
**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR**

**CADDO MILLS CROSSING
HUNT COUNTY, TEXAS**

**AFTER RECORDING RETURN TO:
Fieldside Development, LLC
4232 Ridge Road, Suite 104
Heath, Texas 75032**

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR
CADDO MILLS CROSSING**

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

This Declaration of Covenants, Conditions & Restrictions for Caddo Mills Crossing (this “Declaration”) is made by Fieldside Development, LLC, a Texas limited liability company (“Declarant”), on the date signed below. Declarant owns the real property described in Appendix A of this Declaration, together with the improvements thereon (the “Property”).

Declarant desires to establish a general plan of development for the planned community developed within the Property to be known as “**Caddo Mills Crossing**” (the “Subdivision”) to be governed by the Association (as hereinafter defined). Declarant also desires to provide a reasonable and flexible procedure by which Declarant may expand the Property to include additional real property, and to maintain certain development rights that are essential for the successful completion and marketing of the Property.

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

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

**ARTICLE 1
DEFINITIONS**

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

1.1. “Applicable Law” means the statutes and public laws and ordinances in effect at the time a provision of the Documents is applied, and pertaining to the subject matter of the Document provision, including, without limitation, any Applicable Zoning and any requirements related to the creation or operation the PID of which the Property is part. 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 Property if they cease to be applicable by operation of law, or if they are replaced or superseded by one or more other statutes or ordinances.

1.2. “Applicable Zoning” means the applicable zoning as may be modified, amended or supplemented from time to time, together with any other applicable zoning or use restrictions or ordinances promulgated by the City of Caddo Mills, Texas and applicable to the Property, as modified and/or amended from time to time.

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 delegates. Thereafter, the Board or, if applicable, the Board-appointed architectural control committee (“ACC”) is the Architectural Reviewer. The term ACC and Architectural Reviewer may be used interchangeably within this Declaration notwithstanding, the term shall carry with it the jurisdiction and all authority set forth in this Declaration regardless of the manner in which the term is presented.

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

1.5. “Association” means the association of Owners of all Lots and Residences in the Property, initially organized as Caddo Mills Crossing HOA, Inc., a Texas nonprofit corporation, and serving as the “homeowners’ association”. The failure of the Association to maintain its corporate charter from time to time does not affect the existence or legitimacy of the Association, which derives its authority from this Declaration and the Bylaws.

1.6. “Board” means the board of directors of the Association. During the Declarant Control Period, the Declarant shall maintain the sole right to appoint and remove directors of the Board as set forth in the Bylaws.

1.7. “Bylaws” means the Bylaws of the Association, which have been adopted by the Board and which are included in Appendix C attached hereto.

1.8. “Caddo Basin SUD” means and refers to the Caddo Basin Special Utility District, of which the Property is part.

1.9. “City” means the City of Caddo Mills, a Texas home rule municipality located in Hunt County, Texas.

1.10. “Common Area” means portions of real property and improvements thereon that are owned and/or maintained by the Association, as described in Article 4 below and which may be referenced in Appendixes attached hereto. Notwithstanding anything to the contrary contained herein, in no event shall the Common Area include any portion of the Property to be maintained by the City or Caddo Basin SUD, if applicable; provided, however, the City or Caddo Basin SUD (as the case may be) may contract with the Association and provide related easements for the maintenance and/or operation by the Association of certain qualified improvements funded through the PID and/or PID Assessments (or Caddo Basin SUD assessments, as the case may be)

(the “HOA Maintained PID Improvements”), in which event such HOA Maintained PID Improvements shall be included in the Common Areas for purposes of this Declaration.

1.11. “Community Standard” means the standard of conduct, maintenance, or other activity generally prevailing throughout the Subdivision and Property. Such standard is expected to evolve over time as development progresses and may be more specifically determined by the Declarant, the Board of Directors and the Architectural Reviewer; but at a minimum, shall be a standard representing a “first class level of quality.” “First class level of quality” shall mean the quality standard for a majority of first class residential homeowner associations in the metropolitan market area in which the Property is located with comparable assessments and facilities, and taking into account the particular agricultural or other unique features of the Property in question.

1.12. “Declarant” means Fieldside Development, LLC, a Texas limited liability company, which is developing the Property, or any party which acquires any portion of the Property for the purpose of development and which is designated a successor Declarant in accordance with Appendix B, Section B.6 hereof, or by any such successor and assign, in a recorded document.

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

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

1.15. “Design Guidelines” means those certain initial design guidelines established for the Property by the Applicable Zoning, and any other design guidelines that may be established, modified and/or amended by majority written consent of the Architectural Reviewer from time to time.

1.16. “Development Period” means a period commencing on the date of recordation of this Declaration in the County real property records, and ending on the date that is the earlier of (i) ten (10) years after the date this Declaration is recorded, or (ii) the date on which Declarant records a written notice of termination of the Development Period in the County real property records, and during which Declarant has certain rights pursuant to Appendix B hereto. 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 in the County real property records.

1.17. “Documents” means, singly or collectively as the case may be, this Declaration, the Plat, the Bylaws of the Association, the Association’s Certificate of Formation and the Rules of the Association, as any of these may be amended from time to time. An appendix, exhibit, schedule, or certification accompanying a Document is a part of that Document. All Documents are to be recorded in every county in which all or a portion of the Property is located. The Documents are Dedicatory Instruments as defined in Texas Property Code Section 202.

Resolutions which may be established by the Board shall be binding documents upon the Association so long as they are duly recorded in the minutes of the meeting of the Board of Directors and shall not be required to be recorded. The Board shall cause all Resolutions to be recorded in the minutes of the meeting and/or they shall be posted to the Association's website, if applicable, for review and access by all Owners' of record. The Certificate of Formation, Organizational Consent and Bylaws of the Association, which are part of the Documents, are attached hereto as Appendix C.

1.18. "Lot" means a portion of the Property intended for independent ownership, on which there is or will be constructed a Residence, as shown on the Plat. As a defined term, "Lot" does not refer to Common Areas, or areas owned by the City and to be maintained by the City, even if platted and numbered as a Lot. Where the context indicates or requires, "Lot" includes all improvements thereon and any portion of a right-of-way that customarily is used exclusively by and in connection with the Lot.

1.19. "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.

1.20. "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.

1.21. "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 and membership is mandatory. A reference in any Document or Applicable Law to a percentage or share of Owners or Members means Owners of at least that percentage or share of the Lots, unless a different meaning is specified.

1.22. "PID Assessment" means and refers to the assessments levied by the City on the Property pursuant to an assessment ordinance passed by the City to fund qualified improvements (or bonds sold by the City to fund qualified improvements) of the Public Improvements District applicable to the Property.

1.23. "PID Improvements" shall mean those areas of land, structures and improvements located within the Property which, if applicable, are specifically to be maintained by the City as part of obligations and duties of the PID; which maintenance may be contracted by the City to be performed by the Association as part of the HOA Maintained PID Improvements by separate agreement between the City and the Association.

1.24. "PID Restrictions" shall mean any covenants, conditions and restrictions contained in a Declaration of Covenants, Conditions and Restrictions in connection with the administration of the PID or similar agreement (the "PID Declaration") by Declarant, as "Landowners" under

such PID Declaration, and as may be recorded in the Official Public Records of Hunt County, Texas.

1.25. “Plat” means all plats, singly and collectively, recorded in the Real Property Records of Hunt County, Texas, and pertaining to the real property described in Appendix A of this Declaration or any real property subsequently annexed into the Property in accordance with the terms of this Declaration (including, by Declarant pursuant to its rights under Appendix B hereof), including all dedications, limitations, restrictions, easements, notes, and reservations shown on the plat(s), as may be amended from time to time. The plat of the Subdivision was or shall be recorded in the Plat Records, Hunt County, Texas.

1.26. “Property” means all the land subject to this Declaration and all improvements, easements, rights, and appurtenances to the land. The Property is a Subdivision known as the “**Caddo Mills Crossing**”. The Property is located on land described in Appendix A to this Declaration, and includes every Lot and any Common Area thereon, and may include Annexed Land (as defined in Appendix B) annexed into the Property subject to this Declaration by supplemental declaration filed by Declarant in accordance with Appendix B.

1.27. “Public Improvement District” or “PID” means and refers to the Caddo Mills Crossing Public Improvement District created by the City pursuant to Chapter 372, Texas Local Government Code, as amended now or hereafter from time to time, pursuant to Resolution No. 031224-3 adopted on March 12, 2024. The Property is located within the boundaries of the PID.

1.28. “Residence” means the dwelling constructed on a Lot.

1.29. “Resident” means an occupant of a Residence, regardless of whether the person owns the Lot.

1.30. “Rules” means rules and regulations of the Association adopted in accordance with the Documents or Applicable Law. The initial Rules may be adopted by Declarant for the benefit of the Association and Declarant may, from time to time, amend rules and regulations as it is deemed necessary. Thereafter, the Board of Directors shall have the right to adopt, amend, or rescind rules and regulations by way of resolution of the Board upon a majority vote of the Board.

ARTICLE 2

PROPERTY SUBJECT TO DOCUMENTS

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

2.2. CITY ORDINANCES. The City may have ordinances pertaining to planned developments. No amendment of the Documents or any act or decision of the Association may violate the requirements of any City ordinance. Should this Declaration differ with a City ordinance, the City ordinance shall prevail. Notwithstanding the foregoing, if the restriction in this

Declaration is more strict than that of the City ordinance, then this Declaration shall prevail. The Association should stay informed about the City's requirements. The Subdivision is subject to Applicable Zoning, which is a City ordinance.

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

2.4. SUBJECT TO ALL OTHER DOCUMENTS. Each Owner, by accepting an interest in or title to a Lot, whether or not it is so expressed in the instrument of conveyance, covenants and agrees to be bound by all the Documents which are publicly recorded or which are made available to Owners by the Association, expressly including this publicly recorded Declaration.

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

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

- a. Identification of vehicles used by Owners and Residents and their guests.
- b. Designation of speed limits and parking or no-parking areas.
- c. Limitations or prohibitions on curbside parking.
- d. Removal or prohibition of vehicles that violate applicable Rules.
- e. Fines for violations of applicable Rules.

ARTICLE 3

PROPERTY EASEMENTS AND RIGHTS

3.1. GENERAL. In addition to other easements and rights established by the Documents, the Property is subject to the easements and rights contained in this Article. No use

shall be permitted on the Property which is not allowed under applicable public codes, ordinances and other laws either already adopted or as may be adopted by the City or other controlling public authorities. Each Owner, occupant or other user of any portion of the Property, shall at all times comply with this Declaration and all laws, ordinances, policies, rules, regulations and orders of all federal, state, county and municipal governments, and other agencies having jurisdictional control over the Property, specifically including, but not limited to, the Applicable Zoning placed upon the Property, as they exist from time to time and the PID Restrictions (collectively "Governmental Requirements"). IN SOME INSTANCES REQUIREMENTS UNDER THE GOVERNMENTAL REQUIREMENTS MAY BE MORE OR LESS RESTRICTIVE THAN THE PROVISIONS OF THIS DECLARATION. IN THE EVENT A CONFLICT EXISTS BETWEEN ANY SUCH REQUIREMENTS UNDER ANY GOVERNMENTAL REQUIREMENT AND ANY REQUIREMENT OF THIS DECLARATION, THE MOST RESTRICTIVE REQUIREMENT SHALL PREVAIL, EXCEPT IN CIRCUMSTANCES WHERE COMPLIANCE WITH A MORE RESTRICTIVE PROVISION WOULD RESULT IN A VIOLATION OF MANDATORY APPLICABLE GOVERNMENTAL REQUIREMENTS, IN WHICH EVENT THOSE GOVERNMENTAL REQUIREMENTS SHALL APPLY. COMPLIANCE WITH MANDATORY GOVERNMENTAL REQUIREMENTS WILL NOT RESULT IN THE BREACH OF THIS DECLARATION EVEN THOUGH SUCH COMPLIANCE MAY RESULT IN NON-COMPLIANCE WITH PROVISIONS OF THIS DECLARATION. WHERE A GOVERNMENTAL REQUIREMENT DOES NOT CLEARLY CONFLICT WITH THE PROVISIONS OF THIS DECLARATION BUT PERMITS ACTION THAT IS DIFFERENT FROM THAT REQUIRED BY THIS DECLARATION, THE PROVISIONS OF THIS DECLARATION (IN ORDER OF PRIORITY) SHALL PREVAIL AND CONTROL. The Property and all Lots therein shall be developed in accordance with this Declaration, as this Declaration may be amended or modified from time to time as herein provided.

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

3.3. OWNER'S MAINTENANCE EASEMENT. Every Owner is granted an access easement three feet (3') in width measured from the common boundary line between adjoining Lots with common boundary lines; or otherwise, over all Common Areas for the maintenance or reconstruction of such Owner's Residence and other improvements on such Owner's Lot, provided exercise of the easement does not damage or materially interfere with the use of the adjoining Residence or Common Area. Requests for entry to an adjoining Lot or Common Area must be made to the Owner of the adjoining Lot, or the Association in the case of Common Areas, in advance for a time reasonably convenient for the adjoining Owner, who may not unreasonably withhold consent. If an Owner damages an adjoining Lot, Residence, or Common Area in exercising this easement, the Owner is obligated to restore the damaged property to its original condition as existed prior to the Owner performing such maintenance or reconstruction work, at such Owner's expense, within a reasonable period of time.

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

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 Residence and yards - for the below-described purposes.

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

- a. To inspect the Property for compliance with maintenance and architectural standards.
- b. To perform maintenance that is permitted or required of the Association by the Documents or by Applicable Law.
- c. To perform maintenance that is permitted or required of the Owner by the Documents or by Applicable Law, if the Owner fails or refuses to perform such maintenance.
- 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 is 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 written 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, which entry for such emergencies may be made without notice to an Owner.

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. 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 **and serve no law enforcement function.** 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. **The Association serves no law enforcement function and strongly encourages Owners to report any suspected or alleged violations of laws by any other Owner or occupant or guest on the Property to the appropriate law enforcement agency(ies).** The provisions of this Section 3.7 may not be modified or amended without the express written consent of Declarant.

3.8. RISK. Each Owner, Owners' immediate family, guests, agents, permittees, licensees and Residents shall use all Common Areas at his/her own risk. **ALL COMMON AREAS ARE UNATTENDED AND UNSUPERVISED.** Each Owner, Owners' immediate family, guests, agents, permittees, licensees and Residents is solely responsible for his/her own safety, and assumes all risk of loss in connection with the use of Common Areas and related amenities and improvements within the Subdivision. Neither the Association nor the Declarant, nor any managing agent engaged by the Association or Declarant, shall have any liability to any Owner or their family members or guests, or to any other person or entity, arising out of or in connection with the use, in any manner whatsoever, of the Common Area or any improvements comprising a part thereof from time to time, and the Association, Declarant and managing agent disclaims any and all liability or responsibility for injury or death occurring from use of the Common Areas. The provisions of this Section 3.8 may not be modified or amended without the express written consent of Declarant.

3.9. RIGHTS OF CITY. The City, including its agents and employees, has the right of immediate access to the Common Areas at all times if necessary for the welfare or protection of

the public, to enforce City ordinances, or for the preservation of public property. If the Association fails to maintain the Common Areas to a standard acceptable to the City, the City may give the Association a written demand for maintenance. If the Association fails or refuses to perform the maintenance within a reasonable period of time after receiving the City's written demand, the City may maintain the Common Areas at the expense of the Association after giving written notice of its intent to do so to the Association. To fund or reimburse the City's cost of maintaining the Common Areas, the City may levy an Assessment against every Lot in the same manner as if the Association levied a Special Assessment against the Lots. The City may give its notices and demands to any officer, director, or agent of the Association, or alternatively, to each Owner of a Lot as shown on the City's tax rolls. The rights of the City under this Section are in addition to other rights and remedies provided by law.

ARTICLE 4 **COMMON AREA**

4.1. **OWNERSHIP.** The designation of any portion of the Property as a Common Area is determined by the Plat and this Declaration, and not by the ownership of such portion of the Property. This Declaration contemplates that the Association will eventually hold title to every Common Area, facility, structure, improvement, system, or other property that are capable of independent ownership by the Association. The Declarant may install, construct, or authorize certain improvements on Common Areas in connection with the initial development of the Property, and the cost thereof is not a Common Expense (as defined in Section 9.1 hereof) of the Association. The Common Area shall be maintained by the Association following completion of initial improvements thereon by Declarant, whether or not title to such Common Area is conveyed to the Association, in accordance with this Declaration and the Community Standard. All costs attributable to Common Areas, including maintenance, property taxes, insurance, and enhancements, are automatically and perpetually the responsibility of the Association, regardless of the nature of title to the Common Areas, unless this Declaration elsewhere provides for a different allocation for a specific Common Area. **Declarant shall have no responsibility for maintenance, repair, replacement, or improvement of the Common Area or any improvements thereon after initial construction.**

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, 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 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 or a public right-of-way:

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

b. Open space areas, as shown on the Plat, and any other area shown on the Plat as Common Area or an area to be maintained by the Association, which may include HOA Maintained PID Improvements owned by the City and to be maintained by separate written agreement between the City and the Association.

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

d. Any screening walls, fences, live screening, berms, or detention ponds along any portion of the Property.

e. Any landscape buffers and/or landscaping within landscape easements shown on the Plat.

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

g. Cluster mailboxes and pad sites therefor, provided that in the event that any damage, replacement or repair of cluster mailboxes or pad sites on which such cluster mailboxes are situated is required, such maintenance, repair and/or replacements shall be performed by the Association, and the cost and/or expense incurred by the Association therefor shall be charged on a pro rata basis as an Individual Assessment to the Owners that have mailbox units in such cluster mailbox or pad site being maintained, repaired and/or replaced.

h. The surface drainage and detention improvements, including, without limitation, landscaping, located within the drainage and/or detention easements shown on the Plat.

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

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

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

4.4 EASEMENTS FOR COMMON AREA ACCESS. The Declarant, for itself and for the benefit of the Association, is hereby granted an easement right of access to go upon any Lot as reasonably necessary to perform the Association's obligation hereunder or as reasonably required for the performance of maintenance and repairs and/or to replace any component of the Common Area, including, without limitation, cluster mailboxes, that may be located within or which may encroach upon the boundaries of such Owner's(s') Lot(s). The encroachment of any improvements which are part of the Common Area hereunder within the boundary of any Lot are

hereby permitted so long as such encroachment does not unreasonably interfere with the primary use of any affected Lot for location and use as a Residence.

ARTICLE 5 LOTS & RESIDENCES

5.1. LOTS. The Property is platted into Lots, the boundaries of which are shown on the Plat, and which may not be obvious on visual inspection of the Property. Portions of the Lots are burdened with easements for the use and benefit of the Association, Owners, and Residents.

5.2. RESIDENCES. Each Lot is to be improved with a Residence. The Owner of a Lot owns every component of the Lot and Residence, including all the structural components and exterior features of the Residence and is responsible for the maintenance of the Residence and Lot.

5.3. ALLOCATION OF INTERESTS. The interests allocated to each Lot are calculated by the following formulas.

5.3.1. Common Expense Liabilities. The percentage or share of liability for Common Expenses allocated to each Lot is uniform for all Lots, regardless of the value, size, or location of the Lot or Residence.

5.3.2. Votes. The one vote appurtenant to each Lot is uniform and weighted equally with the vote for every other Lot, regardless of any other allocation appurtenant to the Lot.

ARTICLE 6 ARCHITECTURAL COVENANTS AND CONTROL

6.1. 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 the existing improvements. A third purpose is to regulate the appearance of every aspect of proposed or existing improvements on a Lot, including but not limited to Residences, fences, landscaping, retaining walls, yard art, sidewalks and driveways, and further including replacements or modifications of original construction or installation. A fourth purpose is to provide for the adoption of the Architectural Reviewer of design guidelines to administer and guide the review and approval of the design, use and appearance of improvements constructed or to be constructed within the Property the initial design guidelines adopted by the Association are attached hereto as Appendix C, and may be hereafter modified or amended from time to time by the Architectural Reviewer. During the Development Period, a primary purpose of this Article is to reserve and preserve Declarant's right of architectural control. **No exterior modification is allowed without the prior written consent of the Architectural Reviewer.**

6.2. ARCHITECTURAL CONTROL DURING THE DEVELOPMENT PERIOD. During the Development Period, neither the Association, the Board of directors, nor a committee

appointed by the Association or Board (no matter how the committee is named) may involve itself with the approval of plans and specifications for new Residences to be constructed on vacant Lots. During the Development Period, the Architectural Reviewer for plans and specifications for new Residences to be constructed on vacant Lots is the Declarant or its delegates.

6.2.1. 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 or adversely affect Declarant's ability to market its property or the ability of Builders (as defined in Appendix B) to sell Residences in the Property. Accordingly, each Owner agrees that - during the Development Period - no improvements will be started or progressed on any Owner's Lot without the prior written approval of Declarant, which approval may be granted or withheld at Declarant's sole discretion. In reviewing and acting on an application for approval, Declarant may act solely in its self-interest and owes no duty to any other person or any organization. Declarant may designate one or more persons from time to time to act on its behalf in reviewing and responding to applications. Notwithstanding the foregoing or anything to the contrary contained herein, Declarant and any Builder may establish by separate written agreement Declarant's approval of a Builder's home plan set and approval of construction of the initial Residence on each Lot acquired by a Builder pursuant to such approved home plan set of a Builder, and Declarant shall not unreasonably withhold, condition, or delay its approval of the construction of an initial Residence on a Lot owned by a Builder that complies with the approved home plan set and any repetition requirements established by the Declarant by such approved home plan set or under this Declaration (as approved and established by Declarant for each Builder, with respect to such Builder, the "Master Home Plan Set").

6.2.2. 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 as "Architectural Reviewer" under this Article to (1) an ACC (as defined in Section 6.3 hereof) appointed by the Board, or (2) a committee comprised of 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.

6.2.3. Limits on Declarant's Liability. The Declarant has sole discretion with respect to taste, design, and all standards specified by this Article during the Development Period. The Declarant, and any delegate, officer, member, director, employee or other person or entity exercising Declarant's rights under this Article shall have no liability for its decisions made and in no event shall be responsible for: (1) errors in or omissions from the plans and specifications submitted, (2) supervising construction for the Owner's compliance with approved plans and specifications, or (3) the compliance of the Owner's plans and specifications with governmental codes and ordinances, state and federal laws.

6.2.4. Restrictions on Amendment. The provisions of this Section 6.2 may not be modified or amended during the Development Period without the express written consent of Declarant.

