

**Documents For
Ventana
Homeowners
Association, Inc.**

Articles of Incorporation



Office of the Secretary of State

September 19, 2016

Capitol Services Inc
P O Box 1831
Austin, TX 78767 USA

RE: Ventana Homeowner's Association
File Number: 802544378

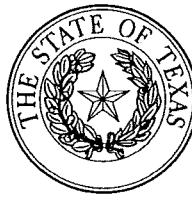
It has been our pleasure to file the certificate of formation and issue the enclosed certificate of filing evidencing the existence of the newly created nonprofit corporation.

Nonprofit corporations do not automatically qualify for an exemption from federal and state taxes. Shortly, the Comptroller of Public Accounts will be contacting the corporation at its registered office for information that will assist the Comptroller in setting up the franchise tax account for the corporation. Information about franchise tax, and contact information for the Comptroller's office, is available on their web site at <http://window.state.tx.us/taxinfo/franchise/index.html>. For information on state tax exemption, including applications and publications, visit the Comptroller's Exempt Organizations web site at <http://window.state.tx.us/taxinfo/exempt/index.html>. Information on exemption from federal taxes is available from the Internal Revenue Service web site at www.irs.gov.

Nonprofit corporations do not file annual reports with the Secretary of State, but do file a report not more often than once every four years as requested by the Secretary. It is important for the corporation to continuously maintain a registered agent and office in Texas as this is the address to which the Secretary of State will send a request to file a periodic report. Failure to maintain a registered agent or office in Texas, failure to file a change to the agent or office information, or failure to file a report when requested may result in the involuntary termination of the corporation. Additionally, a nonprofit corporation will file documents with the Secretary of State if the corporation needs to amend one of the provisions in its certificate of formation. If we can be of further service at any time, please let us know.

Sincerely,

Corporations Section
Business & Public Filings Division
(512) 463-5555
Enclosure



Office of the Secretary of State

CERTIFICATE OF FILING OF

Ventana Homeowner's Association
File Number: 802544378

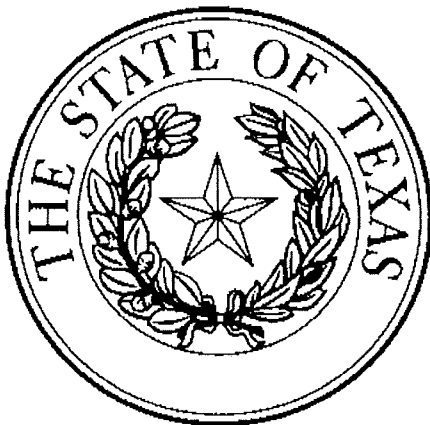
The undersigned, as Secretary of State of Texas, hereby certifies that a Certificate of Formation for the above named Domestic Nonprofit Corporation has been received in this office and has been found to conform to the applicable provisions of law.

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

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

Dated: 09/16/2016

Effective: 09/16/2016



A handwritten signature in black ink, appearing to read "Cascos", followed by a horizontal line.

Carlos H. Cascos
Secretary of State

CERTIFICATE OF FORMATION
OF
VENTANA HOMEOWNER'S ASSOCIATION

FILED
In the Office of the
Secretary of State of Texas
SEP 16 2016
Corporations Section

REAL PROPERTY

This Certificate of Formation of Ventana Homeowner's Association (this "**Certificate of Formation**") pertains to Ventana, a residential planned community (such property, as more particularly described in the Declaration (defined below), the "**Real Property**") and an addition to Tarrant County, Texas, which is subject to the Declaration of Covenants, Conditions, and Restrictions for Ventana, to be recorded in the Real Property Records, Tarrant County, Texas, as amended, supplemented and restated from time to time (the "**Declaration**").

ARTICLE 1
NAME & TYPE

The name of this domestic nonprofit entity is Ventana Homeowner's Association (hereafter, the "Association"). This entity is the mandatory nonprofit property owners association created by the Declaration to govern the above-referenced Real Property. The filing of this Certificate of Formation with the Secretary of State creates a nonprofit corporation status for the Association.

ARTICLE 2
REGISTERED OFFICE AND AGENT

See Articles 20 and 21.

ARTICLE 3
MANAGEMENT BY BOARD

The management and affairs of the Association are vested in the Board, except for those matters expressly reserved to others in the Governing Documents. The Declaration or Bylaws may determine the number and qualification of directors; the term of office of directors; the methods of electing, removing, and replacing directors; and the methods of holding a board meeting and obtaining consents. Directors may vote by proxy at meetings of the Board. See Article 19 for the names and addresses of the initial directors.

ARTICLE 4
MEMBERSHIP

The Association is a nonstock membership organization - the Owners of Lots in Ventana being the Members of the Association. The Declaration or Bylaws will determine the number and

qualifications of Members of the Association; any classes of membership; the voting rights and other privileges of membership; and the obligations and liabilities of Members. Cumulative voting is not allowed.

ARTICLE 5 **PURPOSE**

The general purposes for which the Association is formed are (1) to exercise the rights and powers and to perform the duties and obligations of a Texas property owners association, in accordance with the Governing Documents and State law, as each may be amended from time to time, and (2) for any lawful purpose not expressly prohibited under Chapters 2 or 22 of the Texas Business Organizations Code (the "Code"), including any purpose described by Section 2.002 of the Code.

ARTICLE 6 **MANNER OF DISTRIBUTION**

The Association is authorized on its winding up to distribute its assets in a manner other than as provided by Section 22.304 of the Code. The manner of distribution is as follows. In the event of winding up, the assets of the Association will belong to the Members of the Association at the time of winding up and will be distributed, liquidated, or conveyed in accordance with the terms of a termination agreement approved by owners to whom ninety percent (90%) or more of the votes in the Association are allocated at the time of winding up.

ARTICLE 7 **DURATION**

The duration of the Association is perpetual.

ARTICLE 8 **POWERS**

In furtherance of its purposes, the Association has the following powers which, unless indicated otherwise by the Governing Documents or State law, may be exercised by the Board: (1) all rights and powers conferred on nonprofit entities by State law in effect from time to time; (2) all rights and powers conferred on property owners associations by State law, in effect from time to time; (3) all powers necessary, appropriate, or advisable to perform any purpose or duty of the Association as set out in the Governing Documents or State law.

ARTICLE 9
MEETING LOCATION

Unless the Declaration or Bylaws provides otherwise, meetings of Members of the Association will be held at a suitable place convenient to the Members, as determined by the Board.

ARTICLE 10
LIMITATIONS ON LIABILITY

A director of the Association is not liable to the Association or its Members for monetary damages for acts or omissions that occur in the person's capacity as a director, except to the extent a person is found liable for (1) a breach of the director's duty of loyalty to the Association or its Members; (2) an act or omission not in good faith that constitutes a breach of duty of the director to the Association; (3) an act or omission that involves intentional misconduct or a knowing violation of the law; (4) a transaction from which the director receives an improper benefit, whether or not the benefit resulted from an action taken within the scope of the person's office; or (5) an act or omission for which the liability of a director is expressly provided by an applicable statute. If the director is a Member of the Association, this limitation on liability does not eliminate or modify that person's pro rata share of the Association's liability as a Member of the Association.

ARTICLE 11
INDEMNIFICATION

As provided by the Governing Documents, the Association will indemnify a person who is or was threatened to be made a named defendant or respondent in a proceeding because the person is or was a director, officer, committee chair, or committee member of the Association. 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 or her and incurred by him or her in that capacity and arising out of that capacity.

ARTICLE 12
IMMUNITY FOR VOLUNTEERS

To preserve the protections for Association volunteers afforded by the Charitable Immunity and Liability Act of 1987 (Chapter 84, Texas Civil Practice & Remedies Code), the Association will operate in a manner that preserves the Association's status as a homeowners association as defined by Section 528(c) of the Internal Revenue Code of 1986, as amended.

ARTICLE 13
AMENDMENT OF CERTIFICATE

This Certificate of Formation may be amended or restated subject to the following:

Section 13.1. General Provisions. (1) An amendment may not conflict with the Declaration, the Bylaws, or applicable State law. (2) An amendment may not impair or dilute a right granted to a person by the Declaration, without that person's written consent. (3) If the Association is incorporated by the State of Texas at the time of amendment, an amendment must be in accordance with applicable provisions of the Code.

Section 13.2. Amendment by Board. The Board may unilaterally amend or restate this Certificate of Formation, without a vote of the Owners, for the following limited purposes: (1) to delete the names and addresses of the initial directors, (2) to delete the name and address of the initial registered agent or office, provided a statement of change is on file with the Secretary of State, and (3) to change the name of the Association with the Secretary of State by adding, deleting, or changing a geographical attribute to the name.

Section 13.3. Amendment by Members. For all other purposes, an amendment must be approved by the Board and by at least two-thirds of the votes or voting interests present, in person or by proxy, and entitled to vote at a properly called meeting of the Association for which a quorum is obtained.

ARTICLE 14
AMENDMENT OF BYLAWS

The Bylaws of the Association may be amended or repealed according to the amendment provision of the Bylaws, which reserve those powers to the members, with limited exceptions for the Board acting alone.

ARTICLE 15
ACTION WITHOUT MEETING

Subject to the additional requirements of Code Section 6.202, any action required by the Code or by the Governing Documents to be taken at a meeting of Members or Owners may be taken without a meeting if a consent in writing, setting forth the action to be taken, is signed by a sufficient number of Members or Owners as would be necessary to take that action at a meeting at which the required number of owners or members were present and voted.

ARTICLE 16
DEVELOPMENT PERIOD

The Declaration provides for a Development Period during which Declarant determines the number and qualification of officers and directors, who serve at the pleasure of Declarant, who is empowered by the Declaration to appoint, remove, and replace the officers and directors of the Association. The Declaration also determines the weight or numbers of votes allocated to Lots

owned by Declarant. Because Declarant has powers, rights, and duties in addition to those of other Members, Declarant may constitute a membership "class" as described by the Code, while the other Lot Owners may constitute a different "class".

ARTICLE 17 **CHANGE OF STATUS**

The continuing existence of the Association as described in its Governing Documents is vested in its members - the owners of the Real Property - not in its corporate status, its name, or its filing number. During any period in which the Association is not incorporated, it will be subject to the Texas Uniform Unincorporated Nonprofit Association Act (Chapter 252 of the Code), and this Certificate of Formation will continue to be effective as a Governing Document of the Association.

ARTICLE 18 **TERMINOLOGY**

Capitalized terms used in this Certificate of Formation, such as Association, Declarant, Development Period and Declaration, have the same meanings as defined in Article 1 of the Declaration. As applied to this Association, the following terms which are defined or used in the Code are construed as follows:

Section 18.1. "Governing Documents," as defined by the Code, is construed by the Association to mean the Declaration, Plat, Bylaws, each as defined by the Declaration, this Certificate of Formation and any rules of the Association adopted in accordance with the Governing Documents or applicable law, even though Governing Documents may have been initially adopted by the Declarant of the Real Property for the benefit and use of the Members of the Association, rather than having been adopted by the Association, as indicated by the Code's definition of Governing Documents.

Section 18.2. "each member entitled to vote at the meeting," as used in the Code, is construed by the Association to mean that if a Lot is co-owned, even though all the co-Owners are Members of the Association, the co-Owners share one membership per Lot for notification and voting purposes. Therefore, votes and memberships are tabulated on a per Lot basis, rather than on a headcount of Owners and co-Owners.

ARTICLE 19 **INITIAL BOARD OF DIRECTORS**

The initial Board consists of three (3) directors who serve at the pleasure of Declarant during the Development Period, and who will serve as directors until the earlier of (1) their successors are appointed by Declarant, or (2) their successors are elected by the Members of the Association in accordance with the Declaration and the Bylaws. The number of directors after the Development Period is determined by the Bylaws, and may be changed from time to time by amendment of the Bylaws. The name and address of each initial director are as follows:

<u>Name</u>	<u>Address</u>
E. Peter Pincoffs III	4145 Travis Street, Suite 202 Dallas, TX 75204
Taylor Baird	4145 Travis Street, Suite 202 Dallas, TX 75204
Matt Mildren	4145 Travis Street, Suite 202 Dallas, TX 75204

ARTICLE 20
INITIAL REGISTERED AGENT

The name of the Association's initial registered agent is Taylor Baird.

ARTICLE 21
OFFICE OF INITIAL REGISTERED AGENT

The address of the Association's initial registered office in the State of Texas is 4145 Travis Street, Suite 202, Dallas, TX 75204.

ARTICLE 22
ORGANIZER

The name of the organizer is E. Peter Pincoffs III. The organizer's address is 4145 Travis Street, Suite 202, Dallas, TX 75204.

ARTICLE 23
EFFECTIVENESS OF FILING

This document becomes effective as a certificate of formation for a nonprofit corporation when the document is filed by the Secretary of State.

[Remainder of page intentionally left blank. Signature page follows.]

The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument.

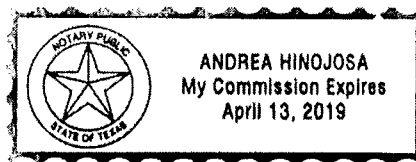
SIGNED this 16 day of September, 2016.

E. Peter Pincoffs III
E. Peter Pincoffs III

THE STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on this 16th day of September, 2016
by E. Peter Pincoffs III.

[Signature]
Notary Public, The State of Texas



AFTER RECORDING RETURN TO:

**RICK HAAN
THOMPSON & KNIGHT LLP
ONE ARTS PLAZA
1722 ROUTH STREET, SUITE 1500
DALLAS, TX 75201**

Bylaws

BYLAWS
OF
VENTANA HOMEOWNER'S ASSOCIATION
(A Texas Nonprofit Corporation)

These Bylaws pertain to Ventana, a residential planned community and an addition to Tarrant County, Texas, which is subject to the Declaration of Covenants, Conditions, and Restrictions for Ventana, recorded or to be recorded in the Real Property Records, Tarrant County, Texas, as amended, supplemented and restated from time to time. These Bylaws are to be recorded in the Real Property Records of Tarrant County, Texas.

BYLAWS
OF
VENTANA HOMEOWNER'S ASSOCIATION
(A Texas Nonprofit Corporation)

ARTICLE I
NAME

1.1 NAME. The name of the organization shall be Ventana Homeowner's Association, hereinafter called the "**Association**".

ARTICLE II
PURPOSE AND OWNER OBLIGATION

2.1 PURPOSE. The Association is a nonprofit corporation and shall have all of the powers, duties, authorizations and responsibilities for nonprofit corporations provided in the Texas Business Organizations Code. The primary purposes of the Association are as follows:

(a) To own, govern, operate and maintain the Common Areas situated in Ventana, a development consisting primarily of single family residential lots in Tarrant County, Texas ("**Ventana**");

(b) To provide compliance with the covenants and restrictions set forth in the Declaration of Covenants, Conditions and Restrictions for Ventana executed by PB VENTANA 1, LLC, a Texas limited liability company ("**Declarant**"), and recorded or to be recorded in the Real Property Records of Tarrant County, Texas, as such Declaration may be supplemented or amended from time to time (the "**Declaration**"); and

(c) To operate and maintain, with or without an ownership interest, such other lands and facilities as may be necessary or appropriate to the enhancement of Ventana, including the Common Areas and any Common Maintenance Areas.

2.2 OWNER OBLIGATION. All present or future owners or tenants of any Lot or Parcel in Ventana (the Lots, the Parcels, the Common Areas, the Common Maintenance Areas and any and all other real property now or hereafter encumbered by the Declaration are hereinafter collectively called the "**Property**"), or any other Person who might use the facilities of the Property in any manner, are subject to the regulations set forth in these Bylaws. The mere acquisition of a Lot or occupancy of a Dwelling will signify that these Bylaws are accepted, ratified and will be strictly followed.

ARTICLE III
MEMBERSHIP AND VOTING

3.1 MEMBERSHIP.

(a) Membership in the Association shall vest in accordance with the terms and provisions of the Declaration.

(b) No certificates of stock or membership shall be issued by the Association.

(c) Declarant shall be a Member of the Association without regard to whether Declarant owns one or more specific Lots. Declarant may assign its membership interest in the Association under this subparagraph (c) to any Person by written instrument of assignment duly recorded in the Records, a copy of which shall be delivered to the Board. Conveyance of a property interest by Declarant alone shall not constitute an assignment of Declarant's membership interest under this subparagraph (c).

(d) The Association shall not be a voting member by virtue of its ownership of any Common Areas, any Lot or other portion of the Property.

3.2 MEMBERSHIP LIST. The Board must maintain a comprehensive list of Association Members for compliance with the Texas Business Organizations Code (the "TBOC"). Subject to applicable laws, the Association must make the membership list available to any Owner on written request, and may charge a reasonable fee for cost of copying and delivering the membership list.

(a) Types of Information. At a minimum, the Association must maintain for each Lot the name and mailing address of at least one Owner, and a description of the Lot owned (if different from the mailing address). The Association may also maintain, as an Association record, additional contact information for Owners, such as phone numbers, fax numbers, email addresses, places of employment, emergency contact information, mortgage information, and any other items of information provided by Owners or obtained by the Association. Upon request, any Owner shall provide their email address if they desire that notices be sent to them via email in accordance with the terms of these Bylaws.

(b) Source of Ownership Information. In compiling the ownership or membership list, the Association shall be entitled to rely conclusively on any combination of (1) public records, such as tax rolls, (2) documentation provided by title insurance companies, (3) self-reporting by Owners and residents, and (4) any other reasonably reliable and customary source of ownership information. The requirement of maintaining ownership records may not be construed to require the Association to affirmatively investigate or research title to a Lot.

(c) Information Available to Members. Membership information to be maintained by the Association is similar to what is typically available to the public on the website of the appraisal district, and, unless required by applicable laws, is not considered confidential, private, or protected information as between the Association and its Members. Neither the Association nor a Member of the Association may sell or otherwise market the Association's membership information without the express prior consent of the Owners. Each Owner, by acquiring an ownership interest in a Lot, acknowledges that the Owner's contact information is a record of the Association that may be available to other Members of the Association.

3.3 VOTING. The Association shall give written notice (in accordance with Section 4.4 below) of the election or vote to (i) each Member, for purposes of an association-wide election or vote; or (ii) each Member entitled under the Declaration to vote in a particular representative election, for purposes of a vote that involves election of representatives of the Association who are vested under the Declaration with the authority to elect or appoint members of the Board. No cumulative voting shall be allowed at any meeting of the Members.

3.4 DESIGNATION OF REPRESENTATIVE. If any Lot is owned by more than one (1) Person, all of the Owners of such Lot shall execute and deliver to the Association no later than the commencement of each annual or special meeting of the Members of the Association (unless a valid proxy is already on file with the Association) a proxy appointing and authorizing one (1) individual to attend such

annual and special meetings and to cast the vote allocated to such Lot. The requirements of this Section 3.4 must be satisfied before such Owners shall be deemed to be in good standing and entitled to vote at any annual or special meeting; provided, however, nothing herein shall disqualify a Member from voting if the vote is to elect the Board or if the vote is on any matter concerning the rights or responsibilities of such Member. However, if any Lot is owned by two (2) Persons who are legally married, either Person may execute a proxy or cast the vote allocated to such Lot.

3.5 QUORUM. At a meeting called for the Members, the presence at the meeting of Members, or of proxies, entitled to cast twenty percent (20%) of all of the votes of the Members shall constitute a quorum. If the required quorum is not present at the first meeting of the Members, one (1) additional meeting may be called, subject to the notice requirement set forth in Section 4.4 below, and the required quorum at such second meeting shall be three-fourths (3/4) of the required quorum at the preceding meeting; provided, however, that no such second meeting shall be held more than forty-five (45) days following the first meeting.

3.6 PROXIES. Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before the appointed time of each meeting. No proxy shall be valid after eleven (11) months from the date of its execution unless otherwise provided in the proxy. Each proxy shall be revocable unless expressly provided therein to be irrevocable, and in no event shall the proxy remain irrevocable for more than eleven (11) months.

ARTICLE IV **MEETINGS OF MEMBERS**

4.1 PLACE OF MEETINGS. All annual and, if any, special meetings of the Members shall be held at the principal office of the Association or at such other suitable and convenient place as may be permitted by law and from time to time fixed by the Board and designated in the notices of such meetings.

4.2 ANNUAL MEETINGS. The first annual meeting of the Members shall be held within one (1) year from the date of incorporation of the Association on a date and at a time set by the Board that is in the first quarter of a calendar year. Subsequent annual meetings shall be set by the Board so as to occur no earlier than one hundred (100) but not more than two hundred fifty (250) days after the close of the Association's fiscal year on a date and at a time set by the Board.

4.3 SPECIAL MEETINGS. The President of the Association shall call a special meeting of the Members if so directed by resolution of the Board or a petition signed by Members having not less than one fifth (1/5th) of the votes entitled to be cast at such meeting and presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. Only the business or matters specified in the notice of any special meeting of Members may be transacted at such meeting.

4.4 NOTICE OF MEETINGS. The Secretary shall send notices of annual and special meetings (or any other meeting in which a Member is required to be provided notice) to each Member, either personally, by facsimile transmission, by electronic mail or other form of electronic transmission if permitted by the TBOC and Texas Property Code, or by U.S. Mail (postage prepaid), directed to the last known physical address, electronic address or facsimile number of the Member, as shown on the records of the Association. Except as set forth below, the notice of any meeting of Members shall be delivered, transmitted electronically or by facsimile or mailed, as the case may be, not less than ten (10) days nor more than sixty (60) days before the date of such meeting and shall state the date, time and place of the meeting and the purpose or purposes thereof. If delivered personally, such notice may be left at the Member's residence in his absence. If requested by any mortgagee of record, any mortgagee of record or its designee

may be entitled to receive similar notice. For an election or vote of Owners not taken at a meeting (i.e., electronic or absentee ballots only), the Association shall give notice of the election or vote to all Owners entitled to vote on any matter under consideration; provided, however, notwithstanding the time parameters set forth herein, the notice shall be given not later than the 20th day before the latest date on which a ballot may be submitted to be counted.

4.5 ADJOURNED MEETING. If any meeting of Members cannot be organized because a quorum has not attended, the Members who are present, either in person or by proxy, may adjourn the meeting until a quorum is attained, as provided in Section 3.5 hereof.

4.6 MOTIONS. All motions or matters proposed for consideration by the Declarant at any annual meeting, special meeting, or other meeting of the Association shall be considered and voted upon by the Members, regardless of whether the Declarant's motion or other matter proposed for consideration has been seconded by any other Member of the Association.

4.7 FAILURE TO CALL AN ANNUAL MEETING. The Board must call an annual meeting of the Members of the Association. If the Board does not call an annual meeting of the Members, an Owner may demand that a meeting of the Members be called not later than the 30th day after the date of the Owner's demand. The Owner's demand must be made in writing and sent by Verified Mail (as defined in Section 209.002 of the Texas Property Code) to the registered agent of the Association and to the Association at the address for the Association according to the most recently filed management certificate. A copy of the notice must be sent to each Owner who is a Member. If the Board does not call a meeting of the Members on or before the 30th day after the date of such written demand, then, in accordance with Section 209.014 of the Texas Property Code, as amended, three or more Owners may form an election committee for the sole purpose of electing Board members.

4.8 VOTING PROCEDURES FOR MEMBER VOTES. Except as set forth in Section 209.0058 of the Texas Property Code, as amended, Association ballots must be in writing and signed by the Member in order to be valid. An electronic ballot that is properly cast in accordance with the terms of these Bylaws and applicable law constitutes a written and signed ballot for purposes. If an electronic ballot is posted on an internet website, a notice of the posting will be sent to each Member and such posting will contain instructions on obtaining access to the posting on the website. The voting rights of a Member may be exercised (a) in person or by proxy at a meeting of the Association; (b) by absentee ballot; or (c) by electronic ballot. Absentee and electronic ballots may be counted as a present Member and voting for the purpose of establishing a quorum only for items appearing on the ballot. Properly delivered absentee and electronic ballots may not be counted if the Member actually attends a meeting to vote in person, so that any vote cast at a meeting by such Member replaces any previously submitted absentee or electronic vote cast for the subject proposal. Absentee and electronic ballots may not be counted on the final vote of a proposal if the motion was amended in any way at the meeting so that it differed from the language on the absentee or electronic ballot. Any solicitation for votes by absentee ballot must include an absentee ballot that contains each proposed action and provides an opportunity to vote for or against each proposed item and instructions for delivery of the completed absentee ballot, including the delivery location. Additionally, any solicitation for votes by absentee ballot must include the following language: "By casting your vote via absentee ballot you will forego the opportunity to consider and vote on any action from the floor on these proposals, if a meeting is held. This means that if there are amendments to these proposals your votes will not be counted on the final vote on these measures. If you desire to retain this ability, please attend any meeting in person. You may submit an absentee ballot and later choose to attend any meeting in person, in which case any in-person vote will prevail." A person who is a candidate in an Association election or who is the subject of an Association vote or a person related to such person within the third degree of consanguinity or affinity may not tabulate or otherwise be given access to the ballots cast in that election, except as part of any recount process. Not later than the fifteenth (15th) day after the later of (i) the date of

the meeting at which the election was held or (ii) the date of the announcement of the results of the election or vote, a person who was a candidate in an Association election or who was the subject of an Association vote, can require a recount of the votes. A demand for recount must be submitted in writing by Verified Mail (as defined in Section 209.002 of the Texas Property Code) to the Association's mailing address as reflected on the latest management certificate filed in the Official Public Records of Tarrant County, Texas; or in person to the Association's managing agent as reflected on the said recorded management certificate or to the address to which absentee and proxy ballots are mailed. The Member requesting the recount will bear the costs associated with the recount (provided, however, an estimate must be provided to such Member beforehand) as set forth in Section 209.0057 of the Texas Property Code. In the instance of a recount, the Association will enter onto a contract for the services of a person who is not a Member or related to a Member within the third degree of consanguinity or affinity and is either a former county judge, county elections administrator, justice of the peace or county voter registrar. Any action by the Association in the period between the initial election vote tabulation and the completion of any recount is not affected by the outcome of such recount. Unless required by law, the provisions of this Section 4.8 do not apply to meetings of the Association during the Development Period.

