AFTER RECORDING, RETURN TO:

Gehan Homes, LTD
Attn: Chris Lynch, V.P. of Land Operations
3815 S. Capital of Texas Highway, Suite 275
Austin, Texas 78704

DECLARATION OF
COVENANTS, CONDITIONS & RESTRICTIONS
FOR
ANNA RANCH

This Declaration of Covenants, Conditions & Restrictions for Anna Ranch is made by Gehan Homes, LTD., a Texas limited partnership ("**Declarant**"), on the date signed below. Declarant owns the real property described in Appendix A of this Declaration, together with the improvements thereon.

Declarant desires to establish a general plan of development for the planned community to be known as Anna Ranch. Declarant also desires to maintain certain development rights that are essential for the successful completion and marketing of the Property.

Declarant further desires to provide for the overall development, preservation, administration, and maintenance of the Property, and preserve for the owners the desirability and attractiveness of the Property. As an integral part of the development plan, Declarant deems it advisable to create a property owners association to perform the functions and activities more fully described in this Declaration and the other Documents described below.

Declarant DECLARES that the Property described in Appendix A, 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's reservations in the attached Appendix C, 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. **"Additional Land"** means real property, if any, which may be added to the Property and subjected to this Declaration by Declarant and the owner of such property, as described in Section 2.2 and Appendix D of this Declaration.

1.2. **"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.

1.3. **"Architectural Reviewer"** means the entity having jurisdiction over a particular application for architectural approval. During the Development Period, the Architectural Reviewer is Declarant, Declarant's designee, or Declarant's delegate. Thereafter, the board-appointed Architectural Control Committee is the Architectural Reviewer.

1.4. **"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 Annual Assessments, Special Assessments, Individual Assessments, and Deficiency Assessments, as defined in Article 8 of this Declaration.

1.5. **"Association"** means the association of owners of all lots in the Property, initially organized as Anna Ranch Homeowners Association, Inc., a Texas nonprofit corporation, and serving as the "property owners' association" defined in Section 202.001(2) of the Texas Property Code. The failure of the Association to maintain its corporate charter from time to time does not affect the existence or legitimacy of the Association, which derives its authority from this Declaration and the bylaws.

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

1.7. **"Builder"** means a Builder as defined in Appendix C of this Declaration.

1.8. **"City"** means the City of Anna, Texas, in which the Property is located.

1.9. **"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 as referenced in Appendix C of this Declaration.

1.10. **"Declarant"** means Gehan Homes, LTD., a Texas limited partnership, or the successors and assigns of Gehan Homes, LTD., which are designated a Successor Declarant by Gehan Homes, LTD, or by any such successor and assign, in a recorded document.

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

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

1.13. **"Development Period"** means the 10-year period beginning the date this Declaration is recorded, during which Declarant has certain rights pursuant to Appendix C hereto, including rights relating to development, construction, expansion, and marketing of the Property and the Additional Land. The Development Period is for a term of years and does not require that Declarant own land described in Appendix A. Declarant may terminate the Development Period at any time by recording a notice of termination.

1.14. **"Documents"** means, singly or collectively as the case may be, this Declaration, the Plat, the bylaws, the Association's certificate of formation or articles of association, and the rules of the Association, as any of these may be amended from time to time. An appendix, exhibit, schedule, or certification accompanying a Document is a part of that Document.

1.15. **"Lot"** means a portion of the Property intended for independent ownership, on which there is or will be constructed a home, as shown on the Plat. As a defined term, "lot" does not refer to common areas,

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.

1.16. "**Majority**" means more than half. A reference to "a majority of owners" in any Document or applicable law means "owners of at least a majority of the lots," unless a different meaning is specified.

1.17. "**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.

1.18. "**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 nonjudicial foreclosure are owners. Persons or entities having ownership interests merely as security for the performance of an obligation are not owners. Every owner is a member of the Association. 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 the lots, unless a different meaning is specified. For example, "a majority of owners" means owners of at least a majority of the lots.

1.19. "**Plat**" means all plats, singly and collectively, recorded in the Real Property Records of Collin County, Texas, and pertaining to the real property described in Appendix A of this Declaration, including all dedications, limitations, restrictions, easements, notes, and reservations shown on the plat, as it may be amended from time to time. The initial plat, titled "A Final Plat of Anna Ranch Phase 1A" has been recorded on October 20th, 2021, under Document No. 20211020010003770 of the Official Public Records of Collin County, Texas.

1.20. "**Property**" means all the land subject to this Declaration and all improvements, easements, rights, and appurtenances to the land. The name of the Property is Anna Ranch. The Property is located on land described in Appendix A to this Declaration, and includes every lot and any common area thereon.

1.21. "**Resident**" means an occupant of a home, regardless of whether the person owns the lot.

1.22. "**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.

1.23. "**Solar Energy Device**" means a system or series of mechanisms designed primarily to provide heating or cooling or to produce electrical or mechanical power by collecting and transferring solar-generated energy. The term includes a mechanical or chemical device that has the ability to store solar-generated energy for use in heating or cooling or in the production of power.

1.24. "**Underwriting Lender**" means Federal Home Loan Mortgage Corporation (Freddie Mac), Federal Housing Administration (HUD/FHA), Federal National Mortgage Association (Fannie Mae), or U. S. Department of Veterans Affairs (VA), singly or collectively. The use of this term and these institutions may not be construed as a limitation on an owner's financing options or as a representation that the Property is approved by any institution.

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 reservations in the attached Appendix C, 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. ADDITIONAL PROPERTY. Additional Land may be annexed to the Property and subjected to the Declaration and the jurisdiction of the Association on approval of owners representing at least two-thirds of the lots in the Property, or, during the Development Period, by Declarant as permitted in Appendix C. Annexation of Additional Land is accomplished by recording a supplemental declaration or declaration of annexation in the Real Property Records of the county where the Property and Additional Land is located.

2.3. ORDINANCES. Among the city, county or other applicable governmental authority ordinances to which the Property is subject is the ordinance by which the applicable governmental authority approved development of the Property.

2.4. 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, although the plat and the ordinances of any applicable governmental authority may show potential uses of adjoining land for commercial uses.

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 is 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 and cul de sacs within the Property (hereafter "**streets**") may be capable of being converted from publicly dedicated to privately owned, and vice versa, this Section addresses both conditions. Private streets are part of the common area, which is governed by the Association. Public streets are part of the common area only to the extent they are not maintained or regulated by a governmental body and the governmental body authorized or delegates to the Association. All streets depicted on the Plat are public streets to be maintained by a governmental body, unless at some time in the future the governmental body allows the streets become private streets. To the extent not prohibited by public law, the Association, acting through the board, is specifically authorized to adopt, amend, repeal, and enforce rules, regulations, and procedures 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 and 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 and regulations.
e. Fines for violations of applicable rules and regulations.

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.

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 INGRESS/EGRESS EASEMENT. Every owner is granted a perpetual easement over the Property's streets, as may be reasonably required, for vehicular ingress to and egress from his lot.

3.4. RIGHTS OF GOVERNMENTAL AUTHORITY. The applicable governmental authority, 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 applicable ordinances, or for the preservation of public property. If the Association fails to maintain the common areas to a standard acceptable to the applicable governmental authority, the governmental authority 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 governmental authority's written demand (at least 90 days), the governmental authority may maintain the common areas at the expense of the Association after giving written notice of its intent to do so to an owner of every lot. To fund the governmental authority's cost of maintaining the common areas, the governmental authority may levy an assessment against every lot in the same manner as if the Association levied a special assessment against the lots.

3.5. 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 - including the house and yards - for the below-described purposes.

3.5.1. Purposes. Subject to the limitations stated below, the Association, its representatives, contractors or agents, 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 or repairs that are permitted or required of the Association by the Documents or by applicable law.
c. To perform maintenance or repairs that are permitted or required of the owner by the Documents or by applicable law, if the owner fails or refuses to perform such maintenance.
d. 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.

3.5.2. No Trespass. In exercising this easement on an owner's lot, the Association its representatives, contractors or agents, shall not liable to the owner for trespass.

3.5.3. 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 and after notice to the owner. 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.

3.6. 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.

3.7. EASEMENT FOR SCREENING WALLS AND ENTRY FEATURES. The Association is hereby granted a perpetual easement (the **"Screening Wall Easement"**) over each lot (1) on or along a thoroughfare on the perimeter of or through the Property and (2) that abuts or contains a portion of the Property's entry feature(s) or screening wall(s), common area fence(s), and/or berm(s) for the purposes stated in this Section 3.7, regardless of whether or how the plat shows the easement, entry feature, or screening wall, fence, or berm. The purpose of the Screening Wall Easement is to provide for the existence, repair, improvement, replacement, and removal of the Property's entry feature(s) and screening wall(s), common area fence(s), and/or berm(s) to be maintained by the Association as a common area. In exercising this Screening Wall Easement, the Association may construct, maintain, improve, replace and remove improvements reasonably related to the entrance and screening of a residential subdivision, including: screening walls, common area fences and/or berms; planter beds, landscaping, and plant material; electrical and water meters and equipment, including light fixtures and sprinkler systems; and signage relating to the Property. The owners of the lots burdened with the Screening Wall Easement will have the continual use and enjoyment of their lots for any purposes that does not interfere with and prevent the Associations use of the Screening Wall Easement. In addition to the easement granted herein, the Association has the temporary right, from time to time, to enter on the burdened lot for the purpose of maintaining, improving, replacing or removing such improvements and to use as much of the surface of a burdened lot as may be reasonably necessary for the Association to perform its contemplated work on such improvements. This easement is perpetual. The Screening Wall Easement will terminate when the purpose of the easement ceases to exist, is abandoned by the Association, or becomes impossible to perform. The Association may assign this easement, or any portion thereof, to an applicable governmental authority if the governmental authority agrees to accept the assignment. This Screening Wall Easement applies only to the original entry feature(s) and screening wall(s), common area fence(s), and/or berm(s) installed by Declarant and replacements thereof, and does not apply or pertain to fences installed on individual lots that are not common to or intended to serve the Property as a whole, even through the lot abuts a major thoroughfare.

3.8. FLOOD PLAIN. If set forth in or depicted on the plat or in any records of the city, county or applicable governmental authority, portions of certain lots may lie in a 100-year flood plain. If any portion of a lot is in the 100-year flood plain, neither the Association nor Declarant has any responsibility or liability for (1) the location, relocation, or maintenance of the flood plain, (2) the availability or purchase of flood insurance, or (3) the consequences of rising waters or flood-related damage. No improvements of any kind,

including fences and berms, may be installed or maintained in any portion of the flood plain, nor may the grading or drainage in those areas be changed, without permission of the appropriate public agencies. Any owner, the Association, or the governmental authority may effect the removal of any item or improvement that violates this provision.

3.9. MINERAL RIGHTS. Some or all of the Property may be subject to a previous owner's acquisition, reservation, or conveyance of oil, gas, or mineral rights pursuant to one or more deeds recorded in the Real Property Records of the county where the Property is located, including but not limited to rights to all oil, gas, or other minerals lying on, in, or under the Property and surface rights of ingress and egress. If any deed conveying or reserving the mineral interest was recorded prior to this Declaration, it is a superior interest in the Property and is not affected by any provision to the contrary in this Declaration. By accepting title to or interest in a lot, every owner acknowledges the existence of any such mineral right or reservation referenced in this Section and its attendant rights in favor of the owner of the mineral interest. Notwithstanding the prior reservation of mineral rights, no drilling, mining, quarrying, boring or exploration for or removal of water, oil, gas, or other minerals of any kind, including sand, gravel, stone, or dirt, other than for normal landscaping purposes, is allowed on any portion of the Property.

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

ARTICLE 4
COMMON AREA

4.1. OWNERSHIP. The designation of real property as a common area is determined by the plat and this Declaration, and not by the ownership of the property. This Declaration contemplates that the Association will eventually hold title to every common area 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. Thereafter, all costs attributable to common areas, including maintenance, property taxes, insurance, and enhancements, are automatically 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. ACCEPTANCE. By accepting an interest in or title to a lot, each owner is deemed (1) to accept the common area of the Property, and any improvement thereon, in its then-existing "as is" condition; (2) to acknowledge the authority of the Association, acting through its board of directors, for all decisions pertaining to the common area; (3) to acknowledge that transfer of a common area's title to the Association by or through the Declarant is a ministerial task that does not require acceptance by the Association; and (4)

to acknowledge the continuity of maintenance of the common area, regardless of changes in the Association's board of directors or management.