NOTE: YOU CANNOT INDIVIDUALIZE THE OUTSIDE OF YOUR RESIDENCE, EXCEPT AS OTHERWISE EXPRESSLY PERMITTED HEREIN, WITHOUT PRIOR APPROVAL OF THE ARCHITECTURAL REVIEWER. PLAN APPROVAL IS REQUIRED. Subject to Section 6.4 below with respect to Builder's construction of an initial Residence on a Lot owned by Builder in accordance with the Master Home Plan Set approved by Declarant for such Builder, no Plat or plans for Residences or other improvements shall be submitted to the City or other applicable governmental authority for approval until such Plat and/or related construction plans have been approved in writing. Furthermore, no Residence or other improvements shall be constructed on any Lot within the Property until plans therefore have been approved in writing by the ACC or the Declarant as provided in this Article 6; provided that the Residence or other improvements in any event must comply with the requirements and restrictions set forth in this Declaration and the Design Guidelines established thereby. **THE DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR CADDO MILLS CROSSING CONTAINS SEVERAL CONSTRUCTION AND BUILDING REQUIREMENTS SET FORTH ON BEHALF OF CADDO MILLS CROSSING, NOTWITHSTANDING, THE ASSOCIATION DOES NOT GUARANTEE THAT ALL GOVERNING AND APPLICABLE BUILDING, CONSTRUCTION OR MODIFICATION REQUIREMENTS FROM ANY AND ALL OUTSIDE GOVERNING ENTITIES OR SOURCES EXIST WITHIN THIS DECLARATION OR ITS DESIGN GUIDELINES, THEREFORE, BUILDERS AND OWNERS ARE REQUIRED TO FOLLOW ALL APPLICABLE GOVERNING RULES AND REGULATIONS REGARDLESS OF WHETHER ANY SUCH REQUIREMENTS ARE SPECIFIED OR OUTLINED WITHIN THIS DECLARATION AND DESIGN GUIDELINES AND ANY AMENDMENT THERETO. BUILDERS AND OWNERS ARE ONE-HUNDRED PERCENT (100%) RESPONSIBLE TO ENSURE ALL APPLICABLE BUILDING CODES, REGULATIONS OR STATUTES BY THE CITY, COUNTY, AND ASSOCIATION OR OTHERWISE APPLICABLE GOVERNING BODY THAT LEGITIMATELY GOVERNS ARE MET, REGARDLESS OF WHETHER SUCH STANDARDS ARE HEREIN PROVIDED.**

6.3. ARCHITECTURAL CONTROL BY ASSOCIATION. Unless and until such time as Declarant delegates all or a portion of its reserved rights to 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 or its Board, if the Association has not yet established an ACC, will assume jurisdiction over architectural control and be the "Architectural Reviewer" for purposes hereunder.

6.3.1. ACC. The ACC will consist of at least 3 but not more than 5 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. 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. After the Declarant Control Period, a person may not be appointed or elected to serve

on the ACC if the person is (a) a current Board member, (b) a current Board member's spouse; or (3) a person residing in a current Board member's household.

6.3.2. 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. **By submitting any plan for approval, the submitting party expressly acknowledges that the ACC and/or the Architectural Reviewer are not engineers, architects, or builders for purposes of plan review, and that any approval or disapproval of any plans expressly excludes any opinion on the suitability of the plans on an engineering, architectural, or construction basis.**

6.4. PROHIBITION OF CONSTRUCTION, ALTERATION & IMPROVEMENT. Except with respect to Builder's construction of the initial Residence on a Lot owned by Builder in accordance with the Master Home Plans Set approved by Declarant for such Builder (including compliance with any applicable repetition restrictions for the construction of homes pursuant to such Declarant approved home plan set or this Declaration), without the Architectural Reviewer's prior written approval, a person may not construct a Residence or make an addition, alteration, improvement, installation, modification, redecoration, or reconstruction of or to a Residence or any other part of the Property, if it will be visible from a Street, another Residence, another Lot, 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. Each Builder prior to construction of the initial Residence on a Lot pursuant to its approved Master Home Plan Set (if any) shall in any event submit to the Architectural Reviewer a plot plan indicating the plan and elevation from Builder's approved Master Home Plan Set to be constructed on such Lot so the Architectural Reviewer may ensure repetition requirements under this Declaration or the Design Guidelines promulgated hereunder are adhered to. The review of plans pursuant to this Declaration may be subject to all review and approval procedures set forth in guidelines, restrictions and/or requirements of Applicable Zoning or otherwise established by the by the Architectural Reviewer in its review of plans pursuant hereto.

6.5. ARCHITECTURAL APPROVAL. To request architectural approval, an Owner must make written application and submit to the Architectural Reviewer two 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." Written notice of the determination of the Architectural Reviewer shall be provided to an applying Owner via certified mail, hand delivery or electronic delivery to the contact address of such Owner registered with the Association. Denials of the Architectural Reviewer must describe the basis for denial in reasonable detail and changes, if any, in the

application or improvements required as a condition to approval, and inform the Owner that the Owner may request a hearing under Section 209.00505(e) of the Texas Property Code on or before the 30th day after the date the notice was delivered by the Architectural Reviewer to the Owner. Notwithstanding the foregoing or anything to the contrary contained herein, each Builder prior to construction of the initial Residence on a Lot pursuant to its approved Master Home Plan Set (if any) shall in any event submit to the Architectural Reviewer a plot plan indicating the plan and elevation from Builder's approved Master Home Plan Set to be constructed on such Lot so the Architectural Reviewer may ensure repetition requirements under this Declaration or the Design Guidelines promulgated hereunder are adhered to. Except for Declarant's approval as Architectural Reviewer hereunder with respect to the Master Home Plan Set of a Builder, a determination of the Architectural Reviewer may be appealed to the Board of the Association in accordance with Section 209.00505 of the Texas Property Code, and the Board shall hold a hearing within 30 days after an Owner's request for a hearing. The Architectural Reviewer will retain the other set of plans and specifications, together with the application, for the Association's files.

6.5.1. No Verbal Approval. Verbal approval by the 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.

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

6.5.3. No Approval Required. Approval is not required for an Owner to remodel or repaint the interior of a Residence.

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

6.5.5. Neighbor Input. The Architectural Reviewer may solicit comments on the application, including from Owners or Residents of Residences that may be affected by the proposed change, or from which the proposed change may be visible. Whether to solicit comments, from whom to solicit comments, and whether to make the comments available to the applicant is solely at the discretion of the Architectural Reviewer. The Architectural Reviewer is not required to respond to the commenter in ruling on the application.

6.5.6. Declarant Approved. Notwithstanding anything to the contrary in this Declaration, any improvement to the Property made or approved in writing by Declarant as part of a Builder's Master Home Plan Set approval or during the Development Period is deemed to have been approved by the Architectural Reviewer; provided, however that each Builder prior to construction of the initial Residence on a Lot pursuant to its approved Master Home

Plan Set (if any) shall in any event submit to the Architectural Reviewer a plot plan indicating the plan and elevation from Builder's approved Master Home Plan Set to be constructed on such Lot so the Architectural Reviewer may ensure repetition requirements under this Declaration or the Design Guidelines promulgated hereunder are adhered to.

ARTICLE 7 CONSTRUCTION AND USE RESTRICTIONS

7.1. VARIANCE. The use of the Property is subject to the restrictions contained in this Declaration, 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 affect 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. Variances given by Declarant or Architectural Reviewer are perpetual, and future Architectural Reviewer(s) (which may include future members of the ACC, the Board or successors in interest to Declarant's rights hereunder) cannot revoke a prior variance granted unless required by Applicable Zoning or other Applicable Law.

7.2. PROHIBITION OF CONSTRUCTION, ALTERATION & IMPROVEMENT. Without the Architectural Reviewer's prior written approval, a person may not commence or continue any construction, alteration, addition, improvement, installation, modification, redecoration, or reconstruction of or to the Property, or do anything that affects the appearance, use, or structural integrity of the Property. The Architectural Reviewer has the right but not the duty to evaluate every aspect of construction and property use that may adversely affect the general value or appearance of the Property. No permanent structures may be constructed on any Lot without the prior written consent and approval of the Architectural Reviewer, including without limitation (i) children's playhouses and play sets, (ii) dog houses, (iii) greenhouses, (iv) gazebos, (v) pools, spas, and other water features, (vi) cabanas or pergolas, and (vii) buildings for storage of lawn maintenance equipment. Permanent structures that exceed the height of the fence line around the rear yard of any Lot shall be placed in the rear yard area behind and screened from the Street by the primary Residence constructed on such Lot.

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

7.4. ASSOCIATION'S RIGHT TO PROMULGATE RULES. The Association, acting through its Board, is granted the right to adopt, amend, repeal, and enforce reasonable Rules, and penalties for infractions thereof, regarding the occupancy, use, disposition, maintenance,

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

- a. Use of Common Areas.
- 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 Residences and Lots. The exterior of Residences may not be individualized.
- f. Landscaping and maintenance of yards. Owners are charged with the responsibility of ensuring that sufficient watering is done to promote healthy growth of their lawn.
- g. The occupancy and leasing of Residences.
- h. Animals and restrictions as to the type and number of household pets shall be strictly enforced.
- i. Vehicle regulations shall be strictly enforced. The Association shall have the right to contact a towing company for any vehicle that blocks driveways, fire hydrants, or presents a safety hazard at any time.
- j. Disposition of trash and control of vermin, termites, and pests.
- k. Anything that interferes with maintenance of the Property, safety of the Owners, tenants, or guests, operation of the Association, administration of the Documents, or the quality of life for Residents.

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

7.6. ANIMALS. DOMESTIC ANIMALS ONLY. No wild animal, animal, bird, fish, reptile, poultry, swine, or insect of any kind may be kept, maintained, raised, or bred anywhere on the Property for a pet, commercial purpose or for food. Customary domesticated household pets may be kept subject to the Rules. The Board may adopt, amend, and repeal Rules regulating the types, sizes, numbers, locations, and behavior of animals at the Property. The Board may require or effect the removal of any animal determined to be in violation of this Section or the Rules. Unless the Rules provide otherwise:

7.6.1. Number. No more than four (4) pets may be maintained in each Residence. Permission to maintain other types or additional numbers of household pets must be obtained in writing from the Board.

7.6.2. Disturbance. Pets must be kept in a manner that does not disturb the peaceful enjoyment of Residents of other Lots. No pet may be permitted to bark, howl, whine, screech, or make other loud noises for extended or repeated periods of time. Owner shall ensure that their pet(s) comply with these rules at all times. Pets must be kept on a leash when outside the Residence. The Board is the sole arbiter of what constitutes a threat or danger, disturbance or annoyance and may upon written notice require the immediate removal of the animal(s) should the Owner fail to be able to bring the animal into compliance with this Declaration or any rules and regulations promulgated hereunder. Any animal that is being abused or neglected may be turned into the local authorities for immediate action. Those pets which are permitted to roam free, or, in the sole discretion of the Board and to the extent permitted under any applicable law, constitute a nuisance to the occupants of other Lots may issue an order to an Owner that such pet be removed upon request of the Board; provided, in no event shall the Board or Association be required to remove any pet from the Subdivision. If an Owner has failed to remove its pet from the Subdivision pursuant to any order of removal issued by the Board within three (3) days after such order is delivered to an Owner, such Owner shall be subject to fines hereunder and the Board may proceed with efforts to immediately remove the pet that is the subject to the order from the Subdivision. Notwithstanding anything contained herein to the contrary, the Board in its sole discretion and without incurring any further duty or obligation to Owners or Residents within the Property, may decide to take no action and refer complaining parties to the appropriate municipal or governmental authorities for handling and final disposition. **IF ANY ANIMAL OR PET IS A NUISANCE IN THE SUBDIVISION, HOMEOWNERS ARE ENCOURAGED TO CONTACT THEIR LOCAL ANIMAL CONTROL AUTHORITY FOR ASSISTANCE.** The Association shall have no liability or obligation to ensure removal of a pet from the Subdivision that is a nuisance and cannot be held liable or responsible if any enforcement actions taken by the Association under this Section 7.6.2 are unsuccessful. Any Owner of a pet that attacks another person or animal within the Subdivision is subject to a \$1,000 fine per occurrence (each day of violation being deemed to be an occurrence), whether or not such Owner's pet inflicted harm on a person.

7.6.3. Indoors/Outdoors. A permitted pet must be maintained inside the Residence, and may not be kept on a patio or in a yard area. No pet is allowed on the Common Area unless carried or leashed.

7.6.4. Pooper Scooper. Each Resident is responsible for the removal of his pet's waste from the Property. Each Owner is solely liable and responsible for picking up after their pet(s). If an issue or dispute arises between Owners regarding the removal of pet waste from the Property, the Association has no liability or obligation to involve itself in any such dispute between Owners. Unless the Rules provide otherwise, a Resident must prevent his pet from relieving itself on the Common Area, or the Lot of another Owner. The Association may levy fines up to \$100.00 per occurrence for any Owner who violates this section and does not comply with the rules as set forth herein. The Association is only required to deliver notice of this fine under Section 7.6.4 to a violating Owner via certified mail prior to levying any fine or

charges against such Owner under this Section 7.6.4, and such fine shall be due and payable immediately upon receipt of such certified mail notice.

7.6.5. Liability. An Owner is responsible for any property damage, injury, or disturbance caused or inflicted by an animal kept on the Lot. The Owner of a Lot on which an animal is kept is deemed to indemnify and to hold harmless the Board, the Association, and other Owners and Residents, from any loss, claim, or liability resulting from any action of the animal or arising by reason of keeping the animal on the Property. **EACH OWNER BY ACCEPTANCE OF TITLE TO ITS LOT HEREBY RELEASES AND WAIVES THE ASSOCIATION, DECLARANT, THE BOARD AND/OR ITS MANAGING AGENT AND THEIR RESPECTIVE MEMBERS, EMPLOYEES, DESIGNEES, ADMINISTRATORS, INSPECTORS, CONTRACTORS, AND AGENTS, AND AGREES TO INDEMNIFY AND DEFEND SAME AND HOLD THEM HARMLESS FROM AND AGAINST ANY CLAIMS, LIABILITIES, LOSS, DAMAGE, COSTS AND EXPENSES, INCLUDING BUT NOT LIMITED TO ATTORNEYS' FEES, IN CONNECTION WITH OR ARISING OUT OF ANY ACTIONS OR ATTACK BY OWNER'S PET OR BY ANY PET RESIDING ON AN OWNER'S LOT WITHIN THE SUBDIVISION.**

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

7.8. APPEARANCE. Both the Lot and the Residence must be maintained in a manner so as not to be unsightly when viewed from the Street or neighboring Lots or Common Areas. The Architectural Reviewer is the arbitrator of acceptable appearance standards.

7.9. ACCESSORY STRUCTURES AND SHEDS. Accessory structures and sheds - such as dog houses, gazebos, metal storage sheds, playhouses, play sets and greenhouses may be located on a Lot provided that such structure is no more than eight feet in height and maintained in a clean and architecturally pleasing manner.

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

7.11. COLOR CHANGES. The colors of a Residence, fences, exterior decorative items, window treatments, and all other improvements on a Lot are subject to regulation and approval by an Architectural Reviewer. Because the relative merits of any color are subjective matters of taste and preference, the Architectural Reviewer determines the colors that are acceptable to the Association. A Resident may not change or add colors that are visible from the Street, a Common Area, or another Lot or Residence without the prior written approval of the Architectural Reviewer.

7.12. YARDS. An Owner will maintain his yard in a neat and attractive manner that is consistent with the Subdivision and shall water his yard with the appropriate amounts of water

needed to keep the yard and plants healthy and alive. In the event Owner's yard contains dead plants, Owner shall immediately remove such plants. Owner shall ensure that his yard is continually mowed and edged, and his yard, flowerbeds, and tree wells shall be maintained in a weed free condition. The Association shall consider water restrictions should any such restriction apply. A yard may never be used for storage. All sports or play items as well as barbeque grills or other items or structures must be stored out of view at all times when not in use. No basketball goals may be used without the express written permission of the Architectural Reviewer. In any event, portable basketball goals approved in writing by the Architectural Reviewer may not be kept in the street, in the driveway, or within or in a manner that blocks a sidewalk, and portable goals may not be placed in the grass area located between the front building line and street. Portable goals must be kept alongside the driveway when in use and stored out of public view when not in use. Permanent basketball goals are prohibited without express consent in writing from the Reviewer, and, in any event, no basketball goal may be mounted to the exterior of the Residence or placed as a permanent structure. Goals must be kept in good repair at all times and may not use unsightly weights such as tires, sand bags, or rocks unless the Owner can provide written proof from the manufacturer that such weights are the recommended means of weighing down the goal. **No synthetic turf of any kind is allowed in any portion of the front, rear or sides of any yard. Periodic trimming of trees and shrubs may be required by the Association. It is preferred that Owners and Residents install annual or perennial flowers to the front yards of a Residence.**

7.13. DECLARANT PRIVILEGES. In connection with the development and marketing of the Property, Declarant has reserved a number of rights and privileges to use the Property in ways that are not available to other Owners and Residents, as provided in Appendix B of this Declaration. Declarant's exercise of a Development Period right that appears to violate a Rule or a use restriction of this Article does not constitute waiver or abandonment of the restriction by the Association. The provisions of this Section 7.13 may not be modified or amended without the express written consent of Declarant.

7.14. DECORATION. Decorations include any form of lights, statutes, yard art, flags, banners, water features, or other decorative items regardless of its origin or use. Residents should not individualize, install, or add decorations to any portion of the Residence or yard that can be seen from any street or the front of the Residence without the express written consent of the Architectural Reviewer. What is appealing or attractive to one person may be objectionable to another. Small non-offensive yard art, bird baths, and other architecturally pleasing items may be allowed, notwithstanding, a photo or sample photo of the object along with a written request must be submitted and approved prior to any installation or placement of any item. Holiday lights and decorations may be tastefully displayed on the home or in the yard up to fifteen (15) days prior to a major holiday and must be removed within ten (10) days after the holiday has passed, except that displays during the month of December may be displayed up to thirty (30) days prior to the holiday and may remain until after the New Year holiday and then must be removed. ***The Architectural Reviewer has sole discretion as to what may be deemed acceptable relating to this paragraph.*** Owners receiving written notice asking that certain displays be removed shall be required to comply within five (5) days of the date on the written request. Written requests may be sent via electronic or U.S. Mail. Owners wishing to display religious displays must abide by the rules set forth elsewhere in this Declaration, the Design Guidelines or by policies adopted by the Association.

7.15. 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.

7.16. 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. Driveways shall be treated with a decorative concrete aggregate, with one of the following finishes:

1. Exposed Aggregate
2. Stained Concrete
3. Salt Finished Concrete
4. Broom Finished Concrete

Without the Board's prior approval, a driveway may not be used: (1) for storage purposes, including storage of boats, trailers (of any kind), sports vehicles of any kind, and inoperable vehicles; or (2) for any type of repair or restoration of vehicles. Barbeque grills must be removed when not in use. Basketball goals, if approved by written permission of the Architectural Reviewer, must be removed when not in use and may be stored by lying on its side in the rear fenced yard of the Lot, if applicable.

7.17. FIRE SAFETY. No person may use, misuse, cover, disconnect, tamper with, or modify the fire and safety equipment of the Property, including the sprinkler heads and water lines in and above the ceilings of the Residence, or interfere with the maintenance and/or testing of same by persons authorized by the Association or by public officials.

7.18. GARAGES. Without the Board's prior written approval, the original garage area of a Residence may not be enclosed or used for any purpose that prohibits the parking of two (2) standard-size operable vehicles therein. Garage doors are to be kept closed at all times except when a vehicle is entering or leaving. Garage doors shall be metal, patterned, and with a wood-like texture. Builder may have the option of cladding garage doors in stained wood upon written permission of the Architectural Reviewer.

7.19. GUNS, FIREARMS AND WEAPONS; FIREWORKS. Hunting and shooting are not permitted anywhere on or from the Property. No toys, weapons or firearms, including, without limitation, air rifles, BB guns, sling-shots or other item that is designed to cause harm to any person, animal or property may be used in a manner to cause such harm (whether intentionally or negligently or otherwise) to any person, animal or property. Violation of this restriction is subject to an immediate fine of up to \$1,000 per occurrence after the first notification (which may be given in writing or verbally, to the extent permitted under applicable law). Fireworks are strictly prohibited. Use of fireworks in the Subdivision is subject to a monetary fine of \$1,000.00 for each violation. A sworn affidavit signed by a witness with legal capacity made under penalty of perjury attesting to the violation and specifying the date of approximate time of such violation which is received by the Association shall be sufficient evidence of such violation.

7.20. LANDSCAPING. *No person may perform landscaping, planting, or gardening on the Common Area without the Board's prior written authorization. No synthetic turf is allowed in any portion of the front, rear or sides of any yard.*

7.21. LEASING OF RESIDENCES.

7.21.1. The Association may require any Owner desiring to lease a Lot or Residence thereon to file an application with the Association for approval of such lease and Tenant. Each Owner must register a tenant as an "approved tenant" with the Association on forms then adopted by the Association. The foregoing terms may be incorporated in any leasing policies adopted by the Association.

7.21.1. In no event shall any short-term leases of less than 12-months be permitted without express written permission of the Board. In no event may any Owner lease its Residence or Lot, or any portion thereof, through Air BnB, VRBO or other similar service for short term rentals.

7.21.2. In any event, an Owner must deliver a copy of any proposed lease for approval by the Board as a condition to the effectiveness of such Lease, and any proposed lease must include a requirement that the tenant and any occupants of a Residence by such Lease fully comply with the terms of this Declaration and that such Tenant agree to be jointly and severally liable to the Association for any fines, fees or assessments levied against the tenant or any occupant of a Residence on a Lot by such lease (the "Required Lease Terms"). Whether or not it is so stated in a lease, every lease is subject to this Declaration and any rules, regulations, Design Guidelines or other dedicatory instruments promulgated hereunder. An Owner is responsible for providing its tenant with copies of this Declaration, and any and all rules, regulations, Design Guidelines or other dedicatory instruments promulgated hereunder, and notifying its tenant of changes thereto. Failure by the tenant or his invitees to comply with this Declaration and any rules, regulations, Design Guidelines or other dedicatory instruments promulgated hereunder is deemed to be a default by Owner of the leased Lot or Residence under the terms of this Declaration and shall be a default of the tenant under the lease. When the Association notifies an Owner of its tenant's violation, the Owner will promptly obtain his tenant's compliance or exercise its rights as a landlord for tenant's breach of lease. If the tenant's violation continues or is repeated, and if the Owner is unable, unwilling, or unavailable to obtain his tenant's compliance, then the Association, to the extent permitted by applicable law, has the power and right (but is not obligated) to pursue the remedies of a landlord under the lease or state law for the default, including eviction of the tenant. THE OWNER OF A LEASED LOT IS LIABLE TO THE ASSOCIATION FOR ANY EXPENSES INCURRED BY THE ASSOCIATION IN CONNECTION WITH ENFORCEMENT OF THIS DECLARATION, AND ANY AND ALL RULES, REGULATIONS, DESIGN GUIDELINES OR OTHER DEDICATORY INSTRUMENTS PROMULGATED HEREUNDER AGAINST HIS TENANT.

7.21.3. [INTENTIONALLY DELETED]

7.21.4. Notwithstanding the foregoing or anything to the contrary contained herein, during the Declarant Control Period, neither Declarant nor any Builder shall be subject

to the leasing restriction contained in this Section 7.21 with respect to any Lot owned by Builder, and Lots owned by Builder or Declarant during the Declarant Control Period that are leased by Declarant or such Builder shall not be accounted for in determining the ten percent (10%) cap on leased Residences in the Subdivision. The Association is not liable to the Owner for any damages, including lost rents, suffered by the Owner in relation to the Association's enforcement of this Declaration, and any and all rules, regulations, Design Guidelines or other dedicatory instruments promulgated hereunder against the Owner's tenant.

7.21.5. The Association has the right to request each Owner leasing a Residence or Lot in the Subdivision subject to this Declaration provide the Association with the following regarding the lease or tenant thereunder:

a. The contact information, including name, mailing address, phone number, and e-mail address of each person who will reside on the Owner's Residence or Lot under the terms of such lease; and

b. The commencement date and term of such lease.