ARTICLE V **BOARD OF DIRECTORS**

5.1 NUMBER. The affairs of the Association shall be governed by a Board of Directors (the "Board") composed of such number of directors as shall be determined from time to time by the Board; provided, that the number of directors shall never be less than three (3) nor more than five (5). The initial directors of the Association are the following Persons, who, subject to Section 5.22, shall act in such capacity and shall manage the affairs of the Association until their successors are elected, and qualified, or until their respective deaths, resignations, disqualifications or removals from office:

<u>NAME</u>	<u>ADDRESS</u>
E. Peter Pincoffs III	4145 Travis Street, Suite 202 Dallas, TX 75204
Taylor Baird	4145 Travis Street, Suite 202 Dallas, TX 75204
Matt Mildren	4145 Travis Street, Suite 202 Dallas, TX 75204

5.2 POWERS AND DUTIES. Subject to the TBOC and any limitations in the Articles or these Bylaws, the Board shall have the powers and duties necessary for the operation and maintenance of the Common Areas, the Common Maintenance Areas and the administration of the other responsibilities and affairs of the Association, including, without limitation, the powers and duties set forth in the Declaration. Subject to the provisions of the preceding sentence, the Board may do all such acts and things that are not by these Bylaws or by the Declaration directed to be exercised and done by the Members.

5.3 OTHER POWERS AND DUTIES. The Board shall also have the following additional powers and duties, to be exercised by the Board or its authorized agents or representatives:

- (a) To administer and enforce the covenants, conditions, restrictions, uses, limitations, obligations and other provisions of the Declaration.

(b) To establish and enforce schedules, procedures, rules, conditions, restrictions, limitations and other provisions concerning the operation of the Association, including but not limited to any and all Common Areas and the Common Maintenance Areas. (A copy of such rules shall be delivered or mailed to each Member promptly upon the adoption thereof and filed in the Official Public Records of Tarrant County, Texas if required by applicable law.)

(c) To keep in good order, condition and repair the Common Areas, the Common Maintenance Areas, the Property, any other lands and facilities maintained and operated by the Association, and all items of personal property used in the enjoyment of the Common Areas, the Property or such other lands and facilities.

(d) To purchase and maintain such casualty and liability insurance with respect to the Common Areas, the Common Maintenance Areas, the Property and any other lands and facilities maintained and operated by the Association as the Board shall consider appropriate from time to time, including, without limitation, officer and director liability insurance.

(e) To fix, levy and collect the assessments to be paid by each of the Owners; and by majority vote of the Board to decrease or increase the amount of the annual assessments (subject to the provisions of the Declaration); to levy and collect special assessments in order to meet increased operating or maintenance expenses or costs, additional capital expenses, and other expenses and costs for which a special assessment is authorized under the Declaration. All annual and special assessments shall be in itemized statement form and shall set forth in detail the various expenses for which the assessments are being made.

(f) To collect delinquent fees or assessments by suit, lien foreclosure (as provided in the Declaration) or otherwise and to enjoin or seek damages from an Owner for violation of the Declaration or the rules or regulations of the Association.

(g) To protect and defend the Common Areas, the Common Maintenance Areas and any other lands and facilities maintained and operated by the Association from loss and damage by suit or otherwise.

(h) To borrow funds in order to pay for any required expenditure or outlay; to execute all such instruments evidencing such indebtedness; and to mortgage, pledge or hypothecate any or all of the real or personal property of the Association as security for money borrowed or debts incurred in connection with the affairs of the Association.

(i) To enter into contracts, including, without limitation, the power to appoint one or more management companies, and to pay each such management company reasonable compensation, to manage or operate the Common Areas, the Common Maintenance Areas, or the Association, or any other right or obligation required or deemed advisable by Declarant in connection therewith. Contracts entered into by the Association may, in the Board's discretion, be "bulk rate contracts" whereby a service provider may provide services under such contract for other properties in order to provide a discount rate to the Association.

(j) To establish one or more bank accounts for the common treasury for all separate funds which are required or may be deemed advisable by the Board.

(k) To maintain complete and accurate books and records showing all of the receipts, expenses or disbursements of the Association.

(l) To designate and employ the personnel necessary for the maintenance and repair or any other activity of Declarant or the Association under the Declaration.

(m) In general, to carry on the administration of this Association and to further the communal use and enjoyment of the Common Areas and the Common Maintenance Areas.

5.4 ELECTION AND TERM OF OFFICE. At each annual meeting of the Members, the Members shall elect directors to hold office until the next succeeding annual meeting. At each election, the persons receiving the greatest number of votes shall be the directors. Each director elected shall hold office for the term for which he or she is elected and until such director's successor is chosen and qualified, or until such director's earlier death, resignation, retirement, disqualification or removal from office.

5.5 NOMINATIONS. Nominations for candidates for director may be solicited from the Members through the Association newsletter, or other similar means, at least forty-five (45) days prior to each scheduled annual meeting of the Members. Any Member may nominate him/herself to be a candidate by notifying the Secretary in writing of his/her desire to be a candidate at least forty-five (45) days prior to the annual meeting. There shall be no limit to the number of candidates who may be included on the ballot for director. A list of the names of all candidates for director who have notified the Secretary of their desire to be a candidate at least forty-five (45) days prior to the annual meeting shall be mailed to the members in the manner specified in Section 4.4 above.

5.6 QUALIFICATION. The following qualifications apply to the election or appointment of directors to the Board.

(a) **Owners.** Subject to the Declarant's right to appoint Board members as set forth in the Governing Documents, at least a majority of the directors must be Members of the Association or residents of Dwellings situated on the Property.

(b) **Entity Member.** If a Lot is owned by a legal entity, such as a partnership or corporation, any officer, partner, agent, representative or employee of that entity Member is eligible to serve as a director and is deemed to be a Member for the purposes of this Section 5.6. If the relationship between the entity Member and the director representing it terminates, that directorship will be deemed vacant.

(c) **Criminal Activity.** Subject to applicable laws, no Person may be elected or appointed as a director if the Board is presented with written, documented evidence from a database or other record maintained by a governmental law enforcement authority that such Person has been convicted of a felony or crime involving moral turpitude.

5.7 VACANCIES. Vacancies on the Board caused by any reason other than the removal of a director by a vote of the Members shall be filled by vote of the majority of the remaining directors, even though they may constitute less than a quorum. Each director so elected shall serve out the remaining term of his predecessor.

5.8 REMOVAL OF DIRECTORS.

(a) **Removal by Members.** After the expiration or termination of the Development Period (or prior to the expiration or termination of the Development Period with the prior written consent of Declarant), at any annual or special meeting of the Members duly called, any director may be removed with or without cause by a majority vote of the Members, and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been

proposed by the Members shall be given notice of the proposed removal and an opportunity to be heard at the meeting.

(b) Removal by Directors. A director may not be removed by the remaining directors, except for the following limited reasons for which a director may be removed by at least a majority of the other directors at a meeting of the Board called for that purpose:

(i) The director is a party adverse to the Association, the Board, or a committee of the Association in pending litigation to which the Association, Board, or committee is a party, provided the Association did not file suit to effect removal of the director.

(ii) The director's account with the Association has been delinquent for at least sixty (60) days or has been delinquent at least three (3) times during the preceding twelve (12) months, provided such director was given notice of the default and a reasonable opportunity to cure.

(iii) The director has refused or failed to attend three (3) or more meetings of the Board during the preceding twelve (12) months, provided he was given proper notice of the meetings.

(c) No Removal by Officers. A director may not be removed by officers of the Association, acting in their capacity of officers of the Association, under any circumstance.

(d) Removal for Criminal Activity. If the Board is presented with written, documented evidence from a database or other record maintained by a governmental law enforcement authority that a director has been convicted of a felony or crime involving moral turpitude, such director is immediately ineligible to serve on the Board, automatically considered removed from the Board, and prohibited from future service on the Board.

5.9 ORGANIZATIONAL MEETING. The first meeting following an annual election of directors shall be held within ten (10) days of election at such place as shall be fixed by the directors at the meeting at which directors were elected, and no notice shall be necessary to the newly elected directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present. Meetings held pursuant to this Section 5.9 shall be open as set forth in Section 5.19 below.

5.10 REGULAR MEETINGS. Regular meetings of the Board may be held at such time and place as shall be determined, from time to time, by a majority of the directors, but at least one (1) such meeting shall be held during each fiscal year. Notice of regular meetings of the Board shall be given to each director, either personally, by telephone, by electronic mail or other form of electronic communication if permitted by the TBOC, by facsimile transmission at least three (3) days prior to the day named for such meeting, or by deposit of notice in the U.S. Mail (postage prepaid) at least seven (7) days prior to the day named for such meeting. Meetings held pursuant to this Section 5.10 shall be open as set forth in Section 5.19 below.

5.11 SPECIAL MEETINGS. Special meetings of the Board may be called by the President or Secretary, or upon the written request of at least two (2) directors. The President or Secretary will give notice to each director of the time, place (as hereinabove provided) and purpose of the meeting, either personally, by telephone, by electronic mail or other form of electronic communication if permitted by the TBOC, by facsimile transmission at least three (3) days prior to the day named for such meeting, or by deposit of notice in the U.S. Mail (postage prepaid) at least seven (7) days prior to the day named for such

meeting. Notwithstanding the foregoing, in case of emergency, the Board may convene an emergency meeting for the purpose of dealing with the emergency after making a diligent attempt to notify each director by any practical method. Meetings held pursuant to this Section 5.11 shall be open as set forth in Section 5.19 below.

5.12 MEETINGS BY TELEPHONE/OTHER REMOTE COMMUNICATIONS TECHNOLOGY. To the extent allowed by Section 209.0051 of the Texas Property Code, as amended, and subject to the provisions of applicable law and these Bylaws regarding notice of meetings, members of the Board or members of any committee designated by such Board may, unless otherwise restricted by statute, by the Articles or by these Bylaws, participate in and hold a meeting of such Board or committee by electronic or telephonic means provided that (1) each Board member may hear and be heard by every other Board member; (2) except for any portion of the meeting conducted in executive session, (A) all Owners in attendance at the meeting may hear all Board members; and (B) Owners are allowed to listen using any electronic or telephonic communication method used or expected to be used by a Board member to participate; and (3) the notice of the meeting includes instructions for owners to access any communication method required to be accessible under Subdivision (2)(B) above. Participation in a meeting pursuant to this Section 5.12 shall constitute presence in person at such meeting, except when a Person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting was not lawfully called or convened.

5.13 WAIVER OF NOTICE. Before or at any meeting of the Board, any director may in writing waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

5.14 CONDUCT OF MEETINGS. The President shall preside over meetings of the Board and the Secretary shall keep, or cause to be kept, a record of resolutions adopted by the Board and a record of transactions and proceedings occurring at meetings. When not in conflict with law or the Governing Documents, the then current edition of Robert's Rules of Order governs the conduct of the meetings of the Board.

5.15 QUORUM AND MANNER OF ACTING. At all meetings of the Board, a majority of directors then in office shall constitute a quorum for the transaction of business, and the act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board, unless a greater percentage is required for the matter being voted upon by these Bylaws, the Certificate of Formation or applicable law. If, at any meeting of the Board, there is less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any reconvened meeting at which a quorum is present, any business that may have been transacted at the meeting as originally called may be transacted without further notice.

5.16 MINUTES. The written report of a meeting of the Board is not the minutes of the meeting until approved by the directors at a future meeting. The minutes must report actions taken by the Board, but need not report the substance of discussion. The Board will keep written minutes of each meeting and make such minutes available to all Members in accordance with the Association's records inspection, copying and retention policy. Following a closed executive Board session, any decisions made by the Board will be summarized orally and placed into the minutes. A closed executive Board session summary may not breach the privacy of individual Member, violate any privilege, or disclose confidential information. The summary will include a general explanation of any expenditures approved in the closed executive session.

5.17 VOTING. A director who is also an officer of the Association, even the presiding officer, is expected to participate and to vote in the same manner as every other director. The President of the Association is not prohibited from voting and is not limited to tie-breaking votes.

5.18 APPOINTMENT OF COMMITTEES. The Board, by resolution, may from time to time designate standing or ad hoc committees to advise or assist the Board with its responsibilities. The resolution may establish the purposes and powers of the committee created, provide for the appointment of a chair and committee members, and may provide for reports, termination, and other administrative matters deemed appropriate by the Board. Members of committees will be appointed by the Board from among the Owners and residents. The Board may not appoint a committee to act in its place in managing the affairs of the Association.

5.19 OPEN MEETINGS. Notwithstanding anything to the contrary contained elsewhere in this Article, subject to the right of the Board to adjourn a Board meeting and reconvene in closed executive session in accordance with Section 209.0051 of the Texas Property Code, as amended, all meetings of the Board, including regular meetings and special meetings, will be open to the Members; *provided, however*, this Section 5.19 will not apply to (i) Board meetings during the Development Period which are exempted from Section 209.0051 of the Texas Property Code, as amended, and (ii) any other Board meetings that are exempt from being open as set forth in Section 209.0051 of the Texas Property Code, as amended.

5.20 LOCATION OF MEETINGS. Except for meetings conducted in accordance with Section 5.12 herein, all Board meetings will be held in a county in which all or part of the Property is located or in a county adjacent to that county.

5.21 NOTICE TO MEMBERS; ACTION OUTSIDE OF MEETINGS. The Members shall be given notice, in accordance with Section 209.0051 of the Texas Property Code, as amended, of the date, hour, place, and general subject of all Board meetings, including regular and special meetings, including a general description of any matter to be brought up for deliberation in executive session; *provided, however*, this Section 5.21 will not apply to Board meetings which are exempted from such requirements pursuant to Section 209.0051 of the Texas Property Code, as amended. The Board may take action outside of a meeting, including voting by electronic or telephonic means, without prior notice to Owners 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 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 proper notice was provided (unless such Board meeting is during the Development Period is exempted from such notice requirements pursuant to Section 209.0051 of the Texas Property Code, as amended), consider or vote on the following matters: (i) fines; (ii) damage assessments; (iii) initiation of foreclosure actions; (iv) initiation of enforcement actions, excluding temporary restraining orders or violations involving a threat to health or safety; (v) increases in assessments; (vi) levying of special assessments; (vii) appeals from a denial of architectural control approval; (viii) 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; (ix) lending or borrowing money; (x) the adoption or amendment of a dedicatory instrument; (xi) the approval of an annual budget or the approval of an amendment of an annual budget that increases the budget by more than 10 percent; (xii) the sale or purchase of real property; (xiii) the filling of a vacancy on the Board; (xiv) the construction of capital improvements other than the repair, replacement, or enhancement of existing capital improvements; or (xv) the election of an officer.

5.22 SELECTION OF THE BOARD BY THE DECLARANT. Notwithstanding anything to the contrary contained elsewhere in this Article:

(a) until the earlier to occur of (i) the end of the Development Period and (ii) Declarant Control Termination Date (defined below), Declarant shall have the sole and exclusive right to appoint and remove any and all directors; and

(b) if the Declarant Control Termination Date occurs prior to the end of the Development Period, then, during the period beginning on the Declarant Control Termination Date and ending on the date the Development Period expires or terminates, at least one-third of the directors on the Board must be elected by Owners other than Declarant.

The “**Declarant Control Termination Date**” is the date which is 120 days after the date that 75 percent of the lots that may be created and made subject to the Declaration or annexed property pursuant to the terms and conditions of the Declaration, and made subject to the Declaration) are conveyed to owners other than the Declarant.

ARTICLE VI **OFFICERS**

6.1 DESIGNATION. The officers of the Association shall be a President, a Secretary and a Treasurer, all of whom shall be elected by the Board. The Board may also, from time to time, elect one (1) or more Vice Presidents. The Board may, in its sole discretion, elect to combine any two (2) or more offices such that one Person shall hold the combined offices, except that the offices of President and Secretary may not be combined.

6.2 ELECTION OF OFFICERS. The officers of the Association shall be elected annually by the Board at the organizational meeting of each new Board and shall hold office at the pleasure of the Board. Except for resignation or removal, officers hold office until their respective successors have been designated by the Board.

6.3 REMOVAL AND RESIGNATION OF OFFICERS. Upon an affirmative vote of a majority of the members of the Board, any officer may be removed, either with or without cause, and his successor may be elected at any regular meeting of the Board or at any special meeting of the Board called for such purpose. An officer may resign at any time by giving written notice to the Board. Unless the notice of resignation states otherwise, it is effective when received by the Board and does not require acceptance by the Board. The resignation or removal of an officer who is also a director does not constitute resignation or removal from the Board.

6.4 PRESIDENT. The President shall be the chief executive officer of the Association. The President shall preside at all meetings of both the Association and the Board, and shall have all the general powers and duties which are usually vested in the office of President of an association, including without limitation the power to appoint committees from among the Members to assist in the administration of the affairs of the Association. The President, or his designated alternate, shall represent the Association at all meetings of the Association.

6.5 VICE PRESIDENT. Any Vice President elected by the Board shall perform such duties as may be required of him from time to time by the President or the Board.

6.6 SECRETARY.

(a) The Secretary shall keep the minutes of all meetings of the Board and the minutes of all meetings of the Association. The Secretary shall have charge of such books and papers as

the Board may direct and shall, in general, perform all the duties incident to the office of the Secretary.

(b) The Secretary shall compile and keep up to date at the principal office of the Association a complete list of Members and their last known addresses as shown on the records of the Association. Such list shall be open to inspection by Members and other Persons lawfully entitled to inspect the same at reasonable times during regular business hours.

6.7 TREASURER. The Treasurer shall receive and deposit in appropriate bank accounts all funds of the Association and shall disburse such funds as directed by resolution of the Board; provided, however, that a resolution of the Board shall not be necessary for disbursements made in the ordinary course of business conducted within the limits of a budget adopted by the Board. The Treasurer shall also have the authority to: keep proper books of account; cause an annual statement of the Association's books to be made at the completion of each fiscal year; prepare an annual budget and a statement of income expenditures to be presented to the Members at their regular annual meeting, and deliver a copy of each to the Members; and perform all other duties assigned to him by the Board.

6.8 AUTHORIZED AGENTS. Except when the Governing Documents require execution of certain instruments by certain individuals, the Board may authorize any Person to execute instruments on behalf of the Association. In the absence of Board designation, the President and the Secretary are the only Persons authorized to execute instruments on behalf of the Association.

ARTICLE VII **RULES**

7.1 RULES. The Board may establish and amend, from time to time, reasonable rules and regulations for: (1) the administration of the Association; (2) the maintenance, management, operation, use, conservation, and beautification of the Property; and (3) the health, comfort, and general welfare of the residents; provided, however, that such rules may not be in conflict with applicable law or the Declaration, these Bylaws or the other governing documents of the Association. The Board will, at all times, maintain the then current and complete rules in a written form which can be copied and distributed to the Members and shall record such rules in the Official Public Records of Tarrant County, Texas if required by applicable laws.

7.2 ADOPTION AND AMENDMENT. Any rule may be adopted, amended, or terminated by the Board, provided that the rule and the requisite Board approval are properly recorded as a resolution in the minutes of the meeting of the Board.

7.3 DISTRIBUTION. On request from any Member or resident, the Board will provide a current and complete copy of rules. Additionally, the Board will, from time to time, distribute copies of the current and complete rules to Owners and, if the Board so chooses, to non-Member residents.

ARTICLE VIII **OBLIGATIONS OF THE OWNERS**

8.1 FEES AND ASSESSMENTS. All Owners shall be obligated to pay the initiation fee (and/or working capital fee) and the assessments imposed by the Association in accordance with the Declaration. Subject to Section 3.2(c) of the Declaration, a Member shall be deemed to be in good standing and entitled to participate in and vote at any annual or special meeting of Members or any of the other activities of the Association, within the meaning of these Bylaws, only if that Member is current in the initiation fee (and/or working capital fee) and assessments levied against such Member and such Member's

Lot. No Owner shall be disqualified from voting in a Member election of Board members, or any other matter concerning the rights or responsibilities of the Owner.

8.2 USE OF THE COMMON AREAS. Each Member may use the Common Areas as provided in the Declaration and in accordance with the purposes for which they are intended. The Board shall have the right to suspend a Member's right to use the Common Areas (a) in the event such Member is delinquent in the payment of the initiation fee (and/or working capital fee) or any assessments as provided in the Declaration and (b) for a reasonable period, in the Board's discretion, in response to any infraction of the Declaration or the Association's rules and regulations.

8.3 GENERAL. Each Owner shall comply strictly with the provisions of the Declaration.

ARTICLE IX **AMENDMENTS TO BYLAWS**

9.1 AMENDMENTS PRIOR TO END OF DEVELOPMENT PERIOD. Prior to the expiration or termination of the Development Period, these Bylaws may be amended or repealed, or new bylaws may be adopted, only with the express written consent of the Declarant.

9.2 AMENDMENTS AFTER END OF DEVELOPMENT PERIOD. After the expiration or termination of the Development Period, these Bylaws may be amended or repealed, or new bylaws may be adopted, at any annual or special meeting of the Members at which a quorum is present by an affirmative vote of two-thirds (2/3) of the Members present at such meeting, provided notice of the proposed amendment, repeal or adoption is contained in the notice of such meeting; and provided further, that the foregoing notice requirement shall not prohibit the Members from adopting the proposed amendment, effecting the proposed repeal or adopting the proposed new bylaws, as the case may be, in a modified form which is not identical to that described or set forth in the notice of such meeting.

ARTICLE X **MORTGAGES**

10.1 NOTICE OF UNPAID ASSESSMENTS. The Association shall, at the request of a Mortgagee of a Lot, report any unpaid assessments due from the Owner of such Lot.

ARTICLE XI **ACTIONS WITHOUT MEETINGS**

11.1 CONSENT TO ACTION. To the extent allowed by applicable law, any action required or permitted to be taken at any meeting of Members, directors or committee members may be taken without a meeting, without prior notice, and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by a sufficient number of Members, directors or committee members, as the case may be, as would be necessary to take that action at a meeting at which all Persons entitled to vote on the action were present and voted. Prompt notice of the taking of any action by Members, directors or committee members without a meeting by less than unanimous written consent shall be given to those Members, directors or committee members who did not consent in writing to the action.

11.2 ELECTRONIC TRANSMISSION. An electronic transmission of a consent by a Member, director or committee member is considered a signed writing if the transmission contains or is accompanied by information from which it can be determined that the electronic transmission was transmitted by the Member, director or committee member, as the case may be, and the date on which it was transmitted.

ARTICLE XII
NONPROFIT ASSOCIATION

The Association is not organized for profit. No Owner, Member, director or Person from whom the Association may receive any property or funds shall receive or shall be lawfully entitled to receive any pecuniary profit from the operation thereof, and in no event shall any part of the funds or assets of the Association be paid as a salary or as compensation to, or distributed to or inure to the benefit of any director; provided, however, (a) reasonable compensation may be paid to any Member while acting as an agent or employee of the Association for services rendered in effecting one or more of the purposes of the Association, and (b) any director may, from time to time, be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the Association, subject to prior approval by the Board.

ARTICLE XIII
INDEMNIFICATION OF DIRECTORS, OFFICERS AND OTHER AGENTS

13.1 MAXIMUM INDEMNIFICATION. The Association shall, to the maximum extent and in the manner permitted by the TBOC as the same now exists or may hereafter be amended, indemnify each director and officer against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred in connection with any threatened, pending or completed action, suit, or proceeding in which such Person was or is a party or is threatened to be made a party by reason of the fact that such Person is or was a director or officer of the Association. For purposes of this Section 13.1, a "director" or "officer" of the Association shall mean any Person (i) who is or was a director or officer of the Association or (ii) who, while a director or officer of the Association, is or was serving at the request of the Association as a director, officer, partner, venturer, proprietor, trustee, employee or agent. Additionally, subject to the limitations and requirements of the TBOC, as amended, the Association may voluntarily indemnify a Person who is or was an employee, trustee, agent or attorney of the Association, against any liability asserted against such Person in that capacity and arising out of that capacity.

Notwithstanding any provision in these Bylaws to the contrary, and to the fullest extent permitted by applicable law, the Association shall advance the expenses incurred by any indemnitee hereunder in connection with any proceeding covered hereby within ten (10) days after receipt by the Association of a statement or statements requesting such advances from time to time. Advances shall be interest free, without security, and without regard to such indemnitee's ability to repay the expenses and without regard to such indemnitee's ultimate entitlement to indemnification. Advances shall include expenses incurred to enforce this Bylaw provision. Indemnitee shall qualify for such advances solely upon the execution and delivery by indemnitee to the Association of the written affirmation and the written undertaking provided for by the TBOC.

13.2 NON-EXCLUSIVE. The rights conferred on any Person by this Article shall not be exclusive of any other rights which such Person may have or hereafter acquire under any statute, provision of the Association's Articles, these Bylaws, agreement, vote of the shareholders or disinterested directors or otherwise. Any repeal or modification of the foregoing provisions of this Article shall not adversely affect any right or protection hereunder of any Person in respect of any act or omission occurring prior to the time of such repeal or modification.

