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**ORIGINAL**

\*\*\*\*\* THIS PAGE IS PART OF THE INSTRUMENT \*\*\*\*\*

Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY because of color or race is invalid and unenforceable under federal law.



THE STATE OF TEXAS)  
COUNTY OF DENTON)

I hereby certify that this instrument was FILED in the File Number sequence on the date/time printed hereon, and was duly RECORDED in the Official Records of Denton County, Texas.

*C. Mitchell*

County Clerk  
Denton County, Texas

**DECLARATION OF  
COVENANTS, CONDITIONS AND RESTRICTIONS FOR  
UPTOWN VILLAGE TOWNHOMES  
LEWISVILLE, TEXAS**

STATE OF TEXAS                   §  
  §  
COUNTY OF DENTON           §

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR UPTOWN VILLAGE TOWNHOMES ("Declaration") is made this 6 day of May, 2014, by CADG Belleville Villages,LLC, a Texas Limited Liability company (herein referred to as "Declarant").

**WITNESSETH:**

WHEREAS, Declarant is the owner of the real property in Denton County, Texas, described on Exhibit A attached hereto (the "Property"). The Declarant is developing the property as an addition to the City of Lewisville to be known as "Uptown Village" (the "Subdivision").

WHEREAS, the Declarant desires to establish a residential community of single family residential attached townhomes on the Property and, accordingly, has executed this Declaration to impose the covenants, conditions, restrictions, and easements herein described upon the Property.

NOW, THEREFORE, Declarant adopts, establishes and imposes the following covenants, conditions, restrictions, easements, liens and charges upon the Property and declares that the Property and all portions thereof are and shall be held, transferred, assigned, sold, conveyed and occupied subject to all such covenants, conditions, restrictions, easements, liens and charges.

**ARTICLE I**

**DEFINITIONS**

In addition to any other terms defined elsewhere in this Declaration or any Supplemental Declaration, the following words when used in this Declaration or any Supplemental Declaration (unless the context shall otherwise prohibit) shall have the following respective meanings:

1.1 "Architectural Control Committee" shall have the meaning assigned to such term in Section 8.1 hereof.

1.2 "Architectural Guidelines" shall have the meaning assigned to such term in Section 8.2 hereof.

1.3 "Association" shall mean and refer to the UPTOWN VILLAGE TOWNHOME OWNER'S ASSOCIATION, INC., a non-profit corporation formed in the State of Texas in accordance with a Certificate of Formation, Organizational Consent and Bylaws thereof, copies of which are attached hereto as Exhibit C, and as may be amended from time to time in accordance with the terms set forth therein.

1.4 "Board of Directors" or "Board" means the board of directors of the Association.

1.5 "City" means the City of Lewisville, Texas.

1.6 "Common Area" means the portion of the Land that is not situated within a Lot and any other property rights within the Land which are known, described or designated for, or which shall subsequently be intended for or devoted to, the common use and enjoyment of the Members.

1.7 "Common Improvements" means those improvements initially made by Declarant within the Common Area, together with such other improvements as may be made hereafter by the Association, which Common Improvements include, without limitation, drainage detention and retention ponds, the clubhouse and the pool constructed by Declarant in connection with its development of the Subdivision and Lots therein, and common or open space areas shown on the Plat and any improvements thereon constructed by Declarant or the Association.

1.8 "Common Properties" means the Common Area and Common Improvements, collectively.

1.9 "Declarant" means CADG Belleville Village, LLC, a Texas limited liability company and its successors in interest to the Land through (i) a voluntary disposition of all (or substantially all) of the assets of such limited partnership and/or the voluntary disposition of all (or substantially all) of the right, title and interest of the limited partnership in and to the Land where such voluntary disposition of right, title and interest expressly provides for the transfer and assignment of the rights of such limited partnership as Declarant, or (ii) an involuntary disposition of all or any part of the Land owned by Declarant prior to completion of development of the Land as a residential community. No person or entity purchasing one or more Lots from such limited partnership in the ordinary course of business shall be considered as "Declarant".

1.10 "Declarant Period" means the period of time commencing on the date of this Declaration and continuing until such time as Declarant does not own at least one (1) Lot.

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

1.12 "Land" means the real property in Denton County, Texas described on Exhibit A, attached hereto and incorporated herein, and such other real property as may be made subject to the terms of the Declaration in accordance with the provisions hereof.

1.13 "Lot" means a residential lot shown as such on the Plat and which is or is intended to be improved with a Dwelling. Some portions of the Common Area may be platted as one or more "lots" on the Plat, however, such Common Area lots are expressly excluded from the definition of "Lot" as used herein.

1.14 "Member" means a member of the Association.

1.15 "Owner" shall mean and refer to every person or entity who is a record owner of a fee or undivided fee interest in any Lot, including contract sellers. If a Lot is owned in undivided interests by more than one person or entity, each owner shall be an Owner for purposes of this Declaration. A person or entity that owns only a lien or other similar interest in a Lot as security for performance of an obligation is not an Owner with respect to that Lot.

1.16 "Plat" means any subdivision plat of all or any the portion of the Land recorded in the Plat Records of Denton County, Texas, and any plat of land that is subsequently made subject to the terms hereof in accordance with the terms of this Declaration, as such plat or plats may be modified or amended from time to time hereafter.

1.17 "Property" means the Land and all improvements thereto, whether now existing or hereafter placed thereon.

1.18 "Structure" shall refer to a building containing two (2) or more Dwellings that (i) is located on two (2) or more adjacent Lots, and (ii) has one (1) or more party walls separating the Dwellings comprising such building

## ARTICLE II

### PROPERTY SUBJECT TO THE DECLARATION

2.1 Initial Properties. The properties that shall initially be subject to this Declaration shall include the Land and all improvements now or hereafter constructed thereon.

2.2 Addition to Properties. Additional land may from time to time be made subject to this Declaration during the Declarant Period. The addition of any such additional land (referred to as "Adjacent Land") to this Declaration may be accomplished by the recordation in the Real Property Records of Denton County, Texas of a Supplementary Declaration, signed by Declarant and the owner of such Adjacent Land, which shall extend the scheme of this Declaration to such Adjacent Land, automatically extending the jurisdiction, functions, rights, and duties of Declarant, the Association (including membership therein) and the Architectural Control Committee to the Adjacent Land. In connection with the addition of any such Adjacent Land to this Declaration, Declarant shall have the right to extend then existing streets and other rights-of-way located on the Land to, through or across such Adjacent Land and to take any other actions

which Declarant, in its sole discretion, deems advisable in order to connect such Adjacent Land to any of the Land or otherwise establish or maintain a link between them. If Declarant is not a Member immediately prior to the recordation of a Supplementary Declaration, then upon the recordation of such Supplementary Declaration, Declarant shall become a Class B Member. No consent or approval of the Association or of any Owner shall be required in order to extend the scheme of this Declaration to any Adjacent Land or for Declarant to take any of the actions authorized by this Section. If any Adjacent Land is made subject to this Declaration, then, without the necessity of any further action, such Adjacent Land shall be included within the definition of the Land, and all other terms of this Declaration shall be modified as necessary to extend the coverage of this Declaration to the Adjacent Land. In any such Supplementary Declaration, Declarant and the owner of such Adjacent Land shall have the authority to make any amendments to this Declaration as Declarant and such owner deem advisable in connection with the addition of the Adjacent Land to this Declaration, without the joinder or consent of the Association or of any Owner.

### ARTICLE III

#### USE OF PROPERTY AND LOTS - PROTECTIVE COVENANTS

The Property and each Lot situated thereon shall be constructed, developed, occupied and used as follows:

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

3.2 Replatting. No Lot shall be re-subdivided; provided, however, that Declarant shall have and reserves the right, at any time, or from time to time, to file a replat of the Plat to effect a reconfiguration of any Lots in the Property then owned by Declarant, and subject to obtaining any necessary approval, joinder or consent of the appropriate county and/or municipal authorities. The consent or approval of Owners other than Declarant shall not be required for such replatting.

3.3 Combining Lots. Any person owning two or more adjoining Lots may consolidate such Lots into a single building location for the purpose of constructing one (1) Dwelling thereon (the plans and specifications therefor being approved as set forth in this Declaration) and such other improvements as are permitted herein; provided, however, any such consolidation must comply with the rules, ordinances and regulations of any governmental authority having jurisdiction over the Property. In the event of any such consolidation, the consolidated Lots shall be deemed to be a single Lot for purposes of applying the provisions of this Declaration; provided, however, such Owner shall continue to pay assessments on such Lots as if such Lots had not been consolidated and shall be entitled to one vote for each Lot (determined prior to such consolidation) owned by such Owner. Any such consolidation shall give consideration to easements as shown and provided for on the Plat and any required abandonment or relocation of any such easements shall require the prior written approval of

Declarant, during the Declarant Period, or the Association, thereafter, as well as the prior written approval of any utility company having the right to the use of such easements.

3.4 Drainage.

(a) Neither the Declarant nor its successors or assigns, shall be liable for, and each Owner hereby waives any right of recovery against Declarant, its successors and assigns for any loss of, use of, or damage done to, any shrubbery, trees, flowers, improvements, fences, sidewalks, driveways, or buildings of any type or the contents thereof on any Lot caused by any water levels, rising waters, or drainage waters.

(b) After completion of building construction on a Lot, the Owner of such Lot shall cause such Lot to be graded so that surface water will flow to streets, alleys, drainage easements, or Common Properties. Such grading shall be in conformity with the general drainage plans for the subdivision implemented by Declarant in connection with its initial development of the Lots. It shall be the responsibility of each Owner to maintain or modify, if necessary, the drainage characteristics of its Lot so that storm water runoff from such Lot will not run across or collect upon any adjacent Lot. If a retaining wall or underground drainage improvements are necessary to control and prevent drainage from one Lot onto an adjacent Lot, it shall be the responsibility of the Owner of the Lot having the higher surface elevation to construct and maintain the retaining wall or underground drainage improvements, which shall be subject to the approval of the Architectural Control Committee.

3.5 Dirt Removal. The digging of dirt or the removal of any dirt from any Lot is prohibited, except as necessary in conjunction with landscaping or construction of improvements thereon.

3.6 Utilities. All utilities shall be installed underground. Each residence situated on a Lot shall be connected to the water and sewer lines as soon as practicable. No individual water supply system shall be permitted on any Lot. No privy, cesspool, or septic tank shall be placed or maintained upon or in any Lot. However, portable toilets will be allowed during building construction. The installation and use of any propane, butane, liquid petroleum gas or other gas tank, bottle or cylinder of any type (except portable gas grills) shall require the explicit, itemized approval of the Architectural Control Committee, and, if so approved, the Architectural Control Committee may require that such tank, bottle or cylinder be installed underground. Any control boxes, valves, connection, utility risers or refilling or refueling devices shall be completely landscaped with shrubbery so as to obscure their visibility from the streets within or adjoining the Property or from any other Lot.

3.7 Setback Requirements and Building Location. All front, side, and rear setbacks must be approved by the Architectural Control Committee and must meet the requirements of the Plat. The location of the main residence on each Lot and the facing of the main elevation with respect to nearby streets shall be subject to the approval of the Architectural Control Committee.

3.8 Minimum Floor Space. Each Dwelling constructed on any Lot shall contain a minimum of one thousand seven hundred (1,700) square feet of floor area, exclusive of garages, breezeways and porches.

3.9 Height. No Dwelling or other building on any Lot shall have a height in excess of the maximum height or number of stories allowed by applicable zoning or other legal requirements.

3.10 Construction Requirements. All construction on any Lot shall meet the requirements of the Architectural Guidelines and shall be subject to the explicit, itemized approval of the Architectural Control Committee in accordance with this Declaration.