7.22. NOISE & ODOR. A Resident of a Residence must exercise reasonable care to avoid making or permitting to be made loud, disturbing, or objectionable noises or noxious odors that are likely to disturb or annoy Residents of neighboring Residences. The rules and regulations promulgated by the Association may limit, discourage, or prohibit noise-producing activities and items in the Residences and on the Common Areas within the Subdivision. **IF ANY NOISE OR ODOR BECOMES IS A NUISANCE IN THE SUBDIVISION, RESIDENTS ARE ENCOURAGED TO CONTACT THEIR LOCAL LAW ENFORCEMENT OFFICIALS FOR ASSISTANCE.** The Association shall have no liability or obligation to ensure the Subdivision or any Owner or Resident of a Residence therein is free from nuisance and cannot be held liable or responsible if any enforcement actions taken by the Association under this Section 7.22 are unsuccessful. **EACH OWNER AND RESIDENT BY ACCEPTANCE OF TITLE TO ITS LOT HEREBY RELEASES AND WAIVES THE ASSOCIATION, DECLARANT, THE BOARD AND/OR ITS MANAGING AGENT AND THEIR RESPECTIVE MEMBERS, EMPLOYEES, DESIGNEES, ADMINISTRATORS, INSPECTORS, CONTRACTORS, AND AGENTS, AND AGREES TO INDEMNIFY AND DEFEND SAME AND HOLD THEM HARMLESS FROM AND AGAINST ANY CLAIMS, LIABILITIES, LOSS, DAMAGE, COSTS AND EXPENSES, INCLUDING BUT NOT LIMITED TO ATTORNEYS' FEES, IN CONNECTION WITH OR ARISING OUT OF ANY ACTIONS OR INACTIONS OF AN OWNER OR THE RESIDENTS OF SUCH OWNERS LOT THAT RESULTS IN NOISE OR ODORS THAT MAY BE A NUISANCE TO OTHERS WITHIN THE SUBDIVISION.**

7.23. OCCUPANCY - NUMBERS. The Board may adopt Rules regarding the occupancy of Residences. If the Rules fail to establish occupancy standards, no more than one person per bedroom may occupy a Residence. Provided, the Rules shall not restrict the number of familial members that are permitted to reside in each dwelling or bedroom. The Association's occupancy standard for Residents who qualify for familial status protection under the fair housing laws may not be more restrictive than the minimum (i.e., the fewest people per Residence) permitted by the U.S. Department of Housing and Urban Development. Other than the living area

of the Residence, no thing or structure on a Lot, such as the garage, may be occupied as a residence or business at any time by any person.

7.24. INTENTIONALLY DELETED.

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

7.26. SIGNS. No signs, (excluding a singular sign or advertising the Residences for sale or lease), or unsightly objects may be erected, placed, or permitted to remain on the Property or to be visible from windows in the Residence without either (i) written authorization of the Board, or (ii) in strict conformance with the requirements and other terms set forth in the Design Guidelines (which include rights regarding Religious Displays as set forth in Section 202.018 of the Texas Property Code). If the Board authorizes signs, the Board's authorization may specify the location, nature, dimensions, number, and time period of any advertising sign. As used in this Section, "sign" includes, without limitation, lettering, images, symbols, pictures, shapes, lights, banners, and any other representation or medium that conveys a message. The Association may affect the immediate removal of any sign or object that violates this Section or which the Board deems inconsistent with neighborhood standards without liability for trespass or any other liability connected with the removal. Notwithstanding the foregoing, if public law - such as Texas Election Code Section 259.002 and local ordinances - grants an Owner the right to place political signs on the Owner's Lot, the Association may not prohibit an Owner's exercise of such right. The Association may adopt and enforce Rules regulating every aspect of political signs on Owners' Lots to the extent not prohibited or protected by public law. Unless the Rules or public law provide otherwise (1) a political sign may not be displayed more than 90 days before or 10 days after an election to which the sign relates; (2) a political sign must be ground-mounted; (3) an Owner may not display more than one political sign for each candidate or ballot item; and (4) a political sign may not have any of the attributes itemized in Texas Election Code Section 259.002(d), to the extent that statute applies to the Lot.

7.27. STRUCTURAL INTEGRITY. No person may directly or indirectly impair the structural soundness or integrity of any Residence, nor do any work or modification that will impair an easement or real property right.

7.28. 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 dishes, and receiving or transmitting towers that are visible from a Street or from another Lot are prohibited within the Property, except (1) reception-only antennas or satellite dishes designed to receive television broadcast signals, (2) antennas or satellite dishes that are one meter or less in diameter and designed to receive direct broadcast satellite service (DBS), or (3) antennas or

satellite dishes that are one meter or less in diameter or diagonal measurement and designed to receive video programming services via multipoint distribution services (MDS) (collectively, the “Antenna”) are permitted if located (a) inside the Residence (such as in an attic or garage) so as not to be visible from outside the Residence, (b) in a fenced yard, or (c) attached to or mounted on the rear wall of a Residence 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 or Residence thereon where an acceptable quality signal can be obtained. The Association may adopt reasonable Rules for the location, appearance, camouflaging, installation, maintenance, and use of the Antennas to the extent permitted by public law. An Owner must have written permission of the Association or Architectural Reviewer to install any apparatus to the roof of the structure.

7.29. 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 for that purpose. Trash must be placed entirely within the designated receptacle. No trash may be left outside a designated container. 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, garbage or other waste must be kept in sanitary containers and shall be kept inside the garage or otherwise out of public view or screened from view and may not be visible from a Street, Common Area, or another Residence. Bulk trash may not be stored or left out for more than twelve (12) hours prior to bulk trash pick-up. The construction or installation of concrete pads and screening walls for trash cans requires prior written consent of the Architectural Reviewer. The Association shall diligently pursue any violations and exercise self-help to initiate clean-up when necessary and shall bill back the costs to the Owner’s account.*

7.30. VARIATIONS. Nothing in this Declaration may be construed to prevent the Architectural Reviewer from (1) establishing standards for one Residence, type of Residence, or phase in the Property that are different from the standards for other Residences or phases, or (2) approving a system of controlled individualization of Residence’s(s’) exteriors.

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

7.31.1. Parking in Street. **NO PARKING IN THE STREET EXCEPT AS PERMITTED BY CITY ORDINANCE**. Owners shall utilize their garages and driveways for vehicle parking. Vehicles that are not prohibited below may park in the Street as permitted by City ordinance, subject to the continuing right of the Association to adopt reasonable Rules if circumstances warrant.

7.31.2. Prohibited Vehicles. Without prior written Board approval, the following types of vehicles and vehicular equipment - mobile or otherwise - may not be kept,

parked, or stored anywhere on the Property - including overnight parking on Streets, driveways, and visitor parking spaces - if the vehicle is visible from a Street or from another Residence: mobile homes, motor homes, buses, trailers, boats, inoperable vehicles, commercial truck cabs, 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 or maintenance of a Residence, or vehicles on the Property for a period of less than forty-eight hours for the purpose of loading, cleaning, or repairing such vehicle. Vehicles that transport inflammatory or explosive cargo are prohibited from the Property at all times.

7.32. WINDOW TREATMENTS. All window treatments within a Residence, that are visible from the Street or another Residence, 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, window film, window screen, or window decoration that the Architectural Reviewer determines to be inappropriate, unattractive, or inconsistent with the Property's window standards. The Architectural Reviewer may prohibit the use of certain colors or materials for window treatments. If the Rules fail to establish a different standard, all window treatments - as seen from the Street - must be white in color.

7.33. FLAGS. Each Owner and Resident of the Subdivision has a right to fly a flag on his Lot. The United States flag ("Old Glory") and/or the Texas state flag ("Lone Star Flag"), and/or an official or replica flag of any branch of the United States armed forces, may be displayed in a respectful manner on each Lot, subject to reasonable standards adopted by the Association for the height, size, illumination, location, and number of flagpoles, all in compliance with Section 202.012 of the Texas Property Code. All flag displays must comply with public flag laws. No other types of flags, pennants, banners, kites, or similar types of displays are permitted on a Lot if the display is visible from a Street or Common Area. Unless the Rules provide otherwise, a flag must be wall-mounted to the first floor facade of the Residence, and no in-ground flag pole is permitted on a Lot.

7.34. USE OF ASSOCIATION AND SUBDIVISION NAME. The use of the name of the Association or the Subdivision, or any variation thereof, in any capacity without the express written consent of the Declarant during the Declarant Control Period, and thereafter the Board, is strictly prohibited. Additionally, the use of any logo adopted by the Association or the Subdivision, or use of any photographs of the entryway signage or other Subdivision signs or monuments or Common Areas without the express written consent of the Declarant during the Declarant Control Period, and thereafter the Board, is strictly prohibited except for Builder's marketing purposes for the sale of Residences with the Subdivision.

7.35. DRONES AND UNMANNED AIRCRAFT. Any Owner operating or using a drone or unmanned aircraft within the Property and related airspace must register such drone or unmanned aircraft with the Federal Aviation Administration ("FAA"), to the extent required under applicable FAA rules and regulations, and mark such drone or unmanned aircraft prominently with the serial number or registration number on the drone or unmanned aircraft for identification purposes. BY ACCEPTANCE OF TITLE TO ANY PORTION OF THE PROPERTY, EACH OWNER ACKNOWLEDGES THAT USE OF A DRONE OR UNMANNED AIRCRAFT TO

TAKE IMAGES OF PRIVATE PROPERTY OR PERSONS WITHOUT CONSENT MAY BE A VIOLATION OF TEXAS LAW AND CLASS C MISDEMEANOR SUBJECT TO LEGAL ACTION AND FINES UP TO \$10,000. IT IS YOUR RESPONSIBILITY TO KNOW AND COMPLY WITH ALL LAWS APPLICABLE TO YOUR DRONE AND/OR UNMANNED AIRCRAFT USE.

7.36. LIGHTNING RODS. An Owner may not construct a lightning rod and related systems ("Lightning Rod") on a Residence except in compliance with the following: (a) the Lightning Rod must meet standards of the National Fire Protection Association ("NFPA") equal to or greater than NFPA's lightning Protection Standard NFPA 780, Underwriters Laboratories ("UL") UL 96A, and Lightning Protection Institute ("LPI") LPI-175, (b) any Lightning Rod must be installed by a contractor licensed in the State in which the Residence is located, and (c) any part of the Lightning Rod that becomes non-functional must be immediately repaired, replaced, or removed from the Residence by the Owner at such Owner's costs and expense. Each Owner acknowledges and agrees that an Owner is solely liable and responsible for the safety, upkeep, and use of the Lightning Rods. Furthermore, each Owner acknowledges that the installation of a Lightning Rod on a Residence may void or adversely warranties on such Owner's Residence, including without limitation, any roof warranties. **EACH OWNER BY ACCEPTANCE OF TITLE TO ITS LOT HEREBY RELEASES AND WAIVES THE ASSOCIATION, DECLARANT, THE BOARD AND/OR ITS MANAGING AGENT AND THEIR RESPECTIVE MEMBERS, EMPLOYEES, DESIGNEES, ADMINISTRATORS, INSPECTORS, CONTRACTORS, AND AGENTS, AND AGREES TO INDEMNIFY AND DEFEND SAME AND HOLD THEM HARMLESS FROM AND AGAINST ANY CLAIMS, LIABILITIES, LOSS, DAMAGE, COSTS AND EXPENSES, INCLUDING BUT NOT LIMITED TO ATTORNEYS' FEES, IN CONNECTION WITH OR ARISING OUT OF THE INSTALLATION, OPERATION, LOCATION, REPAIR, MAINTENANCE, AND/OR REMOVAL OF ANY LIGHTNING ROD OR RELATED SYSTEMS ON AN OWNER'S RESIDENCE.**

ARTICLE 8

ASSOCIATION AND MEMBERSHIP

RIGHTS

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

8.2. BOARD. Unless the Documents expressly reserve a right, action, or decision to the Owners, Declarant, or another party, the Board acts in all instances on behalf of the Association. 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.*"

8.3. THE ASSOCIATION. The duties and powers of the Association are those set forth in the Documents, primarily the Bylaws, together with the general and implied powers of a property owners association and a nonprofit corporation organized under the laws of the State of Texas. Generally, the Association may do any and all things that are lawful and necessary, proper, or desirable in operating for the peace, health, comfort, and general benefit of its Members, subject only to the limitations on the exercise of such powers as stated in the Documents. Among its

duties, the Association levies and collects Assessments, maintains the Common Areas, and pays the expenses of the Association, such as those described in Section 9.4 below. The Association comes into existence on the earlier of (1) filing of its Certificate of Formation of the Association with the Texas Secretary of State or (2) the initial levy of Assessments against the Lots and Owners. The Association will continue to exist at least as long as the Declaration is effective against the Property, regardless of whether its corporate charter lapses from time to time. Notwithstanding the foregoing, the Association may not be voluntarily dissolved without the prior written consent of the City.

8.4. GOVERNANCE. The Association will be governed by a Board of directors elected by the Members. Unless the Association's Bylaws or Certificate of Formation provide otherwise, the Board will consist of at least 3 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, or at a meeting of Owners, by at least a Majority of the votes of Owners that are present at such meeting (subject to quorum requirements being met).

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

8.6. 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 included in the property annexed into the Property subject to this Declaration. Each vote is uniform and equal to the vote appurtenant to every other Lot, except during the Declarant Control Period as permitted in Appendix B. Cumulative voting is not allowed. Votes may be cast by written proxy, according to the requirements of the Association's Bylaws.

8.7. 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.

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

8.9. INDEMNIFICATION. The Declarant, the Association and managing agent, and their respective directors, officers, agents, members, employees, and representatives, and any member of the Board, the Architectural Reviewer, ACC and other officer, agent or representative of the Association (collectively, the "Indemnified Parties"), shall not be personally liable for the debts, obligations or liabilities of the Association. The Indemnified Parties shall not be liable for any mistake of judgment, whether negligent or otherwise, except for their own individual willful misfeasance or malfeasance, misconduct, bad faith, intentional wrongful acts or as otherwise expressly provided in the Documents. The Indemnified Parties shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association. **THE ASSOCIATION, AS A COMMON EXPENSE OF THE ASSOCIATION, SHALL INDEMNIFY AND HOLD HARMLESS THE INDEMNIFIED PARTIES FROM ANY AND ALL EXPENSES, LOSS OR LIABILITY TO OTHERS, INCLUDING ATTORNEY'S FEES, REASONABLY INCURRED BY OR IMPOSED ON THE INDEMNIFIED PARTY IN CONNECTION WITH AN ACTION, SUIT, OR PROCEEDING TO WHICH THE INDEMNIFIED PARTY IS A PARTY BY REASON OF BEING OR HAVING BEEN AN INDEMNIFIED PARTY HEREUNDER OR ON ACCOUNT OF ANY CONTRACT OR COMMITMENT ENTERED INTO BY ANY INDEMNIFIED PARTY IN ITS CAPACITY HEREUNDER (TO THE EXTENT NOT COVERED BY INSURANCE PROCEEDS) AGAINST EXPENSES. IN ADDITION, EACH INDEMNIFIED PARTY SHALL BE INDEMNIFIED AND HELD HARMLESS BY THE ASSOCIATION, AS A COMMON EXPENSE OF THE ASSOCIATION, FROM ANY EXPENSE, LOSS OR LIABILITY TO OTHERS (TO THE EXTENT NOT COVERED BY INSURANCE PROCEEDS) BY REASONS OF HAVING SERVED AS SUCH DIRECTOR, OFFICER, AGENT, MEMBER, EMPLOYEE AND/OR REPRESENTATIVE AND IN SUCH CAPACITY AND AGAINST ALL EXPENSES, LOSSES AND LIABILITIES, INCLUDING, BUT NOT LIMITED TO, COURT COSTS AND REASONABLE ATTORNEYS' FEES, INCURRED BY OR IMPOSED UPON SUCH INDEMNIFIED PARTY IN CONNECTION WITH ANY PROCEEDING TO WHICH SUCH PERSON MAY BE A PARTY OR HAVE BECOME INVOLVED BY REASON OF BEING SUCH DIRECTOR, OFFICER, AGENT, MEMBER, EMPLOYEE AND/OR REPRESENTATIVE AT THE TIME ANY SUCH EXPENSES, LOSSES OR LIABILITIES ARE INCURRED SUBJECT TO ANY PROVISIONS REGARDING INDEMNITY CONTAINED IN THE DOCUMENTS, EXCEPT IN CASES WHEREIN THE EXPENSES, LOSSES AND LIABILITIES ARISE FROM A PROCEEDING IN WHICH SUCH INDEMNIFIED PARTY IS ADJUDICATED GUILTY OF WILLFUL MISFEASANCE OR MALFEASANCE, MISCONDUCT OR BAD FAITH IN THE PERFORMANCE OF SUCH PERSON'S DUTIES OR INTENTIONAL WRONGFUL ACTS OR ANY ACT EXPRESSLY SPECIFIED IN THE DOCUMENTS AS AN ACT FOR WHICH ANY LIMITATION OF LIABILITY SET FORTH IN THE DOCUMENTS IS NOT APPLICABLE. THIS INDEMNITY COVERS LIABILITIES RESULTING FROM SUCH INDEMNIFIED PARTY'S GROSS NEGLIGENCE. AN INDEMNIFIED PARTY IS NOT LIABLE FOR A MISTAKE OF JUDGMENT, NEGLIGENT OR OTHERWISE. AN**

INDEMNIFIED PARTY IS LIABLE FOR HIS OR HER WILLFUL MISFEASANCE, MALFEASANCE, MISCONDUCT, OR BAD FAITH. THIS RIGHT TO INDEMNIFICATION DOES NOT EXCLUDE ANY OTHER RIGHTS TO WHICH PRESENT OR FORMER INDEMNIFIED PARTIES MAY BE ENTITLED. ANY RIGHT TO INDEMNIFICATION PROVIDED HEREIN SHALL NOT BE EXCLUSIVE OF ANY OTHER RIGHTS TO WHICH A DIRECTOR, OFFICER, AGENT, MEMBER, EMPLOYEE AND/OR REPRESENTATIVE, OR FORMER DIRECTOR, OFFICER, AGENT, MEMBER, EMPLOYEE AND/OR REPRESENTATIVE, MAY BE ENTITLED. THE ASSOCIATION 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. Any insurance policies obtained by the Association shall name the Declarant and the managing agent as "additional insured" on such policies. The provisions of this Section 8.9 may not be modified or amended without the express written consent of Declarant.

8.10. **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.** The provisions of this Section 8.10 may not be modified or amended without the express written consent of Declarant.

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

8.11.1. Pay Assessments. Each Owner will pay Assessments properly levied by the Association against the Owner or his Lot, and will pay Regular Assessments without demand or written statement by the Association. Payment of Assessments is NOT contingent upon the provision, existence, or construction of any common elements or amenity.

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

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

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

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

8.12.1. Resale Certificate. An Owner intending to sell its home will notify the Association and will request a Resale Certificate (herein so called) from the Association. The Resale Certificate (as defined in Section 8.12.4 hereof) shall include such information as may be required under Section 207.003(b) of the Texas Property Code; provided, however, that the Association or its agents may, and likely will, charge a reasonable and necessary fee in connection with preparation of the Resale Certificate not to exceed \$375.00 to cover its administrative costs or otherwise to assemble, copy and deliver the Resale Certificate, and may charge a reasonable and necessary fee in connection with preparation of any update to the Resale Certificate not to exceed \$75.00, which fee(s), as applicable, must be paid upon the earlier of (i) delivery of the Resale Certificate to an Owner, or (ii) the Owner's closing of the sale or transfer of his/her Residence or Lot. Declarant is exempt from any and all Resale Certificate fees. Resale Certificates shall be delivered by the Association or managing agent in any event within five (5) days after the second request delivered by an Owner to the Association via certified mail, return receipt requested, or via hand delivery with evidence of receipt by the Association.

8.12.2. 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.

8.12.3. Working Capital Contribution. At time of transfer of a Lot by any Owner (other than by Declarant to Builder or Builder to Builder), a "Working Capital Contribution" (herein so called) shall be paid to the Association in the amount of **Six Hundred and No/100 Dollars (\$600.00)**, as may be increased annually by action of the Board by an additional amount equal to up to fifty percent (50%) of the Working Capital Contribution collected in the prior calendar year without joinder or consent of any other Owner or Member. The Working Capital Contribution shall be deposited into the Association's reserve fund account or operating fund account, as determined by the Board in its sole discretion. The obligation to pay the Working Capital Contribution applies to all transfers of Lots to Owners, including Builder-to-Owner and Owner-to-Owner transfers, but does not apply to transfers by Declarant or between Builders. **The payment of the Working Capital Contribution fee is secured by the continuing lien set forth in the Declaration, and the Working Capital Contribution fee will be collected in the same manner as the Assessments.**

The Working Capital Contribution is non-refundable and shall not be considered a prepayment of, or credit toward, any Regular Assessments or Special Assessments. The Association shall have the unrestricted right to the use of funds allocated to the reserve fund account for any and all costs and expenses of the Association, including, without limitation, (i) operating and/or administrative expenses of the Association, (ii) costs and expenses for the maintenance and upkeep of any area of the grounds or Common Areas or (iii) costs and expenses for any portion of the development, at any time and from time to time, as needed so long as the Association is the responsible party for said maintenance and upkeep. Neither the Declarant nor any Builder shall be obligated to subsidize or contribute to the Working Capital Contribution or reserve fund account in any manner.

8.12.4. Other Transfer-Related Fees. The Board may, at its sole discretion, enter into a contract with a managing agent to oversee the daily operation and management of the Association. A number of independent fees may be charged in relation to the transfer of

title to a Lot, including but not limited to fees for Resale Certificates, estoppel certificates, copies of Documents, compliance inspections, ownership record changes, and priority processing, provided the fees are customary in amount, kind, and number for the local marketplace are not refundable and may not be regarded as a prepayment of or credit against Regular Assessments or Special Assessments, and are in addition to the Working Capital Contribution. The managing agent may, and probably will, have fees, which will be charged to an Owner for the transfer of a significant estate or fee simple title to a Lot and the issuance of a “Resale Certificate” (herein so called), which fees shall not exceed \$375 for the initial Resale Certificate, and \$75 for any update of a Resale Certificate in accordance with Section 8.12.1 above. The Association or its agent shall not be required to issue a Resale Certificate until payment for the cost thereof has been received by the Association or its agent; provided, however, in any event the Resale Certificates shall be delivered by the Association or managing agent within five (5) days after the second request delivered by an Owner to the Association via certified mail, return receipt requested, or via hand delivery with evidence of receipt by the Association. Transfer fees, other than the fees for the issuance of a Resale Certificate, shall in no event exceed the current annual rate of Regular Assessments applicable at the time of the transfer/sale for each Residence being conveyed and are not refundable and may not be regarded as a prepayment of or credit against Regular Assessments or Special Assessments, and are in addition to the contribution to the Working Capital Contribution. This Section does not obligate the Board or any third party to levy such fees. Transfer-related fees charged by or paid to a managing agent are not subject to the Association’s Assessment Lien (as defined in Section 11.1 hereof), and are not payable by the Association. Declarant is exempt from transfer related fees and fees for any Resale Certificates.