13.3 INSURANCE. The Association may purchase and maintain insurance on behalf of any Person who is or was a director, officer or agent of the Association against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such,

whether or not the Association would have the power to indemnify him or her against such liability under the provisions of the TBOC.

ARTICLE XIV **DUE PROCESS PROCEDURES**

14.1 ACTIONS REQUIRING NOTICE AND HEARING. Before taking any of the below-described actions, the Association or its agent must give written notice and an opportunity for a hearing according to the requirements of this Article and the notice and hearing requirements of applicable law. The following actions by or with the approval of the Board or the Association require notice and hearing as provided by this Article:

- (a) Suspension of use of a Common Area.
- (b) Imposition of a fine for violation of any provision of the Governing Documents, other than fines, interest, or collection fees charged for delinquent accounts.
- (c) Charging an Owner or a Lot or Parcel for property damage.
- (d) Filing suit against an Owner other than a suit related to the collection of assessments or foreclosure of the Association's assessment lien.

14.2 NOTICE. The required written notice must contain (1) the date the violation notice is prepared or mailed; (2) a statement that not later than the 30th day after the date the Owner receives the notice, the Owner may request a hearing to discuss and verify facts and resolve the matter in issue, pursuant to this Article and applicable law; (3) a statement of how or where the request for hearing should be made or delivered; (4) a statement that if the hearing is before a committee or any body other than the Board, the Owner has the right to appeal the decision to the Board by written notice to the Board; (5) a statement that the Owner may be liable for reimbursement of attorneys fees and costs if the violation continues or the damage is not paid by a stated date; and (6) the following contents applicable to violations or damage claims, as the case may be:

(a) **Notice of Violation.** In the case of a violation of a provision of the Governing Documents, the written notice must also contain the following: (1) a description of the violation; (2) a reference to the rule or provision of the Governing Documents that is being violated, if applicable; (3) a description of the action required to cure the violation; (4) the amount of the fine or charge to be levied, the nature of the Common Area suspension, and/or the abatement action to be taken; (5) if the violation is of a curable nature and does not pose a threat to public health or safety and so long as the Owner was not given notice and a reasonable opportunity to cure a similar violation within the preceding 6 months, a statement that the Owner may avoid the fine or suspension by curing the violation in a reasonable period of time, which period of time shall be specified in the notice.

(b) **Notice of Damage.** In the case of property damage for which the Association seeks reimbursement or imposition of a charge on the Owner or the Lot or Parcel, the written notice must also contain (1) a description of the property damage and (2) the amount of the Association's claim against the Owner or the Lot or Parcel.

(c) **Notice to Tenant.** In addition to giving the violation notice to the Owner, the Board may also give a copy of the notice to a non-Owner tenant, if the Board deems it appropriate.

(d) Receipt of Notice. Unless applicable law provides otherwise, any notice given to an Owner pursuant to this Article will be deemed received by the Owner (1) on personal delivery to the Owner or to a Person at the Owner's address, or (2) on the third business day after the notice is deposited with the U.S. Postal Service, addressed to the Owner at the most recent address shown on the Association's records, whether or not the Owner actually receives the notice.

14.3 HEARING.

(a) Request for Hearing. To request a hearing, an Owner must submit a written request within 30 days after receiving the Association's written notice. Within 10 days after receiving the Owner's request for a hearing, and at least 10 days before the hearing date, the Association will give the Owner notice of the date, time, and place of the hearing. If the Association or the Owner requests a postponement of the hearing, the hearing will be postponed for up to 10 days. Additional postponements may be granted by agreement of the parties.

(b) Pending Hearing. Pending the hearing, the Board may continue to exercise the Association's other rights and remedies for the violation, as if the declared violation were valid. The Owner's request for a hearing suspends only the action described in the Association's written notice.

(c) Attendance. The hearing may be held with or without the presence of the Owner or the Owner's representative.

(d) Hearing. The hearing may be held in a closed or executive session of the Board. At the hearing, the Board will consider the facts and circumstances surrounding the violation. The Owner may attend the hearing in person, or may be represented by another person or written communication.

(e) Minutes of Hearing. The minutes of the hearing must contain a statement of the results of the hearing and the amount of fine or charge, if any, imposed, or abatement or suspension action, if any, authorized. A copy of the notice and request for hearing should be placed in the minutes of the hearing. If the Owner appears at the hearing, the notice requirement will be deemed satisfied.

14.4 ACTIONS EXEMPT FROM NOTICE AND HEARING REQUIREMENTS. As a general rule, every action other than the above-described actions requiring notice and hearing are impliedly exempt from the requirements of this Article. As permitted by applicable law, the following actions are expressly exempt:

(a) 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 Property. The temporary suspension is effective until the Board makes a final determination on the suspension action after following the notice and hearing procedures prescribed by this Article.

(b) A lawsuit in which the Association seeks a temporary restraining order or temporary injunctive relief.

(c) A lawsuit filed by the Association that includes foreclosure as a cause of action.

(d) The collection of delinquent assessments.

14.5 IMPOSITION OF FINE. Within 30 days after levying the fine or authorizing the abatement, the Board must give the Owner notice of the levied fine or abatement action. If the fine or action is announced at the hearing at which the Owner is actually present, the notice requirement will be satisfied. Otherwise, the notice must be in writing.

(a) Amount. The Board may set fine amounts on a case by case basis, provided the fine is reasonable in light of the nature, frequency, and effects of the violation. The Board may establish a schedule of fines for certain types of violations. The amount and cumulative total of a fine must be reasonable in comparison to the violation. If the Board allows fines to accumulate, it may establish a maximum amount for a particular fine, at which point the total fine will be capped.

(b) Type of Fine. If the violation is ongoing or continuous, the fine may be levied on a periodic basis (such as daily, weekly, or monthly). If the violation is not ongoing, but is instead sporadic or periodic, the fine may be levied on a per occurrence basis.

(c) Other Fine-Related. The Association is not entitled to collect a fine from an Owner to whom it has not given notice and an opportunity to be heard. The Association may not charge interest on unpaid fines. The Association may not foreclose its assessment lien on a debt consisting solely of fines.

14.6 REIMBURSEMENT OF EXPENSES AND LEGAL FEES. In addition to any other rights set forth in the Governing Documents for violation of a provision of the Governing Documents, the Board may levy and collect individual assessments for reimbursement of reasonable fees and expenses, including without limitation, to the extent allowed by Section 209.008 of the Texas Property Code, as amended, legal fees, incurred by the Association to enforce the Governing Documents, including the collection of delinquent assessments, subject to the following conditions:

(a) Notice. The Association must give the Owner written notice that the Owner will be liable for reimbursement of any such fees and expenses incurred by the Association if the delinquency or violation continues after a date certain that is stated in the notice. This notice requirement does not apply to legal fees incurred by the Association in connection with the Association's counterclaim in a lawsuit to which an Owner is a plaintiff.

(b) Hearing. If legal fees are incurred by the Association for an action requiring notice and hearing, the Owner is not liable for reimbursement of legal fees incurred (1) before the date by which the Owner must request a hearing, if the Owner does not request a hearing, or (2) before conclusion of the hearing, if the Owner does request a hearing.

(c) Records. By written request, an Owner may obtain from the Association copies of any invoices for charges, including legal fees, for which the Association seeks reimbursement.

(d) Foreclosure. In connection with a nonjudicial foreclosure of the Association's assessment lien, applicable law, may establish a limit for the amount of attorneys' fees that the Association may include in its lien.

14.7 ADDITIONAL ENFORCEMENT RIGHTS. Notwithstanding the notice and hearing requirement, the Board may take immediate and appropriate action, without giving the notices required in this Article, against violations of the Governing Documents which, in the Board's opinion, are (1) self-evident, such as vehicles parked illegally or in violation of posted signs; (2) threatening to life or property; or (3) repeat violations of the same provision by the same Owner to whom prior notices and demands have

been given for the same violation. Further, the provisions of this Article do not apply to specific remedies provided in the Governing Documents for certain violations, such as nonpayment of assessments.

ARTICLE XV

GENERAL PROVISIONS

15.1 DEFINED TERMS. Any terms capitalized but not defined herein shall have the meanings ascribed to such terms in the Declaration or the Articles.

15.2 DECLARANT CONTROL DURING DEVELOPMENT PERIOD. These Bylaws are not intended to supersede the Declaration but shall be construed as supplemental thereto. In the event of any inconsistency between the provisions of these Bylaws and the Declaration, it is intended that the provisions of the Declaration shall be controlling. Without limiting the foregoing, during the Development Period, a number of provisions in these Bylaws are modified by Declarant's rights and reservations under the Declaration during the Development Period, including, without limitation, the following provisions: (i) the provisions of Article III of these Bylaws relating to the relative voting rights of the Declarant and the Members, and (ii) the provisions of Article V of these Bylaws relating to the appointment, removal, and replacement of directors.

15.3 FISCAL YEAR. The fiscal year of the Association shall be fixed in accordance with the Declaration.

15.4 OFFICES. The registered office of the Association shall be as designated with the Secretary of State of Texas, as it may be changed from time to time by the Board. The Association may also have offices at such other places within the Dallas/Fort Worth Metropolitan area as the Board may from time to time determine or the business of the Association may require.

15.5 MANAGEMENT CERTIFICATE. As required by applicable law, such as Section 209.004 of the Texas Property Code, the Association will maintain a current management certificate in the county's public records. When the Association has notice of a change in any information in the recorded certificate, the Association will prepare a restated or amended certificate and deliver it to the county clerk for filing. Absent gross negligence, the Association is not liable for a delay or failure to record a certificate. The Association may delegate the responsibility for a management certificate to its managing agent, if any.

15.6 TABLE OF CONTENTS AND HEADINGS. The Table of Contents and headings used in these Bylaws have been inserted for convenience only and do not constitute matters to be construed in interpretation.

15.7 CONSTRUCTION. Whenever the context so requires, the masculine shall include the feminine and neuter, and the singular shall include the plural, and conversely. If any portion of these bylaws shall be invalid or inoperative, then, so far as is reasonable and possible, the remainder of these bylaws shall be considered valid and operative and effect shall be given to the intent manifested by the portion held invalid and inoperative.

15.8 SEVERABILITY. Whenever possible, each provision of these Bylaws will be interpreted in a manner as to be effective and valid. Invalidation of any provision of these Bylaws, by judgment or court order, does not affect any other provision which remains in full force and effect.

15.9 NOTICE TO CO-OWNERS. If a Lot is owned by more than one person, notice to one co-Owner is deemed notice to all co-Owners. Similarly, notice to one resident of a Lot is deemed notice to all residents of that Lot.

15.10 WAIVER OF NOTICE. Whenever any notice is required to be given under the provisions of the Texas Nonprofit Corporation Act or under the provisions of these Bylaws, a waiver thereof in writing signed by the Person or Persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

15.11 RECORDS AVAILABLE TO MEMBERS. The Association's books and records shall be open to inspection by Members and other Persons lawfully entitled to inspect the same in accordance with Section 209.005 of the Texas Property Code, as amended, and at reasonable times during regular business hours. Furthermore, the Records Inspection, Copying and Retention Policy of the Association is set forth on Schedule I attached hereto.

CERTIFICATE

I HEREBY CERTIFY that the foregoing is a true, complete and correct copy of the Bylaws of Ventana Homeowner's Association, a Texas nonprofit corporation.

IN WITNESS WHEREOF, I hereunto set my hand as of April 2nd, 2017.

E. Peter Pincoffs III

Name: E. Peter Pincoffs III

Title: President

THE STATE OF TEXAS §
 §
COUNTY OF DALLAS §

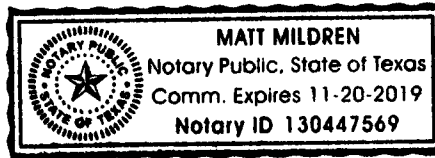
This instrument was acknowledged before me on this 2 day of April, 2017 by Peter Pincoffs, the Secretary of Ventana Homeowner's Association, a Texas nonprofit corporation.

Matt Mildren

Notary Public, The State of Texas

After Recording Return To:

Thompson & Knight LLP
Attn: Rick Haan
One Arts Plaza
1722 Routh Street, Suite 1500
Dallas, TX 75201



Schedule I

**PROPERTY OWNERS' ASSOCIATION
RECORDS INSPECTION, COPYING AND RETENTION POLICY**

FOR

VENTANA HOMEOWNERS ASSOCIATION

Ventana Homeowners Association, a Texas nonprofit corporation (the "**Association**"), submits this Property Owners' Association Records Inspection, Copying and Retention Policy, which supersedes any prior records inspection, copying and retention policy filed for the Association, pursuant to Title 11, Section 209.005 of the Texas Property Code. All capitalized terms used but not defined herein shall have the meanings given to such terms in that certain Declaration of Covenants, Conditions and Restrictions for Ventana recorded in the Real Property Records of Tarrant County, Texas.

1. The Association will maintain its books and records, including financial records, in writing or in another format capable of conversion into written form.
2. An Owner, an Owner's attorney or an Owner's certified public accountant may submit a written request to access the Association's records via Verified Mail (as defined in Section 209.002 of the Texas Property Code) to the Association's mailing address or to the address of the authorized agent listed in the Association's current management certificate. The written request must contain sufficient detail in describing the records requested. The request must also identify if the Owner wants to inspect the records requested or if Owner wants a copy of the requested records. Upon the receipt of a written request for records, the Association will estimate the cost to respond to each request. The schedule of costs reflected at the time of the written request in the Texas Administrative Code Section 70.3 (as amended from time to time) will serve as the maximum amount charged by the Association for the production of books and records. Prior to providing any requested books and records, the Association will require the requesting Owner to pay the Association for such estimated costs associated with the request, not to exceed the schedule of costs reflected in the Texas Administrative Code Section 70.3 (as amended from time to time). If actual costs exceed the estimated costs, the Owner will receive a final invoice and such Owner must remit the difference within thirty (30) business days from receiving the final invoice. If the additional amount due from a request is not paid by a requesting Owner within thirty (30) business days from receiving such final invoice, then the amount due will be added to the Owner's account with the Association as an assessment. If the estimated costs exceed the actual costs for a request, the Association will refund the excess amount paid by the Owner within thirty (30) business days after final invoice has been received by the Owner.
3. Within ten (10) business days from the receipt of the written request to access the Association's records, the Association will provide copies of the requested records to the Owner; provide available inspection dates with the ten (10) business day period; or provide written notice that the Association cannot produce the requested records within ten (10) business days, informing the requesting Owner of the reason the Association is unable to produce the requested information and provide a date not more than thirty (30) business days from the date of such notice at which time the books and records can be produced for inspection or copies can be sent to the requesting Owner.
4. If an inspection of books or records is requested or required, the inspection will take place at a mutually agreed upon time during normal business hours.

Schedule I-1

5. The Association shall keep the following records for a minimum of the time periods indicated. "Permanently retained" refers to records and documents that are never to be purposely destroyed. Except for contracts with a term of more than one (1) year, the retention period starts on the last day of the calendar year in which the record was created and ends on the last calendar day of the year of the specified retention period. Reasonable care to ensure protection of private information will be utilized when records are destroyed.

- (a) The Certificate of Formation, these Bylaws, the Declaration, and all amendments to the Certificate of Formation, these Bylaws and the Declaration shall be retained permanently;
- (b) Financial books and records shall be retained for seven (7) years;
- (c) Account records of current Owners shall be retained for five (5) years;
- (d) Contracts with a term of one (1) year or more shall be retained for four (4) years after the expiration of the contract term;
- (e) Minutes of meetings of the Owners and the Board shall be retained for seven (7) years; and
- (f) Tax returns and audit records shall be maintained for seven (7) years.

6. An attorney's files and records, excluding invoices, are not records of the Association, subject to inspection, or subject to production in a legal proceeding.

7. Except in the instance of an express written approval of the Owner whose records are the subject of the request for inspection is provided to the Association; or a court order for the release of the books and records or orders that the books and records be made available for inspection, the Association will not be required, other than in meeting minutes, to release or allow inspection of any books or records that identify the violation history of an Owner of the Association; an Owner's personal financial information, including records of payment or nonpayment of amounts due the Association; an Owner's contact information, other than the Owner's address; or information related to an employee of the Association, including personnel files. Information may be released in an aggregate or summary manner that would not identify an Owner.

Declaration of CC&R's

AFTER RECORDING RETURN TO:

Thompson & Knight LLP
 Attn: Rick Haan
 1722 Routh Street, Suite 1500
 Dallas, TX 75201

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

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR VENTANA is made this 2nd day of April, 2017, by PB VENTANA 1, LLC, a Texas limited liability company.

RECITALS:

- A. Declarant is the owner of the Property (as defined herein).
- B. Declarant desires to impose certain restrictive covenants which will impose a general plan for the development, maintenance, improvement, protection, use, occupancy and enjoyment of the Property, and to establish, adopt and impose covenants, conditions, restrictions and easements upon the Property for the purpose of enforcing, protecting and preserving the value, desirability and attractiveness of the Property.
- C. This Declaration is intended to provide a flexible and reasonable procedure for the overall development, administration, maintenance, and preservation of the Property, and in furtherance of Declarant's general plan, Declarant has caused or intends to cause Ventana Homeowner's Association to be formed as a Texas nonprofit corporation to own, operate, and maintain the Common Maintenance Areas (as defined herein) and to administer and enforce the provisions of this Declaration.

NOW, THEREFORE, Declarant hereby declares that all of the Property is and shall be held, sold, used and conveyed subject to the easements, restrictions, covenants, and conditions contained in this Declaration, which shall run with the title to the Property. This Declaration shall be binding upon all parties having any right, title or interest in any portion of the Property, their heirs, successors, successors-in-title and assigns, and shall inure to the benefit of each owner of any portion of the Property.

**ARTICLE I
 GENERAL**

1.1 Definitions. The following words, when used in this Declaration or any supplemental Declaration (unless the context shall otherwise clearly indicate or prohibit), shall have the following meanings:

“ACA” or **“Architectural Control Authority”** means the entity granted the sole and exclusive authority to perform the architectural control functions contemplated to be performed by the ACA under this Declaration.

“ACA Standards” means standards adopted by the ACA regarding architectural and related matters, including, without limitation, architectural design, placement of improvements, landscaping, color schemes, exterior finishes and materials and similar features which may be either recommended or required by the ACA for use within the Property. The initial ACA Standards are attached hereto as **Exhibit B**.

“Alternative Payment Schedule” shall have the meaning provided such term in Section 4.12 below.

“Articles” means the Certificate of Formation of the Association.

“Association” means Ventana Homeowner’s Association, a Texas nonprofit corporation established for the purposes set forth in this Declaration.

“Association Easement” means that certain perpetual, non-exclusive easement for the purpose of placing, constructing and maintaining the Entry Signs, the Association Maintenance Fencing and landscaping located within or on a Lot or Parcel, such easement being upon, over and across the Common Areas, together with such other portions of the Property as are reasonably necessary to accomplish the foregoing purpose.

“Association Maintenance Fencing” means that certain stone, metal or brick fencing and rails originally installed or to be installed by Declarant.

“Board” means the board of directors of the Association.

“Builder” means any Person who purchases one or more Lots or Parcels for the purpose of constructing improvements for later sale to consumers in the ordinary course of such Person’s business.

“Bylaws” means the bylaws of the Association.

“City” means the City of Fort Worth, Texas.

“Common Area” and **“Common Areas”** mean all areas (including the improvements thereon) within or in vicinity of the Property owned or to be owned by the Association, or owned by the City or another Person and maintained in whole or in part by or on behalf of the Association (such Common Areas owned by the City, if any, are referred to herein as the **“City Owned Common Areas”**), for the common use and enjoyment of the Members.

“Common Expenses” means the actual and estimated expenses incurred or anticipated to be incurred by the Association for the benefit of the Member(s) or the Common Maintenance Areas, including, without limitation, any reserves and any costs incurred for

street cleaning/sweeping. Without limiting the foregoing, to the extent the Association performs street sweeping, the Association may cause each Builder, prior to the commencement of construction on any Lot, to pay the Association a per occurrence maintenance fee of \$25.00 for each Lot (the "Street Sweeping Fee") and such Street Sweeping Fee shall be a Specific Assessment hereunder.

"Common Maintenance Areas" means the Common Areas, if any, and any areas within public rights-of-way, easements (public and private), portion of a Lot or Parcel, public parks, private streets, landscaping, entry features, fence or similar areas that either the Board deems necessary or appropriate to maintain for the common benefit of the Members or that is shown on a Recorded plat of the Property or portion thereof as being maintained by the Association. To the extent any Common Area is conveyed by the Association to any governmental authority for maintenance, the same shall no longer be considered a Common Maintenance Area.

"County" means Tarrant County, Texas.

"Declarant" means, PB VENTANA 1, LLC, a Texas limited liability company, and its successors and assigns as provided in Section 12.14 below.

"Declaration" means this Declaration of Covenants, Conditions and Restrictions for Ventana, and any amendments and supplements thereto made in accordance with its terms.

"Designated Interest Rate" means the interest rate designated by the Board from time to time, subject to any interest limitations under Texas law. If the Board fails to designate an interest rate, then the interest rate shall be the lesser of eighteen percent (18%) per annum or the highest rate permitted by Texas law. The Designated Interest Rate is also subject to the limitations in Section 12.7 of this Declaration.

"Development Period" means the period commencing on the date of this Declaration and expiring on the earlier of (i) when Declarant does not own any Lots or Parcels within the Property, or (ii) when Declarant executes a document stating the Development Period has terminated, which termination document may be executed during the period when Declarant still owns real property within the Property.

"Development Period Claims" means any and all actions and causes of action, judgments, executions, suits, debts, claims, demands, liabilities, obligations, damages and expenses of any and every character, known or unknown, direct or indirect, at law or in equity, of whatsoever kind or nature, whether theretofore or thereafter accruing, for or because of any matter or things done, omitted or suffered to be done by any of the Released Parties during the Development Period, and in any way directly or indirectly arising out of or in any way connected to this Declaration, or the Property, or any transactions associated therewith.

"Development Shared Expenses" means the actual and estimated expenses incurred or anticipated to be incurred by the Association and/or other Persons for the benefit of the Members and owners of real property located in other portions of the development

commonly known as Ventana, including, without limitation, any reserves and any shared expenses relating to the repair or maintenance of any roads or Common Areas.

“Dwelling” means any residential dwelling situated upon any Lot.

“Easement Agreements” means each of the following:

(i) Easement Agreement by and between Iona Land, L.P., Iona East, L.L.C., Ward G. Veale, Declarant, Johnny Hampton (Bud) Vinson II and Cheryl R. Vinson dated June 16, 2015 and recorded as instrument number D215129627, Real Property Records, Tarrant County, Texas (the **“Veale Easement”**).

(ii) Easement Agreement by and between SJ Rolling Hills Development, LP, GBR Realty, Ltd., Declarant, Johnny Hampton (Bud) Vinson II and Cheryl R. Vinson dated June 16, 2015 and recorded as instrument number D215129628, Real Property Records, Tarrant County, Texas (the **“Hawkins Easement”**).

(iii) Easement Agreement by and between Declarant, Johnny Hampton (Bud) Vinson II and Cheryl R. Vinson dated June 16, 2015 and recorded as instrument number D215129629, Real Property Records, Tarrant County, Texas (the **“Vinson Easement”**).

“Entry Signs” means the entry feature signs, or other signs, for the subdivision to the extent that such signs are now or hereafter placed by Declarant or its agents on the Common Area, Common Maintenance Areas or on the Association Easement.

“Fiscal Year” means each twelve (12) month period commencing on January 1 and ending on the following December 31, unless the Board shall otherwise select an alternative twelve (12) month period.

“Foreclosure Transfer” means the foreclosure of a first purchase money mortgage, trustee’s sale of a first deed of trust or the acceptance by the Mortgagee of a deed in lieu of a foreclosure under any such first mortgage or first deed of trust. For purposes of this Declaration, the use of the term “first” in connection with a mortgage or deed of trust shall refer to the lien priority as compared to other mortgages or deeds of trust.

“Governing Documents” has the meaning set forth in the Articles.

“Initial Assessment Date” means, with respect to each Lot or Parcel, the date on which title to such Lot or Parcel is first conveyed to an Owner other than Declarant.

“Initial Assessment Period” means, with respect to each Lot or Parcel, the period between (i) the Initial Assessment Date, and (ii) the end of the Fiscal Year in which the Initial Assessment Date occurs.

“Lot” means any separate residential building parcel shown on a Recorded subdivision plat of the Property. Common Areas and areas dedicated or deeded to the City or other governmental authority or to a utility, together with all improvements thereon, shall not be included as part of a Lot.

“Maintenance Assessments” shall have the meaning provided such term in Section 4.3 below.

“Majority Vote” means, with respect to any matter voted upon by the Association at a meeting at which a Quorum is present or pursuant to a consent to action taken in accordance with the Bylaws, a vote which achieves a percentage in excess of fifty percent (50%) of all Members entitled to vote on such matter.

“Managing Agent” means any Person who has been engaged and designated by the Board to manage the daily affairs and operations of the Association.

“Material Adverse Effect” means a circumstance or event which would significantly and detrimentally change the appearance, character, operation or use of the Property.

“Member” means any Person who is a member of the Association pursuant to the terms in Article III of this Declaration.

“Mortgagee” means any mortgagee under a Recorded first purchase money mortgage or beneficiary under a Recorded first deed of trust (meaning any Recorded mortgage or deed of trust with first priority over other mortgages or deeds of trust).

