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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

IRON HORSE VILLAGE

CITY OF MESQUITE, DALLAS COUNTY, TEXAS

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

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR IRON HORSE VILLAGE

(City of Mesquite, Dallas County, Texas)

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

This Declaration of Covenants, Conditions and Restrictions for Iron Horse Village Residential Homeowners Association, Inc. (this "Declaration") is made by MM MESQUITE 50, LLC, a Texas limited liability company ("Declarant"), on the date signed below. Declarant owns the real property described in Appendix A of this Declaration, together with the improvements thereon (the "Property").

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

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

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

ARTICLE 1
DEFINITIONS

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

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

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

1.2. "Applicable Zoning" means the City of Mesquite Zoning Ordinance No. 4595 (filed under Zoning Case No. Z0518-0036) passed and approved on September 4, 2018, as modified and/or amended from time to time.

1.3. "Architectural Reviewer" means the entity having jurisdiction over a particular application for architectural approval. During the Development Period, the Architectural Reviewer is Declarant, Declarant's designee, or Declarant's delegate. Thereafter, the Board-appointed ACC or the Board (if no ACC is appointed by the Board), is the Architectural Reviewer.

1.4. "Area of Common Responsibility" means that portion of the Property and those components of the Lots and Townhomes for which the Association has maintenance responsibilities, as described with more particularity in Article 5 of this Declaration.

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

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

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

1.8. "Bylaws" means the Bylaws of Iron Horse Village Residential Homeowners Association, Inc., which have been adopted by the Declarant and/or Board and is or shall be recorded in Dallas County, Texas.

1.9. "City" means the City of Mesquite, Texas, in which the Property is located.

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

1.11. "Common Area" means portions of real property and improvements thereon that are owned and/or maintained by the Association, as described in Article 4 below and which may be referenced in Appendixes attached hereto, and shall include, without limitation, any and all

entryway features, masonry walls, mews fence with brick columns, retaining walls and ornamental metal handrails, perimeter decorative metal fencing, common areas described on any Plat of the Property, club house or community center, pool, monument signage, community art installations, non-drainage related greenways and decorative water fountains, shade pavilions, park benches, private alleys, and private water wells. Notwithstanding anything to the contrary contained herein, in no event shall the Common Area include any portion of the Property to be maintained by the City, if applicable.

1.12. "Declarant" means MM Mesquite 50, LLC, a Texas limited liability company, which is developing the Property, or any party which acquires any portion of the Property for the purpose of development and which is designated a Successor Declarant in accordance with Appendix B, Section B.6 hereof, or by any such successor and assign, in a recorded document.

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

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

1.15. "Design Guidelines" means those certain initial design guidelines established for the Property hereby and attached hereto as Appendix D-1, as may be modified and/or amended by majority written consent of the ACC from time to time, together with the architectural requirements and design guidelines as adopted by the City, as modified, amended and/or supplemented from time to time (the "City Design Guidelines") to the extent applicable to the Property, being the "Residential District" named therein, a copy of which is attached hereto as Appendix D-2.

1.16. "Detached Residence" means a single-family detached patio home Residence located on an individually-owned Lot, and may include "Bungalows," "Villas," or "Zero Lot Line for Lot Types 2-504" or as described in the Applicable Zoning and/or the City Design Guidelines.

1.17. "Detached Residence Lots" means the Lots on which a Detached Residence is or is to be constructed. Detached Residence Lots shall include both "Bungalows" (herein so called), "Villas" (herein so called), "Urban ROW Homes" (herein so called), and "Zero Lot Line for Lot Types 2-504" (herein so called), and shall be designated as such in the Applicable Zoning. The southern portion of Tract 2A, Bungalow Homes, consisting of approximately 24-Lots is expected to be designated as "Age Restricted Homes" and rules with regard to age restriction requirements shall be as set forth in this Declaration.

1.18. "Development Period" means that certain fifty (50) year period beginning the date this Declaration is recorded, during which Declarant has certain rights pursuant to Appendix B hereto. The Development Period is for a term of years and does not require that Declarant own land described in Appendix A. Declarant may terminate the Development Period at any time by recording a notice of termination.

1.19. "Development Standards" The City of Mesquite may have specific building and development standards that will be incorporated into the overall development of the sub-division. Certain standards whether written or not and whether standards of the City or of Iron Horse Village Residential Homeowners Association, Inc. shall be considered Community Wide Standards and shall be enforceable against all Owners in the same fashion and with the same enforceability as any written restriction, rule, or regulation. The Association shall uphold the standards of the City of Mesquite unless the standard set forth by the Association at the time of recording of this Declaration or at any time and from time to time thereafter is or becomes a higher standard. In every instance, unless an approval or variance approved in writing by the Declarant or Board is awarded, the **higher standard shall prevail**. The City of Mesquite has development and architectural standards that are specific to Iron Horse Village; Ordinance No. 4595 of the City of Mesquite is one such ordinance containing restrictions and regulations with regard to construction and development requirements. Builders and Owners should familiarize themselves with the development standards set forth in this ordinance to ensure compliance with said standards. Exhibit D-2 contains excerpts of this ordinance provided for the convenience of all Builders and Owners. A full copy of the ordinance may be viewed and/or downloaded on the Associations website, if applicable. Although the Association will take steps to ensure compliance to the best of its ability every Owner has an equal if not greater responsibility to comply with the City's ordinances and standards with regard to their Home and Lot. **Acts of non-compliance in relation to a City ordinance or development standard will receive a notice of violation from the Association and the violation will promptly be reported to the City and/or their Code Enforcement Agency.**

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

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

1.22. "Majority" means more than half. A reference to "*a Majority of Owners*" in any Document or applicable law means "*Owners holding a majority of voting rights of all Lot Owners*," unless a different meaning is specified.

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

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

1.25. "Public Improvement District" or "PID" shall mean and refer to the Iron Horse Public Improvement District created or to be created by the City of Mesquite, Texas pursuant to Chapter 372 of the Texas Local Government Code, as amended.

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

1.27. "Property" means all the land subject to this Declaration and all improvements, easements, rights, and appurtenances to the land. The Property is a Subdivision known as the "Iron Horse Village Residential Homeowners Association, Inc.". The Property is located on land described in Appendix A to this Declaration and includes every Lot and any Common Area thereon included in property under Appendix A, and may include Annexed Land (as defined in Appendix B) annexed into the Property subject to this Declaration by supplemental declaration filed by Declarant in accordance with Appendix B. Notwithstanding, Tract 2B, Commercial Land, shall be excluded from Iron Horse Village Residential Homeowners Association, Inc. and shall not be annexed in and/or made subject to this Declaration; see Appendix A-1 for description of the excluded property.

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

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

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

1.31. "TIRZ" shall mean the Mesquite Rodeo City Reinvestment Zone Number One, City of Mesquite, Texas, applicable to the Property and formed pursuant to Chapter 311, of the Texas Tax Code, as amended.

1.32. "Townhome" means the attached single-family townhome Residence located on an individually-owned Lot.

1.33. "Townhome Building" means the structure containing multiple Townhomes.

1.34. "Townhome Lot" shall have the meaning ascribed to such term in Section 5.1 hereof.

ARTICLE 2
PROPERTY SUBJECT TO DOCUMENTS

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

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

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

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

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

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

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

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

c. Limitations or prohibitions on curbside parking.

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

e. Fines for violations of applicable Rules.

ARTICLE 3
PROPERTY EASEMENTS AND RIGHTS

3.1. GENERAL. In addition to other easements and rights established by the Documents, the Property is subject to the easements and rights contained in this Article. No use shall be permitted on the Property which is not allowed under applicable public codes, ordinances and other laws either already adopted or as may be adopted by the City or other controlling public authorities. Each Owner, occupant or other user of any portion of the Property, shall at all times comply with this Declaration and all laws, ordinances, policies, rules, regulations and orders of all federal, state, county and municipal governments, and other agencies having jurisdictional control over the Property, specifically including, but not limited to, Applicable Zoning placed upon the Property, as they exist from time to time (collectively "Governmental Requirements"). IN SOME INSTANCES, REQUIREMENTS UNDER THE GOVERNMENTAL REQUIREMENTS MAY BE MORE OR LESS RESTRICTIVE THAN THE PROVISIONS OF THIS DECLARATION. IN THE EVENT A CONFLICT EXISTS BETWEEN ANY SUCH REQUIREMENTS UNDER ANY GOVERNMENTAL REQUIREMENT AND ANY REQUIREMENT OF THIS DECLARATION, THE MOST RESTRICTIVE REQUIREMENT SHALL PREVAIL, EXCEPT

IN CIRCUMSTANCES WHERE COMPLIANCE WITH A MORE RESTRICTIVE PROVISION WOULD RESULT IN A VIOLATION OF MANDATORY APPLICABLE GOVERNMENTAL REQUIREMENTS, IN WHICH EVENT THOSE GOVERNMENTAL REQUIREMENTS SHALL APPLY. COMPLIANCE WITH MANDATORY GOVERNMENTAL REQUIREMENTS WILL NOT RESULT IN THE BREACH OF THIS DECLARATION EVEN THOUGH SUCH COMPLIANCE MAY RESULT IN NON-COMPLIANCE WITH PROVISIONS OF THIS DECLARATION. WHERE A GOVERNMENTAL REQUIREMENT DOES NOT CLEARLY CONFLICT WITH THE PROVISIONS OF THIS DECLARATION BUT PERMITS ACTION THAT IS DIFFERENT FROM THAT REQUIRED BY THIS DECLARATION, THE PROVISIONS THIS DECLARATION (IN ORDER OF PRIORITY) SHALL PREVAIL AND CONTROL. The Property and all Lots therein shall be developed in accordance with this Declaration, as this Declaration may be amended or modified from time to time as herein provided.

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

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

3.4. TOWNHOME EASEMENT. Every Owner of a Townhome is granted a perpetual easement over, under, and through every other Lot that is part of the same Townhome Building in which his Townhome is located for the limited purpose of installing, maintaining, and replacing wires, cables, conduit, and pipes, that serve his Townhome, but only to the extent that use of this easement is reasonable and necessary. In the event of dispute, the Board is the arbiter of whether the anticipated use of this easement is reasonable and necessary. Reciprocally, the Owner of a Townhome that contains wire, cables, conduit, or pipes that serve one or more other Townhomes has a duty to refrain from interfering with or damaging those items. This easement and reciprocal responsibility anticipate that the electrical meters for all the Townhomes in one Townhome Building may be grouped at one end of the Townhome Building. It also anticipates that attic or roofline installations of wiring may be the most cost effective and least unsightly way of accommodating future needs for cable services.

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

3.6. OWNER'S ENCROACHMENT EASEMENT. Every Owner is granted an easement for the existence and continuance of any encroachment by his Townhome on any adjoining Lot or Common Area now existing or which may come into existence hereafter, as a result of construction, repair, shifting, settlement, or movement of any portion of a Townhome Building, or as a result of condemnation or eminent domain proceedings, so that the encroachment may remain undisturbed so long as the improvement stands.

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

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

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

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

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

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

d. To enforce architectural standards.

e. To enforce use restrictions.

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

g. To enforce any other provision of the Documents.

h. To respond to emergencies.

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

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

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

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

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

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

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

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

4.1. OWNERSHIP. The designation of any portion of the Property as a Common Area is determined by the Plat and this Declaration, and not by the ownership of such portion of the Property. This Declaration contemplates that the Association will eventually hold title to every Common Area, facility, structure, improvement, system, or other property that are capable of independent ownership by the Association. The Declarant may install, construct, or authorize certain improvements on Common Areas in connection with the initial development of the Property, and the cost thereof is not a Common Expense of the Association. The Common Area shall be maintained by the Association following completion of initial improvements thereon by Declarant, whether or not title to such Common Area is conveyed to the Association. All costs attributable to Common Areas, including maintenance, property taxes, Insurance, and enhancements, are automatically and perpetually the responsibility of the Association, regardless of the nature of title to the Common Areas, unless this Declaration elsewhere provides for a different allocation for a specific Common Area. The Common Area shall include the detention, drainage and retention pond and improvements within the real property described as "Tract 1B-1" "Tract 1B-2," "Tract 1-C", "Tract 2A," and "Tract 3" in the Applicable Zoning. Mention of the Tracts herein is based on information provided at the time this Declaration was created and may be subject to change.

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

A THIRD PARTY, EVEN IF DUE TO THE NEGLIGENCE OF THE RELEASED PARTIES OR ANY ONE OF THEM. EACH OWNER AND RESIDENT FURTHER ACKNOWLEGES THAT THE RELEASED PARTIES HAVE MADE NO REPRESENTATIONS OR WARRANTIES, NOR HAS THE OWNER OR RESIDENT RELIED ON ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY, SUITABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, RELATIVE TO THE CONDITION OF THE PROPERTY OR ANY IMPROVEMENTS THEREON, AND ALL SUCH WARRANTIES ARE HEREBY WAIVED AND RELEASED BY EACH OWNER AND RESIDENT.

4.3. COMPONENTS OF COMMON AREA. The Common Area of the Property consists of the following components on or adjacent to the Property, even if located on a Lot or a public right-of-way:

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

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

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

d. Any screening walls, fences, or berms along the side of the Property, including, without limitation within any "Wall & Wall Maintenance Easement" shown on the Plat. Any masonry walls or decorative metal fencing must be located within the two and one-half foot (2.5') wall maintenance easement described on the Plat of the Subdivision. The Association reserves the right to perform maintenance on any portion of a screening wall, fence, or berm if the Owner fails to perform the needed maintenance or the maintenance does not meet the expectations of the Association or the ACC. Any such costs, after proper written notice to the Owner or the responsible party, may be billed to the Owner's account or the responsible party for reimbursement.

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

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

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

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

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

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

k. The irrigation systems, raised medians, and other right-of-way landscaping, detention areas, drainage areas, screening walls, parks, trails, lawns, and other common improvements or appurtenances required by the City to be maintained by the Association pursuant to the terms of that certain Development Agreement dated November 19, 2018 by and between Declarant and the City of Mesquite, Texas, and recorded under Document No. 201800326576 of the Official Public Records of Dallas County, Texas (the "Development Agreement").

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

4.4 COMPONENTS OF AREAS OF COMMON RESPONSIBILITY- ALL LOTS. The Areas of Common Responsibility within the Property and applicable to all Lots consists of the following components on or adjacent to the Property, even if located on a Lot or a public right-of-way:

4.4.1 Surface Water Drainage Systems. All aspects of surface water drainage on a Lot are maintained by the Association, including collection drains and drain systems notwithstanding, any surface water drainage, collection drains and drain systems that are privately owned or operated shall be excluded and shall be the sole responsibility of the Owner to maintain; and

4.4.2 Front Lawns (if any). All trees, shrubs and lawns on a Lot outside of fenced areas are maintained by the Association. For Townhome Lots only, maintenance shall include irrigation system maintenance. Lawn maintenance shall include replacement of dead plants and vegetation notwithstanding, any loss of sod, trees, shrubs, plants or vegetation that is caused by Owner's lack of proper watering and maintenance shall be a cost to the Owner as an Individual Assessment or Special Individual Assessment which shall be billed to the Owner's account. The foregoing applies only to the area outside of fenced in areas between the Residence within such Lot and the adjacent public Street. The Association shall only be obligated hereunder to maintain the trees, and ornamental bushes and landscape beds with mulch **within the Front Lawn Area** meeting the minimum landscaping requirements for the applicable Lot, and any additional landscape improvements shall be subject to the terms of Section 7.11 hereof. Maintenance for trees includes ONLY periodic trimming and testing for disease. See Design Guidelines for more information on removal and/or replacement of trees. **No synthetic turf of any kind is allowed in the front, back or side portions of any lawn**.

4.5 INSURANCE FOR COMMON AREAS. The Association shall insure the Common Areas, and property owned by the Association, including, if any, records, furniture, fixtures, equipment, and supplies, in an amount sufficient to cover one hundred percent (100%) of

the replacement cost of any repair or reconstruction in the event of damage or destruction from any insurable hazard. The Association is not required to insure any of Lot, Townhome, Detached Residence, automobiles, watercraft, furniture or other personal property located within a Residence or on any Common Area unless specifically set forth in this Agreement. The Association shall maintain a commercial general liability insurance policy on an occurrence-based form covering the Common Area for bodily injury and property damage. All insurance maintained by the Association shall be written by an insurer with an A.M. Best rating of A-VII or higher. The insurance policies required under this Section 4.55 or otherwise will provide for blanket waivers of subrogation for the benefit of Declarant, shall provide primary coverage, not secondary, and provide first dollar coverage. Additionally, the insurance policies under this paragraph shall provide that Declarant shall receive thirty-days written notice prior to cancellation of the policy and that Declarant shall permitted to pay any premiums to keep the Association's insurance policies in full force and effect. The Association shall cause Declarant to be named as an additional insured on all insurance required under this Section 4.5 or as otherwise set forth herein. In addition to the other indemnities herein and without limitation, if the Association fails to name Declarant as an additional insured as set forth herein, the Association shall hold harmless, defend and indemnify Declarant for any loss, claim, damage and/or lawsuit suffered by Declarant for the Association's failure described herein. To the extent of any conflict between this Section 4.5 and a provision in Article 14 as it relates to insurance for Common Areas, this Section 4.5 shall control.

4.6 MAINTENANCE STANDARD. Notwithstanding the foregoing, the Association shall maintain the Common Areas and Areas of Common Responsibility in accordance with the standards and requirements established by the City under the Applicable Zoning, the Development Agreement, the City Design Guidelines, the Design Guidelines or otherwise. This Section 4.6 may not be modified or amendment without the express written consent of the City.

ARTICLE 5
TOWNHOME LOTS, TOWNHOMES & AREA OF COMMON RESPONSIBILITY

5.1. TOWNHOME LOTS. The Property is platted into Lots, the boundaries of which are shown on the Plat, and which may not be obvious on visual inspection of the Property. Portions of the Lots on which Townhomes are located (the "Townhome Lot(s)") are designated by this Declaration to be Areas of Common Responsibility, and are burdened with easements for the use and benefit of the Association, Owners, and Residents. Although the Property is platted into individually owned Townhome Lots, portions of the Townhome Lots are maintained by the Association.

NOTE TOWNHOME OWNERS: WHILE YOU OWN YOUR LOT AND TOWNHOME, PORTIONS ARE CONTROLLED AND MAINTAINED BY THE ASSOCIATION.

5.2. TOWNHOMES. Certain Lots, as shown on the Plat, are to be improved with a Townhome and Townhome Buildings. The Owner of a Townhome Lot on which a Townhome is constructed owns every component of the Townhome Lot and Townhome, including all the structural components and exterior features of the Townhome and is responsible for the maintenance of the Townhome and Townhome Lot, except for the Areas of Common Responsibility set forth in this Declaration.

5.3. AREA OF COMMON RESPONSIBILITY. Areas of Common Responsibility within a Townhome Lot (which are in addition to the Areas of Responsibility described in Section 4.4 hereof) to be maintained by the Association include the following:

5.3.1. Areas Relating to Townhomes. All portions of the Townhomes marked as an Area of Common Responsibility on Appendix C are to be maintained by the Association.

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

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

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

ARTICLE 6
ARCHITECTURAL COVENANTS AND CONTROL

6.1. PURPOSE. Because all Lots are part of a single, unified community, this Declaration creates rights to regulate the design, use, and appearance of the Lots and Common Areas in order to preserve and enhance the Property's value and architectural harmony. One purpose of this Article is to promote and ensure the level of taste, design, quality, and harmony by which the Property is developed and maintained. Another purpose is to prevent improvements and modifications that may be widely considered to be radical, curious, odd, bizarre, or peculiar in comparison to the existing improvements. A third purpose is to regulate the appearance of every aspect of proposed or existing improvements on a Lot, including but not limited to Townhomes, Detached Residences, fences, landscaping, retaining walls, yard art, landscape borders, sidewalks and driveways, and further including replacements or modifications of original construction or installation. During the Development Period, a primary purpose of this Article is to reserve and preserve Declarant's right of architectural control. **No exterior modification is allowed without the prior written consent of the Architectural Reviewer**. Due to the intent that Townhomes within a Townhome Building maintain uniformity of appearance, and for other reasons, the Owner of a Detached Residence may be eligible for certain changes or enhancements not available to an Owner of Townhome.

6.2. ARCHITECTURAL CONTROL DURING THE DEVELOPMENT PERIOD. During the Development Period, neither the Association, the Board of directors, nor a committee appointed by the Association or Board (no matter how the committee is named) may involve itself with the approval of plans and specifications for new Townhomes or Detached Residences to be constructed on vacant Lots or the approval process for requests for architectural modification. **During the Development Period, the Architectural Reviewer for plans and specifications for all Lots to be constructed on vacant Lots is the Declarant or its delegates**.

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

6.2.2. Delegation by Declarant. During the Development Period, Declarant may from time to time, but is not obligated to, delegate all or a portion of its reserved rights under this Article as the Architectural Reviewer to (1) an ACC (as defined in Section 6.3 hereof) appointed by the Board, or (2) a committee comprised or architects, engineers, or other persons who may or may not be Members of the Association. Any such delegation must be in writing and must specify the scope of delegated responsibilities. Any such delegation is at all times subject to the unilateral rights of Declarant (1) to revoke such delegation at any time and reassume jurisdiction over the matters previously delegated, and (2) to veto any decision which Declarant in its sole discretion determines to be inappropriate or inadvisable for any reason.

6.2.3. Limits on Declarant's Liability. The Declarant has sole discretion with respect to taste, design, and all standards specified by this Article during the Development Period. The Declarant, and any delegate, officer, member, director, employee or other person or entity exercising Declarant's rights under this Article shall have no liability for its decisions made and in no event shall be responsible for: (1) errors in or omissions from the plans and specifications submitted, (2) supervising construction for the Owner's compliance with approved plans and specifications, or (3) the compliance of the Owner's plans and specifications with governmental codes and ordinances, state and federal laws. By submitting any plan for approval, the submitting party expressly acknowledges that Declarant and/or the Architectural Reviewer are not engineers, architects, or builders for purposes of plan review, and that any approval or disapproval of any plans expressly excludes any opinion on the suitability of the plans on an engineering, architectural, or construction basis

NOTE TO TOWNHOME OWNERS: YOU CANNOT INDIVIDUALIZE THE OUTSIDE OF YOUR TOWNHOME. PLAN APPROVAL IS REQUIRED.

No Plat or plans for Townhomes, Detached Residences or other improvements shall be submitted to the City or other applicable governmental authority for approval until such Plat and/or related construction plans have been approved in writing. Furthermore, no Townhome, Detached Residence, or other improvements shall be constructed on any Lot within the Property until plans therefore have been approved in writing by the Architectural Reviewer as provided in this Declaration; provided that the Townhome, Detached Residence, or other improvements in any

event must comply with the requirements and restrictions set forth in this Declaration and the Design Guidelines established thereby.