3.11 Garages. Each Dwelling erected on any Lot shall provide garage space for a minimum of two (2) conventional automobiles. All garage doors shall be closed at all times when not in use. All garage doors must be of material, design and color approved by the Architectural Control Committee. Porte cocheres must be approved by the Architectural Control Committee. No carport shall be built, placed, constructed or reconstructed on any Lot. As used herein, the term "carport" shall not be deemed to include a porte cochere. No garage shall ever be changed, altered, reconstructed or otherwise converted for any purposes inconsistent with the garaging of automobiles.

3.12 Antennae and Satellite Dishes. No television, radio, or other electronic towers, aeriels, antennae, satellite dishes or device of any type for the reception or transmission of radio or television broadcasts or other means of communication shall hereafter be erected, constructed, placed or permitted to remain on any Lot or upon any improvements thereon, except that this prohibition shall not apply to those antennae specifically covered by 47 C.F.R. Part 1, Subpart S Section 1.40000 (or any successor provision) promulgated under the Telecommunications Act of 1996, as amended from time to time or satellite dishes or devices under twenty inches (20") in diameter as long as they comply with the installation and other requirements set forth below. The Architectural Control Committee shall be empowered to adopt rules governing the types of antennae, satellite dishes and similar devices that are permissible hereunder and establishing reasonable, non-discriminatory restrictions relating to safety, location, installation, removal and maintenance of antennae. An antenna, dish or similar device permissible pursuant to rules of the Architectural Control Committee may only be installed within the area on each Lot that is not visible from the street and that is integrated with the Dwelling and surrounding landscape. Antennae, dishes and similar devices must be installed in compliance with all state and local laws and regulations, including zoning, land-use, and building regulations.

3.13 Fences. No fence, wall or hedge shall be erected, placed or altered on any Lot without the approval of the Architectural Control Committee and the design of and materials used in the construction of fences and walls shall comply with the minimum fencing requirements listed in the Architectural Guidelines and have the explicit, itemized approval of the Architectural Control Committee. No fence, wall or hedge shall exceed eight (8) feet in height, as measured from the final grade of the Lot the fence sits on. The foregoing height limitation shall not apply to fences, walls and hedges along the perimeter of the Land. All service and sanitation facilities, clothes lines, wood piles, and air conditioning equipment must be

enclosed within fences, walls or landscaping so as not to be visible from the immediate residential street.

3.14 Retaining Walls. The design and materials for all retaining walls shall be limited to those designs and materials in the Architectural Guidelines and must have the explicit, itemized approval of the Architectural Control Committee for each particular retaining wall.

3.15 Landscaping. Any and all plans for the landscaping of front yards and of side yards not enclosed by solid fencing, including alterations, changes or additions thereto, shall be subject to the approval of the Architectural Control Committee and shall comply with the requirements listed in the Architectural Guidelines. Subject to weather delay, each Lot shall be fully landscaped within thirty (30) days from the date on which the residence thereon is "complete"; as such term is defined in Section 3.23.

3.16 Trash Receptacles and Collection. Each Lot Owner shall make or cause to be made appropriate arrangements with the City for collection and removal of garbage and trash on a regular basis. Each and every Owner shall observe and comply with any and all regulations or requirements promulgated by the City and/or the Association in connection with the storage and removal of trash and garbage. All trash, garbage, or waste matter shall be kept in tightly sealed bags or other approved containers that shall be maintained in a clean and sanitary condition. An Owner may place trash on the street curb or access easement only on those days designated by the City as trash collection days. On all other days, an Owner must keep all trash, garbage and other waste material hidden from public view. No Lot shall be used for open storage of any materials whatsoever, except that building materials to be used in the construction of improvements erected on any Lot may be placed upon such Lot at the time construction is commenced and may be maintained thereon through completion of construction. No garbage, trash, debris, or other waste matter of any kind shall be burned on any Lot.

3.17 Mailboxes. Mailboxes shall be constructed of a material and design permitted by the Architectural Guidelines and approved in writing by the Architectural Control Committee prior to installation, and shall conform to any applicable City requirements.

3.18 Parking. On-street parking is restricted to approved deliveries, pick-up or short-term guests and short-term invitees and shall be subject to such reasonable rules and regulations as shall be adopted by the Board of Directors. Parking in a driveway is permitted for not longer than three (3) consecutive days. In no event may cars be parked in a manner that blocks access to any alley.

3.19 Temporary Structures and Vehicles. No temporary structure of any kind shall be erected or placed upon any Lot. No trailer, mobile, modular or prefabricated home, tent, shack, barn or any other structure or building, other than the residence to be built thereon, shall be placed on any Lot. Any truck, bus, boat, boat trailer, trailer, mobile home, camp-mobile, camper or any other vehicle other than conventional automobile shall, if brought within the Property, be stored, placed or parked within the garage of the appropriate Owner and concealed from view. However, Declarant reserves the exclusive right to erect, place and maintain, and may in its sole discretion permit builders to erect, place and maintain, such construction, sale and presale



facilities and construction trailers upon the Property as may be necessary or convenient in connection with construction, development and sale activities. Such facilities may include, without limitation, temporary construction or sales offices, storage areas and portable toilet facilities. Declarant and builders shall also have the temporary right to use a residence situated on a Lot as an office or model home in connection with construction and sales operations on the Property.

3.20 Signs. No signs or flags shall be displayed to the public view on any Lot without the explicit, itemized approval of the Architectural Control Committee, with the following exceptions:

(a) Declarant and builders may erect and maintain a sign or signs for the construction, development, operation, promotion and sale of the Lots;

(b) Each Owner may display up to two (2) flags not exceeding 4' x 6' in size on or at a Dwelling, which flags may include the United States flag(s), Texas state flag(s) or other state flag(s), seasonal flags (displayed no more than three [3] months during the then applicable season), flags in support of college or other athletic teams, or any other banners or flags otherwise consistent with the covenants, conditions and restrictions contained in this Declaration;

(c) One (1) sign for each candidate and/or ballot item on advertising such political candidate(s) or ballot item(s) for an election shall be permitted in accordance with Section 202.009 of the Texas Property Code, provided that:

(i) such signs may not be displayed (A) prior to the date which is ninety (90) days before the date of the election to which the sign relates, and (B) after the date which is ten (10) days after that election date;

(ii) such signs must be ground-mounted; and

(iii) such signs shall in no event (A) contain roofing material, siding, paving materials, flora, one or more balloons or lights, or any other similar building, landscaping, or nonstandard decorative component, (B) be attached in any way to plant material, a traffic control device, a light, a trailer, a vehicle, or any other existing Structure or object, (C) include the painting of architectural surfaces, (D) threaten the public health or safety, (E) be larger than four feet (4') by six feet (6'), (F) violate a law, (G) contain language, graphics, or any display that would be offensive to the ordinary person, or (H) be accompanied by music or other sounds or by streamers or is otherwise distracting to motorists; and

(d) an Owner may erect a sign, which complies with standards established from time to time by the Architectural Control Committee, in order to advertise its Lot for sale.

3.21 Offensive Activities. No noxious or offensive activity shall be conducted on any Lot nor shall anything be done thereon which is or may become an annoyance or nuisance to the

other Owners. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot, except that dogs, cats or other household pets (not exceeding three (3) adult animals at any time) may be kept, provided that they are not kept, bred or maintained for commercial purposes.

3.22 Drilling and Mining Operations. No oil drilling, water drilling or exploration or development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any Lot, nor shall oil wells, water wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any Lot. No derrick or other structure designed for use in boring for oil, natural gas or water shall be erected, maintained or permitted upon any Lot.

3.23 Duty of Construction. All construction on any Lot shall be completed no later than one (1) year following the commencement of construction. For the purposes of this Section, the term "commencement of construction" shall be deemed to mean the date on which the foundation forms are set. For purposes of this Section, construction shall be deemed completed when: all plumbing fixtures are installed and operational; all cabinet work is completed and installed; all interior walls, ceilings, and doors are completed and installed, floors have been completed (with hardwood, carpet, tile or other similar floor covering installed); and the appropriate final finish has been applied to all surfaces within the structure, such as paint, wallpaper, paneling, stain or the like.

3.24 Express Plat Requirements. Owners are deemed to be aware of all provisions of the Plat.

3.25 Development Activity. Notwithstanding any other provision hereof, Declarant and any builder of any initial Dwellings and their respective successors and assigns shall be entitled to conduct on the Property all activities normally associated with and convenient to the development of the Property, the initial construction of the Common Improvements, and the initial construction and sale of Dwellings thereon. A builder of any initial Dwellings shall have the right to leave any gates located on the Property open during any times that construction activities are permitted, without liability to any person.

#### ARTICLE IV

##### PROPERTY RIGHTS IN COMMON PROPERTIES

4.1 Title to the Common Properties. The Declarant shall dedicate and convey the fee simple title to the Common Properties to the Association prior to or upon completion of Declarant's initial construction of the Common Improvements.

4.2 Owner's Easement of Enjoyment. Subject to the provisions of Section 4.3, every Owner and every tenant of every Owner, who resides on a Lot, and each individual who resides with either of them, respectively, on such Lot shall have a non-exclusive right and easement of use and enjoyment in and to the Common Properties and such easement shall be appurtenant to and shall pass with the title of every Lot; provided, however, such easement shall not give such person the right to make alterations, additions or improvements to the Common Properties.

4.3 Extent of Owners' Rights and Easements. The rights and easements of enjoyment created hereby shall be subject to the following:

(a) The rights of the Association to adopt, amend, enforce and revoke rules and regulations governing the use, operation and maintenance of the Common Properties, including, without limitation, the authority to charge reasonable fees and the authority to assess fines against Owners violating such rules and regulations. The Association is further authorized and empowered to prohibit the use, or to limit the manner and extent of use, of the Common Properties by Owners owing unpaid fines, fees or assessments or violating rules and regulations of the Association, to the extent permitted under applicable law.

(b) The right of the Association to enter into and execute contracts with third parties (including the Declarant, any builder of the initial Dwelling on any Lot, or an affiliate of either of them) for the purpose of providing management, maintenance or other materials or services consistent with the purposes of the Association;

(c) The right of the Association, subject to approval by written consent by the Member(s) having a majority of the outstanding votes of the Association, in the aggregate, regardless of class, to dedicate or transfer all or any part of the Common Properties to any public agency, authority, or utility company for such purposes and upon such conditions as may be approved by such Members; and

(d) The right of the public to the use and enjoyment of public rights-of-way, if any, located within the Common Properties.

4.4 Restricted Actions by Owners. No Owner shall permit anything to be done on or in the Common Properties which would violate any applicable public law or zoning ordinance, which would result in the cancellation of or increase of any insurance carried by the Association, or which would be in violation of any law. No waste shall be committed in the Common Properties.

4.5 Damage to the Common Properties. Each Owner shall be liable to the Association for all damage, other than ordinary wear and tear, to the Common Properties caused by the Owner or such Owner's family, pets, tenants or other occupants of such Owner's Lot or by any guest or invitee of any of the foregoing. The Common Properties may be subject to storm water overflow, natural bank erosion and other natural or man-made events or occurrences which cannot be defined or controlled. Under no circumstances shall Declarant or the Association ever be liable, and each person hereafter becoming an Owner hereby waives any right to recovery from Declarant or the Association, for any damages or injuries of any kind or character or nature whatsoever resulting from: (i) the occurrence of any natural phenomena; (ii) the failure or defect of any structure or structures situated on or within the Common Properties, including failures or defects occurring through the negligence of contractors employed by Declarant or the Association; or (iii) any negligent or willful act, conduct, omission or behavior of any individual, group of individuals, entity or enterprise occurring on, within or related to the Common Properties.

