written demand with or without a promissory note. Declarant has a right to reimbursement for any Assessment paid or funding provided during the Development Period to the Association by Declarant. Declarant may, upon written demand to the Board of Directors or the Registered Agent, make demand for payment of any Declarant funding or subsidy provided. If the Declarant makes written demand for payment of less than the full amount owed, the Declarant retains its right to make further demand for payment of any balance remaining until the Association has paid back the Declarant in full. The Declarant may, but is under no obligation to, waive all or any portion of notes payable or other amounts owed to the Declarant by the Association. Any demand for payment shall be exercised by the Declarant within four (4) years of the date the last funding is provided. The Declarant may, but is under no obligation to, allow the Association to enter into a payment plan for all or any portion of amounts owed to the Declarant, and should such a request be submitted by the Association, the Declarant shall have the sole authority to determine the terms of repayment. The Board of Directors and all Members of the Association shall cooperate fully with any written request from the Declarant for repayment and may not interfere with the Declarant's right to repayment after written demand is made. This provision may not be construed to prevent Declarant from making a voluntary monetary donation to the Association, provided it is so characterized.

8.7 ANNUAL BUDGET. The Board will prepare and approve an estimated annual budget for each fiscal year. For each calendar year or a part thereof during the term of this Declaration and after recordation of the initial final Plat of any portion of the Property, the Board, to the best of its abilities, shall establish an estimated budget of the Common Expenses to be incurred by the Association for the forthcoming year in performing and satisfying its rights, duties and obligations, which Common Expenses may include, without limitation, amounts due from Owners. From and after the expiration of the Development Period, the budget adopted by the Board should include one or more line reserve funds (i.e. restricted, non-restricted, money-market, or investment accounts), which amounts budgeted for any reserve fund(s) shall be included in the Common Expenses. Based upon such budget, the Association shall then assess each Lot an annual fee which shall be paid by each Owner in advance in accordance with this Declaration. The Association shall notify each Owner of the Regular Assessments for the ensuing year by December 31st of the preceding year, but failure to give such notice shall not relieve any Owner from its obligation to pay Assessments. Any Assessment not paid within the time allotted in Section 8.8 below shall be delinquent and shall thereafter bear interest at the rate of twelve percent (12%) per annum or the maximum rate permitted by Applicable Law, whichever is less (the "Default Interest Rate") at the sole discretion of the Board. As to any partial year, Assessments on any Lot shall be appropriately prorated.

8.8 DUE DATE. **The Board may levy Regular Assessments on any periodic basis annually, quarterly, or monthly**. Regular Assessments are due on the first day of the period for which they are levied. Special Assessments, Insurance Assessments, Individual Assessments and Deficiency Assessments are due on the date stated in the notice of such Assessment or, if no date is stated, within 10 days after notice of the Assessment is given. Assessments are delinquent if not received by the Association on or before the due date.

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

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

ARTICLE 9
ASSESSMENT LIEN

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

9.2 SUPERIORITY OF ASSESSMENT LIEN. The Assessment Lien is superior to all other liens and encumbrances on a Lot, except only for (1) real property taxes and assessments levied by governmental and taxing authorities, (2) a deed of trust or vendor's lien recorded before this Declaration, (3) a recorded deed of trust lien securing a loan for construction of the original Residence, and (4) a first or senior purchase money vendor's lien or deed of trust lien recorded before the date on which the delinquent Assessment became due. **The Assessment Lien is subordinate and inferior to a recorded deed of trust lien that secures a first or senior purchase money mortgage, an FHA-insured mortgage, or a VA-guaranteed mortgage.**

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

9.4 NOTICE AND RELEASE OF NOTICE. The Association's lien for Assessments is created by recordation of this Declaration, which constitutes record notice and perfection of the

lien. No other recordation of a lien or notice of lien is required. However, the Association, at its option, may cause a notice of the lien to be recorded in the county's Real Property Records. If the debt is cured after a notice has been recorded, the Association will record a release of the notice at the expense of the curing Owner.

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

9.6 FORECLOSURE OF LIEN. The Assessment Lien may be enforced by judicial or non-judicial foreclosure. A foreclosure must comply with the requirements of applicable law, such as Chapter 209 of the Texas Property Code. A non-judicial foreclosure must be conducted in accordance with the provisions applicable to the exercise of powers of sale as set forth in Section 51.002 of the Texas Property Code, or in any manner permitted by law. In any foreclosure, the Owner is required to pay the Association's costs and expenses for the proceedings, including reasonable attorneys' fees, subject to applicable provisions of the Bylaws and Applicable Law, such as Chapter 209 of the Texas Property Code. The Association has the power to bid on the Lot at foreclosure sale and to acquire, hold, lease, mortgage, and convey same. The Association may not foreclose the Assessment Lien if the debt consists solely of fines and/or a claim for reimbursement of attorney's fees incurred by the Association.

ARTICLE 10
EFFECT OF NONPAYMENT OF ASSESSMENTS

10.1 An Assessment is delinquent if the Association does not receive payment in full by the Assessment's due date. The Association, acting through the Board, is responsible for taking action to collect delinquent Assessments. The Association's exercise of its remedies is subject to Applicable Laws, such as Chapter 209 of the Texas Property Code, and pertinent provisions of the Bylaws. From time to time, the Association may delegate some or all of the collection procedures and remedies, as the Board in its sole discretion deems appropriate, to the Association's manager, an attorney, or a debt collector. Neither the Board nor the Association, however, is liable to the Owner or other person for its failure or inability to collect or attempt to collect an Assessment. The following remedies are in addition to and not in substitution for all other rights and remedies which the Association has:

10.2 RESERVATION, SUBORDINATION, AND ENFORCEMENT OF ASSESSMENT LIEN. Declarant hereby reserves for the benefit of itself and the Association, a continuing contractual lien (the "Assessment Lien") against each Lot located on such Declarant's portion of the Property to secure payment of (1) the Assessments imposed hereunder and (2) payment of any amounts expended by such Declarant or the Association in performing a defaulting Owner's obligations as provided for in this Declaration. **THE OBLIGATION TO PAY ASSESSMENTS IN THE MANNER PROVIDED FOR IN THIS ARTICLE, TOGETHER WITH INTEREST FROM SUCH DUE DATE AT THE DEFAULT INTEREST RATE SET FORTH (IF APPLICABLE), THE CHARGES MADE AS AUTHORIZED IN THIS DECLARATION, ALL VIOLATION FINES AND THE COSTS OF COLLECTION, INCLUDING, BUT NOT LIMITED TO, REASONABLE ATTORNEYS' FEES,**

IS SECURED BY A CONTINUING CONTRACTUAL ASSESSMENT LIEN AND CHARGE ON THE LOT COVERED BY SUCH ASSESSMENT, WHICH SHALL BIND SUCH LOT AND THE OWNERS THEREOF AND THEIR HEIRS, SUCCESSORS, DEVISEES, PERSONAL REPRESENTATIVES AND ASSIGNEES. The continuing contractual Assessment Lien shall attach to the Lots as of the date of the recording of this Declaration in the Official Public Records of Kaufman County, Texas, and such Assessment Lien shall be superior to all other liens except as otherwise provided in this Declaration. Each Owner, by accepting conveyance of a Lot, shall be deemed to have agreed to pay the Assessments herein provided for and to the reservation of the Assessment Lien. The Assessment Lien shall be subordinate only to the liens of any valid first lien mortgage or deed of trust encumbering a particular Lot and the Assessment Lien established by the terms of this Declaration. Sale or transfer of any Lot shall not affect the Assessment Lien. However, the sale or transfer of any Lot pursuant to a first mortgage or deed of trust foreclosure (whether by exercise of power of sale or otherwise) or any proceeding in lieu thereof, shall only extinguish the Assessment Lien as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability and the Assessment Lien for any Assessments thereafter becoming due. The Assessment Lien may be non-judicially foreclosed by power of sale in accordance with the provisions of Section 51.002 of the Texas Property Code (or any successor provision) or may be enforced judicially. Each Owner, by accepting conveyance of a Lot, expressly grants the Association a power of sale in connection with the foreclosure of the Assessment Lien. The Board is empowered to appoint a trustee, who may be a member of the Board, to exercise the powers of the Association to non-judicially foreclose the Assessments Lien in the manner provided for in Section 51.002 of the Texas Property Code (or any successor statute). The Association, through duly authorized agents, shall have the power to bid on the Lot at foreclosure sale and to acquire and hold, lease, mortgage and convey the same. The rights and remedies set forth in this Declaration are subject to the Texas Residential Property Owners Protection Act, as amended from time to time (Texas Property Code, Section 209.001 *et seq.*).

10.2.1 Notices of Delinquency or Payment. The Association, the Association's attorney or the Declarant may file notice (a "Notice of Unpaid Assessments") of any delinquency in payment of any Assessment in the Records of Kaufman County, Texas. **THE ASSESSMENT LIEN MAY BE ENFORCED BY FORECLOSURE OF THE ASSESSMENT LIEN UPON THE DEFAULTING OWNER'S LOT BY THE ASSOCIATION SUBSEQUENT TO THE RECORDING OF THE NOTICE OF UNPAID ASSESSMENTS EITHER BY JUDICIAL FORECLOSURE OR BY NONJUDICIAL FORECLOSURE THROUGH A PUBLIC SALE IN LIKE MANNER AS A MORTGAGE ON REAL PROPERTY IN ACCORDANCE WITH THE TEXAS PROPERTY CODE, AS SUCH MAY BE REVISED, AMENDED, SUPPLEMENTED OR REPLACED FROM TIME TO TIME.** Upon the timely curing of any default for which a notice was recorded by the Association, the Association, through its attorney, is hereby authorized to file of record a release of such notice upon payment by the defaulting Owner of a fee, to be determined by the Association but not to exceed the actual cost of preparing and filing a release. Upon request of any Owner, any title company on behalf of such Owner or any Owner's mortgagee, the Board, through its agents, may also issue certificates evidencing the status of payments of Assessments as to any particular Lot (i.e., whether they are current or delinquent and if delinquent, the amount thereof). The Association or its managing agent may impose a reasonable fee for furnishing such certificates or statements.

10.2.2 Suit to Recover. The Association may file suit to recover any unpaid Assessment and, in addition to collecting such Assessment and interest thereon, may also recover all expenses reasonably expended in enforcing such obligation, including reasonable attorneys' fees and court costs.

10.3 INTEREST. Delinquent Assessments are subject to interest from the due date until paid, at the Default Interest Rate.

10.4 LATE AND OTHER FEES. Delinquent Assessments are subject to late fees which shall be a minimum of Twenty-Five and No/100 Dollars ($25.00) per month for each month any portion of Assessments due are not paid and is payable to the Association. This amount may be reviewed and adjusted by the Board from time to time as needed to compensate the Association for any rise in costs and expenses associated with the collection of delinquencies to an account. Late fees will be assessed to the delinquent Owner's account. Bank fees for non-sufficient funds or for any other reason charged to the Association which is in relation to a payment received by an Owner and not honored by the Owner's bank or any other financial institution and/or source shall be charged back to the Owner's account for reimbursement to the Association.

10.5 COSTS OF COLLECTION. The Owner of a Lot against which Assessments are delinquent is liable for reimbursement of reasonable costs incurred to collect the delinquent Assessments, including attorney's fees and processing fees charged by the managing agent. The managing agent shall have the right to charge a monthly collection fee the amount of which shall be determined by the Agent and/or as governed in the Management Agreement between the Association and the Agent. Additional fees for costs involving the processing of demand letters and notice of intent of attorney referral shall apply and shall be charged for each demand letter or attorney referral letter prepared and processed. Other notices requiring extra processing and handling which include but, are not limited to certified and/or return receipt mail processing shall also be billed back to the Owner's account for reimbursement to the Association or its managing agent. Collection fees and costs shall be added to the delinquent Owner's account.

10.6 ACCELERATION. If an Owner defaults in paying an Assessment that is payable in installments (payment plan), the Association may accelerate the remaining installments upon written notice to the defaulting Owner. The entire unpaid balance of the Assessment becomes due on the date stated in the notice. The Association is not required to offer an Owner who defaults on a payment plan the option of entering into a second or other payment plan for a minimum of two (2) years.

10.7 SUSPENSION OF USE AND VOTE. The Association may suspend the right of Owners and Residents to use Common Areas and common services (if any) during the period of delinquency, pursuant to the procedures established in the Bylaws. The Association may not suspend the right to vote appurtenant to the Lot to the extent such suspension would be prohibited under the Texas Residential Property Owners Protection Act, as amended from time to time (Texas Property Code, Section 209.001 *et seq.*). Suspension does not constitute a waiver or discharge of the Owner's obligation to pay Assessments. Further procedures for membership voting are located in Article 8 hereof or in the Bylaws.

10.8 MONEY JUDGMENT. The Association may file suit seeking a money judgment against an Owner delinquent in the payment of Assessments, without foreclosing or waiving the Association's Assessment Lien.

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

10.10 FORECLOSURE OF ASSESSMENT LIEN. As provided by this Declaration, the Association may foreclose its lien against the Lot by judicial or non-judicial means.

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

10.12 CREDIT REPORTING. The Association through its Board, any management agent of the Association or a third-party collection party or agency, may report an Owner delinquent in the payment of Assessments to any credit reporting agency.

ARTICLE 11
ENFORCING THE DOCUMENTS

11.1 NOTICE AND HEARING. Before the Association may exercise its remedies for a violation or non-compliance of the Documents or damage to the Property, the Association must give an Owner written notice and an opportunity for a hearing, according to the requirements and procedures in this Declaration, the Bylaws and in Applicable Law, such as Chapter 209 of the Texas Property Code, as amended from time to time. Notices or statements are also required before an Owner is liable to the Association for certain charges, including reimbursement of attorney's fees incurred by the Association. A minimum of one (1) notice of not less than ten (10) days shall be required for most violations except prior notice is not required with respect to entry onto a Lot by the Association to cure violations that are an emergency or hazardous in nature or pose a threat or nuisance to the Association or another Owner or as otherwise set forth in this Declaration or established Rules.

11.2 REMEDIES. The remedies provided in this Article for breach of the Documents are cumulative and not exclusive. In addition to other rights and remedies provided by the Documents and by law, the Association has the following right to enforce the Documents, subject to applicable notice and hearing requirements (if any):

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

11.2.2 Fine. The Association may levy reasonable charges, as an individual Assessment, against an Owner and his Lot if the Owner or Resident, or the Owner or

Resident's family, guests, employees, agents, or contractors violate a provision of the Documents. Fines may be levied for each act of violation or for each day a violation continues, and does not constitute a waiver or discharge of the Owner's obligations under the Documents. Without a variance or exclusion from the Board or the ARC, the minimum fine amount to be levied for any infraction shall be $50.00 and the maximum fine amount, per violation occurrence shall be $1,000.00. The fine amount shall increase in increments as set forth in the Association Notice and Hearing; Schedule of Fines Policy and is subject to amendment at any time and from time to time by majority vote and/or Resolution of the Board. Fines may be imposed on a daily or weekly basis depending upon the nature, reoccurrence, and/or severity of the fine. The Board may choose to levy a one-time fine in lieu of staged fining and every day a violation or matter of non-compliance remains will be considered a separate violation and shall be subject to the fines as set forth herein or in the Association's Notice and Hearing; Schedule of Fines Policy.

11.2.3 Suspension. The Association may suspend the right of Owners and Residents to use Common Areas for any period during which the Owner or Resident, or the Owner or Resident's family, guests, employees, agents, or contractors violate the Documents, pursuant to the procedures as outlined in the Bylaws. Suspension may vary depending upon the severity of a violation or the reoccurrence of a violation. A suspension does not constitute a waiver or discharge of the Owner's obligations under the Documents.

11.2.4 Self-Help. The Association has the right to enter any part of the Property, including Lots, to abate or remove, using force as may reasonably be necessary, any erection, thing, animal, person, vehicle, or condition that violates the Documents. In exercising this right, the Board is not trespassing and is not liable for damages related to the abatement. The Board may levy its costs of abatement against the Lot and Owner as an Individual Assessment. The Board will make reasonable efforts to give the violating Owner at least one seventy-two (72) hour notice prior to its intent to exercise self-help. The notice may be given in any manner likely to be received by the Owner. Prior notice is not required (1) in the case of emergencies, (2) to remove violative signs, (3) to remove violative debris, or (4) to remove any other violative item or to abate any other violative condition that is easily removed or abated and that is considered a nuisance, dangerous, or an eyesore to the Subdivision.

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

11.3 BOARD DISCRETION. The Board may use its sole discretion in determining whether to pursue a violation of the Documents, provided the Board does not act in an arbitrary or capricious manner. In evaluating a particular violation, the Board may determine that under the particular circumstances (1) the Association's position is not sufficiently strong to justify taking any or further action; (2) the provision being enforced is or may be construed as inconsistent with Applicable Law; (3) although a technical violation may exist, it is not of such a material nature as

to be objectionable to a reasonable person or to justify expending the Association's resources; or (4) that enforcement is not in the Association's best interests, based on hardship, expense, or other reasonable criteria.

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

11.5 RECOVERY OF COSTS. The costs of curing or abating a violation are at the expense of the Owner or other person responsible for the violation. At the Board's sole discretion, a fine may be levied against a renter or lessee other than the Owner, however, should the renter or lessee fail to pay the fine within the time allotted, the Owner shall be responsible for the fine which shall be added to the Owner's account. If legal assistance is obtained to enforce any provision of the Documents, or in any legal proceeding (whether or not suit is brought) for damages or for the enforcement of the Documents or the restraint of violations of the Documents, the prevailing party is entitled to recover from the non-prevailing party all reasonable and necessary costs incurred by it in such action, including reasonable attorneys' fees.

ARTICLE 12
MAINTENANCE AND REPAIR OBLIGATIONS

12.1 OVERVIEW. Generally, the Association maintains the Common Areas and the Owner maintains his Lot. If an Owner fails to maintain his Lot, the Association may perform the work at the Owner's expense.

12.2 ASSOCIATION MAINTAINS. The Association's maintenance duties will be discharged when and how the Board deems appropriate. The Association maintains, repairs, and replaces, as a Common Expense, the portions of the Property dedicated by plat as a common area or when the plat or this Declaration dedicates the maintenance, upkeep, and repair to the Association, whether or not said property is owned by the Association. This shall include all property dedicated to the Association by Declarant or any Builder. Some areas include, but are not limited to:

a. All Common Areas and/or Areas of Common Responsibility as designated in this Declaration, by Plat, or another instrument, if any.

b. Any real and personal property owned by the Association, but which is not a Common Area, such as a Lot owned by the Association.

c. Any property adjacent to the Subdivision if maintenance of same is deemed to be in the best interests of the Association, and if not prohibited by the Owner or operator of said property.

d. Any area, item, easement, or service - the maintenance of which is assigned to the Association by this Declaration or by the Plat.

The City or its lawful agents, after due notice to the Association and opportunity to cure, may maintain the Common Areas, landscape systems and any other features or elements that are required to be maintained by the Association and the Association fails to do so. The City or its lawful agents, after due notice to the Association and opportunity to cure, may also perform the responsibilities of the Association and its Board if the Association fails to do so in compliance with any provisions of the agreements, covenants or restrictions of the Association or of any applicable City codes or regulations. All costs incurred by the City in performing said responsibilities as addressed in this paragraph shall be the responsibility of the Association. The City may also avail itself of any other enforcement actions available to the City pursuant to state law or City codes or regulations, with regard to the items addressed in this paragraph. **THE ASSOCIATION AGREES TO INDEMNIFY AND HOLD THE CITY HARMLESS FROM ANY AND ALL COSTS, EXPENSES, SUITS, DEMANDS, LIABILITIES OR DAMAGES INCLUDING ATTORNEY FEES AND COSTS OF SUIT, INCURRED OR RESULTING FROM THE CITY'S MAINTENANCE OF THE COMMON AREAS AND/OR REMOVAL OF ANY LANDSCAPE SYSTEMS, FEATURES OR ELEMENTS THAT CEASE TO BE MAINTAINED BY THE ASSOCIATION. Declarant shall have no responsibility for maintenance, repair, replacement, or improvement of the Common Area or improvements therein or thereon, if any, after initial construction and/or installation.**

12.3 AREA OF COMMON RESPONSIBILITY. Includes those "Common Areas" existing and designated by this Declaration or by Plat, the expenses of which shall be added to the annual budget and assessed against all Lots as a Regular Assessment, subject to the terms and conditions of Article 9, unless the Board determines such maintenance benefits some but not all Lots and thereby decides to assess the costs as Individual Assessments or Group Assessments.

12.3.1 Change in Designation. Notwithstanding the foregoing or anything to the contrary contained herein, no change in the Common Areas or Areas of Common Responsibility during the Development Period shall be effective without the prior written consent of the Declarant, and Declarant may unilaterally change during the Development Period without the consent or joinder of the Members.

12.4 ASSOCIATION'S INSPECTION OBLIGATION.

12.4.1 Contract for Services. In addition to the Association's general maintenance obligations set forth in this Declaration, the Association shall, at all times and part of its annual budget, contract with (subject to the limitations otherwise set forth in this Declaration) or otherwise retain the services of independent, qualified, licensed individuals or entities to provide the Association with inspection services for the Common Area for which the Association is responsible.

12.5.1 Schedule of Inspections. The Association should arrange for inspections to take place at least once every two (2) years. The inspector(s) shall provide written reports of their inspections to the Association promptly following completion thereof. The written reports shall identify any items of maintenance or repair that either require current action by the Association or will need further review and analysis. A Reserve Study may be used by the Board to make determinations

regarding repair or replacement of any Common Element or Property. The Board shall report the contents of such written reports to the Members of the Association at the next meeting of the Members if the report will require any maintenance, repair, or replacement not budgeted for or that will exceed the then current available general or restricted reserves than may be set aside for this purpose. Subject to the provisions of the Declaration below, the Board shall promptly cause all matters identified as requiring attention to be maintained, repaired, or otherwise pursued in accordance with prudent business practices and the recommendations of the inspectors.

12.6.1 Notice to Declarant. During the Development Period, the Association shall, if requested by Declarant, deliver to Declarant ten (10) days advance written notice of all such inspections (and an opportunity to be present during such inspection, personally or through an agent) and shall provide Declarant (or its designee) with a copy of all written reports prepared by the inspectors.

12.7 OWNER RESPONSIBILITY. Every Owner has the following responsibilities and obligations for the maintenance, repair, and replacement of the Property, subject to the architectural control requirements of Article 6 and the use restrictions of Article 7.

a. If an Owner desires to upgrade a component of the exterior of the home a written request for modification must be submitted to the ARC and approved in advance of any change

b. Unless a change of component has been approved, repairs, replacement, and additions to the exteriors of the home or Lot must conform to the original construction including, but not limited to, materials, colors, style/architect.

c. The same architectural theme should be consistent and/or harmonious throughout the entire community. Some diversity from neighborhood to neighborhood is expected, however, consistent aesthetic harmony as well as a standard toward beauty shall be required. Nothing in this Section may be construed to prevent the Association from requiring uniform architectural standards and may not limit or interfere with the ARC's ability to allow some diversity from that uniformity when in the sole discretion of the ARC, such change will not decrease the desirability of the community, or the overall aesthetic harmony strived for. **This Section may not be construed as authority for an Owner to "do its own thing."**

12.7.1 Avoid Damage. An Owner may not do any work or to fail to do any work which, in the reasonable opinion of the ARC or the Board, would materially jeopardize the soundness and safety of the Property, reduce the value of the Property, adversely affect the appearance of the Property, or impair any easement relating to the Property.