4.3. COMPONENTS. The common area of the Property consists of the following components on or adjacent to the Property, even if located on a lot in the Property, on a public right-of-way, or on adjoining property that is not subject to this Declaration:

a. All of the Property, save and except the lots for the construction of homes.

b. Each area reflected on any plat of the Property as common area, open space or an area to be maintained by the Association.

c. The formal entrance to the Property, being the entrance at Gould Way and Leonard Avenue, and any and all landscaping, signage, monument signage, entryway features, irrigation systems, landscape lighting, fencing, electrical systems, and other improvements installed in connection therewith, whether located in an area owned by an owner, a governmental authority, or the Association, or in an easement to the Association, to the extent the same are common to the Property and do not serve solely one lot or home.

d. The masonry screening wall with columns, and related foundations along the Western boundary of the Property along Leonard Avenue (the rear of Lots 1-8 Block A), and along a portion of the Southern boundary of Lot 1 Block A.

e. Any areas within or adjacent to the Property owned by a governmental authority, the Association, or any other governmental entity, but which are required to be maintained by the Association.

f. Any property adjacent to the Property if the maintenance of same is deemed by the board to be in the best interests of the Association, and if not prohibited by the owner or operator of said property.

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

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

i. Lot 1X, Block A, Lot 2X, Block A, Lot 1X, Block B, Lot 1X, Block C, Lot 1X, Block D, Lot 1X, Block E, and Lot 1X, Block F as reflected on the Final Plat of Anna Ranch Phase 1A and all improvements, retaining walls, landscaping and other amenities installed or constructed thereon (the **"Common Area / HOA Lots"**).

j. Such additional components as the Declarant may designate, from time to time, by recording a supplemental declaration.

4.4 LIMITED COMMON AREA. If it is in the best interest of the Association, a portion of the common area may be licensed, leased, or allocated to one or more lots for their sole and exclusive use, as a limited common area, whether or not the area is so designated on the plat. Inherent in the limiting of a common area, maintenance of the limited common area becomes the responsibility of the lot owner, rather than the Association. For example, a common area that is difficult to access and maintain except via the adjoining home lot might be a candidate for limited common area.

ARTICLE 5
ARCHITECTURAL COVENANTS AND CONTROL

5.1. PURPOSE. Because the 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 then 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 homes, fences, landscaping, retaining walls, yard art, sidewalks and driveways, and further including replacements or modifications of original construction or installation. During the Development Period, a primary purpose of this Article is to reserve and preserve Declarant's right of architectural control.

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 new homes on vacant lots. During the Development Period, the Architectural Reviewer for new homes on vacant lots is the Declarant or its delegates.

5.2.1. 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 to sell homes in the Property. Accordingly, each owner agrees that - during the Development Period - no improvements described in Section 5.4 of this Declaration will be started or progressed on 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.

5.2.2. 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 to (1) an architectural control committee 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.

5.3. 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 "**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 ACC will assume jurisdiction over architectural control.

5.3.1. ACC. The ACC will consist of at least 3 but not more than 7 persons appointed by the board, pursuant to the bylaws. Members of the 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 ACC, in which case all references in the Documents to the ACC are construed to mean the board. Members of the 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.

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

5.4. PROHIBITION OF CONSTRUCTION, ALTERATION AND IMPROVEMENT. Without the Architectural Reviewer's prior written approval, a person may not construct a home or make any addition, alteration, improvement, installation, modification, redecoration, or reconstruction of or to the Property or a lot, if it will be visible from a street, another lot or home, or the common area. 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.

5.5. ARCHITECTURAL CONTROL. To request architectural approval, an owner must make written application to the Architectural Reviewer and submit 2 identical sets of plans and specifications showing the nature, kind, shape, color, size, materials, and locations of the work to be performed. 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 application must clearly identify any requirement of this Declaration for which a variance is sought. The Architectural Reviewer will 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 Architectural Reviewer's files. Verbal approval by an Architectural Reviewer, the Declarant, an Association director or officer, a member of the ACC, or the Association's manager does not constitute architectural approval by the appropriate Architectural Reviewer, which must be in writing.

5.5.1. No Deemed Approval. Under no circumstances will an application to the Architectural Reviewer be presumed or deemed approved by the Architectural Reviewer until the Architectural Reviewer has responded in writing that the application has been Approved.

5.5.2. No Approval Required. No approval is required to rebuild a home in accordance with originally approved plans and specifications. Nor is approval required for an owner to remodel or repaint the interior of a home.

5.5.3. 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 that must be obtained by the Owner, at the Owner's cost and expense. 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.

5.5.4. Neighbor Input. The Architectural Reviewer may solicit comments on the application, including from owners or residents of lots that may be affected by the proposed change, or from which the proposed change may be visible. 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 commenters in ruling on the application.

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

5.6. ARCHITECTURAL GUIDELINES. Declarant during the Development Period, and the Association thereafter, may publish architectural restrictions, guidelines, and standards, which may be revised from time to time to reflect changes in technology, style, and taste.

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. 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, and may limit or condition its grant. To be effective, a variance must be in writing. The grant of a variance does not effect a waiver or estoppel of the Association's right to deny a variance in other circumstances. Approval of a variance or waiver may not be deemed, implied, or presumed under any circumstance.

6.2. CONSTRUCTION RESTRICTIONS. Without the Architectural Reviewer's prior written approval for a variance, improvements constructed on every lot must have the characteristics described in Appendix B, which may be treated as the minimum requirements for improving and using a lot. The Architectural Reviewer and the board may promulgate additional rules and restrictions, as well as interpretations, additions, and specifications of the restrictions contained in this Article and Appendix B. An owner should review the Association's architectural restrictions, if any, before planning improvements, repairs, or replacements to his lot and home.

6.3. 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. 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 and operation of common areas, if any, including use and operation of any Open Space and, as the board determines, reasonable charges for the use of any Open Space.
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 homes and lots.
f. Landscaping and maintenance of yards.
g. The occupancy and leasing of homes.
h. Animals.
i. Vehicles.
j. Disposition of trash and control of vermin, termites, and pests.
k. Anything that interferes with maintenance of the Property, operation of the Association, administration of the Documents, or the quality of life for residents.

6.4. ACCESSORY SHEDS. Accessory structures, such as dog houses, gazebos, storage sheds, playhouses, and greenhouses, are permitted as long as they are typical for the Property in terms of type, number, size, location, color, material, and height and are not visible above any fence line. Accessory

structures may not be located in front yards, in unfenced portions of side yards, within any easement or outside of building set back lines. No accessory structure shall be placed or used on any lot that is taller than six (6) feet in height at its tallest point. The Architectural Reviewer reserves the right to determine that the accessory structure is unattractive or inappropriate or otherwise unsuitable for the Property, and may require the owner to screen it or to remove it. If the Accessory structure is to be greater than 100 square feet in size, the Owner must first submit application to and receive approval from the Architectural Reviewer pursuant to Article 5 prior to placing or constructing the structure on the lot.

6.5. ANIMAL RESTRICTIONS. No animal, bird, fish, reptile, or insect of any kind may be kept, maintained, raised, or bred anywhere on the Property for any commercial purpose or for food. Customary domesticated household pets may be kept for personal companionship subject to rules adopted by the board. The board may adopt, amend, and repeal rules regulating the types, sizes, numbers, locations, and behavior of animals at the Property. If the rules fail to establish animal occupancy quotas, no more than 2 dogs and 2 cats may be maintained on each lot. Pets must be kept in a manner that does not disturb the peaceful enjoyment of residents of other lots. Pets must be maintained inside the home, and may be kept in a fenced yard only if they do not disturb residents of other lots. Each Resident is responsible for the removal of his pet's wastes from the Property. Unless the Rules provide otherwise, a resident must prevent his pet from relieving itself on the common area or the lot of another owner.

6.6. 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. The board has the sole authority to determine what constitutes an annoyance.

6.7. APPEARANCE. Both the lot and the home must be maintained in a manner so as not to be unsightly when viewed from the street or neighboring lots. During the Declarant Control Period the Declarant is the arbitrator of acceptable appearance standards and, after the expiration of the Declarant Control Period, the board is the arbitrator of acceptable appearance standards.

6.8. DECLARANT PRIVILEGES. In connection with the development and marketing of the Property, Declarant has reserved a number of rights and privileges to use the Property in ways that are not available to other owners and residents, as provided in Appendix C 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.

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

6.10. 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 board's prior approval, a driveway may not be used: (1) for storage purposes, including storage of boats, trailers, and inoperable vehicles; or (2) for repair or restoration of vehicles.

6.11. FIRES. Except for barbecue grills, no exterior fires on the Property are permitted.

6.12. GARAGES. The original garage area of a lot may not be enclosed or used for any purpose that prohibits the parking of two standard-size operable vehicles therein, including, but not limited to enclosing the garage for a temporary or permanent dwelling or living area. Garage doors are to be kept closed at all times except when a vehicle is entering or leaving.

6.13. GUNS. Hunting and shooting of any type of firearm are not permitted anywhere on or from the Property.

6.14. LANDSCAPING. No person may perform landscaping, planting, or gardening on the common area without the board's prior written authorization.

6.15. LEASING OF HOMES. An owner may lease the home on his lot. Whether or not it is so stated in a lease, every lease is subject to the Documents. 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 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 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.

6.16. NOISE AND 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 lots. The Rules may prohibit the use of noise-producing security devices and windchimes.

6.17. OCCUPANCY. Other than the completed principal home, no thing or structure on a lot may be occupied as a residence at any time by any person. This provision applies, without limitation, to the garage, mobile homes, campers, and storage sheds.

6.18. RESIDENTIAL USE. The Property is restricted solely to residential and related uses; accordingly, no industrial, trade, business, commercial, professional, manufacturing, mineral or other similar use shall be permitted on any part of the Property. This Section 6.18 shall not be construed so as to prohibit the conduct of a reasonable amount of in-home work or business activity, such as computer work or similar activities, provided that: (1) the existence or operation of the work or activity is not apparent or detectable by sight, sound or smell from outside the home; (2) the work or activity conforms to all zoning requirements and other restrictive covenants applicable to the Property; (3) the work or activity does not involve visitation to the home or lot by clients, customers, suppliers or other business invitees or door-to-door solicitation of residents of the Property; (4) the business activity is consistent with the residential character of the Property and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Property, as may be determined in the sole discretion of the board; and (5) the work or activity does not involve the delivery or pick-up of any materials or services. A day-care facility, home day-care facility, nursery, pre-school, beauty parlor, barber shop or other similar facility is expressed prohibited. The terms "business" and "trade" as used in this provision shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation, work or activity undertaken on an ongoing basis that involves the manufacture or provision of goods or services for or to other persons other than the provider's family, regardless of whether: (1) such activity is engaged in full or part-time, (2) such activity is intended to or does not generate a profit, or (3) a license is required therefor. Notwithstanding the above, the leasing of the entire home shall not be considered a trade or business within the meaning of this Section 6.18. Garage sales or yard sales (or any similar vending of merchandise) conducted on any lot shall be not considered business activity provided that no Owner may conduct more than four garage sales or yard sales within any twelve (12) month period or more than one garage sale or yard sale every ninety (90) days. The Association may, but shall not be obligated to, sponsor, organize or otherwise provide for a community

wide garage sale. Unless expressly permitted by the Declarant and the Association, no portion of the Property may be used as a church and activities normally associated with a church may not be conducted on the Property.

6.19. SCREENING. The Architectural Reviewer may require that the following items must be screened from the view of the public and neighboring lots and homes, if any of these items exists on the lot: (1) air conditioning equipment; (2) satellite reception equipment; (3) clotheslines, drying racks, and hanging clothes, linens, rugs, or textiles of any kind; (4) yard maintenance equipment; (5) wood piles and compost piles; (6) accessory structures that do not have prior approval of Architectural Reviewer; (7) garbage cans and refuse containers; (8) all recreation equipment and structures, including, without limitation, trampolines, swing sets, batting cages, playhouses, and tree houses, playground equipment, and basketball goals; and (9) anything determined by the board to be unsightly or inappropriate for a residential subdivision. Screening may be achieved with fencing or with plant material, such as trees and bushes, or any combination of these. If plant material is used, a reasonable period of time is permitted for the plants to reach maturity as an effective screen. As used in this Section, "screened from view" refers to the view of a person in a passenger vehicle driving on a street or the view of a person of average height standing in the middle of a yard of an adjoining lot.