“Owner” means the record owner, whether one or more Persons, of fee simple title to any Lot or Parcel, but excluding in all cases any party holding an interest merely as security for the performance of an obligation. If a Lot or Parcel is sold under a Recorded executory contract for conveyance of real property, then the purchaser (rather than the fee Owner) will be considered the Owner during the duration of the contract purchaser’s possession of the Lot or Parcel pursuant to the Recorded executory contract for conveyance of real property.

“Parcel” means each separate unplatted tract of land within the Property which is intended or proposed for ultimate residential development but for which (i) formal platting into Lots has not yet occurred, or (ii) the infrastructure (including utilities and streets) necessary to allow construction of a single-family home thereon has not yet been placed.

“Person” means an individual, partnership, joint venture, corporation, limited liability company, joint stock company, trust (including a business trust), unincorporated association or other entity, or a governmental or any political subdivision or agency thereof.

“Property” means the real property described on Exhibit A attached to this Declaration (other than areas thereof dedicated to the City or County), together with those certain easements granted for the benefit of Declarant in and pursuant to the Easement

Agreements, and such additional property as is brought within the jurisdiction of the Association and made subject to this Declaration.

“Quorum” means a quorum of Members as established by the Bylaws.

“Rain Barrel” means a tub, tank, drum, cask or container used as a cistern or reservoir to hold rainwater.

“Rainwater Harvesting System” means a device or system designed to collect water from a roof, driveway, or other hard surface during a rainfall and channeling it into a Rain Barrel or other container to be saved for future use.

“Record,” “Recording” or “Recorded” means the filing of a legal instrument in the real property records of Tarrant County, State of Texas, or such other place as may be designated as the official location for filing deeds, plats, and similar documents affecting title to real property.

“Released Parties” means Declarant, together with its employees, agents, representatives, consultants, attorneys, fiduciaries, officers, directors, partners, predecessors, successors and assigns, subsidiary corporations, parent corporations, and related corporate divisions.

“Special Assessments” shall have the meaning provided such term in Section 4.4 below.

“Specific Assessments” shall have the meaning provided such term in Section 4.5 below.

“Supermajority Vote” means, with respect to any matter voted upon by the Association at a meeting at which a Quorum is present or pursuant to a consent to action taken in accordance with the Bylaws, a vote which achieves a percentage of sixty-seven percent (67%) or greater of the votes of all Members entitled to vote on such matter.

“Supplemental Declaration” shall have the meaning provided such term in Section 10.1 below.

1.2 References and Titles; Rules of Construction. All references in this Declaration to articles, sections, subsection and other subdivisions refer to corresponding articles, sections, subsections and other subdivisions of this Declaration unless expressly provided otherwise. Titles appearing at the beginning of any of such subdivisions are for convenience only and shall not constitute part of such subdivisions and shall be disregarded in construing the language contained in such subdivisions. The words “this Declaration,” “herein,” “hereof,” “hereby,” “hereunder” and words of similar import refer to this Declaration as a whole and not to any particular subdivision unless expressly so limited. Unless the context otherwise requires, (i) the use of the word “or” is not exclusive, (ii) pronouns in masculine, feminine and neuter genders shall be construed to include any other gender, (iii) words in the singular form shall be construed to include the plural and vice versa, (iv) an accounting term not otherwise defined has the meaning assigned to it in accordance with generally accepted accounting principles, and (v) any date specified for any action that is not a business day shall be deemed to mean the first business day after such date.

ARTICLE II PROPERTY RIGHTS

2.1 Owners' Easements of Use and Enjoyment. Every Owner will have a right and non-exclusive easement of use, access and enjoyment in and to the Common Areas, subject to any limitations set forth in this Declaration, including, without limitation, the following:

(a) this Declaration as it may be amended from time to time and to any restrictions or limitations contained in any deed conveying such property to the Association;

(b) the right of the Association to establish and publish rules and regulations governing the use of the Common Areas, the Lots and the Parcels, including rules limiting the number of guests who may use the Common Area;

(c) the right of the Association to suspend the right of use of the Common Areas and the voting rights of an Owner for any period during which any assessments against such Owner's Lot or Parcel remains unpaid;

(d) the right of the Association, subject to the provisions hereof, to dedicate, sell or transfer all or any part of the Common Areas (but not any City Owned Common Area), provided that no such dedication, sale or transfer will be effective unless the same is approved by a Supermajority Vote (unless such dedication is to a governmental authority whereby such authority agrees to maintain such Common Area, in which case the Association may effectuate such conveyance without such Supermajority Vote);

(e) the right of the Association, subject to the provisions hereof, to mortgage all or any part of the Common Areas (but not any City Owned Common Areas), provided that the Common Areas cannot be mortgaged unless the same is approved by a Supermajority Vote;

(f) the right of the Board to impose reasonable membership requirements and charge reasonable admission or other fees for the use of any recreational facility situated upon the Common Area; and

(g) the right of the Board to permit use of any recreational facility situated on the Common Area by Persons other than Owners, their families, lessees and guests upon payment of use fees established by the Board.

2.2 Prohibitions on Easement of Use and Enjoyment. Each Owner's right and easement of use and enjoyment in and to the Common Area is further limited as follows:

(a) an Owner's right and easement of use and enjoyment in and to the Common Area shall not be conveyed, transferred, alienated or encumbered separate and apart from an Owner's Lot or Parcel; and

(b) the Common Area shall remain undivided and no action for partition or division of any part thereof shall be permitted.

2.3 Right to Delegate Use and Enjoyment of Common Area. Any Owner may extend his or her right of use and enjoyment to the members of his or her family, lessees and guests as applicable, subject to the terms in this Declaration, the Bylaws and any reasonable rules of the Board. An Owner who leases his or her Dwelling is deemed to have delegated all such rights to the lessee of such Dwelling during the duration of the lessee's possession of the Dwelling pursuant to the lease.

ARTICLE III MEMBERSHIP AND VOTING

3.1 Membership. Every Owner will be a Member of the Association by virtue of ownership of a Lot or Parcel. Membership of an Owner in the Association shall be appurtenant to and may not be separated from the ownership of the Lot or Parcel. The Board may require evidence of the transfer of title to a Lot or Parcel to an Owner before an Owner is entitled to vote at meetings of the Association. Ownership of a Lot or Parcel shall be the sole qualification for being a Member; however, a Member's privileges to use the Common Areas may be regulated or suspended as provided in this Declaration, the Bylaws or the rules and regulations promulgated by the Board. Any Person who holds an interest in and to a Lot or Parcel merely as security for the performance of an obligation shall not be a Member. A Person who sells a Lot or Parcel under an executory contract for conveyance of real property may delegate the appurtenant 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 that Lot or Parcel until fee title to the Lot is transferred.

3.2 Voting Rights.

(a) During the Development Period, Declarant or its nominee shall have the sole and exclusive right to take any and all actions on behalf of the Association and to exercise any and all rights and remedies of the Association under this Declaration; provided, however, on or before the 120th day after the date 75 percent of the lots that may be created and made subject to this Declaration, whether on the Property or annexed property pursuant to Section 10.1 below, and made subject to this Declaration) are conveyed to owners other than the Declarant, at least one-third of the members of the Board must be elected by the Owners other than the Declarant and such vote shall be at a meeting of the Members called for such purpose.

(b) Following the expiration of the Development Period, Members in good standing (defined below) shall be entitled to one vote for each Lot or Parcel owned by such Member; provided, however, to the extent applicable laws do not allow a Member not in good standing to be prohibited from voting, such Member shall be entitled to vote notwithstanding that such Member is not in good standing. Where more than one Owner owns and holds a Record fee title interest in a Lot or Parcel, such Owner(s) shall execute and deliver a proxy appointing and authorizing one Owner to cast the vote allocated to such

Lot or Parcel in accordance with the Bylaws. In no event shall any one Lot or Parcel yield more than one vote for that Lot or Parcel. The Board shall have the right to adopt and implement rules and regulations pertaining to (i) the manner of counting votes from Lots or Parcels owned by two or more individuals or entities; (ii) voting eligibility disputes; (iii) proxy disputes; (iv) intermediate vote counts; and (v) post-vote retention of proxies and ballots. Subject to Section 3.2(c) below, any Member shall not be in "good standing" if such Member is in violation of any portion of this Declaration or any rule or regulation promulgated by the Board or delinquent in the full, complete and timely payment of any Maintenance Assessments or Special Assessments, or any other fee or assessment. Subject to Section 3.2(c) below, in addition, any Member shall not be "entitled to vote" if more than one Owner owns and holds a Record fee title interest in a Lot or Parcel, but the Owner(s) of that Lot or Parcel have not executed and delivered a proxy appointing and authorizing one Owner to cast the vote allocated to such Lot or Parcel in accordance with the Bylaws.

(c) Nothing in this Declaration or the Bylaws shall disqualify a Member from voting if the vote is to elect the Board or if the vote is on any matter concerning the rights or responsibilities of such Member.

ARTICLE IV ASSESSMENTS

4.1 Obligation to Pay Assessments. Each Owner (other than Declarant, as the Declarant has no obligations for assessments with respect to any portion of the Property (including any Lots) owned by Declarant) of a Lot or Parcel, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, covenants and agrees to pay to the Association all assessments as are levied pursuant to the terms of this Declaration. The Association is empowered to establish and collect assessments as provided in this Article IV for the purpose of Common Expenses, including without limitation, obtaining funds to maintain the Common Areas, perform its other duties, and otherwise preserve and further the operation of the Property as a first quality residential subdivision. Without limiting the foregoing, the purposes for which assessments may be used include, without limitation, maintaining, operating, managing, repairing, replacing or improving the Common Areas, Common Maintenance Areas 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 ACA, the Board and the Association; and satisfying any indemnity obligation under this Declaration, the Articles or the Bylaws. The Board may reject partial payments and demand payment in full of all amounts due and owing the Association. Upon the receipt of payment from an Owner whose account reflects a past-due balance, and regardless of any written instruction from the Owner to the contrary, the payment shall be applied in accordance with Section 4.13 herein.

4.2 Date of Commencement of Assessments.

(a) The assessments provided for in this Declaration shall commence as to each Lot on the Initial Assessment Date of that Lot. The first assessments against a Lot shall be

(i) prorated based on the Initial Assessment Period, and (ii) due and payable in full at the closing that occurs on the Initial Assessment Date. Following the Initial Assessment Period, the Board will establish the amount of the assessments to be imposed on each Lot or Parcel in accordance with the other provisions of this Article IV.

(b) Notwithstanding any provision in this Declaration to the contrary, during the Development Period all Lots and Parcels owned by Declarant shall be exempt from all assessments (including, without limitation, Maintenance Assessments, Special Assessments and Specific Assessments) and Declarant shall not be obligated to pay any assessments for such Lots and Parcels.

4.3 Maintenance Assessments.

(a) Annual Budget. For each Fiscal Year or a part thereof during the term of this Declaration, the Board shall establish an estimated budget of the expenses to be incurred by the Association for the forthcoming Fiscal Year in performing its duties. Based upon such budget, the Association shall then assess each Lot or Parcel an annual fee (the "**Maintenance Assessments**") which shall be due and payable by each Owner (other than Declarant) in full and in advance on the first day of each Fiscal Year, unless the Board determines a different schedule. The Association shall notify each Owner of the Maintenance Assessment for the ensuing Fiscal Year by December 15 of the preceding Fiscal Year, but failure to give such notice shall not relieve any Owner from its obligation to pay Maintenance Assessments.

(b) Uniform Assessments. Maintenance Assessments shall be imposed on each Lot or Parcel on a uniform basis regardless of a Lot's or Parcel's location or size.

(c) Limits on Maintenance Assessments. For the first twelve (12) months after the Effective Date, the initial Maintenance Assessment for each Lot or Parcel shall not exceed \$70 per calendar month. Thereafter, the Board may increase the Maintenance Assessment annually to meet the anticipated needs of the appropriate budget, but the Maintenance Assessment may not be increased in any Fiscal Year by an amount in excess of twenty percent (20%) above the previous Fiscal Year's Maintenance Assessment, unless such increase is approved by a Majority Vote.

4.4 Special Assessments. The Association may impose special assessments ("**Special Assessments**") to make capital improvements to the Common Areas or Common Maintenance Areas, to satisfy its indemnity obligations under the Articles or Bylaws, or for other similar purposes. Any Special Assessments proposed by the Association must be approved by a Majority Vote. At least fifteen (15) days prior to any meeting of the Association called to consider any Special Assessments, the Board shall notify each Owner thereof by written notice specifying the total amount of the Special Assessments required, the amount thereof imposed on each Lot or Parcel (which shall be uniform), the purpose for such Special Assessments, and the time and method of payment thereof. The time for paying any Special Assessments (which may be in installments) shall be as specified in the approved proposal therefor.

4.5 Specific Assessments. The Association shall have the power to levy specific assessments (“**Specific Assessments**”) against a particular Lot or Parcel to (i) cover costs incurred in bringing a Lot or Parcel into compliance with this Declaration, the Bylaws or rules of the Association, (ii) cover costs incurred as a consequence of the conduct (or the failure to act) of the Owner or occupant of a Lot or Parcel, their agents, contractors, employees, licensees, invitees, or guests, (iii) collect any fines or other sums due by the Owner to the Association (other than Maintenance Assessments or Special Assessments or interest or late charges related thereto); (iv) collect any other costs or expenses specifically authorized by this Declaration to be levied against a particular Lot or Parcel; or (v) collect any cost or expense, including reasonable and necessary attorneys’ fees, incurred by the Association in enforcing the terms of this Declaration, any applicable design guidelines or any rules and regulations of the Association. As set forth in the definition of Common Expenses herein, the Specific Assessments shall also include any Street Sweeping Fee. Failure of the Board to exercise its authority under this Section 4.5 shall not be grounds for any action against the Association or the Board and shall not constitute a waiver of the Board’s right to exercise its authority under this Section 4.5 in the future with respect to any expenses, including an expense for which the Board has not previously exercised its authority under this Section 4.5.

4.6 Budget Shortfalls. During the Development Period, Declarant may, but shall have no obligation to, subsidize the Association from time to time in order to cover any shortfall in the operating budget or to reduce the total Maintenance Assessments which would otherwise be necessary to be levied against all Lots or Parcels to cover the actual expenses of the Association. Any such subsidy may, at the option of the Declarant, be deemed a loan to the Association from the Declarant. Any such loan shall be conspicuously disclosed as a line item in the budget and shall be made known to the Members and shall be on such terms as are set forth by Declarant, provided such terms are reasonable for market conditions at that time. The payment of such subsidy by Declarant in any one Fiscal Year shall under no circumstances obligate the Declarant to continue payment of such subsidy in future Fiscal Years. If the shortfall is the result of the failure or refusal of an Owner or Owners to pay their Maintenance Assessments or Special Assessments and Declarant has paid any sums to cover such shortfall, the Association will diligently pursue all available remedies against such defaulting Owners and will promptly reimburse Declarant for any sums paid to the extent of the amounts collected by the Association.

4.7 Reserve. The Association may establish and maintain a reserve fund for the periodic maintenance, inspection, repair and replacement of improvements to the Common Areas and/or the Common Maintenance Areas.

4.8 Personal Obligation to Pay Assessments. Each assessment provided in this Declaration, together with any interest, late charges, collection costs and reasonable attorneys’ fees related to the assessment, shall be the personal obligation of the Person who was the Owner of the Lot or Parcel at the time the assessment was levied. Upon a transfer of title to a Lot or Parcel, the grantee shall be jointly and severally liable for any assessments and other charges due at the time of conveyance. However, no Mortgagee shall be liable for unpaid assessments levied prior to such Mortgagee’s acquisition of title. In addition, no Mortgagee shall be required to collect assessments.

4.9 Working Capital Contribution. A contribution to the working capital of the Association equal to \$500 per Lot is due and must be paid to the Association (i) at the closing of the initial conveyance of title to a Lot to an Owner (other than Declarant or Builder), and (ii) at the closing of all subsequent conveyances of title of such Lot or Parcel to any subsequent Owner (other than Declarant or Builder). To the extent allowed by applicable laws, the Board may unilaterally amend the foregoing \$500; provided, however, the Board shall promptly thereafter have an amendment to this Declaration recorded evidencing such change in the working capital contribution. In addition, an initiation fee equal to \$500 per Lot or Parcel is due and must be paid to the Association (i) at the closing of the initial conveyance of title to a Lot to an Owner (other than Declarant), and (ii) at the closing of all subsequent conveyances of title of such Lot or Parcel to any subsequent Owner (other than Declarant). These payments are contributions to the working capital of the Association and will be used for operating and other expenses incurred by the Association. The payments are not refundable, shall be in addition to, not in lieu of, the Maintenance Assessments levied on the Lot or Parcel and shall not be considered an advance payment of any portion of such assessments.

4.10 Failure to Pay Assessments; Remedies of the Association. If any assessment or other sum due under this Declaration is not paid within thirty (30) days after the due date, the Association has the right to: (i) charge a late fee in an amount of \$50.00 per month; (ii) charge interest on the amount due at the Designated Interest Rate from the due date until the date the sum is paid; and (iii) charge costs and fees reasonably related to the collection of the sum due, including, without limitation, any third party collection fees owed to collection agents to the extent such amounts are recoverable in accordance with this Declaration and Section 209.0064 of the Texas Property Code (as amended from time to time). The Association will not hold an Owner liable for the fees of a collection agent retained by the Association unless the Association first provides written notice to the Owner by certified mail, return receipt requested, specifying each delinquent amount and the total amount of the payment required to make the account current; describing the options the Owner has to avoid having the account turned over to a collection agent, including information regarding the availability of an alternative payment plan through the Association; and providing at least a thirty (30) day period for the Owner to cure the delinquency before further collection action is taken. An Owner will not be liable for fees of a collection agent retained by the Association if the obligation for payment by the Association to any collection agent of the Association for fees or costs associated with such collection action is in any way dependent or contingent on amounts recovered or the payment agreement between the Association and the Association's collection agent does not require payment by the Association of all fees to a collection agent for the action undertaken by the collection agent. The Association will not enter into any agreement with any collection agent that prohibits an Owner from contacting the Association or the Association's managing agent regarding the Owner's delinquency. In addition, the Association's Managing Agent shall be entitled to charge an Owner a monthly collection fee to compensate Managing Agent for its administrative costs and efforts to collect and process the late payment of assessments. A service charge in the amount of \$25.00 shall be charged for each check that is returned because of insufficient funds or any other reason. The amount of late charges and service charges may be adjusted, from time to time, by the Board consistent with any changes in the administrative costs to collect unpaid assessments or the Association's bank charges. All late charges, collection fees, service charges and attorneys' fees assessed or incurred due to late

payment of assessments shall be charged to an Owner's assessment account which shall be part of the delinquent assessment and shall be payable and secured in the same manner as herein provided with regard to assessments. In addition, the Association may bring an action at law against the Owner personally obligated to pay the past-due amount. No Owner may waive or otherwise escape liability for the assessments by non-use of the Common Areas or abandonment of such Owner's Lot or Parcel. The failure to pay assessments shall not, by the terms of this Declaration, constitute a default under an insured deed of trust or mortgage, unless otherwise provided by the terms of such deed of trust or mortgage. The Association may delegate some or all of the collection administration under this Declaration to an association management agent, an attorney or to a collection agent. Such delegation will be at the sole discretion of the Association. The Association will not sell or otherwise transfer any interest in the Association's accounts receivables for a purpose other than as collateral for a loan. The Association or its managing agent will send a delinquency notice to an Owner if payment in full of an assessment or other charge has not been received in full by the due date. Such delinquency notice will be sent certified mail, return receipt requested, and will specify each delinquent amount and the total amount of the payment required to make the account current; describe the options the Owner has to avoid having the account turned over to a collection agent, including information regarding the availability of an alternative payment plan through the Association; and provide at least a thirty (30) day period for the Owner to cure the delinquency before further collection action is taken. A defaulting Owner may be liable to the Association for the cost of title reports, credit reports, certified mailings, long distance calls, filing fees, attorney's fees and other reasonable costs incurred in the collection of delinquent assessments or other charges in accordance with the other provisions of this Declaration. The Association may obtain a title report to determine the names of the Owner(s) and the identity of other lien-holders, including the mortgage company. The Association may report a defaulting Owner to one or more credit reporting services. If the Association receives payment in full of a delinquency after reporting the defaulting Owner to a credit reporting service, the Association will report receipt of such payment to any credit reporting agency to which the Association reported the default. The Association may notify any mortgage lender holding a valid lien on the subject property of the default status of the Owner of the subject property, the filing of an assessment lien against the subject property, and the liability associated with such default. The Association or its Managing Agent will refer delinquent Owner accounts that remain delinquent for a period of ninety (90) days to the Association's attorney for collection. If the Owner's account is referred to the Association's attorney, the defaulting Owner will be liable to the Association for related legal fees and expenses.

4.11 Lien.

(a) Creation of Lien. The Association shall hereby have a continuing lien against each Lot or Parcel to secure payment of delinquent assessments (including, without limitation, Maintenance Assessments, Special Assessments and Specific Assessments), as well as interest at the Designated Interest Rate, late charges, and costs of collection, including, without limitation, court costs and, to the extent allowed by Section 209.008 of the Texas Property Code, as amended from time to time, attorneys' fees, and any other fees or charges that are authorized under or pursuant to this Declaration. Although no further action is required to create or perfect the lien, the Association may, as further evidence and notice of the lien, execute and Record a document setting forth as to any Lot or Parcel, the amount of delinquent sums due the Association at the time such document is executed and the fact that a lien exists to secure the payment thereof. However, the failure of the Association to execute and Record any such document shall not in any way affect the validity, enforceability, perfection or priority of the lien. If the Association receives full payment of a delinquency after the recording of a notice of lien or related document, the Association will cause a release of lien to be publicly recorded and a copy of such release will be sent the Owner. The Association may require the Owner to pay the cost of preparing and recording the release in advance

(b) Enforcement of Lien - Judicial or Nonjudicial. The lien may be enforced by judicial or, if permitted by the Texas Property Code (as amended from time to time), nonjudicial foreclosure. Each Owner by accepting title to a Lot or Parcel hereby grants to the Association, whether or not it is so expressed in the deed or other instrument conveying such Lot or Parcel to the Owner, a private power of nonjudicial sale. The Board may from time to time appoint 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 meeting of the Board. A foreclosure must comply with the requirements of applicable law, such as Chapter 209 of the Texas Property Code, as amended from time to time. A nonjudicial foreclosure, if permitted by the Texas Property Code (as amended from time to time), must be conducted in accordance with the provisions applicable to the exercise of powers of sale as set forth in the Texas Property Code, as amended from time to time, 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, to the extent allowed by Section 209.008 of the Texas Property Code, as amended from time to time, reasonable attorneys' fees, subject to applicable provisions of the Bylaws and applicable law, such as Chapter 209 of the Texas Property Code, as amended from time to time. The Association has the power to bid on the Lot or Parcel at foreclosure sale and to acquire, hold, lease, mortgage, and convey same. The Association will provide written notice of the total amount of an Owner's assessment delinquency to any holder of a lien of record whose lien is inferior or subordinate to the Association's lien and is evidenced by a deed of trust prior to giving notice of foreclosure sale or commencing a foreclosure action. The Association will provide such recipient holder of a lien an opportunity to cure such assessment delinquency before the 61st day

after the date the recipient holder of a lien receives such notice of delinquency prior to the Association giving notice of foreclosure sale or commencing a foreclosure action. With respect to any judicial foreclosure, the Association will obtain a court order by application for expedited foreclosure under the rules adopted by the Supreme Court of Texas prior to giving notice of foreclosure sale or commencing a judicial foreclosure action. With respect to any judicial foreclosure, the Association at its discretion may elect not to utilize expedited judicial foreclosure, if the Owner that is subject to such foreclosure agrees in writing to waive their right to expedited judicial foreclosure. Such a waiver will not be required by the Association as a condition of the transfer of title to real property.

(c) Subordination of Lien. The lien of the assessments provided for in this Section 4.11 is subordinate to the lien of any Recorded first purchase money mortgage or first deed of trust against a Lot or Parcel.

(d) Effect of Conveyance. An Owner that conveys title to a Lot or Parcel shall not be personally liable for assessments that are attributable to the period after the conveyance of the Lot or Parcel. However, a conveyance of title to a Lot or Parcel shall not affect the assessment lien or relieve the Owner that conveys the Lot or Parcel from personal liability for any assessments attributable to the period prior to the date of the conveyance, except as provided in Section 4.11(e) herein.

(e) Effect of Foreclosure. A Foreclosure Transfer will extinguish the assessment lien against the Lot or Parcel as to assessments attributable to the period prior to the Foreclosure Transfer. However, a Foreclosure Transfer will not relieve the Lot or Parcel or the Owner thereof from liability for any assessment attributable to the period after the Foreclosure Transfer. Additionally, the Foreclosure Transfer shall not release the former Owner of the Lot or Parcel from the obligation to pay assessments attributable to the period prior to the date of such Foreclosure Transfer.