12.7.2 Responsible for Damage. An Owner is responsible for his own willful or negligent acts and those of his or the Resident's family, guests, agents, employees,

or contractors when those acts necessitate maintenance, repair, or replacement to the Common Areas, or the property of another Owner.

12.7.3 Owner's Obligations to Repair. Each Owner shall at his sole cost and expense, maintain and repair his Lot and the improvements situated thereon, keeping the same in good condition and repair at all times. In the event that any Owner shall fail to maintain and repair his Lot and such improvements as required hereunder, the Association, in addition to all other remedies available to it hereunder or by law, and without waiving any of said alternative remedies, shall have the right but not the obligation, subject to the notice and cure provisions, 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. Maintenance shall include the upkeep in good repair of all fences, exterior portions of the Residence including trim, gutters, garage door, windows, lawn, driveway and sidewalk; this list is not intended to be inclusive and other maintenance requirements are at the sole discretion of the Board.

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

ARTICLE 13
INSURANCE

13.1 GENERAL PROVISIONS. All insurance affecting the Property is governed by the provisions of this Article, with which the Owners and the Board will make every reasonable effort to comply. Insurance policies and bonds obtained and maintained by the Owners must be issued by responsible insurance companies authorized to do business in the State of Texas. Each insurance policy maintained by the Owner should contain a provision requiring the insurer to endeavor to give at least 10 days' prior written notice to the Board before the policy may be canceled, terminated, materially modified, or allowed to expire, by either the insurer or the insured. All insurance policies obtained by the Association shall name the Declarant and any managing agent of the Association as "additional insured."

13.2 PROPERTY INSURANCE BY OWNER(S). Owners will obtain property insurance for all improvements and property and/or Lot owned by such. This insurance must be in an amount

sufficient to cover the replacement cost of any repair or reconstruction in event of damage or destruction from any insured hazard.

13.3 INSURANCE RATIONALE. Owners are one-hundred percent (100%) responsible for obtaining and maintaining proper insurance coverage on their Residence and all property. The Owner must insure all aspects of his Residence and its Lot and such Owner's personal property thereon and therein. Policy should cover 100% replacement cost of structure as well as vehicles and personal property. The Association is not responsible for coverage of any type on property owned by an Owner regardless of type. All Owners must insure their Residence and Lot to the extent necessary (1) to preserve the appearance of the Property, (2) to maintain the structural integrity of the Residence, (3) to maintain systems that serve the Residence, such as pest control tubing and fire safety sprinklers, HVAC systems, irrigation, and more.

13.3.1 Limitation of Liability. The Association shall not be liable: (i) for injury or damage to any person or property caused by the elements or by the Owner or Resident, or any other person or entity, or resulting from any utility, rain, snow or ice which may leak or flow from or over any portion of the Common Areas, or from any pipe, drain, conduit, appliance or equipment which the Association is responsible to maintain hereunder.

13.4 LIABILITY INSURANCE BY OWNER. Notwithstanding anything to the contrary in this Declaration, to the extent permitted by Applicable Law, each Owner is liable for damage to the Property caused by the Owner or by persons for whom the Owner is responsible. Each Owner is hereby required to obtain and maintain general liability insurance to cover this liability as well as occurrences within his Residence, in amounts sufficient to cover the Owner's liability for damage to the property of others in the whether such damage is caused willfully and intentionally, or by omission or negligence.

13.5 OWNER'S GENERAL RESPONSIBILITY FOR INSURANCE. Each Owner, at his expense, will maintain all insurance coverage required of Owners by the Association pursuant to this Article. Each Owner will provide the Association with proof or a certificate of insurance on request by the Association from time to time. The Board may establish additional minimum insurance requirements, including types and minimum amounts of coverage, to be individually obtained and maintained by Owners if the insurance is deemed necessary or desirable by the Board to reduce potential risks to the Association or other Owners. Each Owner and Resident is solely responsible for insuring his Residence and his personal property in his Residence and on his Lot, including furnishings, vehicles, and stored items.

ARTICLE 14
AMENDMENTS

14.1 CONSENTS REQUIRED. As permitted by this Declaration, certain amendments of this Declaration may be executed by Declarant alone, or by the Board alone without the consent or joinder of the Members. To the extent required by the City, any proposed amendment which is for the purpose of amending the provisions of this Declaration or the Associations agreements pertaining to the use, operation, maintenance and/or supervision of the development prior written consent from the City may be required.

14.2 METHOD OF AMENDMENT. This Declaration may be amended by any method selected by the Board from time to time, pursuant to the Bylaws, provided the method gives an Owner of each Lot the substance if not exact wording of the proposed amendment, and a description of the effect of the proposed amendment.

14.3 EFFECTIVE. To be effective, an amendment must be in the form of a written instrument (1) referencing the name of the Property, the name of the Association, and the recording data of this Declaration and any amendments hereto; (2) signed and acknowledged by an officer of the Association, certifying the requisite approval of Declarant, so long as Declarant owns one (1) lot within the subdivision, or the directors and, if required, any mortgagees under a first lien mortgage or deed of trust encumbering a Lot; and (3) recorded in the Real Property Records of every county in which the Property is located, except as modified by the following section.

14.4 DECLARANT PROVISIONS. Declarant has an exclusive right to unilaterally amend this Declaration for the purposes stated in this Declaration and its Appendixes. An amendment that may be executed by Declarant alone is not required to name the Association or to be signed by an officer of the Association. No amendment may affect Declarant's rights under this Declaration without Declarant's written and acknowledged consent, which must be part of the recorded amendment instrument. This Section may not be amended without Declarant's written and acknowledged consent.

14.5 ORDINANCE COMPLIANCE. When amending the Documents, the Association must consider the validity and enforceability of the amendment in light of current public law, including without limitation applicable zoning or other City requirements.

14.6 MERGER. Merger or consolidation of the Association with another association must be evidenced by an amendment to this Declaration. The amendment must be approved by Owners of at least a Majority of the Owners. Upon a merger or consolidation of the Association with another association, the property, rights, and obligations of another association may, by operation of law, be added to the properties, rights, and obligations of the Association as a surviving corporation pursuant to the merger. The surviving or consolidated association may administer the provisions of the Documents within the Property, together with the covenants and restrictions established upon any other property under its jurisdiction. No merger or consolidation, however, will affect a revocation, change, or addition to the covenants established by this Declaration within the Property.

14.7 TERMINATION. Termination of the terms of this Declaration is according to the following provisions. In the event of substantially total damage, destruction, or public condemnation of the Property, an amendment to terminate must be approved by Owners of at least two-thirds of the Lots. In the event of public condemnation of the entire Property, an amendment to terminate may be executed by the Board without a vote of Owners. In all other circumstances, an amendment to terminate must be approved by Owners of at least eighty percent (80%) of the Lots. Any termination of the terms of this Declaration shall require the written approval of the City.

14.8 CONDEMNATION. In any proceeding, negotiation, settlement, or agreement concerning condemnation of the Common Area, the Association will be the exclusive

representative of the Owners. The Association may use condemnation proceeds to repair and replace any damage or destruction of the Common Area, real or personal, caused by the condemnation. Any condemnation proceeds remaining after completion, or waiver, of the repair and replacement will be deposited in the Association's Reserve Funds.

ARTICLE 15
DISPUTE
RESOLUTION

This Article 15 is intended to encourage the resolution of disputes involving the Property. A dispute regarding the Lots, Common Area, Residences, and/or other improvements can create significant financial exposure for the Association and its Members, interfere with the resale and refinancing of Lots, and increase strife and tension among the Owners, the Board and the Association's management. Since disputes may have a direct effect on each Owner's use and enjoyment of their Lot and the Common Area, this Article 15 requires Owner transparency and participation in certain circumstances. Transparency means that the Owners are informed in advance about a dispute, the proposed arrangement between the Association and a law firm or attorney who will represent the Association in the dispute, the proposed arrangement between the Association and any inspection company who will prepare the Common Area Report (as defined below) or perform any other investigation or inspection of the Common Areas, Residences, and/or other improvements related to the dispute, and that each Owner will have an opportunity to participate in the decision-making process prior to initiating the dispute resolution process.

15.1 Introduction and Definitions. The Association, the Owners, Declarant, all persons subject to this Declaration, and each person not otherwise subject to this Declaration who agrees to submit to this Article 15 by written instrument delivered to the Claimant, which may include, but is not limited to, a Homebuilder, a general contractor, sub-contractor, design professional, or other person who participated in the design or construction of Lots, Common Area, Residences, and/or any other improvement within, serving or forming a part of the Property (individually, a "Party" and collectively, the "Parties") agree to encourage the amicable resolution of disputes involving the Property including the Common Area, Residences, and other improvements within the Property, to avoid the emotional and financial costs of litigation and arbitration if at all possible. Accordingly, each Party hereby covenants and agrees that this Article applies to all Claims as hereafter defined. This Article 15 may only be amended with the prior written approval of the Declarant, the Association (acting through a Majority of the Board), and Owners holding 100% of the votes in the Association. As used in this Article only, the following words, when capitalized, have the following specified meanings:

(a) "Claim" means:

(i) Claims relating to the rights and/or duties of Declarant, the Association, or the ARC/ACC, under the Restrictions.

(ii) Claims relating to the acts or omissions of the Declarant, the Association or a Board member or officer of the Association during Declarant's control and administration of the Board, and any claim asserted against the ARC/ACC.

(iii) Claims relating to the design or construction of the Common Area, Areas of Common Responsibility, Residences, or any other improvements located within or on the Property, including any Area of Common Responsibility located on a Lot or which are part of a Residence.

(iv) Claims relating to any repair or alteration of the Common Area, Areas of Common Responsibility, Residences, or any other improvements located within or on the Property.

(b) "Claimant" means any Party having a Claim against any other Party.

(c) "Respondent" means any Party against which a Claim has been asserted by a Claimant.

15.2 Mandatory Procedures. Claimant may not initiate any proceeding before any judge, jury, arbitrator or any judicial or administrative tribunal seeking redress of resolution of its Claim until Claimant has complied with the procedures of this Article. As provided in Section 15.8 below, a Claim must be resolved by binding arbitration.

15.3 Claims Affecting Common Areas. In accordance with this Declaration, the Association does not have the power or right to institute, defend, intervene in, settle, or compromise litigation, arbitration, administrative, or other proceedings: (i) in the name of or on behalf of any Lot Owner (whether one or more); or (ii) pertaining to a Claim, as defined in Section 15.1(a) above, relating to the design or construction of Residences or other improvements on a Lot (whether one or more), including any Area of Common Responsibility. Additionally, no Lot Owner shall have the power or right to institute, defend, intervene in, settle or compromise litigation, arbitration or other proceedings relating to the design or construction of the Common Area. Each Lot Owner, by accepting an interest in or title to a Lot, hereby grants to the Association the exclusive right to institute, defend, intervene in, settle or compromise litigation, arbitration or other proceedings relating to the design or construction of the Common Area. In the event the Association asserts a Claim related to the Common Area, as a precondition to providing the Notice defined in Section 15.5, initiating the mandatory dispute resolution procedures set forth in this

Article 15, or taking any other action to prosecute a Claim related to the Common Area, the Association must:

(a) Obtain Owner Approval of Engagement.

The requirements related to Owner approval set forth in Section 15.3(a) are intended to ensure that the Association and the Owners approve and are fully informed of the financial arrangements between the Association and a law firm or attorney engaged by the Association to prosecute a Claim relating to the design or construction of the Common Area, and any financial arrangements between the Association and the Inspection Company (defined below) or a law firm and/or attorney and the Inspection Company. The engagement agreement between the Association, the law firm or attorney, and/or the Inspection Company may include requirements that the Association pay costs, fees, and expenses to the law firm or attorney or the Inspection Company which will be paid through Assessments levied against Owners. The financial agreement between the Association, the law firm or attorney and/or the Inspection Company may also include obligations related to payment, and the conditions and circumstances when the payment obligations arise, if the relationship between the Association, the law firm or attorney, and/or the Inspection Company is terminated, the Association elects not to engage the law firm or attorney or Inspection Company to prosecute or assist with the Claim, or if the Association agrees to settle the Claim. In addition, the financial arrangement between the Association, the law firm or attorney, and/or the Inspection Company may include additional costs, expenses, and interest charges. These financial obligations can be significant. The Board may not engage or execute an agreement with a law firm or attorney to investigate or prosecute a Claim relating to the design or construction of the Common Area or engage or execute an agreement between the Association and a law firm or attorney for the purpose of preparing a Common Area Report or performing any other investigation or inspection of the Common Area for a Claim related to the design or construction of the Common Area unless the law firm or attorney and the financial arrangements between the Association and the law firm or attorney are approved by the Owners in accordance with Section 15.3(a). In addition, the Board may not execute an agreement with an Inspection Company to prepare the Common Area Report or perform any other investigation or inspection of the Common Areas for a Claim related to the design or construction of the Common Area, unless the Inspection Company and the financial arrangements between the Association and the Inspection Company are approved by the Owners in accordance with Section 15.3(a). For the purpose of the Owner approval required by Section 15.3(a), an engagement, agreement or arrangement between a law firm or attorney and an Inspection Company, if such engagement, agreement or arrangement could result in any financial obligations to the Association, irrespective of whether the Association and law firm or attorney have entered into an engagement or other agreement to prosecute a Claim relating to the design or construction of the Common Area, must also be approved by the Owners in accordance with Section 15.3(a). An engagement or

agreement described in this paragraph is referred to herein as a "Claim Agreement."[1]

Unless otherwise approved by Members holding sixty-seven percent (67%) of the votes in the Association present as a meeting of Members, duly called at which a quorum is present, the Association, acting through its Board, shall in no event have the authority to enter into a Claim Agreement if the Claim Agreement includes any provision or requirement that would obligate the Association to pay any costs, expenses, fees, or other charges to the law firm or attorney and/or the Inspection Company, in connection with a Claim, including but not limited to, costs, expenses, fees, or other charges payable by the Association: (i) if the Association terminates the Claim Agreement or engages another firm or third-party to assist with the Claim; (ii) if the Association elects not to enter into a Claim Agreement; (iii) if the Association agrees to settle the Claim for a cash payment or in exchange for repairs or remediation performed by the Respondent or any other third-party; (iv) if the Association agrees to pay interest on any costs or expenses incurred by the law firm or attorney or the Inspection Company; and/or (v) for consultants, expert witnesses, and/or general contractors hired by the law firm or attorney or the Inspection Company. For avoidance of doubt, it is intended that Members holding sixty-seven percent (67%) of the votes in the Association present at a meeting of Members duly called at which a quorum is present must approve the law firm and attorney who will prosecute the Claim and the Inspection Company who will prepare the Common Area Report or perform any other investigation or inspection of the Common Area for a Claim relating to the design or construction of the Common Area, and each Claim Agreement. All Claim Agreements must be in writing. The Board shall not have the authority to pay any costs, expenses, fees, or other charges to a law firm, attorney or the Inspection Company unless the Claim Agreement is in writing and approved by the Members in accordance with Section 15.3(a).

The approval of the Members required under Section 15.3(a) must be obtained at a meeting of Members called in accordance with the Bylaws. The notice of Member meeting will be provided pursuant to the Bylaws but the notice must also include: (a) the name of the law firm and attorney and/or the Inspection Company; (b) a copy of each Claim Agreement; (c) a narrative summary of the types of costs, expenses, fees, or other charges that may be required to be paid by the Association under any Claim Agreement; (d) the conditions upon which such types of costs, expenses, fees, or other charges are required to be paid by the Association under any Claim Agreement; (e) an estimate of the costs, expenses, fees, or other charges that may be required to be paid by the Association if the conditions for payment under any Claim Agreement occur, which estimate shall be expressed as a range for each type of cost, expense, fee, or other charge; and (f) a description of the process the law firm, attorney and/or the Inspection Company will use to evaluate the Claim and whether destructive testing will be required (i.e., the removal of all or portions of the Common Area, Residences, or other

improvements on the Property). If destructive testing will be required or is likely to occur, the notice shall include a description of the destructive testing, likely locations of the destructive testing, whether the Owner's use of their Lots or the Common Area will be affected by such testing, and if the destructive testing occurs the means or method the Association will use to repair the Common Area, Residences, or other improvements affected by such testing and the estimated costs thereof, and an estimate of Assessments that may be levied against the Owners for such repairs. The notice required by this paragraph must be prepared and signed by a person other than the law firm or attorney who is a party to the proposed Claim Agreement being approved by the Members. In the event Members holding sixty-seven percent (67%) of the votes in the Association present at a meeting of Members duly called at which a quorum is present approve the law firm and/or attorney who will prosecute the Claim and the Claim Agreement(s), the Board shall have the authority to engage the law firm and/or attorney, and the Inspection Company, and enter into the Claim Agreement approved by the Members.

(b) Provide Notice of the Inspection.

As provided in Section 15.3(c) below, a Common Area Report is required which is a written inspection report issued by the Inspection Company. Before conducting an inspection that is required to be memorialized by the Common Area Report, the Association must have provided at least ten (10) days prior written notice of the date on which the inspection will occur to each Respondent which notice shall identify the Inspection Company preparing the Common Area Report, the specific Common Areas to be inspected, and the date and time the inspection will occur. Each Respondent may attend the inspection, personally or through an agent.

(c) Obtain a Common Area Report.

The requirements related to the Common Area Report set forth in Section 15.3(c) are intended to provide assurance to the Claimant, Respondent, and the Owners that the substance and conclusions of the Common Area Report and recommendations are not affected by influences that may compromise the professional judgement of the party preparing the Common Area Report, and to avoid circumstances which would create the appearance that the professional judgment of the party preparing the Common Area Report is compromised.

Obtain a written independent third-party report for the Common Area (the "Common Area Report") from a professional engineer licensed by the Texas Board of Professional Engineers with an office located in Kaufman County, Texas (the "Inspection Company"). The Common Area Report must include: (i) a description with photographs of the Common Area subject to the Claim; (ii) a description of the present physical condition of the Common Area subject to the Claim; (iii) a detailed description of any modifications, maintenance, or repairs to the Common Area performed by the Association or a third-party, including any Respondent; and (iv) specific and detailed recommendations regarding remediation and/or repair of

the Common Area subject to the Claim. For the purpose of subsection (iv) of the previous sentence, the specific and detailed recommendations must also include the specific process, procedure, materials, and/or improvements necessary and required to remediate and/or repair the deficient or defective condition identified in the Common Area Report and the estimated costs necessary to effect such remediation and/or repairs. The estimate of costs required by the previous sentence shall be obtained from third-party contractors with an office located in Kaufman County, Texas, and each such contractor providing the estimate must hold all necessary or required licenses from the Texas Department of Licensing and Regulation or otherwise required by Applicable Law for the work to which the cost estimate relates.

The Common Area Report must be obtained by the Association. The Common Area Report will not satisfy the requirements of this Section and is not an "independent" report if: (i) the Inspection Company has an arrangement or other agreement to provide consulting and/or engineering services with the law firm or attorney that presently represents the Association or proposes to represent the Association; (ii) the costs and expenses for preparation of the Common Area Report are not required to be paid directly by the Association to the Inspection Company at the time the Common Area Report is finalized and delivered to the Association; (iii) the law firm or attorney that presently represents the Association or proposes to represent the Association has agreed to reimburse (whether unconditional or conditional and based on the satisfaction of requirements set forth in the Association's agreement with the law firm or attorney) the Association for the costs and expenses for preparation of the Common Area Report. For avoidance of doubt, an "independent" report means that the Association has independently contracted with the Inspection Company on an arms-length basis based on customary terms for the preparation of engineering reports and that the Association will directly pay for the report at the time the Common Area Report is finalized and delivered to the Association.

(d) Provide a Copy of Common Area Report to all Respondents and Owners.

Upon completion of the Common Area Report, and in any event no later than three (3) days after the Association has been provided a copy of the Common Area Report, the Association will provide a full and complete copy of the Common Area Report to each Respondent and to each Owner. The Association shall maintain a written record of each Respondent and Owner who was provided a copy of the Common Area Report which will include the date the report was provided. The Common Area Report shall be delivered to each Respondent by hand-delivery and to each Owner by mail.

(e) Provide a Right to Cure Defects and/or Deficiencies Noted on Common Area Report.

Commencing on the date the Common Area Report has been completed and continuing for a period of ninety (90) days thereafter, each Respondent shall have the right to: (a) inspect any condition identified in the Common Area Report; (b) contact the Inspection Company for additional information necessary and required to clarify any information in the Common Area Report; and (c) correct any condition identified in the Common Area Report. As provided in Section B.2.6 of Appendix B of the Declaration, the Declarant has an easement throughout the Property for itself, and its successors, assigns, architects, engineers, other design professionals, each Homebuilder, other builders, and general contractors that may be utilized during such ninety (90) day period and any additional period needed thereafter to correct a condition identified in the Common Area Report.

(f) Hold Owner Meeting and Obtain Approval.

In addition to obtaining approval from Members for the terms of the attorney or law firm engagement agreement, the Association must obtain approval from Members holding eighty percent (80%) of the votes in the Association to provide the Notice described in Section 15.5, initiate the mandatory dispute resolution procedures set forth in this Article 15, or take any other action to prosecute a Claim, which approval from Members must be obtained at a 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: (i) the nature of the Claim, the relief sought, the anticipated duration of prosecuting the Claim, and the likelihood of success; (ii) a copy of the Common Area Report; (iii) a copy of any engagement letter between the Association and the law firm and/or attorney selected by the Association to assert or provide assistance with the Claim; (iv) a description of the attorney fees, consultant fees, expert witness fees, and court costs, whether incurred by the Association directly or for which the Association may be liable as a result of prosecuting the Claim; (v) a summary of the steps previously taken and proposed to be taken by the Association to resolve the Claim; (vi) a statement that initiating the lawsuit or arbitration proceeding to resolve the Claim may affect the market value, marketability, or refinancing of a Lot while the Claim is prosecuted; and (vii) a description of the manner in which the Association proposes to fund the cost of prosecuting the Claim. The notice required by this paragraph must be prepared and signed by a person who is not (a) the attorney who represents or will represent the Association in the Claim; (b) a member of the law firm of the attorney who represents or will represent the Association in the Claim; or (c) employed by or otherwise affiliated with the law firm of the attorney who represents or will represent the Association in the Claim. In the event Members approve providing the Notice described in Section 15.5, 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.

(g) Prohibition of 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.