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

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

6.3.2. Limits on Liability. The ACC has sole discretion with respect to taste, design, and all standards specified by this Article. The members of the ACC have no liability for the ACC's decisions made in good faith, and which are not arbitrary or capricious. The ACC is not responsible for: (1) errors in or omissions from the plans and specifications submitted to the ACC, (2) supervising construction for the Owner's compliance with approved plans and specifications, or (3) the compliance of the Owner's plans and specifications with governmental codes and ordinances, state and federal laws. By submitting any plan for approval, the submitting party expressly acknowledges that the ACC and/or the Architectural Reviewer are not engineers, architects, or builders for purposes of plan review, and that any approval or disapproval of any plans expressly excludes any opinion on the suitability of the plans on an engineering, architectural, or construction basis.

6.4. PROHIBITION OF CONSTRUCTION, ALTERATION & IMPROVEMENT. Without the Architectural Reviewer's prior written approval, a person may not construct a Townhome or Detached Residence or make an addition, alteration, improvement, installation, modification, redecoration, or reconstruction of or to a Townhome or Detached Residence or any other part of the Property, if it will be visible from a Street, another Townhome or Detached Residence, or the Common Area. The Architectural Reviewer has the right but not the duty to evaluate every aspect of construction, landscaping, and property use that may adversely affect the general value or appearance of the Property. The review of plans pursuant to this Declaration may be subject to all review and approval procedures set forth in guidelines, restrictions and/or requirements of applicable zoning or otherwise established by the Architectural Reviewer in its review of plans pursuant hereto.

6.5. ARCHITECTURAL APPROVAL. To request architectural approval for any new construction or reconstruction of a residence, an Owner must make written application and submit to the Architectural Reviewer two (2) identical sets of plans and specifications showing the nature, kind, shape, color, size, materials, and locations of the work to be performed. In support of the

application, the Owner may but is not required to submit letters of support or non-opposition from Owners of Lots that may be affected by the construction or any proposed change. If variance is sought, the application must identify any requirement of this Declaration for which a variance is sought and clearly outline the variance requested in detail. Failure to provide all the required information could result in an automatic denial. The Architectural Reviewer will have at least thirty (30) days to make a determination notwithstanding, more difficult or detailed requests may take up to forty-five (45) days to make a determination. The ACC shall return one set of plans and specifications to the applicant marked with the Architectural Reviewer's response, such as "Approved," "Denied," or "More Information Required." The Architectural Reviewer will retain the other set of plans and specifications, together with the application, for the Association's files. If the application is returned to the Owner marked "More Information Required" the application review process is placed on hold and the burden to provide the information needed shall be solely upon the Owner. If within ten (10) days the Owner does not provide the information requested the Architectural Reviewer shall deny the application and return a letter of denial to the Owner. Owner will, at that time, be required to submit a new application for review and approval. The ACC shall endeavor to review and return Builder applications within fifteen (15) days of receipt of a complete application nevertheless, the ACC has up to thirty (30) days when a Builder's application requires a more detailed review than would normally be required or during peak times when receipt of applications by the ACC are exceptionally high.

6.5.1. No Verbal Approval. There shall never be a verbal approval. Verbal approval by an Architectural Reviewer, the Declarant, an Association director or officer, a member of the ACC, or the Association's manager **does not constitute architectural approval** by the appropriate Architectural Reviewer, which must be in writing.

6.5.2. No Deemed Approval. The failure of the Architectural Reviewer to respond to an application submitted by an Owner may **NOT** be construed as approval of the application. Under no circumstance may approval of the Architectural Reviewer be deemed, implied, or presumed. ***Builders who do not receive a response within fifteen (15) days may not presume approval and must wait for written notification from the ACC before beginning construction. At all times, and in every circumstance, the burden of responsibility to ensure the plans meet all applicable City requirements and the requirements as set forth in this Declaration and the Design Guidelines are the sole responsibility of the Owner and/or Builder.***

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

6.5.4. Building Permit. If the application is for work that requires a building permit from a governmental body, the Architectural Reviewer's approval is conditioned on the issuance of the appropriate permit and the Reviewer may, but is not obligated to request a copy of the permit prior to issuing architectural approval. The Architectural Reviewer's approval of plans and specifications does not mean that they comply with the requirements of the governmental body. Alternatively, governmental approval does not ensure Architectural Reviewer approval.

6.5.5. Neighbor Input. The Architectural Reviewer may solicit comments on the application, including from Owners or Residents of Townhomes and Detached Residences that may be affected by the proposed change, or from which the proposed change may be visible to include requiring the Owner to obtain written consent from neighbor(s) when a proposed change may affect any portion of the neighbor's Lot such as in the case of a shared fence by way of example only. Whether to solicit comments, from whom to solicit comments, and whether to make the comments available to the applicant is solely at the discretion of the Architectural Reviewer. The Architectural Reviewer is not required to respond to the commenter in ruling on the application.

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

ARTICLE 7
CONSTRUCTION AND USE RESTRICTIONS

7.1. VARIANCE. The use of the Property is subject to the restrictions contained in this Article, and subject to Rules adopted pursuant to this Article. The Board or the Architectural Reviewer, as the case may be, may grant a variance or waiver of a restriction or Rule on a case-by-case basis when unique circumstances dictate, and may limit or condition its grant. To be effective, a variance must be in writing. The grant of a variance does not affect a waiver or estoppel of the Association's right to deny a variance in other circumstances. Approval of a variance or waiver may not be deemed, implied, or presumed under any circumstance. Variances issued by Declarant may not be amended or revoked by the Association, the Architectural Review Committee or the Board of Directors at any time without the express written consent of the Declarant.

7.2. PROHIBITION OF CONSTRUCTION, ALTERATION & IMPROVEMENT. Without the Architectural Reviewer's prior written approval, a person may not commence or continue any construction, alteration, addition, improvement, installation, modification, redecoration, or reconstruction of or to the Property, or do anything that affects the appearance, use, or structural integrity of the Property. The Architectural Reviewer has the right but not the duty to evaluate every aspect of construction and property use that may adversely affect the general value or appearance of the Property. Failure to comply with this rule may result in a fine of non-compliance of up to $50.00 per day for every day the violation and/or non-conformance continues.

7.3. LIMITS TO RIGHTS. **No right granted to an Owner by this Article or by any provision of the Documents is absolute.** The Documents grant rights with the expectation that the rights will be exercised in ways, places, and times that are customary for the Subdivision. This Article and the Documents as a whole do not try to anticipate and address every creative interpretation of the restrictions. The rights granted by this Article and the Documents are at all times subject to the Board's determination that a particular interpretation and exercise of a right is

significantly inappropriate, unattractive, or otherwise unsuitable for the Subdivision, and thus constitutes a violation of the Documents. In other words, the exercise of a right or restriction must comply with the spirit of the restriction as well as with the letter of the restriction.

7.4. ASSOCIATION'S RIGHT TO PROMULGATE RULES. The Association, acting through its Board, is granted the right to adopt, amend, repeal, and enforce reasonable Rules, and penalties for infractions thereof, regarding the occupancy (the City of Mesquite has specific occupancy restrictions for Bungalows west of Rodeo Drive which shall be enforced by the Association per this Declaration and all City required standards), use, disposition, maintenance, appearance, and enjoyment of the Property. In addition to the restrictions contained in this Article, each Lot is owned and occupied subject to the right of the Board to establish Rules, and penalties for infractions thereof, governing:

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

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

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

d. The consumption of utilities billed to the Association.

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

f. Landscaping and maintenance of yards for Detached Residences, an Owner of a Townhome shall have no right to perform such activities in an Area of Common Responsibility.

g. The occupancy and leasing of Townhomes or Detached Residences. No leasing or rental restrictions may be enforced during the Declarant Control Period without the express written consent of the Declarant.

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

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

j. Disposition of trash and control of vermin, termites, and pests. No situation shall be allowed to remain on a Lot where trash and debris is strewn or left on the Lot or spills out of trash containers onto the Lot or street, where bulk items are left out, or any other situation which may encourage or attract vermin, termites, and pests of any kind.

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

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

7.5.1. Number. **No more than two (2) pets** (total combined weight of both pets no greater than one hundred (100) pounds) may be maintained in each Townhome and without the express written consent of the Board, shall be cats or dogs. Permission to maintain other types or additional numbers of household pets must be obtained in writing from the Board. Owners of Detached Residences may keep up to four (4) household pets. Absolutely NO animals, especially dogs, of an aggressive breed or nature or animals that have been trained to be aggressive will be allowed. Owners who house these types of animals will be asked to remove the animal(s) permanently from the residence and community. **If an Owner has failed to remove its pet from the Subdivision pursuant to any order or removal issued by the Board within three (3) days after such order is delivered to an Owner, such Owner shall be subject to fines up to $1,000.00 per occurrence and the Board may proceed with efforts to immediately remove the pet that is the subject to the order from the Subdivision.** Notwithstanding anything contained herein to the contrary, the Board in its sole discretion and without incurring any further duty or obligation to owners and occupants within the Property, may decide to take no action and refer complaining parties to the appropriate municipal or governmental authorities for handling and final disposition. In the event an animal has attacked a person or another animal the three (3) day written notice **shall not apply** and immediate action by the Owner must be taken to permanently remove the animal(s) from the residence and community. The Association shall have no liability or obligation to ensure removal of a pet from the Subdivision and cannot be held liable or responsible if any enforcement actions taken by the Association under this Section are unsuccessful.

7.5.2. Disturbance. Pets must be kept in a manner that does not disturb the peaceful enjoyment of Residents of other Lots. **No pet may be permitted to bark, howl, whine, screech, or make other loud noises for extended or repeated periods of time. IF ANY ANIMAL OR PET IS A NUISANCE IN THE SUBDIVISION, HOMEOWNERS ARE ENCOURAGED TO CONTACT THEIR LOCAL ANIMAL CONTROL AUTHORITY FOR ASSISTANCE.** Owner shall ensure that their pet(s) comply with these rules at all times. Pets must be kept on a leash at all times when outside the Residence or confines of a fenced yard. The Board is the sole arbiter of what constitutes a threat or danger, disturbance or annoyance and may upon written notice require the immediate removal of the animal(s) should the Owner fail to be able to bring the animal into compliance with this Declaration or any rules and regulations promulgated hereunder. The Association shall have no liability or obligation to ensure removal of a pet from the Subdivision that is a nuisance and cannot be held liable or responsible if any enforcement actions taken by the Association under this Section are unsuccessful.

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

7.5.4. Pooper Scooper. All Owners and Residents are responsible for the removal of his pet's wastes from the Property. Unless the Rules provide otherwise, a Resident must prevent his pet from relieving itself on the Common Area, the Area of Common Responsibility, or the Lot of another Owner. The Association may levy fines up to $300.00 per occurrence for any Owner who violates this section and does not comply with the rules as set forth herein. ***A signed statement of fact or affidavit received from an Owner or Resident affirming they witnessed an Owner's pet damaging property or an Owner leaving their pet's waste in common areas shall be sufficient proof for enforcing rules and fines against an Owner for non-compliance of this rule.***

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

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

7.7. APPEARANCE. Both the Lot and the Residence must be maintained in a manner so as not to be unsightly when viewed from the Street or neighboring Lots or Common Areas. The Architectural Reviewer is the arbitrator of acceptable appearance standards. **A COMMUNITY WIDE STANDARD SHALL BE ESTABLISHED AND STRICTLY UPHELD. SUCH STANDARD MAY OR MAY NOT BE IN WRITING AND SHALL BE ENFORCEABLE AGAINST ALL OWNERS. VIOLATIONS OF A COMMUNITY WIDE STANDARD SHALL BE SUBJECT TO THE SAME ENFORCEMENT RIGHTS OF THE ASSOCIATION AND ITS NOTICE AND FINING STRUCTURES. THE DECLARANT SHALL INITIALLY ESTABLISH THE STANDARD AND THE BOARD AND THE ACC SHALL BE TASKED WITH UPHOLDING THAT STANDARD. THE COMMUNITY WIDE STANDARD CAN BE USED AS THE SOLE REASON TO APPROVE OR DENY A REQUEST FOR MODIFICATION. THE COMMUNITY WIDE STANDARD IS SUBJECT TO CHANGE AS THE DEVELOPMENT GROWS. AFTER THE DECLARANT CONTROL PERIOD ENDS, CHANGES TO THE COMMUNITY WIDE STANDARD SHALL BE DONE BY RESOLUTION OF THE BOARD, RATIFIED AT AN OPEN MEETING AND MEMORIALIZED IN THE MEETING MINUTES AND NEED NOT BE RECORDED TO BE ENFORCEABLE.**

7.8. ACCESSORY STRUCTURES AND SHEDS. Accessory structures of any kind or type, whether permanent or temporary, such as, but not limited to, gazebos, pergolas, patio covers, storage sheds, playhouses, and play sets - are **not** allowed on any Lot without the express written consent of the ACC. Due to limitations on space and the close proximity of Owners of Townhomes, Owners of a Townhome may not be eligible for some structures. Owners may have small dog houses and greenhouses as long as the structures are low profile and cannot be seen over the fence. **Prior written approval is required for all structures regardless of the type or residential housing / Lot type. The Architectural Reviewer shall have the sole authority with regard to allowance as well as size, height, and placement for all Attached and Detached residences and/or Lots.**

7.9. BARBECUE. Exterior fires are prohibited on the Property unless contained in commercial standard grilling device approved by the Board. Additional restrictions for grilling devices may exist for Townhomes / Attached Residences.

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

7.11. YARDS. This Section applies to both Townhome and Detached Residence yards. Each section that is specific to only one Lot type will be clearly identified for clarification purposes. All yards of any Lot visible from the Common Areas, adjacent Lots or any Street, and not part of the Areas of Common Responsibility shall be maintained by the Owner of such Lot in a neat and attractive manner that is consistent with the Subdivision and such Owner shall water his yard with the appropriate amounts of water needed to keep the yard healthy and alive. The Association shall consider water restrictions should any such restriction apply. **The Association shall be responsible for the routine maintenance of the yards located outside fenced areas, flower beds, trees and shrubs as part of the Areas of Common Responsibility in accordance with Section 4.4 hereof, which shall include periodic trimming of trees and shrubs as well as the installation of annual or perennial flowers to the front yards of a Lot. The kind of annual or perennial flowers shall be determined by the Board of Directors who may rely on recommendations of the landscaper contracted to perform such duties and the same shall apply with regard to the periodic trimming of trees and bushes.** An Owner shall not remove any landscape items or interfere with the maintenance and upkeep of their front yard by the Association. Any such unauthorized removal or interference by an Owner shall be deemed an act of violation. Any costs to the Association to remove and/or replace any portion of the sod, landscape, trees, shrubs, plants, etc., shall be a cost to the Owner levied as an Individual Assessment or Special Individual Assessment and billed to the Owner's account. If an Owner desires to not have certain periodic color changes done to their front yard a written request must be submitted to the Board of Directors and Owner must provide specific details to the Board outlining the reasons why no such color changes are desired. The Board has the sole right to determine if no such color change shall take place. ***If the Board of Directors or Architectural Reviewer perceives that the appearance of yards detracts from the overall appearance of the***

Property, the Board may limit the colors, numbers, sizes, or types of furnishings, plantings, and other items kept in the yard. A yard may never be used for storage. All sports or play items as well as barbeque grills or other items or structures must be stored out of view at all times when not in use. No synthetic turf of any kind is allowed in any portion of the front, rear or sides of any yard. Owners of Detached Residences shall be required to obtain prior written approval from the Architectural Reviewer prior to making any major changes to their front or side yards which shall include the removal or addition of trees, landscape, yard art or ornaments, lights, or other.

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

7.13. DECORATION. Residents of Townhomes are prohibited from individualizing and decorating the exteriors of their Townhomes. What is appealing and attractive to one person, may be objectionable to another. For that reason, **the Association prohibits exterior "decorations" by Owners without the prior written approval of the Architectural Reviewer**. Examples of exterior decorations are windsocks, potted plants, and benches, name signs on tiles, hanging baskets, lights, flags or banners of any kind, bird feeders, awnings, window sill birdfeeders, yard gnomes, and clay frogs. Residents of Detached Residences may decorate the outside of their Residences notwithstanding, the Architectural Reviewer shall have the sole discretion to determine what is acceptable or not and any holiday decorations may not be installed thirty (30) days before a holiday and must be removed within fifteen (15) days after the holiday. For the purpose of clarification, holidays referred to in this Declaration are major holidays such as Christmas, halloween, and Easter. Prior written request is required to display decorations at any other time.

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

7.15. DRIVEWAYS. The driveway portion of a Lot may not be used for any purpose that interferes with its ongoing use as a route of vehicular access to the garage. Without the Board's prior approval, a driveway may not be used: (1) for storage purposes, including storage of boats, trailers (of any kind), sports vehicles of any kind, and inoperable vehicles; or (2) for any type of repair or restoration of vehicles. Barbeque grills must be removed when not in use. Driveways must comply with all setback rules of the Association and may not be stained or painted without the prior written consent of the ACC. Patterned driveways require written permission prior to installation. Front entry driveway cuts are to be horizontal curb cut and driveway aprons shall be medium broom finished concrete. All rear entry/alley served homes shall be medium broom finished concrete. **ANY VARIANCE TO THIS RULE MUST BE APPROVED BY THE CITY AND THE ACC PRIOR TO INSTALLATION**. Banding driveways with stone, brick or other materials that is compatible with the architecture may be considered notwithstanding no such use for a driveway shall be used without the express written consent of the ACC.

7.16. BASKETBALL GOALS. Portable basketball goals may be allowed by written consent of the ACC, provided however, no goals may be kept in the street or played at the end of a driveway, or within or in a manner that blocks a sidewalk, and may not be placed in the grass area located between the front building line or the sidewalk and the street. Portable goals must be kept in the driveway when in use and stored out of public view when not in use notwithstanding, crank goals that have the ability to be lowered when not in use may be allowed to remain positioned by the driveway when not in use nevertheless written permission of the ACC is still required. Permanent basketball goals are prohibited without express consent in writing from the Reviewer. Goals must be kept in good repair at all times and may not use unsightly weights such as tires, sand bags, or rocks unless the Owner can provide written proof from the manufacturer that such weights are the recommended means of weighing down the goal.

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

7.18. GARAGES. Without the Board's prior written approval, the original garage area of a Townhome or Detached Residence may not be enclosed or used for any purpose that prohibits the parking of two (2) standard-size operable vehicles therein. Construction criteria for garages may vary depending upon the residence and/or Lot type. It is the Builder's responsibility to ensure initial construction of a garage meets or exceeds all the City's building and zoning standards.

7.19. FIREARMS AND WEAPONS. Hunting and shooting are not permitted anywhere on or from the Property. No toys, weapons or firearms, including, without limitation, air rifles, BB guns, sling-shots or other item that is designed to cause harm to any person, animal or property ("Weapons") may be used in a manner to cause such harm (whether intentionally or negligently or otherwise) to any person, animal or property. Violation of this restriction is subject to an immediate fine of up to $1,000 per occurrence after the first notification (which may be given in writing or verbally, to the extent permitted under applicable law). The Board may adopt Rules to ban the carrying and use of Weapons within Common Areas and the Subdivision to the extent permitted under applicable law.

7.20. **FIREWORKS ARE STRICTLY PROHIBITED**. Use of fireworks in the Subdivision is subject to a monetary fine of $1,000.00 for each violation. A sworn affidavit signed by a witness with legal capacity made under penalty of perjury attesting to the violation and specifying the date of approximate time of such violation which is received by the Association shall be sufficient evidence of such violation.

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

7.22. LEASING. An Owner may lease his Residence on his Lot. ***Whether or not it is so stated in a lease, every lease is subject to the Documents and all Governmental Requirements***. An Owner must lease the entire Residence to be occupied by a single-family unit. An Owner may only rent or lease a room when the Owner remains as the primary occupant in the home. An Owner is responsible for providing his tenant with copies of the Documents and notifying him of changes thereto. Failure by the tenant or his invitees to comply with the Documents, federal or state law, or local ordinance or other Governmental Requirements is deemed to be a default under the lease. ***When the Association notifies an Owner of his tenant's violation, the Owner will promptly obtain his tenant's compliance or exercise his rights as a landlord for tenant's breach of lease. If the tenant's violation continues or is repeated, and if the Owner is unable, unwilling, or unavailable to obtain his tenant's compliance, then the Association has the power and right to pursue the remedies of a landlord under the lease or state law for the default, including eviction of the tenant.*** The Owner of a leased Lot is liable to the Association for any expenses incurred by the Association in connection with enforcement of the Documents and/or any Governmental Requirements against his tenant. The Association is not liable to the Owner for any damages, including lost rents, suffered by the Owner in relation to the Association's enforcement of the Documents against the Owner's tenant. **DURING THE DECLARANT CONTROL PERIOD THIS SECTION MAY NOT BE ENFORCED WITHOUT THE EXPRESS WRITTEN CONSENT OF THE DECLARANT.** The Board of Directors, after the Declarant Control Period ends, may adopt rules and restrictions for leasing notwithstanding, no such rule or restriction shall apply to or be enforceable against any Owner who purchased their Home or Lot from Declarant or any Builder during the Declarant Control Period (the "Initial Purchaser"). Should the Initial Purchaser ever sell or otherwise transfer title to their Home or Lot the exclusion from the leasing rules and restrictions set forth in this Section or which may, from time to time, be adopted by the Board shall become null and void and the Home or Lot shall be subject to all rules and restrictions for leasing as any other non-excluded Home or Lot in the Subdivision.

7.23. NOISE & ODOR. A Resident must exercise reasonable care to avoid making or permitting to be made loud, disturbing, or objectionable noises or noxious odors that are likely to disturb or annoy Residents of neighboring areas within the community. The Rules may limit, discourage, or prohibit noise-producing activities and items in the Residence and on the Common Areas or Area of Common Responsibility. The Association cannot be held liable or responsible if any enforcement actions taken by the Association under this Section fail.

NOTE TO TOWNHOME OWNERS: TOWNHOMES ARE NOT SOUND PROOFED. BE A GOOD NEIGHBOR.

7.24 SOUND TRANSMISSION DISCLAIMER. **Each Owner, by acceptance of a deed or other conveyance of their Unit or residential Lot, hereby acknowledges and agrees that sound and impact noise transmission in structures such as, but not limited to, buildings, townhome or condominium buildings, as well as homes built in close quarters to one another is very difficult to control, and that noises from adjoining or nearby units or residential Lots and the surrounding development and/or mechanical equipment can and will be heard in units or in residential Lots. Declarant, the Association, the Board of Directors, as well as any Agent, Successor or Assign does not make any representation or warranty as to the level of**

sound or impact noise transmission between and among units or residential Lots or any other portion of the property, and each Owner hereby waives and expressly releases, to the extent not prohibited by applicable law as of the date of the Declaration, any such warranty and claim for loss or damages resulting from sound or impact noise transmission. This would include, but is in no way limited to, normal sounds expected to be heard in a residential community such as car horns, vehicle engines, construction and/or landscape work, community or private functions, children at play, and animals barking, howling, or screeching. Owners in townhomes or condominiums may expect to hear the use of normal household appliances or equipment common to home use and each Owner, regardless of unit or Lot type, by acceptance of a deed or other conveyance of their unit or residential Lot does hereby acknowledge and agrees that complaints of this nature shall be deemed a neighbor to neighbor issue and Owners will be encouraged to resolve such issues among themselves. The Board of Directors shall decide if any complaint warrants further investigation and enforcement notwithstanding, under the provisions of this Declaration and as set forth in this disclaimer, any participation of the Board or a Managing Agent in such matters may be limited to that of mediator serving to act as a liaison in an effort to help Owners resolve such issues.