## ARTICLE V

## HOMEOWNERS ASSOCIATION

5.1 Purposes. The Association shall have the duty and responsibility to administer and maintain the Common Properties, to maintain all commonly-owned road medians located within the Property, to discharge any maintenance obligations imposed upon it by the Plat, to discharge the additional maintenance obligations with respect to Lots and Dwellings imposed upon it by this Declaration, to procure insurance, to establish and collect assessments and to disburse collected funds as so permitted, to enforce this Declaration, and to perform any other functions imposed upon the Association by this Declaration.

5.2 Membership. Every Owner shall automatically be a Member of the Association.

5.3 Classes of Membership. The Association shall have two classes of membership:

(a) Class A. Class A Members shall be any Owner (other than Declarant) of a Lot. Each Class A Member shall be entitled to one (1) vote for each Lot owned by it.

(b) Class B. The sole Class B Member shall be Declarant. The Declarant shall be entitled to one hundred (100) votes for each Lot owned by it. Class B membership shall cease, and each Class B Member shall become a Class A Member, on the first to occur of (i) the date on which the total number of votes outstanding in the Class A membership is greater than the total number of votes outstanding in the Class B membership; or (ii) the date that is the tenth anniversary of the date of recordation of this Declaration.

5.4 Administration and Maintenance of the Common Properties; Other Maintenance Obligations. The Association shall take the actions required to care for and preserve the Common Properties. The Board of Directors shall be empowered to establish, amend and repeal rules for the use of the Common Properties. The Association shall further be obligated to perform the maintenance obligations on individual Lots required to be performed by the Association pursuant to this Declaration.

5.5 Assessments, Borrowing, Reserve Funds. The Board of Directors shall administer the assessment process described in Article VI hereof. The Board of Directors shall have the authority on behalf of the Association to borrow funds on a secured or unsecured basis without the approval of Declarant or the Members so long as the aggregate outstanding indebtedness with respect to such borrowing(s) does not exceed \$200,000.00 at any one time. Any borrowing in excess of such limitation may be made only with the prior approval of Declarant if during the Declarant Period, or if not during the Declarant Period then only with the prior approval of Members holding at least a majority of the votes of all Members. If any such borrowing is secured, the security may consist of the assignment of current or future assessments or the pledge of rights against delinquent Owners, provided, however, that the Association shall not have the power to mortgage the Common Properties. The Association may also borrow funds in accordance with Section 6.13, which shall not be applicable to or impact any of the restrictions set forth in this Section. The Board of Directors shall have the authority to establish reserve

funds in accordance with other provisions of this Declaration or for any other lawful purpose. Reserve funds shall be accounted for separately from other funds.

5.6 Disbursement of Association Funds. The Board of Directors shall have the exclusive right to authorize the Association to contract for all goods, services, and insurance and to hold and disburse Association funds in payment therefore.

5.7 Management Agreements. The Association shall be authorized to enter into management agreements with third parties in connection with the performance of its obligations hereunder.

5.8 Declaration Enforcement. If, as and when the Board of Directors, in its sole discretion, deems necessary, it may cause the Association to take action to enforce the provisions of this Declaration and any rules made hereunder and to enjoin and/or seek damages from any Owner for violation thereof

5.9 Liability Limitations. Neither any Member nor the Board of Directors (or any member thereof) nor any officer of the Association shall be personally liable for debts contracted for or otherwise incurred by the Association or for the negligence, willful misconduct or other tort of another Member, whether such other Member was acting on behalf of the Association or otherwise. Neither the Declarant nor the Association nor their respective directors, officers, agents or employees shall be liable for any incidental or consequential damages for failure to inspect any premises, improvements or portion thereof or for failure to repair or maintain the same. Each Owner further acknowledges that neither Declarant, nor Builder, nor the Association, nor their respective members, partners, managers, directors, officers, agents or employees will have any responsibility or liability for the safety or security of any person or property with respect to any acts or omissions of any third parties, including criminal acts.

## ARTICLE VI

### ASSESSMENTS

6.1 Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Property, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association annual assessments, special assessments, and other charges to be established and collected as provided herein. The obligation of each Owner(s) of a Lot to pay such assessments and charges, together with interest thereon for past due payments at a rate or rates of interest determined and established from time to time by the Association (which rate or rates shall in no event exceed the maximum lawful rate of interest permitted under Texas law from time to time prevailing), late charges (in an amount or amounts determined and established from time to time by the Association), and costs incurred by the Association in connection with the collection of any of the foregoing assessments, charges, and other sums, or in connection with the enforcement of this provision, including without limitation reasonable attorneys' fees incurred by the Association in connection therewith, shall be a continuing charge and lien upon each such Lot as a covenant running with the land, and any such assessments,

interest, costs and other charges assessed or charged and remaining unpaid with respect to any Lot shall constitute a lien and encumbrance on such Lot until the same is paid in full. Declarant hereby reserves such a lien upon each Lot in the name of and for the benefit of the Association. Such lien shall constitute a contractual lien, and a power of sale is hereby granted with respect to such lien for the benefit of the Association as hereinafter set forth. Each such assessment or other charge, together with interest, late charges, costs of collection and reasonable attorney's fees, shall also be the personal obligation of the person who is the Owner of such Lot at the time the assessment or other charge comes due (the "Personally Obligated Owner"); but personal liability for payment of delinquent assessments or other charges shall not pass to successors in title to the Personally Obligated Owner unless expressly assumed by them.

6.2 Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents of the Property and in particular for:

(a) (i) the improvement and maintenance of the Common Properties within the Property or any other maintenance necessary or desirable for the use and enjoyment of the Common Properties, and the Association Lot Maintenance (as defined in Section 7.1(a) hereof). Notwithstanding the foregoing, no maintenance performed by an Owner shall reduce the assessment payable by him or her to the Association;

(b) the maintenance, repair and reconstruction, when needed as determined by the Association, of (i) private water and/or sewer lines (and any meters associated therewith) serving any part of the Common Properties, and driveways, walks, and parking areas situated in the Common Area, if any, and (ii) city maintained water and/or sewer lines (and any meters associated therewith) serving any Lot;

(c) the payment of taxes and public assessments assessed against the Common Properties;

(d) the procurement and maintenance of insurance in accordance with this Declaration;

(e) the employment of attorneys to represent the Association, when necessary or desirable;

(f) the provision of adequate reserves for the restoration or replacement of capital improvements; including, without limiting the generality of the foregoing, roofs, paving, foundations and any other major expense for which the Association is responsible; and

(g) such other needs as may arise in the performance of the Association's obligations under this Declaration.

The assessments the Association is authorized to levy under this Section 6.2 and under other applicable provisions of this Declaration shall include, but shall not be limited to, the costs and expenses incurred or to be incurred by the Association in managing, administering, paying

for, performing or contracting for the performance of any of the items listed in subparagraphs (a) through (g) above.

6.3 Reserves. The Association may establish and maintain an adequate reserve fund for the periodic maintenance, repair, restoration and/or replacement of (a) improvements in the Common Areas, (b) the front yard (including landscaping and hardscape installed by the Declarant or the Association) located outside of fenced-in areas of the Lots for which the Association is liable to maintain pursuant to this Declaration (but in no event is the Association liable or responsible to maintain, repair, restore or replace any improvements or landscaping installed by an Owner of a Lot in such front yard area which has not been approved in writing by the ACC); (c) exterior and structural portions of Dwellings (including, without limitation roof sheer walls) for which the Association is obligated to maintain pursuant to this Declaration, and (d) those other portions of the Property which the Association may be obligated to maintain. If established, such reserve fund shall be established and maintained, insofar as is practicable, out of regular assessments for common expense.

6.4 Regular Assessments.

(a) The Board of Directors shall cause to be prepared an estimated annual budget for each fiscal year of the Association, taking into account all anticipated common expenses, the amount that should be set aside for unforeseen contingencies, the amount that should be set aside for capital improvements, the anticipated income, if any, of the Association from sources other than assessments, and the existence of any surplus or deficit remaining from the preceding year's budget. Included in the proposed budget shall be the proposed regular annual assessment for such fiscal year for each Lot based on the common expenses of the Association, which shall be assessed and charged against each Lot (the "Subdivision Regular Assessment"). The proposed annual budget and the proposed Subdivision Regular Assessment against each Lot for each fiscal year shall be approved and adopted by the Board of Directors. A copy of the proposed budget, including the Subdivision Regular Assessment against each Lot, shall be furnished to each Owner at least thirty (30) days prior to the earlier to occur of (i) the day that the Board of Directors adopts the budget and the Subdivision Regular Assessment against each Lot, or (ii) the beginning of each fiscal year of the Association. Copies of the proposed budget shall also be available to all Members for inspection during regular business hours at the Association's office during the same periods.

(b) The initial Subdivision Regular Assessment for Lots for the 2014 calendar year is \$1,140.00 per Lot per year, to be billed in equal monthly installments of \$95.00 per lot per month. The Subdivision Regular Assessment may be increased, decreased or maintained at its then current level by the Board of Directors effective January 1st of each year without a vote of membership, but subject to the following limitations: if an adopted budget requires a Subdivision Regular Assessment against the Owners in any fiscal year exceeding one hundred twenty-five percent (125%) of the Subdivision Regular Assessment levied during the immediately preceding fiscal year, then upon written petition of Owners holding at least fifty-one percent (51%) of the votes of all Members of the Association that is received by the Board of Directors within fourteen (14) days after such budget was adopted, the Board of Directors shall call a meeting of the Members of the Association to consider the budget. When the meeting is

held, regardless of whether or not a quorum is actually present at such meeting, the budget shall be deemed ratified by the Members of the Association unless enough votes are cast at such meeting in favor of rejecting the budget to qualify as a majority of all the votes that could have been cast at such meeting, if all Members had been present in person or by proxy at such meeting. In the event that the Board of Directors shall not approve an estimated annual budget or shall fail to determine new Subdivision Regular Assessment for any year, or shall be delayed in doing so, each Owner shall continue to pay the amount of such Owner's Subdivision Regular Assessment as last determined. Notwithstanding the foregoing, the Class B Member's liability for assessments of any kind under this Declaration shall be only as provided in Section 6.12 of this Declaration.

(c) Regular annual assessments shall be paid ratably on such monthly, quarterly or other basis as shall be established from time to time by the Board of Directors. The due dates shall be established by the Board of Directors. Once the regular annual assessment for a fiscal year has been established by the Board of Directors, written notice of the monthly or other periodic payment amount with respect to such assessment shall be sent to every Owner subject thereto by the Association. The Association shall, within ten (10) business days after a request therefor and for a reasonable charge, furnish a certificate signed by an officer of the Association, setting forth whether the assessments on a specified Lot have been paid.

(d) Notwithstanding anything in this Section 6.4 to the contrary, if any amount is assessed against a Lot in accordance with Section 7.1(b) as a result of damage that was caused to said Lot, the Structure that is located partially on such Lot, or to some other part of the Property by the willful or negligent act(s) of the Owner of the assessed Lot, such amount shall not be considered or counted in determining whether a Subdivision Regular Assessment has been made against such assessed Lot under paragraphs (a) or (b) of this Section.

6.5 Special Assessments. In addition to the Subdivision Regular Assessment authorized above and any other special assessments authorized by other provisions of this Declaration, the Association may levy in any assessment year a special assessment to Class A Members applicable to that year only for the purpose of supplying adequate reserve funds for the restoration and/or replacement of capital improvements or for defraying in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, provided that any such assessment shall require the assent of (i) Declarant, if during the Declarant Period, or (ii) a majority of the votes of the Members who are present in person or by proxy at a meeting duly called for this purpose, if after the Declarant Period.