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

8.13 Right of Action By Association. Notwithstanding anything contained in the Documents, the Association shall not have the power to institute, defend, intervene in, settle or compromise litigation, arbitration, or administrative proceedings: (1) in the name of or on behalf of or against any Owner (whether one or more); or (2) pertaining to a Claim, as defined in Section 16.1.1 below, relating to the design or construction of improvements on a Lot (whether one or more), including Residences. Notwithstanding anything contained in the Documents, this Section 8.13 may not be amended or modified without Declarant’s written and acknowledged consent, and Members entitled to cast at least one hundred percent (100%) of the total number of votes of the Association, which must be part of the recorded amendment instrument.

ARTICLE 9

COVENANT FOR ASSESSMENTS

9.1. POWER TO ESTABLISH ASSESSMENTS AND PURPOSE OF ASSESSMENTS. The Association is empowered to establish and collect Assessments as provided

in this Article 9 for the purpose of obtaining funds to maintain the Common Area(s), perform its other duties, and otherwise preserve and further the operation of the Property as a first-class, quality residential subdivision. The purposes for which Assessments may be used to fund the costs and expenses of the Association (the “Common Expenses”) in performing or satisfying any right, duty or obligation of the Association hereunder or under any of the Documents, including, without limitation, maintaining, operating, managing, repairing, replacing or improving the Common Area or any improvements thereon; mowing grass and maintaining grades and signs; paying legal fees and expenses incurred in enforcing this Declaration; paying expenses incurred in collecting and administering Assessments; paying insurance premiums for liability and fidelity coverage for the ACC, the Board and the Association; paying operational and administrative expenses of the Association; and satisfying any indemnity obligation under the Documents. The Board may reject partial payments and demand payment in full of all amounts due and owing the Association. The Board is specifically authorized to establish a policy governing how payments are to be applied. The Association will use Assessments for the general purposes of preserving and enhancing the Property, and for the common benefit of Owners and Residents, including but not limited to maintenance of real and personal property, management and operation of the Association, and any expense reasonably related to the purposes for which the Property was developed. If made in good faith, the Board’s decision with respect to the use of Assessments is final.

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

9.3. CONTROL FOR ASSESSMENT INCREASES. This Section of the Declaration may not be amended without the approval of Owners of at least two-thirds (2/3) 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 30 days prior to the effective date of an increase in Regular Assessments wherein the Regular Assessments due will increase **more than** fifty percent (50%) from the previous year’s Regular Assessments the Board will notify an Owner of each Lot of the amount of, the budgetary basis for, and the effective date of the increase. The increase will automatically become effective unless at least a Majority of Owners disapprove the increase by petition or at a meeting of the Association, subject to rights of the Board under Section 9.4.1 below. In that event, the last-approved budget will continue in effect until a revised budget is approved. Increases of fifty percent (50%) or less shall not require a vote of the Owners, and may be approved by Declarant during the Development Period or, thereafter, by the Board.

9.3.2. Veto Special Assessment. At least 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 at least a Majority of Owners disapprove the Special Assessment by petition or at a meeting of the Association.

9.4. TYPES OF ASSESSMENTS. There are five types of Assessments: Regular Assessments, Special Assessments, Insurance Assessments, Individual Assessments, and Deficiency Assessments. Regular Assessments shall be reoccurring Assessments payable as defined in this Section 9.4 and more particularly as described in Section 9.4.1 and 9.4.4 below.

9.4.1. Regular Assessments. Regular Assessments are based on the annual budget. If the Board does not approve an annual budget or fails to determine new Regular Assessments for any year, or delays in doing so, Owners will continue to pay the Regular Assessment as last determined. **The Regular Assessment has been initially set at Six Hundred Fifty AND NO/100 DOLLARS (\$650.00) per Lot per year for the calendar year of and 1st full calendar year after the recordation of this Declaration. Regular Assessments shall be paid on an annual basis by Builders and Owner (unless the Board determines a different schedule). Regular Assessments shall be due from on the first (1st) day of the first month of the year in which they are due and shall be considered late if not paid by the fifteen (15^h) day of the month in which they are due.**

If during the course of a year and thereafter 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 up to fifty percent (50%) without a vote of the Owners as set forth in Section 9.3.1 above. Notwithstanding the foregoing or the terms of Section 9.3.1 above, in the event that either (i) the Board determines that due to unusual circumstances the maximum annual Regular Assessment even as increased by fifty percent (50%) will be insufficient to enable the Association to pay the Common Expenses, or (ii) the Assessment increases resulting in an increase in excess of fifty percent (50%) above the previous year's Regular Assessment, then in such event, the Board shall have the right to increase the maximum annual Regular Assessment by the amount necessary to provide sufficient funds to cover the Common Expenses without the approval of the Members as provided herein; provided, however, the Board shall only be allowed to make one (1) such increase per calendar year pursuant to this Section 9.4.1 and the terms of Section 9.3.1 shall apply for any additional increases of the Regular Assessment in a calendar year.

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, including any private Streets, striping, paving, or other parking area maintenance in accordance with this Declaration, the Documents and the Community Standard.
- 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 required by this Declaration or 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. Working Capital Contributions.

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 certain 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. Special Assessments do not require the approval of the Owners, except that Special Assessments for the following purposes must be approved by at least a Majority of Owners:

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

b. Construction of additional capital improvements within the Property, but not replacement of existing improvements.

c. Any expenditure that may reasonably be expected to significantly increase the Association's responsibility and financial obligation for operations, insurance, maintenance, repairs, or replacement.

9.4.3. Insurance Assessments. The Association's insurance premiums are Common Expenses that must be included in the Association's annual budget. However, if any deductible or unforeseen insurance expense occurs in a calendar year that was not included in the annual budget of the Association, the Association may levy an Insurance Assessment (herein so called). If the Association levies an Insurance Assessment, the Association must disclose the Insurance Assessment in Resale Certificates prepared by the Association.

9.4.4. Individual Assessments. In addition to Regular Assessments, Special Assessments, and Insurance Assessments, the Board may levy an Individual Assessment against a Lot and its Owner. Individual Assessments may include, but are not limited to: interest, late charges, and collection costs on delinquent Assessments; reimbursement for costs incurred in bringing an Owner or his Lot into compliance with the

Documents or the Community Standard; 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.

9.4.5. 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 or to fund any shortfall between Assessments collected by the Association and Association’s Common Expenses. The Declarant shall not be responsible or liable for any deficit in the Association’s funds or any Deficiency Assessments. The Declarant may, but is under no obligation to, subsidize any liabilities incurred by the Association, and the Declarant may, but is not obligated to, lend funds to the Association to enable it to defray its expenses, provided the terms of such loans are on reasonable market conditions at the time.

The provisions of this Section 9.4 may not be modified or amended without the express written consent of Declarant.

9.5. BASIS & RATE OF ASSESSMENTS. The share of liability for Common Expenses allocated to each Lot is uniform for all Lots, regardless of a Lot’s location or the value and size of the Lot or Residence; subject, however, to the exemption for Declarant provided below and in Appendix B.

9.6. DECLARANT OBLIGATION. Declarant’s obligation for an exemption from Assessments is described in Appendix B. Unless Appendix B creates an affirmative assessment obligation for Declarant, a Lot that is owned by Declarant during the Development Period is exempt from mandatory assessment by the Association. Declarant has a right to reimbursement for any Assessment paid to the Association by Declarant during the Development Period, but only after the Declarant Control Period. This provision may not be construed to prevent Declarant from making a loan or voluntary monetary donation to the Association, provided it is so characterized. The provisions of this Section 9.6 may not be modified or amended without the express written consent of Declarant.

9.7. ANNUAL BUDGET. The Board will prepare and approve an estimated annual budget for each fiscal year at an open meeting of the Board held in accordance with requirements under Section 209.0051 of the Texas Property Code and the Bylaws. For each calendar year or a part thereof during the term of this Declaration and after recordation of the initial final Plat of any portion of the Property, the Board shall establish an estimated budget of the Common Expenses to be incurred by the Association for the forthcoming year in performing and satisfying its rights, duties and obligations, which Common Expenses may include, without limitation, amounts due from Owners, and which budget adopted by the Board may include one or more line items to establish reserve accounts (on a restricted, non-restricted, or other basis). Based upon such budget, the Association shall then assess each Lot an annual fee which shall be paid by each Owner in advance in accordance with Section 9.4.1 hereof. The Association shall notify each Owner of the

Regular Assessments for the ensuing year by December 31st of the preceding year, but failure to give such notice shall not relieve any Owner from its obligation to pay Assessments. Any Assessment not paid within fifteen (15) days of the date due shall be delinquent and shall thereafter be subject to interest at the rate of twelve percent (12%) per annum or the maximum rate permitted by Applicable Law, whichever is less, at the discretion of the Board, (the “Default Interest Rate”) as well as late and collection fees. As to any partial year, Assessments on any Lot shall be appropriately prorated.

9.8. DUE DATE. **The Board may levy Regular Assessments on any periodic basis annually, quarterly, or monthly.** Regular Assessments are due on the first day of the period for which levied. Special Assessments, Insurance Assessments, Individual Assessments and Deficiency Assessments are due on the date stated in the notice of such Assessment or, if no date is stated, within fifteen (15) days after notice of the Assessment is given. Assessments are delinquent if not received by the Association on or before the due date.

9.9. ASSOCIATION’S RIGHT TO BORROW MONEY. The Association is granted the right to borrow money, subject to the consent of at least a Majority of Owners and the ability of the Association to repay the borrowed funds from Assessments; provided, however, during the Development Period, the Declarant may loan funds to the Association without consent or approval of the Owners, to enable the Association to defray its expenses, provided the terms of such loans are on reasonable market conditions at the time. 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 Applicable Law, the excess amount will be applied to the reduction of unpaid Special Assessments and Regular Assessments, or reimbursed to the Owner if those Assessments are paid in full.

ARTICLE 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 Assessment Lien (as defined below) on the Lot. Each Owner, and each prospective Owner, is placed on notice that his title may be subject to the continuing Assessment Lien for Assessments attributable to a period prior to the date he purchased his Lot.

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 Residence, and (4) a first or senior purchase money vendor's lien or deed of trust lien recorded before the date on which the delinquent Assessment became due.

The Assessment Lien is subordinate and inferior to a recorded deed of trust lien that secures a first or senior purchase money mortgage, an FHA-insured mortgage, or a VA-guaranteed mortgage.

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, and for the Owner's pro rata share of the pre-foreclosure deficiency as 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 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. RESERVATION, SUBORDINATION, AND ENFORCEMENT OF ASSESSMENT LIEN. Declarant hereby reserves for the benefit of itself and the Association, a continuing contractual lien (the "Assessment Lien") against each Lot to secure payment of (1) the Assessments imposed hereunder and (2) payment of any amounts expended by Declarant or the Association in performing a defaulting Owner's obligations as provided for in the Documents. THE OBLIGATION TO PAY ASSESSMENTS IN THE MANNER PROVIDED FOR IN THIS ARTICLE, TOGETHER WITH INTEREST FROM SUCH DUE DATE AT THE DEFAULT INTEREST RATE SET FORTH (IF APPLICABLE), THE CHARGES MADE AS AUTHORIZED IN THIS DECLARATION, ALL VIOLATION FINES AND THE COSTS OF COLLECTION, INCLUDING, BUT NOT LIMITED TO, REASONABLE ATTORNEYS' FEES, IS SECURED BY A CONTINUING CONTRACTUAL ASSESSMENT LIEN AND CHARGE ON THE LOT COVERED BY SUCH ASSESSMENT, WHICH SHALL BIND SUCH LOT AND THE OWNERS THEREOF AND THEIR HEIRS, SUCCESSORS, DEVISEES, PERSONAL REPRESENTATIVES AND ASSIGNEES. The continuing contractual Assessment Lien shall attach to the Lots as of the date of the recording of this Declaration in the Official Public Records of Hunt County, Texas, and such Assessment Lien shall be superior to all other liens except as otherwise provided in this Declaration. Each Owner, by accepting conveyance of a Lot, shall be deemed to have agreed to pay the Assessments herein provided for and to the reservation of the Assessment Lien. The Assessment Lien shall be subordinate only to the liens of any valid first lien mortgage or deed of trust encumbering a particular Lot and the Assessment Lien established by the terms of this Declaration. Sale or transfer of any Lot shall not affect the Assessment Lien. However, the sale or transfer of any Lot pursuant to a first mortgage or deed of trust foreclosure (whether by exercise of power of sale or otherwise) or any proceeding in lieu thereof, shall only extinguish the Assessment Lien as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability and the Assessment Lien for any Assessments thereafter becoming due. The Assessment Lien may be non-judicially foreclosed by power of sale in accordance with the provisions of Section 51.002 of the Texas Property Code (or any successor provision) or may be enforced judicially. Each Owner, by accepting conveyance of a Lot, expressly grants the Association a power of sale in connection with the foreclosure of the Assessment Lien. The Board is empowered to appoint a trustee, who may be a member of the Board, to exercise the powers of the Association to non-judicially foreclose the Assessments Lien in the manner provided for in Section 51.002 of the Texas Property Code (or any successor statute). The Association, through duly authorized agents, shall have the power to bid on the Lot at foreclosure sale and to acquire and hold, lease, mortgage and convey the same. The rights and remedies set forth in this Declaration are subject to the Texas Residential Property

Owners Protection Act, as amended from time to time (Texas Property Code, Section 209.001 *et seq.*).

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

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

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

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

11.4. COSTS OF COLLECTION. The Owner of a Lot against which Assessments are delinquent is liable for reimbursement of reasonable costs incurred to collect the delinquent Assessments, including attorney's fees and processing fees charged by the managing agent, subject to Section 209.0064(6) of the Texas Property Code, as amended. There shall be a late charge in the amount of at least Twenty-Five and No/100 Dollars (\$25.00) payable to the Association which

shall be for the reimbursement of costs and fees incurred by the Association for the processing and collection of delinquent accounts. The managing agent shall have the right to charge a monthly collection fee in the amount determined by the Board for each month an account is delinquent. Additional fees for costs involving the processing of demand letters and notice of intent of attorney referral shall apply; a fee as determined by the Board (but in any event no less than Ten and No/100 Dollars (\$10.00)), shall be charged for each demand letter or attorney referral letter prepared and processed. Other like notices requiring extra processing and handling which include but, are not limited to certified and/or return receipt mail processing shall also be billed back to the Owner's account for reimbursement to the Association or its managing agent. Collection fees and costs shall be added to the delinquent Owner's account. The Declarant, during the Development Period, the Association through its Board, or the Association's managing agent may report delinquent Owners to a credit reporting agency in accordance with Section 11.11 hereof subject to prior written notice delivered to the delinquent Owner via certified mail.

11.5. 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, subject to the alternative payment schedule guidelines now or hereafter adopted by the Association through its Board in accordance with Section 209.0062 of the Texas Property Code, as modified or amended from time to time. The Association is not required to offer an Owner who defaults on a payment plan the option of entering into a second or other payment plan for a minimum of two (2) years.

11.6. SUSPENSION OF USE AND VOTE. The Association may suspend the right of Owners and Residents to use Common Areas and common services (if any) during the period of delinquency, pursuant to the procedures established in the Bylaws and subject to prior notice of such suspension delivered to such Owner and/or Residents via certified mail. The Association may not suspend the right to vote appurtenant to the Lot to the extent such suspension would be prohibited under the Texas Residential Property Owners Protection Act, as amended from time to time (Texas Property Code, Section 209.001 *et seq.*). Suspension does not constitute a waiver or discharge of the Owner's obligation to pay Assessments. Further procedures for membership voting are located in Article 8 hereof or in the Bylaws. **Notwithstanding the foregoing or anything to the contrary contained herein, for as long as required under the Texas Residential Property Owners Protection Act, as amended from time to time (Texas Property Code, Section 209.001 *et seq.*), nothing contained in this Section shall prohibit a Member's vote from being exercised by such Member to elect directors of the Board on matters that affect such Member's rights or responsibilities with respect to the Lot owned by it, at any meeting of or action taken by the Members of the Association at any meeting.**

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

11.8. 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.

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

11.10. 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.

11.11. CREDIT REPORTING. The Association through its Board, or any management agent of the Association, may report an Owner delinquent in the payment of Assessments to any credit reporting agency only if:

11.11.1. The delinquency is not the subject of a pending dispute between the Owner and the Association; and

11.11.2. at least thirty (30) business days before reporting to a credit reporting service, the Association sends, via certified mail, hand delivery, electronic delivery, or by other delivery means acceptable between the delinquent Owner and the Association, a detailed report of all delinquent charges owed; and

11.11.3. the delinquent Owner has been given the opportunity to enter into a payment plan.

The Association may not charge a fee for the reporting of an Owner to any credit reporting agency of the delinquent payment history of assessments, fines, and fees of such Owner to a credit reporting service.

ARTICLE 12

ENFORCING THE DOCUMENTS

12.1. NOTICE AND HEARING. Before the Association may exercise 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 this Declaration, the Bylaws and in Applicable Law, such as Chapter 209 of the Texas Property Code, as amended from time to time. Notices are also required before an Owner is liable to the Association for certain charges, including reimbursement of attorney's fees incurred by the Association. Only one (1) notice with an opportunity of at least ten (10) days to cure such failure shall be required for most violations (no second or additional notices shall be required) except prior notice is not required with respect to entry onto a Lot by the Association to cure violations that are an emergency or hazardous in nature or pose a threat or nuisance to the Association or another Owner and no cure period shall be required for (1) any violations that are incurable, or (2) a violation for which an Owner has been previously given notice of and the opportunity to cure in the preceding six (6) months. Incurable violations include shooting fireworks, an act constituting a threat to health or safety; a noise violation that is not ongoing; property damage, including the removal or alteration of landscape; and holding a garage sale or other event prohibited by a

dedicatory instrument. Examples of curable violations include a parking violation; a maintenance violation; the failure to construct improvements or modifications in accordance with approved plans and specifications; and an ongoing noise violation such as a barking dog. No notice to an Owner shall be required (A) if a suit is filed by the Association against an Owner seeking temporary restraining order or temporary injunctive relief, or if the Association files a suit against an Owner including foreclosure as a cause of action, or (B) with regard to a temporary suspension of a person's right to use Common Areas if the temporary suspension is the result of a violation that occurred in a Common Area and involved a significant and immediate risk of harm to others in the Subdivision. Not later than ten (10) days before the Association holds a hearing under Chapter 209 of the Texas Property Code, the Association shall provide to an Owner a packet containing all documents, photographs, and communications relating to the matter the Association intends to introduce at the hearing; failing which the Owner is entitled to a fifteen (15) day postponement of the hearing. During the hearing, the Association (through a member of the Board of designated representative) shall first present the Association's case against the Owner. An Owner or its designated representative is then entitled to present the Owner's information and issues relevant to the appeal or dispute.

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 (if any):

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. Fines may be levied by lump sum or as cumulative. The minimum fine amount to be levied shall be \$50.00. After the third fine, the fine amount shall increase in increments of no less than \$50.00 each week until the violation is remedied. The maximum fine per violation occurrence that may be levied is \$1,000.00. The Association must notice an Owner via certified mail prior to levying any fine or charges against such Owner under this Section 12.2.2.

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, pursuant to the procedures as outlined in the Bylaws. A suspension does not constitute a waiver or discharge of the Owner's obligations under the Documents. The Association must notice an Owner via certified mail prior to suspending an Owner's rights to use Common Areas under this Section 12.2.3.

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 is not trespassing and is not liable for damages related to the abatement. The Board may levy its costs of abatement against the Lot and Owner as an Individual Assessment. The Board will make reasonable efforts to give the violating Owner at least 72-hours' prior notice of its intent to exercise self-help. The notice may be given in any manner likely to be received by the Owner. Prior notice is not required (1) in the case of emergencies, (2) to remove violative signs, (3) to remove violative debris, or (4) to remove any other violative item or to abate any other violative condition that is easily removed or abated and that is considered a nuisance, dangerous, health hazard, or an eyesore to the Subdivision.

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

ARTICLE 13 MAINTENANCE AND REPAIR OBLIGATIONS

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

13.2. ASSOCIATION MAINTAINS. The Association's maintenance duties will be discharged when and how the Board deems appropriate. The Association maintains, repairs, and replaces, as a Common Expense, the portions of the Property 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 area, item, easement, or service - the maintenance of which is assigned to the Association by this Declaration or by the Plat.

The City or its lawful agents, after due notice to the Association and opportunity to cure, may maintain the Common Areas, landscape systems and any other features or elements that are required to be maintained by the Association and the Association fails to do so. The City or its lawful agents, after due notice to the Association, may remove any landscape systems, features or elements that cease to be maintained by the Association. The City or its lawful agents, after due notice to the Association and opportunity to cure, may also perform the responsibilities of the Association and its Board if the Association fails to do so in compliance with any provisions of the agreements, covenants or restrictions of the Association or of any applicable City codes or regulations. All costs incurred by the City in performing said responsibilities as addressed in this paragraph shall be the responsibility of the Association. The City may also avail itself of any other enforcement actions available to the City pursuant to state law or City codes or regulations, with regard to the items addressed in this paragraph. **THE ASSOCIATION AGREES TO INDEMNIFY AND HOLD THE CITY HARMLESS FROM ANY AND ALL COSTS, EXPENSES, SUITS, DEMANDS, LIABILITIES OR DAMAGES INCLUDING ATTORNEY FEES AND COSTS OF SUIT, INCURRED OR RESULTING FROM THE CITY'S MAINTENANCE OF THE COMMON AREAS AND/OR REMOVAL OF ANY LANDSCAPE SYSTEMS, FEATURES OR ELEMENTS THAT CEASE TO BE MAINTAINED BY THE ASSOCIATION.**

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

13.3.1. **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.

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

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

13.3.3. **Owner's Obligations to Repair.** Each Owner shall at his sole cost and expense, maintain and repair his Lot and the Residence and improvements situated thereon, keeping the same in good condition and repair at all times in compliance with the Documents and in accordance with the Community Standard. In the event that any Owner shall fail to maintain and repair his Lot and such Residence or improvements as required hereunder, the Association, in addition to all other remedies available to it hereunder or by law, and without waiving any of said alternative remedies, shall have the right but not the obligation, subject to the notice and cure provisions, through its agents and employees, to enter upon said Lot and to repair, maintain and restore the Lot and the exterior of the Residence and any other improvements erected thereon; and each Owner (by acceptance of a deed for his Lot) hereby covenants and agrees to repay to the Association the cost thereof immediately upon demand, and the failure of any such Owner to pay the same shall carry with it the same consequences as the failure to pay any assessments hereunder when due. Maintenance shall include the upkeep in good repair of all fences, exterior portions of the Residence including, but not limited to, trim, gutters, garage door, windows, lawn, driveway and sidewalk; this list is not intended to be inclusive and other maintenance requirements are at the sole discretion of the Board.

13.4. **OWNER'S OBLIGATION TO REPAIR SHARED FENCES AND WALLS.** Owners of Lots that share fencing or walls on common property lines shall be liable and responsible for the costs and expenses to maintain, repair or replace such fencing on the common boundary line based upon the total linear feet of fencing that is on the common boundary line shared between two Owners and the aggregate total linear feet of fencing being replaced. Any approval of the Declarant or ACC of fence design on an Owner's Lot to be placed, constructed or installed on a common boundary shared with one or more other Owners shall not be effective without the written consent and approval of the other Owner(s) sharing the common property line on which such fence is to be placed, constructed or installed. In the event of conflict or disagreement between Owners regarding fencing constructed or installed on a common boundary between two or more Owners, **THE ASSOCIATION HAS NO LIABILITY OR RESPONSIBILITY FOR RESOLVING SUCH CONFLICT OR DISAGREEMENT AND OWNERS.**

13.5. **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.