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

7.26. **AGE RESTRICTED BUNGALOWS.** Twenty-four (24) Bungalows located in the southern portion of Tract 2A shall be designated for **"Age Restricted"** use only. Each Bungalow dwelling in the Age Restricted portion of this Tract may be occupied by either (i) Disregarded Residents (any Resident who is necessary to provide reasonable accommodation or provide assistance to fifty-five (55) years of age or older residents); and (ii) at least one (1) Resident which shall be no less than fifty-five (55) years of age. No permanent Resident may be less than eighteen (18) years of age in the Age Restricted portion of the community. No person under the age of fifty-five may occupy a dwelling in the Age Restricted portion of the community if said occupancy would result in fewer than eighty percent (80%) of all occupied dwellings consisting of occupants of no less than fifty-five (55) years of age. In the event of a conveyance or change in title by reason of death, or for any other reason the new Owner must contact the Association to ensure the eighty percent (80%) threshold has not been exceeded. Except with regard to the restrictions noted above, all age restricted bungalows are subject to all rules and regulations set forth in this Declaration and any Rules and Regulations adopted or which may be adopted or amended, from time to time.

7.27. OCCUPANCY - TYPES. A person may not occupy a Residence if the person constitutes a direct threat to the health or safety of other persons, or if the person's occupancy would result in substantial physical damage to the property of others. This Section does not and may not be construed to create a duty for the Association or a selling Owner to investigate or screen purchasers or prospective purchasers of Residences. By owning or occupying a Residence, each person acknowledges that the Subdivision is subject to local, state, and federal fair housing laws and ordinances. Accordingly, this Section may not be used to discriminate against classes or categories of people.

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

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

7.30. TOWNHOME STRUCTURAL INTEGRITY. No person may directly or indirectly impair the structural soundness or integrity of a Townhome Building or another Townhome, nor do any work or modification that will impair an easement or real property right.

7.31. TELEVISION. Each Resident of the Property will avoid doing or permitting anything to be done that may unreasonably interfere with the television, radio, telephonic, electronic, microwave, cable, or satellite reception on the Property. Antennas, satellite or

microwave dishes, and receiving or transmitting towers that are visible from a Street or from another Lot are prohibited within the Property, except (1) reception-only antennas or satellite dishes designed to receive television broadcast signals, (2) antennas or satellite dishes that are one meter or less in diameter and designed to receive direct broadcast satellite service (DBS), or (3) antennas or satellite dishes that are one meter or less in diameter or diagonal measurement and designed to receive video programming services via multipoint distribution services (MDS) (collectively, the "Antenna") are permitted if located (a) inside the Residence (such as in an attic or garage) so as not to be visible from outside the Residence, (b) in a fenced yard, or (c) attached to or mounted on the rear wall of a Residence below the eaves. If an Owner determines that an Antenna cannot be located in compliance with the above guidelines without precluding reception of an acceptable quality signal, the Owner may install the Antenna in the least conspicuous location on the Lot or Residence thereon where an acceptable quality signal can be obtained. Satellites and antennas may not be mounted to the front of any Residence, on the roof, or in the ground, outside a fenced in area without the express written consent of the ACC. The Association may adopt reasonable Rules for the location, appearance, camouflaging, installation, maintenance, and use of the Antennas to the extent permitted by public law. An Owner must have written permission of the Architectural Reviewer to install any apparatus to the roof of the structure.

7.32. TRASH. Each Resident will endeavor to keep the Property clean and will dispose of all refuse in receptacles designated specifically by the Association or by the City for that purpose. **Trash must be placed entirely within the designated receptacle**. The construction or installation of concrete pads for trash cans requires prior written consent of the ACC and each such request will be reviewed on a case by case basis. The Board may adopt, amend, and repeal Rules regulating the disposal and removal of trash from the Property. If the Rules fail to establish hours for curbside trash containers, the container may be in the designated area from dusk on the evening before trash pick-up day until dusk on the day of trash pick-up. ***At all other times, trash containers must be kept inside the garage or within the fenced area of the Lot screened from view. The same rules apply for bulk trash and items with regard to established hours for curbside pickup. The Association may adopt a no tolerance rule and establish specific fine amounts for violation of the rules set forth in this Section of the Declaration.***

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

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

7.34.1. Parking in Street. Vehicles that are not prohibited below may park on public Streets only if the City allows curbside parking, and in designated parking areas, subject to the continuing right of the Association to adopt reasonable Rules if circumstances warrant; provided,

however, parallel parking or parking of vehicles or vehicular equipment on any Streets located at or adjacent to the rear property line of a Lot or on any Streets with a width less than twenty-five feet (25') is expressly prohibited by this Declaration. At NO time should a vehicle block a driveway, alleyway, or other vehicular access.

7.34.2. Prohibited Vehicles. Without prior written Board approval, the following types of vehicles and vehicular equipment - mobile or otherwise - may not be kept, parked, or stored anywhere on the Property - including overnight parking on streets, driveways, and visitor parking spaces - if the vehicle is visible from a Street or from another Residence: mobile homes, motor homes, buses, all trailers (including, without limitation, boat and/or jet ski trailers), boats, inoperable vehicles, commercial truck cabs with or without trailers attached, trucks with tonnage over one ton, towing vehicles or vehicle haulers being parked within the Subdivision and not on site for the purpose of delivery or removal of a vehicle, or any vehicles which are not customary personal passenger vehicles, and any vehicle which the Board deems to be a nuisance, unsightly, or inappropriate. This restriction does not apply to vehicles and equipment temporarily on the Property in connection with the construction or maintenance of a Residence. Vehicles that transport inflammatory or explosive cargo are prohibited from the Property at all times. Small vehicles with advertising used by an Owner as their primary source of transportation may be allowed ONLY if the vehicle is parked in the driveway or garage at all times. At no time is an Owner to use his vehicle to solicit business within the community. Oversize work vehicles are prohibited. Small vehicles for fire or law enforcement are excluded from these restrictions.

7.35. WINDOW TREATMENTS. Each Townhome Building in the Subdivision is designed to have uniformity. Therefore, the color and condition of all window panes, window screens, and window treatments must conform to the Building Standard (as defined in Section 14.5 below) of such Townhome Building. All window treatments within the Townhome Building, that are visible from the Street or another Townhome, must be maintained in good condition and must not detract from the appearance of the Property. **NO sheets, towels, foil, paper, or other unsightly items may be used to cover a window at any time**. The Architectural Reviewer may require an Owner to change or remove a window treatment, window film, window screen, or window decoration that the Architectural Reviewer determines to be inappropriate, unattractive, or inconsistent with the Property's uniformity. The Architectural Reviewer may prohibit the use of certain colors or materials for window treatments if it deems it appropriate to do so.

NOTE TO TOWNHOME OWNERS: BEFORE YOU BUY THOSE WINDOW COVERINGS, GET ARCHITECTURAL APPROVAL.

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

mounted to the first-floor facade of the Residence, and no in-ground flag pole is permitted on a Lot without the express written permission of the ACC.

7.37. USE OF ASSOCIATION NAME/LOGO. The use of the name of the Association or the Subdivision, or any variation thereof, in any capacity without the express written consent of the Declarant during the Declarant Control Period, and thereafter the Board, is strictly prohibited. Additionally, the use of any logo adopted by the Association or the Subdivision, or use of any photographs of the entryway signage or other Subdivision signs or monuments or Common Properties without the express written consent of the Declarant during the Declarant Control Period, and thereafter the Board, is strictly prohibited.

7.38. DRONES AND UNMANNED AIRCRAFT. Any Owner operating or using a drone or unmanned aircraft within the Property and related airspace must register such drone or unmanned aircraft with the Federal Aviation Administration ("FAA"), to the extent required under applicable FAA rules and regulations, and mark such done or unmanned aircraft prominently with the serial number or registration number on the drone or unmanned aircraft for identification purposes. BY ACCEPTANCE OF TITLE TO ANY PORTION OF THE PROPERTY, EACH OWNER ACKNOWLEDGES THAT USE OF A DRONE OR UNMANNED AIRCRAFT TO TAKE IMAGES OF PRIVATE PROPERTY OR PERSONS WITHOUT CONSENT MAY BE A VIOLATION OF TEXAS LAW AND CLASS C MISDEMEANOR SUBJECT TO LEGAL ACTION AND FINES UP TO $10,000. IT IS YOUR RESPONSIBILITY TO KNOW AND COMPLY WITH ALL LAWS APPLICABLE TO YOUR DRONE AND/OR UNMANNED AIRCRAFT USE. **OWNERS WHO FEEL THEIR RIGHTS HAVE BEEN VIOLATED BY SUCH AN ACTION SHOULD CONTACT THEIR LOCAL AUTHORITIES FOR ASSISTANCE.** The Association cannot be held liable or responsible if any enforcement actions taken by the Association under this Section are unsuccessful.

ARTICLE 8
ASSOCIATION AND MEMBERSHIP RIGHTS

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

8.2. BOARD. Unless the Documents expressly reserve a right, action, or decision to the Owners, Declarant, or another party, the Board acts in all instances on behalf of the Association. Unless the context indicates otherwise, references in the Documents to the "*Association*" may be construed to mean "*the Association acting through its board of directors.*"

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

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

8.4. GOVERNANCE. The Association will be governed by a Board of directors elected by the Members. Unless the Association's Bylaws or Certificate of Formation provide otherwise, the Board will consist of at least 3 persons elected at the annual meeting of the Association, or at a special meeting called for that purpose. The Association will be administered in accordance with the Bylaws. Unless the Documents provide otherwise, any action requiring approval of the Members may be approved in writing by Majority of Owners, or at a meeting of Members by affirmative vote of at least a Majority of Owners present at such meeting, all classes together, in person or by proxy (subject to quorum requirements being met).

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

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

8.7. VOTING. One vote is appurtenant to each Lot. The total number of votes equals the total number of Lots in the Property. If additional property is made subject to this Declaration, the total number of votes will be increased automatically by the number of additional Lots included in the property annexed into the Property subject to this Declaration. Each vote is uniform and equal to the vote appurtenant to every other Lot, except during the Declarant Control Period as

permitted in Appendix B. Cumulative voting is not allowed. Votes may be cast by written proxy, according to the requirements of the Association's Bylaws.

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

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

8.10. LIMITATION OF LIABILITY; INDEMNIFICATION; AND WAIVER OF SUBROGATION. No Declarant or managing agent of the Association, or their respective directors, officers, committee chairs, committee members, agents, members, employees, or representatives, or any member of the Board or the ACC or other officer, agent or representative of the Association (collectively, the "Leaders"), shall be personally liable for the debts, obligations or liabilities of the Association. The Leaders shall not be liable for any mistake of judgment, whether negligent or otherwise, except for their own individual willful misfeasance or malfeasance, misconduct, bad faith, intentional wrongful acts or as otherwise expressly provided in the Documents. The Leaders shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association, and THE ASSOCIATION INDEMNIFIES EVERY LEADER, AS A COMMON EXPENSE OF THE ASSOCIATION, AGAINST CLAIMS, EXPENSES, LOSS OR LIABILITIES (TO THE EXTENT NOT COVERED BY INSURANCE PROCEEDS) TO OTHERS BY ANY CONTRACT OR COMMITMENT, AND BY REASONS OF HAVING SERVED AS A LEADER, INCLUDING ATTORNEY'S FEES, REASONABLY INCURRED BY OR IMPOSED ON THE LEADER IN CONNECTION WITH ANY ACTION, CLAIM, SUIT, OR PROCEEDING TO WHICH THE LEADER IS A PARTY. A LEADER IS NOT LIABLE FOR A MISTAKE OF JUDGMENT, NEGLIGENT OR OTHERWISE. A LEADER IS LIABLE FOR HIS WILLFUL MISFEASANCE, MALFEASANCE, MISCONDUCT, OR BAD FAITH. THIS RIGHT TO INDEMNIFICATION DOES NOT EXCLUDE ANY OTHER RIGHTS TO WHICH PRESENT OR FORMER LEADERS MAY BE ENTITLED. THE ASSOCIATION MAY MAINTAIN GENERAL LIABILITY AND DIRECTORS' AND OFFICERS' LIABILITY INSURANCE TO FUND THIS OBLIGATION. ADDITIONALLY, THE ASSOCIATION MAY INDEMNIFY A PERSON WHO IS OR WAS AN EMPLOYEE, TRUSTEE, AGENT, OR ATTORNEY OF THE ASSOCIATION, AGAINST ANY CLAIM OR LIABILITY ASSERTED AGAINST HIM AND INCURRED BY HIM IN THAT CAPACITY AND ARISING OUT OF THAT CAPACITY. ADDITIONALLY, THE ASSOCIATION MAY INDEMNIFY A PERSON WHO IS OR WAS AN EMPLOYEE, TRUSTEE, AGENT, OR ATTORNEY OF THE ASSOCIATION, AGAINST ANY CLAIM OR LIABILITY ASSERTED AGAINST HIM AND

INCURRED BY HIM IN THAT CAPACITY AND ARISING OUT OF THAT CAPACITY. Any right to indemnification provided herein shall not be exclusive of any other rights to which a director, officer, agent, member, employee and/or representative, or former director, officer, agent, member, employee and/or representative, may be entitled. The Association shall have the right to purchase and maintain, as a Common Expense, directors', officers', and ACC members', insurance on behalf of any Person who is or was Leader against any liability asserted against any such Person and incurred by any such Person in such capacity as a director, officer, agent, member, employee and/or representative, or arising out of such Person's status as such. SEPARATE AND APART FROM ANY OTHER WAIVER OF SUBROGATION IN THIS DECLARATION, THE ASSOCIATION WAIVES ANY AND ALL RIGHTS OF SUBROGATION WHATESOEVER IT MAY HAVE AGAISNT DECLARANT REGARDLESS OF FORM, AND TO THE EXTENT ANY THIRD-PARTY MAKES A CLAIM, SUIT, OR CAUSE OF ACTION AGAINST DECLARANT FOR OR ON BEHALF OF THE ASSOCIATION BY WAY OF A SUBROGATION RIGHT, THE INDEMNITY PROVISIONS HEREIN APPLY TO ANY SUCH SUBROGATION CLAIM, SUIT, CAUSE OF ACTION, OR OTHERWISE.

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

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

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

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

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

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

8.12.1. Resale Certificate. An Owner intending to sell his Residence will notify the Association and will request a Resale Certificate (herein so called) from the Association. The Resale Certificate shall include such information as may be required under Section 207.003(b) of the Texas Property Code; provided, however, that the Association or its managing agent may charge a fee in connection with preparation of the Resale Certificate to cover its administrative costs or otherwise, which fee must be paid upon the earlier of (i) delivery of the Resale Certificate to an Owner, or (ii) the Owner's closing of the sale or transfer of his/her Residence. Declarant is exempt from any and all Resale Certificate fees.

8.12.2. No Right of First Refusal. The Association does not have a right of first refusal and may not compel a selling Owner to convey the Owner's Lot to the Association.

8.12.3. Working Capital / Reserve Fund Contribution. At time of transfer of a Lot by any owner (other than by Declarant or a Builder), a "Working Capital / Reserve Fund Contribution" (herein so called) shall be paid to the Association in the amount equal to the greater of (i) **Seven Hundred Fifty and No/100 Dollars ($750.00) for each Townhome Lot** and **Five Hundred and No/100 Dollars ($500.00) for each Detached Residence;** provided, however that Declarant during the Development Period or, thereafter, the Board, may increase the Working Capital / Reserve Fund Contribution by an additional amount equal to fifty percent (50%) of the Working Capital / Reserve Fund Contribution then required without joinder or consent of any Member or Owner. Working Capital / Reserve Fund Contributions shall be deposited in the Association's "Operating Account" and/or a "General Reserve Fund" (herein so called). The Working Capital / Reserve Fund Contribution may be paid by the seller or buyer, and will be collected at closing of the transfer of a Lot from Builder to Owner or Owner to Owner. If the Working Capital / Reserve Fund Contribution is not collected at closing, the buyer remains liable to the Association for the Working Capital / Reserve Fund Contribution until paid. The Working Capital / Reserve Fund Contribution is not refundable and may not be regarded as a prepayment of or credit against Regular Assessments or Special Assessments. Per the City's Ordinances, the Association shall have the right to the use of funds allocated to the Reserve Fund for the maintenance and upkeep of any area of the grounds, Common Areas, Areas of Common Responsibility or any portion of the development, at any time and from time to time, as needed so long as the Association is the responsible party for said maintenance and upkeep. **Notwithstanding the foregoing or anything to the contrary contained in this Declaration, a portion of all Working Capital / Reserve Fund Contributions made pursuant to this Section 8.12.3 collected from the transfer of a Townhome Lot shall be set aside in a separate non-restricted general reserve in the amount of Two Hundred Fifty and No/100 Dollars ($250.00). The general reserve for Townhomes shall be used for the exclusive purpose of funding the cost and expense of satisfying the day to day operations, maintenance and/or repair obligations of the Association with respect to the Areas of Common Responsibility and Common Areas solely benefitting the Townhomes, or other Common Expenses of the Association benefitting the Townhomes and/or Townhome Lots.** The Board of Directors shall have the sole and exclusive right to determine what costs for the operation, maintenance, repair and upkeep of Townhomes would quality for use of the Townhome general reserve fund.

8.12.4. Other Transfer-Related Fees. A number of independent fees may be charged in relation to the transfer of title to a Lot, including but not limited to fees for Resale Certificates, estoppel certificates, copies of Documents, compliance inspections, ownership record changes or transfer fees, and priority processing, provided the fees are customary in amount, kind, and number for the local marketplace are not refundable and may not be regarded as a prepayment of or credit against Regular Assessments or Special Assessments. The Board may, at its sole discretion, enter into a contract with a managing agent to oversee the daily operation and management of the Association. ***The managing agent may, and probably will, have fees, which will be charged to an Owner for the transfer of a significant estate or fee simple title to a Lot and the issuance of a Resale Certificate, which fees shall not exceed $750.00 in the aggregate per Lot per transfer.*** The Association or its managing agent shall not be required to issue a Resale Certificate until payment for the cost thereof has been received by the Association or its managing

agent and no amendment to this Declaration may remove or otherwise revoke the Association's or Managing Agent's right to these fees. Transfer fees and fees for the issuance of a Resale Certificate shall in no event exceed the current annual rate of Regular Assessment applicable at the time of the transfer/sale for each Residence being conveyed and are not refundable and may not be regarded as a prepayment of or credit against regular or special assessments, and are in addition to the contribution to the Reserve Fund in Section 8.12.3 above. This Section does not obligate the Board or any third party to levy such fees. Transfer-related fees may and probably will be charged by the Association or by the Association's managing agent, provided there is no duplication. Transfer-related fees charged by or paid to a managing agent are not subject to the Association's Assessment Lien, and are not payable by the Association. Declarant is exempt from transfer related fees.

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

ARTICLE 9
COVENANT FOR ASSESSMENTS

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

Notwithstanding the foregoing, the Association shall maintain the Common Areas and Areas of Common Responsibility in accordance with the standards and requirements established by the City

under the City Design Guidelines or otherwise. This paragraph may not be modified or amendment without the express written consent of the City.

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

9.3. CONTROL FOR ASSESSMENT INCREASES. This Section of the Declaration may not be amended without the approval of Owners of at least two-thirds (2/3) of the Lots. In addition to other rights granted to Owners by this Declaration, Owners have the following powers and controls over the Association's budget:

9.3.1. Veto Increased Dues. At least 30 days prior to the effective date of an increase in Regular Assessments wherein the Regular Assessments due will increase more than fifty percent (50%) from the previous year's Regular Assessments the Board will notify an Owner of each Lot of the amount of, the budgetary basis for, and the effective date of the increase. The increase will automatically become effective unless Owners of at least a Majority of the Owners disapprove the increase by petition or at a meeting of the Association, subject to rights of the Board under Section 9.4.1 below. In that event, the last-approved budget will continue in effect until a revised budget is approved. **Increases of fifty percent (50%) or less shall not require a vote of the Owners, and may be approved by Declarant during the Development Period or, thereafter, by the Board.**

9.3.2. Veto Special Assessment. At least 30 days prior to the effective date of a Special Assessment, the Board will notify an Owner of each Lot of the amount of, the budgetary basis for, and the effective date of the Special Assessment. **The Special Assessment will automatically become effective unless Owners of at least a Majority of the Owners (no less than 51%) disapprove the Special Assessment by petition or at a meeting of the Association.**

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

9.4.1. Regular Assessments. **Regular Assessments for all residential Lot types are based on the annual budget.** If the Board does not approve an annual budget or fails to determine new Regular Assessments for any year, or delays in doing so, Owners will continue to pay the Regular Assessment as last determined. The Board shall have the right to determine a different schedule, notice of which shall be given by U.S. Mail to each Owner at least thirty (30) days prior to change.

The Regular Assessment for Townhomes shall be paid quarterly and has been set initially at **ONE THOUSAND TWO HUNDRED AND NO/100 DOLLARS ($1200.00) per Lot per year**. Assessments shall be due at the rate of $300.00 per quarter on the first (1st) day of January, April, July, and October of each calendar year and shall be considered late if not received by the last day of the month in which the assessment is due. **Builders shall pay assessments annually on the 1st day of January of each calendar year.**

Regular Assessments for the Bungalows included in the Detached Residences shall be paid on a quarterly basis (unless the Board determines a different schedule) and has been set initially at **SEVEN HUNDRED FIFTY AND NO/100 DOLLARS ($750.00) per Lot per year**. Assessments shall be due semi-annually in increments of Three Hundred Seventy-Five and No/100 Dollar ($375.00) paid in advance on the first (1st) day of January and July of each calendar year and shall be considered late if not received by the last day of the calendar month in which such payment is due. **Builders shall pay assessments annually on the 1st day of January of each calendar year.**

Regular Assessments for the Villas included in the Detached Residences shall be paid on a quarterly basis (unless the Board determines a different schedule) and has been set initially at **SEVEN HUNDRED FIFTY AND NO/100 DOLLARS ($750.00) per Lot per year**. Assessments shall be due semi-annually in increments of Three Hundred Seventy-Five and No/100 Dollar ($375.00) paid in advance on the first (1st) day of January and July of each calendar year and shall be considered late if not received by the last day of the calendar month in which such payment is due. **Builders shall pay assessments annually on the 1st day of January of each calendar year.**

Regular Assessments for the Zero Lot Line Residences included in the Detached Residences shall be paid on a quarterly basis (unless the Board determines a different schedule) and has been set initially at **SEVEN HUNDRED FIFTY AND NO/100 DOLLARS ($750.00) per Lot per year**. Assessments shall be due semi-annually in increments of Three Hundred Seventy-Five and No/100 Dollar ($375.00) paid in advance on the first (1st) day of January and July of each calendar year and shall be considered late if not received by the last day of the calendar month in which such payment is due. **Builders shall pay assessments annually on the 1st day of January of each calendar year.**

If during the course of a year and thereafter the Board determines that Regular Assessments are insufficient to cover the estimated Common Expenses for the remainder of the year, the Board may increase Regular Assessments for the remainder of the fiscal year in an amount that covers the estimated deficiency up to fifty percent (50%) without a vote of the Owners as set forth in Section 9.3.1 above. Notwithstanding the foregoing or the terms of Section 9.3.1 above, in the event that either (i) the Board determines that due to unusual circumstances the maximum annual Regular Assessment even as increased by fifty percent (50%) will be insufficient to enable the Association to pay the Common Expenses, or (ii) the Assessment increases resulting in an increase in excess of fifty percent (50%) above the previous year's Regular Assessment, then in such event, the Board shall have the right to increase the maximum annual Regular Assessment by the amount necessary to provide sufficient funds to cover the Common Expenses without the approval of the Members as

provided herein; provided, however, the Board shall only be allowed to make one (1) such increase per calendar year pursuant to this Section 9.4.1 and the terms of Section 9.3.1 shall apply for any additional increases of the Regular Assessment in a calendar year. When the assessments collected for Townhomes is insufficient to cover the estimated costs for expenses specific to Townhome maintenance and upkeep, the Board shall have the right to increase the assessments specific to the Townhome units only. When the assessments are insufficient to cover the estimated costs of common expenses related to the Association's common expenses, the increase shall be borne by all Lot Owners.