15.4 Claims by Lot Owners – Improvements on Lots. **Notwithstanding anything contained herein to the contrary, in the event a warranty is provided to a Lot Owner by the Declarant or a builder relating to the design or construction of any Residences or other improvements located on a Lot, then this** Article 15 will only apply to the extent that this Article 15 is more restrictive than such Lot Owner's warranty, as determined in the sole discretion of the party that provided such warranty (either the Declarant or the builder). If a warranty has not been provided to a Lot Owner relating to the design or construction of any Residences or other improvements located on a Lot, then this Article 15 will apply. Class action proceedings are prohibited, and no Lot Owner shall be entitled to prosecute, participate, initiate, or join any litigation, arbitration or other proceedings as a class member or class representative in any such proceedings under this Declaration. If a Lot Owner brings a Claim, as defined in Section 15.1(a), relating to the design or construction of any Residences or other improvements located on a Lot (whether one or more), as a precondition to providing the Notice defined in Section 15.5, initiating the mandatory dispute resolution procedures set forth in this Article 15, or taking any other action to prosecute a Claim, the Lot Owner must:

(a) Provide Notice of the Inspection.

As provided in Section 15.4(b) below, an Owner Improvement Report is required which is a written inspection report issued by the Inspection Company. Before conducting an inspection that is required to be memorialized by the Owner Improvement Report, the Owner must have provided at least ten (10) days prior written notice of the date on which the inspection will occur to each Respondent which notice shall identify the Inspection Company preparing the Owner Improvement Report, the improvements and areas of the improvements to be inspected, and the date and time the inspection will occur. Each Respondent may attend the inspection, personally or through an agent.

(b) Obtain an Owner Improvement Report.

The requirements related to the Owner Improvement Report set forth in this Section 15.4(b) are intended to provide assurance to the Claimant and Respondent that the substance and conclusions of the Owner Improvement Report and recommendations are not affected by influences that may compromise the professional judgement of the party preparing the Owner Improvement Report, and to avoid circumstances which would create the appearance that the professional judgment of the party preparing the Owner Improvement Report is compromised.

Obtain a written independent third-party report for the improvements (the "Owner Improvement Report") from an Inspection Company. The Owner

Improvement Report must include: (i) a description with photographs of the improvements subject to the Claim; (ii) a description of the present physical condition of the improvements; (iii) a detailed description of any modifications, maintenance, or repairs to the improvements performed by the Owner or a third-party, including any Respondent; (iv) specific and detailed recommendations regarding remediation and/or repair of the improvements. For the purpose of subsection (iv) of the previous sentence, the specific and detailed recommendations must also include the specific process, procedure, materials, and/or improvements necessary and required to remediate and/or repair the deficient or defective condition identified in the Owner Improvement Report and the estimated costs necessary to effect such remediation and/or repairs. The estimate of costs required by the previous sentence shall be obtained from third-party contractors with an office located in Kaufman County, Texas, and each such contractor providing the estimate must hold all necessary or required licenses from the Texas Department of Licensing and Regulation or otherwise required by Applicable Law for the work to which the cost estimate relates.

The Owner Improvement Report must be obtained by the Owner. The Owner Improvement Report will not satisfy the requirements of this Section and is not an "independent" report if: (i) the Inspection Company has an arrangement or other agreement to provide consulting and/or engineering services with the law firm or attorney that presently represents the Owner or proposes to represent the Owner; (ii) the costs and expenses for preparation of the Owner Improvement Report are not directly paid by the Owner to the Inspection Company no later than the date the Owner Improvement Report is finalized and delivered to the Owner; (iii) the law firm or attorney that presently represents the Owner or proposes to represent the Owner has agreed to reimburse (whether unconditional or conditional and based on the satisfaction of requirements set forth in the Owner's agreement with the law firm or attorney) the Owner for the costs and expenses for preparation of the Owner Improvement Report. For avoidance of doubt, an "independent" report means that the Owner has independently contracted with the Inspection Company on an arms-length basis based on customary terms for the preparation of engineering reports and that the Owner will directly pay for the report no later than the date the Owner Improvement Report is finalized and delivered to the Owner.

(c) Provide a Copy of Owner Improvement Report to all Respondents.

Upon completion of the Owner Improvement Report, and in any event no later than three (3) days after the Owner has been provided a copy of the Owner Improvement Report, the Owner will provide a full and complete copy of the Owner Improvement Report to each Respondent. The Owner shall maintain a written record of each Respondent who was provided with a copy of the Owner Improvement Report which will include the date the report was provided. The Owner Improvement Report shall be delivered to each Respondent by hand-delivery and to each Owner by mail.

(d) Right to Cure Defects and/or Deficiencies Noted on Owner Improvement Report.

Commencing on the date the Owner Improvement Report has been completed and continuing for a period of ninety (90) days thereafter, each Respondent shall have the right to: (a) inspect any condition identified in the Owner Improvement Report; (b) contact the Inspection Company for additional information necessary and required to clarify any information in the Owner Improvement Report; and (c) correct any condition identified in the Owner Improvement Report. As provided in Section B.2.6 of Appendix B of the Declaration, the Declarant has an easement throughout the Property for itself, and its successors, assigns, architects, engineers, other design professionals, each builder, and general contractors that may be utilized during such ninety (90) day period and any additional period needed thereafter to correct a condition identified in the Owner Improvement Report.

(e) Claims Pertaining to the Common Area.

Pursuant to Section 15.3 above, an Owner does not have the power or right to institute, defend, intervene in, settle or compromise litigation, arbitration or other proceedings relating to the design or construction of the Common Area. In the event that a court of competent jurisdiction or arbitrator determines that an Owner does have the power or right to institute, defend, intervene in, settle or compromise litigation, arbitration or other proceedings relating to the design or construction of the Common Area, such Owner shall be required, since a Claim affecting the Common Area could affect all Owners, as a precondition to providing the Notice defined in Section 15.5, initiating the mandatory dispute resolution procedures set forth in this Article 15, or taking any other action to prosecute a Claim, to comply with the requirements imposed by the Association in accordance with Section 15.3(b) (Provide Notice of Inspection), Section 15.3(c) (Obtain a Common Area Report), Section 15.3(d) (Provide a Copy of Common Area Report to all Respondents and Owners), Section 15.3(e) (Provide Right to Cure Defects and/or Deficiencies Noted on Common Area Report), Section 15.3(f) (Owner Meeting and Approval), and Section 15.5 (Notice).

15.5 Notice. Claimant must notify Respondent in writing of the Claim (the "Notice"), stating plainly and concisely: (i) the nature of the Claim, including date, time, location, persons involved, and Respondent's role in the Claim; (ii) the basis of the Claim (i.e., the provision of the Restrictions or other authority out of which the Claim arises); (iii) what Claimant wants Respondent to do or not do to resolve the Claim; and (iv) that the Notice is given pursuant to this Section 15.5. For Claims governed by Chapter 27 of the Texas Property Code, the time period for negotiation in Section 15.6 below, 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 Section 15.6, to comply with the terms and provisions of Section 27.004 during such sixty (60) day period. Section 15.6 does not 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 could affect a Claim if the Claim is

subject to Chapter 27 of the Texas Property Code. The one hundred and twenty (120) day period for mediation set forth in Section 15.7 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 Section 15.7 is required without regard to the monetary amount of the Claim.

If the Claimant is the Association, the Notice will also include: (a) if the Claim relates to the design or construction of the Common Area, a true and correct copy of the Common Area Report, and any and all other reports, studies, analyses, and recommendations obtained by the Association related to the Common Area; (b) a copy of any engagement letter between the Association and the law firm and/or attorney selected by the Association to assert or provide assistance with the Claim; (c) if the Claim relates to the design or construction of the Common Area, reasonable and credible evidence confirming that Members holding sixty-seven percent (67%) of the votes in the Association present at a meeting of Members duly called at which a quorum is present approved the law firm and attorney and the Claim Agreement in accordance with Section 15.3(a); (d) a true and correct copy of the special meeting notice provided to Members in accordance with Section 15.3(f) above; and (e) reasonable and credible evidence confirming that Members holding eighty percent (80%) of the votes in the Association approved providing the Notice. If the Claimant is not the Association and the Claim pertains to the Common Areas, the Notice will also include a true and correct copy of the Common Area Report. If the Claimant is not the Association and relates to the design or construction of improvements on a Lot, the Notice will also include a true and correct copy of the Owner Improvement Report.

15.6. Negotiation. Claimant and Respondent will make every reasonable effort to meet in person to resolve the Claim by good faith negotiation. Within sixty (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.

15.7. 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 may submit the Claim to mediation in accordance with this Section 15.7. If the Parties do not settle the Claim within thirty (30) days after submission to mediation, Respondent or Claimant may initiate arbitration proceedings in accordance with Section 15.8.

15.8 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 15.8.

(a) Governing Rules. If a Claim has not been resolved after mediation in accordance with Section 15.7, the Claim will be resolved by binding arbitration in accordance with the terms of this Section 15.8 and the American Arbitration Association (the "AAA") Construction Industry Arbitration Rules and Mediation Procedures and, if applicable, the rules contained in the AAA Supplementary Procedures for Consumer Related Disputes, as each are supplemented or modified by the AAA (collectively, the Construction Industry Arbitration Rules and Mediation Procedures and AAA Supplementary Procedures for Consumer Related Disputes are referred to herein as the "AAA Rules"). In the event of any inconsistency between the AAA Rules and Section 15.8, this Section 15.8 will control. Judgment upon the award rendered by the arbitrator shall be binding and not subject to appeal, but may be reduced to judgment or enforced 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:

(i) One arbitrator shall be selected by Respondent, in its sole and absolute discretion;

(ii) One arbitrator shall be selected by the Claimant, in its sole and absolute discretion; and

(iii) One arbitrator shall be selected by mutual agreement of the arbitrators having been selected by Respondent and the Claimant, in their sole and absolute discretion.

(b) Exceptions to Arbitration; Preservation of Remedies. No provision of, nor the exercise of any rights under, this Section 15.8 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.

(c) Statute of Limitations. All statutes of limitation that would otherwise be applicable shall apply to any arbitration proceeding under Section 15.8.

(d) Scope of Award; Modification or Vacation of Award. The arbitrator shall resolve all Claims in accordance with Applicable Law. The arbitrator may grant any remedy or relief that the arbitrator deems just and equitable and within the scope of this Section 15.8 and subject to Section 15.9 below; **provided, however, attorney's fees and costs may not be awarded by the arbitrator to either Claimant or Respondent.** In addition, 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, except that the arbitrator may not award attorney's fees and/or costs to their Claimant or Respondent. 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 Applicable Law; or (iv) a cause of action or remedy not expressly provided under Applicable Law. **In no event may an arbitrator award speculative, special, exemplary, treble, or punitive damages for any Claim.**

(e) 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. Arbitration proceedings hereunder shall be conducted in Kaufman County, Texas. Unless otherwise provided by this Section 15.8, 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. Claimant and Respondent agree 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. In no event shall Claimant or Respondent 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.

15.9. 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. Respondent and Claimant will equally divide all expenses and fees charged by the mediator and arbitrator.

15.10. General Provisions. The 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.

15.11. Period of Limitation.

(a) For Actions by an Owner or Resident. The exclusive period of limitation for any of the Parties to bring any Claim, shall be the earliest of: (i) for

Claims alleging construction defect or defective design, two (2) years and one (1) day from the date that the Owner or Resident discovered or reasonably should have discovered evidence of the Claim; (ii) for Claims other than those alleging construction defect or defective design, four (4) years and one (1) day from the date that the Owner or Resident discovered or reasonably should have discovered evidence of the Claim; or (iii) the applicable statute of limitations for such Claim. In the event that a court of competent jurisdiction determines that an Owner does have the power or right to institute, defend, intervene in, settle or compromise litigation, arbitration or other proceedings relating to the design or construction of the Common Area, the exclusive period of limitation for a Claim of construction defect or defective design of the Common Areas, shall be the earliest of: (a) two (2) years and one (1) day from the date that the Owner or the Association discovered or reasonably should have discovered evidence of the Claim; or (b) the applicable statute of limitations for such Claim. In no event shall Section 15.11(a) be interpreted to extend any period of limitations.

(b) For Actions by the Association. The exclusive period of limitation for the Association to bring any Claim, including, but not limited to, a Claim of construction defect or defective design of the Common Areas, shall be the earliest of: (i) for Claims alleging construction defect or defective design, two (2) years and one (1) day from the date that the Association or its manager, board members, officers or agents discovered or reasonably should have discovered evidence of the Claim; (ii) for Claims other than those alleging construction defect or defective design of the Common Areas, four (4) years and one (1) day from the date that the Association or its manager, board members, officers or agents discovered or reasonably should have discovered evidence of the Claim; or (iii) the applicable statute of limitations for such Claim. In no event shall this Section 15.11(b) be interpreted to extend any period of limitations.

15.12. Funding the Resolution of Claims. The Association must levy a Special Assessment to fund the estimated costs to resolve a Claim pursuant to this Article 15. The Association may not use its annual operating income or reserve funds to fund the costs to resolve a Claim unless the Association has previously established and funded a dispute resolution fund.

15.13 **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.**

ARTICLE 16
GENERAL PROVISIONS

16.1 COMPLIANCE. The Owners hereby covenant and agree that the administration of the Association will be in accordance with the provisions of the Documents and Applicable Laws,

regulations, and ordinances, as same may be amended from time to time, of any governmental or quasi-governmental entity having jurisdiction over the Association or Property.

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

16.3 NOTICE. All demands or other notices required to be sent to an Owner or Resident by the terms of this Declaration may be sent by ordinary or certified mail, postage prepaid, to the party's last known address as it appears on the records of the Association at the time of mailing. If an Owner fails to give the Association an address for mailing notices, all notices may be sent to the Owner's Lot, and the Owner is deemed to have been given notice whether or not he actually receives it. A minimum of one (1) notice informing an Owner of an existing violation (emergency violations excluded) will be required. Each notice shall provide the Owner not less than ten (10) days to cure the violation with the exception of self-help notices. If Owner does not cure the violation after one (1) notice is delivered, the Association shall proceed with a fine notice and subsequent fines or with self-help whichever the Association deems appropriate.

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

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

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

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

A – Description of Subject Land (Legal Description)

B – Declarant Representations & Reservations

C – Uses Specifically Prohibited or Limited

D – Design Guidelines adopted by ARC/ACC

D-1 – Partial Listing of City Design Guidelines

E – Certificate of Formation, Organizational Consent, Bylaws and Policies of the Association

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

16.8 DURATION. Unless terminated or amended by Owners as permitted herein, the provisions of this Declaration shall run with and bind the Property, and will remain in effect initially for 25 years from the date this Declaration is recorded, and shall automatically renew without any action from the Association for successive ten (10) year periods to the extent permitted by law, unless previously terminated in accordance with this Declaration.

16.9 NOTICE OF INCLUSION IN PID, AND NOTICE OF OBLIGATION TO PAY PUBLIC IMPROVEMENTS DISTRICT ASSESSMENT. THE PROPERTY IS LOCATED IN A PUBLIC IMPROVEMENT DISTRICT CREATED BY THE CITY OF CRANDALL, TEXAS. THE PURPOSE OF THE PUBLIC IMPROVEMENT DISTRICT IS TO MAKE AVAILABLE VARIOUS UTILITIES, STORM WATER FACILITIES, PARK, CERTAIN PAVING ITEMS, AND ENGINEERING, LEGAL, AND ADMINISTRATIVE SERVICES TO PROPERTY OWNERS WITHIN THE PUBLIC IMPROVEMENT DISTRICT. THE COST OF THESE PID FACILITIES WAS NOT INCLUDED IN THE PURCHASE PRICE OF YOUR PROPERTY, AND THESE PID FACILITIES ARE OWNED OR WILL BE OWNED BY THE CITY OF CRANDALL, TEXAS. THE CITY OF CRANDALL, TEXAS, THROUGH THE PUBLIC IMPROVEMENT DISTRICT, HAS LEVIED OR WILL LEVY AN ASSESSMENT ("PID ASSESSMENT") FOR THE PURPOSE OF PROVIDING THESE PID IMPROVEMENTS TO BENEFIT PROPERTY IN THE PUBLIC IMPROVEMENT DISTRICT. ANY OWNER OF A LOT OR OTHER PORTION OF THE PROPERTY IS OBLIGATED TO PAY THE PID ASSESSMENT TO A THE CITY OF CRANDALL, TEXAS FOR AN IMPROVEMENT PROJECT UNDERTAKEN BY PUBLIC IMPROVEMENT DISTRICT. THE PID ASSESSMENT MAY BE DUE ANNUALLY OR IN PERIODIC INSTALLMENTS. MORE INFORMATION CONCERNING THE AMOUNT OF THE PID ASSESSMENT AND THE DUE DATES OF THAT PID ASSESSMENT MAY BE OBTAINED FROM THE CITY OF CRANDALL, TEXAS LEVYING THE ASSESSMENT. THE AMOUNT OF THE PID ASSESSMENTS IS SUBJECT TO CHANGE. AN OWNER's FAILURE TO PAY FOR THE PID ASSESSMENTS COULD RESULT IN A LIEN ON AND THE FORECLOSURE OF AN OWNER'S LOT OR PORTION OF THE PROPERTY.

16.10 NOTICE OF INCLUSION IN TIRZ. THE PROPERTY IS LOCATED WITHIN THE TAX INCREMENT REINVESTMENT ZONE (the "TIRZ") IN ACCORDANCE WITH CHAPTER 311 OF THE TEXAS TAX CODE, AS MAY BE AMENDED FROM TIME TO TIME. THE TIRZ ORDINANCE AND ANY AGREEMENT PURSUANT TO SHALL BE ADOPTED BY THE CITY COUNCIL OF THE CITY OF CRANDALL, TEXAS, FORMED PURSUANT TO AND GOVERNED BY CHAPTER 311, OF THE TEXAS TAX CODE, AS AMENDED. IN THIS REGARD, A PORTION OF THE REVENUES COLLECTED BY THE CITY OF CRANDALL, TEXAS, MAY BE USED TO FINANCE THE CONSTRUCTION, INSTALLATION, MAINTENANCE, REPAIR AND/OR REPLACEMENT OF CERTAIN QUALIFIED IMPROVEMENTS WITHIN THE TIRZ. MORE INFORMATION REGARDING THE TIRZ MAY BE OBTAINED FROM THE CITY OF CRANDALL, TEXAS. THE ASSOCIATION HAS NO

RESPONSIBILITY IN REGARD TO TIRZ EXCEPT TO ANNOUCE BY WAY OF THIS DECLARATION THAT LOTS LOCATED WITHIN CARTWRIGHT RANCH ARE LOCATED IN AND SUBJECT TO THE TIRZ

OWNERS ARE HEREBY NOTICED THAT ANY ERROR OR OMISSION IN REGARD TO REFERENCES BY ARTICLE OR SECTION DOES NOT NEGATE THE REQUIREMENTS, RULES, AND REGULATIONS SET FORTH IN THIS DECLARATION.

[SIGNATURE PAGE FOLLOWS THIS PAGE]

SIGNED on this 22 day of August, 2023.

DEVELOPER:

MM Cartwright Ranch, LLC,
a Texas limited liability company

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

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

By: _____

Name: Mehrdad Moayedi

Its: Manager

STATE OF TEXAS §
§
COUNTY OF DALLAS §

BEFORE ME, the undersigned authority, on this day personally appeared Mehrdad Moayedi, the Manager of MM Cartwright Ranch, a Texas LLC, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that s/he executed the same for the purposes and consideration therein expressed, and as the act and deed of said LLC, and in the capacity therein stated

GIVEN UNDER MY HAND AND SEAL OF OFFICE, on this 22 day of August, 2023.

MATTHEW KOLLINGER
Notary Public, State of Texas
Comm. Expires 03-14-2026
Notary ID 133642806

_____
Notary Public, State of Texas

CONSENT AND SUBORDINATION OF LIENHOLDER

The undersigned, being the beneficiary under that certain Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing or similar instrument dated 12/23, 2020, executed by Mihrdad Moayedi, a manager (the "**Borrower**") and recorded on 12/28, 2020, as Document No. 2020-0041910, in the Official Public Records of Kaufman County, Texas, together with any modifications, supplements, restatements or amendments thereto, hereby consents to the Declaration of Covenants, Conditions and Restrictions for Cartwright Ranch Homeowners Association, Inc. (the "**Declaration**") to be applicable to the Property, in accordance with the terms thereof, and furthermore subordinates its lien rights and interests in and to the Property to the terms, provisions, covenants, conditions and restrictions under the Declaration so that foreclosure of its lien will not extinguish the terms, provisions, covenants, conditions and restrictions under the Declaration.

International Bank of Commerce

By: _____

Name: William Dawson

Title: Vice President

BEFORE ME, the undersigned authority, on this day personally appeared William Dawson, the Vice President of International Bank of Commerce a Texas Corporation, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that s/he executed the same for the purposes and consideration therein expressed, and as the act and deed of said Corporation, and in the capacity therein stated

GIVEN UNDER MY HAND AND SEAL OF OFFICE, on this 30th day of August, 2023.

[SEAL]

ANGELA ADAMS
NOTARY PUBLIC
STATE OF TEXAS
MY COMM. EXP. 06/26/27
NOTARY ID 13027371-9

_____
Notary Public in and for the State of Texas

APPENDIX "A"

Legal description subject land

REAL PROPERTY LEGAL DESCRIPTION

APPENDIX "B"

DECLARANT REPRESENTATIONS & RESERVATIONS

B.1. GENERAL PROVISIONS.

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

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

B.1.3. Purpose of Development and Declarant Control Periods. This Appendix gives Declarant certain rights during the Development Period and the Declarant Control Period to ensure a complete and orderly 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.

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

d. "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 Detached 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.

e. "Declarant Control Period" means that period of time during which Declarant controls the operation of this 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:

(1) fifty (50) years from date this Declaration is recorded.

(2) the date title to the Lots and all other portions of the Property has been conveyed to Owners other than Builders or Declarant.

B.1.5. Builders. Declarant, through its affiliates, intends to construct Detached Residences on the Lots in connection with the sale of the Lots. However, Declarant may, without notice, sell some or all of the Lots to one or more Builders to improve the Lots with Townhomes 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 a minimum of three (3) persons, and a maximum of five (5) persons. **During the Declarant Control Period the Board shall consist of only three (3) persons without the express written consent of the Declarant. 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." As long as Declarant's right to appoint remains, the increase in Members to the Board shall be governed under Declarant's special or reserved rights at the Declarant's sole discretion; and** 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.

B.2.2. Weighted Votes. During the Declarant Control Period, the vote appurtenant to each Lot owned by Declarant is weighted ten (10) times that of the vote appurtenant to a Lot owned by another Owner. In other words, during the Declarant Control Period, Declarant may cast the equivalent of ten (10) votes for each Lot owned by Declarant on any issue before the Association. On termination of the Declarant Control Period and thereafter, the vote appurtenant to Declarant's Lots is weighted uniformly with all other votes. In determining the number of Lots owned by the Declarant for the purpose of weighted voting hereunder, the total number of Lots covered by this Declaration, including all Lots annexed into the Property in accordance with the terms of this Declaration (including, by Declarant pursuant to its rights under Section B.7 of this Appendix B) shall be considered.