6.20. SIGNS. Without the board's prior written approval no signage may be maintained in the common area. Except for signs related to development or marketing by Declarant or any Builder, no signage may be maintained on any lot other than (1) signs which do not exceed five (5) sq. ft., of tasteful design which advertise a lot or home for sale or rent or advertise a garage or yard sale that is permitted to be conducted pursuant to Section 6.18, (2) political signage, which shall be allowed so long as it strictly complies with the conditions set forth in the Rules adopted by the board as to number, location, and time periods when such signs are allowed prior to the election and when such signs must be removed after the election and, in any event, political signs must relate to public ballot items for which registered voters within one (1) mile of the lot are entitled to vote and may not contain any feature that is offensive to the ordinary person or distracting to motorists, (3) spirit signs (announcing the involvement of teenagers in athletics or school programs), which shall only be allowed if provided for and in strict compliance with the Rules adopted by the board, and (4) signs displaying the name of a security company, which shall be permitted provided that such signs do not exceed 2 sq. ft. in size and are limited to one (1) in the front yard and one (1) in the rear yard of each lot. All signs must be tastefully designed, professionally produced and manufactured, ground mounted, and shall be subject to written approval of the Architectural Reviewer. No sign may be displayed for a time period that is longer than the period set forth in Rules adopted by the board or that is reasonable in the opinion of the Architectural Reviewer to advertise, announce or promote the event or circumstance for which the sign is intended. No other sign(s) of any kind or character, including any signs (1) in the nature of a "protest" or complaint against the Property, Declarant or any Builder, (2) that describe, malign or refer to the reputation, character or building practices of the Declarant or any Builder, and/or (3) discourage or otherwise impact or attempt to impact anyone's decision to acquire a lot or home in the Property or elsewhere from Declarant or any Builder, shall be displayed to the streets or otherwise to the public view on any lot, home, structure or common area. As used in this Section 6.20, the term "signs" shall be given a broad interpretation and shall include, but not be limited to, banners, words, symbols, decorations, slogans, flags (except to the extent certain flags are permitted by Section 6.26 below), and other written materials designed for public display. Each owner hereby grants permission to the Architectural Reviewer (or its duly authorized agents) to enter upon a lot or any part of the Property and remove any sign, billboard or advertising structure that does not comply with the above requirements and, in doing so, shall not be subject to any liability to any person whatsoever for trespass, conversion, or any claim for damages in connection with such removal. The Architectural Reviewer's cost to remove any sign(s) shall be added to the owner's assessment as an Individual Assessment. No person shall engage in any picketing on any lot, easement, right-of-way or common area within or adjacent to the Property, nor shall any vehicle parked, stored or driven in or adjacent to the Property bear or display any signs, slogans, symbols, banners, flags, words or decorations intended to create

controversy, invite ridicule or disparagement, or interfere in any way with the exercise of the property rights, occupancy or permitted business activity of any owner, Declarant or Builder.

6.21. 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 structure (such as in an attic or garage) so as not to be visible from outside the structure, (b) in a fenced yard, or (c) attached to or mounted on the rear wall of a structure below the eaves. If an owner determines that an Antenna cannot be located in compliance with the above guidelines without precluding reception of an acceptable quality signal, the owner may install the Antenna in the least conspicuous location on the lot 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.

6.22. TEMPORARY STRUCTURES. Except for "accessory sheds" as described above, improvements or structures of a temporary or mobile nature, such as tents, portable sheds, and mobile homes, may not be placed on a lot if visible from a street or another lot. However, an owner or owner's contractor may maintain a temporary structure (such as a portable toilet or construction trailer) on the lot during construction of the home. No accessory structure or any improvements or structures of a temporary or mobile nature shall be used as a temporary or permanent dwelling or living area.

6.23. TRASH. Each resident will endeavor to keep the Property clean and will dispose of all refuse in receptacles designated specifically by the Association or by the city or an applicable governmental authority for that purpose. Trash must be placed entirely within the designated receptacle. 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 inside the home, garage, or fenced yard and may not be visible from a street or another lot.

6.24. 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 effect the removal of any vehicle in violation of this Section or the Rules without liability to the owner or operator of the vehicle.

6.24.1. Parking in Street. The following subsection may not be construed to prohibit the parking of all vehicles on public streets. Vehicles that are not prohibited below may park on public streets if the city or applicable governmental authority allows curbside parking, subject to the continuing right of the Association to adopt reasonable rules if circumstances warrant.

6.24.2. 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 and driveways - if the vehicle is visible from a street, the common area, or from another lot: mobile homes, motor homes, buses, trailers, boats, aircraft, inoperable vehicles, commercial vehicles, 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 the construction, maintenance or repair of a home. Vehicles that transport inflammatory or explosive cargo are prohibited from the Property at all times. No vehicle shall be used as a residence or office temporarily or permanently. No work on vehicles shall be performed on the Property except for minor repairs or routine maintenance completed during daylight hours of a single day on vehicles owned by a Resident. All permitted work on vehicles on the Property shall be performed only in a fully enclosed garage completely screened from public view and without any damage to any portion of the Property.

6.25. WINDOW TREATMENTS. All window treatments within the home that are visible from the street or another home must be maintained in good condition and must not detract from the appearance of the Property. The Architectural Reviewer may require an owner to change or remove a window treatment that the Architectural Reviewer determines to be inappropriate or unattractive. The Architectural Reviewer may prohibit the use of certain colors or materials for window treatments. Except for temporary periods to facilitate moving into or out of a home on a lot, and in no event for more than fifteen (15) days, no sheets, blankets, bedding or similar materials shall be placed in any window or door on the lot, and in no event shall aluminum or similar treatment be placed on any door or window on a lot.

6.26. FLAGS AND FLAG POLES. Except as expressly permitted by the applicable provisions of the Texas Property Code, but limited as provided herein, no flag poles mounted or installed in the ground may be placed, allowed, erected or maintained on any lot. The United States flag ("Old Glory") the Texas state flag ("Lone Star Flag"), and/or flags denoting a holiday or special occasion may be displayed in a respectful manner on each lot. The Association may adopt standards for flags, including the size and type of flags, and the height, size, illumination, location, and number of ground or non-ground mounted flagpoles. All flags must be tastefully designed, professionally produced and manufactured and, except for Old Glory or the Lone Star Flag, shall be subject to written approval of the Architectural Reviewer in addition to the standards adopted by the Association. All flag displays must comply with public flag laws and ordinances. No flag containing any content (1) in the nature of a "protest" or complaint against the Property, Declarant or any Builder, (2) that describes, maligns or refers to the reputation, character or building practices of the Declarant or any Builder, (3) that discourages or otherwise impacts or attempts to impact anyone's decision to acquire a lot or home in the Property or elsewhere from Declarant or any Builder, and/or (4) intended to create controversy, invite ridicule or disparagement, or interfere in any way with the exercise of the property rights, occupancy or permitted business activity of any owner, Declarant or Builder, shall be displayed to the streets or common area or otherwise to the public view on any lot, home, structure or common area. 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 or is otherwise displayed to public view on any lot, home, structure or common area.

6.27 YARD ART. The Association is interested in the appearance of all portions of a lot that are visible from the street or from a neighboring lot, including yards, porches, sidewalks, window sills, and chimneys. Some changes or additions to such areas may defy easy categorization as an improvement, a sign, or landscaping. This Section confirms that all aspects of a visible area of a lot and home are within the purview of the Architectural Reviewer.

6.28 LIGHTS. Exterior light sources on a lot should be unobtrusive, shielded to prevent glare, directed away from neighboring homes and yards, with little if any spillover light on neighboring property. All visible exterior light fixtures on a lot should be consistent in style and finish with the architecture of the home.

ARTICLE 7
STATUTORILY AUTHORIZED REGULATIONS

7.1 FLAG REGULATIONS

(a) Display of Flags. "Permitted Flags" may be flown every day on a property owner's lot to the full extent protected by applicable law (such as Texas Property Code Section 202.011 and the federal "Freedom to Display the American Flag Act of 2005"), subject only to the requirements of these Flag Regulations. These Flag Regulations will be construed liberally to protect the right of residents to fly Permitted Flags.

(b) Permitted Flags. Only the following flags are considered "Permitted Flags": the United States flag ("Old Glory" or "Stars & Stripes"), the Texas state flag ("Lone Star Flag"), and the official or replica flag of any branch of the United States armed forces. As used in these Flag Regulations, "flag" means "Permitted Flag" in most contexts.

(c) Architectural Control Committee. Property owners are encouraged (but not required, except for illumination) to apply to the Architectural Control Committee for confirmation that the proposed flag, flagpole, or flag staff conforms to the parameters of applicable law and these Flag Regulations. The Association may require an owner to repair, replace or remove a flag, flagpole, and/or flag apparatus that does not comply with the requirements of applicable law or these Flag Regulations.

(d) Size, Number & Location. Permitted Flags up to five feet (5') in height by eight feet (8') in width may be flown or displayed on a property owner's lot. Up to three Permitted Flags may be flown simultaneously on a lot. Only one in-ground flagpole up to 20 feet in height may be installed on a lot. Space permitting, the in-ground flagpole must be located in a fenced portion of a rear or side yard, within the building setbacks for the lot. A property owner may not install an in-ground flag pole in unfenced portions of his lot unless there is no available space within a fenced yard on the lot. A flag flown at the front of the house must be from a flagstaff that is wall-mounted to the first floor facade of the house and projecting at an angle. An owner may not install or affix a flag display in a common area or within an Area of Common Responsibility.

(e) Condition. Both flag and flagpole (or flagstaff) must be maintained in good condition at all times. A deteriorated flag may not be flown. A deteriorated or structurally unsafe flagpole must be repaired, replaced, or removed. Mounting apparatus and external halyards must be secured to prevent being a continual or reoccurring source of noise that is objectionable to residents of nearby lots. An in-ground flagpole or facade-mounted flagstaff must be constructed of permanent, long-lasting materials, with a finish appropriate to the materials used in the construction of the flagpole and harmonious with the dwelling.

(f) Ordinances. The display of a Permitted Flag, and the location and construction of the supporting flagpole, must comply with applicable zoning ordinances, easements, and setbacks of record.

(g) Illumination. The size, location, direction, and intensity of lights used to illuminate a displayed flag must be approved by the Architectural Control Committee.

(h) Respect. Above all else, a Permitted Flag must be flown in a respectful manner. In displaying a Permitted Flag, in addition to the requirements of these Flag Regulations, a resident must substantially comply with the parts of the referenced guidelines that are appropriate for flag displays in residential neighborhoods. For the United States flag, the guidelines for respectful manner are in 4 U.S.C. Sections 5-10. For the Texas flag, the guidelines for respectful manner are in Chapter 3100 of the Texas Government Code. Reference to the federal and state guidelines in this section is not intended to invoke strict compliance with every provision in such guidelines, but that such guidelines shall serve as a general reference for purposes of displaying flags in a respectful manner.

(i) Severability. If any part of these Flag Regulations is deemed to be unenforceable as to the flag of the United States under applicable federal law, the rest of this Section will continue to apply to the U.S. flag, and the unenforceable provision will continue to apply to other types of Permitted Flags.

7.2 RAIN BARREL REGULATIONS

(a) Rain Barrels. To the extent permitted and protected by applicable law (Texas Property Code Section 202.007), a property owner may install rain barrels or a rainwater harvesting system on his or her lot, subject to the requirements of these Rain Barrel Regulations.

(b) Prohibited Locations. A property owner may not install a rain barrel or rainwater harvesting system between the front of the home and an adjoining or adjacent street, or in a common area.

(c) Architectural Control Committee. If a rain barrel or rainwater harvesting system is to be located on the side of a property owner's house or at any other location on a property owner's lot that is visible from a street, another lot, or a common area, prior to installation of such rain barrel or rainwater harvesting system, the property owner must submit to the Architectural Control Committee plans and specifications for the rain barrel or rainwater harvesting system which indicate the size, type, and materials used in the construction of such rain barrel or rainwater harvesting system. In such circumstance, the Architectural Control Committee shall have the authority to regulate the size, type, and shielding of, and the materials used in the construction of the rain barrel or rainwater harvesting system provided: (a) the regulation does not prohibit the economic installation of the rain barrel or rainwater harvesting system on the property owner's lot and (b) there is a reasonably sufficient area on the property owner's lot in which to install the rain barrel or rainwater harvesting system. Such rain barrel or rainwater harvesting system shall also be properly screened so as to obscure view of the rain barrel or rainwater harvesting system from adjoining property and the street, and such method of screening, and the proposed screening materials, must also be approved in advance of installation by the Architectural Control Committee. No rain barrel or rainwater harvesting system may be installed on the side of an Owner's house or at any other location on an Owner's Lot that is visible from a street, another lot, or a common area until the required plans and specifications have been reviewed and approved by the Architectural Control Committee.