13.6. **CONCRETE.** Minor cracks in poured concrete, including foundations, garage floors, sidewalks, driveways, and patio slabs, are inevitable as a result of the natural movement of

soil (expansion and contraction), shrinkage during the curing of the concrete, and settling of the Residence. Such minor cracking is typically an aesthetic consideration without structural significance.

13.7. MOLD. In the era in which this Declaration is written, the public and the insurance industry have a heightened awareness of and sensitivity to anything pertaining to mold. Because many insurance policies do not cover damages related to mold, Owners should be proactive in identifying and removing visible surface mold, and in identifying and repairing sources of water leaks in the Residence. To discourage mold in his Residence, each Resident should maintain an inside humidity level under sixty percent. For more information about mold, the Owner should consult a reliable source, such as the U. S. Environmental Protection Agency.

ARTICLE 14 **INSURANCE**

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

14.2. PROPERTY INSURANCE BY OWNER(S). To the extent it is reasonably available; the Owners will obtain property insurance for all improvements and property within a Residence or Lot owned by such Owner insurable by the Owner. This insurance must be in an amount sufficient to cover the replacement cost of any repair or reconstruction in event of damage or destruction from any insured hazard. In insuring the Residence and Lot owned by it, the Owner may be guided by types of policies and coverage's customarily available for similar types of properties. As used in this Article, "Building Standard" refers to the typical Residence for the Property, as originally constructed, and as modified over time by changes in replacement materials and systems that are typical for the market and era.

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

14.4. OWNER'S GENERAL RESPONSIBILITY FOR INSURANCE. Each Owner, at his expense, will maintain all insurance coverage's required of Owners by the Association pursuant to this Article. Each Owner will provide the Association with proof or a certificate of insurance on request by the Association from time to time. If an Owner fails to maintain required insurance, or to provide the Association with proof of same, the Board may obtain insurance on behalf of the Owner who will be obligated for the cost as an Individual Assessment. The Board may establish

additional minimum insurance requirements, including types and minimum amounts of coverage, to be individually obtained and maintained by Owners if the insurance is deemed necessary or desirable by the Board to reduce potential risks to the Association or other Owners. Each Owner and Resident is solely responsible for insuring his Residence and his personal property in his Residence and on his Lot, including furnishings, vehicles, and stored items.

ARTICLE 15

AMENDMENTS

15.1. CONSENTS REQUIRED. As permitted by this Declaration, certain amendments of this Declaration may be executed by Declarant alone, or by the Board alone without the consent or joinder of the Members. To the extent required by the City, any proposed amendment which is for the purpose of amending the provisions of this Declaration or the Association's agreements pertaining to the use, operation, maintenance and/or supervision of any facilities, structures, improvements, systems, Common Areas, private Streets or grounds that are the responsibility of the Association, shall not be effective until written consent from the City for such amendment is obtained.

15.2. METHOD OF AMENDMENT. This Declaration may be amended by any method selected by the Board from time to time, pursuant to the Bylaws, provided the method gives an Owner of each Lot the substance if not exact wording of the proposed amendment, and a description of the effect of the proposed amendment. In addition to Declarant's rights to amend this Declaration during the Development Period as set forth in Section 15.4 hereof, this Declaration may be amended or otherwise changed (a) as provided in Appendix B, or (b) upon the affirmative vote of at least sixty-seven percent (67%) of the outstanding votes of the Members of the Association taken at a meeting of the Members of the Association, duly called at which quorum is present. Any and all amendments of this Declaration shall be recorded in the Official Public Records of Hunt County, Texas.

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

15.4. DECLARANT PROVISIONS. Subject to any consent from the City which is required pursuant to Section 15.1, Declarant has an exclusive right to unilaterally amend this Declaration for the purposes stated in Appendix B. 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. **Further, and without regard to whether or not the Declarant has been released from obligations and duties to the Association, during the Development Period or so long as the Declarant holds record title to at least one (1) Lot and holds same for sale in the ordinary**

course of business, neither the Association nor its Board, nor any member of the Association nor Owner shall take any action that will impair or adversely affect the rights of the Declarant or cause the Declarant to suffer any financial, legal or other detriment, including but not limited to, any direct or indirect interference with the sale of Lots. In the event there is a breach of this Section, it is acknowledged that any monetary award which may be available would be an insufficient remedy and therefore, in addition to all other remedies, the Declarant shall be entitled to injunctive relief restraining the Association, its Board or any member of the Association from further breach of this Section. The provisions of this Section 15.4 and/or Appendix B may not be modified or amended without the express written consent of Declarant.

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

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

15.7. TERMINATION. Termination of the terms of this Declaration is according to the following provisions. In the event of substantially total damage, destruction, or public condemnation of the Property, an amendment to terminate must be approved by Owners of at least two-thirds of the Lots. In the event of public condemnation of the entire Property, an amendment to terminate may be executed by the Board without a vote of Owners. In all other circumstances, an amendment to terminate must be approved by Owners of at least eighty percent (80%) of the Lots. Any termination of the terms of this Declaration shall require the written approval of the City and additionally provide that (a) the assets of the Association shall be donated to a nonprofit organization selected by a majority of the Board and with purposes similar to the Association, and (b) such nonprofit organization must assume in writing the obligation to maintain the donated assets in accordance with the terms of this Declaration.

15.8. CONDEMNATION. In any proceeding, negotiation, settlement, or agreement concerning condemnation of the Common Area, the Association will be the exclusive representative of the Owners. The Association may use condemnation proceeds to repair and replace any damage or destruction of the Common Area, real or personal, caused by the condemnation. Any condemnation proceeds remaining after completion, or waiver, of the repair and replacement will be deposited in the Association's reserve fund account or operating fund account.

ARTICLE 16

DISPUTE RESOLUTION

16.1. **INTRODUCTION & 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 and arbitration if at all possible. Accordingly, each Party hereby covenants and agrees that this Article applies to all Claims as hereafter defined. The provisions of this Article 16 shall be specifically enforceable under applicable law in any court having jurisdiction thereof. Notwithstanding anything contained in the Documents, this Article 16 may only be amended with the prior written approval of the Declarant, and Owners holding 100% of votes in the Association. As used in this Article only, the following words, when capitalized, have the following specified meanings:

16.1.1. **"Claim"** means:

- a. Claims relating to the rights and/or duties of Declarant, the Association, any managing agent engaged by the Declarant or the Association, or the Architectural Reviewer, under the Documents.
- b. Claims relating to the acts or omissions of the Declarant, the Association or a Board member or officer of the Association during Declarant's control and administration of the Association, and any claim asserted against the Architectural Reviewer.
- c. Claims relating to the design or construction of the Property, including Common Area, Residences, or any improvements located on the Lots.

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

16.1.3. **"Respondent"** means any Party against which a Claim has been asserted by a Claimant.

16.2. **MANDATORY PROCEDURES.** Claimant may not initiate any proceeding before any administrative tribunal seeking redress or resolution of its Claim until Claimant has complied with the procedures of this Article. As provided in Section 16.9 below, a Claim will be resolved by binding arbitration. A Claimant, whether Owner or the Association, may not consolidate any Claims or bring a Claim on behalf of any class; provided however, a Respondent may join or add additional parties to a Claim as may be allegedly responsible in whole or in any part for matters which are the subject of such Claims.

16.3. **CLAIM AFFECTING COMMON AREAS.** In accordance with Section 8.13 of this Declaration, the Association does not have the power or right to institute, defend, intervene in, settle, or compromise litigation or administrative proceedings: (1) in the name of or on behalf of or against any Owner (whether one or more); or (2) pertaining to a Claim, as defined in Section 16.1.1 below, relating to the design or construction of improvements on a Lot (whether one or

more), including Residences. In the event the Association or an Owner asserts a Claim related to the Common Areas, as a precondition to providing the Notice defined in Section 16.5, initiating the mandatory dispute resolution procedures set forth in this Article 16, or taking any other action to prosecute a Claim related to the Common Areas, the Association or Owner, as applicable, must:

16.3.1. Independent Report on the Condition of the Common Areas. Obtain an independent third-party report (the “Common Area Report”) from a licensed professional engineer which: (1) identifies the Common Areas subject to the Claim including the present physical condition of the Common Areas; (2) describes any modification, maintenance, or repairs to the Common Areas performed by the Owner(s) and/or the Association; (3) provides specific and detailed recommendations regarding remediation and/or repair of the Common Areas subject to the Claim. For the purposes of this Section, an independent third-party report is a report obtained directly by the Association or an Owner and paid for by the Association or Owner, as applicable, and not prepared by a person employed by or otherwise affiliated with the attorney or law firm that represents or will represent the Association or Owner in the Claim. As a precondition to providing the Notice described in Section 16.5, the Association or Owner must provide at least ten (10) days prior written notice of the inspection, calculated from the date or receipt of such notice, to each party subject to a Claim which notice shall identify the independent third-party engaged to prepare the Common Area Report, the specific Common Areas to be inspected, and the date and time the inspection will occur. Each party subject to a Claim may attend the inspection, personally or through an agent. Upon completion, the Common Area Report shall be provided to each party subject to a Claim. In addition, before providing the Notice described in Section 16.5, the Association or the Owner, as applicable, shall have permitted each party subject to a Claim the right, for a period of ninety (90) days, to inspect and correct, any condition identified in the Common Area Report.

16.3.2. Claim by the Association - Owner Meeting and Approval. If the Claim is prosecuted by the Association, the Association must first obtain approval from Members holding sixty-seven percent (67%) of the votes in the Association to provide the Notice described in Section 16.5, initiate the mandatory dispute resolution procedures set forth in this Article 16, or take any other action to prosecute a Claim, which approval from Members must be obtained at a special meeting of Members called in accordance with the Bylaws. The notice of meeting required hereunder will be provided pursuant to the Bylaws but the notice must also include: (1) the nature of the Claim, the relief sought, the anticipated duration of prosecuting the Claim, and the likelihood of success; (2) a copy of the Common Area Report; (3) a copy of any proposed engagement letter, with the terms of such engagement between the Association and an attorney to be engaged by the Association to assert or provide assistance with the claim (the “Engagement Letter”); (4) a description of the attorney fees, consultant fees, expert witness fees, and court costs, whether incurred by the Association directly or for which it may be liable if it is not the prevailing party or that the Association will be required, pursuant to the Engagement Letter or otherwise, to pay if the Association elects to not proceed with the Claim; (5) a summary of the steps previously taken, and proposed to be taken, to resolve the Claim; (6) an estimate of the impact on the value of each Residence if the Claim is prosecuted and an estimate of the impact on the value of each Residence after resolution of the Claim; (7) an estimate of the impact on the marketability of each Residence if the Claim is prosecuted and during

prosecution of the Claim, and an estimate of the impact on the value of each Residence during and after resolution of the Claim; (8) the manner in which the Association proposes to fund the cost of prosecuting the Claim; and (9) the impact on the finances of the Association, including the impact on present and projected reserves, in the event the Association is not the prevailing party. The notice required by this paragraph must be prepared and signed by a person other than, and not employed by or otherwise affiliated with, the attorney or law firm that represents or will represent the Association or Owner, as applicable, in the Claim. In the event Members approve providing the Notice described in Section 16.5, or taking any other action to prosecute a Claim, the Members holding a Majority of the votes in the Association, at a special meeting called in accordance with the Bylaws, may elect to discontinue prosecution or pursuit of the Claim.

16.4. CLAIM BY OWNERS – IMPROVEMENTS ON LOTS. Notwithstanding anything contained herein to the contrary, except as set forth in Section 16.16 herein below, in the event a warranty is provided to an Owner by the Declarant relating to the design or construction of any improvements located on a Lot, then this Article 16 will only apply to the extent that this Article 16 is more restrictive than such Owner's warranty, as determined in the sole discretion of the Declarant providing such warranty (if any). If a warranty has not been provided to an Owner relating to the design or construction of any improvements located on a Lot, then this Article 16 will apply. If an Owner brings a Claim, as defined in Section 16.1.1, relating to the design or construction of any improvements located on a Lot (whether one or more), as a precondition to providing the Notice defined in Section 16.5, initiating the mandatory dispute resolution procedures set forth in this Article 16, or taking any other action to prosecute a Claim, the Owner must obtain an independent third-party report (the "Owner Improvement Report") from a licensed professional engineer which: (1) identifies the improvements subject to the Claim including the present physical condition of the improvements; (2) describes any modification, maintenance, or repairs to the improvements performed by the Owner(s) and/or the Association; and (3) provides specific and detailed recommendations regarding remediation and/or repair of the improvements subject to the Claim. For the purposes of this Section, an independent third-party report is a report obtained directly by the Owner and paid for by the Owner, and not prepared by a person employed by or otherwise affiliated with the attorney or law firm that represents or will represent the Owner in the Claim. As a precondition to providing the Notice described in Section 16.5, the Owner must provide at least ten (10) days prior written notice of the inspection, calculated from the date of receipt of such notice, to each party subject to a Claim which notice shall identify the independent third-party engaged to prepare the Owner Improvement Report, the specific improvements to be inspected, and the date and time the inspection will occur. Each party subject to a Claim may attend the inspection, personally or through an agent. Upon completion, the Owner Improvement Report shall be provided to each party subject to a Claim. In addition, before providing the Notice described in Section 16.5, the Owner shall have permitted each party subject to a Claim the right, for a period of ninety (90) days, to inspect and correct, any condition identified in the Owner Improvement Report.

16.5. 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. For

Claims governed by Chapter 27 of the Texas Property Code, the time period for negotiation in Section 16.6 below, is equivalent to the sixty (60) day period under Section 27.004 of the Texas Property Code. If a Claim is subject to Chapter 27 of the Texas Property Code, the Claimant and Respondent are advised, in addition to compliance with Section 16.6, to comply with the terms and provisions of Section 27.004 during such sixty (60) day period. Section 16.6 does not modify or extend the time period set forth in Section 27.004 of the Texas Property Code. Failure to comply with the time periods or actions specified in Section 27.004 could affect a Claim if the Claim is subject to Chapter 27 of the Texas Property Code. The one hundred and twenty (120) day period for mediation set forth in Section 16.7 below, is intended to provide the Claimant and Respondent with sufficient time to resolve the Claim in the event resolution is not accomplished during negotiation. If the Claim is not resolved during negotiation, mediation pursuant to Section 16.7 is required without regard to the monetary amount of the Claim.

If the Claimant is the Association, the Notice will also include: (a) a true and correct copy of the Common Area Report; (b) a copy of the Engagement Letter; (c) copies of all reports, studies, analyses, and recommendations obtained by the Association related to the Common Area which forms the basis of the Claim; (d) a true and correct copy of the special meeting notice provided to Members in accordance with Section 16.3.2 above; and (e) reasonable and credible evidence confirming that Members holding sixty-seven percent (67%) of the votes in the Association approved providing the Notice. If the Claimant is not the Association and pertains to the Common Area, the Notice will also include a true and correct copy of the Common Area Report. If the Claimant is not the Association and pertains to improvements on a Lot, the Notice will also include a true and correct copy of the Owner Improvement Report.

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

16.7. 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 thirty additional days within which to submit the Claim to mediation under the auspices of a mediation center or individual mediator on which the Parties mutually agree. The mediator must have at least five 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 thirty-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.

16.8. TERMINATION OF MEDIATION. If the Parties do not agree upon a mediator within such 30 days, or 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 arbitration proceedings on the Claim, as appropriate and permitted by this Article.

16.9. BINDING ARBITRATION-CLAIMS. All Claims must be settled by binding arbitration. Claimant or Respondent may, by summary proceedings (e.g., a plea in abatement or motion to stay further proceedings), bring an action in court to compel arbitration of any Claim not referred to arbitration as required by this Section 16.9.

16.9.1. Governing Rules. If a Claim has not been resolved after mediation as required by Section 16.7, the Claim will be resolved by binding arbitration in accordance with the terms of this Section 16.9 and the rules and procedures of the American Arbitration Association (“AAA”) or, if the AAA is unable or unwilling to act as the arbitrator, then the arbitration shall be conducted by another neutral reputable arbitration service selected by Respondent in Hunt County, Texas. Regardless of what entity or person is acting as the arbitrator, the arbitration shall be conducted in accordance with the AAA’s “Construction Industry Dispute Resolution Procedures” and, if they apply to the disagreement, the rules contained in the Supplementary Procedures for Consumer-Related Disputes. If such rules have changed or been renamed by the time a disagreement arises, then the successor rules will apply. Also, despite the choice of rules governing the arbitration of any Claim, if the AAA has, by the time of Claim, identified different rules that would specifically apply to the Claim, then those rules will apply instead of the rules identified above. In the event of any inconsistency between any such applicable rules and this Section 16.9, this Section 16.9 will control. Judgment upon the award rendered by the arbitrator shall be binding and not subject to appeal except as provided in Section 16.9.4, but may be reduced to judgment or enforced in any court having jurisdiction. Notwithstanding any provision to the contrary or any applicable rules for arbitration, any arbitration with respect to Claims arising hereunder shall be conducted by a panel of three (3) arbitrators, to be chosen as follows:

- a. One arbitrator shall be selected by Respondent, in its sole and absolute discretion;
- b. One arbitrator shall be selected by the Claimant, in its sole and absolute discretion; and
- c. One arbitrator shall be selected by mutual agreement of the arbitrators having been selected by Respondent and the Claimant, in their sole and absolute discretion.

16.9.2. Exceptions to Arbitration; Preservation of Remedies. No provision of, nor the exercise of any rights under, this Section 16.9 will limit the right of Claimant or Respondent, and Claimant and the Respondent will have the right during any Claim, to seek, use, and employ ancillary or preliminary remedies, judicial or otherwise, for the purposes of realizing upon, preserving, or protecting upon any property, real or personal, that is involved in a Claim, including, without limitation, rights and remedies relating to: (1) exercising self-help remedies (including set-off rights); or (2) obtaining provisions or ancillary remedies such as injunctive relief, sequestration, attachment, garnishment, or the appointment of a receiver from a court having jurisdiction before, during, or after the

pendency of any arbitration. The institution and maintenance of an action for judicial relief or pursuit of provisional or ancillary remedies or exercise of self-help remedies shall not constitute a waiver of the right of any party to submit the Claim to arbitration nor render inapplicable the compulsory arbitration provisions hereof.

16.9.3. Statute of Limitations. All statutes of limitation that would otherwise be applicable shall apply to any arbitration proceeding under this Section 16.9.

16.9.4. Scope of Award; Modification or Vacation of Award. The arbitrator shall resolve all Claims in accordance with the applicable substantive law. The arbitrator may grant any remedy or relief that the arbitrator deems just and equitable and within the scope of this Section 16.9 and subject to Section 16.10 below (attorney's fees and costs may not be awarded by the arbitrator); provided, however, that for a Claim, or any portion of a Claim governed by Chapter 27 of the Texas Property Code, or any successor statute, in no event shall the arbitrator award damages which exceed the damages a Claimant would be entitled to under Chapter 27 of the Texas Property Code. In all arbitration proceedings the arbitrator shall make specific, written findings of fact and conclusions of law. In all arbitration proceedings the parties shall have the right to seek vacation or modification of any award that is based in whole, or in part, on (1) factual findings that have no legally or factually sufficient evidence, as those terms are defined in Texas law; (2) conclusions of law that are erroneous; (3) an error of federal or state law; or (4) a cause of action or remedy not expressly provided under existing state or federal law. In no event may an arbitrator award speculative, consequential, or punitive damages for any Claim.

16.9.5. Other Matters. To the maximum extent practicable, an arbitration proceeding hereunder shall be concluded within one hundred and eighty (180) days of the filing of the Claim for arbitration by notice from either party to the other. Arbitration proceedings hereunder shall be conducted in Hunt County, Texas. The arbitrator shall be empowered to impose sanctions and to take such other actions as the arbitrator deems necessary to the same extent a judge could pursuant to the Federal Rules of Civil Procedure, the Texas Rules of Civil Procedure and Applicable Law. Each party agrees to keep all Claims and arbitration proceedings strictly confidential, except for disclosures of information required in the ordinary course of business of the parties or by Applicable Law or regulation. In no event shall any party discuss with the news media or grant any interviews with the news media regarding a Claim or issue any press release regarding any Claim without the written consent of the other parties to the Claim.

16.10. ALLOCATION OF COSTS. Notwithstanding any provision in this Declaration to the contrary, each Party bears all of its own costs incurred prior to and during the proceedings described in the Notice, Negotiation, Mediation and Arbitration sections above, including its attorney's fees. Respondent and Claimant will equally divide all expenses and fees charged by the mediator and arbitrator.

16.11. 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.

16.12. PERIOD OF LIMITATION.

16.12.1. For Actions by an Owner. The exclusive period of limitation for any of the Parties to bring any Claim, including, but not limited to, a Claim of construction defect or defective design of a Residence, shall be the earliest of: (1) for Claims alleging construction defect or defective design, two years and one day from the date that the Owner discovered or reasonably should have discovered evidence of the Claim; (2) for Claims other than those alleging construction defect or defective design, four years and one day from the date that the Owner discovered or reasonably should have discovered evidence of the Claim; or (3) for all Claims, the applicable statute of limitations under Texas law. In no event shall this Section 16.12.1 be interpreted to extend any period of limitations under Texas law.

16.12.2. For Actions by the Association. The exclusive period of limitation for the Association to bring any Claim, including, but not limited to, a Claim of construction defect or defective design of the Common Areas, shall be the earliest of: (1) for Claims alleging construction defect or defective design, two years and one day from the date that the Association or its agents discovered or reasonably should have discovered evidence of the Claim; (2) for Claims other than those alleging construction defect or defective design of the Common Areas, four years and one day from the date that the Association discovered or reasonably should have discovered evidence of the Claim; or (3) for all Claims, the applicable statute of limitations under Texas law. In no event shall this Section 16.12.2 be interpreted to extend any period of limitations under Texas law.

16.13. LITIGATION APPROVAL & SETTLEMENT. The Association must levy a Special Assessment to fund the estimated costs of arbitration, including estimated attorney's fees, conducted pursuant to this Article 16 or any judicial action initiated by the Association. The Association may not use its annual operating income or reserve funds or savings to fund arbitration or litigation, unless the Association's annual budget or a savings account was established and funded from its inception as an arbitration and litigation reserve fund.

16.14. LIMITATION ON CONSOLIDATION OR JOINDER. No mediation, arbitration, or other action arising out of or relating to this Declaration or any other Documents shall include, by consolidation or joinder or in any other manner, the Declarant, the Association, any managing agent engaged by the Declarant, the Association, or the Architectural Reviewer as a "Respondent" in such Claim, except by written consent containing specific reference to this Declaration signed by the Declarant, the Association, any managing agent engaged by the Declarant or the Association, or the Architectural Reviewer named as Respondent, as applicable, the Claimant, and any other person or entity sought to be joined. Consent to mediation, arbitration or other proceeding involving an additional person or entity shall not constitute consent to mediation, arbitration or other proceeding to resolve a Claim not described therein or with a person or entity not named or described therein. Notwithstanding the foregoing, the Declarant if named as a "Respondent" in a Claim, may, at its option and in its sole and absolute discretion, elect to join or consolidate mediation or arbitration with a Claimant and other Claimant(s) or any other party having an interest in the proceedings. Each Owner by taking title to any Lot hereby consents to such joinder or consolidation, which may be ordered at the sole discretion or election of the Declarant.