9.4.2. Special Assessments. In addition to Regular Assessments, and subject to the Owners' control for certain Assessment increases, the Board may levy one or more Special Assessments against all Lots for the purpose of defraying, in whole or in part, Common Expenses not anticipated by the annual budget or the Reserve Funds, for unexpected expenses and for any cost and need of the Association the Board of Directors using good faith judgment, deem necessary and/or appropriate. Special Assessments do not require the approval of the Owners, and may be levied by action taken by the Declarant during the Development Period and thereafter, by the Board; provided, however, Special Assessments that would result in levying of an amount in excess of fifty percent (50%) of the then annual Regular Assessment for each Lot being charged and for the following purposes must be approved by at least a Majority of the Owners:

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

b. Construction of **additional** capital improvements within the Property with a construction cost equal to or greater than $20,000.00, but not replacement of existing improvements.

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

9.4.3. Insurance Assessments. The Association's insurance premiums are Common Expenses that must be included in the Association's annual budget. Nevertheless, the Board may levy an Insurance Assessment - separately from the Regular Assessment - to fund (1) insurance premiums, (2) insurance deductibles, and (3) expenses pertaining to the Fire Riser Closets and the fire sprinkler system for the Townhomes. If the Association levies an Insurance Assessment, the Association must disclose the Insurance Assessment in Resale Certificates prepared by the Association.

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

according to benefit received; fees or charges levied against the Association on a per-Lot basis; and "pass through" expenses for services to Lots provided through the Association and which are equitably paid by each Lot according to benefit received.

9.4.5. Deficiency Assessments. The Board may levy a Deficiency Assessment against all Lots for the purpose of defraying, in whole or in part, the cost of repair or restoration if insurance proceeds or condemnation awards prove insufficient.

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

9.6. DECLARANT AND BUILDER OBLIGATION. (a) Declarant's obligation for an exemption from Assessments is described in Appendix B. Unless Appendix B creates an affirmative assessment obligation for Declarant, a Lot that is owned by Declarant during the Development Period is exempt from mandatory assessment by the Association. Declarant has a right to reimbursement for any Assessment paid to the Association by Declarant during the Development Period, but only after the Declarant Control Period. This provision may not be construed to prevent Declarant from making a loan or voluntary monetary donation to the Association, provided it is so characterized.

(b) Notwithstanding anything to the contrary contained in this Declaration, the Regular Assessment applicable to any Lot owned by a Builder shall be levied annually (regardless of the type of Lot or any improvements thereon).

9.7. ANNUAL BUDGET. The Board will prepare and approve an estimated annual budget for each fiscal year. For each calendar year or a part thereof during the term of this Declaration and after recordation of the initial final Plat of any portion of the Property, the Board shall establish an estimated budget of the Common Expenses to be incurred by the Association for the forthcoming year in performing and satisfying its rights, duties and obligations, which Common Expenses may include, without limitation, amounts due from Owners, and from and after the expiration of the Development Period, the budget adopted by the Board may include one or more line reserve funds (i.e. restricted, non-restricted, money-market, or investment accounts), which amounts budgeted for any reserve fund(s) shall be included in the Common Expenses. Based upon such budget, the Association shall then assess each Lot an annual fee which shall be paid by each Owner in advance in accordance with Section 9.4.1 hereof. The Board may adopt a separate budget for Townhomes and the Board shall have the right to allocate a portion of the Townhome assessment equal to the assessment paid by other Lots to a general operating account used for all Association expenditures and the remaining amount of a Townhome assessment may, at the Board's discretion be set aside in a separate operating account specifically for expenses related to Townhomes. The Association shall notify each Owner of the Regular Assessments for the ensuing year by December 31st of the preceding year, but failure to give such notice shall not relieve any Owner from its obligation to pay Assessments. Any Assessment not paid within the time allotted in Section 9.4.1 shall be delinquent and shall thereafter bear interest at the rate of twelve percent (12%) per annum or the maximum rate permitted by Applicable Law, whichever is less (the "Default Interest Rate") at the sole discretion of the Board. As to any partial year, Assessments on any Lot shall be appropriately prorated.

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

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

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

ARTICLE 10
ASSESSMENT LIEN

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

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

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

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

10.4. NOTICE AND RELEASE OF NOTICE. The Association's lien for Assessments is created by recordation of this Declaration, which constitutes record notice and perfection of the lien. No other recordation of a lien or notice of lien is required. However, the Association, at its option, may cause a notice of the lien to be recorded in the county's Real Property Records. If the debt is cured after a notice has been recorded, the Association will record a release of the notice at the expense of the curing Owner.

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

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

ARTICLE 11
EFFECT OF NONPAYMENT OF ASSESSMENTS

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

11.1. RESERVATION, SUBORDINATION, AND ENFORCEMENT OF ASSESSMENT LIEN. Declarant hereby reserves for the benefit of itself and the Association, a continuing contractual lien (the "Assessment Lien") against each Lot located on such Declarant's portion of the Property to secure payment of (1) the Assessments imposed hereunder and (2) payment of any amounts expended by such Declarant or the Association in performing a defaulting Owner's obligations as provided for in Section 4.3. THE OBLIGATION TO PAY ASSESSMENTS IN THE MANNER PROVIDED FOR IN THIS ARTICLE, TOGETHER WITH INTEREST FROM SUCH DUE DATE AT THE DEFAULT INTEREST RATE SET FORTH (IF APPLICABLE), THE CHARGES MADE AS AUTHORIZED IN THIS DECLARATION, ALL VIOLATION FINES AND THE COSTS OF COLLECTION, INCLUDING, BUT NOT LIMITED TO, REASONABLE ATTORNEYS' FEES, IS SECURED BY A CONTINUING CONTRACTUAL ASSESSMENT LIEN AND CHARGE ON THE LOT COVERED BY SUCH ASSESSMENT, WHICH SHALL BIND SUCH LOT AND THE OWNERS THEREOF AND THEIR HEIRS, SUCCESSORS, DEVISEES, PERSONAL REPRESENTATIVES AND ASSIGNEES. The continuing contractual Assessment Lien shall attach to the Lots as of the date of the recording of this Declaration in the Official Public Records of Dallas County, Texas, and such Assessment Lien shall be superior to all other liens except as otherwise provided in this Declaration. Each Owner, by accepting conveyance of a Lot, shall be deemed to have agreed to pay the Assessments herein provided for and to the reservation of the Assessment Lien. The Assessment Lien shall be subordinate only to the liens of any valid first lien mortgage or deed of trust encumbering a particular Lot and the Assessment Lien established by the terms of this Declaration. Sale or transfer of any Lot shall not affect the Assessment Lien. However, the sale or transfer of any Lot pursuant to a first mortgage or deed of trust foreclosure (whether by exercise of power of sale or otherwise) or any proceeding in lieu thereof, shall only extinguish the Assessment Lien as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability and the Assessment Lien for any Assessments thereafter becoming due. The Assessment Lien may be non-judicially foreclosed by power of sale in accordance with the provisions of Section 51.002 of the Texas Property Code (or any successor provision) or may be enforced judicially. Each Owner, by accepting conveyance of a Lot, expressly grants the Association a power of sale in connection with the foreclosure of the Assessment Lien. The Board is empowered to appoint a trustee, who may be a member of the Board, to exercise the powers of the Association to non-judicially foreclose the Assessments Lien in the manner provided for in Section 51.002 of the Texas Property Code (or any successor statute). The Association, through duly authorized agents, shall have the power to bid on the Lot at foreclosure sale and to acquire and hold, lease, mortgage and convey the same. The rights and remedies set forth in this Declaration are subject to the Texas Residential Property Owners Protection Act, as amended from time to time (Texas Property Code, Section 209.001 *et seq.*).

11.1.1. Notices of Delinquency or Payment. The Association, the Association's attorney or the Declarant may file notice (a "Notice of Unpaid Assessments") of any delinquency in payment of any Assessment in the Records of Dallas County, Texas. THE ASSESSMENT LIEN MAY BE ENFORCED BY FORECLOSURE OF THE ASSESSMENT LIEN UPON THE DEFAULTING OWNER'S LOT BY THE ASSOCIATION SUBSEQUENT TO THE RECORDING OF THE NOTICE OF UNPAID ASSESSMENTS EITHER BY JUDICIAL FORECLOSURE OR BY NONJUDICIAL FORECLOSURE THROUGH A PUBLIC SALE IN LIKE MANNER AS A MORTGAGE ON REAL PROPERTY IN ACCORDANCE WITH THE

TEXAS PROPERTY CODE, AS SUCH MAY BE REVISED, AMENDED, SUPPLEMENTED OR REPLACED FROM TIME TO TIME. Upon the timely curing of any default for which a notice was recorded by the Association, the Association, through its attorney, is hereby authorized to file of record a release of such notice upon payment by the defaulting Owner of a fee, to be determined by the Association but not to exceed the actual cost of preparing and filing a release. Upon request of any Owner, any title company on behalf of such Owner or any Owner's mortgagee, the Board, through its agents, may also issue certificates evidencing the status of payments of Assessments as to any particular Lot (i.e., whether they are current or delinquent and if delinquent, the amount thereof). The Association or its managing agent may impose a reasonable fee for furnishing such certificates or statements.

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

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

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

11.4. COSTS OF COLLECTION. The Owner of a Lot against which Assessments are delinquent is liable for reimbursement of reasonable costs incurred to collect the delinquent Assessments, including attorney's fees and processing fees charged by the managing agent. The managing agent shall have the right to charge a monthly collection fee in an amount not less than Fifteen and No/100 Dollars ($15.00) for each month an account is delinquent. Additional fees for costs involving the processing of demand letters and notice of intent of attorney referral shall apply and be in addition to the collection fee noted above; a fee of not less than Fifteen and No/100 dollars ($15.00) shall be charged for each demand letter or attorney referral letter prepared and processed. Other like notices requiring extra processing and handling which include but, are not limited to certified and/or return receipt mail processing shall also be billed back to the Owner's account for reimbursement to the Association or its managing agent. Collection fees and costs shall be added to the delinquent Owner's account.

11.5. ACCELERATION. If an Owner defaults in paying an Assessment that is payable in installments (payment plan), the Association may accelerate the remaining installments upon written notice to the defaulting Owner. The entire unpaid balance of the Assessment becomes due on the date stated in the notice. The Association is not required to offer an Owner who defaults

on a payment plan the option of entering into a second or other payment plan for a minimum of two (2) years.

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

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

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

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

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

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

ARTICLE 12
ENFORCING THE DOCUMENTS

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

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

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

12.2.2. Fine. The Association may levy reasonable charges, as an individual Assessment, against an Owner and his Lot if the Owner or Resident, or the Owner or Resident's family, guests, employees, agents, or contractors violate a provision of the Documents. Fines may be levied for each act of violation or for each day a violation continues, and does not constitute a waiver or discharge of the Owner's obligations under the Documents. The minimum fine for any infractions shall be $50.00 for the first fine and if the violation is not abated, the fine amount shall increase based on a fine schedule the Board may adopt or based on the nature, severity, and recurrence of the violation. After the third fine, the fine amount shall increase weekly until the violation is cured. The maximum fine amount per violation occurrence is $1,000.00. The Board may choose to levy a one-time fine in lieu of staged fining notwithstanding, the maximum one-time fine per violation occurrence shall be $1,000.00.

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

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

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

12.3. BOARD DISCRETION. The Board may use its sole discretion in determining whether to pursue a violation of the Documents, provided the Board does not act in an arbitrary or capricious manner. In evaluating a particular violation, the Board may determine that under the

particular circumstances (1) the Association's position is not sufficiently strong to justify taking any or further action; (2) the provision being enforced is or may be construed as inconsistent with Applicable Law; (3) although a technical violation may exist, it is not of such a material nature as to be objectionable to a reasonable person or to justify expending the Association's resources; or (4) that enforcement is not in the Association's best interests, based on hardship, expense, or other reasonable criteria.

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

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

ARTICLE 13
MAINTENANCE AND REPAIR OBLIGATIONS

13.1. OVERVIEW. Generally, the Association maintains the Common Areas and any Areas of Common Responsibility, and the Owner maintains his Lot. If an Owner fails to maintain his Lot, the Association may perform the work at the Owner's expense. However, this Declaration permits Owners to delegate some of their responsibilities to the Association. For example, during one span the Owners may want the Association to handle the periodic repainting of exterior trim on all the Townhomes, which otherwise is the responsibility of each Lot Owner. During the next period, the Owners may prefer to handle repainting on an individual basis. They have that option under this Declaration's concept of "Areas of Common Responsibility," as described below. A comprehensive view of the Maintenance Responsibility Chart is shown under Appendix C.

13.2. ASSOCIATION MAINTAINS. **The Association's maintenance duties will be discharged when and how the Board deems appropriate.** The Association maintains, repairs, and replaces, as a Common Expense, the portions of the Property listed below, regardless of whether the portions are on Lots or Common Areas.

a. The Common Areas.

b. The Areas of Common Responsibility as designated hereunder with respect to all Lots or, with respect to Townhome Lots, on the Maintenance Chart attached herein as Appendix C, if any.

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

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

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

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

Declarant shall have no responsibility for maintenance, repair, replacement, or improvement of the Common Area or improvements therein or thereon, if any, after initial construction.

13.3. AREA OF COMMON RESPONSIBILITY. The Association, acting through its Members only, has the right but not the duty to designate, from time to time, portions of Lots or Townhomes as Areas of Common Responsibility to be treated, maintained, repaired, and/or replaced by the Association as a Common Expense. A designation applies to every Lot having the designated feature. The cost of maintaining components of Lots or Townhomes as Areas of Common Responsibility is added to the annual budget and assessed uniformly against all Lots and/or Townhome Lots (as such Areas of Common Responsibility may apply to all Lots or as they may apply to Townhome Lots only) as a Regular Assessment, unless the Board determines such maintenance benefits some but not all Lots and thereby decides to assess the costs as Individual Assessments.

13.3.1. Change in Designation. The Association may, from time to time, change or eliminate the designation of components of Lots or Townhomes as Areas of Common Responsibility. Any such change must be approved in writing by Owners of a Majority of the Owners of Lots or Townhome Lots only (as applicable, as determined by whether all Lots or Townhome Lots only may include such Areas of Common Responsibility to be added or removed from such designation), or by affirmative vote of the majority of the Owners of Lots or Townhome Lots (as applicable, as determined by whether all Lots or Townhome Lots only may include such Areas of Common Responsibility to be added or removed from such designation) present at a meeting of the Members of the Association at which a quorum is present called for the purpose of changing the Area of Common Responsibility. Notwithstanding the foregoing or anything to the contrary contained herein, no change in the Areas of Common Responsibility during the Development Period shall be effective without the prior written consent of the Declarant, and Declarant may unilaterally change the Areas of Common Responsibility during the Development Period without the consent or joinder of the Members. Although the Maintenance Responsibility Chart is attached to this Declaration as Appendix C, it may be amended, restated and published as a separate instrument. The authority for amending it is contained in this Section.

Any amended or restated Maintenance Responsibility Chart must be (1) published and distributed to an Owner of each Townhome Lot, (2) reflected in the Association's annual budget and reserve funds.

13.3.2. Initial Designation. On the date of this Declaration, the initial designation of components of Townhome Lots and Townhomes as Areas of Common Responsibility is shown on Appendix C of this Declaration. The initial Designation of Areas of Common Responsibility for all Lots is set forth in Section 4.4 hereof.

13.4. ASSOCIATION'S INSPECTION OBLIGATION.

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

13.4.2. Schedule of Inspections. Such inspections shall take place at least once every two (2) years. The inspectors shall provide written reports of their inspections to the Association promptly following completion thereof. The written reports shall identify any items of maintenance or repair that either require current action by the Association or will need further review and analysis. The Board shall report the contents of serious or priority matters to the Members of the Association as an agenda topic at a meeting of the Members following receipt of such written reports or as soon thereafter as reasonably practicable and shall include such written reports in the minutes of the Association. Subject to the provisions of the Declaration below, the Board shall promptly cause all matters identified as requiring attention to be maintained, repaired, or otherwise pursued in accordance with prudent business practices and the recommendations of the inspectors.

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

13.5. OWNER RESPONSIBILITY. Every Owner has the following responsibilities and obligations for the maintenance, repair, and replacement of the Property, subject to the architectural control requirements of Article 6 and the use restrictions of Article 7. When a designation between Townhomes or Detached Residences is necessary, the same will be clarified.

13.5.1. Townhome Building Repairs. Unless the Property was designed for diversity and exterior expressions of individuality, all Townhomes within the same Townhome Building will be maintained with an eye towards uniformity and architectural harmony. This Section is necessitated by periods during which the Association may be lax about enforcing architectural uniformity, or during periods in which the Area of Common Responsibility is limited.

a. The exterior of each Townhome must be maintained and repaired in a manner that is consistent for the entire Townhome Building of which it is part.

b. If an Owner desires to upgrade a component of the exterior, such as replacing aluminum windows with wood windows, the decision to change a standard component of the Townhome Building must be approved by the Owners of more than half the Townhomes in the Townhome Building, in addition to the Architectural Reviewer. Thereafter, the new Building Standard for such Townhome Building will apply to repairs or replacement of the component, as needed, on other Townhomes in such Townhome Building.

c. Unless a change of component has been approved, repairs, replacement, and additions to the exteriors of the Townhomes must conform to the original construction. For example, if the Townhome Building was constructed with bronze colored window frames, replacement windows with white frames may not be used unless white frames have been approved as the new standard for the Townhome Building. Similarly, the siding on one Townhome may not be replaced with wood, while another is replaced with vinyl, and a third is replaced with cement fiberboard.

d. Ideally, all the Townhome Buildings in the Property will have the same architectural requirements, without building-to-building individuality. Nothing in this Section may be construed to prevent the Association from requiring uniform architectural standards for the entire Property. This Section may not be construed as authority for one Townhome Building to "do its own thing."

13.5.2. Townhome Foundation. Each Owner of a Townhome constructed on a Lot is solely responsible for the maintenance and repair of the foundation on his Lot. However, if a licensed structural engineer determines that the failure to repair the foundation under one Townhome may adversely affect one or more other Townhomes in the Townhome Building, then the cost of the foundation repair will be divided by the number of Townhomes in the Townhome Building, and the Owner of each of those Townhomes will pay an equal share. If an Owner fails

or refuses to pay his share of costs of repair of the foundation, the Owner advancing monies has a right to file a claim of lien for the monies advanced in the county's real property records, and has the right to foreclose the lien as if it were a mechanic's lien. The right of an Owner to contribution from another Owner under this Section is appurtenant to the land and passes to the Owner's successors in title.

13.5.3. Townhome Roofs. The Association shall maintain certain aspects of the Townhome Roof as set forth in the Maintenance Chart attached herein as Appendix C. Each Owner of a Townhome is solely responsible for the maintenance, replacement and upkeep of all components as listed under Owner Responsibility as set forth in the Maintenance Chart attached herein as Appendix C. However, if a roofing professional determines that the failure to repair the structural components of the roof of one Townhome may adversely affect one or more other Townhomes in the Townhome Building of which it is part, then the cost of the structural roof work will be divided by the number of Townhomes in such Townhome Building, and the Owner of each Townhome will pay an equal share. If an Owner fails or refuses to pay his share of costs of repair of the roof, the Owner advancing monies has a right to file a claim of lien for the monies advanced in the county's real property records, and has the right to foreclose the lien as if it were a mechanic's lien. The right of an Owner to contribution from another Owner under this Section is appurtenant to the land and passes to the Owner's successors in title. Should an Owner fail to maintain his Townhome and portions of the roof or roof attachments in a satisfactory manner and damages affect neighboring units, the Owner responsible may be held solely liable for the damages and repairs for the neighboring unit without the weight of the burden being divided by the number of Townhomes as set forth above. ***The Association reserves the right to call out a roofing professional to inspect the damages and render an opinion as to the cause of any rooftop damages prior to initiating repairs. If the roofing professional finds that the cause of damages are the direct result of an Owners failure to maintain structural components of the roof as required within any section of this Declaration or if an Owner has installed an apparatus of any kind which is determined to be the cause of any such damages, the Association shall provide to the Owner in writing a copy of the roofing professionals findings and the Owner shall be solely liable for the costs of all repairs to his unit or any neighboring units which may be affected. This rule applies to any apparatus whether original construction or an apparatus added as a modification to the roof or rooftop of the unit.***

13.5.4. Townhome Cooperation. Each Owner of a Townhome will endeavor to cooperate with the Owners of the other Townhomes in the same Townhome Building to affect the purposes and intent of the two preceding sections on Townhome foundations and Townhome roofs. If the Owners of Townhome Lots that share a Townhome Building cannot cooperate, they may ask the Association to coordinate the required repairs.

13.5.5. Townhome Maintenance. Each Owner, at the Owner's expense, must maintain all improvements on the Lot, including but not limited to the Townhome, fences, sidewalks, and driveways, except any area designated as an Area of Common Responsibility. Maintenance includes preventative maintenance, repair as needed, and replacement as needed. Each Owner is expected to maintain his Lot's improvements at a level, to a standard, and with an appearance that is commensurate with the Subdivision. Specifically, each Owner must repair and replace worn, rotten, deteriorated, and unattractive materials with like materials and color, and must regularly repaint all painted surfaces.

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

13.5.7. Responsible for Damage. An Owner is responsible for his own willful or negligent acts and those of his or the Resident's family, guests, agents, employees, or contractors when those acts necessitate maintenance, repair, or replacement to the Common Areas, the Area of Common Responsibility, or the property of another Owner.