(d) Other Requirement. All rain barrels or rainwater harvesting systems installed on a

property owner's lot must be of a color that is consistent with the color scheme of the home constructed on such lot. In addition, no rain barrel or rainwater harvesting system may display any language or other content that is not typically displayed by such a barrel or system as it is manufactured.

7.3 SOLAR PANEL REGULATIONS

(a) Installation of Solar Panels. To the extent permitted and protected by applicable law (Texas Property Code Section 202.010), a property owner may install solar energy devices defined by Texas Property Code Section 202.010 ("Solar Energy Devices") on the roof or in a fenced yard or patio on his or her lot, subject to the requirements of these Solar Panel Regulations.

(b) Architectural Control Committee Approval. A property owner must apply to the Architectural Control Committee for prior written approval of a Solar Energy Device and its proposed location, pursuant to the provisions of the Declaration or other Governing Documents of the Association. Architectural Control Committee approval may not be withheld if the Solar Energy Device meets or exceeds the requirements and limitations of these Solar Panel Regulations, unless the Architectural Control Committee determines in writing that placement of the Solar Energy Device as proposed by the property owner constitutes a condition that substantially interferes with the use and enjoyment of land by causing unreasonable discomfort or annoyance to persons of ordinary sensibilities. The written approval of the proposed placement of the Solar Energy Device by all property owners of adjoining property constitutes prima facie evidence that such a condition does not exist.

(c) Yard Installation. A Solar Energy Device may be installed in a fenced yard or patio owned and maintained by the property owner, provided the Solar Energy Device is not taller than the fence line.

(d) Roof Installation. A Solar Energy Device may be installed on the roof of a residential dwelling or other structure allowed under the Declaration if installed in full compliance with all of the following requirements:

(1) The Solar Energy Device may not extend higher than or beyond the roofline, the Solar Energy Device must conform to the slope of the roof, and the top edge of the Solar Energy Device must be parallel to the roofline;

(2) The color of the Solar Energy Device's frame, support bracket, and visible piping or wiring must be a silver, bronze, or black tone commonly available in the marketplace; and

(3) The Solar Energy Device must be installed on a portion of the roof designated by the Architectural Control Committee, which should generally be a portion of the roof that is not readily visible from a street or common area. A property owner may install a Solar Energy Device in a location on the roof other than the location designated by the Architectural Control Committee only if installation of the Solar Energy Device at such alternative location will increase the estimated annual energy production of the Solar Energy Device by more than ten percent (10%), as determined by using a publicly available modeling tool provided by the National Renewable Energy Laboratory.

(e) Prohibited Installations. A property owner may not install a Solar Energy Device in a

common area; nor may a property owner install a Solar Energy Device in a manner that, as installed, would violate material warranties. A property owner is also prohibited from installing a Solar Energy Device that has been held by a court to violate a law or threaten public health or safety.

7.4 ROOF MATERIAL REGULATIONS

(a) Roof Material. To the extent permitted and protected by applicable law (Texas Property Code Section 202.011), roof shingles with the Permitted Features described below may be used on roofs in the Fairways of Blackhawk Subdivision if such shingles comply with all of the Qualifying Criteria described below, or - alternatively - if approved by the Architectural Control Committee.

(b) Permitted Features. Subject to the Qualifying Criteria below, roof shingles with any of the following features may be used on roofs of buildings on a lot:

(1) Roof shingles that are designed primarily to be wind and hail resistant;

(2) Roof shingles that are designed primarily to provide solar generation capabilities; and

(3) Roof shingles that are designed primarily to be more heating and cooling efficient than customary composite shingles.

(c) Qualifying Criteria. Shingles with the Permitted Features described above may be used (without Architectural Control Committee approval) only if (when installed) they meet all of the following Qualifying Criteria, as compared to roof shingles already authorized for use in the Fairways of Blackhawk Subdivision under the Declaration ("Authorized Shingles"):

(1) the proposed shingles must be similar in appearance to Authorized Shingles;

(2) the proposed shingles must be more durable and of equal or greater quality than Authorized Shingles; and

(3) the proposed shingles must match the aesthetics of the surrounding homes.

(d) Architectural Control Committee. Property owners are encouraged (but not required) to apply to the Architectural Control Committee for confirmation that the proposed shingles conform to the Qualifying Criteria. The Association may require a property owner to remove and replace shingles that do not comply with the requirements of applicable law or these Roof Material Regulations.

7.5 SECURITY MEASURE REGULATIONS

(a) Building or Installation of Security Measures. To the extent permitted and protected by applicable law (such as Texas Property Code Section 202.023), a property owner may build or install security measures, including but not limited to a security camera, motion detector, or perimeter fence, (a "Security Measure"), subject to the requirements of these Security Measure Regulations and permitted applicable provisions of the Declaration.

(b) Location of Security Measures. A property owner may not build or install a Security

Measure on any real property other than real property privately owned by such property owner.

(c) Perimeter Fencing. A perimeter fence may not be built or installed unless the type of fencing, including without limitation, its design, height, color, and construction material has been approved in writing by the Association's architectural review committee. Notwithstanding, a perimeter fence must be constructed only black wrought iron or its decorative equivalent, not to exceed four feet in height, if utilized to enclose the front of the lot.

(d) Continued Application of the Declaration. To the extent applicable provisions of the Declaration or other dedicatory instruments of the Association do not prevent the economical building or installation of a Security Measure, such provisions shall continue to govern the building or installation of the Security Measure.

(e) Architectural Review of Security Measures. A property owner must apply to the Architectural Review Committee for prior written approval of a proposed Security Measure to the extent required by the provisions of the Declaration and other dedicatory instruments of the Association. To the extent an applicable provision of the Declaration or other dedicatory instrument would prevent the economical building or installation of a proposed Security Measure, the Architectural Review Committee shall be authorized to modify the application of such provision in a manner that is reasonably intended to allow for the economical building or installation of the proposed Security Measure while still adhering as much as possible to the underlying intent and purpose of the Declaration and other dedicatory instruments, as determined by the Architectural Review Committee in its sole and absolute discretion.

7.6 RELIGIOUS ITEM DISPLAY REGULATIONS

(a) Religious Displays. To the extent permitted and protected by applicable law (such as Texas Property Code Section 202.018), a property owner or resident may display or affix one or more religious items on the owner' or resident's lot or dwelling constructed thereon ("Religious Item"), provided:

(1) The display of the Religious Item is motivated by the owner or resident's sincere religious belief;

(2) No Religious Item may be installed or displayed that threatens the public health or safety;

(3) No Religious Item may be installed or displayed that violates any law, other than one prohibiting the display of religious items;

(4) No Religious Item may be installed or displayed that contains language, graphics, or any display that is patently offensive to a passerby for reasons other than its religious content;

(5) No Religious Item may be installed or displayed on any real property owned by the Association or maintained by the Association or owned in common by members of the Association;

(6) No Religious Item may be installed or displayed which violates any applicable building

line, right-of-way, setback, or easement; and

(7) No Religious Item may be attached to a traffic control device, street lamp, fire hydrant, or utility sign, pole or fixture.

(b) Architectural Review of Religious Items. Property owners and residents are encouraged (but not required) to apply to the Architectural Review Committee for confirmation that the proposed Religious Item conforms to these Religious Item Display Regulations. The Association may require a property owner or resident to remove any displayed Religious Item prohibited by the Declaration that does not comply with the requirements of applicable law or these Religious Item Display Regulations.

7.7 SWIMMING POOL ENCLOSURE REGULATIONS

(a) Swimming Pool Enclosure. To the extent permitted and protected by applicable law (Texas Property Code Section 202.022), a property owner may install on the owner's property a swimming pool enclosure that conforms to applicable state or local safety requirements (a "Swimming Pool Enclosure"), subject only to the requirements of these Swimming Pool Enclosure Regulations. For purposes of these Swimming Pool Enclosure Regulations, a Swimming Pool Enclosure shall mean a fence that:

(1) surrounds a water feature, including a swimming pool or spa;

(2) consists of transparent mesh or clear panels set in metal frames;

(3) is not more than six feet in height; and

(4) is designed to not be climbable.

(b) Regulation of Swimming Pool Enclosures. Swimming Pool Enclosures must comply with the following regulations:

(1) A Swimming Pool Enclosure must be black in color unless an alternative color is approved by the Architectural Review Committee.

(2) A Swimming Pool Enclosure must consist of transparent mesh set in metal frames unless an alternative material or design is approved by the Architectural Review Committee.

(3) A Swimming Pool Enclosure shall not exceed six (6) feet in height, regardless of terrain, unless approved by the Architectural Review Committee.

(4) A Swimming Pool Enclosure shall be designed to not be climbable.

(5) A Swimming Pool Enclosure must conform to applicable state or local safety requirements. Notwithstanding the foregoing, it is the property owner's responsibility to ensure conformity with such requirements, and an approval from the Association or its architectural review committee shall not be construed as a warranty or representation that such installation is in fact in accordance with such requirements.

(c) Architectural Review of Swimming Pool Enclosures. A Swimming Pool Enclosure may be installed by a property owner on his or her property without obtain written approval from the Association's architectural review committee, provided the Swimming Pool Enclosure complies with the Swimming Pool Enclosure Regulations' minimum requirements specified above. Notwithstanding, any Swimming Pool Enclosure that is not black in color or does not consist of transparent mesh set in metal frames must be approved in advance by the architectural review committee.

ARTICLE 8
ASSOCIATION AND MEMBERSHIP RIGHTS

8.1. 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. 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."

8.2. THE ASSOCIATION. The Association must be a nonprofit organization, and may be unincorporated or incorporated, as the Association decides from time to time. If the Association incorporates, the subsequent failure of the Association to maintain its corporate charter from time to time does not affect the existence or legitimacy of the Association. The duties and powers of the Association are those set forth in the Documents, together with the general and implied powers of a 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. The Association comes into existence on the earlier of (1) issuance of its corporate charter, or (2) the date on which this Declaration is recorded in the Real Property of Records of the county where the Property is located. 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.

8.3. 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 three (3) persons elected at the annual meeting of the Association, or at a special meeting called for that purpose. 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 owners of at least a majority of all lots, provided the opportunity to approve or disapprove was given to an owner of each lot, or at a meeting by owners of at least a majority of the lots that are represented at the meeting, provided notice of the meeting was given to an owner of each lot.

8.4. MEMBERSHIP. Each owner is a member 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, each co-owner is a member of the Association and may exercise the membership rights appurtenant to the 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.

8.5. VOTING. One vote is appurtenant to each lot. 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 or tracts. Each vote is uniform and equal to the vote appurtenant to every other lot, except during the Declarant Control Period as permitted in Appendix C. Cumulative voting is not allowed. Votes may be cast by written proxy, according to the

requirements of the Association's bylaws.

8.6. 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.

8.7. BOOKS AND 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 the applicable provisions of the Texas Business Organizations Code.

8.8. INDEMNIFICATION. The Association indemnifies every officer, director, committee chair, and committee member (for purposes of this Section, "**Leaders**") against expenses, including attorney's fees, reasonably incurred by or imposed on the Leader in connection with an action, suit, or proceeding to which the Leader is a party by reason of being or having been a Leader. **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 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 liability asserted against him and incurred by him in that capacity and arising out of that capacity.

8.9. OBLIGATIONS OF OWNERS. Without limiting the obligations of owners under the Documents, each owner has the following obligations:

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

8.9.2. 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 by the Association, subject to the provisions of Appendix C with respect to lots owned by the Declarant.

8.9.3. Comply. Each owner will comply with the Documents as amended from time to time.

8.9.4. Reimburse. Each owner will pay for damage to the Property caused by the negligence or willful misconduct of the owner, a resident of the owner's lot, or the owner or resident's family, guests, employees, contractors, agents, or invitees.

8.9.5. 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.

8.10. HOME RESALES. For purposes of this Declaration, a "**resale**" is every sale or conveyance of a lot (or of an interest in a lot) that is improved with a home, other than the initial sale by Declarant of the lot with the newly constructed home to the initial homeowner. This Section applies to every resale of a home lot.

8.10.1. Resale Certificate. An owner intending to sell his home or the closing escrow agent, such as a title company, will notify the Association and will request a resale certificate from the Association.

8.10.2. 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.