B.2.3. Budget Funding. The Declarant **shall not be responsible or liable for any deficit in the Association's Budget or funds whatsoever** and shall not be required to pay Assessments on any Lots it owns. The Declarant may, but is under no obligation to, subsidize any deficiency or liabilities incurred by the Association, and the Declarant may, but is not obligated to, lend funds to the Association to enable it to defray its expenses, provided the terms of such loans are on reasonable market conditions at the time. As set forth in this Declaration and this Exhibit B, Declarant shall have the right to make written demand for repayment of any funding, subsidy, loan, or other monies paid with or without a promissory note. Declarant is not responsible for funding

the Reserve Fund and may, at its sole discretion, require the Association to use Reserve Funds or working capital funds collected when available to pay operating expenses prior to the Declarant providing any funding.

B.2.4. Declarant Assessments. During the Declarant Control Period, any real property owned by Declarant is not subject to Assessments by the Association.

B.2.5. Builder Obligations. Any Builder who owns a Lot is liable for all Assessments and other fees charged by the Association in the same manner as any Owner.

B.2.6. Commencement of Assessments. 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 right of Owners to veto Budgets or Budget approvals, Assessment increases or Special Assessments is not effective and may not be exercised.

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, directors to the Board. At this time, if Declarant deems it appropriate, the Members of the Board may automatically be increased from three (3) to five (5). Written notice of the organizational meeting must be given to an Owner of each Lot at least ten (10) days but not more than sixty (60) days before the meeting. For the organizational meeting, Owners of ten percent (10%) of the Lots constitute a quorum. The directors elected at the organizational meeting will serve the terms as they are set forth in the Bylaws. In the event there is already one or more homeowners serving on the Board as elected officers, those Members shall be allowed to finish out their terms and the Association shall hold elections only for the number of vacant seats to be filled. At this transition meeting, the Declarant will transfer control over all utilities related to the Common Areas owned by the Association and Declarant will 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 Areas and Areas of Common Responsibility.

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. Changes in Development Plan. Declarant may modify the initial development plan to respond to perceived or actual changes and opportunities in the marketplace. Subject to approval by (1) a governmental entity, if applicable, and (2) the Owner of the land or Lots to which the change would directly apply (if other than Declarant), Declarant may (a) change the sizes, dimensions, and configurations of Lots and Streets; (b) change the minimum Residence size; (c) change the building setback requirements; and (d) eliminate or modify any other feature of the Property.

B.3.2. 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. Without Declarant's prior written approval, a Builder may not use a sales office or model in the Property to market homes, 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 Article 6.** Declarant may from time to time, but is not obligated to, appoint one or more Owners or establish a committee comprised of architects, engineers, or other persons of the Declarant's choice who may or may not be Members of the Association. 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 new Residences and related improvements on vacant Lots.**

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

a. To create Lots, easements, and Common Areas within the Property.

f. To modify the designation of the Area of Common Responsibility.

g. To subdivide, combine, or reconfigure Lots.

h. To convert Lots into Common Areas and Common Areas back to Lots.

i. To modify the construction and use restrictions of Article 7 of this Declaration.

j. To merge the Association with another property owners association.

k. To comply with the requirements of an underwriting lender, to bring any provisions of this Declaration into compliance with any applicable governmental statute, rule, regulation or judicial determination, or to satisfy the requirements of any local, state or federal governmental.

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

m. To enable any reputable title insurance company to issue title insurance coverage on the Lots.

n. To enable an institutional or governmental lender to make or purchase mortgage loans on the Lots.

o. To change the name or entity of Declarant.

p. To change the name of the addition in which the Property is located.

q. To change the name of the Association.

r. 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 Area, Area of Common Responsibility, 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.

B.3.8. Offices. During the Development Period, Declarant reserves for itself the right to use Detached 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 Detached 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 install utilities or other improvements more efficiently or economically. 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 Area 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 Article 8 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 AREAS. Common Areas and Areas of Common Responsibility are used interchangeably throughout this Declaration and its Appendixes / Exhibits. Declarant will convey title to the Common Areas, including any and all facilities, structures, improvements and systems of the Common Areas owned by Declarant, to the Association by one or more deeds – with or

without warranty and in "AS IS" condition. Any initial Common Area improvements 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 Areas 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 Areas requiring inspection, evaluation, acceptance, or approval of Common Area improvements by the Owners. Declarant is under no contractual or other obligation to provide amenities of any kind or type.

B.5. WORKING CAPITAL FUND. The Association shall establish a working capital fund for the Association by requiring purchasers of Lots except the initial purchase of a Lot by a Builder from the Declarant. Other fees will apply however, Builders will not be required to pay a Working Capital Fee at time of purchase of a Lot from the Declarant. When a Builder sells a Lot or Residence, a Working Capital Fee shall be paid.

a. The amount of the contribution to this fund will be determined by this Declaration or the Board of Directors, but shall in no wise, be less than one-third (1/3) of the then current annual Regular Assessment and shall be paid at every sell or resale of a Lot. Declarant during the Development Period or, thereafter, the Board may cause the Working Capital Fee to be paid by Builders notwithstanding, the working capital paid by Builders shall be only one-half (1/2) the amount of working capital fee paid as a result of a sell of Lot to any Owner other than a sell from Declarant to a Builder. Additional transfer or resale related fees by the Agent will apply and are not negotiable except by the Managing Agent.

b. Subject to the foregoing, a Lot's contribution should be collected from the Owner or the buyer at closing upon sale of Lot from Builder to Owner; Declarant acknowledges that this condition may create an inequity among the Owners, but deems it a necessary response to the diversification of marketing and closing Lot sales.

c. 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.

d. If applicable, Declarant will transfer the balance of the working capital fund to the Association on or before termination of the Declarant Control Period. Declarant may not use the funds 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 Kaufman 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 Kaufman 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 Kaufman 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;

(iii) 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.

[End of Appendix B]

APPENDIX "C"

OF THE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR CARTWRIGHT RANCH HOMEOWNERS ASSOCIATION, INC.

Uses Specifically Prohibited or Limited

This list is NOT all inclusive and subject to change. This list may contain items also mentioned within the Declaration. Any conflict between the Declaration and this Appendix C, the higher standard or rule shall apply.

Uses Specifically Prohibited.

(a) No temporary or permanent structure or item of any kind or nature will be permitted on any Lot without the express written consent of the Declarant or the Architectural Review Committee ("ARC" or "ACC"). At the Declarant's sole discretion or at the discretion of the ARC, the following may be allowed upon written consent so long as the structure or item cannot be seen over the fence line and the item is placed directly behind the home and within a fenced yard. Exceptions for Lots with wrought iron fencing may be made notwithstanding, the ARC may stipulate certain requirements to ensure limited visibility and continued architectural design and harmony:

(i) small dog houses

(ii) small greenhouses or vegetable gardens, and other low-profile items not visible to adjoining Lots or Residences and which do not constitute any form of threat to drainage flow or the health, safety, and welfare of the Owners, any surrounding Residents or any property. Vining or trellising along or on fences is not allowed.

As a Community Wide Standard, no structure of a permanent or temporary nature shall be more than two feet (2') to two and one-half feet (2-1/2') in height above the top of the fence line and shall always be positioned to the back of the home unless prior written approval for placement elsewhere is obtained from the ARC. Requests for structures greater than two and one-half feet (2-1/2') in height over the top of the fence line or requests for placement of any structure or item anywhere other than directly behind the home shall be considered on a case-by-case basis. The ARC is under no obligation to approve any structure or improvement, permanent or temporary, that is considered excessive in height or can be seen from the front of the home or street or is thought to breach any drainage or setback rules. As a general rule, no structure visible in any manner shall be allowed on the sides of the home whether within a fenced area or not. Should the placement of an item or structure foster any form of complaint, hazard, discord, aesthetic disharmony, or the like for which the ARC or the Association is required to intervene, the immediate and permanent removal or relocation at the sole cost and expense of the Owner may be required regardless of whether the structure or improvement was approved or not. Failure to comply with any request from the ARC may result in monetary fines up to one-thousand Dollars ($1,000.00) for non-compliance which may be levied in lump sums or increments at the sole

discretion of the ARC. The approval or issuance of one variance to an Owner in no way obligates the ARC to make the same concession or give the same variance consideration to another Owner. A Builder or contractor may have temporary improvements (such as a sales office and/or construction trailer) on a given Lot during construction of the residence on that Lot or on a different Lot as agreed to between the Builder or contractor and Declarant and/or as otherwise set out in the Design Guidelines. At the Declarant's sole discretion, special allowances may be given to Builders or Contractors in association with the construction and marketing of Lots and residences constructed on Lots. The Board and the ARC may not, under any circumstance, interfere with or attempt to set rules or regulations against Builders or Contractors that would prohibit or interfere with their ability to perform and complete their work. Rules regarding construction hours, cleanliness of Lots under construction and similar other rules may be adopted however, no such authority shall be given to or exercised by the Association during the Declarant Control Period without the Declarant's prior written approval. No building material of any kind or character shall be placed or stored upon the Property until the Owner thereof is ready to commence construction of improvements, and then such material shall be placed within the property lines of the Lot upon which the improvements are to be erected.

Portable or permanent basketball goals shall be allowed with written approval of the ARC only. Portable basketball goals may be placed on the driveway only for use; no portable basketball goal or any other sports play equipment such as but, not limited to soccer, skate board ramps, goals or nets of any kind, and other play equipment of any type or kind may be placed or played in the street or upon any sidewalk. Portable basketball goals, when possible, must be stored out of public view when not in use and must be kept in good repair at all times. No unsightly weights such as tires, sand bags, rocks, or other materials may be used. Goals with poles that can be cranked up and down are preferred. The Declarant and the Board of Directors reserves the right to require the removal of a portable basketball goal or any other play equipment when use of same is in direct violation of this Declaration, Bylaws, or Rules and Regulations or if after written notice the Owner fails or refuses to make the required improvements or repairs. If the Association is required to exercise self-help to remove any items used or stored improperly, any cost of removal and storage shall be billed to the Owner's account.

(b) Except as otherwise provided in this Section, the vehicles of any resident living or residing within a home shall have restricted parking on the street. Parking on the street is intended for short term parking to include but not limited to guest parking, deliveries, service providers, and passenger pick up and drop off. Violations for street parking may include towing of any unauthorized vehicle at the Owner's expense. Vehicles parked on the street without being moved for more than twenty-four hours shall be considered long term parking and subject to the enforcement provisions as set forth in this Declaration. Variances for street parking may be issued upon written request from time to time at the sole discretion of the Board. On street parking, enforcement, and notices of violation may be addressed on a case-by-case basis at the sole discretion of the Board. Vehicles of residents living or residing in the home must use the driveway or garage. For driveways located between sidewalk breaks, vehicles may not be parked in such a way that safe crossing on the driveway from one side of the sidewalk to the other can be done.

Such violations may be considered uncurable violations and are subject to immediate fines. Each Lot shall be limited to a maximum of four vehicles unless approved in writing by the ARC/ACC. Except as provided below, the following vehicles ***may not be parked on any street within The Cartwright Ranch Homeowners Association: recreational vehicles, boats, mobile homes, trailers, campers, stored vehicles, inoperable vehicles, unlicensed vehicles, trucks with tonnage in excess of one (1) ton, or any vehicle such as, but not limited to, tow trucks (unless on premises to remove a vehicle or by permission of the Board), car haulers, dirt haulers or any other type of commercial or work truck or vehicle including commercial vehicles (small vehicles with advertising such as compact cars or trucks that may be parked in the garage only) larger vehicles with commercial lettering or logos are prohibited unless they can be parked in a garage or obtain a variance from the Board).*** Homes with rear loading garages facing an alley may be eligible for exceptions or variances at the sole discretion of the Declarant and thereafter, the Board. "Sports utility vehicles" and "mini-vans" (as such vehicles are commonly referred to, as determined in the Board's discretion) and pick-up trucks without commercial writing or logos shall be treated as automobiles and may be parked outside of enclosed garages. This Section shall not apply to parking for purposes of law enforcement, fire officials, emergency vehicles, and emergency vehicle repairs, or for construction, service, and delivery vehicles for periods necessary to perform the services or to make a delivery including that which is needed for new construction of residential homes.

Notwithstanding the above, for purposes of cleaning, loading, unloading [for a period not to exceed 24 hours prior to departure and upon return from a trip], and short-term and visitor parking, any vehicle may be parked outside of an enclosed garage temporarily and irregularly to accommodate such use. The Board, in its discretion, may enact additional rules governing such temporary, irregular use or, in the absence of specific rules, shall have discretion in determining what constitutes permissible parking under such circumstances. Due to the sensitive and unpredictable nature of street parking The Declarant and Board of Directors shall have the sole right to review and determine if a violation of this section exists or if said violation will be enforced against an Owner. Each violation shall be reviewed and determined on a case-by-case basis. As used in this Section, the term "vehicles" includes, without limitation, automobiles, trucks, boats, trailers, motorcycles, campers, vans, and recreational vehicles.

THERE IS A COMMUNITY WIDE STANDARD WHICH MAY EXIST WITH OR WITHOUT SAID RULES BEING IN WRITTEN FORM. THE COMMUNITY WIDE STANDARD IS ENFORCEABLE THE SAME AS ANY OTHER STANDARD, RULE AND/OR REGULATION.

[End of Appendix C]

APPENDIX "D"

TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR CARTWRIGHT RANCH HOMEOWNERS ASSOCIATION, INC.

Design Guidelines

PART ONE: LANDSCAPING, FENCES AND EXTERIOR ELEMENTS

SECTION 1 LANDSCAPING.

Upon completion of each Residence, each Residence must comply with the landscaping requirements of any applicable City of Crandall ordinances and Association Rules. Notwithstanding compliance with the foregoing, the following landscape elements shall be the minimum required prior to occupancy of the Residence:

1.1.1 Sod: Each Residence shall have full sod for the entire front and rear yard and a minimum of ten (10) feet back from the front wall face for each side yard, or to the side yard fence, or as required under Applicable Zoning, whichever is greater. Grass areas are encouraged to be planted in species normally grown including Bermuda, buffalo grass, zoysia, or other drought resistant species.

1.1.2 Trees: A minimum of One (1) shade tree in the front yard of each residence is required. Each Owner shall be responsible for maintenance and preservation of trees located on their property and shall promptly replace dead trees within thirty (30) days of loss occurrence when favorable planting weather exists or sixty (60) days unless otherwise noticed by the Architectural Reviewer or compliance division.

1.1.3 Shrubbery and Planting Beds: Each Residence shall have 1-gallon shrubs planted no more than three feet (3') on center along the front of each Residence. A mulched planting bed is required, and edging is preferred but, not mandatory. Owners shall be responsible for ensuring proper watering and care of the shrubs and planting beds.

SECTION 1.2 FENCES: Fence height for wood fences shall be a minimum of six feet (6') and maximum of eight feet (8') with six feet (6') being the standard height. Eight-foot (8') fences will require the prior written approval of the ARC. Declarant shall not be required to obtain approval for any fence or masonry wall constructed by Declarant within the Subdivision. All fences should have step ups and step downs to adjust for grade.

1.2.1 Major thoroughfares and Corner Lots: Portions of a fence that face a major thoroughfare or street including corner Lots will be considered major thoroughfare fencing and shall be spruce or better wood, Board-on-Board with a cap, and stained with a Seal Rite Medium Brown or other stain color approved by the ARC. Standard 6-foot fences shall contain not less than two to three rails and steel posts mounted on the inside so only the smooth side of the fence faces outward. Fencing must be kept in good repair at all times. Standard picket size for Board-on-Board fencing shall be not less than 1-inch x 6-inch in width. Broken or missing pickets or panels must be promptly repaired or replaced. All leaning or fallen panels must be up righted, repaired or replaced. Fencing must be routinely stained and kept aesthetically pleasing at all times. All fencing shall be stained and preserved as follows without written consent for alternate color:

Manufacturer:	Seal Rite Medium Brown (any other stain color must be approved in advance, in writing, by the Architectural Reviewer prior to use)

1.2.2 Standard Side and Rear Yard Fences – Interior Lots shall be identified as those Lots surrounded by other Lots on all sides and under no circumstance shall include Lots adjacent to or visible from any street, corner, major thoroughfare, open space, green space or amenity area. Interior fencing may be 6-foot in height, spruce or better, and may consist of standard Board-to-Board construction. Fences are required to have rails and top caps are preferred but not mandatory. Fencing is required to have steel posts mounted on the inside. Fences shall be stained with the approved color from Section 1.2.1 above. Fencing must be kept in good repair at all times. Broken or missing pickets or panels must be promptly repaired or replaced. All leaning or fallen panels must be up righted, repaired or replaced. Fencing must be routinely stained and kept aesthetically pleasing at all times.

1.2.3 Lots adjacent to Greenbelts, Open Space Areas, Parks, or any Amenity or Recreation Area - Lots adjacent to a greenbelts, open space areas, parks, or any amenity or recreation area shall contain wrought iron or tubular steel fencing for any portion of the property's boundary that abuts a greenbelt, open space area, park, or any amenity or recreation area. Only a written variance from the Declarant or the ACC may serve to provide an exception to this rule.

- Fencing should consist of top and bottom tube of at least one-inch (1") square and pickets shall be at least one-half inch (1/2") square with a space of four inches (4") between pickets.
- Support poles should be at least seventy-two inch (72") tall (for typical 48-inch high fences), two-inch (2") square tubes set in a concrete footing per manufacturer requirements. Spacing of support poles should be ninety-six inches (96") for the typical 48-inch high iron or tubular steel fence.
- The minimum height of fence shall be forty-eight inches (48"). Taller fences may be allowed upon written consent of the ACC and specs for taller fences shall be followed based on manufacturer requirements.

Fences shall generally have the same or similar design. No variation of design or color shall be permitted without the express written consent of the ACC. No screening or other materials may be used unless specifically approved in writing by the ACC.

SECTION 1.3 MAIL BOXES:

1.3.1 Mail boxes for all Residences shall be cluster boxes of a type and style approved for use by the U.S. Postal Service.

PART TWO: RESIDENCES

SECTION 2.1 ROOFS.

2.1.1 Roof Pitch: Roof Pitch for Residences shall have a minimum of 6-in-12 slopes. Roof Pitch for porches and patios may have a lesser pitch but, shall be subject to approval of the Declarant or Architectural Reviewer. A 4-in-12 roof pitch may be used only upon the prior written approval of the Declarant or ARC.

2.1.2 Roofing Materials: Roofing materials shall be asphalt shingles with a minimum 25-year rated shingle of a weather wood or gray color. Other roofing materials or colors shall not be used without prior written approval of the ARC.

2.1.3 Dormers & Above Roof Chimneys: Dormers and Chimney Chases, above roof structure and roofing materials, may be finished with an approved exterior grade siding material. All Fireplace flues shall be enclosed and finished; exposed pre-fabricated metal flue piping is prohibited.

2.1.4 Roof Pitch for primary room shall conform to Sections 2.1.1, 2.1.2 and 2.1.3 above. Exemptions allowing lower pitch pans in areas around windows, covered porches and patios or certain Residential plans may be allowed and will be reviewed for approval by the Architectural Reviewer on a case-by-case basis.

SECTION 2.2 CERTAIN ROOFING MATERIALS

2.2.1 Roofing shingles covered by this Section are options available to Owners after initial construction and are exclusively those designed primarily to: (i) be wind and hail resistant; (ii) provide heating and cooling efficiencies greater than those provided by customary composite shingles.

2.2.2 Roofing Shingles allowed under this Section 2.2 shall:

(1) resemble the shingles used or otherwise authorized for use in the Subdivision and/or Property;

(2) be more durable than and are of equal or superior quality to the shingles used or otherwise authorized for use in the Subdivision and/or Property.

(3) match the aesthetics of the property surrounding the property of the owner requesting permission to install the Roofing Shingles.

2.2.3 The owner requesting permission to install the Roofing Shingles will be solely responsible for accrediting, certifying and demonstrating to the Architectural

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

2.2.4 Roofing Shingles shall be installed after receiving the written approval of the ARC.

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

SECTION 2.3 MINIMUM FLOOR AREA AND SETBACK RESTRICTIONS. Cartwright Ranch shall consist of 40-foot, 50-foot, and 60-foor Lots. Some setback restrictions, minimum square footage and other requirements vary based on Lot size. The below information provides the immediate requirements for each Lot size. Builders are responsible for ensuring all requirements based on the City of Crandall, Texas, Ordinance or Development Agreement must be met. In the event of any conflict with any restriction, the higher standard shall always apply. RESIDENTIAL LOTS LOCATED ON A CUL-DE-SAC SHALL BE AT LEAST TWENTY FEET (20') WIDE AT THE BUILDING LINE.

2.3.1 40-foot Lot Regulations: The total air-conditioned living area of the main residential structure of Residences constructed on each 40-foot Lot, as measured to the outside of exterior walls but exclusive of open porches, garages, patios and detached accessory buildings, shall be at least 1,200 square feet. Other requirements are as follows:

- Minimum Lot size shall not be less than 4,000 square feet.
- Minimum height of a Residence shall be 3 stories or forty feet (40').
- Minimum Lot width shall be forty feet (40').
- Minimum Lot depth shall be one-hundred feet (100').
- Minimum front yard shall be twenty feet (20').
- Minimum side yard five feet (5') of the Lot width for interior side yard and fifteen feet (15') for a corner Lot on a Residential, collector street, or arterial street.
- Minimum rear yard setback shall be ten feet (10').
- Maximum Lot coverage for the main Residential building shall be fifty-five percent (55%).

2.3.2 50-foot Lot Regulations: The total air-conditioned living area of the main residential structure of Residences constructed on each 50-foot Lot, as measured to the outside of exterior walls but exclusive of open porches, garages, patios and detached accessory buildings, shall be at least 1,200 square feet. Other requirements are as follows:

- Minimum Lot size shall not be less than 5,500 square feet.
- The minimum height of a Residence shall be 2.5 stories or forty feet (40').

- Minimum Lot width shall be fifty feet (50').
- Minimum Lot depth shall be one-hundred ten feet (110').
- Minimum front yard shall be twenty feet (20').
- Minimum side yard five feet (5') of the Lot width for interior side yard and fifteen feet (15') for a corner Lot on a Residential, collector street, or arterial street.
- Minimum rear yard setback shall be ten feet (10').
- Maximum Lot coverage for main Residential building shall be fifty-eight percent (58%).

2.3.3 60-foot Lot Regulations: The total air-conditioned living area of the main residential structure of Residences constructed on each 60-foot Lot, as measured to the outside of exterior walls but exclusive of open porches, garages, patios and detached accessory buildings, shall be at least 1,300 square feet. Other requirements are as follows:

- Minimum Lot size shall not be less than 6,500 square feet.
- The minimum height of a Residence shall be 2.5 stories or forty feet (40').
- Minimum Lot width shall be sixty feet (60').
- Minimum Lot depth shall be one-hundred ten feet (110').
- Minimum front yard shall be twenty-five feet (25').
- Minimum side yard five feet (5') of the Lot width for interior side yard and fifteen feet (15') for a corner Lot on a Residential, collector street, or arterial street.
- Minimum rear yard setback shall be ten feet (10').
- Maximum Lot coverage for main Residential building shall be sixty percent (60%).