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

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

13.7. WARRANTY CLAIMS. If the Owner is the beneficiary of a warranty against major structural defects of the Area of Common Responsibility, the Owner irrevocably appoints the Association, acting through the Board, as his attorney-in-fact to file, negotiate, receive, administer, and distribute the proceeds of any claim against the warranty that pertains to the Area of Common Responsibility.

13.8. TOWNHOME CONCRETE. Minor cracks in poured concrete, including foundations, garage floors, sidewalks, driveways, and patio slabs, are inevitable as a result of the natural movement of soil (expansion and contraction), shrinkage during the curing of the concrete, and settling of the Townhome Building. Such minor cracking is typically an aesthetic consideration without structural significance. The Association is not required to repair non-structural cracks in concrete components of the Area of Common Responsibility.

13.9. TOWNHOME SHEETROCK. Notwithstanding anything to the contrary in the Documents, the Association is not responsible for the repair and replacement of sheetrock in any Townhome, or for any surface treatments on the sheetrock, regardless of the source of damage and the availability of insurance. This provision is provided for the benefit of the Association and is warranted by the difficulty of scheduling interior sheetrock work and the possibility that the Owner may not be satisfied with the quality or appearance of spot repairs. If the Association receives insurance proceeds for sheetrock damage to a Townhome and chooses to not perform the repairs, the Owner of the damaged Townhome is entitled to the proceeds in exchange for identification of the damage and a release from future claims for the same damage.

13.10. MOLD. In the era in which this Declaration is written, the public and the insurance industry have a heightened awareness of and sensitivity to anything pertaining to mold. Because many insurance policies do not cover damages related to mold, Owners should be proactive in identifying and removing visible surface mold, and in identifying and repairing sources of water leaks; this is a mandatory requirement in the Townhome. To discourage mold in his Townhome or Detached Residence, each Resident should maintain an inside humidity level under sixty percent (60%). For more information about mold, the Owner should consult a reliable source, such as the U. S. Environmental Protection Agency.

13.11. PARTY WALLS. A Townhome wall located on or near the dividing line between two Townhome Lots and intended to benefit both Townhome Lots constitutes a "Party Wall" (herein so called) and, to the extent not inconsistent with the provisions of this Section, is subject to the general rules of law regarding party walls and liability for property damage due to negligence, willful acts, or omissions.

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

13.11.2. Right to Repair. If the Party Wall is damaged or destroyed from any cause, the Owner of either Townhome Lot may repair or rebuild the Party Wall to its previous condition, and the Owners of both Townhome Lots, their successors and assigns, have the right to the full use of the repaired or rebuilt Party Wall.

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

13.11.4. Alterations. The Owner of a Townhome Lot sharing a Party Wall may not cut openings in the Party Wall or alter or change the Party Wall in any manner that affects the use, condition, or appearance of the Party Wall to the adjoining Townhome. Unless both Owners reach a mutual decision to the contrary, the Party Wall will always remain in the same location as where initially erected.

ARTICLE 14
INSURANCE

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

14.2. PROPERTY INSURANCE BY OWNER(S). To the extent it is reasonably available; the Owners will obtain property insurance for all improvements and property within a Residence or Lot owned by such Owner insurable by the Owner. This insurance must be in an amount sufficient to cover the replacement cost of any repair or reconstruction in event of damage or destruction from any insured hazard.

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

14.4. TOWNHOME INSURANCE. A Townhome development provides many complex issues and opportunities for insurance. There are valid reasons for having the individual Owners insure their own Townhomes. All Owners must insure their Townhome and Lot to the extent necessary (1) to preserve the appearance of the Property, (2) to maintain the structural integrity of the Townhome Building and the Townhomes therein, (3) to maintain systems that serve multiple Townhomes in a Townhome Building, such as pest control tubing and fire safety sprinklers, and (4) to maintain the perimeter shells of the Townhomes. The Owner must insure all aspects of his Townhome and its Lot and such Owner's personal property thereon and therein. In insuring the Townhome and Lot, the Owner may be guided by types of policies and coverage's customarily available for similar types of properties. As used in this Article, "Building Standard" refers to the typical Townhome for the Property, as originally constructed, and as modified over time by changes in replacement materials and systems that are typical for the market and era.

14.4.1. Townhome Insured by Owner. As applicable towards the Owner's individual Townhome and Townhome Lot, each Owner will maintain property insurance on the following components of Townhome Building of which that Owner's Townhome is part, to the Building Standard. ***The Association may carry insurance on certain exterior components of the Townhome which shall, in part, be governed by the Maintenance Chart set forth herein as Appendix C. The Association shall determine the extent of its responsibility for coverage and shall carry the required coverage's for Townhomes accordingly. An Owner should check with the Association prior to obtaining coverage to determine what coverage the Association provides on behalf of the exterior portions of a Townhome.***

a. All structural components of the Townhome Building, such as foundations, load bearing walls, and roof trusses.

b. The exterior construction of the Townhome Building, such as the roof and roof stacks; exterior walls, windows, and doors; and roof top patios, balconies, and decks ***notwithstanding, if the Association covers through a master policy any of the exterior portions as described herein the Owner may opt out of carrying such coverage however, an Owner shall be solely responsible for confirming all coverage's carried by the Association, if any. An Owner shall be responsible for confirming the type of coverage which may be provided by the Association on an annual basis at least thirty (30) days prior to the renewal date of their personal policy. An Owner shall be responsible for obtaining coverage for any area of their Townhome, exterior or interior, that is NOT covered by the Association. The Association shall not be liable for any loss sustained by an Owner failing to follow the provisions as set forth in this section. Upon request the Association shall provide a copy of the policy which shall provide to the Owner a comprehensive look at the type of coverage's provided by the Association, if any.***

c. The Party Walls of the Townhome Building, from unfinished sheetrock on one side of the Party Wall, to unfinished sheetrock on the other side of the Party Wall.

d. The structural components of the floor/ceiling assemblies that partition the Townhome into levels or floors, including stairs connecting the floors.

e. Partition walls, countertops, cabinets, furr downs, interior doors, and fixtures within the Townhome.

f.Finish materials on walls, floors, and ceilings, such as carpet, paint, tile, mirror, and wallpaper.

g. Window treatments, lighting fixtures, tub enclosures, and decorative hardware.

h. Appliances and plumbing fixtures.

i.All utility systems and equipment serving the Townhome, including water heaters, air conditioning and heating equipment, electric wiring, ducts, and vents.

Each Owner and Resident is solely responsible for insuring his personal property in his Townhome and on the Property, including furnishings and vehicles. The Association strongly recommends that each Owner and Resident purchase and maintain insurance on his personal belongings.

14.4.2. Limitation of Liability. The Association shall not be liable: (i) for injury or damage to any person or property caused by the elements or by the Owner or Resident of any Townhome, or any other person or entity, or resulting from any utility, rain, snow or ice which may leak or flow from or over any portion of the Common Areas or Areas of Common Responsibility, or from any pipe, drain, conduit, appliance or equipment which the Association is responsible to maintain hereunder; or (ii) to any Owner or Resident of any Townhome for any damage or injury caused in whole or in part by the Association's failure to discharge its maintenance responsibilities hereunder, to the extent not covered by available insurance proceeds.

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

14.6. OWNER'S GENERAL RESPONSIBILITY FOR INSURANCE. Each Owner, at his expense, will maintain all insurance coverages required of Owners by the Association pursuant to this Article. Each Owner will provide the Association with proof or a certificate of insurance on request by the Association from time to time. If an Owner fails to maintain required insurance, or to provide the Association with proof of same, the Board may obtain insurance on behalf of the Owner who will be obligated for the cost as an Individual Assessment. The Board may establish additional minimum insurance requirements, including types and minimum amounts of coverage, to be individually obtained and maintained by Owners if the insurance is deemed necessary or desirable by the Board to reduce potential risks to the Association or other Owners. Each Owner and Resident is solely responsible for carrying the proper insurance for his Residence and his

personal property in his Residence and on his Lot, including furnishings, vehicles, and stored items.

ARTICLE 15
RESERVED

ARTICLE 16
AMENDMENTS

16.1. CONSENTS REQUIRED. As permitted by this Declaration, certain amendments of this Declaration may be executed by Declarant alone, or by the Board alone without the consent or joinder of the Members. Amendment of the Maintenance Responsibility Chart, initially recorded as Appendix B of this Declaration, is subject to the terms of Section 13.3. To the extent required by the City, any proposed amendment which is for the purpose of either amending the provisions of this Declaration or the Associations agreements pertaining to the use, operation, maintenance and/or supervision of any facilities, structures, improvements, systems, Common Areas, private Streets or grounds that are the responsibility of the Association, the Association shall obtain prior written consent from the City.

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

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

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

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

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

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

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

ARTICLE 17
DISPUTE RESOLUTION

17.1. AGREEMENT TO ENCOURAGE RESOLUTION OF DISPUTES WITHOUT LITIGATION

17.1.1. Bound Parties. Declarant, the Association and its officers, directors, and committee members, Owners, Residents, and all other parties subject to this Declaration ("Bound Party", or collectively, the "Bound Parties"), agree that it is in the best interest of all concerned to encourage the amicable resolution of disputes involving the Property without the emotional and financial costs of litigation. Accordingly, each Bound Party agrees not to file suit in any court with respect to a Claim described in subsection (b), unless and until it has first submitted such Claim to the alternative dispute resolution procedures set forth in Section 17.2 in a good faith effort to resolve such Claim.

17.1.2. Claim(s). As used in this Article, the term "Claim" or "Claims" will refer to any claim, grievance or dispute arising out of or relating to:

(i) Claims relating to the rights and/or duties of Declarant, the Association or an Owner under the Restrictions; or

(ii) Claims relating to the design or construction of Improvements on the Common Areas or Lots, other than matters of aesthetic judgment under Article 11, which will not be subject to review.

17.1.3. Not Considered Claims. The following will not be considered "Claims" for purposes of this Article 17 unless all parties to the matter otherwise agree to submit the matter to the procedures set forth in Section 17.2:

(i) any legal proceeding by the Association to collect assessments or other amounts due from any Owner;

(ii) any legal proceeding by the Association to obtain a temporary restraining order (or emergency equitable relief) and such 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 this Restrictions;

(iii) any legal proceeding which does not include Declarant or the Association as a party, if such action asserts a Claim which would constitute a cause of action independent of the Restrictions; and

(iv) any action by the Association to enforce the Restrictions.

17.2. CLAIMS REGARDING COMMON AREAS.

17.2.1. Claim by the Association – Common Areas. The Association does not have the power or right to institute, defend, intervene in, settle, or compromise litigation or administrative proceedings: (i) in the name of or on behalf of any Lot Owner (whether one or more); or (ii) pertaining to a Claim, as defined in Section 17.1.2 above, relating to the design or construction of a Residence (whether one or more). In the event the Association or a Lot Owner asserts a Claim related to the Common Elements, as a precondition to providing the Notice defined in Section 17.3, initiating the mandatory dispute resolution procedures set forth in this Article 17, or taking any other action to prosecute a Claim related to the Common Areas, the Association or a Lot Owner, as applicable, must:

(i) *Independent Report on the Condition of the Common Areas.* Obtain an independent third-party report (the "Common Area Report") from a licensed professional engineer in the same area of engineering practice of which the engineer is qualified which: (A) identifies the Common Areas subject to the Claim including the present physical condition of the Common Areas; (B) describes any modification, maintenance, or repairs to the Common Areas performed by the Lot Owner(s) and/or the Association; (C) provides specific and detailed recommendations regarding remediation and/or repair of the Common Areas subject to the Claim. For the purposes of this Section, an independent third-party report is a report obtained directly by the Association or a Lot Owner and paid for by the Association or a Lot Owner, as applicable, and not prepared by a person employed by or otherwise affiliated with the attorney or law firm that represents or will represent the Association or a Lot Owner in the Claim. As a precondition to providing the Notice described in Section 17.3, the Association or Lot Owner must provide at least ten (10) days prior written notice of the inspection to each party

subject to a Claim which notice shall identify the independent third-party engaged to prepare the Common Area Report, the specific Common Areas to be inspected, and the date and time the inspection will occur. Each party subject to a Claim may attend the inspection, personally or through an agent. Upon completion, the Common Area Report shall be provided to each party subject to a claim. In addition, before providing the Notice described in Section 17.3, the Association or the Lot Owner, as applicable, shall have permitted each party subject to a Claim the right, for a period of ninety (90) days, to inspect and correct, any condition identified in the Common Area Report.

(ii) *Owner Meeting and Approval.* Obtain approval from Members holding eighty five percent (85%) of the votes in the Association to provide the Notice described in Section 17.3, initiate the mandatory dispute resolution procedures set forth in this Article 17, or take any other action to prosecute a Claim, which approval from Members must be obtained at a special meeting of Members called in accordance with the Bylaws. The notice of meeting required hereunder will be provided pursuant to the Bylaws but the notice must also include: (A) the nature of the Claim, the relief sought, the anticipated duration of prosecuting the Claim, and the likelihood of success; (B) a copy of the Common Area Report; (C) a copy of any proposed engagement letter, with the terms of such engagement between the Association and an attorney to be engaged by the Association to assert or provide assistance with the claim (the "Engagement Letter"); (D) a description of the attorney fees, consultant fees, expert witness fees, and court costs, whether incurred by the Association directly or for which it may be liable if it is not the prevailing party or that the Association will be required, pursuant to the Engagement Letter or otherwise, to pay if the Association elects to not to proceed with the Claim; (E) a summary of the steps previously taken, and proposed to be taken, to resolve the Claim; (F) an estimate of the impact on the value of each Lot and Improvements if the Claim is prosecuted and an estimate of the impact on the value of each Lot and Improvements after resolution of the Claim; (G) an estimate of the impact on the marketability of each Lot and Improvements if the Claim is prosecuted and during prosecution of the Claim, and an estimate of the impact on the value of each Lot and Improvements during and after resolution of the Claim; (H) the manner in which the Association proposes to fund the cost of prosecuting the Claim; and (I) the impact on the finances of the Association, including the impact on present and projected reserves, in the event the Association is not the prevailing party. The notice required by this paragraph must be prepared and signed by a person other than, and not employed by or otherwise affiliated with, the attorney or law firm that represents or will represent the Association or Lot Owner, as applicable, in the Claim. If the Claim is prosecuted by the Association, in the event Members approve providing the Notice described in Section 17.3, or taking any other action to prosecute a Claim, the Members holding a Majority of the votes in the Association, at a special meeting called in accordance with the Bylaws, may elect to discontinue prosecution or pursuit of the Claim.

(iii) *Prohibition on Contingency Fee Contracts.* The Association may not engage or contract with any attorney, law firm, consultant, expert or advisor on a contingency fee basis, in whole or in part, to assist in the prosecution of a Claim.

17.3. NOTICE.

17.3.1. Notice Requirements for All Claims. The Bound Party asserting a Claim ("Claimant") against another Bound Party ("Respondent") must notify the Respondent in writing of the Claim (the "Notice"), stating plainly and concisely: (A) the nature of the Claim, including date, time, location, persons involved, and Respondent's role in the Claim; (B) the basis of the Claim (i.e., the provision of the Restrictions or other authority out of which the Claim arises); (C) what Claimant wants Respondent to do or not do to resolve the Claim; and (D) that the Notice is given pursuant to this Section. All Bound Parties agree that the provisions of Chapter 27 of the Texas Property Code shall control any Claim, and they expressly adopt and incorporate the terms of Chapter 27 of the Texas Property Code as is full set forth herein. If the Claimant is the Association, prior to proceeding with negotiations under Section 17.4, the Association shall fully comply with provisions of Chapter 27 of the Texas Property Code, but for all other Claims , the time period for negotiation in Section 17.4 below, is equivalent to the sixty (60) day period under Section 27.004 of the Texas Property Code. If a Claim is subject to Chapter 27 of the Texas Property Code, the Claimant and Respondent are advised, in addition to compliance with Section 17.4, to comply with the terms and provisions of Section 27.004 during such sixty (60) day period. Section 17.4 does not modify or extend the time period set forth in Section 27.004 of the Texas Property Code. Failure to comply with the time periods or actions specified in Section 27.004 shall affect a Claim and the Respondent shall have all rights and remedies under Chapter 27 of the Texas Property Code. The one hundred and twenty (120) day period for mediation set forth in Section 17.5 below, is intended to provide the Claimant and Respondent with sufficient time to resolve the Claim in the event resolution is not accomplished during negotiation. If the Claim is not resolved during negotiation, mediation pursuant to Section 17.5 is required without regard to the monetary amount of the Claim.

17.3.2. Special Notice for Association. If the Claimant is the Association, the Notice will also include: (A) a true and correct copy of the Common Area Report; (B) a copy of the Engagement Letter; (C) copies of all reports, studies, analyses, and recommendations obtained by the Association related to the Common Area which forms the basis of the Claim; (D) a true and correct copy of the special meeting notice provided to Members in accordance with Section 17.2.1(ii) above; and (E) and reasonable and credible evidence confirming that Members holding eighty-five percent (85%) of the votes in the Association approved providing the Notice. If the Claimant is the Association, providing the information identified in this Section 17.3(ii) is a condition precedent to the assertion of any Claim. Should the Association fail to provide the information required by this Section 17.3(ii) to the Respondent, the Respondent shall be entitled to a temporary injunction enjoining the prosecution of the Claim until such time as the Association provides the information required by this Section 17.3(ii). Furthermore, should the Association fail to provide information required by this Section 17.3(ii) within one-hundred twenty (120) days after making a demand on the Respondent, the Association's Claim shall be dismissed with prejudice, and the Respondent may take such actions in law or in equity to confirm such dismissal.

17.4. NEGOTIATION. Claimant and Respondent will make every reasonable effort to meet in person to resolve the Claim by good faith negotiation. At any time during the negotiation period, if the Respondent is the Declarant, the Declarant may make repairs to the Common Areas, the Special Common Area, and the Area of Common Responsibility to prevent further damage to

any of these areas, the Structures, or Residence, whether or not such repairs would inhibit or prohibit Claimant from securing evidence of resulting damage. Within 60 days after Respondent's receipt of the Notice, Respondent and Claimant will meet at a mutually acceptable place and time to discuss the Claim. If the Claim involves all or any portion of the Property, then at such meeting or at some other mutually-agreeable time, Respondent and Respondent's representatives will have full access to the Property that is subject to the Claim for the purposes of inspecting the Property. If Respondent elects to take corrective action, Claimant will provide Respondent and Respondent's representatives and agents with full access to the Property to take and complete corrective action.

17.5. MEDIATION. If the parties negotiate, but do not resolve the Claim through negotiation within one-hundred twenty (120) days from the date of the Notice (or within such other period as may be agreed on by the parties), Claimant will have thirty (30) additional days within which to submit the Claim to mediation under the auspices of a mediation center or individual mediator on which the parties mutually agree. The mediator must have at least five (5) years of experience serving as a mediator and must have technical knowledge or expertise appropriate to the subject matter of the Claim. If Claimant does not submit the Claim to mediation within the 30-day period, Respondent will submit the Claim to mediation in accordance with this Section 17.5.

17.6. TERMINATION OF MEDIATION. If the Parties do not settle the Claim within thirty (30) days after submission to mediation, or within a time deemed reasonable by the mediator, the mediator will issue a notice of termination of the mediation proceedings indicating that the Parties are at an impasse and the date that mediation was terminated. Thereafter, if the Association is the Claimant, it shall provide a report of the mediation to the Members of the Association, which such report shall provide the last best offer made by the Respondent, the last best offer by the Association, and the reason the Association did not accept the offer made by the Respondent. After such report is provided to the Members, the Board shall call a special meeting of the Members, at which special meeting the Members shall vote on whether to accept the last, best offer by the Respondent. If a Majority of the Members in attendance at the special meeting vote to accept the Respondent's last, best offer, the Board shall accept the Respondent's last, best offer and shall dismiss the Claim. Claimant may file suit or initiate arbitration proceedings on the Claim, as appropriate and permitted by this Article.

17.7. BINDING ARBITRATION-CLAIMS. All Claims must be settled by binding arbitration. Claimant or Respondent may, by summary proceedings (e.g., a plea in abatement or motion to stay further proceedings), bring an action in court to compel arbitration of any Claim not referred to arbitration as required by this Section 17.7.

17.7.1. Governing Rules. If a Claim has not been resolved after Mediation as required by Section 17.5, the Claim will be resolved by binding arbitration in accordance with the terms of this Section 17.7 and the rules and procedures of the American Arbitration Association ("AAA") or, if the AAA is unable or unwilling to act as the arbitrator, then the arbitration shall be conducted by another neutral reputable arbitration service selected by Respondent. Regardless of what entity or person is acting as the arbitrator, the arbitration shall be conducted in accordance with the AAA's "Construction Industry Dispute Resolution Procedures" and, if they apply to the disagreement, the rules contained in the Supplementary Procedures for Consumer-Related Disputes. If such Rules have changed or been renamed by the time a disagreement arises, then the successor rules will apply. Also, despite the choice of rules governing the arbitration of any Claim, if the AAA has, by the time of Claim, identified different rules that would specifically apply to the

Claim, then those rules will apply instead of the rules identified above. In the event of any inconsistency between any such applicable rules and this Section 17.7, this Section 17.7 will control. Judgment upon the award rendered by the arbitrator shall be binding and not subject to appeal, but may be reduced to judgment in any court having jurisdiction. Notwithstanding any provision to the contrary or any applicable rules for arbitration, any arbitration with respect to Claims arising hereunder shall be conducted by a panel of three (3) arbitrators, to be chosen as follows:

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

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

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

17.7.2. Exceptions to Arbitration; Preservation of Remedies. No provision of, nor the exercise of any rights under, this Section 17.7 will limit the right of Claimant or Respondent, and Claimant and the Respondent will have the right during any Claim, to seek, use, and employ ancillary or preliminary remedies, judicial or otherwise, for the purposes of realizing upon, preserving, or protecting upon any property, real or personal, that is involved in a Claim, including, without limitation, rights and remedies relating to: (i) exercising self-help remedies (including set-off rights); or (ii) obtaining provisions or ancillary remedies such as injunctive relief, sequestration, attachment, garnishment, or the appointment of a receiver from a court having jurisdiction before, during, or after the pendency of any arbitration. The institution and maintenance of an action for judicial relief or pursuit of provisional or ancillary remedies or exercise of self-help remedies shall not constitute a waiver of the right of any party to submit the Claim to arbitration nor render inapplicable the compulsory arbitration provisions hereof.

17.7.3. Statute of Limitations. All statutes of limitations that would otherwise be applicable shall apply to any arbitration proceeding under this Section 17.7, and to the fullest extent allowed under law, any action, lawsuit and/or claim whatsoever initiated by the Association or its assigns, regardless of form, that arises from or relates to this Declaration, the Property, the Subdivision, the Improvements or otherwise is barred unless it is brought not later than two (2) years and one (1) day from the date the cause of action accrues.