8.10.3. HOA Sale Fees. At time of transfer, or earlier if required by the Association's manager, the HOA Sale Fees described in Article 8 of this Declaration in effect at the time of transfer are due and payable by buyer and/or seller.

8.10.4. Information. Within 30 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.

8.10.5. Exclusions. The requirements of this Section, do not apply to the following transfers: (1) the initial conveyance from Declarant; (2) foreclosure of a mortgagee's deed of trust lien, a tax lien, or the Association's assessment lien; (3) conveyance by a mortgagee who acquires title by foreclosure or deed in lieu of foreclosure; (4) transfer to, from, or by the Association; (5) voluntary transfer by an owner to one or more co-owners, or to the owner's spouse, child, or parent; (6) a transfer by a fiduciary in the course of administering a decedent's estate, guardianship, conservatorship, or trust; (7) a conveyance pursuant to a court's order, including a transfer by a bankruptcy trustee; or (8) a disposition by a government or government agency.

ARTICLE 9
COVENANTS OF ASSESSMENTS

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

9.2. PERSONAL OBLIGATIONS. 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.

9.3. CONTROL FOR ASSESSMENT EASEMENTS. This Section of the Declaration may not be amended without the approval of owners of at least two-thirds of the lots. In addition to other rights granted to owners by this Declaration, owners have the following powers and controls over the Association's budget:

9.3.1. Veto Increased Dues. At least thirty (30) days prior to the effective date of an increase in

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 if the increase is no greater than twenty percent (20%) in excess of the previous years regular assessments. If the increase is greater than twenty percent (20%) in excess of the previous years regular assessments, the increase will not become effective if owners of at least a majority of the lots disapprove the increase by petition or at a meeting of the Association. In that event, the last-approved budget will continue in effect until a revised budget is approved or the increase is limited to twenty percent (20%) in excess of the previous years regular assessments.

9.3.2. Veto Special Assessment. At least thirty (30) days prior to the effective date of a special assessment, the board will notify an 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 lots disapprove the special assessment by petition or at a meeting of the Association.

9.4. TYPES OF ASSESSMENTS. There are 4 types of assessments: Regular, Special, Individual, and Deficiency.

9.4.1. Regular Assessments. Regular assessments are based on the annual budget. Each lot is liable for its equal share of the annual budget. The initial regular assessment shall be established by the Declarant prior to the first sale of any lot improved with a home constructed thereon. 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. If during the course of a year the board determines that regular assessments are insufficient to cover the estimated common expenses for the remainder of the year, the board may increase regular assessments for the remainder of the fiscal year in an amount that covers the estimated deficiency. Regular assessments are used for common expenses related to the reoccurring, periodic, and anticipated responsibilities of the Association, including but not limited to:

a. Maintenance, repair, and replacement, as necessary, of the common area.

b. Utilities billed to the Association.

c. Services billed to the Association and serving all lots.

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

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

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

g. Premiums and deductibles on insurance policies and bonds deemed by the board to be necessary or desirable for the benefit of the Association, including fidelity bonds and directors and officers liability insurance.

h. Contributions to the reserve funds.

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

9.4.2. Special Assessments. In addition to regular assessments, and subject to the owners' control for 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 reserve funds. Special assessments do not require the approval of the owners, except that special assessments for the following purposes must be approved by owners of least a majority of the lots:

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 improvements within the Property, but not replacement of original 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.

9.4.3. Individual Assessments. In addition to regular and special 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.

9.4.4. Deficiency Assessments. The board may levy a deficiency assessment against all lots for the purpose of defraying, in whole or in part, the cost of repair or restoration if insurance proceeds or condemnation awards prove insufficient.

9.5. BASIS & RATES OF ASSESSMENTS. The share of liability for common expenses allocated to each lot is uniform for all lots, regardless of a lot's location, the value and size of the lot or home, or whether the lot is vacant or improved with a home. Nevertheless, a lot that is owned by Declarant during the Development Period is eligible for the assessment exemption in Appendix C.

9.6. ANNUAL BUDGET. The board will prepare and approve an estimated annual budget for each fiscal year. The budget will take into account the estimated income and expenses for the year, contributions to reserve funds, and a projection for uncollected receivables. The board will make the budget or its summary available to an owner of each lot, although failure to receive a budget or summary does not affect an owner's liability for assessments. The board will provide copies of the detailed budget to owners who make written request and pay a reasonable copy charge.

9.7. DUE DATE. The board may levy regular assessments on any periodic basis - annually, semi-annually, quarterly, or monthly. Regular assessments are due on the first day of the period for which levied. Special and individual assessments are due on the date stated in the notice of assessment or, if no date is stated, within ten (10) days after notice of the assessment is given. Assessments are delinquent if not received by the Association on or before the due date.

9.8. RESERVE FUNDS. The Association will establish, maintain, and accumulate reserves for operations and for replacement and repair. The Association must budget for reserves and may fund reserves out of regular assessments.

9.8.1. Operations Reserves. The Association will endeavor to maintain operations reserves at a level determined by the board to be sufficient to cover the cost of operational or maintenance emergencies or contingencies, such as the full amount of deductibles on insurance policies maintained by the Association.

9.8.2. Replacement & Repair Reserves. The Association will endeavor to maintain replacement and repair reserves at a level that anticipates the scheduled replacement or major repair of components of the common area.

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

9.10. 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 law, the excess amount will be applied to the reduction of unpaid special and regular assessments, or reimbursed to the owner if those assessments are paid in full.

9.11. HOA SALE FEES. This Section addresses the expenses, fees, charges, and contributions (hereinafter, collectively, the "**HOA Sale Fees**") that are charged by the Association or its manager, and that arise at the time of a home's sale or purchase. As used in this Section, "HOA Sale Fees" does not include a buyer's prepaid and/or pro-rata assessments. HOA Sale Fees are not refundable by the Association or the Association's manager, and may not be regarded as a prepayment of or credit against assessments. HOA Sale Fees generally fall into two types of categories – budget enhancing fees, such as contributions to the reserve or operating funds of the Association, and administrative fees, such as fees for resale certificates, copies of governing documents, compliance inspections, ownership record changes, and priority processing. The board will set the amount of the HOA Sale Fees to be charged by the Association, from time to time.

9.11.1. Notice of HOA Sale Fees. To the extent required by applicable law, the Association will publicly record a Notice of HOA Sale Fees, which may be recorded as part of the Management Certificate.

9.11.2. Manager's Fees. HOA Sale Fees may be charged by the Association's manager, managing director, or managing agent (collectively, "manager"), pursuant to a management contract between the Association and the manager, and provided there is no duplication of fees by type or amount with fees charged by the Association. This Article does not obligate the manager to levy HOA Sale Fees. The number, types, and amounts of HOA Sale Fees charged by a manager (1) must be set out in the management contract between the Association and the manager, which management contract has been approved by the board, (2) are not subject to the Association's assessment lien, (3) should not exceed what is customary in amount, kind, and number for the local marketplace, and (4) are not payable by the Association unless the management contract so stipulates.

9.11.3. Amendment of Notice. The board, without a vote of the owners, may amend any Notice of HOA Sale Fees for the following two purposes: (1) to change a stated amount or formula for an HOA Sale Fee, or (2) to conform the Notice of HOA Sale Fees with applicable law regarding HOA Sale Fees. Any other amendment of the Notice requires the approval of owners of two-thirds of the lots represented at a meeting of the Association at which a quorum is present, provided notice of the proposed amendment is given with the notice of meeting. During the Development Period, any amendment of the Notice of HOA Sale Fees must have the written and acknowledged consent of Declarant.

9.11.4. Effective. To be effective, an amendment or restatement of the Notice of HOA Sale Fees by the owners or by the board must be in the form of a written instrument (1) referencing the name of the Property, the name of the Association, the recording data of the Declaration, and the recording data of the previously recorded Notice of HOA Sale Fees, (2) signed and acknowledged by an officer of the Association, certifying the requisite approval of owners or directors, and (3) recorded in the Real Property Records of the County where the Property is located.

9.11.5. Applicability. If the amended or restated Notice of HOA Sale Fees results in an overall reduction of HOA Sale Fees for a conveyance that is pending at the time of the amendment, the lower rate is effective immediately for any closing that occurs after the date the amendment is publicly recorded. If the amendment or restated Notice of HOA Sale Fees result in an overall increase of HOA Sale Fees for the lot being conveyed, the increased amounts is not effective until the 90th day after the date on which the amended or restated Notice of HOA Sale Fees is publicly recorded.

9.11.6. Distribution. Within 60 days after the amended or restated Notice of HOA Sale Fees is publicly recorded, a copy or report of, or electronic link to, the recorded amended Notice of HOA Sale Fees must be delivered or made available to an owner of each lot.

ARTICLE 10
ASSESSMENT LIEN

10.1. 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 lien on the lot. Each owner, and each prospective owner, is placed on notice that his title may be subject to the continuing lien for unpaid assessments attributable to a period prior to the date he purchased his lot.

10.2. 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 home, (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, and (5) a home equity or reverse mortgage lien which is a renewal, extension, or refinance of a first or senior purchase money vendor's lien or a 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.

10.3. 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, even if such assessments are used by the Association to fund any pre-foreclosure deficiency that is an Association expense.

10.4. 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.

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

10.6. FORECLOSURE OF LIEN. The assessment lien may be enforced by judicial or, to the extent permitted by applicable law, nonjudicial foreclosure. A foreclosure must comply with the requirements of applicable law, such as Chapter 209 of the Texas Property Code. A nonjudicial 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 11
EFFECT OF NONPAYMENT OF ASSESSMENTS

An assessment is delinquent if the Association does not receive payment in full by the assessment's due date. The Association, acting through 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 an 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.

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

11.2. LATE FEES. Delinquent assessments are subject to reasonable late fees, at a rate to be determined by the board from time to time.

11.3. COST OF COLLECTION. The owner of a lot against which assessments are delinquent is liable to the Association for reimbursement of reasonable costs incurred by the Association to collect the delinquent assessments, including attorneys fees and processing fees charged by the manager.

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

11.5. SUSPENSION AND USE OF VOTE. If an owner's account has been delinquent for at least thirty (30) days, the Association may suspend the right of owners and residents to use common areas, including any Open Space, and common services, including the maintenance of grass lawns by the Association, during the period of delinquency. The Association may also suspend the right to vote appurtenant to the lot. Suspension does not constitute a waiver or discharge of the owner's obligation to pay assessments.

11.6. 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 lien for assessments.

11.7. 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.

11.8. FORECLOSURE OF ASSESSMENT LIEN. As provided by this Declaration, the Association may foreclose its lien against the lot by judicial or nonjudicial means.

11.9. 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.

ARTICLE 12
ENFORCING THE DOCUMENTS

12.1. NOTICE AND HEARING. Before the Association may exercise many of its remedies for a violation 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 the bylaws and in applicable law, such as Chapter 209 of the Texas Property Code. Notices are also required before an owner is liable to the Association for certain charges, including reimbursement of attorneys fees incurred by the Association.

12.2. 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:

12.2.1. 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.

12.2.2. 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.

12.2.3. 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. A suspension does not constitute a waiver or discharge of the owner's obligations under the Documents.

12.2.4. 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, its representatives, contractors, or agents, are not trespassing and are 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. Unless an emergency situation exists in the good faith opinion of the board, the board will give the violating owner 10 days' notice of its intent to exercise self-help.

12.2.5. 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.

12.3. 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.

12.4. 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.

12.5. 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. If legal assistance is obtained to enforce any provision of the Documents, or in any legal proceeding (whether or not suit is brought) for damages or for the enforcement of the Documents or the restraint of violations of the Documents, the prevailing party is entitled to recover from the nonprevailing party all reasonable and necessary costs incurred by it in such action, including reasonable attorneys' fees.

ARTICLE 13
MAINTENANCE AND REPAIR OBLIGATIONS

13.1. ASSOCIATION MAINTENANCE. The Association's maintenance obligations will be discharged when and how the board deems appropriate. The Association maintains, repairs, and replaces, as a common expense, the portions of the Property listed below, regardless of whether the portions are on lots or common areas.

a. The common areas.

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 Property 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.

13.2. 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 5 and the use restrictions of Article 6:

13.2.1. Home Maintenance. Each owner, at the owner's expense, must maintain all improvements on the lot, including but not limited to the home, fences, sidewalks, and driveways. Maintenance includes preventative maintenance, repair as needed, and replacement as needed. Each owner is expected to maintain his lot's improvements at a level, to a standard, and with an appearance that is commensurate with the neighborhood. Specifically, each owner must repair and replace worn, rotten, deteriorated, and unattractive materials, and must regularly repaint all painted surfaces.