16.15. RESTRICTIONS ON AMENDMENT. The provisions of this Article 16 may not be modified or amended without the express written consent of Declarant.

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

LIKE ALL COVENANTS CONTAINED IN THIS DECLARATION, THE AGREEMENTS CONTAINED IN THIS ARTICLE ARE COVENANTS RUNNING WITH TITLE TO EACH LOT, CONCERN EACH LOT AND THE DWELLING AND OTHER IMPROVEMENTS ON SUCH LOT, AND SHALL BE BINDING UPON EACH SUCCESSIVE OWNER OF A LOT (WHICH INCLUDES WITHOUT LIMITATION EACH SUBSEQUENT PURCHASER OF A LOT).

ARTICLE 17

GENERAL PROVISIONS

17.1. 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.

17.2. 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.

17.3. 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. Only one (1) notice informing an Owner of an existing violation (emergency violations excluded) will be required. Such notice shall provide the Owner not less than ten (10) days to cure the violation, if such violation is curable (See Section 12.1 hereof). If Owner does not cure the violation after the written notice is delivered and applicable cure period expires, then the Association shall proceed with a fine notice and subsequent fines or with self-help whichever the Association deems appropriate.

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

17.5. SEVERABILITY. Invalidity 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.

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

17.7. APPENDICES. The following appendixes are attached to this Declaration and incorporated herein by reference:

- A – Description of Subject Land
- B – Declarant Representations & Reservations
- C – Certificate of Formation, Organizational Consent and Bylaws of the Association

17.8. 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.

17.9. CITY AUTHORIZATION TO ENFORCE. The City shall have the right, but not the obligation, to enforce the rights granted to City in this Declaration without the necessity of City being a party to this Declaration or an Owner.

17.10. DURATION. Unless terminated or amended by Owners as permitted herein, the provisions of this Declaration shall run with and bind the Property, and will remain in effect initially for seventy-five (75) years from the date this Declaration is recorded, and shall automatically renew without any action from the Association for successive ten (10) year periods to the extent permitted by law, unless previously terminated in accordance with Section 15.7 hereof.

17.11. NOTICE OF OBLIGATION TO PAY PUBLIC IMPROVEMENT DISTRICT ASSESSMENT TO THE CITY.

17.11.1. By the deed or other document conveying any portion of the Property subject to this Declaration, upon taking title to any portion of the Property, each Owner is obligated to pay an assessment to a municipality or county for an improvement project undertaken by a Public Improvement District under Subchapter A, Chapter 372, Local Government Code, or Chapter 382, Local Government Code. The assessment may be due annually or in periodic installments and shall be in addition to the Assessments levied hereunder by the Association. More information concerning the amount of the assessment and the due dates of that assessment with respect to the PID may be obtained from the City or county levying the assessment. The amount of the assessments levied against Property within the PID is subject to change. An Owner's failure to pay the PID assessments could result in a lien on and the foreclosure of Property owned by it, which lien shall be in addition to the Assessment Lien hereunder. Pursuant to Section 4.3 of the Developer's Agreement, each Builder shall be required to post signage indicating that the property for sale is located in a special assessment district and such signage be located in a conspicuous location in all model homes. Additionally, all written brochures and promotional materials given to each prospective home buyer shall include an explanation of the PID assessments.

17.11.2. The following is the current form of statutory notification required by Texas Property Code Section 5.014 to be delivered by the seller of property that is located in a public improvement district established under Chapter 372, Local Government Code, to the purchaser of such residential property:

NOTICE OF OBLIGATION TO PAY PUBLIC IMPROVEMENT DISTRICT ASSESSMENT TO THE CITY OF CADDO MILLS, HUNT COUNTY, TEXAS CONCERNING THE PROPERTY AT [Street Address]

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Caddo Mills, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within the Caddo Mills Public Improvement District (the "District") created under Subchapter A, Chapter 372, Local Government Code

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from City of Caddo Mills, Texas. The exact amount of each annual installment will be approved each year by the City Council of the City of Caddo Mills, Texas in the annual service plan update

for the District. More information about the assessments, including the amounts and due dates, may be obtained from City of Caddo Mills, Texas.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

17.11.3. If the form of statutory notification is amended or modified at any time after the date hereof, such amended or modified notification shall be deemed to be incorporated herein by reference. Each Owner shall deliver or cause to be delivered the then current form of statutory notice of the PID required by the City and/or pursuant to Section 5.014 of the Texas Property Code to any purchaser of such Owner's Lot.

17.11.4. In addition to this Declaration, the Property is subject to the PID Restrictions as set forth in the PID Declaration. In the event of any conflict between the terms of this Declaration and the PID Declaration, the PID Declaration shall control. Any assessments or liens established under the PID Declaration shall be a superior lien prior to the lien securing the Assessments hereunder.

[Signature page follows this page]

SIGNED on this 20th day of March, 2025.

DECLARANT:

Fieldside Development, LLC,
a Texas limited liability company

By: 
Mitchell Fielding, Manager

STATE OF TEXAS

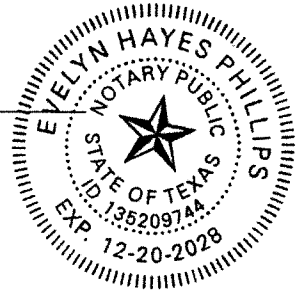
COUNTY OF

Rockwall

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§
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This instrument was acknowledged before me on the 20th day of March, 2025 by Mitchell Fielding, Manager of Fieldside Development, LLC a Texas limited liability company on behalf of said company.


Notary Public, State of Texas



**APPENDIX “A”
TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR
CADDO MILLS CROSSING**

REAL PROPERTY LEGAL DESCRIPTION

REAL PROPERTY LEGAL DESCRIPTION

All of that certain lot, tract or parcel of land situated in the Catharine Havins Survey, Abstract No. 488, M. Hart Survey, Abstract No. 462 and the Henry Watson Survey, Abstract No. 1126, being all of that certain tract of land described in the deed from Larry Thomas Wood to Jerry Don Wood, et ux, as recorded in Volume 867, Page 100 of the Official Public Records of Hunt County, Texas (hereinafter called Subject Tract One), being all of that certain tract of land described in the deed from the Veterans Land Board of the State of Texas to Jerry Don Wood, as recorded in Volume 185, Page 563 of the Real Property Records of Hunt County, Texas (hereinafter called Subject Tract Two), being all of that certain tract of land described in the deed from Stanley M. Etnire, et ux, to Jerry Don Wood, et ux, as recorded in Volume 185, Page 545 of the Real Property Record of Hunt County, Texas (hereinafter called Subject Tract Three), and being more particularly described by metes and bounds as follows:

BEGINNING at a 3/8" iron rod found for a corner lying in the centerline of County Road Number 2162 and the North line of that certain tract of land described in the deed from Harold Payne, Trustee of the Payne Family Living Trust to Caddo Mills Independent School District, as record in Volume 1569, Page 31 of the Official Public Records of Hunt County, Texas, said corner being the Southwest corner of the said Subject Tract One and the Southeast corner of that certain tract of land described as Tract Two in the deed from George Morgan to Merle Matson, as recorded in Document Number 2012-7266 of the Official Public Records of Hunt County, Texas;

THENCE N. 00 deg. 51 min. 13 sec. W. at a distance of 20.13 feet passing a 1/2" iron rod found for a reference, at a distance of 102.71 feet passing a axle found for a reference at the Northeast corner of the said Watson tract, and continuing in all a distance of 1128.89 feet along the West line of the said Subject Tract One, the East line of the said Watson Tract, the East line of that certain tract of land described in the deed from Carlos Glen Koger, et ux, to Merle Matson, et ux, as recorded in Volume 835, Page 753 of the Official Public Records of Hunt County, Texas, and the East line of that certain tract of land described in the deed from C. G. Koger, et ux, to Merle Matson, et ux, as recorded in Volume 812, Page 806 of the Official Public Records of Hunt County, Texas to a 1.5" axle found for a corner, said corner being an inside ell corner of the said Subject Tract One and the Northeast corner of the said Watson tract (812/806);

THENCE S. 89 deg. 13 min, 12 sec. W. a distance of 636.34 feet along the South line of the said Subject Tract One and the North line of the said Watson tract (812/800) to a 1/2" iron rod found for a corner, said corner being an outside ell corner of the Subject Tract One and the Southeast corner of that certain tract of land described in the deed from Nathan Green,

et al, to Equity Trust Company, Custodian FBO Jonathan Metzler IRA, as recorded in Document Number 2014—1123 of the Official Public Records of Hunt County, Texas;

THENCE N. 00 deg. 27 min. 28 sec. W. a distance of 1721.31 feet along the West line of the said Subject Tract One and the East line of said IRA tract to a 1/2" iron rod found for a corner lying in the South line of that certain tract of land described in the deed from the Estate of Beulah Weatherley to Alton Ray Weatherley, as recorded in Document Number 2011—8683 of the Real Records of Hunt County, Texas, said corner being the Northwest corner of the said Subject Tract One and the Northeast corner of the said IRA tract;

THENCE N. 89 deg. 15 min. 27 sec. E. a distance of 995.58 feet along the North line of the said Subject Tract One and the South line of the said Weatherley tract to a 1/2" iron rod with plastic cap stamped "STOVALL & ASSOC" set (hereinafter called 1/2" iron rod set) for a corner lying in the West line of that certain tract of land described in the deed from Marjorie Bentley to Rhea Hudson Stroope, as recorded in Document Number 2015-247 of the Official Public Records of Hunt County, Texas, said corner being an outside ell corner of the said Subject Tract One and the Southeast corner of the said Weatherley tract;

THENCE S. 00 deg. 35 min. 30 sec. E. a distance of 72.74 feet along the East line of the said Subject Tract One and the West line of the said Stroope tract to 1/2" iron rod with plastic cap stamped "OWENS" found for a corner, said corner being an inside ell corner of the said Subject Tract and the Southwest corner of the said Stroope tract;

THENCE N. 88 deg. 45 min. 51 deg. E. a distance of 1509.44 feet along the North line of the said Subject Tract One, the North line of the said Subject Tract Two, the North line of the said Subject Tract Three and the South line of the said Stroope Tract to a 1/2" iron rod set for a corner lying in the Centerline of County Road Number 2180, said corner being the Northeast corner of the said Subject Tract Three, the Southeast corner of the said Stroope tract, the Southwest corner of that certain tract of land described in the deed from Marjorie Bentley to Rhea Hudson Stroope, as recorded in Document Number 2014-15847 of the Official Public Records of Hunt County, Texas, and the Northwest corner of that certain tract of land described as Tract 3 in the deed from Marjorie R. Stroope to Rhea Hudson Stroope, as recorded in Document Number 2014-12561 of the Official Public Records of Hunt County, Texas;

THENCE S. 00 deg. 19 min. 24 sec. E. a distance of 1509.88 feet along County Road Number 2180, the East line of the said Subject Tract Three, the West line of the said Stroope Tract 3, and the West line of that certain tract of land described as Tract 4 in the deed from Marjorie R. Stroope to Rhea Hudson Stroope, as recorded in Document

Number 2014-12561 of the Official Public Records of Hunt County, Texas to a 1/2" iron rod set for corner, said corner being an inside ell corner of the said Subject Tract Three;

THENCE N. 89 deg. 39 min. 16 sec. E. a distance of 537.74 feet generally along a fence, the North line of the said Subject Tract Three and the South line of the said Stroope Tract 4 to a 3/8" iron rod found for a corner, said corner being an outside ell corner of the said Subject Tract Three;

THENCE S. 09 deg. 19 min. 52 sec. E. a distance of 950.46 feet along the East line of the said Subject Tract Three and the West line of the said Stroope Tract 4 to a mag spike with washer stamped "STOVALL & ASSOC" set (hereinafter called mag spike set) for a corner lying in County Road Number 2162, said corner being the Southeast corner of the said Subject Tract Three and the Southwest corner of the said Stroope Tract 4;

THENCE S. 77 deg. 53 min, 07 sec. W. a distance of 307.24 feet along the said County Road Number 2162 and the South line of the said Subject Tract Three to a mag spike set for a corner at an angle point;

THENCE S. 72 deg. 12 min. 39 sec. W. a distance of 115.03 feet along the said County Road Number 2162 and the South line of the said Subject Tract Three to a mag spike set for a corner at an angle point;

THENCE S. 63 deg. 09 min. 23 sec. W. a distance of 268.01 feet along the said County Road Number 2162 and the South line of the said Subject Tract Three to a 1/2" iron rod with orange cap found for a corner at an angle point;

THENCE S. 66 deg. 13 min. 38 sec. W. a distance of 236.63 feet along the said County Road Number 2162, the South line of the said Subject Tract Three and the North line of that certain tract of land described in the deed from Missionate Church to Jonathan Valfre, et ux, as recorded in Document Number 2018—2600 of the OPR Records of Hunt County, Texas to a mag spike set for a corner at an angle point;

THENCE S. 78 deg. 35 min. 39 sec. W. a distance of 173.32 feet along the said County Road Number 2162, the South line of the said Subject Tract Three, the North line of the said Valfre tract and the North line of that certain tract of land described in the deed from Homebank Texas to Duke J. Simpson, et ux, as recorded in Document Number 2014-13513 of the OPR Records of Hunt County, Texas to a mag spike set for a corner at an angle point;

THENCE S. 89 deg. 15 min. 55 sec. W. a distance of 1503.47 feet along the said County Road Number 2162, the South line of the said Subject Tract Three, the South line of the said Subject Tract Two, the South line of the said Subject Tract One, the North line of the said Valfre tract, the North line of the said Simpson tract, the North line of that certain tract of land described in the deed from Caddo Mills ISD to City of Caddo Mills, as recorded in Document Number 2013-10398 of the OPR Records of Hunt County, Texas and the North line of the said Caddo Mills tract to the POINT OF BEGINNING and containing 159.60 acres of land.

**APPENDIX “B”
TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR
CADDO MILLS CROSSING**

DECLARANT REPRESENTATIONS & RESERVATIONS

B.1. GENERAL PROVISIONS.

B.1.1. Introduction. Declarant intends the Declaration to be perpetual and understands that provisions pertaining to the initial development, construction, marketing, and control of the Property will become obsolete when Declarant’s role is complete upon expiration of the Development Period. As a courtesy to future users of the Declaration, who may be frustrated by then-obsolete terms, Declarant is compiling the Declarant-related provisions in this Appendix B. The terms of Appendix “B” may not be modified or amended without the express written consent of Declarant.

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

B.1.3. Purpose of Development and Declarant Control Periods. This Appendix B gives Declarant certain rights during the Development Period and the Declarant Control Period to ensure a complete and orderly build out and sellout of the Property, which is ultimately for the benefit and protection of Owners and mortgagees. Declarant may not use its control of the Association and the Property for an advantage over the Owners by way of retention of any residual rights or interests in the Association or through the creation of any contractual agreements which the Association may not terminate without cause with ninety (90) days’ notice.

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

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

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

- (1) fifty (50) years from date this Declaration is recorded.
- (2) the date title to the Lots and all other portions of the Property has been conveyed to Owners other than Builders or Declarant.

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

B.2.1. Officers & Directors. During the Declarant Control Period, the Board may consist of three persons. **During the Declarant Control Period, Declarant may appoint, remove, and replace any officer or director of the Association, none of whom need be Members or Owners, and each of whom is indemnified by the Association as a “Leader;” provided, however,** that on or before the date which is the earliest of (i) one hundred eighty (180) days after Declarant has sold one hundred percent (100%) of the Lots that may be developed within the Property, (ii) the date on which seventy-five percent (75%) of the Lots have been sold to Owners who are neither Declarant nor Builders, or (iii) ten (10) years after the date of recordation of this Declaration, at least one-third (1/3) of the directors on the Board shall be elected by non-Declarant Owners.

B.2.2. Weighted Votes. During the Declarant Control Period, Declarant shall hold Class B Member status and the vote appurtenant to each Lot owned by Declarant is weighted twenty (20) 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 twenty (20) votes for each Lot owned by Declarant on any issue before the Association. On termination of the Declarant Control Period, Declarant’s Class B Member status shall expire (subject to Section B.7.4 of this Appendix “B” below) and thereafter, the vote appurtenant to Declarant’s Lots is weighted uniformly with all other votes.

B.2.3. Budget Funding. During the Declarant Control Period only, Declarant is responsible for the difference between the Association’s operating expenses and the Regular Assessments received from Owners other than Declarant, and will either levy a special assessment to fund such deficit or provide any additional funds necessary to pay actual cash outlays of the Association. At the Declarant’s sole discretion, funds provided for the purpose of offsetting a deficit may be treated as a loan. On termination of the Declarant Control Period, Declarant will cease being responsible for the difference between the Association’s operating expenses and the Assessments received from Owners other than Declarant. Declarant is not responsible for funding the Working Capital Contributions and may, at its sole discretion, require the Association to use funds from the reserve account or operating account when available to pay operating expenses prior to the Declarant funding any deficit.

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

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

B.2.6. Commencement of Assessments. During the 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. Prior to the first levy, Declarant will be responsible for all operating expenses of the Association; however, Declarant may elect to treat any advance made by the Declarant to cover operating or other expenses of the Association as a loan to the Association subject to reimbursement and repayment by the Association.

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

B.2.8. Budget Control and Termination of Association Contracts. During the Declarant Control Period, the right of Owners to veto Assessment increases or Special Assessments is not effective and may not be exercised. During the Declarant Control Period, any contracts entered into by the Association may not be terminated without the prior written consent of Declarant.

B.2.9. Organizational Meeting. Within sixty (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 ten days but not more than sixty (60) days before the meeting. For the organizational meeting, Owners of ten percent (10%) of the Lots constitute a quorum. The directors elected at the organizational meeting will serve as the Board 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. At this transition meeting, the Declarant will transfer control over all utilities related to the Common Areas owned by the Association and Declarant will provide information to the Association, if not already done so, relating to the total costs to date related to the operation and maintenance of the Common Areas.

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

B.3.1. Changes in Development Plan. Declarant may modify the initial development plan to respond to perceived or actual changes and opportunities in the marketplace. Subject to approval by (1) a governmental entity, if applicable, and (2) the Owner of the land or Lots to which the change would directly apply (if other than Declarant), Declarant may (a) change the sizes, dimensions, and configurations of Lots and Streets; (b) change the minimum Residence size; (c) change the building setback requirements; and (d) eliminate or modify any other feature of the Property.

B.3.2. Builder Limitations. Declarant may require its approval (which may not be unreasonably withheld) of all documents and materials used by a Builder in connection with the development and sale of Lots, including without limitation promotional materials; deed restrictions; forms for deeds, Lot sales, and Lot closings. Without Declarant's prior written approval, a Builder may not use a sales office or model in the Property to market Residences, Lots, or other products located outside the Property.

B.3.3. Architectural Control. **During the Development Period, Declarant has the absolute right to serve as the Architectural Reviewer pursuant to Article 6.** Declarant may from time to time, but is not obligated to, delegate all or a portion of its reserved rights under Article 6 and this Appendix B to (1) an ACC appointed by the Board, or (2) a committee comprised of architects, engineers, or other persons who may or may not be Members of the Association. Any such delegation is at all times subject to the unilateral rights of Declarant (1) to revoke such delegation at any time and reassume jurisdiction over the matters previously delegated and (2) to veto any decision which Declarant in its sole discretion determines to be inappropriate or inadvisable for any reason. Declarant also has the unilateral right to exercise architectural control over vacant Lots in the Property. **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 Residences and related improvements on vacant Lots.**

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

- (a) To create Lots, easements, and Common Areas within the Property.
- (b) To subdivide, combine, or reconfigure Lots.
- (c) To convert Lots into Common Areas and Common Areas back to Lots.
- (d) To modify the construction and use restrictions of Article 7 of this Declaration.
- (e) To merge the Association with another property owners association.
- (f) To comply with the requirements of an underwriting lender.
- (g) To resolve conflicts, clarify ambiguities, and to correct misstatements, errors, or omissions in the Documents.
- (h) To enable any reputable title insurance company to issue title insurance coverage on the Lots.
- (i) To enable an institutional or governmental lender to make or purchase mortgage loans on the Lots.
- (j) To change the name or entity of Declarant.

(k) To change the name of the addition in which the Property is located.

(l) To change the name of the Association.

(m) For any other purpose, provided the amendment has no material adverse effect on any right of any Owner.

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

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

B.3.7. Promotion. During the Development Period, Declarant reserves for itself an easement and right to place or install signs, banners, flags, display lighting, potted plants, exterior decorative items, seasonal decorations, temporary window treatments, and seasonal landscaping on the Property, including items and locations that are prohibited to other Owners and Residents, for purposes of promoting, identifying, and marketing the Property and/or Declarant's Residences, Lots, developments, or other products located outside the Property. Declarant reserves an easement and right to maintain, relocate, replace, or remove the same from time to time within the Property. Declarant also reserves the right to sponsor marketing events – such as open houses, MLS tours, and broker's parties – at the Property to promote the sale of Lots. During the Development Period, Declarant also reserves (1) the right to permit Builders to place signs and promotional materials on the Property and (2) the right to exempt Builders from the sign restriction in this Declaration.

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

B.3.9. Access. During the Development Period, Declarant has an easement and right of ingress and egress in and through the Property for purposes of constructing, maintaining, managing, and marketing the Property and the Property Subject to Annexation (as hereinafter defined), and for discharging Declarant's obligations under this Declaration.

Declarant also has the right to provide a reasonable means of access for the home buying public through any existing or future gate that restricts vehicular access to the Property in connection with the active marketing of Lots and Residences by Declarant or Builders, including the right to require that the gate be kept open during certain hours and/or on certain days. This provision may not be construed as an obligation or intent to gate the Property.

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

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

B.3.12. Land Transfers. During the Development Period, any transfer of an interest in the Property to or from Declarant is not subject to any transfer-related provision in the Documents, including without limitation on an obligation for transfer or Resale Certificate fees, and the transfer-related provisions of Article 8 of this Declaration. The application of this provision includes without limitation Declarant's Lot take-downs, Declarant's sale of Lots to Builders, and Declarant's sale of Lots to homebuyers.

B.4. COMMON AREAS. Declarant will convey title to the Common Areas, including any and all facilities, structures, improvements and systems of the Common Areas owned by Declarant, to the Association by one or more deeds – with or without warranty. Any initial Common Area improvements will be installed, constructed, or authorized by Declarant, the cost of which is not a Common Expense of the Association. At the time of conveyance to the Association, the Common Areas will be free to encumbrance except for the property taxes accruing for the year of conveyance the terms of this Declaration and matters reflected on the Plat. Declarant's conveyance of title is a ministerial task that does not require and is not subject to acceptance by the Association or the Owners. The transfer of control of the Association at the end of the Declarant Control Period is not a transfer of Common Areas requiring inspection, evaluation, acceptance, or approval of Common Area improvements by the Owners. Declarant is under no contractual or other obligation to provide amenities of any kind or type.