17.7.4. Scope of Award; Modification or Vacation of Award. The arbitrator shall resolve all Claims in accordance with the applicable substantive law except as provided by this Section. The arbitrator may grant any remedy or relief that the arbitrator deem just and equitable and within the scope of this Section 17.7 but subject to Section 17.8 below (attorney's fees and costs may not be awarded); provided, however, that for a Claim, or any portion of a Claim governed by Chapter 27 of the Texas Property Code, or any successor statute, in no event shall the arbitrator award damages which exceed the damages a Claimant would be entitled to under Chapter 27 of the Texas Property Code. In all arbitration proceedings the arbitrator shall make specific, written findings of fact and conclusions of law. In all arbitration proceedings the parties shall have the right to seek vacation or modification of any award that is based in whole, or in part, on (i)

factual findings that have no legally or factually sufficient evidence, as those terms are defined in Texas law; (ii) conclusions of law that are erroneous; (iii) an error of federal or state law; or (iv) a cause of action or remedy not expressly provided under existing state or federal law or otherwise in accordance with the terms and conditions of this Declaration. In no event may an arbitrator award speculative, consequential, special, indirect, lost profit or punitive damages for any Claim. Notwithstanding anything else contained in this Declaration, no Claimant shall be entitled to an award in connection with a Claim related to or arising in connection with a violation of Applicable Law, and the arbitrator shall not provide an award, unless the arbitrator determines that such Claim was due to a material violation of any Applicable Law and that such material violation of Applicable Law creates an imminent threat to health and safety.

17.7.5. Other Matters. To the maximum extent practicable, an arbitration proceeding hereunder shall be concluded within one hundred and eighty (180) days of the filing of the Claim for arbitration by notice from either party to the other. Arbitration proceedings hereunder shall be conducted in the county where the Property is located. The arbitrator shall be empowered to impose sanctions and to take such other actions as the arbitrator deems necessary to the same extent a judge could pursuant to the Federal Rules of Civil Procedure, the Texas Rules of Civil Procedure and applicable law. The arbitrator shall have the power to award recovery of all costs and fees (including attorney's fees, administrative fees, and arbitrator's fees) to the prevailing party. Each party agrees to keep all Claims and arbitration proceedings strictly confidential, except for disclosures of information required in the ordinary course of business of the parties or by applicable law or regulation. In no event shall any party discuss with the news media or grant any interviews with the news media regarding a Claim or issue any press release regarding any Claim without the written consent of the other parties to the Claim.

17.8. ALLOCATION OF COSTS. Notwithstanding any provision in this Declaration to the contrary, each Party bears all of its own costs incurred prior to and during the proceedings described in the Notice, Negotiation, Mediation, and Arbitration sections above, including its attorney's fees. For avoidance of doubt, the prevailing party in any Arbitration shall not recover any attorneys' fees, expenses, or costs. Respondent and Claimant will equally divide all expenses and fees charged by the mediator and arbitrator.

17.9. GENERAL PROVISIONS. A release or discharge of Respondent from liability to Claimant on account of the Claim does not release Respondent from liability to persons who are not party to Claimant's Claim.

17.10. PERIOD OF LIMITATION.

17.10.1. For Actions by an Owner. The exclusive period of limitation for any of the Parties to bring any Claim, including, but not limited to, a Claim related to the design or construction of Improvements on the Common Areas or Lots, shall be no later than two (2) years and one (1) day from the date that the Owner discovered or reasonably should have discovered evidence of the Claim.

17.10.2. For Actions by the Association. The exclusive period of limitation for the Association to bring any Claim, including, but not limited to, a Claim related to the design or construction of Improvements on the Common Areas or Lots, shall be no later than two (2)

years and one (1) day from the date that the Association or its agents discovered or reasonably should have discovered evidence of the Claim.

17.11. APPROVAL & SETTLEMENT. The Association must levy a Special Assessment to fund the estimated costs of arbitration, including estimated attorney's fees, conducted pursuant to this Article 17 or any judicial action initiated by the Association. The Association may not use its annual operating income or reserve funds or savings to fund arbitration or litigation, unless the Association's annual budget or a savings account was established and funded from its inception as an arbitration and litigation reserve fund.

17.12. LIMITATION ON DAMAGES. NOTWITHSTANDING ANY PROVISION CONTAINED IN THIS DECLARATION OR ANY OF THE ASSOCIATION DOCUMENTS TO THE CONTRARY, IN NO EVENT SHALL DECLARANT OR THE ASSOCIATION BE LIABLE FOR SPECULATIVE, CONSEQUENTIAL, SPECIAL, INDIRECT, LOST PROFIT OR PUNITIVE DAMAGES IN CONNECTION WITH ANY CLAIM, EVEN IF DUE TO THE NEGLIGENCE OF DECLARANT OR THE ASSOCIATION.

ARTICLE 18
GENERAL PROVISIONS

18.1. COMPLIANCE. The Owners hereby covenant and agree that the administration of the Association will be in accordance with the provisions of the Documents and Applicable Laws, regulations, and ordinances, as same may be amended from time to time, of any governmental or quasi-governmental entity having jurisdiction over the Association or Property.

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

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

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

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

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

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

A – Description of Subject Land (Legal Description)
B – Declarant Representations & Reservations
C – Maintenance Responsibility chart
D-1 – Design Guidelines adopted by ACC
D-2 – City Design Guidelines
E – Certificate of Formation, Organizational Consent and Bylaws of the Association

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

18.9. DURATION. Unless terminated or amended by Owners as permitted herein, the provisions of this Declaration shall run with and bind the Property, and will remain in effect initially for 25 years from the date this Declaration is recorded, and shall automatically renew without any action from the Association for successive ten (10) year periods to the extent permitted by law, unless previously terminated in accordance with Section 16.7 hereof.

18.10. NOTICE OF INCLUSION IN PID, AND NOTICE OF OBLIGATION TO PAY PUBLIC IMPROVEMENTS DISTRICT ASSESSMENT. **THE PROPERTY IS LOCATED IN A PUBLIC IMPROVEMENT DISTRICT CREATED BY THE CITY OF MESQUITE, TEXAS, KNOWN AS THE "IRON HORSE PUBLIC IMPROVEMENT DISTRICT". THE PURPOSE OF THE PUBLIC IMPROVEMENT DISTRICT IS TO MAKE AVAILABLE VARIOUS UTILITIES, STORM WATER FACILITIES, PARK, CERTAIN PAVING ITEMS, AND ENGINEERING, LEGAL, AND ADMINISTRATIVE SERVICES TO PROPERTY OWNERS WITHIN THE PUBLIC IMPROVEMENT DISTRICT. THE COST OF THESE PID FACILITIES WAS NOT INCLUDED IN THE PURCHASE PRICE OF YOUR PROPERTY, AND THESE PID FACILITIES ARE OWNED OR WILL BE OWNED BY THE CITY OF MESQUITE, TEXAS. THE CITY OF MESQUITE, TEXAS, THROUGH THE PUBLIC IMPROVEMENT DISTRICT, HAS LEVIED OR WILL LEVY AN ASSESSMENT ("PID ASSESSMENT") FOR THE PURPOSE OF PROVIDING THESE PID IMPROVEMENTS TO BENEFIT PROPERTY IN THE PUBLIC IMPROVEMENT DISTRICT. ANY OWNER OF A LOT OR OTHER PORTION OF THE PROPERTY IS OBLIGATED TO PAY THE PID ASSESSMENT TO A THE CITY OF MESQUITE, TEXAS FOR AN IMPROVEMENT PROJECT UNDERTAKEN BY PUBLIC IMPROVEMENT DISTRICT. THE PID ASSESSMENT MAY BE DUE ANNUALLY OR**

IN PERIODIC INSTALLMENTS. MORE INFORMATION CONCERNING THE AMOUNT OF THE PID ASSESSMENT AND THE DUE DATES OF THAT PID ASSESSMENT MAY BE OBTAINED FROM THE CITY OF MESQUITE, TEXAS LEVYING THE ASSESSMENT. THE AMOUNT OF THE PID ASSESSMENTS IS SUBJECT TO CHANGE. AN OWNER'S TO PAY THE PID ASSESSMENTS COULD RESULT IN A LIEN ON AND THE FORECLOSURE OF AN OWNER'S LOT OR PORTION OF THE PROPERTY.

18.11. NOTICE OF INCLUSION IN TIRZ. THE PROPERTY IS LOCATED WITHIN THE MESQUITE RODEO CITY REINVESTMENT ZONE NUMBER ONE, CITY OF MESQUITE, TEXAS, FORMED PURSUANT TO AND GOVERNED BY CHAPTER 311, OF THE TEXAS TAX CODE, AS AMENDED. IN THIS REGARD, A PORTION OF THE REVENUES COLLECTED BY THE CITY OF MESQUITE, TEXAS, MAY BE USED TO FINANCE THE CONSTRUCTION, INSTALLATION, MAINTENANCE, REPAIR AND/OR REPLACEMENT OF CERTAIN QUALIFIED IMPROVEMENTS WITHIN THE TIRZ. MORE INFORMATION REGARDING THE TIRZ MAY BE OBTAINED FROM THE CITY OF MESQUITE, TEXAS.

SIGNED on this 27th day of August, 2019.

DECLARANT:

MM MESQUITE 50, LLC,
a Texas limited liability company

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

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

By: _____
Name: Manager Mehrdad Moayedi
Its: manager

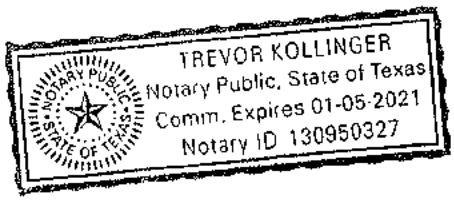
STATE OF TEXAS §
§
COUNTY OF Dallas §

BEFORE ME, the undersigned authority, on this day personally appeared Mehrdad Moayedi, the Mngr of 2M Ventures, LLC, a Delaware limited liability company, the Manager of MMM Ventures, LLC, a Texas limited liability company, the Manager of MM

MESQUITE 50, 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 as the act and deed of said limited liability companies, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, on this 27 day of August, 2019.

Notary Public, State of Texas



APPENDIX "A"
Legal description subject land
REAL PROPERTY LEGAL DESCRIPTION

Legal Descriptions:

Tract 1A
Tract 1D
Tract 1C which includes Tract 1B-2
Tract 2A
Tract 3

-and-

Save and Except Tract 2B Commercial Land

LEGAL DESCRIPTION

TRACT 1A – 14.7657 ACRES

BEING a tract of land situated in the Daniel Tanner Survey, Abstract No. 1462, and the Job Badgley Survey, Abstract No. 74, City of Mesquite, Dallas County, Texas and being part of a called 18.3003 acre tract of land described as Tract 2, and being part of a called 2.821 acre tract of land described as Tract 3, and being part of a called 1.9483 acre tract of land described as Tract 5 in General Warranty Deed to Scyene Rodeo, LTD., recorded in Volume 2000064, Page 2651 and Volume 2000064, Page 2662, of the Deed Records, Dallas County, Texas, and being part of a called 5.309 acre tract of land described in Special Warranty Deed to Scyene Rodeo, LTD., recorded in Instrument No. 200600158939, Official Public Records, Dallas County, Texas, and being part of a called 2.897 acre tract of land described as Tract 1 and part of a called 0.766 acre tract of land described as Tract II in Special Warranty Deed to Scyene Rodeo, LTD., recorded in Instrument No. 20070091617, Official Public Records, Dallas County, Texas, and being part of Lot 1 and all of Lot 4, Block A of Rodeo Center Addition, according to the Final Plat thereof recorded in Volume 85101, Page 2067 of the Deed Records, Dallas County, Texas, and being part of a called 5.315 acre tract of land described in Special Warranty Deed to City of Mesquite, as recorded in Instrument No. 200600163878 of the Official Public Records of Dallas County, Texas, and being more particularly described as follows:

BEGINNING at an "X" cut in concrete set in the southeast right-of-way line of Scyene Road (a variable width right-of-way), for the northeast corner of Lot 3C of Lots 2A, 2B, 3A, 3B & 3C of the Rodeo Centre Addition, according to the Replat thereof recorded in Volume 85186, Page 2020 of the Deed Records, Dallas County, Texas, common to the northerly northeast corner of said Lot 4;

THENCE along said southeast right-of-way line of Scyene Road, South 87°55'35" East, a distance of 30.00 feet to an "X" cut in concrete set for the northwest corner of Lot 2A of said Rodeo Centre Addition, common to the northerly northeast corner of said Lot 4;

THENCE departing said southeast right-of-way line of Scyene Road, and along the west line of said Lot 2A, South 2°04'25" West, a distance of 230.00 feet an "X" cut in concrete found for southwest corner of said Lot 2A, and being an inner ell corner of said Lot 4;

THENCE along the north line of said Lot 4, South 87°55'35" East, a distance of 303.96 feet to a point in the west right-of-way line of Interstate Highway 635 (a variable width right-of-way), from which, a 1/2-inch iron rod with plastic cap stamped "HALFF ASSOC. INC." found bears South 40°35'09" East, a distance of 0.30 feet;

THENCE along said west right-of-way line of Interstate Highway 635, South 18°53'25" East, a distance of 344.96 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set at the intersection of said west right-of-way line of Interstate Highway 635 and the west right-of-way line of Hickory Tree Road (a variable width right-of-way);

THENCE departing said west right-of-way line of Interstate Highway 635, along the west right-of-way line of said Hickory Tree Road, the following courses and distances:

South 0°56'31" East, a distance of 118.85 feet to an "X" cut in concrete set for corner, from which a "X" cut in concrete found bears South 00°56'31" East, a distance of 2.44 feet;
North 89°09'07" East, a distance of 9.67 feet to an "X" cut in concrete set for corner;
South 0°56'31" East, a distance of 423.28 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set;
South 10°39'35" West, a distance of 49.78 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set;
South 0°43'50" East, a distance of 503.01 feet to crow's foot cut in concrete found for the southeast corner of said 2.821 acre tract, common to the intersection of the west right-of-way line of said Hickory Tree Road with the north right-of-way line of aforesaid Rodeo Drive (a 60 foot wide right-of-way);

THENCE departing said west right-of-way line of Hickory Tree Road, along the north right-of-way line of said Rodeo Drive, South 89°06'14" West, a distance of 921.03 feet to a 1/2-inch iron rod found for the southerly southwest corner of said 1.9483 acre tract, common to the southeast corner of a right-of-way corner clip for said east right-of-way line of Rodeo Drive;

THENCE along said corner clip, North 45°53'46" West, a distance of 14.14 feet to a 1/2-inch iron rod found for the northerly southwest corner of said 1.9483 acre tract, common to the northwest corner of said right-of-way corner clip;

THENCE continuing along the east right-of-way line of said Rodeo Drive, North 0°53'46" West, a distance of 243.98 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for corner;

THENCE departing said east right-of-way line of Rodeo Drive, crossing said 1.9483 acre tract, said 5.315 acre tract, said 2.821 acre tract, said 18.3003 acre tract, and aforesaid Lots 1 and 4, the following courses and distances:

North 44°04'51" East, a distance of 21.22 feet to a point for corner;
North 89°03'29" East, a distance of 339.17 feet to a point at the beginning of a tangent curve to the left having a central angle of 73°51'34", a radius of 60.50 feet, a chord bearing and distance of North 52°07'42" East, 72.70 feet;
In a northeasterly direction, with said curve to the left, an arc distance of 77.99 feet to a point for corner;
North 89°03'29" East, a distance of 220.38 feet to a point for corner;
North 0°56'31" West, a distance of 401.06 feet to a point for corner;
South 89°03'29" West, a distance of 55.00 feet to a point for corner;
North 0°56'31" West, a distance of 239.60 feet to a point for corner;
North 89°03'29" East, a distance of 157.00 feet to a point for corner;
North 0°56'31" West, a distance of 154.54 feet to a point for corner;
South 89°03'29" West, a distance of 235.00 feet to a point for corner;

North 0°56'31" West, a distance of 240.00 feet to a point at the beginning of a tangent curve to the left having a central angle of 33°24'47", a radius of 58.00 feet, a chord bearing and distance of North 17°38'55" West, 33.35 feet;

In a northwesterly direction, with said curve to the left, an arc distance of 33.82 feet to a point for corner on the west line of aforesaid 0.766 acre tract;

THENCE North 2°04'25" East, along the west line of said 0.766 acre tract, passing en route an "X" cut in concrete found for the southwest corner of aforesaid Lot 3C, common to an ell corner of said Lot 4, and continuing along the same course and along the east line of said Lot 3C and the west line of said Lot 4, for a total distance of 289.19 feet to the **POINT OF BEGINNING** and containing 14.766 acres (643,192 square feet) of land, more or less.

End of Tract 1A Legal Description

LEGAL DESCRIPTION

TRACT 1D – 1.8762 ACRES

BEING a tract of land situated in the Daniel Tanner Survey, Abstract No. 1462, City of Mesquite, Dallas County, Texas and being part of a called 18.3003 acre tract of land described as Tract 2 in General Warranty Deed to Scyene Rodeo, LTD., recorded in Volume 2000064, Page 2651 and Volume 2000064, Page 2662, of the Deed Records, Dallas County, Texas, and being more particularly described as follows:

BEGINNING at a 1/2-inch iron rod with plastic cap stamped "NDM" found at the south end of a right-of-way corner clip at the intersection of southeast right-of-way line of Scyene Road (a variable width right-of-way) and the east right-of-way of Rodeo Drive (a 60-foot wide right-of-way);

THENCE along said right-of-way corner clip, North 30°05'32" East, a distance of 25.18 feet to the south north end of said right-of-way corner clip, from which a 1/2-inch iron rod with plastic cap stamped "NDM" found for witness bears North 70°51'36" East, a distance of 0.66 feet;

THENCE along said southeast right-of-way line of Scyene Road, the following courses and distances:

North 80°29'37" East, a distance of 182.12 feet to a 1/2-inch iron rod with plastic cap stamped "W.A.I." found for corner;
North 76°53'31" East, a distance of 310.18 feet to a 1/2-inch iron rod with plastic cap stamped "W.A.I." found for corner;

THENCE departing said southeast right-of-way line of Scyene Road, and crossing said 18.3003 acre tract, the following courses and distances:

South 10°22'45" East, a distance of 43.85 feet to a point at the beginning of a non-tangent curve to the left having a central angle of 34°43'29", a radius of 58.00 feet, a chord bearing and distance of South 62°15'30" West, 34.62 feet;
In a southwesterly direction, with said curve to the left, an arc distance of 35.15 feet to a point for corner;
South 44°53'45" West, a distance of 422.67 feet to a point for corner in said east right-of-way line of Rodeo Drive, and at the beginning of a non-tangent curve to the right having a central angle of 29°48'05", a radius of 570.00 feet, a chord bearing and distance of North 36°14'01" West, 293.14 feet;

THENCE along said east right-of-way line of Rodeo Drive, in a northwesterly direction with said curve to the right, an arc distance of 296.48 feet to the **POINT OF BEGINNING** and containing 1.876 acres (81,725 square feet) of land, more or less.

End of Tract 1D Legal Description

LEGAL DESCRIPTION

TRACT 1C (INCLUDES 1B-2)

BEING a tract of land situated in the Daniel Tanner Survey, Abstract No. 1462 and the Job Badgley Survey, Abstract No. 74, City of Mesquite, Dallas County, Texas and being a portion of a called 31.941 acre tract of land described as Tract 1, conveyed to MM MESQUITE, LLC, as evidenced in a Warranty Deed recorded in Instrument No. 201800192841 of the Official Public Records of Dallas County, Texas, and being a portion of a called 5.315 acre tract of land, conveyed to the City of Mesquite, as evidenced in a Special Warranty Deed recorded in Instrument No. 200600163878, of the Official Public Records of Dallas County, Texas, same also being portions of Lots 1 and 4, Block A of Rodeo Center Addition, according to the Final Plat thereof recorded in Volume 85101, Page 2067 of the Deed Records, Dallas County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at an "X" cut in concrete found for the southeast corner of Lot 3C of Lots 2A, 2B, 3A, 3B & 3C of the Rodeo Centre Addition, according to the Replat thereof recorded in Volume 85186, Page 2020 of the Deed Records, Dallas County, Texas, common to an ell corner of said Lot 4;

THENCE crossing said Tract 1, said Lot 1, said Lot 4 and said 5.3315 acre tract, the following courses:

South 02°04'25" West, distance of 59.19 feet to a 5/8 inch iron rod with plastic cap stamped "KHA set at the beginning of a non-tangent curve to the right having a central angle of 33°24'47", a radius of 58.00 feet, a chord bearing and distance of South 17°38'55" East, 33.35 feet;

In a southeasterly direction, with said curve to the right, an arc distance of 33.82 feet to a 5/8 inch iron rod with plastic cap stamped "KHA set for corner;

South 00°56'31" East, a distance of 240.00 feet to a 5/8 inch iron rod with plastic cap stamped "KHA set for corner;

North 89°03'29" East, a distance of 235.00 feet to a 5/8 inch iron rod with plastic cap stamped "KHA set for corner;

South 00°56'31" East, a distance of 154.54 feet to a 5/8 inch iron rod with plastic cap stamped "KHA set for corner;

South 89°03'29" West, a distance of 157.00 feet to a 5/8 inch iron rod with plastic cap stamped "KHA set for corner;

South 00°56'31" East, a distance of 239.60 feet to a 5/8 inch iron rod with plastic cap stamped "KHA set for corner;

North 89°03'29" East, a distance of 55.00 feet to a 5/8 inch iron rod with plastic cap stamped "KHA set for corner;

South 00°56'31" East, a distance of 401.06 feet to a 5/8 inch iron rod with plastic cap stamped "KHA set for corner;

South 89°03'29" West, a distance of 220.38 feet to a 5/8 inch iron rod with plastic cap stamped "KHA set at the beginning of a non-tangent curve to the right having a central angle of 73°51'34", a radius of 60.50 feet, a chord bearing and distance of South 52°07'42" West, 72.70 feet;

In a southwesterly direction, with said curve to the right, an arc distance of 77.99 feet to a 5/8 inch iron rod with plastic cap stamped "KHA set for corner;

South 89°03'29" West, a distance of 339.17 feet to a 5/8 inch iron rod with plastic cap stamped "KHA set for corner;

South 44°04'51" West, a distance of 21.22 feet to a 5/8 inch iron rod with plastic cap stamped "KHA set for corner, same being on the westerly line of said Tract 1 and the easterly line of Rodeo Drive, a 60 foot right of way, as recorded in Volume 93128, Page 717, of the Deed Records of Dallas County, Texas;

THENCE along the easterly right of way line of said Rodeo Drive and the westerly line of said Tract 1, the following courses:

North 0°53'46" West, a distance of 25.15 feet to a 1/2 inch iron rod with plastic cap stamped "NDM found at the beginning of a non-tangent curve to the right having a central angle of 05°15'38", a radius of 570.00 feet, a chord bearing and distance of North 01°58'23" East, 52.32 feet;

In a northeasterly direction, with said curve to the right, an arc distance of 52.33 feet to a 1/2 inch iron rod with plastic cap stamped "NDM found for corner;

North 04°23'31" East, a distance of 153.53 feet to a 5/8 inch iron rod with plastic cap stamped "KHA set at the beginning of a tangent curve to the left having a central angle of 69°52'23", a radius of 630.00 feet, a chord bearing and distance of North 30°32'41" West, 721.56 feet, from which, a 1/2 inch iron rod found for witness bears North 03°49' East, a distance of 12.30 feet;

In a northwesterly direction, with said curve to the left, an arc distance of 768.30 feet to a point at the beginning of a reverse curve to the right having a central angle of 14°20'49", a radius of 570.00 feet, a chord bearing and distance of North 58°18'28" West, 142.36 feet, from which, a 1/2 inch iron rod with plastic cap stamped "NDM found for witness bears South 19°47' West, a distance of 0.3 feet;

In a northwesterly direction, with said curve to the right, an arc distance of 142.73 feet to a 5/8 inch iron rod with plastic cap stamped "KHA set for corner;

THENCE departing the easterly right of way line of said Rodeo Drive and the westerly line of said Tract 1, and crossing said Tract 1, the following courses:

North 44°53'45" East, a distance of 422.67 feet to a 5/8 inch iron rod with plastic cap stamped "KHA set at the beginning of a tangent curve to the right having a central angle of 34°43'29", a radius of 58.00 feet, a chord bearing and distance of North 62°15'30" East, 34.62 feet;

In a northeasterly direction, with said curve to the right, an arc distance of 35.15 feet to a 5/8 inch iron rod with plastic cap stamped "KHA set for corner;

North 10°22'45" West, a distance of 43.85 feet to a 5/8 inch iron rod with plastic cap stamped "KHA set for corner on the northerly line of said Tract 1 and the southerly line of Scyene Road, a variable width right of way;

THENCE North 62°46'41" East, along the northerly line of said Tract 1 and the southerly right of way line of said Scyene Road, a distance of 160.34 feet to 1/2 inch iron rod with plastic cap stamped "W.A.I" found at the beginning of a non-tangent curve to the right having a central angle of 6°29'02", a radius of 1591.54 feet, a chord bearing and distance of North 84°04'48" East, 180.01 feet;

THENCE continuing along the northerly line of said Tract 1 and the southerly right of way line of said Scyene Road, in a northeasterly direction with said curve to the right, an arc distance of 180.11 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner on the west line of Lot 3A of aforesaid Lots 2A, 2B, 3A, 3B & 3C of the Rodeo Centre Addition;

THENCE departing the southerly right of way line of Scyene Road and along the west line of said Lot 3A, the following courses:

South 00°51'41" East, a distance of 141.60 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for corner;

South 44°53'45" West, a distance of 43.40 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for the southwest corner of Lot 3A of aforesaid Rodeo Centre Addition, common to the southerly northwest corner of aforesaid Lot 4;

THENCE South 87°55'35" East, along the southerly lines of said Lot 3A, Lot 3B of said Lots 2A, 2B, 3A, 3B & 3C of the Rodeo Centre Addition, and aforesaid Lot 3C, a distance of 334.36 feet to the **POINT OF BEGINNING** and containing 20.719 acres (902,523 square feet) of land, more or less.