13.2.2. Yard Maintenance. Each owner, at the owner's expense, must maintain the yards on his lot at a level, to a standard, and with an appearance that is commensurate with the neighborhood. For purposes of this Declaration, "yards" means all parts of the lot other than the home, including fenced and unfenced portions of the lot and the back yard of the lot (all portions of the lot from the front of the home to the back property line of the lot). Specifically, but not in limitation of the general requirements of each owner, each owner must:

a. Maintain an attractive ground cover or lawn on all yards visible from a street.
b. Edge the street curbs at regular intervals.
c. Water the lawns and grounds at regular intervals.
d. Prevent lawn weeds or grass from exceeding 6 inches in height.
e. Not plant vegetable gardens that are visible from a street.
f. Maintain an attractive appearance for all shrubs, trees and flower beds on the lot.
g. Maintain at least the number of living yard trees set out in Section 9 of Appendix B with a caliper of at least three inches (3") unless applicable city ordinance required a greater number of trees.
h. Replace dead or diseased plant material (other than trees, except that the minimum number of living yard trees required by subsection g. above and Section 9 of Appendix B must be planted and maintained in a healthy growing condition and each owner much comply with the with applicable ordinances and requirements of the city, county or other applicable governmental authority concerning tree or canopy coverage) as needed, to maintain the minimum landscaping requirements of Appendix B. Replacement trees must be typical of the Property and will be subject to the prior approval of the Architectural Reviewer.
i. Maintain the canopy of each tree on the lot at a minimum of 7 feet over all sidewalks and driveways and will not permit tree limbs to touch roofs or fences.

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

13.2.4. Responsible for Damage. An owner is responsible for his own acts or omissions, whether willful or negligent, intentional or unintentional, and those of his or the resident's family, guests, invitees, agents, employees, or contractors when those acts or omissions necessitate maintenance, repair, or replacement to the common areas (other than the regular ongoing maintenance, repair or replacement to the

common area) or the property of another owner and such owner must pay for all such maintenance, repair or replacement.

13.3. 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.

13.4. PARTY WALL FENCES. A fence located on or near the dividing line between 2 lots and intended to benefit both lots constitutes a Party Wall Fence and, to the extent not inconsistent with the provisions of this Section, is subject to the general rules of law regarding party walls and liability for property damage due to negligence, willful acts, or omissions.

13.4.1. Encroachments & Easement. If the Party Wall Fence is on one lot or another due to an error in construction, the fence is nevertheless deemed to be on the dividing line for purposes of this Section. Each lot sharing a Party Wall Fence is subject to an easement for the existence and continuance of any encroachment by the fence as a result of construction, repair, shifting, settlement, or movement in any portion of the fence, so that the encroachment may remain undisturbed as long as the fence stands. Each lot is subject to a reciprocal easement for the maintenance, repair, replacement, or reconstruction of the Party Wall Fence.

13.4.2. Right to Repair. If the Party Wall Fence is damaged or destroyed from any cause, the owner of either lot may repair or rebuild the fence to its previous condition, and the owners of both lots, their successors and assigns, have the right to the full use of the repaired or rebuilt fence.

13.4.3. Maintenance Costs. The owners of the adjoining lots share equally the costs of repair, reconstruction, or replacement of the Party Wall Fence, subject to the right of one owner to call for larger contribution from the other under any rule of law regarding liability for negligence or willful acts or omissions. If an owner is responsible for damage to or destruction of the fence, that owner will bear the entire cost of repair, reconstruction, or replacement. If an owner fails or refuses to pay his share of costs of repair or replacement of the Party Wall Fence, the owner advancing monies has a right to file a claim of lien for the monies advanced in the county's Real Property Records, and has the right to foreclose the lien as if it were a mechanic's lien. The right of an owner to contribution from another owner under this Section is appurtenant to the land and passes to the owner's successors in title.

13.4.4. Alterations. The owner of a lot sharing a Party Wall Fence may not cut openings in the fence or alter or change the fence in any manner that affects the use, condition, or appearance of the fence to the adjoining lot. Unless both owners reach a mutual decision to the contrary, the Party Wall Fence will always remain in the same location as where initially erected.

ARTICLE 14
INSURANCE

14.1. GENERAL PROVISIONS. All insurance affecting the Property is governed by the provisions of this Article, with which the board will make every reasonable effort to comply. The cost of insurance coverages and bonds maintained by the Association is an expense of the Association. Insurance policies and bonds obtained and maintained by the Association must be issued by responsible insurance companies

authorized to do business in the State of Texas. The Association must be the named insured on all policies obtained by the Association. Each owner irrevocably appoints the Association, acting through its board, as his trustee to negotiate, receive, administer, and distribute the proceeds of any claim against an insurance policy maintained by the Association. Additionally:

14.1.1. Notice of Cancellation or Modification. Each insurance policy maintained by the Association should contain a provision requiring the insurer to give at least 30 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.

14.1.2. Deductibles. An insurance policy obtained by the Association may contain a reasonable deductible, which will be paid by the party who would be liable for the loss or repair in the absence of insurance. If a loss is due wholly or partly to an act or omission of an owner or resident or their invitees, the owner must reimburse the Association for the amount of the deductible that is attributable to the act or omission.

14.2. PROPERTY. To the extent it is reasonably available, the Association will obtain blanket all-risk insurance for insurable common area improvements. If blanket all-risk insurance is not reasonably available, then the Association will obtain an insurance policy providing fire and extended coverage. Also, the Association will insure the improvements on any lot owned by the Association.

14.3. GENERAL LIABILITY. The Association will maintain a commercial general liability insurance policy over the common areas - expressly excluding the liability of each owner and resident within his lot - for bodily injury and property damage resulting from the operation, maintenance, or use of the common areas. If the policy does not contain a severability of interest provision, it should contain an endorsement to preclude the insurer's denial of an owner's claim because of negligent acts of the Association or other owners.

14.4. DIRECTORS AND OFFICERS LIABILITY. To the extent it is reasonably available, the Association will maintain directors and officers liability insurance, errors and omissions insurance, indemnity bonds, or other insurance the board deems advisable to insure the Association's directors, officers, committee members, and managers against liability for an act or omission in carrying out their duties in those capacities.

14.5. OTHER COVERAGES. The Association may maintain any insurance policies and bonds deemed by the board to be necessary or desirable for the benefit of the Association, including but not limited to worker's compensation insurance, fidelity coverage, and any insurance and bond requested and required by an Underwriting Lender for planned unit developments as long as an Underwriting Lender is a mortgagee or an owner.

14.6. OWNER'S RESPONSIBILITY FOR INSURANCE. Each owner (other than Declarant or a Builder) will obtain and maintain fire and extended coverage on all the improvements on his lot, in an amount sufficient to cover 100 percent of the replacement cost of any repair or reconstruction in event of damage or destruction from any insured hazard. Further, each owner will obtain and maintain general liability insurance on his lot (which may be a part of a homeowner's insurance policy). 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 personal property in his home and on the lot, including furnishings, vehicles, and stored items.

ARTICLE 15
MORTGAGE PROTECTION

15.1. INTRODUCTION. This Article establishes certain standards for the benefit of Mortgagees, as defined below. If a Mortgagee requests from the Association compliance with the guidelines of an Underwriting Lender, the board, without approval of owners or mortgagees, may amend this Article and other provisions of the Documents, as necessary, to meet the requirements of the Underwriting Lender. This Article is supplemental to, not a substitution for, any other provision of the Documents. In case of conflict, this Article controls. As used in this Article, a **"Mortgagee"** is a holder, insurer, or guarantor of a purchase money mortgage secured by a recorded senior or first deed of trust lien against a lot. Some sections of this Article apply to all known Mortgagees. Other sections apply to "Eligible Mortgagees," as defined below.

15.1.1. Known Mortgagees. An owner who mortgages his lot will notify the Association, giving the complete name and address of his mortgagee and the loan number. An owner will also provide that information on request by the Association from time to time. The Association's obligations to mortgagees under the Documents extend only to those mortgagees known to the Association. All actions and approvals required by mortgagees will be conclusively satisfied by the mortgagees known to the Association, without regard to other holders of liens on lots. The Association may rely on the information provided by owners and mortgagees.

15.1.2. Eligible Mortgagees. **"Eligible Mortgagee"** means a mortgagee that submits to the Association a written notice containing its name and address, the loan number, the identifying number and street address of the mortgaged lot, and the types of actions for which the Eligible Mortgagee requests timely notice. A single notice per lot will be valid so long as the Eligible Mortgagee holds a mortgage on the lot. The board will maintain this information. A representative of an Eligible Mortgagee may attend and address any meeting which an owner may attend.

15.2. MORTGAGEE RIGHTS.

15.2.1. Termination. An action to terminate the legal status of the Property after substantial destruction or condemnation must be approved by at least 51 percent of Eligible Mortgagees, in addition to the required consents of owners. An action to terminate the legal status for reasons other than substantial destruction or condemnation must be approved by at least two-thirds of Eligible Mortgagees. The approval of an Eligible Mortgagee is implied when the Eligible Mortgagee fails to respond within 30 days after receiving the Association's written request for approval of a proposed amendment, provided the Association's request was delivered by certified or registered mail, return receipt requested.

15.2.2. Inspection of Books. Mortgagees may inspect the Association's books and records, including the Documents, by appointment, during normal business hours.

15.2.3. Financial Statements. If a Mortgagee so requests, the Association will give the Mortgagee an audited statement for the preceding fiscal year within 120 days after the Association's fiscal year-end. A Mortgagee may have an audited statement prepared at its own expense.

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

15.3. LIMITS ON ASSOCIATION'S DUTIES.

15.3.1. Which Mortgagees The Association's affirmative obligations to Mortgagees under the Documents extend only to those Mortgagees of whom the Association has actual knowledge. This Article may not be construed to require the Association to perform title research to ascertain the existence

andidentify of a Mortgagee on a lot. Any duty of the Association to a Mortgagee is conclusively satisfied if performed for Mortgagees known to the Association, without regard to other holders of liens on lots. The Association may rely on the information provided by owners and mortgagees.

15.3.2. Communication with Mortgagee. If the Documents or public law require the consent of Mortgagees for an act, decision, or amendment by the Association, the approval of a Mortgagee is implied when the Mortgagee fails to respond within 30 days after receiving the Association's written request for approval of a proposed amendment, provided the Association's request was delivered by certified mail, return receipt requested.

ARTICLE 16
AMENDMENTS

16.1. CONSENTS REQUIRED. As permitted by this Declaration, certain amendments of this Declaration may be executed by Declarant alone, or by the board alone. Otherwise, amendments to this Declaration must be approved by owners of at least a majority of the lots. Approval of owners does not require that the Amendment be signed by the consenting owners, or that consents be executed and acknowledged by approving owners.

16.2. METHOD OF AMENDMENT. For an amendment that requires the approval of owners, 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, a description of the effect of the proposed amendment, and an opportunity to vote for or against the proposed amendment.

16.3. EFFECTIVE. To be effective, an amendment approved by the owners or by the board must be in the form of a written instrument (1) referencing the name of the Property, the name of the Association, and the recording data of this Declaration and any amendments hereto; (2) signed and acknowledged by an officer of the Association, certifying the requisite approval of owners or directors and, if required, Eligible Mortgagees; and (3) recorded in the Real Property Records of every county in which the Property is located, except as modified by the following section.

16.4. DECLARANT PROVISIONS. Declarant has an exclusive right to unilaterally amend this Declaration for the purposes stated in Appendix C. 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.

16.5. 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 lots. 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 effect a revocation, change, or addition to the covenants established by this Declaration within the Property.

16.6. TERMINATION. Termination of the terms of this Declaration and the status of the Property as a planned unit development are 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 80 percent of the lots.

16.7. 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 17
DISPUTE RESOLUTION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

17.10. LITIGATION APPROVAL AND SETTLEMENT. To encourage the use of alternate dispute resolution and discourage the use of costly and uncertain litigation, the initiation of any judicial or administrative proceeding by the Association is subject to the following conditions in addition to and notwithstanding the above alternate dispute resolution procedures. In addition to and notwithstanding the above alternate dispute resolution procedures, the Association may not initiate any judicial or administrative proceeding without the prior approval of owners of at least a majority of the lots, except that no such approval is required (1) to enforce provisions of this Declaration, including collection of assessments; (2) to challenge condemnation proceedings; (3) to enforce a contract against a contractor, vendor, or supplier of goods or services to the Association; (4) to defend claims filed against the Association or to assert counterclaims in a proceedings instituted against the Association; or (5) to obtain a temporary restraining order or equivalent emergency equitable relief when circumstances do not provide sufficient time to obtain the prior consents of owners in order to preserve the status quo. The board, on behalf of the Association and without the consent of owners, is hereby authorized to negotiate settlement of litigation, and may execute any document related thereto, such as settlement agreements and waiver or release of claims. This Section may not be amended without the approval of owners of at least 75 percent of the lots.