B.5. WORKING CAPITAL CONTRIBUTIONS. Declarant shall require a Working Capital Contribution for the Association as set forth in Section 8.12.3 of the Declaration, by requiring purchasers of Lots to make a one-time contribution, subject to the following conditions:

a. No Working Capital Contributions shall be due or collected on the closing of the sale of the Lot to a Builder, a Declarant, a Successor Declarant, or Declarant-affiliate.

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

c. Working Capital Contributions to the working capital fund are not advance payments of any Assessments or made in lieu of other payments or amounts to be collected or due hereunder in the event of a transfer of a Lot 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. Funds may be used for any operating, administrative and/or maintenance needs of the Association, including, without limitation, funding for the Association's operating needs during the Declarant Control Period in the event of a deficit in the Association's operating budget.

d. Declarant will transfer the balance of the working capital fund, if any, to the Association's reserve account or operating account on or before termination of the Declarant Control Period.

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

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

Declarant). Declarant shall also have the unilateral right to transfer to any successor Declarant, Declarant's right, privilege and option to annex Annexed Land, provided that such successor Declarant shall be the developer of at least a portion of the Annexed Land and shall be expressly designated by Declarant in writing to be the successor or assignee to all or any part of Declarant's rights hereunder.

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

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

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

B.7.3. No Duty to Annex. Nothing herein contained shall establish any duty or obligation on the part of the Declarant or any Member to annex any property to this Declaration and no Owner of the property excluded from this Declaration shall have any right to have such property annexed thereto.

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

[End of Appendix B]

**APPENDIX “C”
TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR
CADDO MILLS CROSSING**

**CERTIFICATE OF FORMATION,
ORGANIZATIONAL CONSENT AND
BYLAWS OF THE ASSOCIATION**

[see attached]

**CERTIFICATE OF FORMATION
OF
CADDO MILLS CROSSING HOA, INC.**

The undersigned natural person, being of the age of eighteen (18) years or more, a citizen of the State of Texas, acting as organizer of a non-profit corporation under the Texas Business Organization Code, does hereby adopt the following Certificate of Formation for such non-profit corporation:

**ARTICLE I
ENTITY NAME AND TYPE**

The filing entity being formed is a non-profit corporation. The name of the entity is: Caddo Mills Crossing HOA, Inc. (hereinafter called the "Association").

**ARTICLE II
DURATION**

The Association shall exist perpetually.

**ARTICLE III
PURPOSE AND POWERS OF THE ASSOCIATION**

The Association is organized in accordance with, and shall operate for nonprofit purposes pursuant to, the Texas Business Organization Code, and does not contemplate pecuniary gain or profit to its members. The Association is formed for the purpose of exercising all of the powers and privileges, and performing all of the duties and obligations, of the Association as set forth in that certain "Declaration of Covenants, Conditions and Restrictions for Caddo Mills Crossing" recorded or to be recorded in the Official Public Records of Hunt County, Texas, as the same may be amended from time to time (the "Declaration"). Without limiting the generality of the foregoing, the Association is organized for the following general purposes:

- (a) to fix, levy, collect, and enforce payment by any lawful means all charges or assessments arising pursuant to the terms of the Declaration;
- (b) to pay all expenses incident to the conduct of the business of the Association, including all licenses, taxes, or governmental charges levied or imposed against the Association's property;
- (c) to have and to exercise any and all powers, rights, and privileges which a corporation organized under the Texas Business Organization Code may now, or later, have or exercise; and
- (d) to have and exercise all rights and powers conferred upon property associations by any and all applicable law, in effect from time to time, provided, however, that the Association shall not have the power to institute, defend, intervene in,

settle or compromise proceedings: (i) in the name of or on behalf of any Owner (whether one or more); or (ii) pertaining to a Claim, as defined in Section 17.1(a) of the Declaration, relating to the design or construction of improvements on a Lot and/or Common Area (whether one or more), including, without limitation, any Residences; and

The above statement of purposes shall be construed as a statement of both purposes and powers. The purposes and powers stated in each of the clauses above shall not be limited or restricted by reference to, or inference from, the terms and provisions of any other such clause, but shall be broadly construed as independent purposes and powers.

ARTICLE IV INITIAL MAILING ADDRESS

The initial mailing address of the Association to which state franchise tax correspondence should be sent is 4232 Ridge Road, Suite 104, Heath, Texas 75032.

ARTICLE V REGISTERED OFFICE; REGISTERED AGENT

The street address of the initial registered office of the Association is 4232 Ridge Road, Suite 104, Heath, Texas 75032. The name of its initial registered agent at such address is Mitchell Fielding.

ARTICLE VI MEMBERSHIP

Membership in the Association shall be dependent upon ownership of a qualifying property interest as defined and set forth in the Declaration. Any person or entity acquiring such a qualifying property interest shall automatically become a member of the Association, and such membership shall be appurtenant to, and shall run with, the property interest. The foregoing shall not be deemed or construed to include persons or entities holding an interest merely as security for performance of an obligation. Membership may not be severed from or in any way transferred, pledged, mortgaged, or alienated except together with the title to the qualifying property interest, and then only to the transferee of title to said property interest. Any attempt to make a prohibited severance, transfer, pledge, mortgage, or alienation shall be void.

ARTICLE VII VOTING RIGHTS

Voting rights of the members of the Association shall be determined as set forth in the Declaration. No owner, other than the Declarant under the Declaration, shall be entitled to vote at any meeting of the Association until such owner has presented to the Association evidence of ownership of a qualifying property interest in the Property. The vote of each owner may be cast by such owner or by proxy given to such owner's duly authorized representative.

**ARTICLE VIII
ORGANIZER**

The name and street address of the organizer is:

NAME

ADDRESS

Mitchell Fielding

4232 Ridge Road, Suite 104
Heath, TX 75032

**ARTICLE IX
BOARD OF DIRECTORS**

The affairs of the Association shall be managed by an initial Board of Directors consisting of three (3) individuals, who need not be members of the Association. The Board shall fulfill all of the functions of, and possess all powers granted to, Boards of Directors of nonprofit corporations pursuant to the Texas Business Organization Code. The number of Directors of the Association may be changed by amendment of the Bylaws of the Association. The names and addresses of the persons who are to act in the capacity of initial Directors until the selection of their successors are:

NAME

ADDRESS

Mitchell Fielding

4232 Ridge Road, Suite 104
Heath, TX 75032

Michael Fielding

4232 Ridge Road, Suite 104
Heath, TX 75032

Terence Burnside

213 N. Pearl Street
Trenton, TX 75490

All of the powers and prerogatives of the Association shall be exercised by the initial Board of Directors named above.

**ARTICLE X
LIMITATION OF DIRECTOR LIABILITY**

A director of the Association shall not be personally liable to the Association for monetary damages for any act or omission in his capacity as a director, except to the extent otherwise expressly provided by a statute of the State of Texas. Any repeal or modification of this Article shall be prospective only, and shall not adversely affect any limitation of the personal liability of a director of the Association existing at the time of the repeal or modification.

ARTICLE XI INDEMNIFICATION

Each person who acts as a director or officer of the Association shall be indemnified by the Association against any costs, expenses and liabilities which may be imposed upon or reasonably incurred by him in connection with any civil or criminal action, suit or proceeding in which he may be named as a party defendant or in which he may be a witness by reason of his being or having been such director or officer or by reason of any action alleged to have been taken or omitted by him in either such capacity. Such indemnification shall be provided in the manner and under the terms, conditions and limitations set forth in the Bylaws of the Association.

ARTICLE XII DISSOLUTION

The Association may be dissolved with the written and signed assent of not less than sixty-seven percent (67%) of the total number of votes of the Association, as determined under the Declaration. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed, and assigned to any nonprofit corporation, association, trust, or other organization to be devoted to such similar purposes.

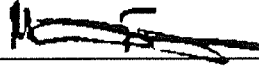
ARTICLE XIII ACTION WITHOUT MEETING

Any action required by law to be taken at any annual or special meeting of the members of the Association, or any action that may be taken at any annual or special meeting of the members of the Association, may be taken without a meeting, without prior notice, and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the number of members having the total number of votes of the Association necessary to enact the action taken, as determined under the Declaration or this Certificate.

ARTICLE XIV AMENDMENT

Amendment of this Certificate of Formation shall be by proposal submitted to the membership of the Association. Any such proposed amendment shall be adopted only upon an affirmative vote by the holders of a minimum of sixty-seven percent (67%) of the total number of votes of the Association, as determined under the Declaration. In the case of any conflict between the Declaration and this Certificate, the Declaration shall control; and in the case of any conflict between this Certificate and the Bylaws of the Association, this Certificate shall control.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand, effective this
6th day of March, 2025.



Mitchell Fielding, Organizer

AFTER RECORDING RETURN TO:
FIELDSDIDE DEVELOPMENT, LLC
4232 RIDGE ROAD, SUITE 104
HEATH, TX 75032

**CONSENT OF DIRECTORS IN LIEU OF
ORGANIZATIONAL MEETING
OF
CADDO MILLS CROSSING HOA, INC.**

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

1. DIRECTORS

RESOLVED, that each of the undersigned, being all of the directors of the Association, as named in its Certificate of Formation filed with the Secretary of State of the State of Texas on March 6, 2025, does hereby accept appointment to such office and does hereby agree to serve as a director of the Association until the first annual meeting of the members and until said director's successor or successors have been duly elected and qualified or until his or her earlier death, resignation, retirement, disqualification or removal from office.

2. BYLAWS

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

3. OFFICERS

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

Mitchell Fielding	-	President
Michael Fielding	-	Vice President
Terence Burnside	-	Secretary and Treasurer

4. REGISTERED OFFICE; REGISTERED AGENT

RESOLVED, that the registered office of the Association be established and maintained at 4232 Ridge Road, Suite 104, Heath, Texas 75032, and that Mitchell Fielding is hereby appointed as registered agent of the corporation in said office.

5. BOOKS AND RECORDS

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

6. ORGANIZATIONAL EXPENSES

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

7. CORPORATE SEAL

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

8. DEPOSITORY RESOLUTIONS

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

Mitchell Fielding, President and Director
Michael Fielding, Vice President and Director
Terence Burnside, Secretary, Treasurer and Director

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

IN WITNESS WHEREOF, the undersigned have executed this instrument to be effective as of (but not necessarily executed on) the 6th day of March, 2025.



Mitchell Fielding, Director



Michael Fielding, Director



Terence Burnside, Director

EXHIBIT A

Bylaws

[See Attached]

**BYLAWS
OF
CADDO MILLS CROSSING HOA, INC.**

**ARTICLE I
INTRODUCTION**

The name of the corporation is Caddo Mills Crossing HOA, Inc., a Texas non-profit corporation, hereinafter referred to as the “Association”. The principal office of the Association shall be located in Hunt County, Texas, but meetings of Members and Directors may be held at such places within the State of Texas, as may be designated by the Board of Directors.

The Association is organized to be a nonprofit corporation.

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

**ARTICLE II
DEFINITIONS**

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

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

Section 2.2. Association. “Association” shall mean and refer to Caddo Mills Crossing HOA, Inc., a Texas non-profit corporation.

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

Section 2.4. Association Restrictions. “Association Restrictions” shall mean the Declaration of Covenants, Conditions and Restrictions for Caddo Mills Crossing as the same may be amended from time to time, together with the Certificate, Bylaws, and Association Rules from time to time in effect.

Section 2.5. Association Rules. “Association Rules” shall mean the rules and regulations adopted by the Board pursuant to the Declaration, as the same may be amended from time to time, including, without limitation, the Records Production Copying Policy attached hereto as Schedule 1, the Alternative Payment Schedule Policy attached hereto as Schedule 2, the Pandemic Policy attached hereto as Schedule 3, the Email Registration Policy attached hereto as Schedule 4, the Collection Policy attached hereto as Schedule 5, the Generator Policy attached hereto as Schedule

6, the Statutory Notice of Posting and Recordation of Association Governing Documents attached hereto as Schedule 7, the Security Measures Policy attached hereto as Schedule 8.

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

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

Section 2.8. Certificate. “Certificate” shall mean the Certificate of Formation of Caddo Mills Crossing HOA, Inc., a Texas non-profit corporation, filed in the office of the Secretary of State of the State of Texas, as the same may from time to time be amended.

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

Section 2.10. Declaration. “Declaration” shall mean the “Declaration of Covenants, Conditions and Restrictions for Caddo Mills Crossing”, recorded in the Official Public Records of Hunt County, Texas, as the same may be amended from time to time.

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

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

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

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

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

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

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

ARTICLE III MEETING OF MEMBERS

Section 3.1. Annual Meetings. The first annual meeting of the Members shall be held on such date as selected by the Board of Directors which is on or before the earlier of (i) the date which is one hundred twenty (120) days after one hundred percent (100%) of the Lots have been sold to non-Declarant Owners, or (ii) ten (10) years from the date on which the Declaration is recorded in the Official Public Records of Hunt County, Texas, and each subsequent regular annual meeting of the Members shall be held on such date as selected by the Board of Directors who shall, whenever possible, hold the annual meeting in the same month each year thereafter unless a different date is selected by the Board of Directors. The annual meeting shall not be held on a Saturday, Sunday, or legal holiday.

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

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

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

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

Section 3.6. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, ten percent (10%) of the total votes of the membership shall constitute a quorum for any action, except as otherwise provided in the Certificate, the Declaration, or these Bylaws. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be five percent (5%) of all the votes of all Members. No such subsequent meeting shall be held more than thirty (30) days following the preceding meeting. If the required quorum is not present or represented at any meeting, the Members entitled to vote at the meeting shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented.

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

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

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

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

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

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

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

Section 3.12. Telephone Meetings. Members of the Association may participate in and hold meetings of the Association by means of conference telephone or similar communications

equipment by means of which all persons participating in the meeting can hear each other. Participation in the meeting constitutes presence in person at the meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

ARTICLE IV BOARD OF DIRECTORS

Section 4.1. Authority; Number of Directors.

(a) The affairs of the Association shall be governed by a Board of Directors. The number of Directors shall be fixed by the Board of Directors from time to time, without joinder or consent of any Members. The initial Directors shall be three (3) in number and shall be those Directors named in the Certificate of Formation. The Board of Directors may be increased to up to five (5) persons by action of Declarant during the Development Period, and thereafter by the Board, without joinder or consent of any Members. The initial Directors shall serve until their successors are elected and qualified. Except as is provided in the Declaration and in Sections 4.1(b) and 4.1(c) below, **Declarant shall have the absolute right to appoint and remove members of the Board of Directors during for as long as Declarant owns any Lot affected by the Declaration.**

(b) From and after the first annual meeting of Members and until the date (the "Transition Date") which is the earlier of (i) one hundred eighty (180) days after one hundred percent (100%) of the Lots have been sold to non-Declarant Owners, or (ii) ten (10) years from the date on which the Declaration is recorded in the Official Public Records of Hunt County, Texas, the Board of Directors shall consist of at least three (3) persons (but up to 5-persons) appointed by Declarant who need not be Members of the Association. On and after the Transition Date, the Board of Directors shall include at least two (2) persons (if a three person board, but 3-persons if a five person Board) appointed by Declarant and one (1) person (if a three person board, but 2-persons if a five person Board) elected by a majority vote of Class A Members ("Non-Declarant Director") at such meeting at which quorum is present, which Non-Declarant Member shall serve for a period which is the shorter of one (1) year, or until the next annual meeting of the Members at which the Non-Declarant Member (or replacement thereof) shall be elected. The Non-Declarant Director shall be elected at the first annual meeting (or special meeting called for such purpose by the President of the Association) of Members held on or after the Transition Date. On and after the date on which the last Lot is sold to a non-Declarant Owner (the "Declarant Turnover Date"), the President of the Association will call a meeting of the Members of the Association where the Members will elect one (1) Director for a three (3) year term, and two (2) Directors for a two (2) year term, and any remaining Directors for a one (1) year term. The member obtaining the most votes will serve the three (3) year term, and the nominees obtaining the second and third most votes will each serve a term of two (2) years, and the nominees obtaining the fourth and fifth most votes will each serve a term of one (1) year. Upon expiration of the term of a Director elected by the Members pursuant to this Section 4.1(b), his or her successors shall serve terms of two (2) years. A Director takes office upon the adjournment of the meeting or balloting at which he is elected or appointed and, absent death, ineligibility, resignation, or removal, will hold office until his successor is elected or appointed. The Board of Directors shall have the power and authority

when it is deemed in the best interest of the Association to change or alter the terms of office which shall be done by Board resolution notwithstanding, terms must remain staggered for the purpose of continuity.

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

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

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

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

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

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

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

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

the same notice of this special meeting has also been given to the entire Board of Directors, including the individual Director whose removal is to be considered at such special meeting.

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

ARTICLE V MEETINGS OF DIRECTORS

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

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

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

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

Section 5.5. Action without a Meeting. Any action required or permitted to be taken by the Board at a meeting may be taken without a meeting, if all Directors individually or collectively consent in writing to such action. The written consent must be filed with the minutes of Board meetings. Action by written consent has the same force and effect as a unanimous vote.

Section 5.6. Open Board Meetings. The Board shall hold open board meetings in accordance with Section 209.0051 of the Texas Property Code. Regular and special board meetings must be open to Owners, subject to the right of the Board to adjourn a Board meeting and reconvene in closed executive session to consider actions involving personnel, pending or threatened litigation, contract negotiations, enforcement actions, confidential communications with the Association's attorney, matters involving the invasion of privacy of individual owners, or matters that are to remain confidential by request of the affected parties and agreement of the Board. Decisions made in executive session must be summarized orally and placed in the minutes

and include general explanation of expenditures approved in executive sessions. Members shall be given notice of the date, time, hour, place and general subject matter of a regular or special meeting of the Board, which notice shall be either (i) mailed to each Owner no later than the 10th day or earlier than the 60th day before the date of the meeting, or (ii) posting notice of such meeting at least 144 hours before the start of a regular Board meeting and at least 72 hours before the start of a special board meeting (A) in a conspicuous manner reasonably designed to provide notice to Members in a place located within Common Areas or on the Association's website maintained by the Association or its managing agent, and (b) sending notice via electronic mail to each Owner that has registered an e-mail with the Association. Except as provided by this Section 5.6, a Board may take action outside of a meeting, including voting by electronic or telephonic means, without prior notice to Owners required hereunder, if each Board member is given a reasonable opportunity to express the Board member's opinion to all other Board members and to vote. Any action taken without notice to Owners under this Section 5.6 must be summarized orally, including an explanation of any known actual or estimated expenditures approved at the meeting, and documented in the minutes of the next regular or special Board meeting. The Board may not, unless done in an open meeting for which prior notice was given to owners as noted in this Section 5.6 and required under Section 209.0051 of the Texas Property Code, consider or vote on any of the following: (1) fines; (2) damage assessments; (3) initiation of foreclosure actions; (4) initiation of enforcement actions, excluding temporary restraining orders or violations involving a threat to health or safety; (5) increases in assessments; (6) levying of special assessments; (7) appeals from a denial of architectural control approval; (8) a suspension of a right of a particular Owner before the owner has an opportunity to attend a Board meeting to present the Owner's position, including any defense, on the issue; (9) lending or borrowing money; (10) the adoption or amendment of a dedicatory instrument; (11) the approval of an annual budget or the approval of an amendment of an annual budget; (12) the sale or purchase of real property; (13) the filling of a vacancy on the Board; (14) the construction of capital improvements other than the repair, replacement, or enhancement of existing capital improvements; or (15) the election of an officer. Provided, during the Development Period, open Board meetings shall only be required if the meeting is conducted for the purpose of: (A) adopting or amending the governing documents, including declarations, bylaws, rules, and regulations of the Association; (B) increasing the amount of Regular Assessments of the Association or adopting or increasing a Special Assessment; (C) electing non-Declarant Board members of the Association or establishing a process by which those Board members are elected; or (D) changing the voting rights of Members of the Association.

ARTICLE VI POWERS AND DUTIES OF THE BOARD

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

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

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

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

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

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

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

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

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

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

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

(i) procure and maintain adequate liability and hazard insurance on property owned by the Association;

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

(k) enter into contracts for services required to perform the duties of the Association and solicit bids or proposals for any contract for services in excess of \$50,000 using bid process established by the Association; and

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

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

- (a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by Members who are entitled to cast fifty-one percent (51%) of all outstanding votes; and
- (b) supervise all officers, agents and employees of the Association, and to see that their duties are properly performed.

ARTICLE VII OFFICERS AND THEIR DUTIES

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE VIII OTHER COMMITTEES OF THE BOARD OF DIRECTORS

The Board may, by resolution adopted by affirmative vote of a majority of the number of Directors fixed by these Bylaws, designate two or more Directors (with such alternates, if any, as may be deemed desirable) to constitute another committee or committees for any purpose; provided, that any such other committee or committees shall have and may exercise only the power of recommending action to the Board of Directors and of carrying out and implementing any instructions or any policies, plans, programs and rules theretofore approved, authorized and adopted by the Board. Notwithstanding the foregoing or anything to the contrary contained herein, the Architectural Control Committee shall be established by Declarant and comprised of members appointed by Declarant until such time as the appointing Declarant either relinquishes such power by written notice to the Board, or no longer owns any Lot in accordance with Section 3.2 of the Declaration, as amended from time to time.

ARTICLE IX BOOKS AND RECORDS

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

ARTICLE X ASSESSMENTS

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

ARTICLE XI CORPORATE SEAL

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

ARTICLE XII DECLARANT PROVISIONS

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

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

ARTICLE XIII AMENDMENTS

Section 13.1. These Bylaws may be amended, (i) on or before the Declarant Turnover Date, by unilateral vote or written consent of Declarant, and thereafter (ii) by a majority vote or written consent of a majority of the Directors on the Board of Directors of the Association at an open meeting of the Board of Directors of the Association with notice having been given to the Members of the Association in accordance with Section 209.0051 of the Texas Property Code, as amended from time to time.

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

ARTICLE XIV INDEMNIFICATION OF DIRECTORS AND OFFICERS

THE ASSOCIATION SHALL INDEMNIFY EVERY DIRECTOR AND OFFICER OF THE ASSOCIATION AGAINST, AND REIMBURSE AND ADVANCE TO EVERY DIRECTOR AND OFFICER FOR, ALL LIABILITIES, COSTS AND EXPENSES' INCURRED IN CONNECTION WITH SUCH DIRECTORSHIP OR OFFICE AND ANY ACTIONS TAKEN

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

**ARTICLE XV
MISCELLANEOUS**

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

I, the undersigned, being the Secretary of Caddo Mills Crossing HOA, Inc. does hereby certify that the foregoing are the Bylaws of said non-profit corporation, as adopted by the Association's Board of Directors pursuant to a Unanimous Consent of Directors in Lieu of Organizational Meeting of the Corporation dated to be effective as of March 20th, 2025.

A handwritten signature in black ink, appearing to read 'T Burnside', is written over a horizontal line.