6.6 Notice and Quorum for Certain Actions Authorized Under Sections 6.4 or 6.5. Written notice of any meeting of Members called for the purpose of taking any action authorized under Sections 6.4 or 6.5 shall be sent to all Members not less than ten (10) days nor more than sixty (60) days in advance of the meeting. At a meeting called for the purpose of considering a special assessment under Section 6.5, the presence of Members or of proxies entitled to cast twenty-five percent (25%) of all the votes of all Members shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be fifteen percent (15%)



of all the votes of all Members. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

6.7 No Offsets; Uniform Rate of Assessment. All assessments shall be payable in the amount specified by the Association, and, except as may otherwise be expressly provided herein, no offsets against such amount shall be permitted for any reason. Both annual and special assessments shall, except as otherwise specifically provided herein, be fixed at a uniform rate for all Lots.

6.8 Effect of Nonpayment of Assessments; Remedies of the Association. The Board of Directors may from time to time establish an administrative late charge in such amount as the Board of Directors may from time to time determine to be added to any assessment not paid within such time period after its due date as the Board of Directors may from time to time determine. Interest on any unpaid assessment shall accrue from its due date (or such later date as may be established from time to time by the Board of Directors) until paid at a rate of interest per annum (not exceeding the maximum rate allowed from time to time by applicable law) that the Board of Directors may from time to time establish. The Association may bring an action at law against the Personally Obligated Owner or foreclose the lien against the Lot(s) subject to the unpaid assessments or other charges, and in either event, the Association shall be entitled to recover the unpaid assessment or other charges, the late charge and interest specified above, and any expenses and reasonable attorney's fees incurred by the Association in prosecuting such foreclosure and/or such collection. Each Owner of any Lot by acceptance of a deed therefore hereby grants to the Association a power of sale with respect to such Owner's Lot in connection with the enforcement of the lien established by this Article VI, together with the right to appoint and remove a trustee and any number of substitute trustees and to cause the trustee or substitute trustee to foreclose the Association's lien against such Lot pursuant to a non-judicial foreclosure sale conducted in accordance with the provisions of section 51.002 of the Texas Property Code, as from time to time amended, or its successor provision. However, nothing herein shall prevent the Association from seeking a judicial foreclosure of such lien or any other right or remedy available to the Association with respect to any amounts owed hereunder. No Owner may waive or otherwise escape liability for any assessment provided for herein by non-use of the Common Properties or abandonment of his Lot.

6.9 Subordination of the Lien to Mortgages and Ad Valorem Taxes. The Association's lien for unpaid assessments shall be subordinate to the lien of any first mortgage or lien, and also shall be subordinate to a lien for ad valorem taxes. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage or tax foreclosure, or any transfer in lieu thereof, shall extinguish the lien of such assessments as to payments that became due prior to such sale or transfer. No such sale or transfer shall relieve such Lot from liability of any assessments thereafter becoming due or from the lien thereof.

6.10 Working Capital Fund. Every time a Lot is sold to a purchaser who, as a result of such sale, will become a Class A Member an additional assessment equal to \$200.00 for such Lot (the "Capitalization Fee") shall be collected from the purchaser of such Lot and transferred to the Association to be held as a working capital fund. The purpose of said fund is to ensure that the Association will have adequate cash available to meet expenses contemplated herein, as well as

unforeseen expenses, and to acquire additional equipment or services deemed necessary or desirable. Amounts so paid into the working capital fund shall not be considered an advance payment of any Subdivision Regular Assessment, special assessment or other assessments which may be due with respect to such Lot.

6.11 Evidence of Lien. To evidence the Association's lien for unpaid assessments provided for in this Article VI, the Association may prepare a written notice of the lien setting forth the amount of the unpaid indebtedness, the name of the Owner(s) of the Lot covered by such lien, and a legal description of the Lot covered by such lien. Such notice shall be executed by an officer of the Association and shall be recorded in the real property records of the county in which such Lot is located. Notwithstanding the foregoing, any failure by the Association to record a notice as provided herein with respect to any Lot shall not prevent or otherwise affect the Association's right or ability to seek collection of the assessment from the Personally Obligated Owner or to enforce the lien against the Lot.

6.12 Class B Assessments. The sole liability of the Class B Member for assessments under this Declaration shall be as provided in this Section. The Class B Member shall pay to or for the benefit of the Association in each calendar year during the Declarant Period an amount equal to 25% of the Common Area Costs per Lot (as defined below) for such calendar year with respect to each Lot owned by the Class B Member during such calendar year, which amount shall be prorated for any Lot owned by the Class B Member for less than the full calendar year. For purposes of this Section, the "Common Area Costs per Lot" shall mean (i) all costs and expenses incurred by the Association during such calendar year less all such costs and expenses that are directly related to Lots or Dwellings, divided by (ii) the total number of Lots. With respect to any portion of the Declarant Period falling within a calendar year for less than the entire calendar year, references in this Section to a "calendar year" shall be deemed to refer to only such portion of the Declarant Period falling within such calendar year.

6.13 Advances by Declarant during Declarant Period. In order to maintain the Common Properties and sustain the services contemplated by Declarant during the Declarant Period, Declarant may, in its sole discretion, provide amounts in excess of the funds raised by the regular assessments in order to maintain the Common Properties within reasonable standards. Any such advances made by Declarant during the Declarant Period shall be a debt of the Association to the advancing party. Notwithstanding the foregoing, Declarant, in its sole discretion, may cause the Association to borrow any deficiency amount from a lending institution at the then prevailing rate for such a loan in Denton County, Texas.

## ARTICLE VII

### EXTERIOR LOT MAINTENANCE AND PARTY WALLS

7.1 Exterior Maintenance; Use Restriction; Individual Assessments for Culpable Acts; Creation of Easement to Perform. The covenants, conditions, restrictions and terms set forth in this Article VII shall apply and affect the Lots, Dwellings, Structures and Land and Owners thereof, or Members owning such Lots, Structures and/or Land. A Maintenance Responsibility Chart is attached hereto as Exhibit B for general reference only; provided that to

the extent that the terms of this Declaration conflict with or contradict the Maintenance Responsibility Chart, the terms of the Declaration shall control.

(a) The Association shall provide exterior maintenance upon each Lot as follows (the "Association Lot Maintenance Obligations"):

- (i) Paint and/or stain the exterior of the Dwelling;
- (ii) repair, replace and care for roof sheer walls, exterior building surfaces, exterior post lights (excluding electricity therefor), and other exterior improvements (to the extent not performed by the Owners in accordance with Section 7.2 hereof); and
- (iii) repair, replace and care for grass, trees and shrubs, walks, fences and screening walls installed by Declarant or the Association and located outside of fenced-in areas in the front yard of the Lots, including, without limitation, cutting and removal of weeds and grass and the removal of trash and rubbish from a Lot.

Notwithstanding the foregoing, the Association Lot Maintenance Obligations shall not include structural components of the Dwellings or Structures on a Lot, or glass surfaces, sheetrock or plaster within a Dwelling, or any improvements installed by an Owner (or a previous Owner) located within the front yard area created by any privacy fence, or any vegetation planted within such front yard area by an Owner (or a previous Owner), or any air conditioning or heating units, HVAC systems, plumbing systems, water heaters and/or electrical systems within, affixed or appurtenant to any Dwelling, and such Owner shall be solely liable and responsible for the maintenance, repair, replacement and/or reconstruction of such items. Each Owner shall be solely liable and responsible for, and the Association Lot Maintenance Obligations shall in no event include, any maintenance, repair, replacement, care, or reconstruction of any items within or which are part of a Dwelling for which such Owner is liable hereunder caused by roof or plumbing leaks.

Furthermore, an Owner shall not do any of the following without the prior written consent of the Board of Directors or the Architectural Control Committee: (i) allow vegetation planted within the enclosed yard area to grow above the top of any privacy fence; or (ii) erect, build or construct improvements within the enclosed yard area that extend above the top or beyond the boundaries of any privacy fence.

(b) In the event that the need for an item or items of maintenance, restoration or repair is caused by the willful or negligent act or omission of the Owner, his family, guests or invitees, including but in no way limited to the Owner's willful or negligent failure to comply with any restriction, covenant or agreement contained in this Declaration, the cost of such maintenance, restoration and/or repairs shall be assessed only against the Lots owned, in whole or in part, by such Owner (i.e., not uniformly against all Lots), and the lien for any such assessment that is not paid when due shall attach to each Lot then owned by such Owner. The Association is hereby granted an easement right of access to go upon any Lot for the

performance of maintenance and repairs that an Owner refuses to perform after written notice is given by the Association of exercise of such right.

## 7.2 Party Walls.

(a) General Rules of Law to Apply. Each wall which is built as a part of the original construction of the Dwellings upon the Property and placed on the dividing line between two (2) Lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law of the State of Texas regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto. No alterations may be made to any party wall other than non-structural alterations to the interior surfaces of such walls (i.e., the surfaces of such walls facing the interior of a Dwelling); provided, however, that under no circumstances shall any alterations or attachments be made to any party wall surface that would create or result in the creation of any in-the-wall alarms, whether as a part of a security system or otherwise, or any other device, item, component or system designed for the creation or emission of sound.

(b) Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall, including related structural components of a Dwelling, shall be shared by the Owners who make use of the wall in proportion to such use.

(c) Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereon in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions. In addition hereto, prior to the commencement of any repairs or restoration to the Lot, the Owner must comply with any and all provisions as are set forth in Article VIII below.

(d) Weatherproofing. Notwithstanding any other provision of this Article, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall weatherproof the exposed portion of the wall against the elements and shall bear the whole cost of such weatherproofing.

(e) Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

(f) Dispute Resolution. In the event of any dispute arising concerning a party wall under the provisions of this Article, each such dispute will be resolved by means of the applicable dispute resolution provisions of Article XI of this Declaration.

## ARTICLE VIII

### ARCHITECTURAL CONTROL COMMITTEE

8.1 Architectural Control Committee. During the Declarant Period, Declarant shall establish and appoint all members to serve on the Architectural Control Committee (herein so called and sometimes also referred to herein as the "Committee"), and thereafter, the committee shall be composed of three individuals selected and appointed by the Board of Directors. The Committee shall function as the representative of the Association. The Committee shall exist and act for the purposes herein set forth as well as for all other purposes consistent with the creation and preservation of a first-class residential development. Any one or more of the members of the Committee may be removed from the Committee, with or without cause, by the Declarant during the Declarant Period, and thereafter by the Board of Directors. A majority of the Committee may designate a member to act for it. No member of the Committee shall be entitled to any compensation for services performed hereunder nor be liable for claims, causes, causes of action or damages (except where occasioned by gross negligence or willful misconduct) arising out of services performed pursuant to this Declaration.

8.2 Architectural Approval.

(a) Architectural Guidelines. The Committee may, from time to time at its election, publish and promulgate architectural guidelines (the "Architectural Guidelines"), which shall supplement these Covenants and Restrictions and shall be deemed incorporated herein by reference. The Committee shall have the right from time to time to amend the Architectural Guidelines, provided such guidelines, as amended, shall be in keeping with the overall quality, general architectural style and design of the community. The Committee shall have the authority to make final decisions in interpreting the general intent, effect and purpose of those matters for which it is responsible in accordance with these Covenants and Restrictions. The Committee shall endeavor to promulgate the Architectural Guidelines in such a manner that only materials complying with all applicable laws and regulations are specified therein, but each Owner of a Lot (and not the Committee) is responsible for complying with such laws and regulations on his respective Lot. If the Committee should be advised that materials specified by the Architectural Guidelines do not comply with applicable laws or regulations, the Committee shall use reasonable efforts to inquire into the nature of the non-compliance and to make appropriate revisions of the Architectural Guidelines.