4.12 Alternative Payment Schedule. Upon written request of an Owner, the Association will allow such Owner to pay any delinquent Maintenance Assessments, Special Assessments, Specific Assessments or any other annual or special assessments in three (3) equal payments due on the first day of each of the three (3) months following the date such delinquent assessment was originally due (such payment plan referred to as an “**Alternative Payment Schedule**”). In order to request an Alternative Payment Schedule, the delinquent Owner must send a written request to the Association within ten (10) business days of the date such assessment is due. If a written request for an Alternative Payment Schedule is made in a timely manner, the Association will, within ten (10) business days of the date such request is received, notify such Owner of (i) the amount of each monthly payment required under the Alternative Payment Schedule, which amount shall include the reasonable costs associated with administering the Alternative Payment Schedule and interest on the delinquent amounts accruing at the Designated Interest Rate (but shall not include any other monetary penalties), and (ii) the dates on which the monthly installments required under the Alternative Payment Schedule are due. If an Owner fails to make a monthly payment in the full amount required by the Alternative Payment Schedule, the full amount of the delinquent assessment shall be considered immediately due and payable without the necessity of any further action on the part of the Owner or the Association. In addition, if any

Owner fails to comply with the terms of an Alternative Payment Schedule as provided in this Section 4.12, then the Association will have no obligation to allow such Owner to enter into a future Alternative Payment Schedule until the date which is two (2) years following the date such Owner defaulted under its obligations with respect to such Alternative Payment Schedule. Alternative Payment Schedules will be offered to Owners without the accrual of additional monetary penalties. Monetary penalties do not include reasonable costs associated with administering the Alternative Payment Schedule or interest. The Association may refuse to accept partial payments from an Owner if such Owner attaches conditions, directions or terms to the partial payments regarding the application of such payment or that are otherwise contrary to the policies or business judgment of the Association.

4.13 Application of Payments.

(a) Unless an Owner is in default under an Alternative Payment Schedule (which is addressed in subsection (b) below), a payment received by the Association from an Owner shall be applied to the amounts owed to the Association by such Owner in the following order of priority:

- (i) any delinquent Specific Assessments;
- (ii) any delinquent Special Assessments;
- (iii) any delinquent Maintenance Assessments;
- (iv) any current Specific Assessments;
- (v) any current Special Assessments;
- (vi) any current Maintenance Assessments;

(vii) to the extent allowed by Section 209.008 of the Texas Property Code, as amended from time to time, any attorneys' 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;

(viii) to the extent allowed by Section 209.008 of the Texas Property Code, as amended from time to time, any attorneys' fees incurred by the Association that are not subject to Section 4.13(a)(iv);

- (ix) any fines assessed by the Association;
- (x) any accrued interest;

(xi) any collection fees and other costs of collection, including, without limitation, any third party collection fees owed to collection agents to the extent such amounts are recoverable in accordance with Section 209.0064 of the Texas Property Code, as amended from time to time;

- (xii) any fees and other charges related to the transfer of title;
- (xiii) working capital contribution as provided in Section 4.9 herein; and
- (xiv) any other amount owed to the Association.

(b) If, at the time the Association receives a payment from an Owner, such Owner is in default under an Alternative Payment Schedule, then the Association may apply such payment in any order determined the Association; *provided, however*, that, in applying such payment, any fine or penalty assessed by the Association may not be given priority over any other amount owed to the Association.

ARTICLE V THE ASSOCIATION

5.1 The Association - Duties and Powers. The Association is a Texas nonprofit corporation charged with the duties and invested with the powers prescribed by law and set forth in the Articles, Bylaws, and this Declaration. The Association shall continue to exist until the Association is dissolved, regardless if the corporate status expires or lapses. The Association shall have such rights, duties and powers as are set forth in the Articles, the Bylaws, and this Declaration.

5.2 Board of Directors. The affairs of the Association shall be conducted by the Board and such officers as the Board may elect or appoint, in accordance with the Articles and the Bylaws. The Board shall have such powers as are granted in the Articles, the Bylaws, this Declaration or applicable law, together with such additional powers as are reasonably necessary for the performance of the obligations and duties of the Board set forth in this Declaration.

5.3 Limitation on Liability. The liability of an officer, director or committee member of the Association shall be limited as provided in the Articles.

5.4 Indemnification. Subject to the limitations and requirements of the Texas Business Organizations Code, as amended from time to time, and as more particularly described in the Bylaws, the Association shall indemnify every officer, director, and committee member against all damages and expenses, including, without limitation, attorneys' fees, reasonably incurred in connection with any threatened, initiated or filed action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board) to which he or she may be a party by reason of being or having been an officer, director, or committee member, except that such obligation to indemnify shall be limited to those actions for which a director's, officer's or committee member's liability is limited under the Articles. Additionally, subject to the limitations and requirements of the Texas Business Organizations Code, as amended from time to time, and in the Bylaws, the Association may voluntarily indemnify a Person who is or was an employee, trustee, agent or attorney of the Association, against any liability asserted against such Person in that capacity and arising out of that capacity.

5.5 Insurance.

(a) Required Coverages. The Association, acting through its Board or its duly authorized agent, shall obtain and continue in effect, the following insurance coverages, if reasonably available:

(i) Property Insurance – Common Area. Blanket property insurance covering loss or damage on a “special form” basis (or comparable coverage by whatever name denominated) for all insurable improvements on the Common Area and within the Common Maintenance Areas to the extent that the Association has assumed responsibility in the event of a casualty, regardless of ownership.

(ii) General Liability Insurance. Commercial general liability insurance, insuring the Association and its Members for damage or injury caused by the negligence of the Association or any of its Members, employees, agents, or contractors while acting on its behalf.

(b) Additional Insurance. The Board may obtain such additional insurance as the Board determines advisable, including, without limitation, directors and officers liability insurance, fidelity insurance and any insurance to comply with any applicable insurance requirements of any federal agency or secondary mortgage market entity, including, without limitation, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the U. S. Department of Veterans Affairs, and the U.S. Department of Housing and Urban Development, to the extent applicable. In determining whether to obtain additional insurance or discretionary endorsements thereto, the Board shall use its own business judgment to determine if such insurance and endorsements are advisable based upon cost and availability compared to the risks associated therewith.

(c) Review of Policies. The Board shall periodically review the types and amounts of insurance coverage for sufficiency.

5.6 Contracts; Management and Maintenance. The Association shall have the right to contract with any Person for the performance of various duties and functions. This right shall include, without limitation, the right to enter into management, operational, or other agreements with other Persons. The Board may employ for the Association a management agent or agents at such compensation as the Board may establish, to perform such duties and services as the Board shall authorize. The Board may delegate such powers as are necessary to perform the manager’s assigned duties, but shall not delegate policymaking authority.

5.7 Books and Records. The books and records of the Association shall be made available to the Members for inspection in accordance with Section 209.005 of the Texas Property Code, as amended, and as provided in the Bylaws. In addition, Members may obtain copies, at a reasonable cost, of the books and records of the Association as provided in the Bylaws. In addition, the Association shall make this Declaration and the Bylaws and any other instruments relating to the Association or the subdivision which are Recorded in the County deed records available on a website if the Association has, or a management company on behalf of the Association maintains, a publicly accessible website.

5.8 Enforcement – Notice. The Association may impose sanctions for violation of this Declaration (including any rules, guidelines or standards adopted pursuant to this Declaration) in accordance with and subject to the applicable procedures set forth in this Declaration, the Bylaws and applicable law, including Chapter 209 of the Texas Property Code, as amended from time to time. Specifically, written notice and opportunity for a hearing must be given prior to the Association exercising its remedies if notice and a hearing are required by this Declaration, the Bylaws or applicable law, including Chapter 209 of the Texas Property Code, as amended from time to time. Each day the violation continues to exist shall constitute a separate violation. Sanctions may include all remedies available at law, in equity or under this Declaration, including, without limitation, the following:

(a) Fines. The Association may impose reasonable monetary fines (which shall not exceed \$500.00 for each separate violation). The Owner shall be liable for the actions of any pets, occupant, relative, employee, agent, guest, or invitee of the Owner of such Lot or Parcel. The Association will use fines to discourage violations of the Governing Documents. The Association's use of fines will not interfere with or waive the Association's other rights or remedies for the same or similar violations of the Governing Documents by an Owner. All Association communications regarding violations and fines will be directed to the Owner. The Association will establish the amount of fines on a situational basis in correlation to the nature, frequency and effects of the violation. Any and all fines will be implemented in accordance with the provisions of Article XIV of the Bylaws, including each Owner's rights thereunder with respect to notices and hearings.

(b) Suspension of Voting Rights. Subject to Section 3.2(c) and as otherwise allowed under applicable law, the Association may suspend an Owner's right to vote.

(c) Suspension of Rights to Use Common Area. The Association may suspend any Person's right to use any Common Area; provided, however, the Association may not limit an Owner's ingress or egress to or from the Owner's Lot or Parcel.

(d) Right of Self-Help. The Association may exercise self-help or take action to enter upon the Lot or Parcel to abate any violations of this Declaration, including the right to force mow.

(e) Right to Require Removal. The Association may require an Owner, at the Owner's expense, to remove any structure or improvement on such Owner's Lot or Parcel in violation of this Declaration and to restore the Lot or Parcel to its previous condition. If the Owner fails to do so, the Association or its designee shall have the right to enter upon the Lot or Parcel, remove the violation, and restore the property to substantially the same condition as previously existed, without such action being deemed a trespass.

(f) Levy Specific Assessment. The Association may levy a Specific Assessment to cover costs incurred by the Association in bringing a Lot or Parcel into compliance with this Declaration.

(g) Lawsuit; Injunction or Damages. The Association may bring a suit to enjoin any violation or to recover monetary damages, or both.

(h) Perform Maintenance. In addition to any other enforcement rights, if an Owner fails to properly perform such Owner's maintenance responsibilities with respect to a Lot, Parcel or Dwelling, the Association may record a notice of violation in the real property records of Tarrant County, Texas and enter the Lot and perform such maintenance responsibilities and assess all costs incurred by the Association plus an administrative fee against the Lot or Parcel and the Owner as a specific assessment.

The decision to pursue enforcement action, including the commencement of legal proceedings, in any particular case shall be left to the Association's sole and absolute discretion, except that the Association shall not be arbitrary or capricious in taking enforcement action. Without limiting the generality of the foregoing sentence, the Association may determine that, under the circumstances of a particular case: (i) the Association's position is not strong enough to justify taking any or further action; (ii) the covenant, restriction, or rule being enforced is, or is likely to be construed as, inconsistent with applicable law; (iii) although a technical violation may exist or may have occurred, it is not of such a material nature as to be objectionable to a reasonable person or to justify expending the Association's resources; or (iv) it is not in the Association's best interests, based upon hardship, expense, or other reasonable criteria, to pursue enforcement action. Such a decision shall not be construed a waiver of the right of the Association to enforce such provision at a later time under other circumstances or preclude the Association from enforcing any other covenant, restriction or rule.

ARTICLE VI ARCHITECTURAL CONTROLS

6.1 Architectural Control Authority. The ACA shall have the sole and exclusive authority to perform the functions contemplated by the ACA in this Declaration. The purpose of the ACA is to enforce the architectural standards of the Property and to approve or disapprove plans for improvements proposed for the Lots and Parcels. The ACA will have the authority to delegate its duties or to retain the services of a professional engineer, management company, architect, designer, inspector or other Person to assist in the performance of its duties. The cost of such services shall be included in the Common Expenses. The "ACA" or "Architectural Control Authority" shall be the following entity:

(a) Declarant - During Development Period. During the Development Period, Declarant shall be the ACA unless Declarant, in writing, has delegated or terminated its rights as the ACA.

(b) Association - After the Development Period. After Declarant's right to act as the ACA has either expired or voluntarily been terminated, the Association, acting through the Board, shall be the ACA. The Association shall have the right to delegate the authority to perform the functions contemplated by the ACA to an "Architectural Committee" whose members would be appointed, terminated and replaced by the Board.

6.2 ACA Approval of Improvements. No building, fence, wall, outbuilding, landscaping, pool, detached building, athletic or play equipment or facility, structure or improvement will be erected, altered, added onto or repaired upon any portion of any Lot or Parcel without the prior written consent of the ACA. However, ACA approval is not required for (i) any improvements constructed, erected, altered, added onto or repaired by Declarant; (ii) any improvements to the interior of a Dwelling, except as provided herein; (iii) the painting or re-bricking of the exterior of any Dwelling in accordance with the same color or design as originally constructed by Declarant or a Builder or in accordance with the approved color and design scheme approved by the ACA; (iv) improvements for which this Declaration expressly states that the ACA's prior approval is not required; or (v) repair or replacement of worn out or damaged improvements if such repair or replacement is with substantially similar materials. Any improvements pursuant to clauses (iii) and (v) immediately preceding must be in compliance with any applicable ACA Standards.

6.3 Submission of Plans. Prior to the initiation of construction of any work required to be approved by the ACA as provided in Section 6.2 above, the Owner (excluding Declarant and any Builder designated in writing by Declarant to be exempt from the ACA approval requirements as provided herein) will first submit to the ACA a complete set of plans and specifications for the proposed improvements, including site plans, landscape plans, exterior elevations, specifications of materials and exterior colors, and any other information deemed necessary by the ACA for the performance of its function. In addition, the Owner will submit the identity of the individual or company intended to perform the work and projected commencement and completion dates.

6.4 Plan Review.

(a) Timing of Review and Response. Upon receipt by the ACA of all of the information required by this Article VI, the ACA will have sixty (60) days in which to review the submitted information. No correspondence or request for approval will be deemed to have been received until all requested documents have actually been received by the ACA in form satisfactory to the ACA. If the ACA requests additional information and the applicant fails to provide such information prior to the date stated in the ACA's notice, then the application shall be deemed denied. If the applicable submittal is denied or deemed denied, then the applicant shall be required to re-apply if the applicant still desires to have the ACA consider the request. If the ACA fails to issue its written approval within sixty (60) days after the ACA's receipt of all materials requested by the ACA to complete the submission, then such failure by the ACA to issue its written approval shall be deemed disapproved. The ACA may charge a reasonable fee for reviewing requests for approval.

(b) Approval Considerations - Aesthetics. The proposed improvements will be approved if, in the sole opinion of the ACA: (i) the improvements will be of an architectural style, quality, color and material that are aesthetically compatible with existing improvements within the Property; (ii) the improvements will not violate any term in this Declaration or in the ACA Standards; and (iii) the improvements will not have an adverse impact on the Property. Decisions of the ACA may be based on purely aesthetic considerations. The ACA shall have the authority to make final, conclusive and binding

determinations on matters of aesthetic judgment and such determination shall not be subject to review so long as the determination is made in good faith and in accordance with the procedures set forth herein. Each Owner acknowledges that opinions on aesthetic matters are subjective and opinions may vary as to the desirability and attractiveness of particular improvements and as the ACA and their members change over time.

6.5 Timing of Completion of Approved Items. All work approved by the ACA must be completed within one (1) year after the approval by the ACA or such shorter period that the ACA may specify in the notice of approval, unless the completion is delayed due to causes beyond the reasonable control of the Owner, as determined by the ACA. All work and related improvements must be in compliance with the items approved by the ACA.

6.6 Improvements Impact on Drainage. With respect to any improvements performed on a Lot or Parcel or any alterations to the grade of a yard, the Owner shall take proper precautions to insure that such improvements or alterations do not cause the surface water drainage on the Lot to (i) drain onto an adjoining Lot or Parcel in an amount more than the drainage amount prior to the improvement or alteration, or (ii) collect near the foundation of the Dwelling. Although the ACA may comment on or deny the approval of plans because of the impact of the proposed improvements or alterations on surface water drainage, the ACA's comments or approval shall not constitute or be construed as a representation, warranty or guaranty that adverse surface water drainage problems will not occur and shall not be relied upon as such. The Owner is responsible for taking the necessary actions in order to avoid any surface water drainage problems, including, without limitation, engaging the services of a qualified consultant.

6.7 No Waiver. The approval by the ACA of any plans, drawings or specifications for any work done or proposed, or for any other matter requiring the approval of the ACA under this Declaration, shall not be deemed to constitute a waiver of any right to withhold approval of any similar plan, drawing specification or matter subsequently submitted for approval.

6.8 Variances. The Board or, prior to the expiration of the Development Period, the Declarant may each authorize variances from strict compliance with the requirements herein, in any ACA Standards or any required procedures: (i) in narrow circumstances where the design meets the intent of the provision from which the variance is sought and where granting the variance would enhance the design innovation and excellence; or (ii) when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations so require. For purposes of this Section 6.8, the inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing as the sole or primary reason for requesting a variance shall not be considered a hardship warranting a variance. To be effective, a variance must be in writing. The grant of a variance does not effect a waiver or estoppel of the ACA or Declarant's right to deny a variance in other circumstances. Approval of a variance or waiver may not be deemed, implied or presumed under any circumstance.

6.9 Architectural Control Authority Standards. The ACA may, from time to time and in its sole and absolute discretion, adopt, amend and repeal, by unanimous vote or written consent, the ACA Standards. The ACA Standards may not conflict with the terms of this Declaration.

6.10 Enforcement; Non-Conforming and Unapproved Improvements. A violation of this Declaration occurs if (i) improvements or alterations require ACA approval are made on a Lot or Parcel without the prior approval of the ACA, or (ii) the ACA approves plans for improvements or alterations, but there are any significant or material deviations from the approved plans in the completed improvements or alterations, as determined by the ACA, in its sole and absolute discretion. Following a violation of this Declaration, the Association may, in its sole and absolute discretion, (a) exercise the rights set forth in Section 5.8 above, or (b) maintain an action at law or in equity for the removal or correction of the non-conforming improvements or alterations.

6.11 Limitation of Liability. Neither Declarant, the Association, the Board, nor the ACA shall bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications or the adequacy of soils or drainage, nor for ensuring compliance with building codes and other governmental requirements. Neither Declarant, the Association, the Board, the ACA nor any member of the foregoing shall be held liable for any injury, damages, or loss arising out of the manner or quality of approved construction on or modifications to any Dwelling or Lot. The ACA and its members shall be defended and indemnified by the Association as provided in Section 5.4 herein.

6.12 Inspections; Submittal Fees and Deposits.

(a) Inspections. The ACA or its designated representative shall inspect all improvements to determine if the improvements have been completed in compliance with this Declaration and the approved plans and submittals. The Owner shall notify the Architectural Committee or its designated representative when construction of improvements has been completed and shall request inspection the property and the improvements thereon to determine compliance. In the event the Owner should violate this provision they will be subject to a fine of up to \$200.00 per day for time the violation continues to exist.

(b) Submittal Fees and Deposits. The ACA shall, from time to time, establish submittal fees for application submittals, review and inspection and such other fees as may be appropriate in the circumstances. The ACA shall, from time to time, specify which improvements require deposits and the amount of the deposits. All fees and deposits established by the ACA must be received by the Association prior to issuance of an approval by the ACA and prior to commencement of any work. Initially, the submittal fees shall be \$150.00 for each unique building plan submitted ("ACA Building Plan Fee") and \$50.00 for each plot plan ("ACA Plot Plan Fee") submitted using previously approved building plans. The ACA reserves the right to change the amounts of the ACA Building Plan Fee and ACA Plot Plan Fee, subject only to the approval of the Declarant during the Development Period. In the event the Owner should violate this provision they will be subject to a fine of up to \$200.00 per day for time the violation continues.

ARTICLE VII USE RESTRICTIONS AND COVENANTS

7.1 Single Family Residential Use. All Lots and Dwellings will be used and occupied only for single-family residential purposes.

7.2 Parking of Motor Vehicles.

(a) Parking. Vehicles shall be parked only in the garage or driveway serving the Dwelling, or in such other paved areas as have been approved by the Board for parking vehicles. Guests may park on the street, however, should not do so for extended periods of time and should not block access to mailboxes or driveways. No garage shall be modified or otherwise used so as to reduce its capacity for parking vehicles below that originally approved by the ACA. Notwithstanding the foregoing, however, a Builder may temporarily convert a garage into a sales or construction office, provided that the garage is converted back to a garage within thirty (30) days after cessation of construction and sale of new homes within the Property by such Builder. Garage doors visible from any street within the Property shall remain closed except during ingress or egress or when the garage is actively being used by the Owner or occupant. No vehicles, trailers, implements or apparatus may be driven or parked in the Common Areas, the Common Maintenance Areas or on any easement unless such vehicle, trailer, implement or apparatus is in use for maintaining such area or easement, provided, however, that this restriction will not apply to any driveways, roads, parking lots or other areas designated by the Board as intended for such vehicular use.

(b) Prohibited Vehicles. Commercial vehicles, vehicles with commercial writing on their exteriors, vehicles primarily used or designed for commercial purposes, tractors, mobile homes, recreational vehicles, trailers (either with or without wheels), campers, camper trailers, boats and other watercraft, and boat trailers shall be parked only in enclosed garages or areas, if any, designated by the Board. Stored vehicles and vehicles which are either obviously inoperable or do not have current licenses shall not be permitted on the Property except within enclosed garages. Notwithstanding the foregoing, vehicles that become inoperable while on the Property must be removed within seventy-two (72) hours thereof. For purposes of this Section 7.2(b), a vehicle shall be considered "stored" if it is put up on blocks or covered with a tarpaulin and remains on blocks or so covered for seven (7) consecutive days without the prior approval of the Board. Notwithstanding the foregoing, service and delivery vehicles may be parked on the Property for such period of time as is reasonably necessary to provide service or to make a delivery to a Dwelling or the Common Areas. Any vehicle parked in violation of this section or parking rules promulgated by the Board may be towed. Notwithstanding any provision herein, no trucks or vehicles of any size which transport inflammatory or explosive cargo may be kept on the Property at any time.

7.3 Fences. No fence shall be installed except in accordance with the ACA Standards or as otherwise approved by the ACA.

7.4 Outbuildings, Sheds and Detached Buildings. Except as may be permitted by the ACA Standards, no detached accessory buildings, including, but not limited to, detached storage buildings and sheds shall be erected, placed or constructed upon any Parcel or Lot.

7.5 Retaining Walls. Each Owner shall maintain in good condition and repair any retaining walls on their Lot. To the extent any retaining wall, or any portion thereof, is along the border of any two Lots, the Owner of the Lot with the higher finished elevation of such contiguous Lots shall maintain the portion of the retaining wall that abuts both such Lots. To the extent any Lot is subject and encumbered by a retaining wall to be maintained by another Owner and such Owners disagree as to the maintenance standards of such retaining wall, such dispute shall be determined by the ACA and the ACA's determination shall be conclusive. Furthermore, to the extent the Association determines that any retaining wall is not being maintained in accordance with the standards of this Section 7.5, the Association may enforce the maintenance provisions hereof, including determining the proper Owner(s) to maintain each portion of any retaining wall. To the extent any retaining walls are within the Common Areas and do not abut any Lot, the Association shall maintain such walls and such expenses shall be deemed a Common Expense.

7.6 Animals. No animal, bird, fish, reptile or insect of any kind may be kept, maintained, raised or bred anywhere on the Property for any commercial purpose or for food. The only animals permitted on the Property are customary, domesticated household pets, which may be kept for personal companionship. Pets which, in the sole discretion of the Board (i) are permitted to roam free, (ii) make objectionable noise, or (iii) endanger the health or safety of, or constitute a nuisance or unreasonable source of annoyance to the occupants of other Lots, shall be removed from the Lot upon the request of the Board. If the animal owner fails to remove the animal from the Lot after the Board's request, the Board may remove the animal and impose other sanctions as are authorized by the Declaration and the Bylaws. All animals must be kept in strict accordance with all local laws and ordinances (including leash laws) and in accordance with all rules established from time to time by the Board. All Persons bringing an animal onto the Common Maintenance Areas shall be responsible for immediately removing any solid waste of said animal.

7.7 Signs. Except for Entry Signs, no signs of any kind shall be displayed to the public view on any Lot except in accordance with any applicable ACA Standards. In the ACA Standards, the ACA and the Board may permit signs or place restrictions or limitations on the signs permitted in this Declaration. The Association will have the right to remove any sign, billboard or other advertising structure that does not comply with the foregoing. Removal shall not subject the Association to any liability in connection with such removal. The Association shall maintain the Entry Signs. Notwithstanding the rest of this Section 7.7, nothing in this Declaration shall prohibit an Owner from displaying, on such Owner's Lot or Parcel, 1) one sign advertising a property for sale, or 2) one or more signs advertising a political candidate or election ballot item; *provided, however*, that (i) no Owner may display more than one sign for any particular candidate or ballot measure, (ii) no such signs may be displayed (A) prior to the date which is ninety (90) days before the date of election to which such sign relates or (B) after that date which is ten (10) days after the date of election to which such sign relates, and (iii) such signs are otherwise displayed in accordance with Section 202.009 of the Texas Property Code, as amended from time to time.

7.8 Trash; Containers and Collection. No garbage or trash shall be placed or kept on any Lot, except in covered sanitary containers. In no event shall such containers be stored, kept, placed or maintained on any Lot where visible from the location on the street that is immediately in the front of the Dwelling. Solely on a day designated for removal of garbage, discardable garbage or trash bags may be placed in the designated location for garbage pick-up. Materials incident to construction of improvements may be stored on Lots during construction by Declarant or any Builder designated by Declarant.

7.9 Nuisances. No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done thereon which the Board determines, in its sole and absolute discretion, is or may become an annoyance, dangerous or a nuisance to the Property.

7.10 Satellite Dishes. In the ACA Standards, the ACA may include rules or provisions regarding the type and placement of satellite dishes and any other similar device permitted by the ACA (a “**Permitted Device**”). Any such Permitted Device must be located in compliance with the ACA Standards. A Permitted Device that complies with the provisions of this Section 7.10 and the ACA Standards shall not require the ACA’s approval prior to installation. However, the ACA shall be the sole and exclusive authority for purposes of determining if the item or device complies with the provisions of this Section 7.10 and the ACA Standards.