End of Tract 1C (1B-2) Legal Description

LEGAL DESCRIPTION

TRACT 2A

BEING a tract of land situated in the Daniel Tanner Survey, Abstract No. 1462, City of Mesquite, Dallas County, Texas and being a portion of a called 10.535 acre tract of land described as Tract 2 in in Warranty Deed with Vendor's Lien to MM MESQUITE 50, LLC, recorded in Instrument No. 201800192841, of the Official Public Records, Dallas County, Texas, and being more particularly described as follows:

BEGINNING at the southerly northwest corner of said 10.535 acre tract, common to the southwest corner of Lot 1, Block A, of The Landmark Addition, an addition to the City of Mesquite, Texas, according to the plat thereof recorded in Volume 85135, Page 3484, Deed Records, Dallas County, Texas, being on the east right-of-way line of Peachtree Road (a 50-foot right-of-way), from which a 1/2-inch iron rod found bears North 61°07' West, a distance of 0.3 feet;

THENCE departing said east right-of-way line of Peachtree Road and along the north line of said 10.535 acre tract and the south line of said Lot 1, Block A, North 69°07'29" East, a distance of 223.14 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for the southeast corner of said Lot 1, Block A, common to an ell corner of said 10.535 acre tract, and at the beginning of a tangent curve to the right to the right having a central angle of 14°28'02", a radius of 221.00 feet, a chord bearing and distance of North 76°21'30" East, 55.65 feet;

THENCE crossing said 10.535 acre tract, the following courses and distances:

In a northeasterly direction, with said curve to the right, an arc distance of 55.80 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set at the beginning of a reverse curve to the left having a central angle of 14°28'02", a radius of 179.00 feet, a chord bearing and distance of North 76°21'30" East, 45.08 feet;

In a northeasterly direction, with said curve to the left, an arc distance of 45.20 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for corner;

North 69°07'29" East, a distance of 182.85 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set at the beginning of a tangent curve to the left having a central angle of 7°02'03", a radius of 129.00 feet, a chord bearing and distance of North 65°36'27" East, 15.83 feet;

In a northeasterly direction, with said curve to the left, an arc distance of 15.84 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for corner;

North 13°29'08" East, a distance of 21.11 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set on the west right-of-way line of Rodeo Drive a (a 60-foot right-of-way) and the east line of said 10.535 acre tract, and at the beginning of a non-tangent curve to the left having a central angle of 34°24'15", a radius of 630.00 feet, a chord bearing and distance of South 48°16'45" East, 372.63 feet;

THENCE along the west right-of-way line of said Rodeo Drive and the east line of said 10.535 acre tract, the following courses and distances:

In a southeasterly direction, with said curve to the left, an arc distance of 378.29 feet to a point for corner, from which a 1/2-inch iron rod with plastic cap stamped "NDM 2609." found bears North 38°10' East, a distance of 0.2 feet and being at the beginning of a reverse curve to the right having a central angle of 69°52'53", a radius of 570.00 feet, a chord bearing and distance of South 30°32'41" East, 652.91 feet;

In a southeasterly direction, with said curve to the right, an arc distance of 695.21 feet to a 1/2-inch iron rod with illegible plastic cap found for corner;

South 4°23'31" West, a distance of 26.99 feet to a 1/2-inch iron rod found for the southeast corner of said 10.535 acre tract, common to the northeast corner of a called 2.404 acre tract of land described in deed to Camelot Sports & Entertainment, L.L.C., recorded in instrument No. 200900125900, Official Public Records, Dallas County, Texas;

THENCE departing said west right-of-way line of Rodeo Drive and along the south line of said 10.535 acre tract and the north line of said 2.404 acre tract, South 89°07'54" West, a distance of 428.68 feet to the south southwest corner of said 10.535 acre tract, common to the northwest corner of said 2.404 acre tract, in the east right-of-way line of an 18-foot alley shown on the plat of Town Ridge Addition, First Increment, an addition to the City of Mesquite, Texas, according to the plat thereof recorded in Volume 84217, Page 3610, Deed Records, Dallas County, Texas, from which a 1/2-inch iron rod with plastic cap stamped "NDM 2609" bears North 88°25' East, a distance of 0.7 feet;

THENCE along said east right-of-way line of the 18-foot alley and the west line of said 10.535 acre tract, North 4°19'17" East, a distance of 434.33 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for the northeast corner of said Town Ridge Addition, common to an ell corner of said Town Ridge Addition;

THENCE along the north right-of-way line of said 18-foot alley and the south line of said 10.535 acre tract, South 89°21'21" West, a distance of 676.12 feet to an "X" cut in concrete set for the northerly southwest corner of said 10.535 acre tract in the east right-of-way line of Peachtree Road (a 50-foot right-of-way) and at the beginning of a non-tangent curve to the left having a central angle of 15°10'31", a radius of 852.28 feet, a chord bearing and distance of North 8°17'29" West, 225.07 feet;

THENCE along said east right-of-way line of Peachtree Road and the west line of said 10.535 acre tract and in a northwesterly direction with said curve to the left, an arc distance of 225.73 feet to the **POINT OF BEGINNING** and containing 9.314 acres (405,712 square feet) of land, more or less.

End of Tract 2A Legal Description

LEGAL DESCRIPTION

TRACT 3

BEING a tract of land situated in the Daniel Tanner Survey, Abstract No. 1462, City of Mesquite, Dallas County, Texas and being all of a called 8.318 acre tract of land described as Tract 3 in Warranty Deed with Vendor's Lien to MM MESQUITE 50, LLC, recorded in Instrument No. 201800192841, of the Official Public Records, Dallas County, Texas, and being more particularly described as follows:

BEGINNING at an "X" cut in concrete found at the intersection of the southeast right-of-way line of Scyene Road (a variable width right-of-way) with the west right-of-way line of Peachtree Road, (a 50-foot right-of-way) and being the northeast corner of said 8.318 acre tract;

THENCE departing said southeast right-of-way line of Scyene Road and along said west right-of-way line of Peachtree Road and the east line of said 8.318 acre tract, the following courses and distances:

> South 20°53'09" East, a distance of 101.78 feet to a point for corner, from which an "X" cut in concrete found for witness bears South 54°09' West, a distance of 0.9' and at the beginning of a non-tangent curve to the right having a central angle of 52°57'11", a radius of 802.28 feet, a chord bearing and distance of South 5°49'42" West, 715.36 feet;
>
> In a southwesterly direction, with said curve to the right, an arc distance of 741.47 feet to a 1/2-inch iron rod with plastic cap stamped "JDM" found for corner;
>
> South 32°21'32" West, a distance of 156.02 feet to a 1/2-inch iron rod with plastic cap stamped "NDM 2609" found for the southeast corner of said 8.318 acre tract, common to the northeast corner of a called 1.9020 acre tract of land described in a deed to City of Mesquite, as recorded in Volume 86214, Page 5994 of the Deed records, Dallas County, Texas;

THENCE departing said west right-of-way line of Peachtree Road and along the southwest line of said 8.318 acre tract, the northeast line of said 1.9020 acre tract and the northeast line of a called 1.506 acre tract of land described in a deed to Mesquite Independent School District, as recorded in Instrument No. 201700091343 of the Official Public Records, Dallas County, Texas, North 57°38'21" West, a distance of 345.91 feet to a 1/2-inch iron rod found for the southwest corner of said 8.318 acre tract, common to the northwest corner of said 1.506 acre tract, being on the east right-of-way line of Stadium Drive (a 60-foot wide right-of-way);

THENCE along said east right-of-way line of Stadium Drive and the west line of said 8.318 acre tract, North 1°21'53" West, a distance of 591.06 feet to a 3/8-inch iron rod found for the intersection of said east right-of-way line of Stadium Drive with said southeast right-of-way line of Scyene Road and being the northwest corner of said 8.318 acre tract, from which a 1/2-inch iron rod found for witness bears North 70°05' East, a distance of 1.0 feet;

THENCE with said southeast right-of-way line of Scyene Road and the northwest line of said 8.318 acre tract, North 69°07'29" East, a distance of 456.07 feet to the **POINT OF BEGINNING** and containing 8.344 acres (363,481 square feet) of land, more or less.

End of Tract 3 Legal Description

SAVE AND EXCEPT

TRACT 2B
COMMERCIAL LAND
Exempt from this Declaration but, subject to a maintenance agreement by and between Iron Horse Village Commercial Property Owners' Association and/or Iron Horse Village Residential Homeowners Association, Inc. and the Tract 2B Land Owner

BEING a tract of land situated in the City of Mesquite, Dallas County, Texas, part of the Daniel Tanner Survey, Abstract No. 1462, being part of that called 10.535 acre tract of land (called "Tract 2") as described in deed to MM Mesquite 50, LLC, recorded as Instrument No. 201800192841, Official Public Records, Dallas County, said 10.535 acre tract being the remainder of that called 12.9421 acre tract (called "Tract 1") as described by that certain General Warranty Deed to Scyene Rodeo, Ltd., as recorded in Volume 2000064, Page 2651, Deed Records, Dallas County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at a 3/8 inch iron rod found in the south right-of-way line of West Scyene Road (a 125 feet wide public right-of-way), same being the northeast corner of The Landmark Addition, an addition to the City of Mesquite, Dallas County, Texas, according to the plat thereof recorded in Volume 85131, Page 3484, Deed Records, Dallas County, Texas, from which a 1/2 inch iron rod found bears South 69 degrees 18 minutes 47 seconds West, a distance of 180.58 feet;

THENCE along said south right-of-way line as follows:

North 69 degrees 36 minutes 45 seconds East, a distance of 119.16 feet to a 5/8 inch iron rod found;

North 76 degrees 40 minutes 15 seconds East, a distance of 100.35 feet to a 5/8 inch iron rod found;

North 80 degrees 30 minutes 16 seconds East, a distance of 51.25 feet to a 5/8 inch iron rod with plastic cap stamped "SCI" set;

North 80 degrees 25 minutes 21 seconds East, a distance of 12.95 feet to a 5/8 inch iron rod with plastic cap stamped "WAI" found for the intersection of said south right-of-way line and the west right-of-way line of Rodeo Drive (a variable width public right-of-way);

THENCE along said west right-of-way line as follows:

South 58 degrees 49 minutes 10 seconds East, a distance of 30.72 feet to a 1/2 inch iron rod with plastic cap stamped "NDM" found for the beginning of a curve to the left;

Along said curve to the left, through a central angle of 10 degrees 50 minutes 14 seconds, a radius of 630.00 feet, an arc distance of 119.16 feet, having a chord bearing of South 25 degrees 17 minutes 15 seconds East, and a chord distance of 118.98 feet to a 5/8 inch iron rod with plastic cap stamped "SCI" set;

THENCE, departing said west right-of-way line and across said 12.9421 acre tract as follows:

South 13 degrees 52 minutes 49 seconds West, a distance of 21.63 feet to a 5/8 inch iron rod with plastic cap stamped "SCI" set for the beginning of a non-tangent curve to the right;

Along said curve to the right through a central angle of 07 degrees 02 minutes 02 seconds, a radius of

129.00 feet, an arc length of 15.84 feet, a chord bearing of South 66 degrees 00 minutes 09 seconds West and a chord distance of 15.83 feet;

South 69 degrees 31 minutes 10 seconds West, a distance of 182.85 feet to a 5/8 inch iron rod with plastic cap stamped "SCI" set for the beginning of a curve to the right;

Along said curve to the right through a central angle of 14 degrees 28 minutes 02 seconds, a radius of 179.00 feet, an arc length of 45.20 feet, a chord bearing of South 76 degrees 45 minutes 11 seconds West and a chord distance of 45.08 feet to a 5/8 inch iron rod with plastic cap stamped "SCI" set for the beginning of a reverse curve to the left;

Along said curve to the left through a central angle of 14 degrees 28 minutes 02 seconds, a radius of 221.00 feet, an arc length of 55.80 feet, a chord bearing of South 76 degrees 45 minutes 11 seconds West and a chord distance of 55.65 feet to a 5/8 inch iron rod with plastic cap stamped "SCI" set, same being the southeast corner of said Landmark Addition;

THENCE, along the east line of said Landmark Addition, North 20 degrees 28 minutes 50 seconds West, a distance of 173.70 feet to the POINT OF BEGINNING, containing 53,299 square feet or 1.2236 acres of land, more or less.

End of Tract 2B
Save and Except Commercial Land

APPENDIX "B"

DECLARANT REPRESENTATIONS & RESERVATIONS

B.1. GENERAL PROVISIONS.

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

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

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

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

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

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

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

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

B.1.5. Builders. Declarant, through its affiliates, intends to construct Townhomes and Detached Residences on the Lots in connection with the sale of the Lots. However, Declarant may, without notice, sell some or all of the Lots to one or more Builders to improve the Lots with Townhomes to be sold and occupied.

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

B.2.1. Officers & Directors. During the Declarant Control Period, the Board shall consist of a minimum of three (3) persons, and a maximum of five (5) persons. **During the Declarant Control Period, Declarant may appoint, remove, and replace any officer or director of the Association, none of whom need be Members or Owners, and each of whom is indemnified by the Association as a "Leader;"** provided, however, that on or before the date which is the earlier of (i) one hundred twenty (120) days after Declarant has sold seventy five percent (75%) of the Lots that may be developed within the Property, or (ii) ten (10) years after the date of recordation of this Declaration, at least one-third (1/3) of the directors on the Board shall be elected by non-Declarant Owners.

B.2.2. Weighted Votes. During the Declarant Control Period, the vote appurtenant to each Lot owned by Declarant is weighted twenty (20) times that of the vote appurtenant to a Lot owned by another Owner. In other words, during the Declarant Control Period, Declarant may cast the equivalent of twenty (20) votes for each Lot owned by Declarant on any issue before the Association. On termination of the Declarant Control Period and thereafter, the vote appurtenant to Declarant's Lots is weighted uniformly with all other votes. In determining the number of Lots owned by the Declarant for the purpose of weighted voting hereunder, the total number of Lots covered by this Declaration, including all Lots annexed into the Property in accordance with the terms of this Declaration (including, by Declarant pursuant to its rights under Section B.7 of this Appendix B) shall be considered.

B.2.3. Budget Funding. The Declarant shall not be responsible or liable for any deficit in the Association's Budget or funds. The Declarant may, but is under no obligation to, subsidize any liabilities incurred by the Association, and the Declarant may, but is not obligated to, lend funds to the Association to enable it to defray its expenses, provided the terms of such loans are on reasonable market conditions at the time. At no time shall Declarant be responsible for funding the Reserve Fund and may, at its sole discretion, require the Association to use Reserve Funds or working capital funds collected under Section B.5 of this Appendix B when available to pay operating expenses prior to the Declarant funding any deficit.

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

B.2.5. Builder Obligations. During the Declarant Control Period only, Declarant has the right but not the duty (1) to reduce or waive the Assessment obligation of a Builder, and (2) to exempt a Builder from any or all liabilities for transfer-related fees charged by the Association or its manager, provided the agreement is in writing. Absent such an exemption, any Builder who

owns a Lot is liable for all Assessments and other fees charged by the Association in the same manner as any Owner.

B.2.6. Commencement of Assessments. During the initial development of the Property, Declarant may elect to postpone the Association's initial levy of Regular Assessments until a certain number of Lots are sold. During the Declarant Control Period, Declarant will determine when the Association first levies Regular Assessments against the Lots. Prior to the first levy, Declarant will be responsible for all operating expenses of the Association.

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

B.2.8. Budget Control. **During the Declarant Control Period, the right of Owners to veto Budgets, Assessment increases or Special Assessments is not effective and may not be exercised.**

B.2.9. Organizational Meeting. Within one hundred twenty (120) days after the end of the Declarant Control Period, or sooner at the Declarant's option, Declarant will call an organizational meeting of the Members of the Association for the purpose of electing, by vote of the Owners, directors to the Board. Written notice of the organizational meeting must be given to an Owner of each Lot at least ten (10) days but not more than sixty (60) days before the meeting. For the organizational meeting, Owners of ten percent (10%) of the Lots constitute a quorum. The directors elected at the organizational meeting will serve as the Board until the next annual meeting of the Association or a special meeting of the Association called for the purpose of electing directors, at which time the staggering of terms will begin. At this transition meeting, the Declarant will transfer control over all utilities related to the Common Areas owned by the Association and Declarant will provide information to the Association, if not already done so, relating to the total costs to date related to the operation and maintenance of the Common Areas and Areas of Common Responsibility.

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

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

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

B.3.3. Architectural Control. During the Development Period, Declarant has the absolute right to serve as the Architectural Reviewer pursuant to Article 6. Declarant may from time to time, but is not obligated to, delegate all or a portion of its reserved rights as Architectural Reviewer under Article 6 and this Appendix to (1) an ACC appointed by the Board, or (2) a committee comprised of architects, engineers, or other persons who may or may not be Members of the Association. Any such delegation is at all times subject to the unilateral rights of Declarant (1) to revoke such delegation at any time and reassume jurisdiction over the matters previously delegated and (2) to veto any decision which Declarant in its sole discretion determines to be inappropriate or inadvisable for any reason. Declarant also has the unilateral right to exercise architectural control over vacant Lots in the Property. So long as the Declarant or any Builder owns a Lot upon which a residence may be constructed, regardless of the residence type, **the Association, the Board of directors, nor a committee appointed by the Association or Board (no matter how the committee is named) may involve itself with the approval of new Residences and related improvements on vacant Lots. The Declarant or its appointed committee shall continue to review and approve all such architectural applications.**

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

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

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

e. To subdivide, combine, or reconfigure Lots.

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

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

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

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

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

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

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

m. To change the name or entity of Declarant.

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

o. To change the name of the Association.

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

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

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

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

B.3.8. Offices. During the Development Period, Declarant reserves for itself the right to use Townhomes or Detached Residences owned or leased by Declarant as models, storage areas, and offices for the marketing, management, maintenance, customer service, construction, and leasing of the Property and/or Declarant's developments or other products located outside the Property. Also, Declarant reserves for itself the easement and right to make structural changes and

alterations on and to Lots, Townhomes, and Detached Residences used by Declarant as models, storage areas, and offices, as may be necessary to adapt them to the uses permitted herein.

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

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

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

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

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

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

B.5. WORKING CAPITAL FUND. Declarant may (but is not required to) establish a working capital fund for the Association by requiring purchasers of Lots to make a one-time contribution to this fund, subject to the following conditions:

a. The amount of the contribution to this fund will be set forth in the Declaration. Declarant during the Development Period or, thereafter, the Board may increase the amount of the contribution to be made by Builder or any Owner pursuant to this paragraph by an additional amount equal to fifty percent (50%) of the then current contribution required to be made without joinder or consent of any Member or Owner. Notwithstanding the foregoing or anything to the contrary contained in this Declaration, a portion of all contributions made pursuant to this Section B.5.a. collected from the transfer of a Townhome Lot may be set aside in a separate general reserve fund for the exclusive purpose of funding the costs and expenses of satisfying the maintenance and/or repair obligations of the Association with respect to the Areas of Common Responsibility and Common Areas solely benefitting the Townhomes, or other Common Expenses of the Association as the Board may deem necessary and/or appropriate.

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

d. Contributions to the fund are not advance payments of Regular Assessments or Special Assessments and are not refundable to the contributor by the Association or by Declarant. This may not be construed to prevent a selling Owner from negotiating reimbursement of the contribution from a purchaser.

e. If applicable, Declarant will transfer the balance of the working capital fund to the Association on or before termination of the Declarant Control Period. Declarant may not use the fund to defray Declarant's personal expenses or construction costs however, Declarant may, if necessary, utilize funds for the Association's operating needs in the event of a deficit in the Association's operating budget.