SECTION 2.4 EXTERIOR WALLS

2.4.1 Exterior Wall Materials: The front façade shall consist of 100% mason materials consisting of brick or stone. The remaining walls must consist of at least 60% overall masonry materials. Secondary materials may consist of Hardie-Board or other approved secondary materials as allowed by the ARC. Masonry material shall be defined as that form of exterior construction material consisting of brick or stone. Secondary materials may consist of stucco, cementitious fiberboard (Hardie-Board) or other secondary materials as approved by the ARC.

2.4.2 Chimneys: Chimney wall structures that are a direct extension of an exterior wall shall match the requirement of said wall.

SECTION 2.5 WINDOWS

2.5.1 Windows shall be constructed of vinyl, divided light on all front windows, divided light on all windows backing siding collectors, parks or open spaces. Reflective glass is prohibited. Other windows may be used at the sole discretion and approval of the ARC, but shall be subject to any City ordinance.

SECTION 2.6 GARAGE

2.6.1 Wood garage doors are preferred; however, metal garage doors will be allowed so long as the material and style of the garage door has a "wood like" appearance. The ARC reserves the right to require the removal and replacement of any metal garage door that does not meet the minimum standards of the ARC.

SECTION 2.7 ADDRESS BLOCKS

2.7.1 All address blocks shall be cast stone, brass, or bronze, and shall be visible from the street. Do not block address blocks and a back light is preferred.

SECTION 2.8 ELEVATION AND BRICK USAGE

The anti-monotony rules are as follows:

No Residence shall contain the same plan and elevation within three (3) Lots of one another on the same side of the street and at least a two (2) Lot separation on the opposite side of the street is required. A street may count for one (1) Lot on the same side of the street. Builders must also space out similar brick, stone, stucco, or hardie- board colors and residential trims to ensure variety and harmony. No pink brick and no painted brick without the prior written consent of the ARC. Using the same plan and elevation with "flipped" design is prohibited.

ADDITIONAL DESIGN RULES AND REGULATIONS:

SECTIONS 3, 4, 5, AND 6

SECTION 3 SOLAR PANELS. Installation of Solar Panels in a Residence may be more restrictive. If an Owner of a Residence installs a Solar Panel and it results in damage to the Roof in any way, Owner shall be held liable for the repair and / or replacement of the roof in and around the area affected. An Owner should carefully consider the installation of Solar Panels. Prior written approval of the Architectural Reviewer is required at all times. Damage to a roof whether ARC approved or not will be the sole responsibility of the Owner.

3.1.1 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.

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

3.1.3 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 Architectural Reviewer. **Solar Panels may not be installed on the front elevation of the Residence.**

3.1.4 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.

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

3.1.6 The Architectural 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.

3.1.7 Owners are hereby placed on notice that the installation of Solar Panels may void or adversely affect roof warranties. Any installation of Solar Panels which voids warranties is not permitted and will cause for the Solar Panels to be removed by the owner.

3.1.8 Solar Panels must be properly maintained at all times or removed by the owner.

3.1.9 Solar Panels which become non-functioning or inoperable must be removed by the owner of the property.

SECTION 4 FLAGS AND FLAGPOLES:

4.1.1 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 and School Spirit flags. 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.

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

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

4.1.4 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.

4.1.5 The display of a flag, or the location and construction of the supporting flagpole, shall comply with applicable zoning ordinances, easements, and setbacks of record.

4.1.6 A displayed flag, and the flagpole on which it is flown, shall be maintained in good condition at all times. Any flag that is deteriorated must be replaced or removed. Any flagpole that is structurally unsafe or deteriorated shall be repaired, replaced, or removed.

4.1.7 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.

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

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

4.1.10 Any freestanding flagpole must be equipped to minimize halyard noise. The preferred method is through the use of an internal halyard system. Alternatively, swivel snap hooks must be covered, or "Quiet Halyard" Flag snaps installed. Neighbor complaints of noisy halyards are a basis to have flagpole removed until Owner resolves the noise complaint.

4.1.11 The illumination of a flag is allowed so long as it does not create a disturbance to other residents in the community. Solar powered, pole mounted light fixtures are preferred as opposed to ground mounted light fixtures. Compliance with all municipal requirements for electrical ground mounted installations must be certified by Owner. Flag illumination may not shine into another Residence. Neighbor complaints regarding flag illumination are a basis to prohibit further illumination until Owner resolves complaint.

4.1.12 Flagpoles shall not be installed on or within Common Properties or any property maintained by the Association.

4.1.13 All freestanding flagpole installations must receive prior written approval of the Architectural Reviewer.

SECTION 5 RAIN BARRELS OR RAINWATER HARVESTING SYTEMS.

5.1.1 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 Architectural Reviewer.

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

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

5.1.4 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.

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

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

5.1.7 Rain Barrels must be properly maintained at all times or removed by the owner.

5.1.8 Rain Barrels must be enclosed or covered.

5.1.9 Rain Barrels which are not properly maintained become unsightly or could serve as a breeding pool for mosquitoes must be removed by the owner of the Lot.

SECTION 6 RELIGIOUS DISPLAYS.

6.1.1 An owner may display or affix on the entry to the Owner's or Resident's Residence one or more religious items, the display of which is motivated by the Owner's or Resident's sincere religious belief.

6.1.2 If displaying or affixing of a religious item on the entry to the Owner's or Resident'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 Resident'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

6.1.3 No Owner or Resident is authorized to use a material or color for an entry door or door frame of the Owner's or Resident's 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 Reviewer.

[End of Appendix D]

APPENDIX "E"

TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR CARTWRIGHT RANCH HOMEOWNERS ASSOCIATION, INC.

Certificate of Formation and/or Articles of Incorporation
Consent in Lieu of Organizational Meeting
Bylaws
Policies

TEXAS SECRETARY of STATE
JANE NELSON

BUSINESS ORGANIZATIONS FILING

Please review the document displayed for accuracy. If corrections must be made press 'Edit Filing'. When complete press 'Submit Filing' to submit this filing.

Submit Filing (Fee: $25.00) | Edit Filing | Cancel Filing

Fees paid by credit card are subject to the statutorily authorized convenience fee of 2.7% of total fees.

Form 202		
Secretary of State P.O. Box 13697 Austin, TX 78711-3697 FAX: 512/463-5709 Filing Fee: $25	**Certificate of Formation** **Nonprofit Corporation**	

Article 1 - Corporate Name

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

Cartwright Ranch Homeowners Association, Inc.

Article 2 ï¿½ Registered Agent and Registered Office

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

Essex Association Management, LP

OR

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

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

Street Address:
1512 Crescent Dr., Suite 112 Carrollton TX 75006

Consent of Registered Agent

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

OR

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

Article 3 - Management

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

OR

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

Director 1: Mehrdad Moayedi	Title: Director
Address: 1512 Crescent Dr., Suite 112 Carrollton TX, USA 75006	
Director 2: Dustin Warren	Title: Director
Address: 1512 Crescent Dr., Suite 112 Carrollton TX, USA 75006	
Director 3: Brock Babb	Title: Director
Address: 1512 Crescent Dr., Suite 112 Carrollton TX, USA 75006	

Article 4 - Organization Structure

☐ A. The corporation will have members.

or

☑ B. The corporation will not have members.

Article 5 - Purpose

The corporation is organized for the following purpose or purposes:
Homeowners Association

Supplemental Provisions / Information

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

Effectiveness of Filing

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

OR

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

Initial Mailing Address

Address to be used by the Comptroller of Public Accounts for purposes of sending tax information.

The initial mailing address of the filing entity is:
1512 Crescent Dr., Suite 112
Carrollton, TX 75006
USA

Organizer

The name and address of the organizer are set forth below.
Mehrdad Moayedi 1800 Valley View Ln., Suite 300, Farmers Branch, TX 75234

Execution

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

Mehrdad Moayedi
Signature of organizer.

FILING OFFICE COPY

TEXAS SECRETARY of STATE
JANE NELSON

Corporations Section
P.O.Box 13697
Austin, Texas 78711-3697

Jane Nelson
Secretary of State

Office of the Secretary of State

Transaction Receipt

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August 18, 2023

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- Copies (certified or plain) within 4 business days.

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Thank you for allowing us to assist you with your request. To return to the Business Organizations menu, please click here.

CONSENT OF DIRECTORS IN LIEU OF ORGANIZATIONAL MEETING OF CARTWRIGHT RANCH HOMEOWNERS ASSOCIATION, INC.,

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

1. DIRECTORS

RESOLVED, that each of the undersigned, being all of the directors of the Association, as named in its Certificate of Formation filed with the Secretary of State of the State of Texas on the 18th day of August, 2023, does hereby accept appointment to such office and does hereby agree to serve as a director of the Association until the first annual meeting of the members and until said director's successor or successors have been duly elected and qualified or until his or her earlier death, resignation, retirement, disqualification or removal from office.

2. BYLAWS

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

3. OFFICERS

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

Mehrdad Moayedi	-	President
Brock Babb	-	Vice President
Ronald Corcoran	-	Secretary/Treasurer

4. REGISTERED OFFICE; REGISTERED AGENT

RESOLVED, that the registered office of the Association be established and maintained at c/o Essex Association Management, L.P., 1512 Crescent Drive, Suite 112, Carrollton, Texas 75006, and that Ron Corcoran is hereby appointed as registered agent of the corporation in said office.

5. BOOKS AND RECORDS

RESOLVED, that the Secretary of the Association be and hereby is authorized and directed to procure all necessary books and records of the Association. The Board hereby adopts the Records Production, Copying, and Retention Policy attached hereto as Attachment A, and authorizes the secretary to execute same and cause such policy to be recorded in the applicable county public records.

6. ORGANIZATIONAL EXPENSES

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

7. CORPORATE SEAL

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

8. DEPOSITORY RESOLUTIONS

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

Mehrdad Moayedi, President

Dustin Warren, Vice President

Brock Babb, Secretary/Treasurer

Ron Corcoran, Essex Association Management. L.P.

Ana Corcoran, Essex Association Management. L.P.

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

9. ALTERNATIVE PAYMENT PLAN POLICY

The Board hereby adopts the Alternative Payment Schedule Guidelines for Certain Assessments, and authorizes the secretary to execute same and cause such policy to be recorded in the applicable county public records.

IN WITNESS WHEREOF, the undersigned have executed this instrument as of and effective the 18th day of August, 2023.

Mehrdad Moayedi, Director

Brock Babb, Director

Dustin Warren, Director

BYLAWS
OF
CARTWRIGHT RANCH HOMEONWERS ASSOCIATION, INC.

ARTICLE I
INTRODUCTION

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

The Association is organized to be a nonprofit corporation.

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

ARTICLE II
DEFINITIONS

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

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

Section 2.2. Association. "Association" shall mean and refer to Cartwright Ranch Homeowners Association, Inc., a Texas non-profit corporation.

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

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

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

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

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

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

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

Section 2.10. Declaration. "Declaration" shall mean the "Declaration of Covenants, Conditions and Restrictions for Cartwright Ranch Homeowners Association, Inc., recorded in the Official Public Records of Kaufman County, Texas, as the same may be amended from time to time.

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

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

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

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

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

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

Unless otherwise defined in these Bylaws or the context otherwise requires, each term used in these Bylaws with its initial letter capitalized which has been specifically defined in the Declaration and not otherwise specifically defined in this Article II shall have the same meaning herein as given to such term in the Declaration.

ARTICLE III
MEETING OF MEMBERS

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

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

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

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

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

Section 3.6. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, sixty-seven percent (67%) of the total votes of the membership shall constitute a quorum for any action, except as otherwise provided in the Certificate, the Declaration, or these Bylaws. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be half (1/2) of the quorum requirement for such prior meeting, in no such event shall a quorum be less than one-tenth (1/10) No such subsequent meeting shall be held more than thirty (30) days following the preceding meeting. If the required quorum is not present or represented at any meeting, the Members entitled to vote at the meeting shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented.

Section 3.7. Proxies. Votes may be cast in person or by written proxy. To be valid, each proxy must: (i) be signed and dated by a Member or his attorney-in-fact; (ii) identify the Lot to which the vote is appurtenant; (iii) name the person or title (such as "presiding officer") in favor of whom the proxy is granted, such person having agreed to exercise the proxy; (iv) identify the meeting for which the proxy is given; (v) not purport to be revocable without notice; and (vi) be delivered to the secretary, to the person presiding over the Association

meeting for which the proxy is designated, or to a person or company designated by the Board. Unless the proxy specifies a shorter or longer time, it terminates eleven (11) months after the date of its execution. Perpetual or self-renewing proxies are permitted, provided they are revocable. To revoke a proxy, the granting Member must give actual notice of revocation to the person presiding over the Association meeting for which the proxy is designated. Unless revoked, any proxy designated for a meeting which is adjourned, recessed, or rescheduled is valid when the meeting reconvenes. A proxy may be delivered by fax. However, a proxy received by fax may not be counted to make or break a tie-vote unless: (a) the proxy has been acknowledged or sworn to by the Member, before and certified by an officer authorized to take acknowledgments and oaths; or (b) the Association also receives the original proxy within five (5) days after the vote.

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

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

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

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

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

Section 3.12. Telephone Meetings. Members of the Association may participate in and hold meetings of the Association by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in the meeting constitutes presence in person at the meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened. The Board of Directors, at its sole discretion, may determine to hold the annual meeting or any special meeting of the Association by remote communications technology. Notice of any meeting held by remote communications technology shall be provided in accordance with the By-Laws. The Board is authorized to adopt rules and regulations governing the conduct and voting at any meeting held by remote communications technology as the Board shall deem necessary or advisable. At any meeting of the Association held by remote communications technology, where voting by electronic ballot by posting on an Internet website is allowed, voting on any matter before the members may take place during the meeting if authorized by the Board. If electronic voting by posting on an Internet website is not available for a meeting held by remote communications technology or the Board does not authorize electronic voting during the meeting, voting on any matter before the members may only take place prior to the commencement of the meeting, and the Board may establish a date and time prior to the commencement of the meeting after which votes cast by the members will no longer be accepted or considered valid.

ARTICLE IV
BOARD OF DIRECTORS

Section 4.1. Authority; Number of Directors.

(a) The affairs of the Association shall be governed by a Board of Directors. The number of Directors shall be fixed by the Board of Directors from time to time. The initial Directors shall be three (3) in number and shall be those Directors named in the Certificate of Formation. The Board of Directors may increase or decrease the number of Directors to serve on the Board of Directors at any given time by a majority vote of the Board of Directors, provided that (i) at no time will there be more than or less than three (3) Director positions on the Board of Directors, and (ii) after the right of Declarant to appoint Directors to the Board of Directors expires, any new Director positions established by the Board shall not be deemed vacant and shall be established effective as of the date a new Director is elected into such position and shall be filled at the election held at the next scheduled annual meeting of Association or other special meeting scheduled for Board elections where required notice of such meeting has been provided in compliance with any and all applicable laws. The initial Directors shall serve until their successors are elected and qualified. **Except as is provided in the Declaration and in Sections 4.1(b) and 4.1(c) below, Declarant shall have the absolute right to appoint and remove members of the Board of Directors as outlined in these bylaws and Declaration.**

(b) From and after the first annual meeting of Members and until the 75% of Lots have been sold to non-declarant members which is the earlier of (i) one hundred-twenty (120) days after seventy-five (75%) of the Lots have been sold to non-Declarant Owners, or (ii) ten (10) years from the date on which the Declaration is recorded in the Official Public Records of Kaufman County, Texas, the Board of Directors shall consist of three (3) persons appointed by Declarant who need not be Members of the Association. On and after the Transition Date, the Board of Directors shall include two (2) persons appointed by Declarant and one (1) person

elected by a majority vote of Class A Members ("Non-Declarant Director") at such meeting at which quorum is present, which Non-Declarant Member shall serve for a period which is the shorter of one (1) year, or until the next annual meeting of the Members at which the Non-Declarant Member (or replacement thereof) shall be elected. The Non-Declarant Director shall be elected at the first annual meeting (or special meeting called for such purpose by the President of the Association) of Members held on or after the Transition Date. On and after the date on which the last Lot is sold to a non-Declarant Owner (the "Declarant Turnover Date"), the President of the Association will call a meeting of the Members of the Association where the Members will elect one (1) Director for a three (3) year term, and two (2) Directors for a two (2) year term. The member obtaining the most votes will serve the three (3) year term and the remaining two (2) will serve a term of two (2) years. If the previously elected non-Declarant member's term is still active that member will be allowed to finish serving out his/her term and thereafter an election shall be held to fill the vacating seat and such elected director shall serve a 2-year term. Upon expiration of the term of a Director elected by Members at the first meeting of the Members after the Declarant Turnover Date pursuant to this Section 4.1(b), his or her successors shall serve a term of two (2) years. Any additional Director positions established by the Board shall be for terms to ensure staggering of the terms of Directors, as determined reasonable and appropriate by the Board. A Director takes office upon the adjournment of the meeting or balloting at which he is elected or appointed and, absent death, ineligibility, resignation, or removal, will hold office until his successor is elected or appointed. The Board of Directors shall have the power and authority when it is deemed in the best interest of the Association to change or alter the terms of office of directors on the Board or increase the number of Directors to serve on the Board to a maximum of (5) five which shall be done by Board resolution notwithstanding, terms must remain staggered for the purpose of continuity.

(c) Each Director, other than Directors appointed by Declarant, shall be a Member and resident, or in the case of corporate or partnership ownership of a Lot, a duly authorized agent or representative of the corporate or partnership Owner. The corporate, or partnership Owner shall be designated as the Director in all correspondence or other documentation setting forth the names of the Directors.

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

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

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

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

Section 4.4. Removal of Directors for Cause. If a Director breaches such Director's duties hereunder or violates the terms of the Declaration, the Certificate, the Association Rules or

these Bylaws or who causes disturbances or division among the board members, the Director may be removed by Declarant unless Declarant no longer has the right to appoint and remove Directors in accordance with Section 4.1 of these Bylaws, and then by a majority vote of the remaining Directors after Declarant's right to appoint and remove Directors has expired. No Director shall have any voting rights nor may such Director participate in any meeting of the Board of Directors at any time that such Director is delinquent in the payment of any Assessments or other charges owed to the Association.

Section 4.5. Vacancies on Board of Directors. At such time as Declarant's right to appoint and remove Directors has expired or been terminated, if the office of any elected Director shall become vacant by reason of death, resignation, retirement, disqualification, removal from office or otherwise, the remaining Directors, at a special meeting duly called for this purpose, shall choose a successor who shall fill the unexpired term of the directorship being vacated. The foregoing shall not apply to any new Director positions established by the Board pursuant to Section 4.1(a) above. If there is a deadlock in the voting for a successor by the remaining Directors, the one Director with the longest continuous term on the Board shall select the successor. At the expiration of the term of his position on the Board of Directors, the successor Director shall be re-elected or his successor shall be elected in accordance with these Bylaws.

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

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

ARTICLE V
MEETINGS OF DIRECTORS

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

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

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

Section 5.4. Telephone Meetings. Members of the Board or any committee of the Association may participate in and hold meetings of the Board or committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in such meeting constitutes presence in person at the meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened. The Board of Directors, at its sole discretion, may determine to hold the annual meeting or any special meeting of the Association by remote communications technology. Notice of any meeting held by remote communications technology shall be provided in accordance with the By-Laws. The Board is authorized to adopt rules and regulations governing the conduct and voting at any meeting held by remote communications technology as the Board shall deem necessary or advisable. At any meeting of the Association held by remote communications technology, where voting by electronic ballot by posting on an Internet website is allowed, voting on any matter before the members may take place during the meeting if authorized by the Board. If electronic voting by posting on an Internet website is not available for a meeting held by remote communications technology or the Board does not authorize electronic voting during the meeting, voting on any matter before the members may only take place prior to the commencement of the meeting, and the Board may establish a date and time prior to the commencement of the meeting after which votes cast by the members will no longer be accepted or considered valid. This Section 5.4 of Article V shall control and prevail in the event of any conflict with any other provision contained in the By-Laws.

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

ARTICLE VI
POWERS AND DUTIES OF THE BOARD

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

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

(b) to the maximum extent permitted under applicable law, suspend the voting rights of a Member and right of a Member to use of the Association Property during any period in which such Member shall be in default in the payment of any Assessment levied by the

Association, or after notice and hearing, for any period during which an infraction of the Association Rules by such Member exists;

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

(d) to enter into any contract or agreement with a municipal agency or utility company to provide electric utility service to all or any portion of the Property;

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

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

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

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

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

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

(i) procure and maintain adequate liability and hazard insurance on property owned by the Association, which policies of insurance shall name the Declarant during the Development Period, and any managing agent of the Association as "additional insured;"

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

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

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

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

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

ARTICLE VII
OFFICERS AND THEIR DUTIES

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

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

Section 7.3. Term. The officers of the Association shall be elected annually by the Board and each shall hold office for one (1) year unless he resigns sooner, or shall be removed or otherwise disqualified to serve. If officers are content to continue in their current roles, the Board must announce name at the next scheduled meeting for matter of recording only.

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

Section 7.5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

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

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

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

(a) President. The President, or any person designated by the Board, presides over meetings of the Association; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments such as promissory notes.

(b) Vice President. The Vice President or Vice Presidents (including, without limitation, Executive Vice Presidents, and Senior Vice Presidents), if any, shall generally assist the President and shall have such powers and perform such duties and services as shall from time to time be prescribed or delegated by the President or the Board. In the event the president is unable for any reason to fulfill the duties assigned to that office the vice president shall automatically fulfill the duties of role of president as well as the role of the vice president to ensure the business and operation of the association continues without interruption.

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

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

(e) Treasurer. The Treasurer shall oversee the receipts and deposits in appropriate bank accounts all monies of the Association and shall oversee the disbursement of such funds as directed by resolution of the Board; shall sign, at the direction of the Board, promissory notes of the Association; cause to be kept proper books of account in appropriate form such that they could be audited by a public accountant whenever ordered by the Board or the membership; and shall cause to be prepared an annual budget and a statement of income and expenditures to be presented to the membership at its regular meeting, and cause to be delivered a copy of each to the Members. These duties can be fulfilled through the review and approval of monthly financials and bank statements and other financial records provided.

ARTICLE VIII
OTHER COMMITTEES OF THE BOARD OF DIRECTORS

The Board may, by resolution adopted by affirmative vote of a majority of the number of Directors fixed by these Bylaws, designate two or more Directors (with such alternates, if any, as may be deemed desirable) to constitute another committee or committees for any purpose; provided, that any such other committee or committees shall have and may exercise only the power of recommending action to the Board of Directors and of carrying out and implementing any instructions or any policies, plans, programs and rules theretofore approved, authorized and adopted by the Board. Notwithstanding the foregoing or anything to the contrary contained herein, during the Development Period, the Architectural Reviewer for plans and specifications for new homes to be constructed on vacant Lots or modifications to any home on a Lot is the Declarant or its delegates in accordance with Section 6.2 and Appendix B of the Declaration, as amended from time to time.