7.11 Air-Conditioning Units. Air-conditioning apparatuses must be installed on the ground behind the rear of the Dwelling, on the ground on the side of the Dwelling or such other location as may be approved by the ACA. Such air-conditioning apparatuses must be reasonably screened in accordance with the ACA Standards. No air-conditioning apparatus or evaporative cooler may be located in or on the front of any Dwelling or attached to any roof, wall or any window of any Dwelling.

7.12 No Solar Collectors / Energy Efficient Roofing. Except with the written permission of the ACA, no solar collector panels or similar devices may be placed on or around any Dwelling; *provided, however*, the ACA may only deny permission for a solar collector panel or similar device which (i) was adjudicated by a court either to (A) threaten the public health or safety or (B) violate a law; (ii) is located on Common Area; (iii) is located on property owned in common by the Members; (iv) is located in an area on the Owner’s property other than (A) on the roof of the Dwelling or of another structure allowed under this Declaration or (B) in a fenced yard or patio owned and maintained by the Owner; (v) if mounted on the roof of the Dwelling (A) extends higher than or beyond the roofline, (B) is located in an area other than an area designated by the Association, unless the alternate location increases the estimated annual energy production of the device, as determined by using a publicly available modeling tool provided by the National Renewable Energy Laboratory, by more than 10 percent above the energy production of the device if located in an area designated by the Association, (C) does not conform to the slope of the roof and has a top edge that is not parallel to the roofline or (D) has a frame, a support bracket, or visible piping or wiring that is not in a silver, bronze, or black tone commonly available in the marketplace; (vi) if located in a fenced yard or patio, is taller than the fence line; (vii) as installed, voids material warranties; or (viii) was installed without prior approval by the ACA. In addition, the ACA may deny permission for a solar collector panel or similar device if the ACA determines in writing that placement of the device as proposed by the Owner constitutes a condition that

substantially interferes with the use and enjoyment of a portion of the Property by causing unreasonable discomfort or annoyance to persons of ordinary sensibilities; provided, however, the written approval of the proposed placement of the device by all Owners of adjoining property will constitute prima facie evidence that such a condition does not exist. Any and all installations of solar energy devices or energy efficient roofing require prior, written approval by the ACA. Neither the ACA or Association is responsible for (a) errors or omissions in any application submitted for the installation of a solar energy device or energy efficient roofing for approval; or (b) supervising the installation or construction to confirm compliance of an approved application with any governmental codes and ordinances, including but not limited to local, state, and federal laws. An application form for the installation of a solar energy device or energy efficient roofing may be obtained by an Owner from the Association. In addition to the solar energy device or energy efficient roofing application form, the Owner must provide the following information to the ACA for review: (a) the intended location of the proposed solar energy device or energy efficient roofing; and (b) a complete description of the proposed solar energy device or energy efficient roofing which includes dimensions; manufacturer; model name or number; other identification; and photographs or other detailed and otherwise accurate depictions of the solar energy device or energy efficient roofing. A separate application form and corresponding information must be submitted to the ACA by the Owner for each and every intended installation of a solar energy device or energy efficient roofing. An application for the installation of a solar energy device or energy efficient roofing may only be submitted by an Owner. During the Development Period, if allowed under applicable, law, the ACA need not adhere to the terms and provisions of this Section 7.12 and may approve, deny or further restrict the installation of any solar energy device or energy efficient roofing. Solar energy devices and energy efficient roofing must be installed in strict compliance with the approved solar energy device or energy efficient roofing application and liability for such compliance is the exclusive responsibility of the Owner and compliance failure on the part of the Owner may subject the Owner to fines, penalties and costs associated with alteration of the installation for compliance. An application for the installation of energy efficient roofing will not be approved by the ACA, if such energy efficient roofing when installed (a) does not resemble the shingles used or otherwise authorized for use on property in the subdivision; or (b) is not more durable than and are of equal or superior quality to the shingles described above; or (c) does not match the aesthetics of the property surrounding the Owner's Lot or Parcel.

7.13 No Temporary Structures as a Residence. No structure of a temporary character, recreational vehicle, mobile home, trailer, boat trailer, tent, shed, garage, barn, or other outbuilding shall be used on any Lot at any time as a residence, either temporarily or permanently; except that camping out in a tent, that is erected in the back yard behind a fully screened fence, is permitted provided that such activity is on a temporary basis and does not become or constitute a nuisance or unreasonable source of annoyance to the occupants of other Lots as determined by the Board in its sole and absolute discretion. This restriction will not be interpreted to limit the right of Declarant or any Builder to use trailers or outbuildings as sales offices, selection center offices, construction offices or material storage facilities.

7.14 Sidewalks. Each Owner shall be responsible for maintaining any sidewalk located on the Owner's Lot to the extent required by the City. Sidewalks shall otherwise be constructed in accordance with the ACA Standards.

7.15 Landscaping Maintenance. All yards must be sodded or grassed in accordance with the ACA Standards and prior to the time that a Dwelling is inhabited by any person; provided, however, the ACA may extend said time period in which all yards must be sodded or grassed in its sole and absolute discretion. All landscaping located on any Lot, including grass lawns, must be properly maintained at all times by the Owner of such Lot in a trimmed, well-kept and clean condition, as determined by the Board, in its sole and absolute discretion. Each Owner will keep all shrubs, trees, grass, and plantings of every kind on his or her Lot (including, without limitation, the area between their property line and curb) cultivated, pruned, free of trash, and other unsightly material. In addition, each Owner shall on a regular basis remove weeds from the yard, including, without limitation, flower beds and planter areas. No hardscape, including, without limitation, edging may include any symbols, characters, numbers or letters, unless the same complies with the ACA Standards and is approved by the ACA. A Builder who is the owner of a Lot must install erosion control measures prior to landscaping and such measures shall be reasonably approved by the ACA.

7.16 Exterior Improvement Maintenance. All improvements upon any Lot must at all times be kept in good condition and repair and adequately painted or otherwise maintained by the Owner of the Lot in a presentable well-kept and clean condition, as determined by the Board, in its sole and absolute discretion. Each Owner (other than Declarant) shall make such repairs and replacements to the improvements on such Owner's Lot as the Board may determine to be necessary to maintain a presentable well-kept and clean condition and the aesthetic harmony of the Property. If any Dwelling or other improvement upon any Lot is damaged in any way, the Owner (other than Declarant) shall, subject to the provisions of Article VI above, immediately commence the repair and restoration of such damage, or in the case of substantial damage and such Owner does not wish to rebuild, raze the damaged Dwelling or improvement and remove the same and leave the surface of the Lot in good order.

7.17 Garages. Each Dwelling must have a garage that will accommodate a minimum of two (2) but not more than four (4) conventional automobiles, unless otherwise approved by the ACA. All garages must comply with City requirements and the ACA Standards. All garages will be maintained for the storage of automobiles, and no garage may be enclosed or otherwise used for habitation. No carports are permitted on a Lot.

7.18 Clothes Hanging Devices. No clothesline may be maintained on any Lot.

7.19 Window Treatment. No aluminum foil, newspaper, reflective film, bed sheets or similar linens, or similar treatment will be placed on windows or glass doors of a Dwelling.

7.20 Mining. No oil drilling, oil development operations, oil refining, quarrying or mining operation of any kind will be permitted upon or in any Lot, nor will oil wells, tanks, tunnels, mineral excavations, or shafts be permitted upon any Lot. No derrick or other structure designed for use in boring for oil or natural gas will be erected, maintained or permitted upon any Lot. No

tank for the storage of oil or other fluids may be maintained on any of the Lots above the surface of the ground. Nothing herein, however, restricts or prohibits (i) developing or producing the oil, gas or other minerals in and under the Property by pooling the Property with other land, or (ii) extracting oil, gas or other minerals by directional drilling, mining and production operations initiated from surface locations on other lands.

7.21 Lighting; Exterior Holiday Decorations. Lighting and decorations on a Lot may not be used or placed in a manner which, in the Board's sole and absolute discretion, constitutes a nuisance or an unreasonable source of annoyance to the occupants of other Lots. Except for lights and decorations within the interior of a Dwelling that are not displayed in a window, lights and decorations that are erected or displayed on a Lot in commemoration or celebration of publicly observed holidays may not be displayed more than six (6) weeks in advance of that specific holiday and must be removed within thirty (30) days after the holiday has ended; provided, however, with respect to any Christmas lights or similar lights installed during that time of year, the same shall be installed no earlier than November 15th and removed on or before January 15th.

7.22 Lawn Decorations and Sculptures. The Owner must have the approval of the ACA to place any decorations, sculptures, fountains, flags and similar items on any portion of such Owner's Lot except the interior of the Dwelling, unless (i) such item is placed within a backyard completely enclosed by a fence which blocks the view of the item at ground level; and (ii) such item is no taller than the fence. Notwithstanding the rest of this Section 7.22 or anything else to the contrary contained elsewhere in this Declaration, the ACA shall not:

(a) prohibit or restrict the display of a the flag of the United States of America, the flag of the State of Texas or an official or replica flag of any branch of the United States armed forces except as permitted by Subsection (b) of Section 202.011 (Flag Display) of the Texas Property Code, as amended; or

(b) prohibit an Owner from displaying or affixing on the entry to such Owner's Dwelling one or more religious items the display of which is motivated by such Owner's sincere religious belief except to the extent such prohibition is permitted under Section 202.018 of the Texas Property Code, as amended; or

(c) prohibit an Owner from displaying a flag, no larger than 3' x 5', relating to a specific university and/or sports team.

7.23 No Lot Consolidation or Division. No Owner, other than Declarant, may divide any Lot or consolidate any adjoining Lots or any portion thereof.

7.24 Drainage Alteration Prohibited. Unless approved by the ACA, no Owner will: (i) alter the surface water drainage flows of a Lot as originally established at the time of the initial construction of the Dwelling; or (ii) install landscaping or other improvements that may interfere with, obstruct or divert drainage flows established by Declarant or any Builder. The foregoing shall not prevent or limit Declarant from performing any grading work or changing any surface water drainage flow on any Lot.

7.25 Construction Activities. This Declaration will not be construed so as to unreasonably interfere with or prevent normal construction activities during the construction or remodeling of or making of additions to improvements by an Owner (including Declarant and any Builder) upon any Lot within the Property. Specifically, no such construction activities will be deemed to constitute a nuisance or a violation of this Declaration by reason of noise, dust, presence of vehicles or construction machinery, posting of signs or similar activities, provided that such construction is pursued to completion with diligence and conforms to usual construction practices in the area. If construction upon any Lot does not conform to usual practices in the area as determined by the Board, in its sole good faith judgment, the Board will have the authority to obtain an injunction to stop such construction. In addition, if during the course of construction upon any Lot, there is an excessive accumulation of debris of any kind that is offensive or detrimental to the Property or any portion thereof, then the Board may contract for or cause such debris to be removed, and the Owner of such Lot will be liable for all expenses incurred in connection therewith.

7.26 Declarant and Builder Development and Construction. Notwithstanding any other provision contained in this Declaration, Declarant, and its successors and assigns, and any Builders, will be entitled to conduct on the Property all activities normally associated with, and convenient to, the development of the Property and the construction and sale of Dwellings on the Property.

7.27 Rainwater Harvesting Systems or Rain Barrels. The ACA will not unreasonably prohibit the economic installation of Rainwater Harvesting Systems or Rain Barrels; provided, however:

(a) Any and all installations of Rainwater Harvesting Systems or Rain Barrels require prior, written approval by the ACA. Neither the ACA or Association is responsible for (a) errors or omissions in any application submitted for the installation of Rainwater Harvesting Systems or Rain Barrels to the ACA for approval; or (b) supervising the installation or construction to confirm compliance of an approved application with any governmental codes and ordinances, including but not limited to local, state, and federal laws.

(b) An application form for the installation of a Rainwater Harvesting System or Rain Barrel may be obtained by an Owner from the Association. In addition to the Rainwater Harvesting System or Rain Barrel application form, the Owner must provide the following information to the ACA for review: (a) size; (b) type; (c) shielding; (d) materials; (e) intended location; and (f) a complete description of the proposed Rainwater Harvesting System or Rain Barrel which includes dimensions; manufacturer; model name or number (if any); other identification; and photographs or other detailed and otherwise accurate depictions of the Rainwater Harvesting System or Rain Barrel to be installed.

(c) A separate application form and corresponding information must be submitted to the ACA by the Owner for each and every intended installation of a

Rainwater Harvesting System or Rain Barrel. An application for the installation of a Rainwater Harvesting System or Rain Barrel may only be submitted by an Owner.

(d) Rainwater Harvesting Systems and Rain Barrels must be installed in strict compliance with the approved Rainwater Harvesting System or Rain Barrel application and liability for such compliance is the exclusive responsibility of the Owner and compliance failure on the part of the Owner may subject the Owner to fines, penalties and costs associated with alteration of the installation for compliance.

(e) An application for the installation of a Rainwater Harvesting System or Rain Barrel will not be approved by the ACA if the Rainwater Harvesting System or Rain Barrel is to be installed in or on property: (a) owned by the Association; (b) that is a Common Area; or (c) in an area other than the fenced yard or patio of the Owner.

(f) An application for the installation of a Rainwater Harvesting System or Rain Barrel will not be approved by the ACA if the Rainwater Harvesting System or Rain Barrel is to be installed in or on property that (a) is to be located between the front of the Owner's Dwelling and an adjoining or adjacent street; (b) is to be a color other than a color consistent with the color scheme of the Owner's Dwelling; or (c) will display any language or other content that is not typically displayed by such Rainwater Harvesting System or Rain Barrel as it is manufactured.

(g) An application for the installation of a Rainwater Harvesting System or Rain Barrel will not be approved by the ACA if there is not a reasonably sufficient area on the Owner's property in which to install a proposed Rainwater Harvesting System or Rain Barrel.

ARTICLE VIII COMMON AREAS

8.1 Ownership and Acceptance of Common Area.

(a) This Declaration contemplates that the Association will eventually own all of the Common Area (excluding any City Owned Common Area) capable of independent ownership by the Association in fee simple title; provided, however, prior to any conveyance to the Association, Declarant has the right to (i) change the proposed use of any Common Area (excluding any City Owned Common Area), (ii) withdraw any property as proposed Common Area (excluding any City Owned Common Area), and/or (iii) otherwise convey or encumber the Common Areas (excluding any City Owned Common Area). Declarant shall have the right to convey title to any portion of the Property owned by Declarant, or any easement interest therein, to the Association as Common Area, and the Association shall be required to accept such conveyance. Any such conveyance shall be effective upon recording the deed or instrument of conveyance in the Records. However, notwithstanding anything in this Section 8.1(a) to the contrary, the designation

of real property as a Common Area is determined by the plat and this Declaration, and not by the ownership of the Property.

(b) By accepting an interest in or title to a Lot, each Owner is deemed (i) to accept the Common Area of the Property, and any improvement thereon, in its then-existing "as is" condition; (ii) to acknowledge the authority of the Association, acting through its Board, for all decisions pertaining to the Common Area; (iii) to acknowledge that transfer of a Common Area's title to the Association by or through Declarant is a ministerial task that does not require acceptance by the Association; and (iv) to acknowledge the continuity of maintenance of the Common Area, regardless of changes in the Association's Board or management.

8.2 Improvement and Maintenance of Common Area.

(a) Declarant may install, construct, or authorize certain improvements on the Common Area in connection with the initial development of the Property. After the initial installation of such improvements, the Association shall maintain, at the Association's cost and regardless of the nature of title to the Common Areas, the Common Area and any improvements and landscaping thereon in good repair. The Association shall also maintain the Common Maintenance Areas, at the Association's cost, to the extent the Board determines that such maintenance is desirable. The maintenance costs for the Common Areas and Common Maintenance Areas shall be the Association's responsibility, even if such cost was incurred during the Development Period. Notwithstanding anything in this Declaration to the contrary, the Board shall have the authority, exercisable at any time and from time to time, to delegate all or any part of the foregoing duties and responsibilities of the Association for maintenance to the City. Without limiting the foregoing, the Association may also enter into contractual arrangements or other covenants with other property owner associations relating to any Development Shared Expenses, including, without limitation, contractual arrangements to share costs relating to the repair or maintenance of any roads or Common Areas. The portion of any Development Shared Expenses for which the Association is responsible shall be included in the Common Expenses.

(b) Pursuant to the terms of the Easement Agreements, Declarant agreed to maintain certain real property more particularly described therein, including, without limitation, the following (collectively, the following are referred to as the "**HOA Easement Areas**"): the Access Road (as defined in the Veale Easement), the Utility Easements (as defined in the Veale Easement) areas, the Landscape Easements (as defined in the Veale Easement) areas, the Monument Area Improvements (as defined in the Veale Easement), the Water Storage Tank and Pump Area Improvements (as defined in the Veale Easement), the PB Installed Perimeter Fence (as defined in the Veale Easement), the PB Installed Water Storage Area Perimeter Fence (as defined in the Veale Easement), the Jerry Dunn Extension (as defined in the Hawkins Easement) and the Access Drive (as defined in the Vinson Easement). Any and all obligations of Declarant to maintain any real property pursuant to the Easement Agreements, including Declarant's obligations to maintain the HOA Easement Areas and to pay any taxes pursuant to the Easement Agreements as

expressly set forth in the Easement Agreements, are referred to herein as the “**Easement Agreements Maintenance Obligations**”. Declarant hereby assigns to the Association the rights, responsibilities and benefits of the Easement Agreements Maintenance Obligations and the Association hereby assumes all such Easement Agreements Maintenance Obligations. Furthermore, without limiting the foregoing, (i) the HOA Easement Areas to be maintained by the Association pursuant to this Section 8.2(b) are all deemed to be Common Maintenance Areas, and (ii) to the extent any area to be maintained by the Association is dedicated to a governmental authority, the Association shall be relieved of such maintenance obligations upon such dedication.

8.3 Use of Common Areas at Own Risk. Each Owner, by accepting an interest in or title to a Lot, acknowledges that the use and enjoyment of any Common Area recreational facility involves risk of personal injury or damage to property. Each Owner acknowledges, understands, and covenants to inform its guests, relatives, invitees and all occupants of its Lot that the Association, its Board and committees, Declarant, and any Builder are not insurers of personal safety and that each Person using the Common Area assumes all risks of personal injury and loss or damage to property, resulting from the use and enjoyment of any recreational facility or other portion of the Common Area by such Owner or their pets, occupants, relatives, employees, agents, guests, or invitees. No Owner of any Dwelling may use the Common Area for storage of personal materials and/or equipment.

8.4 Condemnation of Common Area. In the event of condemnation or a sale in lieu thereof of all or any portion of the Common Areas, the funds payable with respect thereto will be payable to the Association and will be used by the Association as the Board determines, in its business judgment, including, without limitation, (i) to purchase additional Common Areas to replace the portion of the Common Areas that has been condemned, (ii) to reconstruct or replace on the remaining Common Area any improvements that were on the condemned Common Area, (iii) to pay for Common Expenses, or (iv) to be distributed to each Owner on a pro rata basis.

8.5 Damage to Common Area. If the Common Area or improvements on the Common Maintenance Areas are damaged and the Association receives insurance proceeds sufficient to repair such damage to its prior condition, then the Association shall cause such damage to be repaired or reconstructed. Following the expiration or termination of the Development Period, if, within ninety (90) days after the loss, there is a Supermajority Vote in favor of not repairing or reconstructing the damaged Common Area or Common Maintenance Areas, then such damage will not be repaired or reconstructed. If said Supermajority Vote is cast not to repair or reconstruct such damage and no alternative improvements are authorized, the damaged property shall be cleared of all debris and ruins and thereafter shall be maintained by the Association in a neat and attractive condition. Any insurance proceeds remaining after paying the costs of repair or reconstruction, or after such settlement as is necessary and appropriate, shall be retained by and for the benefit of the Association.

8.6 Annual Inspection of Common Area - Budget. Commencing at the expiration of the Development Period, the Association shall at least annually examine the condition of the Common Area to evaluate the quality, frequency, and adequacy of maintenance performed during the preceding year, and to recommend maintenance for the upcoming year. The examination and

report may be performed by one or more experts hired by the Association for this purpose, such as a professional property manager, an engineer, or professional contractors such as landscapers and brick masons. After performing the inspection, the expert should submit to the Board a written report with findings and recommendations. The Board should evaluate the Association's operating budget and reserve accounts for maintenance, repair, and replacement in light of the expert's findings and recommendations. Any decision by the Board to reduce or defer recommended maintenance should be made with an evaluation of the potential consequences for future costs and deterioration. An expert's report is a record of the Association that is available to Owners for inspection and copying.

ARTICLE IX EASEMENTS

9.1 Easement for Utilities on Common Area. The Declarant, on behalf of itself, reserves the right to grant perpetual, nonexclusive easements during the Development Period for the benefit of Declarant or its designees, upon, across, over, through and under any portion of the Common Area (but not any City Owned Common Area) for the construction, installation, use and maintenance for utilities, including, without limitation, water, sewer, electric, cable television, telephone, natural gas and storm water and drainage related structures and improvements. The Association will also have the right to grant the easements described in this Section 9.1.

9.2 Easement for Right to Enter Lot. If the Owner fails to maintain the Lot as required herein, or in the event of emergency, the Association will have the right to enter upon the Lot to make emergency repairs and to do other work reasonably necessary for the proper maintenance and operation of the Property. Entry upon the Lot as provided herein will not be deemed a trespass, and the Association will not be liable for any damage so created unless such damage is caused by the Association's willful misconduct or gross negligence.

9.3 Temporary Easement to Complete Construction.

(a) All Lots will be subject to an easement of ingress and egress for the benefit of Declarant, its employees, subcontractors, successors, and assigns, over and upon the front, side and rear yards of the Lots as may be expedient or necessary for the construction, servicing and completion of Dwellings and landscaping upon adjacent Lots, provided that such easement will terminate as to any Lot twenty-four (24) months after the date such Lot is conveyed to an Owner other than a Builder. Any damage to a Lot caused by Declarant due to exercise of the foregoing completion easement rights, shall be promptly repaired by the party exercising such easement rights after completing its construction activities in the damaged area.

(b) All Common Areas will be subject to an easement of ingress and egress for the benefit of Declarant, its employees, subcontractors, successors, and assigns, over and upon the Common Areas as may be expedient or necessary for the construction, servicing and completion of the initial improvements in the Common Areas. Any damage to such Common Areas caused by Declarant due to the exercise of the foregoing completion

easement rights, shall be promptly repaired by the party exercising such easement rights after completing its construction activities in the damaged area.

9.4 Association Easement. Declarant hereby reserves the Association Easement for the benefit of Declarant and the Association. The real property subject to the Association Easement shall be conveyed subject to the Association Easement.

9.5 Easement for Right to Enter and Inspect Property. Without limiting the easements granted by the other provisions of this Article IX, Declarant hereby reserves for the benefit of Declarant and its designees, a blanket, perpetual easement on, over and under the Property (excluding the area where any Dwellings are located) to (i) discharge Declarant's obligations and to exercise Declarant's rights under this Declaration, or (ii) inspect, maintain and repair the Property or any improvements thereon. Notwithstanding the foregoing, nothing herein shall impose any duty upon or otherwise obligate Declarant to make any such inspections or repairs.

ARTICLE X ANNEXATION AND WITHDRAWAL

10.1 Annexation by Declarant. Prior to the expiration or termination of the Development Period, Declarant may, at its sole option, amend and expand the definition of Property by annexing real property into the Association and subjecting such real property to the terms hereof. Such annexation shall be pursuant to the terms of a written Recorded document (a "Supplemental Declaration").

10.2 Annexation by Association. Following the expiration or termination of the Development Period, the Association may annex any real property into the Association and subject such real property to the terms hereof by an affirmative Supermajority Vote.

10.3 Recording of Annexation. The annexation of such real property shall be evidenced by a Supplemental Declaration. No further action or approval shall be required or necessary for the Declarant to annex additional real property into the Property for the purpose of subjecting it to this Declaration. Any Supplemental Declaration may also impose additional restrictions not found in this Declaration upon such additional property and may also set forth a separate set of ACA Standards for such additional property. Upon the annexation of any additional real property as herein provided, each lot described therein shall become a "Lot" for all purposes hereunder.

10.4 No Duty to Annex. Nothing herein contained shall establish any duty or obligation on the part of Declarant or any Member to annex any real property, and no owner of any property excluded from the Association shall have any right to have such property annexed into the Association.

10.5 Withdrawal of Property. During the Development Period, Declarant may amend this Declaration to withdraw any real property from the definition of the Property and the effect of this Declaration if the Owner of the withdrawn property consents to the withdrawal.

ARTICLE XI DISPUTE RESOLUTION

11.1 Introduction & Definitions. The Association, the Owners, Declarant, and all Persons subject to this Declaration (individually a “**Party**” and collectively, the “**Parties**”) agree to encourage the amicable resolution of disputes involving the Property and, if at all possible, to avoid the emotional and financial costs of litigation. Accordingly, each Party hereby covenants and agrees that this Article XI applies to all Claims (as defined below). As used in this Article XI only, the following words, when capitalized, have the following specified meanings:

(a) “**Claim**” means any claim, grievance, or dispute between the Parties arising from this Declaration, the Bylaws or the Articles or related to the Common Areas, including without limitation: (i) Claims arising out of or relating to the interpretation, application or enforcement of the Governing Documents; (ii) Claims relating to the rights or duties of Declarant as the Declarant under the Governing Documents; and (iii) Claims relating to the design, construction or maintenance of the Property. Notwithstanding anything contained in this Article XI, the term “**Claim**” does not include any Exempt Claims (as defined below).