(b) Required Approval. No building, structure, paving, pools, fencing, hot tubs or improvement of any nature shall be erected, placed or altered on any Lot until the site plan showing the location of such building, structure, driveway, paving or improvement, construction plans and specifications thereof and landscaping and grading plans therefor have been submitted to and approved in writing by the Committee as to: (i) location with respect to Lot lines, setback lines and finished grades with respect to existing topography, (ii) conformity and harmony of external design, color, and texture with existing structures and existing landscaping, (iii) quality of materials, adequacy of site dimensions, and proper facing of main elevation with respect to nearby streets; and (iv) the other standards set forth within this Declaration or the Architectural Guidelines. The Committee is authorized to request the submission of samples of proposed construction materials or colors or proposed exterior surfaces.

(c) Procedure. Final plans and specifications shall be submitted in duplicate to the Committee by the Owner for approval or disapproval. If such plans and specifications meet the approval of the Committee, one complete set of plans and specifications will be retained by the Committee and the other complete set of plans will be marked "Approved" and returned to the Owner. If such plans and specifications do not meet the approval of the Committee, one set of such plans and specifications shall be returned marked "Disapproved", accompanied by a reasonable statement of the reasons for such disapproval. Any modification or change to the approved set of plans and specifications or to construction or reconstruction pursuant thereto which materially affects items (i) through (iv) of the preceding paragraph must again be submitted to the Committee, for its review and approval. The Committee's approval or disapproval as required herein shall be in writing. If the Committee fails to approve or disapprove such plans and specifications within thirty (30) days after they have been submitted to it, then the Owner shall notify the Board of Directors of such failure. If the Committee thereafter fails to approve or disapprove such plans and specifications within ten (10) days after the Owner's notice is given to the Board of Directors, then Committee approval shall be presumed.

(d) Committee Discretion. The Committee is authorized and empowered to consider and review any and all aspects of Dwelling construction, construction of other improvements and location, quality and quantity of landscaping on the Lots, and may disapprove aspects thereof which may, in the discretion of the Committee, adversely affect the living enjoyment of one or more Owner(s) or the value of the Property. As an example, and not by way of limitation, the Committee may impose limits upon the location of window areas of one Dwelling that would overlook the enclosed patio area of an adjacent Dwelling. Also, the Committee is permitted to consider technological advance in design and materials and such comparable or alternative techniques, methods or materials may or may not be permitted, in accordance with the reasonable opinion of the Committee. The action of the Committee with respect to any matter submitted to it shall be final and binding upon the Owner submitting such matter, subject to the provisions of Article XI hereof.

(e) Common Improvements. Declarant shall not be required to obtain Committee approval of the initial Common Improvements.

8.3 Variances. Upon submission of a written request for same, the Committee may, from time to time, in its sole discretion, permit Owners to construct, erect, or install improvements which are in variance from the Architectural Guidelines or covenants or restrictions provided in this Declaration. In any such case, variances shall be in basic conformity with and shall blend effectively with the overall quality, general architectural style and design of the community. No member of the Committee shall be liable to any Owner for any claims, cause of action, or damages arising out of the grant of, or the refusal to grant, any variance to an Owner. Each request for a variance submitted hereunder shall be reviewed separately and apart from other such requests and the granting of a variance to any Owner shall not constitute a waiver of the Committee's right to strictly enforce this Declaration against any other Owner.

8.4 Nonconforming and Unapproved Improvements. The Board of Directors may require any Owner to restore such Owner's improvements to the condition existing prior to the

construction thereof (including, without limitation, the demolition and removal of any unapproved improvement) if such improvements were commenced or constructed in violation of this Declaration, including the Architectural Guidelines. In addition, the Board of Directors may, in its sole discretion, cause the Association to carry out such restoration, demolition and removal if the Owner fails to do so. The Board of Directors may levy the amount of the cost of such restoration, demolition and removal as a special assessment against the Lot upon which such improvements were commenced or constructed (without the necessity of Member approval) and shall have all the rights and remedies to enforce collection thereof provided by law and by this Declaration. Dwellings or other improvements initially constructed in accordance with these Covenants and Restrictions and having received any necessary approval of the Architectural Control Committee in connection with their initial construction, may be repaired, maintained and restored in accordance with the standards in force at the time of their initial construction, notwithstanding any subsequent amendment or revision of these Covenants and Restrictions or the Architectural Guidelines. If such Dwellings or other improvements are totally destroyed or totally replaced, the new Dwellings or other new improvements must conform to the Covenants and Restrictions and the Architectural Guidelines in force at the time of their construction.

8.5 Foundation Form Survey. After setting forms for the pouring of concrete for any foundation on a Lot, but before pouring any concrete for such foundation or otherwise proceeding with construction of such foundation, each Owner shall cause a foundation form survey to be prepared by a licensed surveyor and submitted to the Committee for approval. The foundation form survey shall depict the location of the foundation form in relation to all Lot lines, setback lines and easement lines affecting such Lot. If the foundation form survey reflects the violation of any Lot or setback line or any violation of this Declaration, the Owner shall cause the violation to be cured before performing any further work on the Lot. No Owner shall proceed further with construction until the foundation form survey has been approved. If an Owner fails to obtain a foundation form survey before constructing improvements on a Lot, the improvements shall be deemed unapproved improvements and the provisions of Section 8.4 hereof shall apply to such improvements. Without limited any other rights or remedies available under this Declaration with respect to such Owner and Lot, the Board of Directors shall have the right to cause an appropriate survey (the "Substitute Survey") of the Lot and the improvements thereon to be made and shall have the right to recover from the Owner of such Lot its expenses incurred in obtaining the Substitute Survey as a special assessment against such Lot (without the necessity of Member approval). If the Substitute Survey reflects violations of any Lot line or setback line or any violation of this Declaration, the Board of Directors shall have all of the rights provided in Section 8.4 hereof to cause the violation to be corrected, including the right to require the demolition and removal of the unapproved improvements. If an Owner fails to comply with the provisions of this Section 8.5, any failure on the part of the Board of Directors to promptly obtain a Substitute Survey or to promptly require the demolition or removal of the unimproved improvements shall not result in a waiver or diminution of the rights of the Board of Directors hereunder or give rise to any claim or defense in favor of the Owner of the unimproved improvements.

8.6 No Liability. Neither Declarant, the Association, the Committee, the Board of Directors, nor the officers, directors, members, employees or agents of any of them, shall be liable in damages to anyone submitting plans and specifications to any of them for approval, or

to any Owner by reason of mistake in judgment, negligence, or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve or disapprove any such plans or specifications. Every person who submits plans or specifications and every Owner agrees that he will not bring any action or suit against Declarant, the Association, the Committee, the Board of Directors, or the officers, directors, members, employees or agents of any of them, to recover any such damages and hereby releases, remises, and quitclaims all claims, demands and causes of action arising out of or in connection with any actual or alleged mistake of judgment, negligence or nonfeasance and hereby waives the provisions of any law which provides that a general release does not extend to claims, demands and causes of action not known at the time the release is given. Approval of plans and specifications by the Committee is not approval thereof for engineering or structural design or adequacy of materials. By approving such plans and specifications neither the Committee, the members thereof, the Declarant, the Association nor the Board of Directors assumes liability or responsibility for safety or adequacy of design, compliance with these Covenants and Restrictions, or for any defect to any structure constructed from such plans and specifications.

## ARTICLE IX

### INSURANCE AND INDEMNITY

9.1 Association Insurance Coverage. The Association shall obtain insurance coverage on the Property in accordance with the following provisions:

(a) Purchasing Policies; Primary Coverage. The Board of Directors or its duly authorized agent shall have the authority to purchase and shall purchase insurance policies upon the Property sufficient to provide the coverages required by this Section 9.1, for the benefit of the Association and the Owners and their mortgagees, as their interest may appear, and provisions shall be made for the issuance of certificates of mortgage endorsements to the mortgagees of Owners. All policies shall be written with a company licensed to sell insurance in the State of Texas. Except as provided in Section 9.3, in no event shall the insurance coverage obtained and maintained by the Association hereunder be brought into contribution with insurance purchased by individual Owners, Lot occupants, or their mortgagees, and the insurance carried by the Association shall be primary.

(b) Casualty.

(i) Common Properties. All buildings and improvements upon the Common Properties and all personal property of the Association located in or upon the Common Properties and/or used to maintain the Common Properties (but specifically excluding any Dwellings and Lots and other improvements thereon) shall be insured by the Association in an amount equal to one hundred percent (100%) insurable replacement value as determined annually by the Association with the assistance of the insurance company providing coverage. Such insurance shall be charged as a common expense to all Owners and shall be included in the Subdivision Regular Assessment. Such coverage shall provide protection against:



(A) Loss damage by fire and other hazards covered by a standard extended coverage endorsement; and

(B) Such other risks, as determined from time to time, as are customarily covered by casualty policies with respect to buildings of the type then existing on the Common Properties.

(ii) Lots. All buildings and improvements located on any Lot and all personal property of the Association located in or upon a Lot and/or used by the Association to maintain the Lots (including but not limited to Dwellings and other improvements on such Lots) shall be insured by the Association in an amount equal to one hundred percent (100%) insurable replacement value as determined annually by the Association with the assistance of the insurance company providing coverage. Such insurance shall be charged as a common expense to the Owners of Lots only as shall be included in the Subdivision Regular Assessment. Such coverage shall provide protection against:

(A) Loss damage by fire and other hazards covered by a standard extended coverage endorsement; and

(B) Such other risks, as determined from time to time, as are customarily covered by casualty policies with respect to buildings of the type then existing on the Property.

(c) Liability. Public liability insurance shall be secured by the Association with limits of liability of not less than One Million Dollars (\$1,000,000.00) per occurrence and shall include an endorsement to cover liability of the Owners as a group to a single Owner. There shall also be obtained such other insurance coverage as the Association shall determine from time to time to be necessary or desirable.

(d) Policy Terms. The Association shall make every reasonable effort to ensure that all policies purchased by the Association contain clauses, endorsements or agreements providing:

(i) for waiver of subrogation;

(ii) that no policy may be canceled or substantially modified without at least ten (10) days' prior written notice to the Association;

(iii) that the "other insurance" clause in any such policy excludes individual Owners' policies from consideration; and

(iv) for a deductible of no greater than such amount per occurrence as shall from time to time be determined by the Board of Directors.

(e) Premiums. Premiums for insurance policies purchased by the Association shall be paid by the Association and shall be charged to Owners as part of the regular annual assessment described in Article VI above.

(f) Proceeds. All insurance policies purchased by the Association shall be for the benefit of the Association and the Owners and their mortgagees, as their interest may appear, and shall provide that all proceeds thereof shall be payable to the Association as insurance trustee under this Declaration. Exclusive authority to adjust losses under policies obtained by the Association shall be vested in the Board of Directors, provided, however, that no mortgagee having an interest in such losses shall be prohibited from participating in the settlement negotiations, if any, related thereto. Upon the payment of proceeds to the Association under any policy, the sole duty of the Association as insurance trustee shall be to receive such proceeds as are paid and to hold the same in trust for the purpose stated herein or stated in the Bylaws of the Association and for the benefit of the Owners and their mortgagees in the following shares:

(i) Proceeds on account of damage to the Common Properties shall be held for the Association.

(ii) Proceeds on account of damage to Lots shall be held in undivided shares for the Owners to such damaged Lots in proportion to the cost of repairing the damage suffered by each Owner, which cost shall be determined by the Association.