ARTICLE IX
BOOKS AND RECORDS

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

ARTICLE X
ASSESSMENTS

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

ARTICLE XI
CORPORATE SEAL

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

ARTICLE XII
DECLARANT PROVISIONS

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

Section 12.2. Board of Directors. As provided in Section 4.1 of these Bylaws, **Declarant is entitled to appoint and remove all members of the Board of Directors until on or after 75% of Declarant Lots are sold. and thereafter, two members of the Board of Directors until the Declarant no longer owns any portion of the Property**. Until Declarant's right to appoint members of the Board of Directors terminates, the Directors appointed by Declarant need not be Owners or residents and may not be removed by the Owners. In addition, Declarant has the right to fill vacancies in any directorship vacated by a Declarant appointee.

ARTICLE XIII
AMENDMENTS

Section 13.1. These Bylaws may be amended, (i) on or before the Declarant Turnover Date, by unilateral vote or written consent of Declarant, and thereafter (ii) by a majority vote or written consent of a majority of the Directors on the Board of Directors of the Association.

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

ARTICLE XIV
INDEMNIFICATION OF DIRECTORS AND OFFICERS

THE ASSOCIATION SHALL INDEMNIFY EVERY DIRECTOR AND OFFICER OF THE ASSOCIATION AGAINST, AND REIMBURSE AND ADVANCE TO EVERY DIRECTOR AND OFFICER FOR, ALL LIABILITIES, COSTS AND EXPENSES' INCURRED IN CONNECTION WITH SUCH DIRECTORSHIP OR OFFICE AND ANY ACTIONS TAKEN OR OMITTED IN SUCH CAPACITY TO THE GREATEST EXTENT PERMITTED UNDER THE TEXAS BUSINESS ORGANIZATION CODE AND ALL OTHER

APPLICABLE LAWS AT THE TIME OF SUCH INDEMNIFICATION, REIMBURSEMENT OR ADVANCE PAYMENT; PROVIDED, HOWEVER, NO DIRECTOR OR OFFICER SHALL BE INDEMNIFIED FOR: (A) A BREACH OF DUTY OF LOYALTY TO THE ASSOCIATION OR ITS MEMBERS; (B) AN ACT OR OMISSION NOT IN GOOD FAITH OR THAT INVOLVES INTENTIONAL MISCONDUCT OR A KNOWING VIOLATION OF THE LAW; (C) A TRANSACTION FROM WHICH SUCH DIRECTOR OR OFFICER RECEIVED AN IMPROPER BENEFIT, WHETHER OR NOT THE BENEFIT RESULTED FROM AN ACTION TAKEN WITHIN THE SCOPE OF DIRECTORSHIP OR OFFICE; OR (D) AN ACT OR OMISSION FOR WHICH THE LIABILITY OF SUCH DIRECTOR OR OFFICER IS EXPRESSLY PROVIDED FOR BY STATUTE.

ARTICLE XV
MISCELLANEOUS

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

[SIGNATURE PAGE OF BYLAWS FOLLOW THIS PAGE]

The undersigned, being the President of Cartwright Ranch Homeowners Association, Inc., does hereby certify that the foregoing are the Bylaws of said non-profit corporation and certain Policies as adopted by the Association's Board of Directors pursuant to a Unanimous Consent of Directors in Lieu of Organizational Meeting of the Corporation dated to be effective as of the 18th day of August, 2023.

Mehrdad Moayedi, President

Attachment A

Records Production, Copying, and Retention Policy

CARTWRIGHT RANCH HOMEOWNERS ASSOCIATION, INC.

Records Production and Copying Policy

WHEREAS, the Board of Directors (the "Board") of Cartwright Ranch Homeowners Association, Inc. (the "Association") wishes to adopt reasonable guidelines to establish Records Production and Copying Policy for the Association; and

WHEREAS, the Board wishes to adopt these reasonable guidelines in compliance with Section 209.005 of the Texas Property Code ("Section 209.005") regarding Owner access to Association documents and records ("Records"); and

WHEREAS, the Board intends to file these guidelines in the real property records of each county in which the subdivision is located, in compliance with Section 209.005 of the Texas Property Code; and

WHEREAS, this policy may be amended at any time and from time to time by the Board of Directors without amending the Bylaws and as a stand-alone policy to comport with industry standards, to amend or revise provisions of the policy as may be deemed necessary and in the best interest of the Association; and

NOW, THEREFORE, IT IS RESOLVED that the following guidelines for Records Production and Copying are established by the Board:

1. Association Records shall be reasonably available to every owner. The Association shall make available the current version of the Associations' Documents filed in the county deed records available on an Internet website maintained by the Association or managing agent on behalf of the Association, and available to Members. An owner may also provide access to Records to any other person (such as an attorney, CPA or agent) they designate in writing as their proxy for this purpose. To ensure a written proxy is actually from the owner, the owner must include a copy of his/her photo ID or have the proxy notarized.

2. An owner, or their proxy as described in section 1, must submit a written request for access to or copies of Records. The letter must:
   a. be sent by certified mail to the Association's address as reflected in its most recent Management Certificate filed in the County public records; and
   b. contain sufficient detail to identify the specific Records being requested; and
   c. indicate whether the owner or proxy would like to inspect the Records before possibly obtaining copies or if the specified Records should be forwarded. If forwarded, the letter must indicate the format, delivery method and address:
      i. format: electronic files, compact disk or paper copies
      ii. delivery method: email, certified mail or pick-up

3. Within ten (10) business days of receipt of the request specified in section 2 above, the Association shall provide:
   a. the requested Records, if copies were requested and any required advance payment had been made; or
   b. a written notice that the Records are available and offer dates and times when

the Records may be inspected by the owner or their proxy during normal business hours at the office of the Association; or

c. a written notice that the requested Records are available for delivery once a payment of the cost to produce the records is made and stating the cost thereof; or
d. a written notice that a request for delivery does not contain sufficient information to specify the Records desired, the format, the delivery method and the delivery address; or
e. a written notice that the requested Records cannot be produced within ten (10) business days but will be available within fifteen (15) additional business days from the date of the notice and payment of the cost to produce the records is made and stating the cost thereof.

4. The following Association Records are not available for inspection by owners or their proxies:
   a. the financial records associated with an individual owner; and
   b. deed restriction violation details for an individual owner; and
   c. personal information, including contact information other than an address for an individual owner; and
   d. attorney files and records in the possession of the attorney; and
   e. attorney-client privileged information in the possession of the Association.

   The information in a, b and c above will be released if the Association receives express written approval from the owner whose records are the subject of the request for inspection.

5. Association Records may be maintained in paper format or in an electronic format. If a request is made to inspect Records and certain Records are maintained in electronic format, the owner or their proxy will be given access to equipment to view the electronic records. Association shall not be required to transfer such electronic records to paper format unless the owner or their proxy agrees to pay the cost of producing such copies.

6. If an owner or their proxy inspecting Records requests copies of certain Records during the inspection, Association shall provide them promptly, if possible, but no later than ten (10) business days after the inspection or payment of costs, whichever is later.

7. The owner is responsible for all costs associated with a request under this Policy, including but not limited to copies, postage, supplies, labor, overhead and third party fees (such as archive document retrieval fees from off-site storage locations) as listed below: (Please go to the Attorney General web-site for current charges) https://texasattorneygeneral.gov/og/charges-for-public-information

8. Any costs associated with a Records request must be paid in advance of delivery by the owner or their proxy. An owner who makes a request for Records and subsequently declines to accept delivery will be liable for payment of all costs under this Policy.

9. On a case-by-case basis, in the absolute discretion of the Association, and with concurrence of the owner, the Association may agree to invoice the cost of the Records request to the owner's account. Owner agrees to pay the total amount invoiced within thirty (30) days after the date a statement is mailed to the Owner. Any unpaid balance will accrue interest as an assessment as allowed under the Declarations.

10. On a case-by-case basis where an owner request for Records is deemed to be minimal, the Association or its managing agent reserves the right to waive notice under section 2 and/or fees under section 4.

11. All costs associated with fulfilling the request under this Policy will be paid by the Association's Managing Agent. All fees paid to the Association under this Policy will be reimbursed to the Association's Managing Agent or paid directly to the Association's Managing Agent.

This is to certify that the foregoing Records Production and Copying Policy was adopted by the Board of Directors, in accordance with Section 209.005 of the Texas Property Code, and supersedes any policy regarding records production which may have previously been in effect.

Record Retention Schedule

The Record Retention Schedule is organized as follows:

SECTION TOPIC

A. Accounting and Finance
B. Contracts
C. Corporate Records
D. Electronic Documents
E. Payroll Documents
F. Personnel Records
G. Property Records
H. Tax Records

The following are the Association's retention periods. These apply to both physical and electronic documents. If no physical copy of an electronic document is retained, the means to 'read' the electronic document must also be retained. If a record does not fall within the following categories, Board approval must be obtained to dispose of such record.

A. ACCOUNTING AND FINANCE

Record Type	Length of time to be kept on record
Accounts Payable & Accounts Receivable ledgers and schedules	7 years

Annual Audit Reports and Financial Statements	7 years
Annual Audit Records, including work papers and other documents that relate to the audit	7 years after completion of audit
Bank Statements and Canceled Checks Employee Expense Reports	7 years
General Ledger	7 years
Notes Receivable ledgers and schedules Investment Records	Permanent

B. CONTRACTS

Record Type	**Length of time to be kept on record**
Contracts and related correspondence (including any proposal that resulted in the contact and all other supportive documentation)	4 years after the expiration or termination of the contract

C. ASSOCIATION RECORDS

Record Type	**Length of time to be kept on record**
Corporate records (unless otherwise specifically addressed in this policy), governing documents, dedicatory instruments, minute books, signed minutes of meeting of the Board or Committees, corporate seals, annual/corporate reports, licenses and permits	Permanent
Account records of Owners	5 years

D. ELECTRONIC DOCUMENTS

Record Type	**Length of time to be kept on record**
Electronic Mail: Not all e-mail needs to be retained and is considered Association property or shall be subject to review, dependent upon the subject matter and/or ownership of the e-mail or system from which the communication originated • Board and/or staff shall stive to keep all insignificant e-mails to a minimum. Significant e-mails are those related to business and	12 months maximum

Association related issues. E-mails that contain personal information on a Manager or communication between a Manager and his or her Supervisor regarding Management related topics shall not be required to be produced.

- The Corporation's business-related emails should be downloaded to a service center or user directory on the server, as determined by the Board.
- Should not store or transfer the Corporation's related e-mails onto non-work-related computers except as necessary or appropriate for the Corporation's purposes.
- Do not send confidential/proprietary information to outside sources including any communication considered confidential/proprietary by the Managing Agent without prior written consent.

Electronic Documents: Retention depends on the subject matter and follows D above

E. ASSOCIATION PAYROLL DOCUMENTS

Record Type	**Length of time to be kept on record**
Employee Deduction Authorizations	4 years after employees' termination
Payroll Deductions and Payroll Registers	7 years after termination
W-2 and W-4 forms	7 years after termination
Garnishments, Assignments, Attachments	7 years after termination
Timecards/sheets	2 years
Unclaimed wage records	6 years

F. PERSONNEL RECORDS

Record Type	Length of time to be kept on record
Commissions/Bonuses/Incentives/Awards	7 years
EEO – I/EEO-2 Employer Information Reports	7 years from separation
Employee earnings records	1 copy kept permanently
Employee handbooks, personnel records of all types	6 years from separation
Job descriptions	3 years
Employee contracts or agreements	7 years from separation
Employment records – all non-hired applicants	2 years or 4 years if an offer of employment was made
Employee records – correspondence with employment agencies and/or advertisements for job openings	3 years from separation or from date of posting
Personnel count records	3 years
Forms I-9	3 years after date of hire or 1 year after separation of employment

G. PROPERTY RECORDS

Record Type	Length of time to be kept on record
Correspondence, property deeds, assessments, licenses, rights-of-way, property insurance policies	Permanent

F. TAX RECORDS

Record Type	Length of time to be kept on record
Tax exemption documents and related correspondence	Permanent

IRS rulings	Permanent
Tax bills, receipts, statements	7 years
Tax returns, income, franchise, and property	Permanent
Tax workpaper packages – originals	7 years
Annual information returns – Federal and State	Permanent
IRS or other government audit records	Permanent
All other tax records	7 years

IT IS FURTHER RESOLVED, this policy is executed to be effective as of the date of recording and that this Policy supersedes in all respects any prior policy and resolution with respect to the Records Production and Copying Policy filed by the Association or its predecessor-in-interest, is effective upon its filing with the Office of the Kaufman County Clerk and shall remain in full force and effect until revoked, modified or amended.

Cartwright Ranch Homeowners Association, Inc., a Texas non-profit corporation

Authorized Board of Director
Title: Director

THE STATE OF TEXAS §
§
COUNTY OF Dallas §

This instrument was acknowledged before me on the 22 day of August, 2023, by Melvin Maxwell, the Director of the Cartwright Ranch Homeowners Association, Inc., a non-profit corporation, in his/her capacity as an Authorized Board of Director of the non-profit corporation.

[SEAL]

MATTHEW KOLLINGER
Notary Public, State of Texas
Comm. Expires 03-14-2026
Notary ID 133642806

Notary Public, The State of Texas

Attachment B

Collections Policy

CARTWRIGHT RANCH HOMEOWNERS ASSOCIATION, INC.

Collection Policy

WHEREAS, Cartwright Ranch Homeowners Association, Inc. (the "Association") has authority pursuant to the Declaration of Covenants, Conditions & Restrictions (the "*Declaration*") to levy assessments against Owners of Lots within Cartwright Ranch planned community located in Kaufman County, Texas (the "*Property*"); and

WHEREAS, to facilitate the timely collection of assessments and other amounts owed by Owners, and to comply with the Declaration and the laws of the State of Texas regarding the collection of unpaid amounts, the Board desires to establish certain procedures for the collection of assessments that remain unpaid beyond the prescribed due dates.

WHEREAS, this policy may be amended at any time and from time to time by the Board of Directors without amending the Bylaws and as a stand-alone policy to comport with industry standards, to amend or revise provisions of the policy as may be deemed necessary and in the best interest of the Association; and

NOW, THEREFORE, IT IS RESOLVED that the following procedures and practices are established for the collection of assessments owing and to become owing by Owners in the Property and the same are to be known as the "Collection Policy" for the Association:

1. Generally. The steps and procedures contained in this Policy **serve as a general outline only** of the Association's collection process. The Association is not bound to follow these exact procedures in every collection matter except as required by the Declaration and the laws that govern collection of assessments. The procedures below are not intended to constitute a prerequisite or condition precedent to the Association's legal ability to collect unpaid assessments and other amounts except as required by the Declaration or law.

Due Dates. Pursuant to the Declaration and unless a different payment schedule is adopted by the Board, the assessment shall be paid on a annual basis on the first (1st) day of every January of each year. The due date and delinquency date for a Special Assessment or an Individual Assessment or other type of assessment levied as authorized per the Declaration shall be determined by the Board of Directors. Any installment of the annual Assessment which is not paid in full by the last day of the calendar month in which such assessment is due. (the *Delinquency Date*") and shall be assessed late and collection fees and is subject to interest as provided in the Declaration.

2. Written Notice of Delinquency. Subsequent to an Owner becoming delinquent, and prior to referring the account to the Association's legal counsel for collection, the Association will send at least one (1) written notice of the delinquency to the Owner via certified mail (the "*Delinquency Notice*"). The Delinquency Notice shall: (I) detail each delinquent amount and the total amount owed; (ii) describe the options available to the Owner to avoid having the account referred to the Association's legal counsel, including the availability of a payment plan, and (iii) provide the Owner a period of at least Forty-five (45) days to cure the delinquency before further collection action is taken. This notice is more commonly known as a demand letter."

3. Payment Plans. Section 209.0062 of the Texas Property Code requires that the Association adopt reasonable guidelines to establish an alternate payment schedule by which an owner

may make partial payments for delinquent amounts owed to the Association in certain circumstances. The Board has adopted and recorded a policy which governs payment plans and the Association will follow the policies and procedures contained therein.

4. Interest. In the event any assessment, or any portion thereof, is not paid in full by the Delinquency Date, interest on unpaid assessments at the rate of twelve percent (12%) per annum notwithstanding, should the Declaration list a different amount, the higher rate allowed shall apply, from the Delinquency Date or at the rate set forth in the Declaration should the amount differ than the amount set forth herein until paid and such amounts shall be charged to the Owner's account. Such interest, as and when it accrues hereunder, is secured by the Assessment Lien described in the Declaration and will be subject to recovery in the manner provided herein for assessments. The Board may, in its sole discretion, waive the collection interest; provided, however, that the waiver of interest shall not constitute a waiver of the Board's right to collect any interest, or any other charges then owed or becoming due in the future.

5. Late Charges. In the event any assessment, or any portion thereof, is not paid in full by the Delinquency Date, late charges in an amount up to $25.00 shall be assessed against the Owner's account each month and every month until the assessment is paid in full. Such late charge, as and when levied, is secured by the Assessment Lien described in the Declaration and will be subject to recovery in the manner provided herein for assessments. The Board may, in its sole discretion, waive the collection of any late charge or portion thereof; provided, however, that the waiver of any late charge shall not constitute a waiver of the Board's right to collect any or late charges or any other charges in the future.

6. Collection Fees. In the event any assessment, or any portion thereof, is not paid in full by the Delinquency Date, collection fees shall be assessed against the Owner's account each month and every month until the assessment is paid in full. Collection fees are charges by the managing agent for the servicing of accounts, collection of delinquent accounts and for other services rendered such as processing and handling of certified / return receipt mail, payment plan processing and monitoring, demand letters, etc., and may not be waived by the Board without the consent of the managing agent. Such collection fees, as and when levied, is secured by the Assessment Lien described in the Declaration and will be subject to recovery in the manner provided herein for assessments.

7. Handling Charges and Return Check Fees. To recoup for the Association, the costs incurred because of the additional administrative expenses associated with collecting delinquent assessments, collection of the following fees and charges are part of this Policy:

a. Any handling charges, administrative fees, collection costs, postage or other expenses incurred by the Association in connection with the collection of any assessment or related amount owing beyond the Delinquency Date for such assessment will become due and owing by the Delinquent Owner. Charges may be owed to the Association and/or its Managing Agent. Handling charges and administrative fees charged by the managing agent may be in addition to the collection fees the managing agent is entitled to under Section 6 above.

b. A charge of $25.00 per item or the amount charged by the Bank if greater, will become due and payable for any check tendered to the Association which is dishonored by the drawee of such check for any reason, the charge being in addition to any other fee or charge which the Association is entitled to recover from an Owner in connection with collection of assessments owing with respect to such Owner's Lot.

c. Any fee or charge becoming due and payable pursuant to this Policy will be added to the amount then outstanding and is collectible to the same extent and in the same manner as the assessment, the delinquency of which gave rise to the incurrence of such charge, fee, or expense.

8. Collection Agencies. In the event an account has not been paid in full following thirty (30) days from the date Delinquency Notice was mailed to the Owner, the Association's agent may refer the account to a "third-party" entity which may include, but is not limited to, the Association's Attorney, a collection agency for collection, including reporting delinquent account to any credit bureau or other agency providing credit histories to authorized entities. All costs incurred by the Association for services rendered by any such third-party agency or administering the referral and handling of the account to a third-party agency are deemed costs of collection of the Association. Such costs of collection, when incurred by the Association and added to an Owner's account, are secured by the Assessment Lien described in the Declaration and will be subject to recovery in the manner provided herein for assessments.

9. Application of Funds Received. All monies received by the Association will be applied to the Owner's delinquency in the following order of priority:

a. First, to any delinquent assessment;

b. Second, to any current assessment;

c. Next, to any attorney's fees or third-party collection costs incurred by the Association associated solely with assessments or any other charge that could provide the basis for foreclosure;

d. Next, to any attorney's fees incurred by the Association;

e. Next, to any fines or self-help assessed by the Association; and

f. Last, to any other amount owed to the Association.

If the Owner is in default under a payment plan entered into with the Association at the time the Association receives a payment from the Owner, the Association is not required to apply the payment in the order of priority specified herein, except that a fine assessed by the Association may not be given priority over any other amount owed to the Association.

10. Ownership Records. **All collection notices and communications will be directed to those persons shown by the records of the Association as being the Owner or a Lot for which assessments are due and will be sent to the most recent address of such Owner solely as reflected by the records of the Association. Any notice or communication directed to a person at an address, in both cases reflected by the records of the Association as being the Owner and address for a given Lot, will be valid and effective for all purposes pursuant to the Declaration and this Policy until such time as there is actual receipt by the Association of written notification from the Owner of any change in the identity or status of such Owner or its address or both.**

11. Notification of Owner's Representative. Where the interests of an Owner in a Lot have been handled by a representative or agent of such Owner or where an Owner has otherwise acted so as to put the Association on notice that its interest in a Lot have been and are being handled by a representative or agent, any notice or communication from the Association pursuant to this Policy will be deemed full and effective for all purposes if given to such Representative or agent.

12. Remedies and Legal Actions. If an Owner fails to cure the delinquency within the Forty-Five (45) day period stated in the Delinquency Notice (as provided for in Section 2 above), the Association may, at its discretion and when it chooses, refer the delinquency to legal counsel for the Association. Any attorney's fees and related charges incurred by virtue of legal action taken will become part of the Owner's assessment obligation and may be collected as such as provided herein. Upon direction of the Board or the Association's agent, legal counsel for the Association may pursue all available legal remedies regarding the delinquencies referred to it **may include, but is not limited to, the following**:

a. Notice Letter. As the initial correspondence to a delinquent Owner, counsel will send a notice letter (the "*Notice Letter*") to the Owner advising the Owner of the Association's claim for all outstanding assessments and related charges, adding to the charges the attorney's fees and costs incurred for counsel's services.

b. Notice of Lien. If an Owner fails to cure the delinquency indicated in the Notice Letter, upon being requested to do so by the Board and/or Management, counsel may prepare and record in the Official Public Records of Kaufman County, a written notice of assessment lien (referred to as the "*Notice of Lien*") against the Lot. A copy of the Notice of Lien will be sent to the Owner, together with an additional demand for payment in full of all amounts then outstanding.

c. Foreclosure. If the Owner fails to cure the delinquency, the Board may direct legal counsel to pursue foreclosure of the lien. In any foreclosure proceedings, the Owner shall be required to pay the costs and expenses of such proceedings, including reasonable attorney's fees.

13. (i). Expedited Foreclosure Pursuant to Rules 735 & 736 of the Texas Rules of Civil Procedure. The Board may decide to foreclose its lien by exercising its power of sale granted by the Declaration. In such event, counsel may commence expedited foreclosure lawsuit under Rules 735 and 736 of the Texas Rules of Civil Procedure ("Expedited Foreclosure"). Upon receipt from the Court of an order authorizing foreclosure of the Lot, counsel may post the Lot at the Kaufman County Courthouse for a foreclosure sale. The Association shall have the power to bid on the Owner's Lot and improvements at foreclosure and to acquire, hold, lease, mortgage, convey or otherwise deal with the same. The Association may institute, a personal judgment suit against the former Owner for any deficiency resulting from the Association's foreclosure of its assessment lien.