17.11. CONSTRUCTION-RELATED DISPUTES. In addition to the above procedures, a claim relating to an alleged construction defect may be governed by Texas statutes relating to residential construction, such as:

17.11.1. RCLA. Under Chapter 27 of the Texas Property Code, the Residential Construction Liability Act, if an owner has a complaint concerning an alleged construction defect, and if the alleged defect has not been corrected through normal warranty service, the owner must provide the notice required by Chapter 27 of the Texas Property Code to the builder or contractor by certified mail, return receipt requested, not later than the 60th day before the date owner files suit to recover damages in a court of law or initiate arbitration. The notice must refer to Chapter 27 of the Texas Property Code and must describe the alleged construction defect. If requested by the builder or contractor, the owner must provide the builder or contractor an opportunity to inspect and cure the defect as provided by Section 27.004 of the Texas Property Code.

ARTICLE 18
GENERAL PROVISIONS

18.1. 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.

18.2. 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.

18.3. 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.

18.4. CHANGING TECHNOLOGY. The Documents are drafted at the end of an era that uses ink on paper to communicate, to give notice, and to memorialize decisions. The next era of communication may be paperless, relying on electronic communications for many activities that are customarily papered on the

date of this Declaration. As technology changes, the terms of the Documents that pertain to communications, notices, and documentation of decisions may be interpreted and applied in ways that are consistent with any customary for the then-current technology for standard business practices, without necessity of amending the Governing Document.

18.5. 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.

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

18.7. 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.

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

A - Description of Subject Land
B - Construction Specifications
C - Declarant Representations & Reservations
D - Description of Additional Land Subject to Annexation

18.9. 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.

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

18.11. COMPLIANCE WITH APPLICABLE LAW. It is the intent of the Declarant that the provisions of this Declaration comply with the applicable provisions of Section 207 and 209 of the Texas Property Code, as amended, and any other provisions of applicable law. The invalidity or unenforceability or partial invalidity or partial unenforceability of any provision or portion hereof shall not affect the validity or enforceability of any other provision. To the extent necessary to make a provision that is otherwise invalid or unenforceable valid and enforceable in accordance with the provisions of Section 207 and 209 of the Texas Property Code, as amended, and any other provisions of applicable law, such invalid or unenforceable provision may be interpreted as being reformed to comply with the provisions of Section 207 and 209 of the Texas Property Code, as amended, and any other provisions of applicable law.

[Signature Page to Follow]

SIGNED AND ACKNOWLEDGED

SIGNED this 14th day of December, 2021.

Chris Lynch
President of Land Operations
Gehan Homes, LTD.

STATE OF TEXAS §
§
COUNTY OF Travis §

This instrument was acknowledged before me on the 14th day of ~~November~~ December 2021, by Chris Lynch, President of Land Operations of Gehan Homes, LTD., on behalf of said limited liability company.

KIRSTEN BOLT
Notary ID #131795459
My Commission Expires
November 13, 2022

Notary Public, State of Texas

APPENDIX A
DESCRIPTION OF SUBJECT LAND

All lots and reserves within the Final Plat of Anna Ranch Phase 1A, an addition to the City of Anna, Collin County, Texas, according to the plat thereof recorded as Instrument Number 20211020010003770 in the Real Property Records of Collin County, Texas.

APPENDIX B
CONSTRUCTION SPECIFICATIONS

All improvements on a lot must (1) comply with any applicable ordinances and codes of any applicable governmental authority, (2) if required by the city, county or other applicable governmental authority have a building permit issued by such governmental entity, if the type of improvement requires a permit, and (3) have the Architectural Reviewer's prior written approval. These 3 requirements are independent - one does not ensure or eliminate the need for another. The lot owner and/or owner's contractor must comply with all 3 requirements. Without the Architectural Reviewer's prior written approval for a variance, improvements constructed on every lot must have the following characteristics:

1. ORDINANCES. All improvements on a lot must comply with the ordinances of the city, county or other applicable governmental authority, in addition to the requirements of this Declaration. If the applicable ordinances and this Declaration address the same issue with different requirements, the more restrictive requirement controls.

2. HOUSES. The principal improvement on a lot must be one detached single family home. The home size, setbacks, and exterior materials must comply with the applicable ordinances and with any higher standards established by the Architectural Reviewer.

3. NEW CONSTRUCTION. The home must be constructed on the lot. A home or addition constructed elsewhere may not be moved onto a lot. Factory-built homes are not permitted, even though assembled or finished on the lot. The construction of a home must be started promptly after the Architectural Reviewer approves the home's plans and specification. At the start of construction - but not before - building material to be used in the construction may be stored on the lot. Once started, the home and all improvements on the lot must be completed with due diligence.

4. EXTERIOR WALL MATERIALS. The type, quality, and color of exterior wall materials must be approved by the Architectural Reviewer. A minimum of 75 percent of the home's total exterior area, minus windows and doors, or such greater percentage as required by applicable ordinances of the city, county, or other applicable governmental authority must be masonry.

5. MASONRY. For purposes of this Appendix, the following materials qualify as masonry: clay brick, stone, marble, granite, tile, painted or tinted stucco, and nonreflective glass.

6. ROOFS. Roofs must be covered with material having a manufacturer's warranty of at least 30 years. The use of fiberglass shingles is permitted. The color of roofing material must be weatherwood or an equivalent earth tone color. All roofs must have a roof pitch of no less than five inches of rise for each twelve inches of run. The Architectural Reviewer may permit or require other weights, materials, and colors.

7. GARAGE & DRIVEWAY. Each home must have an attached or detached garage for at least two standard-size cars. The driveway must be surfaced with concrete.

8. CARPORTS. No carport may be installed, constructed, or maintained on any lot.

9. LANDSCAPING. Landscaping must be installed on the front and side yards of the lot within 60 days after the home is ready for occupancy. The minimum landscaping requirements are:

a. A fully sodded front yard.

b. A fully sodded side yard on the street side of each corner lot.

c. On each approximately 50-foot wide lot: 12 shrubs and 2 trees (except that corner lots will require 3 trees); on each approximately 60-foot wide lot: 16 shrubs and 2 trees (except that corner lots will require 3 trees); and on each approximately 75-foot wide lot: 20 shrubs and 3 trees (except that corner lots will require 4 trees).

d. Each tree must have a caliper of at least three inches (3").

e. The number of trees set forth in c. and the caliper of the trees set forth in d. above are the minimum requirement. If applicable governmental ordinances requires a greater number of trees or trees of a larger caliper, then the requirements of the applicable ordinances shall control.

f. The Association may adopt an approved plant list for use on the lots and the plant material used on the lots is subject to approval by the Architectural Reviewer.

g. Xeriscaping will be permitted subject to approval of the plans and plant material by the Architectural Reviewer.

10. ACCESSORIES. Installation of all exterior items and surfaces, including address numbers, decorative hardware, external ornamentation, lights fixtures, and exterior paint and stain, is subject to the Architectural Reviewer's prior approval, including approval of design, color, materials, and location.

11. MAILBOXES. Mailboxes will be cluster mailboxes as required by the United State Postal Service.

12. FENCES & WALLS. The height of fences must be six (6) feet, except a fence may have a minimum height of four (4) feet if constructed of ornamental metal or similar materials by Declarant or Builder along water, open space or other Declarant-approved special features. Fences must be made of wood, or other Architectural Reviewer-approved material. All wood fencing, regardless of location, shall (i) be composed of spruce, cedar or redwood pickets, (ii) have pickets measuring four (4) inches wide which are installed vertically only (not horizontally or diagonally), (iii) have a dog eared top, (iv) to the extent any portion of the fence faces a street or common area, have a "finished side" appearance facing the street or common area (no support posts or poles or structural members facing the street or common area) and have a wood cap and trim on the finished side, and (v) have supports posts made entirely of metal or cedar, redwood, treated spruce, treated pine, or landscape timber. No fence shall be constructed, located, placed or altered on any lot nearer to the front boundary of a lot than ten feet (10') from the point that is farthest from the front boundary of such lot between either (i) the front elevation of home constructed on such lot, or (ii) the front elevation of the home constructed on a lot that abuts the side of such lot on the side where the fence is or will be located, provided that the Architectural Reviewer may modify such requirement as is reasonably necessary to provide for lots located on cul-de-sacs, side streets or alleys and other areas that make enforcement of this restriction impractical. Retaining walls must be constructed entirely with Architectural Reviewer-approved materials, provided, however, railroad ties may not be used for a retaining wall visible from a street or common area. Fences may not be constructed between a home's front building line and the street. The use of chain link and other similar type wire fencing is prohibited.

13. FENCE STAIN. Wood fences must be stained with a medium brown colored stain, as approved by the Architectural Reviewer. Wood fences may not be painted.

14. UTILITIES. All utility lines and equipment must be located underground, except for: (1) elevated or surface lines or equipment required by a public utility or applicable governmental authority; (2)

elevated or surface lines or equipment installed by Declarant as part of the development plan; and (3) surface equipment necessary to maintain, operate, or read underground facilities, such as meters, risers, service pedestals, and transformers. The Architectural Reviewer may require that utility meters, risers, pedestals, and transformers be screened from view from the street and neighboring lots. Each lot will use common water and sewage systems with service provided as applicable by the city, county, utility district or private utility company. Individual water supply and sewage disposal systems are not permitted.

15. AIR CONDITIONERS. Air conditioning equipment may not be installed in the front yard of a home. Window units are prohibited. The Architectural Reviewer may require that air-conditioning equipment and apparatus be screened from view from the street and neighboring lots.

16. NO SUBDIVISION. No lot may be subdivided. One or more lots may be replatted with the approval of all owners of the lots directly affected by the replatting, and subject to the approval of the city, county, or other applicable governmental authority. The parties executing the replat will provide a copy of the recorded replat to the Association. Replatting of lots may not alter the number of votes and assessments allocated to the lots as originally platted. If replatting reduces the number of lots by combining lots, the joined lot will have the votes and assessments allocated to the lots as originally platted.

17. DEBRIS. No lot or other part of the Property may be used a dumping ground. Waste materials incident to construction or repair of improvements on a lot may be stored temporarily on the lot during construction while work progresses and must be removed when construction or repair is complete.

APPENDIX C
DECLARANT RESERVATIONS

1. GENERAL PROVISIONS.

a. Introduction. Declarant intends the Declaration to survive beyond the initial development, construction, marketing and control of the Property 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, Declarant is compiling the Declarant-related provisions in this Appendix.

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

c. Purpose of Development and Declarant Control Periods. This Appendix gives Declarant certain rights during the Development Period and the Declarant Control Period to ensure a complete and orderly buildout and sellout of the Property, which is ultimately for the benefit and protection of owners and mortgagees.

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

i. **"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 home 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.

ii. **"Declarant Control Period"** means that period of time during which Declarant controls the operation of the Association. The duration of the Declarant Control Period will be from the date this Declaration is recorded for a maximum period not to exceed the earlier of:

(a) Ten (10) years from date this Declaration is recorded.

(b) Four (4) months after title to ninety percent (90%) of the lots that may be created in the Property and on the Additional Land has been conveyed to owners other than Builders.

e. Builders. Declarant intends to construct homes on the lots. Declarant may also sell the lots to one or more Builders to improve the lots with homes to be sold and occupied. From time to time, Declarant may invite a Builder to share in the exercise of any, some, or all of its easements and rights, without any formality other than the consent of Declarant and Builder. Notwithstanding such sharing, a Builder will not become a Successor Declarant, or assume the duties and liabilities of Declarant under this Declaration unless Builder and Declarant join in an instrument that assigns and

transfers Declarant rights and duties under this Declaration, signed and acknowledged by both Declarant and Builder, and recorded in the county's Real Property Records.