(iii) In the event a mortgagee or lender loss payable endorsement has been issued for any Lot, the share of the Owner shall be held in trust for the mortgagee and the Owner as their interests may appear.

9.2 Distribution of Insurance Proceeds Received by Association. Proceeds of insurance policies received by the Association as insurance trustee shall be distributed to or for the benefit of the beneficial Owners in the following manner:

(a) Expense of the Trust. All expenses of the insurance trustees shall be first paid or provisions made therefor.

(b) Reconstruction or Repair. The remaining proceeds shall be paid to defray the cost incurred by the Association of performing or obtaining the performance of the repairs, reconstruction or replacement of the damaged improvement(s) or other property, and the Association shall ensure that all mechanic's liens, materialmen's liens or other such liens which may result from such reconstruction, replacement or repair work are waived, satisfied or otherwise removed. Any proceeds remaining after defraying such costs shall be distributed as provided in Section 9.1(f).

In the event that the proceeds are insufficient to fully restore, repair or replace the loss or damage, the Association may levy an assessment to cover the deficiency.

9.3 Insurance Policies of Owners. Notwithstanding the preceding provisions of this Article IX, each Owner of a Lot who is a Class A Member of the Association, at such Owner's sole expense, shall maintain the insurance coverage required by this Section 9.3. Each such Owner of a Lot shall be responsible for maintaining at all times a policy or policies of insurance for the purpose of insuring for their full replacement value (a) all improvements made to the interior of such Owner's Dwelling, including but not limited to wall coverings, painting, flooring, carpeting, and cabinetry, and all fixtures attached to such Owner's Dwelling, and (b) all of the Owner's personal property located in or about such Owner's Dwelling. However, the minimum level of such coverage for the items described in clause (a), above, shall be \$150,000.00 or such other minimum amount as the Board of Directors may from time to time determine. Each such Owner of a Lot shall further be responsible for maintaining general liability coverage in a minimum amount of \$1,000,000.00 or such other minimum amount as the Board of Directors may from time to time determine. The deductible for each policy of casualty insurance required to be maintained by this Section shall not exceed One Percent (1%) of the insured replacement value of the property covered by such policy, or such other amount as the Board of Directors may from time to time determine. The Board shall review the minimum levels of coverage and the deductible specified in, or in accordance with, this Section on at least an annual basis, and shall make adjustments to any of such amounts as and when it deems appropriate.

Each policy maintained in accordance with this Section shall contain a loss assessment endorsement and shall be written by an insurer that is licensed to sell insurance in the State of Texas and is acceptable to the Association. Each Owner of a Lot covered by this Section shall provide the Association with a certificate of insurance certifying the coverage required by this Section, and a similar certificate shall be provided to the Association in connection with each renewal or replacement policy obtained by such Owner. Each certificate shall provide that the applicable insurance company will use reasonable efforts to notify the Association of any cancellation or termination of such coverage. In the event that an Owner of a Lot fails to maintain the insurance coverage required by this Section then, in addition to any other remedies available to the Association, the Association may purchase a policy or policies on such Owner's behalf meeting the requirements of this Section and the cost thereof shall be repaid by such Owner to the Association upon demand. The Association shall have all rights under Article VI of this Declaration with respect to the collection and enforcement of such debt as it does with respect to the collection and enforcement of any assessment imposed in accordance with this Declaration. Each Owner of a Lot shall indemnify the Association and each other Owner against any loss or damage, including related costs and attorney's fees, resulting from any failure on the part of such Owner to maintain the insurance coverage required by this Section. The Association shall not have any responsibility under any of the other provisions of this Article IX to maintain any of the insurance required by this Section, and in the event of any conflict between any of the provisions of this Section and any of the other provisions of this Article IX, the provisions of this Section shall control. The insurance maintained by an Owner of a Lot in accordance with this Section shall be primary with respect to the matters covered thereby.

9.4 Optional Insurance Coverage of Owners. In addition to the insurance required by Section 9.3, Owners may, at their option, obtain insurance coverage at their own expense for their personal liability and living expense and such other coverage as they may desire.

## ARTICLE X

### EASEMENTS

All of the Property, including Lots and Common Areas, shall be subject to such easements for driveways, walkways, parking areas, water lines, sanitary sewers, storm drainage facilities, gas lines, telephone, and electric power line and other public utilities as shall be established by the Declarant or by its predecessors in title, prior to the subjecting of the Property to this Declaration; and the Association shall have the power and authority to grant and establish upon, over, under, and across the Common Areas conveyed to it, such further easements as are requisite for the convenient use and enjoyment of the Property. In addition, there is hereby reserved in the Declarant and its agents and employees an easement and right of ingress and egress across all Common Areas, now or hereafter existing, for the purpose of construction and repairing of improvements within the Property, including the right of temporary storage of construction materials on said Common Areas.

All Lots and the Common Area shall be subject to easements for the encroachment, and subject to easements for the maintenance by the Association or applicable Owner responsible for maintenance thereof, of initial improvements constructed on adjacent Lots by the Declarant and the Common Improvements to the extent that such initial improvements and Common Improvements actually encroach including, but not limited to, such items as overhanging eaves, privacy fences and party walls, and masonry columns constructed by Declarant as part of the perimeter wall or fencing within portions of the Common Area and adjacent Lots.

Declarant also reserves access easements over all Lots for construction, either for that Lot or any adjacent Lot or property, and easements over all Common Areas for the installation of public or private utilities and storm drainage (whether subsurface or surface), which easements may serve the Property or any adjacent property or properties (whether such adjacent property is owned by Declarant or a third party).

There are reserved cross-easements in favor of Owners of Lots that comprise a Structure for access to and from each other Lot comprising the Structure and the Common Area adjacent to the Lots comprising the Structure, including, but not limited to the transportation of roll-out garbage containers; however, this does not include access to approved decks, patios or areas with approved fences.

To the extent Declarant deems it necessary or appropriate to execute and file in the appropriate public records any instrument to specifically evidence, identify and/or establish of record any easement reserved generally herein, Declarant is and shall be authorized to grant such easements, in its own name or in the name of the Association, and to execute and record written evidence of the same, without the approval or joinder of any other party, including, but not limited to, the Association, so long as Declarant holds record title to the Common Area. After the conveyance by Declarant to the Association of record title to the Common Area, any such written easement shall be given, if at all, by the Association and shall require the signature of the

President of the Association (or any other duly authorized officer of the Association) or, if not the President or other officer duly authorized, then all of its Directors. Any third-party relying on a written and recorded easement instrument granted either by the Declarant or by the Association shall be entitled to rely upon any and all recitations set forth therein as true and correct statements of fact as to ownership of the Common Area and the authority of the person or party executing such easement instrument, and the same shall be deemed presumptively true, correct and legally binding for all purposes on all properties affected thereby, including any Lot(s) or portion(s) of the Common Area described therein or encumbered thereby.

## ARTICLE XI

### DISPUTE RESOLUTION AND LIMITATIONS ON LITIGATION

11.1 Agreement to Limit Rights to Litigate Disputes. Claims, grievances, matters of dispute or disagreement between Owners and Members or residents with respect to the interpretation or application of the provisions of this Declaration, the Certificate of Formation or Bylaws of the Association, rules of the Association, or decisions of the Architectural Control Committee (collectively, "Claims") shall be determined by the Board of Directors. The Board's determinations (absent arbitrary and capricious conduct or gross negligence) shall be final and binding upon Owners, Members and residents. Except for those Claims authorized in Section 11.2, all Claims shall be resolved using the procedures set forth in Section 11.3 in lieu of filing suit in any court or initiating proceedings before any administrative tribunal seeking redress or resolution of such Claim.

11.2 Exempt Claims. The following Claims ("Exempt Claims") shall be exempt from the provisions of Section 11.3:

(a) Any suit or other action by the Association to enforce any of the provisions of Article VI (Assessments), including to foreclose any lien;

(b) Any suit by the Association to obtain a temporary restraining order (or equivalent emergency equitable relief) and such other ancillary relief as the court may deem necessary in order to maintain the status quo and preserve the Association's ability to enforce the provisions of Article III (Protective Covenants) or Article VIII (Architectural Control);

(c) Any suit between Owners (other than Declarant) seeking redress on the basis of a Claim which would constitute a cause of action under federal law or the laws of the State of Texas in the absence of a claim based on this Declaration or the Certificate of Formation, Bylaws or rules of the Association, if the amount in controversy exceeds \$5,000.00;

(d) Any suit arising out of any written contract between Owners, or between the Declarant and any builder or contractor, which would constitute a cause of action under the laws of the State of Texas in the absence of this Declaration or the Certificate of Formation, Bylaws or rules of the Association; and

(e) Any suit in which all parties are not Owners, the Declarant, the Association, or others subject to this Declaration.

Any party having an Exempt Claim may submit it to the alternative dispute resolution procedures set forth in Section 11.3, but there shall be no obligation to do so. The submission of an Exempt Claim involving the Association to the alternative dispute resolution procedures of Section 11.3 shall require the approval of the Association.

11.3 Mandatory Procedures for Non-Exempt Claims. All claims other than Exempt Claims shall be resolved using the following procedures:

(a) Notice. Any party having a Claim (“Claimant”) against any other bound party (“Respondent”), other than an Exempt Claim, shall notify each 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 Claim;

(ii) The basis of the Claim (i.e., the provisions of this Declaration, the governing documents or rules of the Association or other authority out of which the Claim arises);

(iii) What Claimant wants Respondent to do or not to do to resolve the Claim; and

(iv) That Claimant wishes to resolve the Claim by mutual agreement with Respondent and is willing to meet in person with Respondent at a mutually agreeable time and place to discuss in good faith ways to resolve the Claim.

(b) Negotiation.

(i) Each Claimant and Respondent (the “Parties”) shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation.

(ii) Upon receipt of a written request from any Party, accompanied by a copy of the Notice, the Board of Directors may appoint a representative to assist the Parties in resolving the dispute by negotiation, if in its discretion the Board of Directors believes such efforts will be beneficial to the Parties and to the welfare of the community.

(c) Mediation.

(i) If the Parties do not resolve the Claim through negotiation within thirty (30) days after the date of the Notice (or within such other period as may be agreed upon by the Parties) (“Termination of Negotiations”), Claimant shall have

thirty (30) additional days within which to submit the Claim to mediation under the auspices of any dispute resolution center or other such independent agency providing similar services in the City or in Denton County, Texas, or in the Dallas-Fort Worth metroplex area, upon which the Parties may mutually agree.

(ii) If Claimant does not submit the Claim to mediation within thirty (30) days after Termination of Negotiations, Respondent shall be released and discharged from any and all liability of Claimant on account of such claim; provided, nothing herein shall release or discharge Respondent from any liability to persons not a Party to the foregoing proceedings. However, Respondent shall not be released if the failure to timely submit the Claim to mediation is caused, in whole or in part, by Respondent's failure to reasonably agree upon the identity of the mediator.

(iii) If the Parties do not settle the Claim within thirty (30) days after submission of the matter to the mediation process, or within such time as determined reasonable or appropriate by the mediator, the mediator shall issue a notice of termination of the mediation proceeding ("Termination of Mediation"). The Termination of Mediation notice shall set forth when and where the Parties met, that the parties are at an impasse, and the date that the mediation was terminated.

(iv) Each Party shall, within five (5) days after the Termination of Mediation, make a written offer of settlement in an effort to resolve the Claim. The Claimant shall make a final written settlement demand ("Settlement Demand") to the Respondent. The Respondent shall make a formal written settlement offer ("Settlement Offer") to the Claimant. If the Claimant fails to make a Settlement Demand, Claimant's original Notice shall constitute the Settlement Demand. If the Respondent fails to make a Settlement Offer, Respondent shall be deemed to have made a "zero" or "take nothing" Settlement Offer.