(ii). Judicial Foreclosure. The Association may file suit for judicial foreclosure ("Judicial Foreclosure") of the assessment lien, which suit may also seek a personal money judgment. Upon receipt from the Court of an order foreclosing the Association's assessment lien against the Lot, the sheriff or constable may post the Lot for sheriff's sale. The Association shall have the power to bid on the Owner's Lot and improvements at foreclosure and to acquire, hold, lease, mortgage, convey or otherwise deal with the same.

(iii) Lienholder Notification. In pursuing Expedited Foreclosure or Judicial Foreclosure, the Association shall provide the 61-day notice letter to inferior lienholders pursuant to Section 209.0091 of the Texas Property Code.

(iv) Lawsuit for Money Judgment. The Association may file suit for a money judgment in any court of competent jurisdiction.

(v) Bankruptcy. Upon notification of a petition in bankruptcy, the Association may refer the account to legal counsel.

(vi) Remedies Not Exclusive. All rights and remedies provided in this Policy and herein above are cumulative and not exclusive of any other rights or remedies that may be available to the Association, whether provided by law, equity, the Association's governing documents or otherwise.

(vii) Compromise. To expedite the resolution of a delinquent account, the Board may, at any time, compromise or waive the payment of interest, late charges, handling charges, collection costs other than collection fees and cost owed to the managing agent, unless approved by the managing agent, legal fees or any other application charge.

14. Severability and Legal Interpretation. If any provision herein shall be determined by a court with jurisdiction to be invalid or unenforceable in any respect, such determination shall not affect the validity or enforceability of any other provision, and this Policy shall be enforced as if such provision did not exist. Furthermore, if any provision of this Policy is deemed by a court with jurisdiction to be ambiguous or in contradiction with any law, this Policy and any such provision shall be interpreted in a manner that complies with an interpretation that is consistent with the law. In the event any provision of this Policy conflicts with the Declaration, the Declaration controls.

IT IS FURTHER RESOLVED, this policy is executed to be effective as of the date of recording and that this Policy supersedes in all respects any prior policy and resolution with respect to the collection of assessments filed by the Association or its predecessor-in-interest, is effective upon its filing with the Office of the Kaufman County Clerk and shall remain in full force and effect until revoked, modified or amended.

IN WITNESS WHEREOF, the undersigned, being the Secretary of the Association has executed this Notice.

[Signature Page to Follow]

Cartwright Ranch Homeowners Association, Inc., a Texas non-profit corporation

Authorized Board of Director

Title: Director

THE STATE OF TEXAS §
§
COUNTY OF Dallas §

This instrument was acknowledged before me on the 22ND day of August, 2023, by Mehrdad Moayedi, the Director of the Cartwright Ranch Homeowners Association, Inc., a non-profit corporation, in his/her capacity as an Authorized Board of Director of the non-profit corporation.

[SEAL]

JESSICA LEIGH KING
Notary ID #129806619
My Commission Expires
June 29, 2026

Notary Public, The State of Texas

My Commission Expires:

6 / 29 /2026

Attachment C

Alternate Payment Schedule Policy

CARTWRIGHT RANCH HOMEOWNERS ASSOCIATION, INC.

Alternative Payment Schedule Guidelines for Certain Assessments

WHEREAS, the Board of Directors (the "Board") of Cartwright Ranch Homeowners Association, Inc. (the "Association") wishes to adopt reasonable guidelines to establish an alternative payment schedule by which an owner may make partial payments to the Association for delinquent regular or special assessments or any other amount owed to the Association; and

WHEREAS, the Board wishes to adopt these reasonable guidelines in compliance with Section 209.0062 of the Texas Property Code; and

WHEREAS, the Board intends to file these guidelines in the real property records of each county in which the subdivision is located, in compliance with Section 209.0062 of the Texas Property Code; and

NOW, THEREFORE, IT IS RESOLVED that the following guidelines are established by the Board:

1. Upon the request of a delinquent owner, the Association shall enter into an alternative payment schedule with such owner, subject to the following guidelines:

    a. An Alternative Payment Schedule is only available to owners who have delinquent regular assessments, special assessments or any other amount owed to the Association.

    b. An Alternative Payment Schedule will not be made available in the following cases: (1) to owners who have failed to honor the terms of a previous Alternative Payment Schedule during the two years following the owner's default of such previous Alternative Payment Schedule; (2) to owners who have failed to request an Alternative Payment Schedule prior to the 45 day deadline to cure the delinquency as set forth in the Association's letter sent pursuant to Tex. Prop. Code § 209.0064(b); and/or (3) to owners who have entered into an Alternative Payment Schedule within the previous 12 months. Notwithstanding the foregoing, the Board has discretion to allow any owner to enter into an Alternative Payment Schedule.

    c. During the course of an Alternative Payment Schedule, additional monetary penalties shall not be charged against an owner so long as the owner timely performs all obligations under the Alternative Payment Schedule and does not default. However, the Association may charge reasonable costs for administering the Alternative Payment Schedule ("Administrative Costs") and, if interest is allowed under the Declaration, then interest will continue to accrue during the term of the Alternative Payment Schedule. The Association may provide an estimate of the amount of interest that will accrue during the term of the Alternative Payment Schedule.

d. The total of all proposed payments in an Alternative Payment Schedule must equal the sum of the current delinquent balance, the estimated interest, and any Administrative Costs; and may include any assessments that will accrue during the term of the Payment Plan.

e. All payments under an Alternative Payment Schedule shall be due and tendered to the Association by the dates specified in the Alternative Payment Schedule, and shall be made by cashier's checks or money orders.

f. The minimum term for an Alternative Payment Schedule is 3 months from the date of the owner's request for an Alternative Payment Schedule. The Association is not required to allow an Alternative Payment Schedule for any amount that extends more than 18 months from the date of the owner's request for an Alternative Payment Plan.

g. Any owner may submit to the Board a request for an Alternative Payment Schedule that does not meet the foregoing guidelines, along with any other information he/she believes the Board should consider along with such request (e.g. evidence of financial hardship). The Board, in its sole discretion, may approve or disapprove such a request for a non-conforming Alternative Payment Schedule. An owner who is not eligible for an Alternative Payment Schedule may still request an Alternative Payment Schedule, and the Board, in its sole discretion, may accept or reject such a request.

h. Default

    1. The following shall result in an immediate default of an Alternative Payment Schedule:

        i. The owner's failure to timely tender and deliver any payment when due under the Alternative Payment Schedule;

        ii. The owner's failure to tender any payment in the full amount and form (e.g., cashier's check or money order) as specified in the Alternative Payment Schedule; or

        iii. The owner's failure to timely comply with any other requirement or obligation set forth in the Alternative Payment Plan.

    2. Any owner who defaults under an Alternative Payment Schedule shall remain in default until his/her entire account balance is brought current.

    3. The Association is not required to provide notice of any default.

4. Owners are not entitled to any opportunity to cure a default.

5. While an owner is in default under an Alternative Payment Schedule, the owner's payments need not be applied to the owner's debt in the order of priority set forth in Tex. Prop. Code § 209.0063(a). But, in applying a payment made while the owner is in default, a fine assessed by the Association may not be given priority over any other amount owed to the Association.

6. The failure by the Association to exercise any rights or options shall not constitute a waiver thereof or the waiver of the right to exercise such right or option in the future.

i. All other terms of an Alternative Payment Schedule are at the discretion of the Board of Directors.

IT IS FURTHER RESOLVED, this policy is executed to be effective as of the date of recording and that this Policy supersedes in all respects any prior policy and resolution with respect to the Alternative Payment Schedule Guidelines for Certain Assessments filed by the Association or its predecessor-in-interest, is effective upon its filing with the Office of the Kaufman County Clerk and shall remain in full force and effect until revoked, modified or amended.

IN WITNESS WHEREOF, the undersigned, being the Secretary of the Association has executed this Notice.

Cartwright Ranch Homeowners Association, Inc., a Texas non-profit corporation

Name: Mehrdad

Title: Director

STATE OF TEXAS §
§
COUNTY OF Dallas §

This instrument was acknowledged before me on the 22ND day of August 2023, by Mehrdad Moayedi of Cartwright Ranch Homeowners Association, Inc., a Texas non-profit corporation, on behalf of said corporation.

JESSICA LEIGH KING
Notary ID #129806619
My Commission Expires
June 29, 2026

Jessica King
Notary Public, State of Texas

Attachment D

Notice & Hearing; Schedule of Fines

CARTWRIGHT RANCH HOMEOWNERS ASSOCIATION, INC.

Notice and Hearing; Schedule of Fines Policy

WHEREAS, the Board of Directors (the "Board") of Cartwright Ranch Homeowners Association, Inc. (the "Association") wishes to adopt reasonable guidelines to establish Notice and Hearing; Schedule of Fines Policy for the Association; and

WHEREAS, the Board wishes to adopt these reasonable guidelines in compliance with Section 209.005 of the Texas Property Code ("Section 209.005") regarding Notice and Hearing; Schedule of Fines; and

WHEREAS, the Board intends to file these guidelines in the real property records of each county in which the subdivision is located, in compliance with Section 209.005 of the Texas Property Code; and

WHEREAS, this policy may be amended at any time and from time to time by the Board of Directors without amending the Bylaws and as a stand-alone policy to comport with industry standards, to amend or revise provisions of the policy as may be deemed necessary and in the best interest of the Association; and

NOW, THEREFORE, IT IS RESOLVED that the following guidelines for Notice and Hearing; Schedule of Fines Policy are established by the Board:

NOTICE AND HEARING; SCHEDULE OF FINES

Notice and Hearing.

(a) Prior to the imposition of any fine for a violation of the Declaration or the levying of any special individual assessment on an Owner, the Association will give at least one (1) notice of not less than five (5) days (unless violation is deemed an emergency, constitutes a safety or health hazard, or is a non-curable violation) each to the Owner in compliance with the Declaration and/or Section 209.006 of the Texas Property Code (the "**Property Code**"), as the same may be hereafter amended. Notices as described above are not required for situations deemed to be an emergency, constitutes a safety or health hazard or poses any kind of health or safety issue, or deemed a non-curable violation by the Board. Notice(s), as a general rule shall follow the schedule below notwithstanding, it is to be understood this is a guide and in no way prevents the Association or its Managing Agent from deviating from this schedule when it is deemed in the best interest of the Association or its Residents to do so:

First Notice shall be sent regular U.S. mail unless a non-curable violation is issued under instruction of the Board or at the discretion of the Managing Agent, at which time such notice shall be sent certified mail. ***Delivery of any First Notice as well as any subsequent notices may also be delivered by e-mail or by posting to the door of the Residence*** in addition to or in lieu of other means of notification so long as such delivery does not conflict with the requirements of the Texas Property Code. Notwithstanding, any violation considered to be an emergency or considered to threaten, in any capacity, the health, safety and welfare of Residents may be delivered by posting to the door of the violating Property Owner or by e-mail to the e-mail address on file with the Association.

(i) Second Notice of Violation may be sent using one of two choices; a Second Notice of Violation with additional time to abate the violation or a Fine Warning

Notice. Regardless of which notice is used, the notice must be sent certified and regular U.S. mail. Second Notice and Fine Warning Notice must inform the Owner of his/her right to a Hearing as described below.

(ii) Notice of Fine Levied **(Notice of Fine)** shall be delivered by certified and regular U.S. mail.

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

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

(b) In compliance with Section 209.007 of the Texas Property Code, if the Owner submits a written request for a hearing, the Association shall hold a hearing not later than the thirtieth (30th) day after the date the Board receives the Owner's request, and shall notify the Owner of the date, time and place of the hearing in compliance with the Texas Property Code, but at least ten (10) days before the date of the hearing. The Board or the Owner may request a postponement, and, if requested, a postponement shall be granted for a period not to exceed the maximum number of days allowed under Texas Property Code. If the hearing is to be held before a committee appointed by the Board, the notice shall state that the Owner has the right to appeal the committee's decision to the Board by written notice to the Board.

(c) Provided that such Owner has not requested a hearing in accordance with the above and the violation has not been cured, then the Association shall continue to levy fines per the schedule below, notwithstanding, the schedule provided is a guide and does not constitute a hard and fast rule as the amount of fine a Board can levy for an Owner's non-compliance. Some violations, depending upon the severity or repetition, may warrant more stringent fine enforcement or may warrant a one-time fine in lieu of fining in increments. The amount and frequency in which a fine is levied is at the sole discretion of the Board. The Association is not entitled to collect a fine from an Owner to whom it has not given notice and an opportunity to be heard, pursuant to Section 209.006 and Section 209.007 of the Texas Property Code.

Any fine levied shall be reflected on the Owner's periodic statements of account or delinquency notices. The number of notices set forth below does not mean that the Board is required to provide each notice prior to exercising additional remedies as set forth in the Declaration. The Board may elect to pursue such additional remedies at any time in accordance with applicable law.

FINES:

Violation:	**Fine Amount:**
Notice of Fine Levied – 1st Fine Notice	**Minimum first fine of $50.00, notwithstanding, greater fines can be levied depending upon the nature, severity, and reoccurrence of the violation.**
Notice of Fine Levied – 2nd Fine Notice	**Not less than $100.00 depending upon the nature, severity, and reoccurrence of the violation**
Notice of Fine Levied - 3rd Fine Notice	**Not less than $150.00 depending upon the nature, severity, and reoccurrence of the violation**
Notice of Fine Levied – 4th Fine Notice & Beyond	**Fine will increase an additional $50.00 every week until Owner cures the violation**

Note: Once a fine has reached the maximum fine amount, if applicable, as set forth in the Declaration and the Owner has not cured the violation, the fine process will continue at the rate of $50.00 per week until the violation is cured. The Association shall send one (1) additional notice notifying the Owner fines will continue until the violation is cured and thereafter, the Association will not be required to notify the Owner further and may continue to fine until the violation is cured or the Association determines that self-help action is required or warranted. The Association shall submit a statement of account to the Owner at least once per month during the fining process.

This policy may be amended at any time and from time to time by the Declarant during the Declarant Control Period and thereafter by the Board of Directors as a stand-alone policy to comport with industry standards, to amend, revise provisions of the policy, or rescind all or any part of the policy, as may be deemed necessary and in the best interest of the Association. Any amendment to the policy shall placed on the Association's website if applicable.

IT IS FURTHER RESOLVED, this policy is executed to be effective as of the date of recording and that this Policy supersedes in all respects any prior policy and resolution with respect to the Notice and Hearing; Schedule of Fines Policy filed by the Association or its predecessor-in-interest, is effective upon its filing with the Office of the Kaufman County Clerk and shall remain in full force and effect until revoked, modified or amended.

IN WITNESS WHEREOF, the undersigned, being the Secretary of the Association has executed this Notice.

[Signature Page Follows this Page]

Cartwright Ranch Homeowners Association, Inc., a Texas non-profit corporation

Authorized Board of Director

Title: Director

THE STATE OF TEXAS §
§
COUNTY OF Dallas §

This instrument was acknowledged before me on the 22ND day of August, 2023, by Mehrdad Moayedi, the Director of the Cartwright Ranch Homeowners Association, Inc., a non-profit corporation, in his/her capacity as an Authorized Board of Director of the non-profit corporation.

[SEAL]

JESSICA LEIGH KING
Notary ID #129806619
My Commission Expires
June 29, 2026

Notary Public, The State of Texas

My Commission Expires:

6 / 29 /2026

Attachment E

E-mail Registration Policy

CARTWRIGHT RANCH HOMEOWNERS ASSOCIATION, INC.

E-Mail Registration Policy

WHEREAS, the Board of Directors (the "Board") of Cartwright Ranch Homeowners Association, Inc. (the "Association") wishes to adopt reasonable guidelines to establish an E-mail Registration Policy for the Association which shall be effective upon recording; and

WHEREAS, the Board wishes to adopt these reasonable guidelines regarding the Association's rights and intent to use e-mail and other electronic forms of communication for the purpose of noticing Members of the Association; and

WHEREAS, the Board intends to file these guidelines in the real property records of each county in which the subdivision is located, in compliance with Section 209.005 of the Texas Property Code; and

WHEREAS, this policy may be amended at any time and from time to time by the Declarant or the Board of Directors by Resolution to comport with industry standards, to amend or revise provisions of the policy as may be deemed necessary and in the best interest of the Association. Notwithstanding, should any ambiguity or conflict occur regarding the intent of this Policy at any time, all Members are herein advised the interpretation shall always be in **FAVOR OF THE ASSOCIATION.** Any amendment or revision shall be made available to each homeowner and a copy placed on the Association's website if applicable.

NOW, THEREFORE, IT IS RESOLVED that the following guidelines for E-mail Registration Policy are adopted and established as follows:

Terms used but not defined in this policy will have the meaning subscribed to such terms in that certain Declaration of Covenants, Conditions and Restrictions for Cartwright Ranch if applicable and shall be recorded in each county in which the Subdivision is located and in compliance with Section 209.005 of the Texas State Property Code and as may be supplemented and/or amended from time to time:

1. ***Purpose.*** The purpose of this Email Registration. Policy is to facilitate proper notice of Board, Annual, Special, and other meetings of the Board and/or Members pursuant to Section 209.0051(e) of the Texas Property Code and additionally, to facilitate the announcement of other Association business or community events as they may occur.

2. ***Email Registration.*** Should the owner wish to receive all email notifications, it is the owner's sole responsibility to register his/her email address with the Association and to continue to keep the registered email address updated and current. To register an email address, the owner must provide their name, address, phone number and email address through the method provided on the Association's website, if any, or contact the managing agent of record and provide any information in writing.

3. ***Failure to Register.*** Under the Texas Property Code, an Association is required to notice Owners using only one (1) contact method. An owner may not receive email notification or communication of meetings should the owner fail to register his/her email address with the Association or the managing agent. Correspondence to the Association and/or managing agent must be in a form of writing. Written notice or e-mail notice sent from the Owner's e-mail address will be considered appropriate means of notification. No verbal requests for changes will be accepted. Property management companies overseeing rentals may not make changes

to an Owner's address or other information without a signed authorization form received from the Owner.

4. ***Amendment.*** The Association may, from time to time, by Resolution of the Board, and as a stand-alone policy modify, amend, or supplement this Policy or any other rules regarding email registration and the way the Association chooses to notice Owners about meetings. This policy shall include all meeting types.

IT IS FURTHER RESOLVED, this policy is executed to be effective as of the date of recording and that this Policy supersedes in all respects any prior policy and resolution with respect to E-mail Registration Policy filed by the Association or its predecessor-in-interest, is effective upon its filing with the Office of the Kaufman County Clerk and shall remain in full force and effect until revoked, modified or amended.

IN WITNESS WHEREOF, the undersigned, being the Secretary of the Association has executed this Notice.

Cartwright Ranch Homeowners Association, Inc., a Texas non-profit corporation

Authorized Board of Director

Title: Director

THE STATE OF TEXAS §
§
COUNTY OF Dallas §

This instrument was acknowledged before me on the 22ND day of August, 2023, by Mehdad Moayedi, the _____ of the Cartwright Ranch Homeowners Association, Inc., a non-profit corporation, in his/her capacity as an Authorized Board of Director of the non-profit corporation.

[SEAL]

JESSICA LEIGH KING
Notary ID #129806619
My Commission Expires
June 29, 2026

Notary Public, The State of Texas

My Commission Expires:

6/29/2026

Attachment F

Generator Policy

CARTWRIGHT RANCH HOMEOWNERS ASSOCIATION, INC.

Generator Policy

WHEREAS, the Board of Directors (the "Board") of Cartwright Ranch Homeowners Association, Inc. (the "Association") wishes to adopt reasonable guidelines to establish a Generator Policy for the Association; and

WHEREAS, the Board wishes to adopt these reasonable guidelines regarding Generator installation and use; and

WHEREAS, the Board intends to file these guidelines in the real property records of each county in which the subdivision is located, in compliance with Section 209.005 of the Texas Property Code; and

WHEREAS, the Board intends to file these guidelines with the Bylaws of the Association notwithstanding, the Policy may be amended at any time and from time to time as a stand-alone policy in the real property records of each county in which the subdivision is located, in compliance with Section 209.005 of the Texas Property Code; and

NOW, THEREFORE, IT IS RESOLVED that the following guidelines for use of Generators are established by the Board:

Terms used but not defined in this policy will have the meaning subscribed to such terms in that certain Declaration of Covenants, Conditions and Restrictions for Cartwright Ranch (Recorded or to be recorded in the Official Public Records of Kaufman County, Texas, as the same may be amended from time to time.

A. ARCHITECTURAL REVIEW APPROVAL REOUIRED

As part of the installation and maintenance of a generator on an Owner's Lot, an Owner may submit plans for and install a standby electric generator **("Generator")** upon written approval by the architectural review authority under the Declaration (the **"ACC or ARC").**

B. GENERATOR PROCEDURES AND REQUIREMENTS

1. Application. Approval by the ACC is required prior to installing a Generator. To obtain the approval of the ACC for a Generator, the Owner shall provide the ACC with the following information: (i) the proposed site location of the Generator on the Owner's Lot; (ii) a description of the Generator, including a photograph or other accurate depiction; and (iii) the size of the Generator (the **"Generator Application").** The ACC is not responsible for: (i) errors or omissions in the Generator Application submitted to the ACC for approval; (ii) supervising installation or construction to confirm compliance with an approved Generator Application or (iii) the compliance of an approved application with Applicable Law.

2. Approval Conditions. Each Generator Application and all Generators to be installed in accordance with and must comply with the following:

i. The Owner must install and maintain the Generator in accordance with the. manufacturer's specifications and meet all applicable governmental health, safety, electrical, and building codes.

ii. The Owner must use a licensed contractor(s) to install all electrical, plumbing, and fuel line connections and all electrical connections must be installed in accordance with all applicable governmental health, safety, electrical, and building codes.

iii. The Owner must install all-natural gas, diesel fuel, biodiesel fuel, and/or hydrogen fuel line connections in accordance with applicable governmental health, safety, electrical, and building codes.

iv. The Owner must install all liquefied petroleum gas fuel line connections in accordance with the rules and standards promulgated and adopted by the Railroad Commission of Texas and other applicable governmental health, safety, electrical, and building codes.

v. The Owner must install and maintain all non-integral standby Generator fuel tanks in compliance with applicable municipal zoning ordinances and governmental health, safety, electrical, and building codes.

vi. The Owner must maintain in good condition the Generator and its electrical lines and fuel lines. The Owner is responsible to repair, replace, or remove any deteriorated or unsafe component of a Generator, including electrical and fuel lines.

vii. The Owner must screen a Generator if it is visible from the street or front of the home, located in an unfenced side or rear yard of a Lot, and is visible either from an adjoining residence or from adjoining property owned by the Association, and/or is in a side or rear yard fenced by a wrought iron fence and is visible through the fence either from an adjoining residence or from adjoining property owned by the Association.

viii. The Owner may only perform periodic testing of the Generator consistent with the manufacturer's recommendations between the hours of 9 a.m. to 5 p.m., Monday through Friday.

ix. No Owner shall use the Generator to generate all or substantially all the electric power to the Owner's residence unless the utility-generated electrical power to the residence is not available or is intermittent due to causes other than nonpayment for utility service to the residence.

x. No Owner shall locate the Generator (i) in the front yard of a residence; or (ii) in the side yard of a residence facing a street.

xi. No Owner shall locate a Generator on property owned by the Association.

xii. No Owner shall locate a Generator on any property owned in common by members of the Association.