Terence Burnside, Secretary

SCHEDULE 1

Records Production and Copying Policy

WHEREAS, the Board of Directors (the “Board”) of Caddo Mills Crossing HOA, Inc. (the “Association”) wishes to adopt reasonable guidelines to establish Records Production and Copying Policy for the Association; and

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

WHEREAS, the Board intends to file these guidelines with the Declaration of Covenants, Conditions and Restrictions for Caddo Mills Crossing, recorded in the Official Public Records of Hunt County, Texas, in compliance with Section 209.005 of the Texas Property Code; and

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

1. Association Records shall be reasonably available to every owner. The Association shall make available the current version of the Associations’ Documents filed in the county deed records available on an Internet website maintained by the Association or managing agent on behalf of the Association, and available to Members. An owner may also provide access to Records to any other person (such as an attorney, CPA or agent) they designate in writing as their proxy for this purpose. To ensure a written proxy is actually from the owner, the owner must include a copy of his/her photo ID or have the proxy notarized.
2. An owner, or their proxy as described in section 1, must submit a written request for access to or copies of Records. The letter must:
 - a. be sent by certified mail to the Association's address as reflected in its most recent Management Certificate filed in the County public records; and
 - b. contain sufficient detail to identify the specific Records being requested; and
 - c. indicate whether the owner or proxy would like to inspect the Records before possibly obtaining copies or if the specified Records should be forwarded. If forwarded, the letter must indicate the format, delivery method and address:
 - i. format: electronic files, compact disk or paper copies
 - ii. delivery method: email, certified mail or pick-up
3. Within ten (10) business days of receipt of the request specified in section 2 above, the Association shall provide:
 - a. the requested Records, if copies were requested and any required advance payment had been made; or
 - b. a written notice that the Records are available and offer dates and times when the Records may be inspected by the owner or their proxy during normal business hours at the office of the Association; or
 - c. a written notice that the requested Records are available for delivery once a

- d. payment of the cost to produce the records is made and stating the cost thereof; or
 - d. a written notice that a request for delivery does not contain sufficient information to specify the Records desired, the format, the delivery method and the delivery address; or
 - e. a written notice that the requested Records cannot be produced within ten (10) business days but will be available within fifteen (15) additional business days from the date of the notice and payment of the cost to produce the records is made and stating the cost thereof.
4. The following Association Records are not available for inspection by owners or their proxies:
- a. the financial records associated with an individual owner; and
 - b. deed restriction violation details for an individual owner; and
 - c. personal information, including contact information other than an address for an individual owner; and
 - d. attorney files and records in the possession of the attorney; and
 - e. attorney-client privileged information in the possession of the Association.

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

5. Association Records may be maintained in paper format or in an electronic format. If a request is made to inspect Records and certain Records are maintained in electronic format, the owner or their proxy will be given access to equipment to view the electronic records. Association shall not be required to transfer such electronic records to paper format unless the owner or their proxy agrees to pay the cost of producing such copies.
6. If an owner or their proxy inspecting Records requests copies of certain Records during the inspection, Association shall provide them promptly, if possible, but no later than ten (10) business days after the inspection or payment of costs, whichever is later.
7. The owner is responsible for all costs associated with a request under this Policy, including but not limited to copies, postage, supplies, labor, overhead and third party fees (such as archive document retrieval fees from off-site storage locations) as listed below: (Please go to the Attorney General web-site for current charges) <https://texasattorneygeneral.gov/og/charges-for-public-information>
8. Any costs associated with a Records request must be paid in advance of delivery by the owner or their proxy. An owner who makes a request for Records and subsequently declines to accept delivery will be liable for payment of all costs under this Policy.
9. On a case-by-case basis, in the absolute discretion of the Association, and with concurrence of the owner, the Association may agree to invoice the cost of the Records request to the owner's account. Owner agrees to pay the total amount invoiced within thirty (30) days after the date a statement is mailed to the Owner. Any unpaid balance will accrue interest as an assessment as allowed under the Declarations.

10. On a case-by-case basis where an owner request for Records is deemed to be minimal, the Association or its managing agent reserves the right to waive notice under section 2 and/or fees under section 4.
11. All costs associated with fulfilling the request under this Policy will be paid by the Association's Managing Agent. All fees paid to the Association under this Policy will be reimbursed to the Association's Managing Agent or paid directly to the Association's Managing Agent.

[END OF SCHEDULE 1]

SCHEDULE 2

Alternative Payment Schedule Guidelines for Certain Assessments

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

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

WHEREAS, the Board intends to file these guidelines with the Declaration of Covenants, Conditions and Restrictions for Caddo Mills Crossing, recorded in the Official Public Records of Hunt County, Texas, in compliance with Section 209.0062 of the Texas Property Code; and

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

1. Upon the request of a delinquent owner, the Association shall enter into an alternative payment schedule with such owner, subject to the following guidelines:
 - a. An Alternative Payment Schedule is only available to owners who have delinquent regular assessments, special assessments or any other amount owed to the Association.
 - b. An Alternative Payment Schedule will not be made available in the following cases: (1) to owners who have failed to honor the terms of a previous Alternative Payment Schedule during the two years following the owner’s default of such previous Alternative Payment Schedule; (2) to owners who have failed to request an Alternative Payment Schedule prior to the 45 day deadline to cure the delinquency as set forth in the Association’s letter sent pursuant to Tex. Prop. Code § 209.0064(b); and/or (3) to owners who have entered into an Alternative Payment Schedule within the previous 12 months. Notwithstanding the foregoing, the Board has discretion to allow any owner to enter into an Alternative Payment Schedule.
 - c. During the course of an Alternative Payment Schedule, additional monetary penalties shall not be charged against an owner, so long as the owner timely performs all obligations under the Alternative Payment Schedule and does not default. However, the Association may charge reasonable costs for administering the Alternative Payment Schedule (“Administrative Costs”) and, if interest is allowed under the Declaration, then interest will continue to accrue during the term of the Alternative Payment Schedule. The Association may provide an estimate of the amount of interest that will accrue during the term of the Alternative Payment Schedule.
 - d. The total of all proposed payments in an Alternative Payment Schedule must equal the sum of the current delinquent balance, the estimated interest, and any

Administrative Costs; and may include any assessments that will accrue during the term of the Payment Plan.

- e. All payments under an Alternative Payment Schedule shall be due and tendered to the Association by the dates specified in the Alternative Payment Schedule, and shall be made by cashier's checks or money orders.
- f. The minimum term for an Alternative Payment Schedule is 3 months from the date of the owner's request for an Alternative Payment Schedule. The Association is not required to allow an Alternative Payment Schedule for any amount that extends more than 18 months from the date of the owner's request for an Alternative Payment Plan.
- g. Any owner may submit to the Board a request for an Alternative Payment Schedule that does not meet the foregoing guidelines, along with any other information he/she believes the Board should consider along with such request (e.g. evidence of financial hardship). The Board, in its sole discretion, may approve or disapprove such a request for a non-conforming Alternative Payment Schedule. An owner who is not eligible for an Alternative Payment Schedule may still request an Alternative Payment Schedule, and the Board, in its sole discretion, may accept or reject such a request.
- h. Default
 - 1. The following shall result in an immediate default of an Alternative Payment Schedule:
 - i. The owner's failure to timely tender and deliver any payment when due under the Alternative Payment Schedule;
 - ii. The owner's failure to tender any payment in the full amount and form (e.g., cashier's check or money order) as specified in the Alternative Payment Schedule; or
 - iii. The owner's failure to timely comply with any other requirement or obligation set forth in the Alternative Payment Plan.
 - 2. Any owner who defaults under an Alternative Payment Schedule shall remain in default until his/her entire account balance is brought current.
 - 3. The Association is not required to provide notice of any default.
 - 4. Owners are not entitled to any opportunity to cure a default.
 - 5. While an owner is in default under an Alternative Payment Schedule, the owner's payments need not be applied to the owner's debt in the order of priority set forth in Tex. Prop. Code § 209.0063(a). But, in applying a payment made while the owner is in default, a fine assessed

by the Association may not be given priority over any other amount owed to the Association.

6. The failure by the Association to exercise any rights or options shall not constitute a waiver thereof or the waiver of the right to exercise such right or option in the future.
- i. All other terms of an Alternative Payment Schedule are at the discretion of the Board.

[END OF SCHEDULE 2]

SCHEDULE 3**Pandemic Policy**

WHEREAS, the Board of Directors (the “Board”) of Caddo Mills Crossing HOA, Inc. (the “Association”) wishes to adopt reasonable guidelines to establish a Pandemic Policy for the Association; and

WHEREAS, the Board wishes to adopt these reasonable guidelines in compliance with Section 148.003 of the Texas Civil Practice and Remedies Code of the Texas Property Code (“Section 148.003”) regarding liability of the Association under Section 148.003 (“Pandemic Liability”); and

WHEREAS, the Board intends to file this instrument with the Bylaws for Caddo Mills Crossing in the real property records of each county in which the subdivision is located, in compliance with Section 202.006 of the Texas Property Code; and

NOW, THEREFORE, IT IS RESOLVED that the following policy is established by the Board:

In no event shall the Association or any board member, committee member or officer thereof be liable under Section 148.003 for any Pandemic Liability. With respect to the use of Common Areas and/or or any Areas of Common Responsibility owned or maintained by the Association, each Owner for themselves, members, and his or her guests or invitees hereby waives and releases the Association for, from and against any liability for injury or death caused by or in connection with exposure of any individual to a pandemic disease during a pandemic emergency. Furthermore, each Owner for themselves, members, and his or her guests or invitees acknowledges and agrees by recordation hereof as follows:

1. The Association has provided sufficient warning to each individual Owner that exposure of an individual to a disease during a pandemic emergency is likely. Owners are responsible for posting or broadcasting information to tenants, guests, invitees, and others.

2. The Association has no control over conditions related to a pandemic emergency, has no basis of knowledge as to whether any individual would be more likely than not to come into contact with the pandemic disease under any circumstances, and has no obligation, opportunity or ability to remediate conditions or warn any individual of a condition before the individual comes into contact with a condition related to pandemic disease.

3. The Association has no liability or responsibility to comply with any government-promulgated standards, guidance or protocols intended to lower the likelihood of exposure to the disease during a pandemic emergency, and each Owner, members, tenants, respective guests or invitees have a reasonable opportunity and ability to implement or comply with any and all government-promulgated standards, guidance or protocols intended to lower the likelihood of exposure to the disease during a pandemic emergency with respect to such Resident’s, Owner’s, household member’s, guest’s or invitee’s use of any Common Areas and/or Areas of Common Responsibility.

4. All Common Areas and Areas of Common Responsibility owned or maintained by the Association are entered into and/or used by a Resident, an Owner, members of their

households, and their respective guests or invitees at their own risk. The Association disclaims any and all liability or responsibility for injury or death related to the pandemic disease or otherwise occurring from entry or use of the Common Areas and/or Areas of Common Responsibility.

5. As herein referenced in Items No. 2 and 3 above, the Association has no control over conditions related to a pandemic emergency and no liability or responsibility to comply with any government-promulgated standards, however, the Board, shall have every right, under the Texas Business Organizations Code (the "TBOC"), Section 3.251, Subchapter F, to put forth temporary measures, and exercise certain rights and provisions when an emergency exists which shall allow the governing persons to adopt provisions regarding the management and/or order in which the non-profit organization may be governed. Such provisions include, but are not limited to, (i) prescribing procedures for calling a meeting of the governing persons; (ii) establishing minimum requirements for participation at the meeting of the governing persons; and (iii) designating additional or substitute governing persons. Under Section 3.251, Subchapter F of the TBOC, an action taken by a domestic entity in good faith in accordance with the emergency provisions shall be binding upon the entity and may not be used to impose liability on a managerial official, employee, or any agent or governing person of the entity.

The foregoing Pandemic Policy was adopted by the Board of Directors, in accordance with Section 202.006 of the Texas Property Code, and supersedes any policy regarding pandemics which may have previously been in effect.

[END OF SCHEDULE 3]

SCHEDULE 4**E-Mail Registration Policy**

WHEREAS, the Board of Directors (the “Board”) of Caddo Mills Crossing HOA, Inc. (the “Association”) wishes to adopt reasonable guidelines to establish an E-mail Registration Policy for the Association; and

WHEREAS, the Board wishes to adopt these reasonable guidelines regarding Owner access to Association documents and records (“Records”); and

WHEREAS, the Board intends to file these guidelines with the Bylaws for Caddo Mills Crossing or as a stand-alone policy in the real property records of each county in which the subdivision is located, in compliance with Section 209.005 of the Texas Property Code; and

WHEREAS, this policy may be amended at any time and from time to time by the Declarant during the Declarant Control Period and thereafter by the Board of Directors by Resolution without amending the Bylaws, as a stand-alone policy to comport with industry standards, to amend or revise provisions of the policy as may be deemed necessary and in the best interest of the Association. Any amendment or revision shall be made available to each homeowner and a copy placed on the Association’s website if applicable; and

NOW, THEREFORE, IT IS RESOLVED that the following guidelines for E-mail Registration Policy are established by the Board:

Terms used but not defined in this policy will have the meaning subscribed to such terms in that certain Declaration of Covenants, Conditions and Restrictions for Caddo Mills Crossing HOA, Inc. recorded in the Official Public Records of Hunt County, Texas, as the same may be amended from time to time by Resolution of the Board.

1. **Purpose.** The purpose of this Email Registration. Policy is to facilitate proper notice of Board, Annual, Special, and other meetings of the Board and/or Members of the Association pursuant to Section 209.0051(e) of the Texas Property Code.
2. **Email Registration.** Should the owner wish to receive any and all email notifications of annual and special meetings of members of the Association, it is the owner's sole responsibility to register his/her email address with the Association and to continue to keep the registered email address updated and current with the Association. In order to register an email address, the owner must provide their name, address, phone number and email address through the method provided on the Association's website, if any, and/or to the official contact information provided by the Association for the community manager.
3. **Failure to Register.** An owner may not receive email notification or communication of annual or special meetings of members of the Association should the owner fail to register his/her email address with the Association and/or properly and timely maintain an accurate email address with the Association. Correspondence to the Association and/or Association manager from an email address or by any method other than the method described in Paragraph No. 2 above will not be considered sufficient to register such email address with the Association.

4. Amendment. The Association may, from time to time, by Resolution of the Board, and as a stand-alone policy without the need to amend the Bylaws, modify, amend, or supplement this Policy or any other rules regarding email registration.

[END OF SCHEDULE 4]

SCHEDULE 5**Collection Policy**

WHEREAS, Caddo Mills Crossing HOA, Inc. (the “Association”) has authority pursuant to the Declaration of Covenants, Conditions & Restrictions (the “Declaration”) to levy assessments against Owners of Lots within Caddo Mills Crossing residential planned community located in Hunt County, Texas (the “Property”); and

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

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

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

Due Dates. Pursuant to the Declaration and unless a different payment schedule is adopted by the Board, the assessment shall be paid annually on the first day of January of each year. The due date and delinquency date for a Special Assessment or an Individual Assessment or other type of assessment levied as authorized per the Declaration shall be determined by the Board of Directors. Any installment of the annual Assessment which is not paid in full by January 30th of each year is delinquent (the “Delinquency Date”) and shall be assessed late and collection fees and is subject to interest as provided in the Declaration.

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

3. Payment Plans. Section 209.0062 of the Texas Property Code requires that the Association adopt reasonable guidelines to establish an alternate payment schedule by which an owner may make partial payments for delinquent amounts owed to the Association in certain circumstances. The Board has adopted and recorded a policy which governs payment plans and the Association will follow the policies and procedures contained therein.

4. Interest. In the event any assessment, or any portion thereof, is not paid in full by the Delinquency Date, interest on unpaid assessments at the rate of fifteen percent (15%) per annum notwithstanding, should the Declaration list a different amount, the higher rate allowed shall apply, from the Delinquency Date or at the rate set forth in the Declaration should the amount differ than the amount set forth herein until paid and such amounts shall be charged to the Owner's account. Such interest, as and when it accrues hereunder, is secured by the Assessment Lien described in the Declaration and will be subject to recovery in the manner provided herein for assessments. The Board may, in its sole discretion, waive the collection interest; provided, however, that the waiver of interest shall not constitute a waiver of the Board's right to collect any interest, or any other charges then owed or becoming due in the future.

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

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

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

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

b. A charge of \$25.00 per item, or the amount charged by the Bank, if greater, will become due and payable for any check tendered to the Association which is dishonored by the drawee of such check for any reason, the charge being in addition to any other fee or charge

which the Association is entitled to recover from an Owner in connection with collection of assessments owing with respect to such Owner's Lot.

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

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

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

- a. First, to any delinquent assessment;
- b. Second, to any current assessment;
- c. Next, to any attorney's fees or third-party collection costs incurred by the Association associated solely with assessments or any other charge that could provide the basis for foreclosure;
- d. Next, to any attorney's fees incurred by the Association;
- e. Next, to any fines or self-help assessed by the Association; and
- f. Last, to any other amount owed to the Association.

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

10. Ownership Records. **All collection notices and communications will be directed to those persons shown by the records of the Association as being the Owner or a Lot for which assessments are due and will be sent to the most recent address of such Owner solely as reflected by the records of the Association. Any notice or communication directed to a person at an address, in both cases reflected by the records of the Association as being the**

Owner and address for a given Lot, will be valid and effective for all purposes pursuant to the Declaration and this Policy until such time as there is actual receipt by the Association of written notification from the Owner of any change in the identity or status of such Owner or its address or both.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

[END OF SCHEDULE 5]

SCHEDULE 6

GENERATOR POLICY

WHEREAS, the Board of Directors (the “Board”) of Caddo Mills Crossing HOA, Inc. (the “Association”) wishes to adopt reasonable guidelines to establish a Generator Policy for the Association; and

WHEREAS, the Board wishes to adopt these reasonable guidelines regarding ownership and installation of generators within a residential community; and

WHEREAS, the Board intends to file these guidelines with the Bylaws or as a stand-alone dedicatory instrument for Caddo Mills Crossing HOA, Inc. in the real property records of each county in which the subdivision is located, in compliance with Section 209.005 of the Texas Property Code; and

WHEREAS, this policy may be amended at any time and from time to time by the Declarant during the Declarant Control Period and thereafter by the Board of Directors by Resolution without amending the Bylaws, as a stand-alone policy to comport with industry standards, to amend or revise provisions of the policy as may be deemed necessary and in the best interest of the Association. Any amendment or revision shall be made available to each homeowner by posting to an Association website. Should no website be available, the Association shall mail a recorded copy to all Owners of record; and

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

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

A. ARCHITECTURAL REVIEW APPROVAL REQUIRED

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

B. GENERATOR PROCEDURES AND REQUIREMENTS

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

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

- i. The Owner must install and maintain the Generator in accordance with the manufacturer's specifications and meet all applicable governmental health, safety, electrical, and building codes.
- ii. The Owner must use a licensed contractor(s) to install all electrical, plumbing, and fuel line connections and all electrical connections must be installed in accordance with all applicable governmental health, safety, electrical, and building codes.
- iii. The Owner must install all-natural gas, diesel fuel, biodiesel fuel, and/or hydrogen fuel line connections in accordance with applicable governmental health, safety, electrical, and building codes.
- iv. The Owner must install all liquefied petroleum gas fuel line connections in accordance with the rules and standards promulgated and adopted by the Railroad Commission of Texas and other applicable governmental health, safety, electrical, and building codes.
- v. The Owner must install and maintain all non-integral standby Generator fuel tanks in compliance with applicable municipal zoning ordinances and governmental health, safety, electrical, and building codes.
- vi. The Owner must maintain in good condition the Generator and its electrical lines and fuel lines. The Owner is responsible to repair, replace, or remove any deteriorated or unsafe component of a Generator, including electrical and fuel lines.
- vii. The Owner must screen a Generator if it is visible from the street or front of the home, located in an unfenced side or rear yard of a Lot, and is visible either from an adjoining residence or from adjoining property owned by the Association, and/or is in a side or rear yard fenced by a wrought iron fence and is visible through the fence either from an adjoining residence or from adjoining property owned by the Association.
- viii. The Owner may only perform periodic testing of the Generator consistent with the manufacturer's recommendations between the hours of 9 a.m. to 5 p.m., Monday through Friday.
- ix. No Owner shall use the Generator to generate all or substantially all the electric power to the Owner's residence unless the utility-generated electrical power to the residence is not available or is intermittent due to causes other than nonpayment for utility service to the residence.
- x. No Owner shall locate the Generator (i) in the front yard of a residence; or (ii) in the side yard of a residence facing a street.
- xi. No Owner shall locate a Generator on property owned by the Association.
- xii. No Owner shall locate a Generator on any property owned in common by members of the Association.

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

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

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

[END OF SCHEDULE 6]

SCHEDULE 7

**STATUTORY NOTICE OF POSTING AND RECORDATION OF
ASSOCIATION GOVERNING DOCUMENTS**

Terms used but not defined in this policy will have the meaning subscribed to such terms in that certain **Declaration of Covenants, Conditions and Restrictions for Caddo Mills Crossing HOA, Inc.** recorded in the Official Public Records of Hunt County, Texas, as the same may be amended from time to time.

1. **Dedicatory Instruments.** As set forth in Texas Property Code Section 202.001, “dedicatory instrument” means each document governing the establishment, maintenance, or operation of a residential subdivision, planned unit development, residential, condominium or townhouse regime, or any similar planned development. The term includes the Declaration or similar instrument subjecting real property to: (a) restrictive covenants, bylaws, or similar instruments governing the administration or operation of a property owners' association; (b) properly adopted Rules and regulations of the property owners' association; or (c) all lawful amendments to the covenants, bylaws, instruments, rules, or regulations, or as otherwise referred to in this notice as the “**Governing Documents.**”

2. **Recordation of All Governing Documents.** The Association shall file all the Governing Documents in the real property records of each county in which the property to which the documents relate is located. Any dedicatory instrument comprising one of the Governing Documents of the Association has no effect until the instrument is filed in accordance with this provision, as set forth in Texas Property Code Section 202.006.

3. **Online Posting of Governing Documents.** The Association shall make all the Governing Documents relating to the Association or subdivision and filed in the county deed records available on a website if the Association, or a management company on behalf of the Association, maintains a publicly accessible website.

[END OF SCHEDULE 7]

SCHEDULE 8

Security Measures Policy

WHEREAS, the Board of Directors (the “Board”) of **CADDO MILLS CROSSING HOA, INC.**, a Texas non-profit corporation (the “Association”) wishes to adopt reasonable guidelines to establish Security Measures Policy for the Association; and

WHEREAS, the Board wishes to adopt these reasonable guidelines in compliance with Section 202.023 of the Texas Property Code (“Section 202.023”) regarding Owner rights to building or installing security measures on such Owner’s Lot (“Records”); and

WHEREAS, the Board intends to file these guidelines in the real property records of each county in which the subdivision is located, in compliance with Section 202.023 of the Texas Property Code; and

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

An Owner may build or install on such Owner’s Lot security measures, including but not limited to a security camera, motion detector, or perimeter fence, provided that such Security Measures:

- a. Do not require placement or installation of a security camera by an Owner on any property other than the Lot owned by such Owner; and
- b. Any security fencing installed by an Owner on its Lot must comply with the Design Guidelines then adopted by the Architectural Reviewer or Architectural Control Committee of the Association and otherwise comply with the requirements and restrictions set forth in the Declaration.

[END OF SCHEDULE 8]

**THE STATE OF TEXAS
COUNTY OF HUNT**

I hereby certify that this instrument was FILED on the
date and time stamped hereon by me and was duly
RECORDED in the Records of Hunt County, Texas

2025-04900

03/21/2025 11:47:06 AM



A handwritten signature in black ink, reading "Becky Landrum". The signature is written in a cursive, flowing style.

Becky Landrum, County Clerk
Hunt, TX