(b) “**Claimant**” means any Party having a Claim against any other Party.

(c) “**Exempt Claims**” means the following claims or actions, all of which are exempt from this Article XI: (i) the Association’s claim for assessments, and any action by the Association to collect assessments; (ii) an action by a Party to obtain a temporary restraining order or equivalent emergency equitable relief, and such other ancillary relief as the court deems necessary to maintain the status quo and preserve the Party’s ability to enforce the provisions of this Declaration; (iii) enforcement of the easements, architectural control, maintenance, and use restrictions of this Declaration; (iv) a suit to which an applicable statute of limitations would expire within the notice period of this Article XI, unless a Party against whom the Claim is made agrees to toll the statute of limitations as to the Claim for the period reasonably necessary to comply with this Article XI; and (v) a dispute that is subject to alternate dispute resolution (such as mediation or arbitration) by the terms of applicable law or another instrument (such as a contract or warranty agreement) in which case the dispute is exempt from this Article XI, unless the Parties agree to have the dispute governed by this Article XI.

(d) “**Respondent**” means the Party against whom the Claimant has a Claim.

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

11.3 Notice. Claimant must notify Respondent in writing of the Claim (the “**Notice**”), stating plainly and concisely: (i) the nature of the Claim, including date, time, location, Persons involved, and Respondent’s role in the Claim; (ii) the basis of the Claim (i.e., the provision of the Declaration, Bylaws, Articles or other authority out of which the Claim arises); (iii) what

Claimant wants Respondent to do or not do to resolve the Claim; and (iv) that the Notice is given pursuant to this Section 11.3.

11.4 Negotiation. Claimant and Respondent will make reasonable efforts to meet in person to resolve the Claim by good faith negotiation. Within sixty (60) days after Respondent's receipt of the Notice, Respondent and Claimant will meet at a mutually-acceptable place and time to discuss the Claim. 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 applicable portion of the Property to take and complete corrective action.

11.5 Mediation. If the Parties attempt to negotiate a resolution of the Claim pursuant to Section 11.4 above, but are unable to resolve the Claim through negotiation within one hundred twenty (120) days from the date of the Notice (or within such other period as may be agreed on by the Parties), Claimant will have thirty (30) additional days within which to submit the Claim to mediation by a mutually-acceptable mediation center or individual mediator. If Claimant does not submit the Claim to mediation within such 30-day period, Claimant is deemed to have waived the Claim, and Respondent is released and discharged from any and all liability to Claimant on account of the Claim.

11.6 Termination of Mediation. If the Parties do not settle the Claim within thirty (30) days after the Claim has been submitted to mediation, or within a time deemed reasonable by the mediator, the mediator will issue a notice of termination of the mediation proceedings indicating that the Parties are at an impasse and the date that mediation was terminated. Thereafter, Claimant may file suit or initiate administrative proceedings on the Claim, as appropriate.

11.7 Allocation of Costs. Except as otherwise provided in this Section 11.7, each Party bears all of its own costs incurred prior to and during the proceedings described in Sections 11.4, 11.5 and 11.6 above, including its attorneys' fees. Respondent and Claimant will equally divide all expenses and fees charged by the mediator.

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

11.9 General Provisions. A release or discharge of Respondent from liability to Claimant on account of the Claim does not release Respondent from liability to Persons who are not a party to Claimant's Claim. A Party having an Exempt Claim may submit it to the procedures of this Article XI.

11.10 Litigation Approval and Settlement. In addition to and notwithstanding the above alternate dispute resolution procedures, after the expiration or termination of the Development Period, the Association may not initiate any judicial or administrative proceeding with an affirmative Supermajority Vote, except that no such vote is required (i) to enforce any provisions of this Declaration, including collection of assessments; (ii) to challenge condemnation proceedings; (iii) to enforce a contract against a contractor, vendor, or supplier of goods or services to the Association; (iv) to defend claims filed against the Association or to assert counterclaims in a proceeding instituted against the Association; or (v) to obtain a temporary restraining order or equivalent emergency equitable relief when circumstances do not provide sufficient time to obtain the prior consents of Owners in order to preserve the status quo. Also, the Association may not initiate any judicial or administrative proceeding against Declarant without the approval of Owners of at least seventy-five percent (75%) of the Lots. The Board, on behalf of the Association and without the consent of Owners, is hereby authorized to negotiate settlement of litigation, and may execute any document related thereto, such as settlement agreements and waiver or release of claims. This Section 11.10 may not be amended without the approval of Owners of at least seventy-five percent (75%) of the Lots.

ARTICLE XII MISCELLANEOUS

12.1 Declaration Term - Perpetual. This Declaration shall commence on the date hereof and the provisions of this Declaration shall run with and bind the land and shall be and remain in effect for a period of thirty (30) years. Thereafter this Declaration shall automatically renew for subsequent periods of ten (10) years each unless seventy-five percent (75%) of all outstanding votes that are entitled to be cast approve the termination of this Declaration. A written instrument terminating this Declaration shall not be effective unless Recorded.

12.2 Amendments to Declaration.

(a) Amendment by Declarant. During the Development Period, Declarant, at its sole discretion and without a vote or the consent of any other party, shall have the right to amend this Declaration for any reason whatsoever, provided, that any such amendment made pursuant to this clause has no Material Adverse Effect.

(b) Amendment by Association. After the expiration or termination of the Development Period, the Association may amend this Declaration by an affirmative Supermajority Vote. No amendment may affect Declarant's rights under this Declaration without Declarant's written and acknowledged consent, which much be part of the Recorded amendment instrument. This Section 12.2(b) may not be amended without Declarant's written and acknowledged consent.

12.3 Enforcement by Association or Owner. Subject to the procedures set forth in Article XI above, the Association or any Owner will have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges imposed now or in the future by the provisions of this Declaration. Failure of the Association or any Owner

to enforce any covenant or restriction of this Declaration will in no event be deemed a waiver of the right to do so in the future.

12.4 Expiration or Termination of Development Period.

(a) Upon the expiration or termination of the Development Period, Declarant, as its sole obligations under this Declaration, shall (i) use reasonable efforts to provide for a smooth transition in the operation and management of the Association; (ii) cause to be delivered to the Association or its nominee all the books and records of Declarant relating to the Association; and (iii) assign and transfer to the Association all existing warranties and similar agreements, if any, relating to the improvements constructed by Declarant upon the Common Areas or the Property.

(b) Upon the expiration or termination of the Development Period, the Association shall (i) use reasonable efforts to provide for a smooth transition in the operation and management of the Association; and (ii) execute and deliver to Declarant a release of the Released Parties from any and all Development Period Claims, **EVEN IF SAID DEVELOPMENT PERIOD CLAIMS ARISE AS A RESULT OF OR IN CONNECTION WITH THE NEGLIGENCE OR STRICT LIABILITY (BUT NOT THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT) OF ANY SUCH RELEASED PARTIES.**

12.5 Remedies; Cumulative. In the event any Lot does not comply with the terms herein or any Owner fails to comply with the terms of this Declaration, the Association or any Owner will have each and all of the rights and remedies which may be provided for in this Declaration, the Bylaws, any rules and regulations from time to time promulgated by the Board, and, subject to the procedures set forth in Article XI above, those which may be available at law or in equity, including, without limitation, enforcement of any lien, damages, injunction, specific performance, judgment for payment of money and collection thereof, or for any combination of remedies, or for any other relief. No remedies herein provided or available at law or in equity will be deemed mutually exclusive of any other such remedy, but instead shall be cumulative.

12.6 Notice to Association of Sale, Transfer or Lease. Any Owner (other than Declarant) desiring to sell or otherwise transfer title to his or her Lot shall give the Association written notice of the name and address of the purchaser or transferee, within thirty (30) days after the date of such transfer of title, and such other information as the Association may reasonably require. With the Board's approval, 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 this Declaration, the Bylaws or Articles, compliance inspections, ownership record changes, and priority processing, provided the fees are customary in amount, kind, and number for the local marketplace. Transfer-related fees are not refundable and may not be regarded as a prepayment of or credit against any Maintenance Assessments, Special Assessments or Specific Assessments. Transfer-related fees may be charged by the Association or by the Association's Managing Agent, provided there is no duplication of fees. Transfer-related fees charged by or paid to the Managing Agent must have the prior written approval of the Association, are not subject to the Association's assessment lien, and are not payable by the Association. This Section 12.6 does not obligate the

Board or the manager to levy transfer-related fees. In the event an Owner leases such Owner's Lot, the Owner shall give to the Association, in writing, within thirty (30) days of the effective date of such lease, the name of the lessee of the Lot and such other information as the Board may reasonably require. All provisions of this Declaration, the other Governing Documents and of any rules promulgated by the Board which govern the conduct of Owners within the Property and provide for sanctions against Owners shall also apply to all lessees and other occupants, guests and invitees of any Lot. Any lease on any Lot shall be deemed to provide that the lessee and all other occupants of the leased Lot shall be bound by the terms of this Declaration, the other Governing Documents and the rules of the Association.

12.7 Limitation on Interest. All agreements between any Owner and the Association or Declarant are expressly limited so that the amount of interest charged, collected, or received on account of such agreement shall never exceed the maximum amount permitted by applicable law. If, under any circumstances, fulfillment of any provision of this Declaration or of any other document requires exceeding the lawful maximum interest rates, then, ipso facto, the obligation shall be reduced to comply with such lawful limits. If an amount received by the Association or Declarant should be deemed to be excessive interest, then the amount of such excess shall be applied to reduce the unpaid principal and not to the payment of interest. If such excessive interest exceeds the unpaid balance due to the Association or Declarant, then such excess shall be refunded to Owner.

12.8 Limitation of Liability. Notwithstanding anything contained in this Declaration to the contrary, neither Declarant nor any of the other Released Parties will be personally liable for (i) debts contracted for or otherwise incurred by the Association (including, without limitation, any deficit in the Association's funds) or for a tort of another Person, whether or not such other Person was acting on behalf of the Association or Declarant; or (ii) any personal injury or other incidental or consequential damages for failure to inspect any improvements or for failure to repair or maintain the same or occasioned by any act or omission in the repair or maintenance of the Property, any improvements, or portions thereof. Notwithstanding anything contained in this Declaration to the contrary, following the expiration or termination of the Development Period, neither Declarant nor any of the other Released Parties will have any liability for any Development Period Claims, **EVEN IF SAID DEVELOPMENT PERIOD CLAIMS ARISE AS A RESULT OF OR IN CONNECTION WITH THE NEGLIGENCE OR STRICT LIABILITY (BUT NOT THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT) OF ANY SUCH RELEASED PARTIES.**

12.9 Construction and Interpretation. This Declaration shall be liberally construed and interpreted to give effect to its purposes and intent, except as otherwise required by law.

12.10 Notices. Except as otherwise provided in the Bylaws or this Declaration, all notices, demands, bills, statements and other communications under this Declaration shall be in writing and shall be given personally or by mail. Notices that are mailed shall be deemed to have been duly given three (3) days after deposit. Owners shall maintain one mailing address for a Lot, which address shall be used by the Association for mailing of notices, statements and demands. If an Owner fails to maintain a current mailing address for a Lot with the Association, then the address of that Owner's Lot is deemed to be such Owner's mailing address. If a Lot is owned by

more than one Person, then notice to one co-owner is deemed notice to all co-owners. Attendance by a Member at any meeting shall constitute waiver of notice by the Member of the time, place and purpose of the meeting. Written waiver of notice of a meeting, either before or after a meeting, of the Members shall be deemed the equivalent of proper notice.

12.11 Not a Condominium. This document does not and is not intended to create a condominium within the meaning of the Texas Uniform Condominium Act, Tex. Prop. Code Ann., Section 82.001, et seq, as amended from time to time.

12.12 Severability. Invalidation of any one of these covenants, conditions, easements or restrictions by judgment or court order will in no manner affect any other provisions which will remain, in full force and effect.

12.13 Rights and Obligations Run With Land. The provisions of this Declaration are covenants running with the land and will inure to the benefit of, and be binding upon, each and all of the Owners and their respective heirs, representatives, successors, assigns, purchasers, grantees and mortgagees. No Lot or Parcel is exempt from the terms set forth herein. By the recording or the acceptance of a deed conveying a Lot or Parcel or any ownership interest in the Lot or Parcel whatsoever, the Person to whom such Lot or Parcel or interest is conveyed will be deemed to accept and agree to be bound by and subject to all of the provisions of this Declaration, whether or not mention thereof is made in said deed. Notwithstanding any provision herein, the rights of Declarant as provided herein shall not run with the land, but instead may only be transferred or assigned as provided in Section 12.14 herein.

12.14 Assignment of Declarant's Rights. Declarant may assign, in whole or in part, its rights as Declarant by executing a document assigning such rights. There may be more than one Declarant, if Declarant makes a partial assignment of Declarant's status.

12.15 Disclaimer Regarding Security. Neither the Association nor Declarant shall in any way be considered insurers or guarantors of security within the Property, nor shall any of them be held liable for any loss or damage by reason of failure to provide adequate security or of ineffectiveness of security measures undertaken. No representation or warranty is made that any fire protection system, burglar alarm system or other security system can not be compromised or circumvented, nor that any such systems or security measures undertaken will in all cases prevent loss or provide the detection or protection for which the system is designed or intended. Each Owner acknowledges, understands and covenants to inform its tenants, invitees, and licensees that the Association, its Board and committees and Declarant are not insurers and that each Person using any portion of the Property assumes all risks for loss or damage to Persons, to Lots or Parcels and to the contents of Lots or Parcels resulting from acts of third parties.

12.16 Homestead. By acceptance of a deed thereto, the Owner and spouse thereof, if married, of each Lot shall be deemed to have waived any exemption from liens created by this Declaration or the enforcement thereof by foreclosure or otherwise, which may otherwise have been available for reason of the homestead exemption provisions of Texas law, if for any reason such are applicable. This Section 12.16 is not intended to limit or restrict in any way the lien or rights granted to the Association by this Declaration, but to be construed in its favor.

12.17 Replatting or Modification of Plat. From time to time during the Development Period, Declarant, at its sole discretion and without a vote or the consent of any other party, reserves the right to replat the Property or to amend or modify the plat in order to assure a harmonious and orderly development of the Property as herein provided. Each Owner, by acceptance of a deed to any Lot or Parcel, constitutes and irrevocably appoints the Declarant as its duly authorized attorney-in-fact, with full power of substitution, to provide any necessary approval to exercise the powers set forth in this Section 12.17. However, any such replatting or amendment of the plat shall be with the purpose of efficiently and economically developing the Property for the purposes herein provided or for compliance with any applicable governmental regulation. Declarant's rights under this Section 12.17 shall expire upon the expiration or termination of the Development Period.

12.18 NOTICE OF SEVERANCE OF MINERAL ESTATE. For purposes of this Agreement, the terms "Property", "Common Area", "Parcel" and "Lot" do not include any of the oil, gas and other minerals in and under and that may be produced from any of the Property, the Common Area, the Parcels or the Lots, respectively. **THE MINERAL ESTATE MAY HAVE BEEN SEVERED FROM THE PROPERTY, THE COMMON AREA, THE PARCELS AND THE LOTS.**

12.19 WAIVER OF TRIAL BY JURY. **EACH OWNER ACKNOWLEDGES THAT THIS DECLARATION IS A SOPHISTICATED LEGAL DOCUMENT. ACCORDINGLY, JUSTICE WILL BEST BE SERVED IF ISSUES REGARDING THIS DECLARATION ARE HEARD BY A JUDGE IN A COURT PROCEEDING, AND NOT A JURY. EACH OWNER AGREES THAT ANY CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION, WITH RESPECT TO ANY ACTION, PROCEEDING, CLAIM, COUNTERCLAIM, OR CROSSCLAIM, WHETHER IN CONTRACT AND/OR IN TORT (REGARDLESS IF THE TORT ACTION IS PRESENTLY RECOGNIZED OR NOT), BASED ON, ARISING OUT OF, IN CONNECTION WITH OR IN ANY WAY RELATED TO THIS DECLARATION, ANY COURSE OF CONDUCT, COURSE OF DEALING, VERBAL OR WRITTEN STATEMENT, VALIDATION, PROTECTION, ENFORCEMENT ACTION OR OMISSION OF ANY PARTY SHALL BE HEARD BY A JUDGE IN A COURT PROCEEDING AND NOT A JURY.**

12.20 Attorneys' Fees and Court Costs. If litigation is instituted to enforce any provision herein, then, subject to any limitations set forth in Section 209.008 of the Texas Property Code, as amended from time to time, the prevailing party shall be entitled to all attorneys' fees and court costs related to such legal action.

12.21 Gender. All personal pronouns used in this Declaration, whether used in the masculine, feminine or neuter gender, will include all other genders, and the singular will include the plural, and vice versa.

12.22 Headings. The headings contained in this Declaration are for reference purposes only and will not in any way affect the meaning or interpretation of this Declaration.

12.23 Conflicts. In the event of conflict between this Declaration and any Bylaws, rules, regulations or Articles, this Declaration will control.

12.24 Exhibits. All exhibits referenced in and attached to this Declaration are hereby incorporated by reference.

12.25 Enforcement of Declaration by Declarant. None of the provisions of this Declaration shall obligate or be construed to obligate Declarant, or its agents, representatives or employees, to undertake any affirmative action to enforce the provisions of this Declaration, any supplement to this Declaration, any tract declaration or any provision hereof and thereof, or to undertake any remedial or corrective action with respect to any actual asserted violation hereof or thereof.

[signature page follows]

IN WITNESS WHEREOF, Declarant has caused this instrument to be executed on the day and year written below.

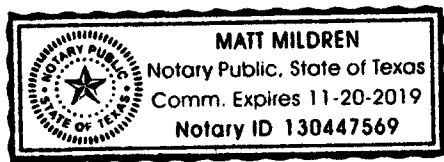
DECLARANT:

PB VENTANA 1, LLC, a Texas limited liability company

By: E. Peter Pincoffs III
E. Peter Pincoffs III, President

THE STATE OF Texas §
§
COUNTY OF Dallas §

This instrument was acknowledged before me on the 2 day of April, 2017, by E. Peter Pincoffs III, President of PB Ventana 1, LLC, a Texas limited liability company, on behalf of said limited liability company.



Matt Mildren
Notary Public in and for the
State of Texas

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR VENTANA

Signature Page

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EXHIBIT A**THE PROPERTY**

BEING A 117.198 ACRE TRACT OF LAND SITUATED IN THE SAN ANTONIO AND MEXICAN GULF RAILROAD COMPANY SURVEY, ABSTRACT NO. 1479, THE EDWARD TAYLOR SURVEY, ABSTRACT NO. 1560, THE D.T. FINLEY SURVEY, ABSTRACT NO. 1903, AND THE ELIZABETH LANGSTON SURVEY, ABSTRACT NO. 988, CITY OF FORT WORTH, TARRANT COUNTY, TEXAS, AND BEING A PORTION OF THAT CALLED 1214.617 ACRE TRACT OF LAND DESCRIBED TO JOHNNY HAMPTON (BUD) VINSON II AND CHERYL R. VINSON IN THE WARRANTY DEED WITH VENDOR'S LIEN RECORDED IN COUNTY CLERK'S DOCUMENT NUMBER D204159103, OFFICIAL PUBLIC RECORDS OF TARRANT COUNTY, TEXAS, (O.P.R.T.C.T.), SAID 117.198 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A 1/2-INCH IRON ROD WITH YELLOW CAP STAMPED "FULTON SURVEYING" FOUND FOR THE NORTHEAST CORNER OF SAID 1214.617 ACRE TRACT OF LAND AND THE MOST EASTERLY SOUTHEAST CORNER OF THE REMAINING PORTION OF A CALLED 3,893.555 ACRE TRACT OF LAND DESCRIBED TO IONA LAND, L.P. IN THE DEED WITHOUT WARRANTY RECORDED IN COUNTY CLERK'S DOCUMENT NUMBER D203145633, O.P.R.T.C.T., SAME BEING IN THE WEST LINE OF LOT 1, BLOCK 1 OF BENBROOK WATER AND SEWER AUTHORITY TANK SITE, AN ADDITION TO THE CITY OF BENBROOK AND THE CITY OF FORT WORTH ACCORDING TO THE PLAT THEREOF FIELD FOR RECORD IN CABINET A, SLIDE 4324, PLAT RECORDS OF TARRANT COUNTY, TEXAS, FROM WHICH A 5/8-INCH IRON ROD WITH YELLOW CAP (UN-LEGIBLE) BEARS NORTH 00°22'06" EAST, A DISTANCE OF 8.64 FEET FOR THE NORTHWEST CORNER OF SAID LOT 1, BLOCK 1;

THENCE SOUTH 00°22'06" EAST ALONG THE COMMON LINE OF SAID 1214.617 ACRE TRACT OF LAND AND SAID LOT 1, BLOCK 1, PASSING AT A DISTANCE OF 141.32 FEET A 5/8-INCH IRON ROD WITH YELLOW CAP (UN-LEGIBLE) FOUND AT THE SOUTHWEST CORNER OF SAID LOT 1, BLOCK 1, SAME BEING THE MOST WESTERLY NORTHWEST CORNER OF THAT CALLED 38.910 ACRE TRACT OF LAND DESCRIBED TO SJ ROLLING HILLS DEVELOPMENT LP IN THE SPECIAL WARRANTY DEED RECORDED IN COUNTY CLERK'S FILE NUMBER D203176403, O.P.R.T.C.T., CONTINUING ALONG THE COMMON LINE OF SAID 1214.617 ACRE TRACT OF LAND AND SAID 38.910 ACRE TRACT OF LAND IN ALL FOR A DISTANCE OF 2278.20 FEET TO A 1/2-INCH IRON ROD WITH YELLOW CAP STAMPED "FULTON SURVEYING" FOUND FOR THE POINT OF INTERSECTION OF SAID COMMON LINE WITH THE NORTHWESTERLY LINE OF THAT CERTAIN 300-FOOT WIDE TEXAS ELECTRIC SERVICE COMPANY EASEMENT AND RIGHT-OF-WAY DESCRIBED BY DEED RECORDED IN VOLUME 5335, PAGE 79, DEED RECORDS OF TARRANT COUNTY, TEXAS, FROM WHICH A BRASS MONUMENT FOUND IN THE NORTHERLY RIGHT-OF-WAY OF US HIGHWAY 377 (A VARIABLE WIDTH PUBLIC RIGHT-OF-WAY) BEARS

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Exhibit A

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SOUTH 00°22'06" EAST, A DISTANCE OF 7203.72 FEET, SAME BEING THE SOUTHEAST CORNER OF SAID 1214.617 ACRE TRACT OF LAND;

THENCE SOUTH 60°58'29" WEST ALONG SAID NORTHWESTERLY LINE, AT A DISTANCE OF 1342.21 FEET PASSING A 1/2-INCH IRON ROD WITH YELLOW CAP STAMPED "FULTON SURVEYING" FOUND, CONTINUING IN ALL FOR A DISTANCE OF 1613.28 FEET TO A 5/8-INCH IRON ROD WITH YELLOW CAP STAMPED "BURY" SET FOR CORNER;

THENCE OVER AND ACROSS SAID 1,214.617 ACRE TRACT OF LAND, THE FOLLOWING COURSES AND DISTANCES:

NORTH 18°44'18" WEST, A DISTANCE OF 1,756.80 FEET TO A 5/8-INCH IRON ROD WITH YELLOW CAP STAMPED "BURY" SET FOR CORNER;

NORTH 00°11'10" WEST, A DISTANCE OF 457.40 FEET TO A 5/8-INCH IRON ROD WITH YELLOW CAP STAMPED "BURY" SET FOR CORNER;

NORTH 15°12'39" WEST, A DISTANCE OF 951.73 FEET TO A 5/8-INCH IRON ROD WITH YELLOW CAP STAMPED "BURY" SET FOR CORNER IN THE NORTH LINE OF SAID 1,214.617 ACRE TRACT OF LAND SAME BEING A AND THE SOUTH LINE OF SAID 3,893.555 ACRE TRACT OF LAND AND FROM WHICH A 7/8-INCH ROD FOUND FOR THE NORTHWEST CORNER OF SAID 1214.617 ACRE TRACT OF LAND BEARS SOUTH 89°26'40" WEST A DISTANCE OF 1,501.14 FEET;

THENCE NORTH 89°26'40" EAST ALONG THE COMMON LINE OF SAID 1,214.617 ACRE TRACT OF LAND AND SAID 3,893.555 ACRE TRACT OF LAND, A DISTANCE OF 2,211.67 FEET TO THE POINT OF BEGINNING;

CONTAINING A COMPUTED AREA OF 5,105,165 SQUARE FEET OR 117.198 ACRES OF LAND.

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EXHIBIT B

- 1.01 Minimum Home Sizes: The floor area of the main structure, exclusive of open porches on the ground level and garages, shall be no less than 1700 square feet.
- 1.02 Minimum Setback Lines:
- (a) No structure of any kind and no part thereof may be placed within these setback lines:
 - (i) 20 feet from any street right of way wherein the street is determined to be a “local street” under applicable zoning ordinances.
 - (ii) 15 feet from any street right of way wherein the street is determined to be a “limited local street” under applicable zoning ordinances.
 - (iii) 5 feet from any rear property line.
 - (iv) 5 feet from any interior side Lot lines or 10 feet from any interior side Lot lines for any corner Lot adjacent to a side street.
 - (b) The following improvements are expressly excluded from these setback restrictions:
 - (i) Structures below and covered by the ground.
 - (ii) Steps, walks, swimming pools, driveways, and curbing. Variances for patios may be granted on a case by case from the ACA but in no case shall the patio area encroach within 3 feet of the rear property line, except as approved by the ACA.
 - (iii) Planters, walls, fences or hedges not to exceed 4 feet in height within the front “Minimum Setback Lines” set forth in Sections 1.02(a)(i)-(ii) above or not to exceed 8 feet in height within rear and side street “Minimum Setback Lines”, except as approved by the ACA.
 - (iv) Landscaping.
 - (v) Box or bay windows.
 - (vi) Fireplaces and chimneys, to the extent any portion of same project from the side of a residential structure.