3. Process. Any proposal to install a Generator on property owned by The Association or property owned in common by members of the Association must be approved in advance and in writing by the Board, and the Board need not adhere to the requirements set forth in this Generator Policy when considering any such request.

4. Approval. Each Owner is advised that if the Generator Application is approved by the ACC, installation of the Generator must: (i) strictly comply with the Generator Application; (ii) commence within thirty (30) days of approval; and (iii) be diligently prosecuted to completion. If the owner fails to cause the Generator to be installed in accordance with the approved Generator Application, the ACC may require the Owner to: (a) modify the Generator Application to accurately reflect the Generator installed on the Property; or (b) remove the Generator and reinstall the Generator in accordance with the approved Generator Application.

Failure to install the Generator in accordance with the approved Generator Application or an Owner's failure to comply with the post-approval requirements constitutes a violation of the Declaration and may subject the Owner to fines and penalties up to $1,000.00. Any requirement imposed by the ACC to resubmit a Generator Application or remove and relocate a Generator in accordance with the approved Generator Application shall be at the Owner's sole cost and expense.

IT IS FURTHER RESOLVED, this policy is executed to be effective as of the date of recording and that this Policy supersedes in all respects any prior policy and resolution with respect to the Generator Policy filed by the Association or its predecessor-in-interest, is effective upon its filing with the Office of the Kaufman County Clerk and shall remain in full force and effect until revoked, modified or amended.

IN WITNESS WHEREOF, the undersigned, being the Secretary of the Association has executed this Notice.

[Signature Page Follows this Page]

Cartwright Ranch Homeowners Association, Inc.,
a Texas non-profit corporation

Authorized Board of Director

Title: Director

THE STATE OF TEXAS §
§
COUNTY OF Dallas §

This instrument was acknowledged before me on the 22ND day of August, 2023, by Mehrdad Moayedi, the Director of the Cartwright Ranch Homeowners Association, Inc., a non-profit corporation, in his/her capacity as an Authorized Board of Director of the non-profit corporation.

[SEAL]

JESSICA LEIGH KING
Notary ID #129806619
My Commission Expires
June 29, 2026

Notary Public, The State of Texas

My Commission Expires:

6 / 29 /2026

Attachment G

Community Wide Standard Policy

CARTWRIGHT RANCH HOMEOWNERS ASSOCIATION, INC.

Adoption of Definition and Enforcement for Community-Wide Standard

WHEREAS, the Board of Directors (the "Board") of Cartwright Ranch Homeowners Association, Inc. (the "Association") wishes to adopt a policy to aid in the definition and allowed enforcement measures associated with the Associations "Community-Wide Standards" by which the Board may make decisions and take actions on certain violations, particularly, community standards that may or may not be in writing; and

WHEREAS, the Board wishes to adopt these guidelines in compliance with Section 209.0062 of the Texas Property Code; and

WHEREAS, the Board intends to file these guidelines in the real property records of each county in which the subdivision is located, in compliance with Section 209.0062 of the Texas Property Code; and

WHEREAS, this policy may be amended at any time and from time to time by the Board of Directors without amending the Bylaws and as a stand-alone policy to comport with industry standards, to amend or revise provisions of the policy as may be deemed necessary and in the best interest of the Association; and

COMMUNITY WIDE STANDARDS: DEFINITION AND ENFORCEMENT

These are the standards of maintenance that generally prevail throughout the community of Cartwright Ranch which may or may not be in writing. The initial standards other than those written into the Association's Governing Documents are established by the Declarant and may or may not be in writing. The standards will evolve and may change as the development progresses. Each Owner shall maintain his or her property and all landscaping and improvements in a manner consistent with the Governing Documents and all Rules and Regulations. Responsibility for maintenance shall include, but is not limited to, maintenance and upkeep, repair and/or replacement as necessary to maintain the property in good repair and architecturally always pleasing.

The Community Wide Standards are enforced by the following procedures:

"Community-Wide Standard" shall mean the standard of conduct, maintenance and appearance of residences and lots, common areas and elements, including landscaping, generally prevailing throughout the Property, or the minimum standards established pursuant to the Design Guidelines, Rules, Regulations and Board resolutions, whichever is the highest standard as well as the Community-Wide Standard established by the Declarant. ***Declarant initially shall establish such standards which may be amended by Declarant during the Development Period and the Board, Architectural Review Committee as well as any assigned Managing Agent shall be the authorized parties delegated by the Declarant to carry out the standards adopted.***

The Association, through its Board, shall ensure that the Community-Wide Standard established by the Declarant or through any Rule or Regulation, whether in writing or not, shall continue after the termination or expiration of the Development Period.

The Community-Wide Standard may contain objective elements, such as specific lawn or house maintenance requirements, color selections, placement allowances for varying items such as, but not limited to, yard art, trash/recycle containers, vehicle storage and parking, and other subjective elements subject to the Declarant's and thereafter, the Board's discretion. The Declarant and the Board shall have the right to determine objective elements on a case-by-case basis whenever they deem it to be in the best interest of the community and its residents.

The Community-Wide Standard may or may not be in writing and will likely 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 Development Period expires.** The Community-wide standard is enforceable, whether in writing or not, the same as any other restriction, rule, or regulation within the Governing Documents, or which is adopted or otherwise amended at any time and from time to time. Any violation of a Community-Wide Standard shall be enforced the same as a violation based on any written rule or restriction and shall carry the same enforcement rights and measures as any other violation.

Other facts to consider. The below does not constitute all rules or requirements :

- Owners / occupants will be noticed of a violation and the Owner / occupant shall have a set number of days in which the violation should be cured. Be advised that certain violations may have different notice requirements and carry greater fines than other violations based on the nature, severity, or reoccurring nature of the violation. For example, non-curable or uncurable violations or actions and/or violations by an Owner or any occupant that threatens the health, safety, and/or welfare of any resident, property, person, place, or thing.

- The Association is within its rights to accept written statements or affidavits from Owners or any resident or occupant who eye witnesses a violation occurring without photo proof required. Additionally, the Association may accept video feeds from ring doorbells, security cameras, or other types of video or media sources.

- If the problem is not corrected within the set number of days indicated in the notice, the Association shall have the right to move to Self-Help actions and may hire a contractor or designate any vendor or person capable of abating the violation, and the Owner will be billed for all cost associated with the abatement. Additionally, fines up to the maximum allowed per violation occurrence may be levied depending upon the severity or reoccurring nature of the violation.

- Any violations not corrected by an Owner, or any occupant may face additional daily or weekly fines and/or Self-Help actions. At the Board's sole discretion, suit for non-compliance with the Governing Documents and rules of the Association may also be filed.

- An Owner may request an extension from time to time and the Board or its assigned delegates may authorize one (1) extension which shall not exceed thirty (30) days without the express written consent of the Board. Notwithstanding, an exclusion to this rule shall be the replacement of trees or other landscape which must be planted during optimal growing seasons.

IT IS FURTHER RESOLVED, this policy is executed to be effective as of the date of recording and that this Policy supersedes in all respects any prior policy and resolution with respect to the Community-Wide Standard Policy filed by the Association or its predecessor-in-interest, is effective upon its filing with the Office of the Kaufman County Clerk and shall remain in full force and effect until revoked, modified or amended.

IN WITNESS WHEREOF, the undersigned, being the Secretary of the Association has executed this Notice.

Cartwright Ranch Homeowners Association, Inc., a Texas non-profit corporation

Authorized Board of Director

Title: Director

THE STATE OF TEXAS §
§
COUNTY OF Dallas §

This instrument was acknowledged before me on the 22ND day of August, 2023, by Mehrdad Moayedi, the Director of the Cartwright Ranch Homeowners Association, Inc., a non-profit corporation, in his/her capacity as an Authorized Board of Director of the non-profit corporation.

[SEAL]

JESSICA LEIGH KING
Notary ID #129806619
My Commission Expires
June 29, 2026

Notary Public, The State of Texas

My Commission Expires:

6 / 29 /2026

Attachment H

Drones and Unmanned Aircraft Policy

CARTWRIGHT RANCH HOMEOWNERS ASSOCIATION, INC.

Drones and Unmanned Aircraft

WHEREAS, the Board of Directors (the "Board") of Cartwright Ranch Homeowners Association, Inc. (the "Association") wishes to adopt reasonable guidelines to establish a Drones and Unmanned Aircraft Policy; and

WHEREAS, the Board wishes to adopt these reasonable guidelines regarding restrictions for Drone and Unmanned Aircraft; and

WHEREAS, the Board intends to file these guidelines in the real property records of each county in which the subdivision is located, in compliance with Section 209.005 of the Texas Property Code; and

WHEREAS, this policy may be amended at any time and from time to time by the Board of Directors by Resolution without consent or joinder of the Members, notwithstanding, notice to Owners regarding the adoption, amendment, or rescinding of any policy is required; and

NOW, THEREFORE, IT IS RESOLVED that the following guidelines for Drones and Unmanned Aircraft are established by the Board:

1. Drone and Unmanned Aircraft Use is subject to Government Code Title 4, Subtitle B, and Chapter 423 of the Texas Statute.

2. 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. Any use of a drone or unmanned aircraft contrary to the lawful uses as set forth in Chapter 423 of the Government Code is subject to violation, monetary fine, and shall be reported to local law enforcement or governmental agencies governing the illegal use of drones or unmanned aircraft.

3. 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. "Image" means any capturing of sound waves, thermal, infrared, ultraviolet, visible light, or other electromagnetic waves, odor, or other conditions on or about real property in the state of Texas or an individual located on the Property.

IT IS FURTHER RESOLVED, this policy is executed to be effective as of the date of recording and that this Policy supersedes in all respects any prior policy and resolution with respect to the Drones and Unmanned Aircraft Policy filed by the Association or its predecessor-in-interest, is effective upon its filing with the Office of the Kaufman County Clerk and shall remain in full force and effect until revoked, modified or amended.

IN WITNESS WHEREOF, the undersigned, being the Secretary of the Association has executed this Notice.

Cartwright Ranch Homeowners Association, Inc., a Texas non-profit corporation

Authorized Board of Director

Title: Director

THE STATE OF TEXAS §
§
COUNTY OF Dallas §

This instrument was acknowledged before me on the 22ND day of August, 2023, by Mehrdad Moayedi, the Director of the Cartwright Ranch Homeowners Association, Inc., a non-profit corporation, in his/her capacity as an Authorized Board of Director of the non-profit corporation.

[SEAL]

JESSICA LEIGH KING
Notary ID #129806619
My Commission Expires
June 29, 2026

Notary Public, The State of Texas

My Commission Expires:

6/29/2026

Attachment I

Security Measure Policy

CARTWRIGHT RANCH HOMEOWNERS ASSOCIATION, INC.

Security Measures Policy

WHEREAS, the Board of Directors (the "Board") of Cartwright Ranch Homeowners Association, Inc. (the "Association") wishes to adopt reasonable guidelines to establish a Security Measures Policy for the Association; and

WHEREAS, the Board wishes to adopt these reasonable guidelines in compliance with Section 202.023 of the Texas Property Code ("Section 202.023") regarding Owner rights to building or installing certain security measures on such Owner's Lot ("Security Measures"); and

WHEREAS, the Board intends to file these guidelines in the real property records of each county in which the subdivision is located, in compliance with Section 202.006 of the Texas Property Code; and

WHEREAS, this policy may be amended at any time and from time to time by the Board of Directors without amending the Bylaws and as a stand-alone policy to comport with industry standards, to amend or revise provisions of the policy as may be deemed necessary and in the best interest of the Association; and

NOW, THEREFORE, IT IS RESOLVED that the following guidelines for Security Measures are established by the Board:

An Owner may build or install on such Owner's Lot, after receiving prior written consent of the Architectural Review Committee, certain camera, video, or fencing for Security Measures **provided that such Security Measures**:

1. Do not require placement or installation of a security camera by an Owner on any property other than the Lot owned by such Owner. Cameras and video equipment may not be installed to capture film or video of a neighboring Lot or into a neighboring window of a residence; and

2. Any security fencing installed by an Owner on its Lot **must obtain** prior written consent from the Architectural Control Committee prior to installation and must comply with the Design Guidelines and/or Rules and Restrictions then adopted by the Architectural Reviewer or Architectural Control Committee of the Association and otherwise comply with the requirements and restrictions set forth in the Declaration.

3. The front yard area with respect to a residential Lot shall mean the area between the front façade of the residence on such Lot and the public street or right-of-way in front of such Lot. **No Owner shall ever fence in or over a sidewalk, walking path, pedestrian, or other right-of-way. Violation of this rule will result in the Owner being reported to local code enforcement, a written notice of violation issued and the highest monetary fine the Association is able to levy shall result for a breach of this rule.**

4. Any security fencing installed on an Owner's Lot as a security measure under Section 202.023 of the Texas Property Code as amended shall abide as follows:

   I. Shall be no higher than six (6) feet; and

   II. To the extent that located within the front yard area of an Owner's Lot, must be open and constructed of ornamental metal or wrought iron materials that allow the front façade of the residence to remain visible from the street through such fencing and be of a design approved by the Architectural Review Committee (the "ARC"). Fencing may not include screening of any kind, including live screening. A violation of this rule shall result in the maximum monetary fine(s) allowed and a request for removal of the screening and/or fence; and

   III. **No chain link, razor wire, electrified or barbed wire or other fencing not approved in writing by the ARC shall be allowed**; and

   IV. Such fencing shall otherwise follow all governmental requirements, including permit requirements. The ARC has the right to require Owner to provide a copy of the City's permit prior to reviewing and/or rendering a decision and

The Board of Directors shall have the authority to amend this Policy without consent or joinder of the Members to meet requirements of the Texas Property Code or any State Legislative Measures set forth. No rescission of this Policy shall be allowed so long as provisions for security cameras and fencing remains actively enforceable through the Texas Property Code and/or by State Legislative Policy.

The Board may amend this policy to supplement and add new language or to amend existing language as necessary to ensure compliance with all local and state ordinances, laws, and rules or to clarify any ambiguity, should such occur regarding what is allowed or will be disallowed. ***In the event of a conflict or should any ambiguity as to the meaning and intent of any portion of this Policy occur, be it known to all Members that any portion of this Policy coming into question as to meaning or intent, SHALL BE DECIDED IN FAVOR OF THE ASSOCIATION, ITS BOARD OF DIRECTORS, AND THE ARC.***

[Signature Page to Follow]

IT IS FURTHER RESOLVED, this policy is executed to be effective as of the date of recording and that this Policy supersedes in all respects any prior policy and resolution with respect to the Security Measures Policy filed by the Association or its predecessor-in-interest, is effective upon its filing with the Office of the Kaufman County Clerk and shall remain in full force and effect until revoked, modified or amended.

Cartwright Ranch Homeowners Association, Inc., a Texas non-profit corporation

Authorized Board of Director
Title: Director

THE STATE OF TEXAS §
§
COUNTY OF Dallas §

This instrument was acknowledged before me on the 22ND day of August, 2023, by Mehrdad Moayedi, the Director of the Cartwright Ranch Homeowners Association, Inc., a non-profit corporation, in his/her capacity as an Authorized Board of Director of the non-profit corporation.

[SEAL]

JESSICA LEIGH KING
Notary ID #129806619
My Commission Expires
June 29, 2026

Notary Public, The State of Texas

Attachment J

Lightning Rod Use Policy

CARTWRIGHT RANCH HOMEOWNERS ASSOCIATION, INC.

Lightning Rods Use

WHEREAS, the Board of Directors (the "Board") of Cartwright Ranch Homeowners Association, Inc. (the "Association") wishes to adopt reasonable guidelines to establish use of Lightning Rods; and

WHEREAS, the Board wishes to adopt these reasonable guidelines regarding restrictions for Lightning Rod use; and

WHEREAS, the Board intends to file these guidelines in the real property records of each county in which the subdivision is located, in compliance with Section 209.005 of the Texas Property Code; and

WHEREAS, this policy may be amended at any time and from time to time by the Board of Directors without amending the Bylaws and as a stand-alone policy to comport with industry standards, to amend or revise provisions of the policy as may be deemed necessary and in the best interest of the Association; and

NOW, THEREFORE, IT IS RESOLVED that the following guidelines for Lightning Rod use is established by the Board:

An Owner may not construct a lightning rod and related systems ("Lightning Rod") on a residence except in compliance with the following:

(a) the Lightning Rod must meet standards of the National Fire Protection Association ("NFPA") equal to or greater than NFPA's lightning Protection Standard NFPA 780, Underwriters Laboratories ("UL") UL 96A, and Lightning Protection Institute ("LPI") LPI-175.
(b) any Lightening Rod must be installed by a contractor licensed in the State in which the residence is located, and
(c) any part of the Lightning Rod that becomes non-functional must be immediately repaired, replaced, or removed from the residence by the Owner at such Owner's costs and expense.

Each Owner acknowledges and agrees that an Owner is solely liable and responsible for the safety, upkeep, and use of the Lightning Rods. Furthermore, each Owner acknowledges that the installation of a Lightning Rod on a residence may void or adversely warranties on such Owner's residence, including without limitation, any roof warranties. EACH OWNER 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 THE INSTALLATION, OPERATION, LOCATION, REPAIR, MAINTENANCE, AND/OR REMOVAL OF ANY LIGHTNING ROD OR RELATED SYSTEMS ON AN OWNER'S RESIDENCE.

IT IS FURTHER RESOLVED, this policy is executed to be effective as of the date of recording and that this Policy supersedes in all respects any prior policy and resolution with respect to the Lightning Rods Policy filed by the Association or its predecessor-in-interest, is effective upon its filing with the Office of the Kaufman County Clerk and shall remain in full force and effect until revoked, modified or amended.

IN WITNESS WHEREOF, the undersigned, being the Secretary of the Association has executed this Notice.

Cartwright Ranch Homeowners Association, Inc. a Texas non-profit corporation

Authorized Board of Director

Title: Director

THE STATE OF TEXAS §
§
COUNTY OF Dallas §

This instrument was acknowledged before me on the 22ND day of August, 2023, by Mehrdad Moayedi, the Director of the Cartwright Ranch Homeowners Association, Inc., a non-profit corporation, in his/her capacity as an Authorized Board of Director of the non-profit corporation.

[SEAL]

JESSICA LEIGH KING
Notary ID #129806619
My Commission Expires
June 29, 2026

Notary Public, The State of Texas

My Commission Expires:

6 / 29 /2026

Attachment K

Updated Pandemic Policy

CARTWRIGHT RANCH HOMEOWNERS ASSOCIATION, INC.

Pandemic Policy

WHEREAS, the Board of Directors (the "Board") of Cartwright Ranch Homeowners Association, Inc. (the "Association") wishes to adopt reasonable guidelines to establish a Pandemic Policy for the Association; and

WHEREAS, the Board wishes to adopt these reasonable guidelines in compliance with Section 148.003 of the Texas Civil Practice and Remedies Code of the Texas Property Code ("Section 148.003") regarding liability of the Association under Section 148.003 ("Pandemic Liability"); and

WHEREAS, the Board intends to file these guidelines in conjunction with the Bylaws of the Association in the real property records of each county in which the subdivision is located, in compliance with Section 209.006 of the Texas Property Code. All Policies of the Association may be adopted, amended, and rescinded at any time as a stand-alone policy so long as said policy is then recorded as Dedicatory Instrument; and

NOW, THEREFORE, IT IS RESOLVED that the following policy is established by the Board:

In no event shall the Association or any board member, committee member or officer thereof be liable under Section 148.003 for any Pandemic Liability. With respect to the use of Common Areas and/or or any Areas of Common Responsibility owned or maintained by the Association, each Owner for themselves, members of their household, and his or her guests or invitees hereby waives and releases the Association for, from and against any liability for injury or death caused by or in connection with exposure of any individual to a pandemic disease during a pandemic emergency. Furthermore, each Resident and Owner for themselves, members of their household, and his or her guests or invitees acknowledges and agrees by recordation hereof as follows:

1. The Association has provided sufficient warning to each individual Resident and Owner, members of their household, and his or her guests or invitees that exposure of an individual to a disease during a pandemic emergency is likely.

2. The Association has no control over conditions related to a pandemic emergency, has no basis of knowledge as to whether any individual would be more likely than not to come into contact with the pandemic disease under any circumstances, and has no obligation, opportunity, or ability to remediate conditions or warn any individual of a condition before the individual comes into contact with a condition related to pandemic disease.

3. The Association has no liability or responsibility to comply with any government-promulgated standards, guidance or protocols intended to lower the likelihood of exposure to the disease during a pandemic emergency, and each Resident, Owner, members of their households, and their respective guests or invitees have a reasonable opportunity and ability to implement or comply with any and all government-promulgated

standards, guidance or protocols intended to lower the likelihood of exposure to the disease during a pandemic emergency with respect to such Resident's, Owner's, household member's, guest's or invitee's use of any Common Areas and/or Areas of Common Responsibility. The Association may be entitled to implement certain emergency protocols as to the operations of the Association as may be provided under the Texas Business Organizations Code.

4. All Common Areas and Areas of Common Responsibility owned or maintained by the Association are entered into and/or used by a Resident, an Owner, members of their households, and their respective guests or invitees at their own risk. The Association disclaims any and all liability or responsibility for injury or death related to the pandemic disease or otherwise occurring from entry or use of the Common Areas and/or Areas of Common Responsibility.

IT IS FURTHER RESOLVED, this policy is executed to be effective as of the date of recording and that this Policy supersedes in all respects any prior policy and resolution with respect to the Pandemic Policy filed by the Association or its predecessor-in-interest, is effective upon its filing with the Office of the Kaufman County Clerk and shall remain in full force and effect until revoked, modified or amended.

IN WITNESS WHEREOF, the undersigned, being the Secretary of the Association has executed this Notice.

Cartwright Ranch Homeowners Association, Inc. a Texas non-profit corporation

Authorized Board of Director
Title: Director

THE STATE OF TEXAS §
§
COUNTY OF Dallas §

This instrument was acknowledged before me on the 22ND day of August, 2023, by Mehrdad Moayedi, the Director of the Cartwright Ranch Homeowners Association, Inc., a non-profit corporation, in his/her capacity as an Authorized Board of Director of the non-profit corporation.

[SEAL]

JESSICA LEIGH KING
Notary ID #129806619
My Commission Expires
June 29, 2026

Notary Public, The State of Texas
My Commission Expires:
6/29/2026

Cartwright Ranch
Homeowners Association, Inc.
#2023-0024773
Filed for Record in Kaufman County TX
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