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

a. Officers & Directors. During the Declarant Control Period, Declarant may appoint, remove, and replace any officer or director of the Association, none of whom need be members or owners, and each of whom is indemnified by the Association as a "Leader."

b. Weighted Votes. During the Declarant Control Period, the vote appurtenant to each lot owned by Declarant is weighted 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 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.

c. Budget Funding. During the Declarant Control Period only, Declarant may, but shall not be obligated to, fund the difference between the Association's operating expenses and the regular assessments received from owners other than Declarant, and may provide any additional funds necessary to pay actual cash outlays of the Association.

d. Declarant Assessments. During the Declarant Control Period, any real property owned by Declarant or its affiliates is not subject to assessment by the Association.

e. Builder Obligations. During the Declarant Control Period only, Declarant has the right but not the duty (1) to reduce or waive the assessment obligation of a Builder, and (2) to exempt a Builder from any or all liabilities for transfer-related fees charged by the Association or its manager, provided the agreement is in writing. Absent such an exemption, 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.

f. Builder Initialization Fees. During the Declarant Control Period only, Declarant has the right but not the duty to exempt a Builder from any or all liabilities for initialization fees provided for herein, provided the agreement is in writing.

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

h. Budget Control. During the Declarant Control Period, the right of owners to veto assessment increases or special assessments is not effective and may not be exercised.

i. Organizational Meeting. Within 60 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. Written notice of the organizational meeting must be given to an owner of each lot at least 10 days before the meeting. For the organizational meeting, owners of 10 percent of the lots constitute a quorum. The directors elected at the

organizational meeting will serve until the next annual meeting of the Association or a special meeting of the Association called for the purpose of electing directors, at which time the staggering of terms will begin.

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

a. Platting. If the Property includes unplatted parcels, they may be platted in whole or in part, and in phases. The right to plat belongs to the owner of the unplatted parcel, provided, however, that a plat that creates common areas or obligations for the Association must also be approved by Declarant. Declarant's right to have the Property platted, or to approve such plats, is for a term of years and does not require that Declarant own land described in Appendix A at the time or times Declarant exercises its right of platting.

b. Expansion. The Property is subject to expansion. During the Development Period, Declarant may - but is not required to - annex any of the following real property to this Declaration: (1) any portion of the Additional Land described on Appendix D, (2) any real property which is contiguous with, adjacent to, or within 1,000 feet of any real property that is subject to this Declaration, (3) any real property in any addition or subdivision platted as a phase, section or unit of Anna Ranch, or (4) any real property located in a planned development district created by the city, county, or other applicable governmental authority for the Property subject to this Declaration. Declarant annexes real property by subjecting it to the Declaration and the jurisdiction of the Association by recording a supplemental declaration or declaration of annexation, executed by Declarant, in the Real Property Records of the county where the Property and additional real property is located. The supplemental declaration or declaration of annexation must include a description of the additional real property or a reference to the recorded plat that describes the additional real property. Declarant's right to annex real property is for a term of years and does not require that Declarant own land described in Appendix A at the time or times Declarant exercises its right of annexation.

c. Withdrawal. During the Development Period, Declarant may withdraw from the Property any portion of the real property (1) that is not platted with lots or (2) that is platted as a phase of Anna Ranch, provided that no lot in the phase to be withdrawn has been conveyed to an owner other than Declarant or a Builder.

d. 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 home size; (c) change the building setback requirements; and (d) eliminate or modify any other feature of the Property. Declarant may also effect redesigns or reconfigurations of the common area, add additional areas to the common area, and execute any open space declarations applicable which may be permitted in order to reduce property taxes.

e. Builder Proxies. During the Development Period, Declarant serves as the proxy for the Builder-owned lots in all votes of the owners. By acquiring a lot from Declarant, each Builder (1) appoints Declarant as its proxy, (2) acknowledges valuable

consideration was received by the Builder that in consideration therefore the proxy may not be revoked by the Builder, (3) authorizes Declarant to represent it and to vote on its behalf on any matter upon which the Builder would be entitled to vote if personally present and (4) authorizes Declarant to substitute any other person to act under this proxy. This appointment of irrevocable proxy is made for a term of eleven (11) months and is automatically self-renewing for an additional term of eleven (11) months and terminates as to a particular lot when Builder conveys such lot.

f. 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, disclosures concerning the Declaration 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 or the Additional Land.

g. Architectural Control. During the Development Period, Declarant has the absolute right to serve as the Architectural Reviewer pursuant to Article 5 of the Declaration. Declarant may from time to time, but is not obligated to, delegate all or a portion of its reserved rights under Article 5 and this Appendix to (1) an architectural control committee 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. Declarant also has the unilateral right to exercise architectural control over vacant lots in the Property. 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 new homes and related improvements on vacant lots.

h. Amendment. During the Development Period, Declarant may amend this Declaration and the other Documents, without consent of other owners or any mortgagee, for any purpose.

i. 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 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.

j. 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 sitting 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.

k. Promotion. During the Development Period, Declarant reserves for itself an easement and right to place or install signs, banners, ground mounted or other mounted flagpoles, 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 homes, 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 brokers parties - at the Property to promote the sale of lots. During the Development Period, Declarant also reserves (1) the right to permit Builders or Declarant's affiliates to use the easement and rights established in this paragraph for Declarant in connection with the Builder's or affiliate's activities in promoting and marketing homes built or to be built on the Property, and when permitted by Declarant, outside the Property, and (2) the right to exempt Builders from the sign restriction in this Declaration.

l. Offices. During the Development Period, Declarant reserves for itself the right to use homes owned or leased by Declarant as model homes, 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 homes used by Declarant as models, storage areas, and offices, as may be necessary to adapt them to the uses permitted herein. During the Development Period, Declarant also reserves the right to permit Builders or its affiliates to use the rights established in this paragraph in connection with the Builder's or affiliate's activities in promoting and marketing homes built or to be built on the Property, and when permitted by Declarant, outside the Property.

m. 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 Additional Land, and for discharging Declarant's obligations under this Declaration. Declarant also has the right to provide a reasonable means of access for the homebuying public through any existing or future gate that restricts vehicular access to the Property or to the Additional Land in connection with the active marketing of lots and homes by Declarant, its affiliates, 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.

n. 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 or established by separate instrument, to more efficiently or economically install utilities or other improvements. Utilities may include, but are not limited to, water, sewer, trash removal, electricity, gas, telephone, television, cable, internet service, and security.

o. Assessments. For the duration of the Development Period after the Declarant Control Period, lots owned by Declarant are not subject to assessment. After the Development Period, Declarant is liable for assessments on each lot owned in the same manner as any owner.

p. 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 an obligation for transfer or resale certificate fees, and the transfer-related provisions of Article 7 and Article 8 of this Declaration. The application of this provision includes without limitation lot take-downs, sale of lots to Builders, and sale of lots to homebuyers.

4. COMMON AREAS. Declarant will convey title to the common area to the Association by a deed - with or without warranty. 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 area will be free of encumbrance except for the property taxes accruing for the year of conveyance. 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.

5. INITIAL FUNDS FOR ASSOCIATION. Declarant may require purchasers of lots to make one-time contributions to the Association's funds, subject to the following conditions:

a. Builder Initialization Fee. A Builder who buys a lot from Declarant will pay a one-time fee of $250.00 per lot to the Association to initialize the Association's operating funds. The fee will be collected on the closing of the sale of the lot to the Builder. If a Builder's fee is not collected at closing, Builder remains liable for the fee until it is received by the Association. The initialization fee is not an advance payment of regular assessments and is not refundable to the Builder or to Builder's successors in title. This may not be construed to prevent a selling Builder from negotiating reimbursement of the fee from a purchaser.

b. Homebuyer Contribution. The first purchaser of a lot improved with a home will make a one-time contribution in the amount of $250.00 to the Association, to be held by Declarant or the Association for delivery to the Association at the end of the Declarant Control Period or sooner, at the sole discretion of Declarant. The homebuyer's contribution will be collected on the closing of the sale of the home. If a homebuyer's contribution is not collected from the owner at closing, Declarant is not thereafter liable for the contribution or transfer to the Association. Contributions to the transfer fund are not advance payments of regular 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.

c. When Declarant Control Ends. Declarant will transfer any balance of the Builder fees and all of the homebuyer contributions actually received by the Declarant to the Association on or before termination of the Declarant Control Period. Declarant may not use either fund to defray Declarant's development expenses or construction costs.

6. SUCCESSOR DECLARANT. Declarant may designate one or more Successor Declarants for specified designated purposes and/or for specified portions of the Property, or for all purposes and all of the Property. To be effective, the designation must be in writing, signed and acknowledged by Declarant and Successor Declarant, and recorded in the Real Property Records of county where the Property is located. 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.

APPENDIX D

DESCRIPTION OF ADDITIONAL LAND SUBJECT TO ANNEXATION

Filed and Recorded
Official Public Records
Stacey Kemp, County Clerk
Collin County, TEXAS
01/03/2022 09:36:32 AM
$238.00 AHASIK
20220103000002260

After Recording, Return to:
Land Department, Gehan Homes, Ltd.
Attn: Laura Dillon
3815 S. Capital of TX Hwy Suite 275
Austin, TX 78704

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

STATE OF TEXAS §
§
COUNTY OF COLLIN §

COMMON AREA DEED
ANNA RANCH PHASE 1A

DATE: February 21, 2022

GRANTOR: GEHAN HOMES, LTD., a Texas limited partnership

GRANTOR'S MAILING ADDRESS: 15725 North Dallas Pkwy, Suite 300, Addison, Texas 75001

GRANTEE: Anna Ranch Homeowners Association, Inc.

GRANTEE'S MAILING ADDRESS: c/o Goodwin Management Co.; 2425 N. Central Expwy., Ste 500 Richardson, Texas 75080

PROPERTY (including any improvements):

Lot 1X, Block A, Lot 2X, Block A, Lot 1X, Block B, Lot 1X Block C, Lot 1X, Block D, Lot 1X, Block E, and Lot 1X, Block F as reflected on the Final Plat of Anna Ranch Phase 1A, an addition to the City of Anna, Collin County, Texas, according to the plat thereof recorded in under Clerk's File No. 20211020010003770 of the Official Public Records of Collin County, Texas.

This conveyance is made in connection with Grantor's development of Anna Ranch in the City of Anna, Collin County, Texas, and pursuant to the Declaration of Covenants, Conditions & Restrictions for Anna Ranch, recorded under Clerk's File No. 20220103000002260 of the Official Public Records of Collin County, Texas (the "Declaration"). By this instrument, Grantor hereby conveys the above-described Common Area in the Anna Ranch to Grantee, subject to all recorded instruments affecting the Property, including the Declaration and the rights, reservations, and easements contained in the Declaration, and all matters a true and correct survey would reveal.

For good and valuable consideration, Grantor does **GRANT, SELL, AND CONVEY** unto Grantee all the Property, **TO HAVE AND TO HOLD** the Property, together with all and singular the rights and appurtenances thereto in any wise belonging, to Grantee, Grantee's successors, or assigns forever, subject to the matters herein stated.

This Common Area Deed is not intended to be a quitclaim deed and is intended to be a conveyance of the Property rather than merely a conveyance of Grantor's interest therein. **NOTWITHSTANDING ANYTHING HEREIN CONTAINED TO THE CONTRARY, THIS CONVEYANCE IS MADE WITHOUT WARRANTY OF TITLE OF ANY KIND, WHETHER STATUTORY, EXPRESS, OR IMPLIED.**

By acceptance of this Common Area Deed, Grantee agrees and acknowledges (1) the conveyance of the Property "AS IS" with any and all latent and patent defects; (2) that Grantor does not warrant that the Property has a particular financial value or is fit for a particular purpose; (3) that Grantee is responsible for the maintenance, repair, replacement, and insurance of the Property, although the Declaration may reserve certain use privileges to Grantor; and (4) that Grantee is not relying on any representation, statement, or other assertion by Grantor with respect to the Property.

SIGNED to be effective on the date shown above.

GEHAN HOMES, LTD., a Texas limited partnership

By: Gehan Homes I, Inc.,
A Texas corporation,
General Partner

By: _____
Name: Chris Lynch
Title: V.P. of Land Operations

STATE OF TEXAS §
§
COUNTY OF Travis §

This instrument was acknowledged before me this 22nd day of February, 2022, by Chris Lynch, V. P. of Land Operations of Gehan Homes I, Inc., a Texas corporation, General Partner of GEHAN HOMES LTD., a Texas limited partnership, on behalf of said limited partnership.

_____
Notary Public, State of Texas

Laura Mei Dillon
My Commission Expires
1/5/2026
Notary ID
133518031

Filed and Recorded
Official Public Records
Stacey Kemp, County Clerk
Collin County, TEXAS
03/02/2022 03:13:31 PM
$30.00 CARLA
20220302000344680

Stacey Kemp