- (vii) Porches, balconies, stoops and awnings may encroach a maximum of 5 feet into the required front yard setbacks.
 - (viii) Any other improvements approved in writing by the ACA must be at least 8 feet from the rear property line and 5 feet from the side property line and have the same architectural style as that of the main structure (home) on the Lot and must be properly screened. Roofed structures, other than the following, may in no event be approved:
 - (A) guard house
 - (B) gate houses
 - (C) swimming pool equipment houses and cabanas
 - (D) greenhouses
 - (E) non-enclosed outdoor living spaces, including, but not limited to, built-in outdoor grills and outdoor fireplaces
 - (F) sheds
 - (c) The ACA may grant exceptions to or variances from any setback lines established in Section 1.02(a) above, provided that any variances or exceptions must be in writing.
- 1.03 Garages: At a minimum, each home must have a garage large enough to accommodate two cars utilizing a standard side by side configuration.
- 1.04 Landscaping, Walls, Fences and Screening: All applicants must submit landscape plans to the ACA for approval. The plans shall include, in general, hardscape structures and walks, where appropriate; a planting plan, including materials, species and size; landscape lighting, retaining walls and fencing.
- (a) Landscaping – The minimum landscape plan shall include:
 - (i) Trees - A minimum of two (2) trees per lot is required. Typical plans should include one (1) tree in the front yard (“Front Yard Tree”) and one (1) tree in the rear yard (“Rear Yard Tree”). Corner Lots, adjacent to a street, shall have one (1) tree in the front yard and two (2) trees in the side yard facing the street.. The ACA may grant exceptions to the tree requirement in the rear yard if the rear yard landscape plan does not accommodate said tree location(s). Trees shall be a minimum 3” caliper if container grown or 3-1/2” if ball and

burlaped, as measured vertically 12" from the ground lines. In cases where an existing tree(s) is located on a Lot that meets or exceeds the tree requirements listed in the preceding sentence, a one for one credit(s) will be granted towards the minimum tree requirement as approved by the ACA. See Exhibit B-1 for a list of all permitted trees.

- (ii) Plantings - All planting beds shall include a portion that extends an average of 5 feet from the building foundation, and shall be comprised of a balanced combination of shrubs, vines, groundcovers and/or seasonal colors. Plant materials are to be consistent with the Plant Material list that has been utilized by the Declarant for overall community landscaping improvements. See Exhibit B-1 for details.
 - (iii) Irrigation - The front, side and rear yards must be irrigated by an underground programmable irrigation system and sodded with grass.
 - (iv) Landscaping shall be completed on all sites contemporaneously with completion of other improvements, but in no event later than 30 days after first occupancy of building(s). Variances by the ACA will be considered in the timing of this matter.
 - (v) The owners of the Lots shall be responsible for the maintenance of parkways located between their Lot lines and the back of curb of streets on which said Lots abut. Area between back of curb and sidewalk must be sodded with grass.
 - (vi) In addition, the owners of the Lots shall likewise maintain the exterior of all structures on their Lot and their yards, hedges, plants, and shrubs in a neat and trim condition at all times.
- (b) Walls: No structure, wall, fence, or hedge over 4 feet in height shall be constructed, erected, placed, planted, set out, maintained, or permitted upon any Lot outside the front building line on any Lot, except as approved by the ACA in writing.
- (c) Fencing:
- (i) Perimeter Fencing - Fencing shall be constructed of cedar and be stained a uniform color that is approved by the ACA, shall be supported with galvanized steel posts at six (6) feet on center, and all cedar privacy fences shall be board on

board and include a top rail (cap). The fence shall be capped and six (6') feet in height.

- (ii) All fencing and gates must have a 10' setback from the front wall elevation of each home. Details on each front and gate are listed below.
- (iii) Corner Lot Fencing - A 6' maximum height cedar stained fence as approved by the ACA shall be permitted within the streetside side yard setback of all corner Lots. A minimum 10' setback from the front yard building line shall be required. Where a visibility easement setback is not indicated on the approved plat for a specific corner Lot, the Owner may construct the cedar stained fence on the streetside side yard property line per the requirements of item (i), above.
- (iv) Interior Lot Fencing - No wooden fence, wall or hedge shall be less than 6 feet in height unless otherwise specifically required by the Tarrant County or the City or expressly approved by the ACA. All wooden fences shall be constructed of cedar and be stained a uniform color that is approved by the ACA, shall be supported with pressure treated 4" x 4" posts at six (6') feet on center, and all cedar privacy fences shall be board on board and include a top rail (cap).
- (v) Fence Gates - Fence gates facing a street or open space shall be a minimum of three (3') in width and must adhere to the same standards as listed above. The gate must meet the same as the fencing standards listed above.
- (vi) Rear Lot Fencing along Ventana Parkway – Rear Lot Fencing that is adjacent to Ventana Parkway shall be 6' wrought iron fence painted a uniform color that is approved by the ACA. The HOA shall maintain and paint these fences as needed.

(d) Screening:

- (i) Utility boxes and other related improvements in the Right of Way (R.O.W.) located near the street must be screened by landscaping. The screening landscaping materials must be a minimum of five (5) gallon containers at the time of planting to meet the screening requirements. Landscape screening must adhere to the various utility provider requirements.

- (ii) All A/C and other mechanical equipment must be screened by the privacy fencing that is installed and referenced in Section 1.04(c)(iv) above.
- (iii) Garbage containers must be stored in the garage or on the side of the home. If the garbage container is located on the side of the home, it must be fully screened by a fence from the public right of way.

1.05 Construction Standards: The main structure on all Lots shall meet with the following requirements (except as modified by the ACA):

- (a) Plan and Elevation Repetition: In order to maintain architectural variety along residential streets, homes shall adhere to plan and elevation standard as shown in Exhibit B-2.
- (b) Foundations:
 - (i) The foundation system shall be designed by a Registered Professional Engineer based on recommendations given in a geotechnical soils report prepared by a geotechnical engineering firm. The soils investigation and analysis, and the design of the foundation system, shall be prepared and stamped or sealed by a registered professional engineer. Any swimming pool shall be designed utilizing the data provided by the soils report and analysis with adequate surface and subsurface drainage provided.
 - (ii) Exposed portions of foundations are limited to no more than the following:
 - (A) All Lots – Front Elevations – 12”
 - (B) Lots with Side or Rear visibility from the street – 18”
 - (C) Interior Lots – 24”
 - (D) Pool decking more than 18” above grade will require surrounding landscaping / screening to limit the exposed structure’s visibility to no more than 18”.
 - (E) On Lots that have specific drainage or grade challenges resulting in only a portion of the foundation being exposed over the limitations listed above (“odd ball lot” i.e. a home where one corner has more foundation being exposed than another), screening or mature landscaping may be installed to

minimize the foundation exposure in that specific area.

(c) Roofs:

- (i) Style – Gabled and Hipped and must be consistent with the home. Bubble Sky lights or facades that appear to be “glued on” are prohibited. Flat roofs and random roof penetrations facing the street are prohibited.
- (ii) Material - All roofs may be random tab architectural 3-dimensional composition shingle roof (color must appear to be weathered, unless such other color is approved by the ACA), and must have a minimum 30 year warranty or the highest warranty readily available and be comprised of wood, tile, slate, standing seam metal, or other equal or greater product as approved by the ACA. All roof materials shall be compatible with the architectural style of the home. In cases where roofs materials are different on the main structure of the home and areas such as dormers or garage overhangs, the types of material shall be limited to two materials.
- (iii) Pitch – The preferred range is 8:12 to 16:12. Variance requests for particular plans will be considered.

(d) Exterior Walls:

- (i) Street facing elevations, including front and street side elevations on corner Lots, must be 100% brick, brick veneer, stone, stone veneer, lathe and plaster stucco, or stucco veneer. Stucco used on front elevations must be 100% stucco not stucco board. In cases where structural challenges exist for a limited area, a variance request must be submitted.
- (ii) The exposed exterior wall area, exclusive of doors, windows, and covered porch areas (which may contain hardy plan or cedar columns), shall not be less than 80% brick, brick veneer, stone, stone veneer, lathe and plaster stucco, or stucco veneer construction, or other low maintenance material approved by the ACA. Any siding shall be of Fiber Cement (for example, HardieBoard or HardiePlank) or greater material quality.
- (iii) All exposed portions of the fire breast, flue and chimney shall be clad in brick, stone, or stucco and shall match the brick, stone or stucco used to meet the eighty percent (80%) exterior surface requirement. In areas where brick, stone or

stucco poses a structural challenge, stucco board may be utilized following approval by the ACA.

- (iv) Wood siding or stone façade that appears “glued on” are prohibited.
- (v) Rowlocks on corner Lots used to wrap the corner of a home must extend back 10’ from the front wall elevation up to the fence line set back requirement. Rowlocks on interior Lots must extend back six feet (6’) back from the front wall elevation.
- (vi) If brick, brick veneer, stone, stone veneer, lathe and plaster stucco, or stucco veneer is used to wrap the corner of a home, it must extend six feet (6’) back from the front wall elevation and cover the entire area from the base of wall to the top line of the wall.
- (vii) The use of different exterior materials (as listed in (d)(i) and (ii) above) is limited to three different materials per home.
- (viii) Direct vents for gas or electrical fireplaces are permitted but must be located at a minimum of six (6’) feet above the slab.
- (e) Doors: All single story homes must have a minimum door height of 6’8”. All two story homes must have a minimum door height of 6’8”. All front doors must be stained to match the color palette of the home.
- (f) Posts & Accents: All decorate posts and accents must be cedar and be stained a uniform color that is approved by the ACA.
- (g) Gutters: Complete guttering must be installed on all houses with downspouts carried to an outfall well away from the foundation. All gutters and downspouts shall be molded from aluminum and have a pre-painted finish. All downspouts except those emptying into streets or driveways shall be tied into underground drains if positive drainage does not exist. Gutters shall not drain across property lines.
- (h) Garages:
 - (i) Garages and all other outbuildings are to be given the same architectural treatment and be constructed of the same materials as the main structure. All garage doors shall be equipped with automatic remote controlled door openers. All garages viewed from a street or common area must have cedar overlay and include bracket details as approved by the

ACA. Transparent windows are not allowed on garage doors for privacy purposes.

- (ii) The interior walls of all garages must be finished (tape, bed, base boards and paint as a minimum) like other rooms in the building.

(i) Driveways & Sidewalks:

- (i) All driveways and sidewalks shall be constructed of the following materials: concrete, scored or stained concrete, or concrete with stone or brick border. No aggregate material may serve as a driveway or sidewalk finish. All stain colors on driveways and sidewalks shall be subject to approval of the ACA.
- (ii) All sidewalks must be 5' wide with broom finish. 24" clearance around fire hydrants.
- (iii) Lead in walks must be a minimum of 36" wide and no more than 20' without a change in direction. Lead in walks must be stained the same color as the driveway and sidewalks as designated above in Section 1.05(i)(i) (which stain is subject to ACA approval).

- (j) Colors: Homes shall be earth tone colors that blend well with the natural surroundings. Accent colors are to be in line with the main color palettes of the home.

(k) Windows:

- (i) Front Elevation Windows – All front elevation windows must be divided light windows.
- (ii) Exterior Material- All window framing will be bronzed, cream, sand or white anodized aluminum, or wood or vinyl.
- (iii) Shutters (exterior) - Window shutters may be used. Painted or stained wood will be acceptable.
- (iv) Window Treatments (interior) – Window on the front elevation or visible the street must have window treatments installed within 30 days of the initial sale to the initial homeowner. Treatments will be wood, vinyl or aluminum clad with exterior grid dividers.

- (v) No reflective window coverings or treatments (aluminum foil, reflective film, sheets, linens, etc.) and wrought iron bars shall be permitted.
- (l) Exterior Alterations: No exterior alterations of any existing building may be permitted without the prior written approval of the ACA. No additional windows, balconies, platforms, etc. which may invade the privacy of adjacent dwellings are permitted.
- (m) Lines & Wires: Any and all lines or wires for communication or for transmission of current outside of the building shall be constructed, placed and maintained underground.
- (n) Lighting: Lighting plans shall be designed to delicately accent architectural elements, and shall include a minimum of one light, near the front door or porch area. Lighting shall remain in the on position during evening hours. No exterior light shall be installed or maintained on any Lot which is found to be objectionable by the ACA. Upon being given notice by the Association that any exterior light is objectionable, the owner of the Lot will immediately remove said light or have the light shielded in such a way that it is no longer objectionable. Mercury vapor, colored lenses, fluorescent or neon lighting is not permitted.
- (o) Address Block: Each home must have a masonry address block. The address block must be placed between the garage and front door of the home in a well-lighted area. Address markers (spray paint or other indicators) are not allowed on any portion of the street curb or driveway.
- (p) Lot Excavation: No excavation may be made except in conjunction with construction or maintenance of an improvement. When the improvement or maintenance is completed, all exposed openings must be back filled, compacted, graded and landscaped in accordance with the approved landscape plan.
- (q) Pools: No above ground level swimming pool may be installed on any Lot and any swimming pool shall be designed and engineered in compliance with the Section 1.05(b)(i) of this document.
- (r) Retaining Walls: Retaining walls constructed on residential lots may use a dry stack figuration utilizing natural material for wall heights under four (4') feet. Retaining Walls constructed above 4' must be engineered.
- (s) Construction Timing: Once commenced, construction must be diligently pursued so it is not left in a partly finished condition for a

period longer than ninety (90) days without written approval from the ACA.

(t) Temporary Portable Buildings: Temporary portable buildings may be used for construction purposes or as field offices or temporary marketing offices in support of the sale of Lots only with the prior written approval of the Declarant. Such temporary portable buildings shall meet the following requirements:

- (i) Be landscaped to the same standards as other residential Lots.
- (ii) Allow no overnight parking of construction vehicles.
- (iii) Provide screening for all construction materials to be kept on site.
- (iv) Be kept in a clean, well-kept condition at all times.

Such temporary portable buildings shall be removed two (2) months after the date on which construction starts on the last of the Lots. All landscaping, irrigation systems, hardscaping, signs and debris are to be removed and the area is to be graded, cleaned and turf established to the satisfaction of the ACA.

(u) Construction Debris & Clean Up: During construction on any Lot, all trash and construction debris shall be contained within an on-site enclosure to be approved by the Association. The trash container shall be maintained on the Lot throughout the period of construction (subject to the need to promptly remove and replace same as it becomes full), and all waste materials and construction debris shall be placed therein on a daily basis in order to reduce the possible dispersal of such waste materials and construction debris to any other Lot and to maintain a neat and orderly appearance on the Lot on which construction is being performed. Such temporary trash container shall be removed within 10 calendar days following completion of construction on the Lot. Builders shall be responsible for having street sweeping services completed once a week (preferably on Friday) during construction periods.

(v) Cluster Mailboxes. Pursuant to USPS requirements Cluster Mailboxes will be installed rather than individual boxes. Homeowners may not install individual mailboxes without ACA approval.

Declarant may grant variances to and/or exceptions from any part of Section 1.05 of this document, provided that any such variances and/or exceptions must be in writing.

- 1.06 Requirements Pertaining to the Placement of Athletic & Recreational Facilities: Except as otherwise set herein, outdoor athletic and recreational facilities such as basketball goals, playscapes, swing sets and sport courts may not be placed on a Lot unless such item is placed behind the rear of the dwelling and such item is approved by the ACA.
- (a) Permanent basketball goals may be installed on front-entry Lots with “J-shaped, swing-in” driveways within all applicable setback lines as long as such basketball goals are installed behind the front elevation of the dwelling. All basketball goals (whether installed in the front or rear of the dwelling) must be professionally installed with a standing pole and must be made of clear acrylic material or tempered glass.
 - (b) Temporary and movable facilities may be placed, utilized and removed from view from the street provided the same (i) run perpendicular to the driveway, (ii) are no closer than 20’ to the street, and (ii) screened with shrubs to minimize effect of temporary appearance.
 - (c) All outdoor athletic and recreational facilities such as basketball goals, playscapes, swing sets and sport courts, must: (i) if the same are lighted, be lighted in a manner that does not create a nuisance to any other Owner, and (ii) if not installed in the front driveway, installed no closer than 8’ to any rear or side property line and fully screened. Playscape heights are limited to 15’ in height and all awnings must be of neutral color

No approval of plans and specifications and no publication of requirements or guidelines herein or in the Declaration or otherwise by the Association or the ACA or granting of any exceptions or variances by Declarant may be construed as representing or implying that improvements built in accordance therewith will be free of defects or comply with applicable laws or ordinances. Any approvals and observations incident thereto concern matters of an aesthetic nature. No approvals and guidelines may be construed as representing or guaranteeing that any improvements built in accordance therewith will be designed or built in a good and workmanlike manner. The granting of any exceptions or variances by Declarant shall be in Declarant’s sole discretion. Declarant, the Association, their respective directors, officers, employees, and agents, the ACA, and members of the ACA are not responsible or liable in damages or otherwise to anyone submitting plans and specifications for approval or to any owner of land subject to the Declaration for any defects in any plans or specifications submitted, revised, or approved, any loss or damages to any person arising out of approval or disapproval or failure to approve or disapprove any plans or specifications, any loss or damage arising from the noncompliance of the plans or specifications with any governmental ordinance or regulation, or any defects in construction undertaken pursuant to the plans and specifications. Approval of plans and specifications by the ACA may not be construed as approval by the City, as the approval processes are mutually exclusive. Unconditional approval of a complete set of plans and

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specifications by the ACA satisfies the requirements of all applicable subsections of the Declaration and these guidelines that require written approval by the ACA for the plans and specifications. Any determination made by Declarant, and the grant or denial of any exception or variance by Declarant under the Declaration or these guidelines, is in Declarant's sole discretion.

EXHIBIT B-1**Front Yard Tree Species List**

LIVE OAK (min. 45 GAL)
SHUMARD OAK (min. 45 GAL)
RED OAK (min. 45 GAL)
CEDAR ELM (min. 45 GAL)
LACEBARK ELM (min. 45 GAL)

Rear and Side Yard Tree Species List

LIVE OAK (min. 45 GAL)
SHUMARD OAK (min. 45 GAL)
CEDAR ELM (min. 45 GAL)
LACEBARK ELM (min. 45 GAL)
RED OAK (min. 45 GAL)
CHINESE PISTACHE (min. 45 GAL)
EASTERN RED CEDAR (min. 45 GAL)
MONTERREY OAK (min. 45 GAL)
TEXAS REDBUD (min. 45 GAL)
THORNLESS MESQUITE (min. 45 GAL)

Landscaping Plant Material List

DESERT WILLOW (min. 30 GAL)
NATCHEZ CrapeMYRTLE (min. 30 GAL)
WAX MYRTLE (min. 15 GAL)
TEXAS MOUNTAIN LAUREL (min. 30 GAL)
AGAVE SMOOTH LEAF (min. 15 GAL)
RED YUCCA (min. 5 GAL)
DWARF YAUPON HOLLY (min. 5 GAL)
GIANT LIRIOPE (min. 1 GAL)
LANTAN, NATIVE ORANGE OR RED (min. 1 GAL)
GREEN CLOUD TEXAS SAGE (min. 5 GAL)
CIMARRON DWARF TEXAS SAGE (min. 5 GAL)
RUSSIAN SAGE (min.1 GAL)
MEXICAN OREGANO (min. 1 GAL)
SALVIA GREGGII (min. 1 GAL)
MEXICAN BUSH SAGE (min. 1 GAL)
COPPER CANYON DAISY (min. 1 GAL)
ESPERANZA (min. 5 GAL)
ADAM'S NEED YUCCA (min. 5 GAL)
TWIST LEAF YUCCA (min. 5 GAL)
SOFT LEAF YUCCA 5 GAL

DWARF PAMPAS GRASS OR LINDHEIMER MUHLY (min.3 GAL)
GULF MUHLY GRASS (min. 3 GAL)
MAIDEN HAIR GRASS (min. 5 GAL)
MEXICAN FEATHER GRASS (min. 1 GAL)
BLACK-EYED SUSAN (min. 1 GAL)
SILVER PONYFOOT (min. 1 GAL)
FROG FRUIT (min. 1 GAL)
LANTANA PURPLE (min. 1 GAL)
PINK SKULL CAP (min. 1 GAL)

The plant materials in the chart below may also but utilized so long as the minimum gallon sizes correspond with an equivalent sized plant material listed in the chart above.

AFRICAN IRIS
ARIZONA CYPRESS
ARTEMISIA "POWIS CASTLE"
AZTEC GRASS
BEACH VITEX
BIRD OF PARADISE
BLACKFOOT DAISY
BUTTERFLY BUSH
BUTTERFLY GINGER
BUTTERFLY WEED
CAPE HONEYSUCKLE
CARDAMOM GINGER
CARIBBEAN COPPER PLANT
CHERRY SAGE
CHINESE FRINGEFLOWER
CONFEDERATE JASMINE
COPPER CANYON DAISY
CUBAN OREGANO
DAHLBERG DAISY
ENGLISH BOXWOOD
ENGLISH IVY
GAURA
GERMANDER
GLOSSY ABELIA
GREY COTONEASTER
JAPANESE BARBERRY
JAPANESE BOXWOOD
JAPANESE YEW
JERUSALEM SAGE

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Exhibit B-1

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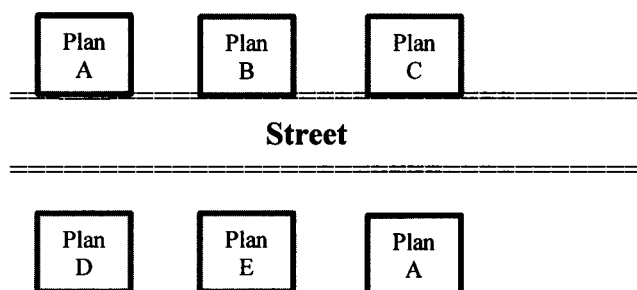
JUNIPER
LAMBS EAR
LANTANA
LARGE LEAF VIBURNUM
LEMON GRASS
MAIDEN GRASS
MAROON SAGE
MEXICAN FEATHER GRASS
MONKEY GRASS OR MONDO
MOUNTAIN LAUREL
MUHLY GRASS
NANDINA
ORANGE BULBINE
OX-EYE DAISY
PAMPAS GRASS
PINEAPPLE GUAVA
PINK SKULLCAP
PLUMBAGO
PRIDE OF BARBADOS
PRIMROSE JASMINE
PURPLE WINTER CREEPER
RUSSIAN SAGE
SALVIA "BLACK AND BLUE"
SALVIA "INDIGO SPIRES"
SALVIA "LOLLIE JACKSON"
SALVIA "VICTORIA"
SANDANKWA VIBURNUM
SHASTA DAISY
SOCIETY GARLIC
SOFT LEAF YUCCA
"SPRINGING BOUQUET"
VIBURNUM
SUMMER PHLOX
SWEET OLIVE
VERBENA

Plant materials that are not included list presented above ("**Additional Plant Materials**") may be submitted to the ACA for consideration. The ACA must provide an approval prior to any Additional Plant Materials being installed.

EXHIBIT B-2**Repetition Standards****Repetition**

The ACA may, in its sole and absolute discretion, deny a plan or elevation proposed for a particular Lot if a substantially similar plan or elevation exists on a Lot in close proximity to the lot on which the plan or elevation is proposed. The ACA may adopt additional requirements concerning substantially similar plans or elevations constructed in proximity to each other.

Example: Elevations can be repeated every third Lot (ex: Plan A, Plan B, Plan C).

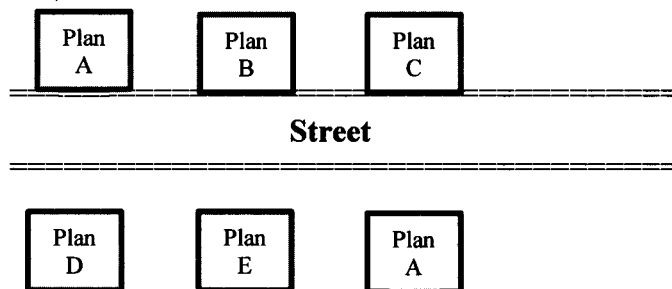


Across the Street: Same plan cannot be placed on a Lot across the street or diagonal from any other plan (ex: above: Plan A).

Brick Color and Masonry Stone Repetition

The ACA may in its sole and absolute discretion, deny proposed brick or masonry for a particular Lot if substantially similar stucco color exists on a lot in close proximity to the lot on which the brick or masonry is proposed. The ACA may adopt additional requirements concerning substantially similar brick or masonry constructed in proximity to each other. Earth tone colors are to be utilized.

Example: Similar brick or masonry can be repeated every third Lot (ex: Plan A, Plan B, Plan C)



Across the Street: Similar brick or masonry cannot be placed on a Lot across the street or diagonal from any other plan (ex: above: Plan A).