(d) Final and Binding Arbitration.

(i) If the Parties do not agree in writing to accept either the Settlement Demand, the Settlement Offer, or otherwise resolve the Claim within fifteen (15) days after the Termination of Mediation, the Claimant shall have fifteen (15) additional days to submit the Claim to arbitration administered by the American Arbitration Association under its Arbitration Rules for the Real Estate Industry (as in effect from time to time, and as the same may be amended), or the Claim shall be deemed abandoned and Respondent shall be released and discharged from any and all liability to Claimant arising out of such Claim, provided, nothing herein shall release or discharge Respondent from any liability to persons not a Party to the foregoing proceedings.

(ii) This subsection (d) is an agreement of the Parties to submit to a final and binding arbitration all Claims (except Exempt Claims) that have remained unresolved due to the inability or refusal of the Parties to a Claim to resolve the same through negotiation or mediation as provided above, and is specifically enforceable under the applicable arbitration laws of the State of Texas. The arbitration award (the "Award") shall be final and binding, and judgment may be entered upon it in any court of competent jurisdiction to the fullest extent permitted under the laws of the State of Texas.

#### 11.4 Allocation of Costs of Resolving Claims.

(a) Each Party shall bear its own costs incurred prior to and during the proceedings described in Section 11.3(a), (b) or (c), including the fees of its attorney or other representative. Each Party shall share equally all charges rendered by the mediator(s) pursuant to Section 11.3(c).

(b) Each Party shall bear its own costs (including the fees of its attorney or other representative) incurred after the Termination of Mediation under Section 11.3(c) and shall share equally in the costs of conducting the arbitration proceeding (collectively, ("Post Mediation Costs"), except as otherwise provided in Section 11.4(c).

(c) Any Award which is equal to or more favorable to Claimant than Claimant's Settlement Demand shall add such Claimant's Post Mediation Costs to the Award, such Costs to be borne equally by all Respondents. Any Award which is equal to or less favorable to Claimant than Respondent's Settlement Offer to that Claimant shall also award to such Respondent its Post Mediation Costs, such Costs to be borne by all such Claimants.

11.5 Enforcement of Resolution. If the Parties agree to a resolution of any Claim through negotiation or mediation in accordance with Section 11.3 and any Party thereafter fails to abide by the terms of such agreement, or if any Party fails to comply with the terms of any Award following arbitration, then any other Party may file suit or initiate administrative proceedings to enforce such agreement or Award without the need to again comply with the procedures set forth in Section 11.3. In such event, the Party taking action to enforce the agreement or Award shall be entitled to recover from the non-complying Party (or if more than one non-complying Party, from all such Parties pro-rata, but on a joint and several liability basis) all costs incurred in enforcing such agreement or Award, including, without, limitation, attorney's fees and court costs.

11.6 Commencement of Litigation. Any litigation by the Association, other than litigation of one or more of the Exempt Claims set out in Section 11.2, shall require affirmative vote of seventy-five percent (75%) of the outstanding votes of all Members of the Association prior to the institution of such litigation.

## ARTICLE XII

### GENERAL PROVISIONS



12.1 Duration. The Covenants and Restrictions of this Declaration shall run with and bind the Land, and shall inure to the benefit of and be enforceable by Declarant, the Association and each Owner and each of their respective legal representatives, heirs, successors and assigns. This Declaration shall be effective for an initial term ending on December 31, 2064, after which time said Covenants and Restrictions shall be automatically extended for successive periods of ten (10) years each unless, at least one (1) year prior to the expiration of the then current term, an instrument terminating this Declaration is signed by Owners of at least seventy percent (70%) of the Lots, and is recorded in the Real Property Records of Denton County, Texas.

12.2 Amendments. Notwithstanding Section 12.1 of this Article, this Declaration may be amended or otherwise changed (a) as provided in Section 2.2, or (b) upon the express written consent of at least sixty-seven percent (67%) of the outstanding votes of the Members of the Association. Any and all amendments of this Declaration shall be recorded in the Real Property Records of Denton County, Texas.

12.3 Enforcement. Subject to the provisions of Article XI, these Covenants and Restrictions may be enforced against any person or persons violating or attempting to violate them, by any proceeding at law or in equity, including, without limitation, through actions to enjoin violations, to recover damages, or to enforce any lien created by these covenants. The failure by the Association or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

12.4 Severability. If any provision of this Declaration is determined by judgment or court order to be invalid, or illegal or unenforceable, the remaining provisions of this Declaration shall remain in full force and effect in the same manner as if such invalid, illegal or unenforceable provision had been deleted from this Declaration by an amendment effective as of the date of such determination.

12.5 References. All references in this Declaration to articles, sections, subsections and paragraphs refer to corresponding articles, sections, subsections, and paragraphs of this Declaration. Heading and titles used herein are for convenience only and shall not constitute substantive provisions of this Declaration. The words "this Declaration", "this instrument", "herein", "hereof", "hereby", "hereunder" and words of similar import refer to this Declaration as a whole and not to any particular provision unless expressly so limited. Words in the singular form shall be construed to include the plural and vice versa, unless the context otherwise requires. Words in any gender (including the neutral gender) shall include any other gender, unless the context otherwise requires. Examples shall not be construed to limit, expressly or by implication, the matter they illustrate. The word "includes" and its derivatives shall mean "includes, but is not limited to" and corresponding derivative expressions. The word "or" includes "and/or". All references herein to "\$" or "dollars" shall refer to U.S. Dollars. All exhibits attached to this Declaration are incorporated herein by reference.

12.6 Notices. Any notice required to be given to the Association, or to any Member or Owner under the provisions of this Declaration shall be deemed to have been properly delivered

when deposited in the United States mail, postage prepaid, addressed to the last known address of such person as shown by the records of the Association at the time of such mailing.

12.7 Notices to Mortgagees. Upon written request delivered to the Association by the mortgagee of a Lot, the Association shall send to the requesting mortgagee written notification of any default hereunder affecting the mortgagor or the Lot covered by the mortgage of the requesting mortgagee. Any such request shall be in sufficient detail to enable the Association to determine the affected Lot and Owner and shall set forth the mailing address of the requesting mortgagee.

12.8 Termination of and Responsibility of Declarant. If Declarant shall transfer all of its then remaining right, title and interest in and to the Land and shall additionally expressly assign all its rights, benefits and obligations as Declarant hereunder to the transferee of such remaining interest in the Land, then Declarant shall have no further rights or duties hereunder and such rights and duties of Declarant hereunder shall thereupon be enforceable and performable by such transferee of Declarant's rights hereunder.

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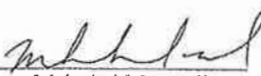
IN WITNESS WHEREOF, Declarant has caused this instrument to be executed as of the date first above written.

CADG BELLEVILLE VILLAGE, LLC,  
a Texas limited liability company

By: CADG Holdings, LLC,  
a Texas limited liability company,  
its sole member

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

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

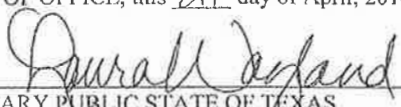
By:   
Name: Mchrdad Moayed  
Its: Manager

STATE OF TEXAS       §  
                                  §  
COUNTY OF DALLAS   §

BEFORE ME, the undersigned authority, on this day personally appeared Moayed, Manager of 2M Ventures, LLC, as Manager of MMM Ventures, LLC, as Manager of CADG Holdings, LLC, as Sole Member of CADG BELLEVILLE VILLAGE, LLC, a Texas limited liability company, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed and in the capacity herein stated and on behalf of said limited liability companies.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 29 day of April, 2014.



  
NOTARY PUBLIC STATE OF TEXAS  
Printed Name: \_\_\_\_\_  
My commission expires: \_\_\_\_\_

CONSENT AND SUBORDINATION OF LIENHOLDER

The undersigned, being the beneficiary under that certain [Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing] dated \_\_\_\_\_, 20\_\_\_\_, executed by \_\_\_\_\_, a \_\_\_\_\_ (the "Borrower") and recorded on \_\_\_\_\_, 20\_\_\_\_, as \_\_\_\_\_, in the Official Public Records of Denton County, Texas, together with any modifications, supplements, restatements or amendments thereto, hereby consents to the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Uptown Village Townhomes (the "Declaration") to be applicable to the Land, and furthermore subordinates its lien rights and interests in and to the Land, as described on Exhibit A attached hereto and incorporated herein by reference, to the terms, provisions, covenants, conditions and restrictions under the Declaration so that foreclosure of its lien will not extinguish the terms, provisions, covenants, conditions and restrictions under the Declaration.

Notwithstanding anything herein to the contrary, the undersigned does not subordinate its lien to any lien for unpaid assessments and the lien of the undersigned shall remain superior to all such liens

North Texas Bank, N. A.

By: Laura Wade Craig  
Title: Vice President  
Name: Laura Wade Craig

STATE OF TEXAS §  
§  
COUNTY OF Denton §

BEFORE ME, the undersigned authority, on this day personally appeared Laura Wade Craig, VP of North Texas Bank N.A. a National Association known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that s/he executed the same for the purposes and consideration therein expressed, and as the act and deed of said \_\_\_\_\_, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 5<sup>th</sup> day of May, 2014.

Brittany L. Croft  
Notary Public in and for the State of Texas

My Commission Expires: 6-20-15



## EXHIBIT A

LEGAL DESCRIPTION OF THE LANDLEGAL DESCRIPTION  
5.510 Ac.

BEING all that certain lot, tract or parcel of land situated in the A.G. King Survey, Abstract No. 698, in the City of Lewisville, Denton County, Texas, and being all of Lot 1, Block B of Christian Community Action Addition II, an addition to the City of Lewisville, Denton County, Texas, according to the Plat thereof recorded in Cabinet P, page 386, of the Plat Records of Denton County, Texas (P.R.D.C.T.), and being a part of that certain called 2.979 acre tract of land described in deed to Christian Community Action, Inc. as recorded in Document No. 2008-67093, of the Real Property Records of Denton County, Texas (R.P.R.D.C.T.), and being more particularly described as follows:

BEGINNING at a 1/2" inch iron rod found at the southwest corner of said Lot 1, Block B, of Christian Community Action Addition II, same being the northwest corner of said 2.979 acre tract, and being in the east line of Kealy Avenue (called 60 foot right-of-way);

THENCE N 00°16'02" W, 150.22 feet with the east line of Kealy Avenue to a 1/2" capped rebar set (G&A)

THENCE N 89°48'10" E, 139.49 feet to a 1/2" capped rebar set (G&A)

THENCE N 00°03'33" W, 39.54 feet to a 1/2" rebar found at the most southerly southwest corner of Main Street Village, an addition to the City of Lewisville according to the plat thereof recored in Cabinet V, Page 704 of the Plat Records of Denton County, Texas, and being the southwest corner of Lot 24X, and being an inner ell corner of said Lot 1, Block B thereof;

THENCE N 88°02'50" E, 493.95 feet with the south line of said Main Street Village and the north line of said Lot 1, Block B, to a 5/8" capped rebar found (Carter & Burgess) at the northeast corner of said Lot 1, Block B, and being the northwest corner of that certain called 22.995 acre tract of land described in deed to Inca Metal Products Corporation recorded in Document Number 1999-98750 of the Real Property Records of Denton County, Texas;

THENCE S 01°33'17" W, 182.45 feet with the common line between said 22.995 acre tract and said Lot 1, Block B, to a "+" found in concrete, at the southeast corner of said Lot 1, Block B, and being the northeast corner of the aforementioned 2.979 acre tract;

THENCE S 00°10'40" W, 208.75 feet with the east line of said 2.979 acre tract to a fence corner post found at the northeast corner of Lot 1, Block A of S.P.S. Addition, an addition to the City of Lewisville, Denton County, Texas, according to the Plat thereof recorded in Cabinet O, Page 294, Plat Records of Denton County, Texas;

THENCE S 88°14'10" W, 239.16 feet with the north line of said S.P.S. Addition to a 1/2" rebar found at the northwest corner thereof, and being the northeast corner of a tract of land described

in deed to Billy Joe Hardin and Lucille Mathews, recorded in Volume 490, page 93 of the Deed Records of Denton County, Texas;

THENCE S 88°05'40" W, 387.28 feet with the north line of said Hardin tract, passing the northwest corner thereof and the northeast corner of that certain called 0.2603 acre tract of land described in deed to Ann Marie Yett recorded in Document Number 2005-23454 of the Real Property Records of Denton County, Texas, continuing with the north line thereof, passing the northwest corner thereof and the northeast corner of that certain tract of land described in deed to J. H. Thomas, Jr. recorded in Volume 482, Page 160 of the Deed Records of Denton County, Texas, continuing with the north line thereof, passing the northwest corner thereof and the northeast corner of that certain tract of land described in deed to J. H. Thomas, Jr. and wife, Tina Thomas recorded in Volume 462, Page 474 of the Deed Records of Denton County, Texas, continuing with the north line thereof, passing the northwest corner thereof and the northeast corner of that certain tract of land described in deed to J. H. Thomas, Jr. and wife, Tina Thomas recorded in Volume 417, Page 553 of the Deed Records of Denton County, Texas, continuing with the north line thereof, passing the northwest corner thereof and the northeast corner of that certain tract of land described in deed to Gary A. Moore, dba GAM Enterprises recorded in Volume 3073, Page 801 of the Real Property Records of Denton County, Texas, continuing with the north line thereof passing the northwest corner thereof and the northeast corner of that certain tract of land described in deed to Leticia Montellano, et al, recorded in Document No. 2004-8479 of the Real Property Records of Denton County, Texas, continuing with the north line thereof to a 1/2" rebar found at the northwest corner thereof and the southwest corner of said 2.979 acre tract and being on the east line of the aforementioned Kealy Avenue;

THENCE N 00°11'50" W, 204.30 feet with the east line of said Kealy Avenue and the west line of said 2.979 acre tract to the POINT OF BEGINNING and containing approximately 5.510 acres of land.

## EXHIBIT B

MAINTENANCE RESPONSIBILITY CHARTMAINTENANCE RESPONSIBILITY CHART

"all aspects" includes maintenance, repair and replacement, as needed

<b>Component of Property</b>	<b>Area of Common Responsibility</b>	<b>Owner Responsibility</b>
Roofs	None	All aspects
Roof-mounted attachments	Roof Sheer Walls	All other aspects
Exterior vertical walls of buildings, other exterior features of buildings not specifically listed in chart	Outermost materials only, such as siding, stucco and brick, and any coatings or surface treatments on the material, such as paint or sealant	All other aspects, including wall cavities and insulation
Building foundations, patio slabs and A/C slabs	None	All aspects, including tolerance for minor cracks that are inevitable results of the natural movement of soil (expansion and contraction), shrinkage during the curing of the concrete and settling of the building
Concrete driveways and sidewalks	None	All aspects
Retaining walls originally constructed by Declarant or Association	All aspects	None
Retaining Walls not originally constructed by Declarant or Association	None	All aspects
Displays of street numbers on exterior doors or building surfaces	All aspects	None
Gutters and downspouts	All aspects	None

Component of Property	Area of Common Responsibility	Owner Responsibility
Front Yard Grounds – outside the fenced areas (if any).	All aspects; provided the Association shall have no liability or responsibility with respect to any landscaping and hardscape improvements installed/constructed by Owner without prior written approval of the ACC (which Declarant or the Association may remove, without liability to such Owner)	None
Yard irrigation system (sprinkler)	None	All aspects
Exterior light fixtures on buildings	None	All aspects
Garages	None	All aspects. Includes routine interior cleaning, interior wall and ceiling materials, garage door, pedestrian door, automatic garage door opener, remote controls, interior light fixture, interior electrical outlets.
Insulation and weather-stripping	None	All aspects
Chimneys and fireplaces	None	All aspects
Fences and gates around private townhome yards ( if any)	None	All aspects
Townhome interiors, including improvements, fixtures, partition walls and floors within townhome	None	All aspects
Sheetrock in townhomes (walls and ceilings) and treatments on walls	None	All aspects
Improvements and grounds in private patio/yards	None	All aspects
Exterior doors of townhomes	None	All aspects of the garage door, and all aspects of other doors, including paint, door frame, door, glass panes, hardware, locks, peep-holes, thresholds, weather stripping and doorbells



<b>Component of Property</b>	<b>Area of Common Responsibility</b>	<b>Owner Responsibility</b>
Windows	Periodic exterior caulking in connection with exterior painting	All other aspects, including window frames, window sill flashings, window seals and sealants, screens, window locks, glass panes, glazing, interior caulking
Water, sewer, electrical lines and systems	None for lines and systems serving the lots	All aspects of lines and systems serving the lot
Heating and cooling systems and water heaters	None	All aspects
Intrusion alarms on doors/windows, smoke/heat detectors, monitoring equipment	None	All aspects
Cable for television or Internet	Standards for location and appearance of cable and/or conduit	All other aspects
Television antennas and satellite dishes	Standards for location and appearance of exterior-mounted devices	All other aspects

Note 1: The components listed in the first column are applicable only if they exist, and may not be construed to create a requirement to have such a component.

Note 2: If the owner is responsible for a component of the building that is shared with one or more other townhomes in the building, such as roof trusses and the foundation, the responsibility is shared by the owners of all the townhomes in the building. If the owners of the townhomes in the building cannot agree on an equitable division of the costs based on the circumstances, the division will be equal among the townhomes although one townhome may be more affected than the others. If the owners of the townhomes cannot agree on any aspect of maintenance that requires their joint participation, the matter will be decided in accordance with the dispute resolution procedures set forth in Article XI of the Declaration.


Note 3: If an owner fails or refuses to perform necessary maintenance, repair, or replacement, the Association may perform the work after giving required notices to the owner.

Note 4: This Maintenance Responsibility Chart may be revised by the Declarant, as long as Declarant owns any portion of the Property, and thereafter by the Board of Directors of the Association in order to clarify responsibilities of Owner and/or the Association, correct errors or omissions, and/or to make revisions to be consistent with the terms of the Declaration, as may be amended from time to time. A revised Chart must be recorded in the Real Property Records of Denton County, Texas.

**EXHIBIT C**

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

[see attached]

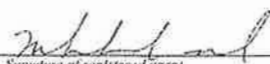
<b>Form 202</b> Secretary of State P.O. Box 13697 Austin, TX 78711-3697 FAX: 512/463-5709 Filing Fee: \$25	 <b>Certificate of Formation          Nonprofit Corporation</b>	Filed in the Office of the Secretary of State of Texas Filing #: 801853840 09/20/2013 Document #: 505054200002 Image Generated Electronically for Web Filing
<b>Article 1 - Corporate Name</b>		
The filing entity formed is a nonprofit corporation. The name of the entity is :		
<b>Uptown Village Townhome Owner's Association, Inc.</b>		
<b>Article 2 - Registered Agent and Registered Office</b>		
<input type="checkbox"/> A. The initial registered agent is an organization (cannot be corporation named above) by the name of:		
OR		
<input checked="" type="checkbox"/> B. The initial registered agent is an individual resident of the state whose name is set forth below:		
Name:		
<b>Moayeddi Mehrdad</b>		
C. The business address of the registered agent and the registered office address is:		
Street Address:		
<b>1221 N. I-35-E, Suite 200 Carrollton TX 75006</b>		
<b>Consent of Registered Agent</b>		
<input checked="" type="checkbox"/> A. A copy of the consent of registered agent is attached. <b>Consent of RA - 09-20-13.pdf</b>		
OR		
<input type="checkbox"/> B. The consent of the registered agent is maintained by the entity.		
<b>Article 3 - Management</b>		
<input type="checkbox"/> A. Management of the affairs of the corporation is to be vested solely in the members of the corporation.		
OR		
<input checked="" type="checkbox"/> B. Management of the affairs of the corporation is to be vested in its board of directors. The number of directors, which must be a minimum of three, that constitutes the initial board of directors and the names and addresses of the persons who are to serve as directors until the first annual meeting or until their successors are elected and qualified are set forth below.		
Director 1: <b>Mehrdad Moayeddi</b>		Title: <b>Director</b>
Address: <b>1221 N. 1-35E, Suite 200 Carrollton TX, USA 75006</b>		
Director 2: <b>Victor Tanous</b>		Title: <b>Director</b>
Address: <b>1221 N. 1-35E, Suite 200 Carrollton TX, USA 75006</b>		
Director 3: <b>Michael Dees</b>		Title: <b>Director</b>
Address: <b>1221 N. 1-35E, Suite 200 Carrollton TX, USA 75006</b>		
<b>Article 4 - Organization Structure</b>		
<input type="checkbox"/> A. The corporation will have members.		
or		
<input checked="" type="checkbox"/> B. The corporation will not have members.		
<b>Article 5 - Purpose</b>		
The corporation is organized for the following purpose or purposes:		
<b>Homeowner's Association</b>		
<b>Supplemental Provisions / Information</b>		

Form 401-A  
(Revised 12/09)



**Acceptance of Appointment  
and  
Consent to Serve as Registered Agent  
§5.201(b) Business Organizations Code**

The following form may be used when the person designated as registered agent in a registered agent filing is an individual.

<u>Acceptance of Appointment and Consent to Serve as Registered Agent</u>		
I acknowledge, accept and consent to my designation or appointment as registered agent in Texas for <u>Uptown Village Townhome Owner's Association, Inc.</u>		
<i>Name of represented entity</i>		
I am a resident of the state and understand that it will be my responsibility to receive any process, notice, or demand that is served on me as the registered agent of the represented entity; to forward such to the represented entity; and to immediately notify the represented entity and submit a statement of resignation to the Secretary of State if I resign.		
x:	 <i>Signature of registered agent</i>	Mehrdad Moayed <i>Printed name of registered agent</i>
		09-20-2013 <i>Date (mm/dd/yyyy)</i>

The following form may be used when the person designated as registered agent in a registered agent filing is an organization.

<u>Acceptance of Appointment and Consent to Serve as Registered Agent</u>		
I am authorized to act on behalf of _____		
<i>Name of organization designated as registered agent</i>		
The organization is registered or otherwise authorized to do business in Texas. The organization acknowledges, accepts and consents to its appointment or designation as registered agent in Texas for:		
<i>Name of represented entity</i>		
The organization takes responsibility to receive any process, notice, or demand that is served on the organization as the registered agent of the represented entity; to forward such to the represented entity; and to immediately notify the represented entity and submit a statement of resignation to the Secretary of State if the organization resigns.		
x:	_____ <i>Signature of person authorized to act on behalf of organization</i>	_____ <i>Printed name of authorized person</i>
		_____ <i>Date (mm/dd/yyyy)</i>

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

**Effectiveness of Filing**

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

OR

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

**Organizer**

The name and address of the organizer are set forth below.

**Mehrdad Moayed**      **1221 N. I-35E, Suite 200, Carrollton, Texas 75006**

**Execution**

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

**Mehrdad Moayed**

Signature of organizer.

FILING OFFICE COPY