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

B.7. Declarant's Right to Annex Adjacent Property. Declarant hereby reserves for itself and its affiliates and/or any of their respective successors and assigns the right to annex any real property in the vicinity of the Property (the "Property Subject to Annexation") into the scheme of this Declaration as provided in this Declaration. Notwithstanding anything herein or otherwise to the contrary, Declarant and/or such affiliates, successors and/or assigns, subject to annexation of same into the real property, shall have the exclusive unilateral right, privilege and option (but never an

obligation), from time to time, for as long as Declarant owns any portion of the Property or Property Subject to Annexation, to annex (a) all or any portion of the Property Subject to Annexation owned by Declarant, and (b) subject to the provisions of this Declaration and the jurisdiction of the Association, any additional property located adjacent to or in the immediate vicinity of the Property (collectively, the "Annexed Land"), by filing in the Official Public Records of Dallas County, Texas, a Supplemental Declaration expressly annexing any such Annexed Land. Such Supplemental Declaration shall not require the vote of the Owners, the Members of the Association, or approval by the Board or other action of the Association or any other Person, subject to the prior annexation of such Annexed Land into the real property. Any such annexation shall be effective upon the filing of such Supplemental Declaration in the Official Public Records of Dallas County, Texas (with consent of Owner(s) of the Annexed Land, if not Declarant). Declarant shall also have the unilateral right to transfer to any successor Declarant, Declarant's right, privilege and option to annex Annexed Land, provided that such successor Declarant shall be the developer of at least a portion of the Annexed Land and shall be expressly designated by Declarant in writing to be the successor or assignee to all or any part of Declarant's rights hereunder.

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

(i) A legally sufficient description of the Annexed Land being added or annexed, which Annexed Land must as a condition precedent to such annexation be included in the real property;

(ii) That the Annexed Land is being annexed in accordance with and subject to the provisions of this Declaration, and that the Annexed Land being annexed shall be developed, held, used, sold and conveyed in accordance with, and subject to, the provisions of this Declaration as theretofore and thereafter amended; provided, however, that if any Lots or portions thereof being so annexed are to be treated differently than any of the other Lots (whether such difference is applicable to other Lots included therein or to the Lots now subject to this Declaration), the Supplemental Declaration should specify the details of such differential treatment and a general statement of the rationale and reasons for the difference in treatment, and if applicable, any other special or unique covenants, conditions, restrictions, easements or other requirements as may be applicable to all or any of the Lots or other portions of Annexed Land being annexed;

(iii) That all of the provisions of this Declaration, as amended, shall apply to the Annexed Land being added or annexed with the same force and effect as if said Annexed Land were originally included in this Declaration as part of the Initial Property, with the total number of Lots increased accordingly;

(iv) That an Assessment Lien is therein created and reserved in favor of the Association to secure collection of the Assessments as provided in this Declaration, and as provided for, authorized or contemplated in the Supplemental Declaration, and setting forth the first year Maintenance Assessments and the amount of any other then applicable Assessments (if any) for the Lots within the Annexed Land being made subject to this Declaration; and

(v) Such other provisions as the Declarant therein shall deem appropriate.

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

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

[End of Appendix B]

Appendix B consists of 9-pages

APPENDIX "C"
MAINTENANCE RESPONSIBILITY CHART
TOWNHOMES

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

Component of Property	Area of Common Responsibility	Owner Responsibility
Roofs	Shingles, flashing, decking, felt/tarpaper and parapet	all other aspects, including roof top deck finished surface
Roof-mounted attachments	None	All aspects
Exterior vertical walls of Townhome Buildings, other exterior features of Townhome 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
Townhome 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 Townhome Building
Concrete driveways and sidewalks	All structural aspects	Routine cleaning and tolerance for minor cracks that are inevitable results of the natural expansion and contraction of soil, shrinkage during the curing of the concrete and settling of the Townhome Building
Retaining walls	All aspects	None
Displays of street numbers on exterior doors or Townhome Building surfaces	All aspects	None
Gutters and downspouts	All aspects	None
Grounds – outside the fenced yards (if any).	All aspects	None
Yard irrigation system (sprinkler), **Townhome Lots**	All aspects	None
Yard irrigation system (sprinkler), **Detached Residence Lots**	None	All aspects

Component of Property	Area of Common Responsibility	Owner Responsibility
Exterior light fixtures on Townhome 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)	All aspects	None
Townhome interiors, including improvements, fixtures, partition walls and floors within Townhome	None	All aspects including but not limited to all electrical and plumbing components
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
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

Component of Property	Area of Common Responsibility	Owner Responsibility
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 Townhome Building that is shared with one or more other Townhomes in the Townhome Building, such as roof trusses and the foundation, the responsibility is shared by the Owners of all the Townhomes in the Townhome Building. If the Owners of the Townhomes in the Townhome 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 by a 3-person ad hoc committee appointed by the Board.

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 Association at any time and from time to time at the sole discretion of the Declarant or a majority vote of the Board. A revised Chart must be recorded in the Real Property Records of Dallas County, Texas. **Revisions to the Maintenance Chart must be provided to the Owners of Townhomes by delivering a copy of the revised Chart to such Owners by U.S. mail and if applicable, posted to the Association's website.**

APPENDIX "D-1"

TO
DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR
IRON HORSE VILLAGE

DESIGN GUIDELINES

TOWNHOMES ARE EXCLUDED FROM APPENDIX "D-1" UNLESS REFERENCE TO TOWNHOMES IS SPECIFICALLY MENTIONED.

PART ONE: LANDSCAPING, FENCES AND EXTERIOR ELEMENTS

SECTION 1.1 LANDSCAPING. This Section shall pertain to Townhomes and Detached Residences. Each front yard and side yards shall comply with the plant type and plant quantities outlined in the PD Standards for the City of Mesquite. Specific landscape grading requirements for the City of Mesquite shall apply and may be viewed in the City's Architectural Standards. Although these Design Guidelines endeavor to provide a guide for standards that meet or exceed that of the City of Mesquite and Iron Horse Village Residential Homeowners Association, Inc., it shall be the responsibility of the Builder as part of the initial construction and thereafter, the Owner, to ensure all such standards are met. At all times and in every circumstance unless otherwise approved in writing by the Declarant or the ACC, THE HIGHER STANDARD SHALL ALWAYS PREVAIL.

Residential landscapes are to be designed to be usable, sustainable and complementary to the architectural style of the home. Each area designed to "flow" from one yard to the next, enhancing the feeling of "openness." Xeriscape in any yard area visible from the street may not be used without the express written consent of the ACC.

Upon completion of each Residence Builder shall comply with the landscaping and irrigation requirements set forth by the City and/or this Declaration. A combination of sod, trees, shrubs, perennials, native grasses, ground covers, and mulch may be used to fulfill said requirements for landscaping notwithstanding, the Builder and thereafter, the Owner shall at all times ensure the minimum standard outlined in this Declaration or the City's Architectural Standards are upheld. The following elements shall be installed prior to occupancy of the Residence:

1.1.1 Sod: **Each Residence shall have Tiff 419 Bermuda Grass installed for all sodded areas, no exceptions.** Turf grass/sod species are limited to those listed on the plant palette provided in the City's Architectural Standards attached as Exhibit D-2. **ARTIFICAL TURF IS NOT ALLOWED**. sod installed for the front, side, and rear yard. No more than 85% and no less than 70% of the residential front yard area must be turf grass/sod.

1.1.1(b) **Landscape beds must be located away from the foundation of the home.** Landscaping, and other landscape materials and/or elements as approved in writing by the City and/or the ACC including trees, shrubs, native grasses, perennials, ground covers, and mulch may be used to create the landscape beds for the front and/or side yards of residences. Plant beds may extend toward the front property line (street) to provide a lusher appearance to the community. **All plant materials must conform to the approved plant list per the City of Mesquite Architectural Design Standards and as may be outlined in Ordinance 4595 for the City of Mesquite.**

1.1.2 Trees: A minimum of One (1) shade tree or One (1) evergreen tree, or Three (3) small ornamental trees shall be located in the Front Yard of each Residence. All plants shall be selected from the City's required plant schedule outlined in the Applicable Zoning. Each Owner of Residential Lots shall be responsible for maintenance and preservation of trees located on their property and shall promptly report, within five (5) days, to the Association or its Managing Agent any dead or dying trees located within the Owner's front yard. The Association may take up to thirty (30) days to remove dead or dying tree(s) to plant new one(s) when favorable planting weather exists or sixty (60) days if unfavorable planting weather exists. **Any tree or landscape that dies because Owner fails to provide the proper maintenance including watering on routine basis as needed, shall be solely responsible for the cost of replacement.** The Association may rely upon the report received by a licensed landscaper or arborists to make this determination. If the Association replaces the tree the cost thereof shall be levied to the Owner's account as an individual or special individual assessment. ***The City may have a tree ordinance or tree preservation ordinance in place. Owner should check with the City before removing or replacing a tree.***

1.1.3 Shrubbery and Planting Beds: Each Residence shall have One (1) Gallon shrubs planted no more than three feet (3') on center along the front of each Residence. All plants shall be selected from the City's required plant schedule outlined in Ordinance 4595 or as may be found on the City of Mesquite's zoning and planning website and per the Applicable Zoning. The use of shrubs and ground covers to screen any visible portion of the front elevations of exposed concrete of the foundation, utility structures, irrigation controls, HVAC, and electrical and gas equipment is encouraged. A mulched planting bed with decorative edging is encouraged; no plastic materials or materials that rot, rust, or are prone to splitting are allowed. Stone or brick borders are preferred notwithstanding the borders must be installed in such as way it creates a uniform and continual looking wall. No brick or stone materials may be laid flat or stacked haphazardly in any way. Any approved material used MUST match the aesthetics of the home. Owners of

Detached Residence Lots shall be responsible for ensuring proper watering and care of the shrubs and planting bed. Owners of Townhomes shall promptly report any dead shrubbery within five (5) days to the Association.

SECTION 1.2 WALLS AND FENCES: All fences shall be constructed per the attached fence Exhibit D-1. Also included as part of Exhibit D-1 is a layout of the development which includes for reference the type of fencing required in certain sections / phases of the development. If the type of fencing required is not listed it is the Builder's responsibility to confirm with the City as part of the city approval process the type of fencing required and to comply. Fence height for all walls and fences or combination thereof shall be no less than six-feet (6'). Should a particular style of a home warrant a deviation in height, written approval from the City as well as the ACC shall be required. Side and rear yard fences between homes are to be a standard six-feet (6') high and a maximum of eight-feet (8') should a height greater than six feet be requested by the City. Side yard gates are to reflect the fence style and be fabricated of selected fence material. Side yard gates and fencing will be required to meet City health and safety codes. The front side yard fence shall be setback from the front elevation of the home a minimum of four feet (4'). Side yard fencing shall be no closer than nine feet (9') to the back of curb of adjacent street. Columns shall only be installed on corner Lots that have fences for side or back yards and are adjacent to ROW or Public Open Space. Columns shall only be installed at the corner rear fence line and at the front fence line if there is a side yard.

Wood fencing shall be an approved design, single-sided, board-on-board, with metal posts, trim, stringers, and capped. Material for wood fencing shall be cedar or better and construction shall comply with the guidelines shown in Exhibit D-1. Single standardized stain color for wood fencing is required. Fences shall be finished side out with NO POSTS AND RAILS visible from any street, alley or open space.

Single Standardized Stain Color for Wood Fencing:

Manufacturer: Seal Rite Medium Brown
(any other stain color is not allowed without the express written consent of the ACC and may also be subject to City approval prior to use)

Material for wrought iron shall be ornamental metal fence with 2" x 2" tubular square steel posts with a maximum spacing of six-feet between posts and 4-inch on center maximum equal spacing for pickets. Pickets shall be three-quarter inch (3/4") tubular steel. Tubular rails required at top and bottom of fence. All ornamental metal fencing shall be powder coated black.

Declarant shall not be required to obtain approval for any fence or masonry wall constructed by Declarant within the Subdivision. The perimeter wall of the Subdivision to be maintained by the Association as part of the Common Area and constructed within the Wall & Wall Maintenance Easements or within other Common Areas shown on the Plat as applicable and shall be constructed and installed in accordance with the design depicted in the City's standards.

Fencing for Townhomes may be optional notwithstanding, if fencing for Townhomes is allowed or required by Declarant, the specifications shall be those as set forth above.

SECTION 1.3 MAIL BOXES:

1.3.1 Mail boxes for all Residences shall be cluster boxes of a type and style approved for use by the U.S. Postal Service. Style and location of cluster boxes is at the sole discretion of the Developer and the U.S. Postal Service. Maintenance, repairs, and replacement of cluster boxes shall be performed by the Association and a Special Group Assessment shall be levied uniformly against all Owners serviced by the group or station of cluster mailboxes being maintained, repaired, or replaced.

SECTION 1.4 FLAGS AND FLAGPOLES: This Section may be used as a standard approval base for both Townhomes and Detached Residences at the Architectural Reviewer's discretion:

1.4.1 The only flags which may be displayed are: (i) the flag of the United States of America; (ii) the flag of the State of Texas; and (iii) an official or replica flag of any branch of the United States armed forces and School Spirit flags. No other types of flags, pennants, banners, kits or similar types of displays are permitted on a Lot if the display is visible from a street or Common Properties.

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

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

1.4.4 Any freestanding flagpole, or flagpole attached to a Residence, shall be constructed of permanent, long-lasting materials. The materials used for the flagpole shall be harmonious with the Residence, and must have a silver finish with a gold or silver ball at the top. The flagpole must not exceed three (3) inches in diameter.

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

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

1.4.7 Only one flagpole will be allowed per Lot. A flagpole can either be securely attached to the face of the Residence (no other structure) or be a freestanding

flagpole. A flagpole attached to the Residence may not exceed 4 feet in length. A freestanding flagpole may not exceed 20 feet in height. Any freestanding flagpole must be located in either the front yard or backyard of a Lot, and there must be a distance of at least 5 feet between the flagpole and the property line.

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

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

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

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

1.4.12 Flagpoles shall not be installed in Common Properties or any property maintained by the Association.

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

SECTION 1.5 RAIN BARRELS OR RAINWATER HARVESTING SYTEMS. This Section may be used as a standard approval base for both Townhomes and Detached Residences at the Architectural Reviewer's discretion:

1.5.1 Rain barrels or rain water harvesting systems and related system components (collectively, "Rain Barrels") may only be installed after receiving the written approval of the Architectural Reviewer.

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

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

1.5.4 The rain barrel must be of color that is consistent with the color scheme of the property owner's Residence and may not contain or display any language or other content that is not typically displayed on such Rain Barrels as manufactured.

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

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

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

1.5.8 Rain Barrels must be enclosed or covered.

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

SECTION 1.6 RELIGIOUS DISPLAYS. Both Townhomes and Detached Residences apply:

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

1.6.2 If displaying or affixing of a religious item on the entry door to the Owner's or Resident's Residence violates any of the following covenants, the Association may remove the item displayed:

(1) threatens the public health or safety;
(2) violates a law;
(3) contains language, graphics, or any display that is patently offensive to a passerby;
(4) is in a location other than the entry door or door frame or extends past the outer edge of the door frame of the Owner's or Resident's Residence; or
(5) individually or in combination with each other religious item displayed or affixed on the entry door or door frame has a total size of greater than 25 square inches

1.6.3 No Owner or Resident is authorized to use a material or color for an entry door or door frame of the Owner's or Resident's Residence or make an alteration to the entry door or door frame that is not authorized by the Association, Declaration or otherwise expressly approved by the ACC.

PART TWO: RESIDENCES

SECTION 2.1 ROOFS. This Section shall pertain to both Townhomes and Detached Residences unless stated otherwise:

2.1.1 Roof Pitch: Roof Pitch for Residences shall have a minimum of 6-in-12 pitch. Roof Pitch for porches and patios may have a lesser pitch but, shall be subject to approval of the Declarant or ACC. Roof pitches for accessory elements shall not exceed a 10:12 pitch. Nested gables are allowed only under strict and limited circumstances. An Owner or a Builder must contact the City and/or the ACC for information. No portion of the home may have a roof pitch higher than the slope of the main roof notwithstanding, wings may have roof pitches that are lower than the main roof. All other roof types require the prior written approval of the City and the ACC. **3-tab shingles are not permitted.** All roofs shall be a minimum 25-year dimensional shingle.

2.1.2 Roofing Materials: Roofing materials shall be dimensional shingles with a minimum 25-year rated warranty of a weather wood or similar light to medium brown tones or gray tone colors. Any other color roof shall require the express written consent of the ACC prior to installation. Other roofing materials shall not be used without written approval from the ACC.

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

2.1.4 Roof Pitch for primary room shall conform to the rules above. Exemptions allowing lower pitch pans in areas around windows, covered porches and patios or certain Residence plans are allowed by written approval only and will be reviewed for approval by the ACC on a case by case basis. Approval by the City may also be required prior to the ACC considering any variance for roof pitch.

2.1.5 Townhome Owners who install solar panels may void all or a portion of the Warranty for roofs. If this occurs, maintenance responsibility normally assigned to the Association shall become that of the Owner. The Association shall not be liable for any damage to an Owner's roof or surrounding roofs caused as a result of installation of solar panel(s), whether approved or not. Owner shall be 100% responsible for all repairs or replacement when damages are confirmed to be a direct or indirect result of installation of solar panel(s). If the Association makes

repairs the Association shall have a right to reimbursement through Special Individual Assessment of all repair or replacement costs incurred.

SECTION 2.2 CERTAIN ROOFING MATERIALS

2.2.1 Roofing shingles covered by this Section are exclusively those designed primarily to: (i) be wind and hail resistant; (ii) provide heating and cooling efficiencies greater than those provided by customary composite shingles; or (iii) provide solar generation capabilities (collectively, "Roofing Shingles").

2.2.2 Roofing Shingles allowed under this Section 2.2 shall:

(1) resemble the shingles used or otherwise authorized for use in the Subdivision and/or Property;
(2) be more durable than and are of equal or superior quality to the shingles used or otherwise authorized for use in the Subdivision and/or Property.
(3) match the aesthetics of the property surrounding the property of the owner requesting permission to install the Roofing Shingles.

2.2.3 The owner requesting permission to install the Roofing Shingles will be solely responsible for accrediting, certifying and demonstrating to the Architectural Reviewer that the proposed installation is in full compliance with paragraphs a and b above. Owners of Townhomes should not attempt replacement of Roofing Shingles without the express written consent of the ACC.

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

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

SECTION 2.3 SOLAR PANELS. Installation of Solar Panels in a Townhome Residence may be more restrictive. If an Owner of a Residence installs a Solar Panel and it results in damage to the Roof in any way, Owner shall be held liable for the repair and / or replacement of the roof in and around the area affected, see Section 2.1.5 above. An Owner should consider carefully the installation of Solar Panels. Prior written approval of the Architectural Reviewer is required at all times for both Townhomes and Detached Residences. Damage to a roof whether Architectural Reviewer approved or not will be the sole responsibility of the Owner.

2.3.1 Solar energy devices, including any related equipment or system components (collectively, "Solar Panels") may only be installed after receiving the written approval of the Architectural Control Committee.

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

2.3.3 Solar Panels may only be installed on designated locations on the roof of a Residence, on any structure allowed under any Association dedicatory instrument, or within any fenced rear-yard or fenced-in patio of the owner's property, but only as allowed by the Architectural Reviewer. **Solar Panels may not be installed on the front elevation of the Residence.**

2.3.4 If located on the roof of a Residence, Solar Panels shall:

(1) not extend higher than or beyond the roofline;
(2) conform to the slope of the roof;
(3) have a top edge that is parallel to the roofline; and
(4) have a frame, support bracket, or wiring that is black or painted to match the color of the roof tiles or shingles of the roof. Piping must be painted to match the surface to which it is attached, i.e. the soffit and wall. Panels must blend with the color of the roof to the greatest extent possible.

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

2.3.6 The Architectural Reviewer may deny a request for the installation of Solar Panels if it determines that the placement of the Solar Panels, as proposed by the property owner, will create an interference with the use and enjoyment of land of neighboring owners.

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

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

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

SECTION 2.4 MINIMUM FLOOR AREA AND SETBACK RESTRICTIONS. This Section shall pertain to both Townhome and Detached Residences as described herein. Setback Restrictions, Lot size and depth, Minimum front and side yard, and other restrictions may exist in the City of Mesquite Zoning Ordinance No. 4595 (filed under Zoning Case No. Z0518-0036) passed and approved on September 4, 2018 for Townhomes and/or Detached Residences. Builders must comply with these ordinances. In the event of a conflict, the higher standard shall prevail.

RESIDENTIAL LOT STANDARDS TABLE – CITY OF MESQUITE DEVELOPMENT AGREEMENT

Lot Type	Tracts per Concept Plan	Min. Lot Size	Min. Lot Width*	Min. Lot Depth	Min. Front Yard Setback	Min. Rear Yard Setback	Min. Side Yard Setback (Interior Lot)	Min. Side Yard Setback (Corner Lot)	Max. Height	Max. Lot Coverage	Min. Dwelling Size	Min. Separation Between Buildings	Max. Number of Units per Building
SF Bungalows	Tract 1C,2A	2,600 S.F.	40'	65'	8' (main structure) 20' (garage)	3'	2.5'	10'	35'	No Max.	1 story - 1,250 S.F. 2 Story - 1,600 S.F.	5'	N/A
SF Villas	Tract 1C	4,000 S.F.	40'	100'	20'	10'	5'	10'	35'	No Max.	1,800 Sq ft.	10'	N/A
Zero Lot Line - 2-504	Tract 2A	1,296 S.F.	24'	55'	6'	4'	0' side setback on one side, 3' side setback on the other side	10'	45'	No Max.	1,200 S.F.	N/A	N/A
Townhouse - Rear Entry 2-502	Tracts 1C, 2A, 3	1,400 S.F.	22'	65'	6'	9'	per Fire Code	10'	35'	No Max.	1,200 S.F.	10'	4

The total air-conditioned living area of the main residential structure of Detached Residences constructed on each Lot, as measured to the outside of exterior walls but exclusive of open porches, garages, patios and detached accessory buildings, shall be at least 1,250 square feet for one-story Bungalows, 1,200 Square feet for Zero Lot Line -2-504 Residences, 1,600 square feet for 2two-story Bungalows, and 1,800 square feet for Villas, and otherwise in accordance with the Applicable Zoning and other applicable laws. The setback requirements are subject to the building line setbacks as outlined in Applicable Zoning for each type of Residence permitted within the Subdivision. ***Refer to the table above as these standards exist in the Development Agreement between the City and Developer for Iron Horse Village Residential Homeowners Association, Inc. All such standards, unless standards in this Declaration or the Master Declaration are higher, shall prevail.***

The total air-conditioned living area of the main residential structure of Townhomes constructed on each Lot, as measured to the outside of exterior walls but exclusive of open porches, garages, patios and detached accessory buildings, shall be at least 1,200 square feet in accordance with the Applicable Zoning and other applicable laws. The setback requirements are subject to the building line setbacks applicable to Townhomes, as set forth in in Applicable Zoning for the Subdivision.

SECTION 2.5 EXTERIOR WALLS

2.5.1 Exterior Wall Masonry and Materials. **Masonry is defined as stone, brick, or 3-coat stucco system only**. Depending upon the style of the home, the following qualify as approved materials and patterns:

- **BRICK**: Running Bond, Basketweave, Herringbone, English Bond, Header Bond, or Flemish Bond. **NO stack bond patterns are allowed. NO cement bricks are allowed. All bricks must be a clay fired brick.**
- **STONE**: The use of stone is encouraged as much as possible. Builders may use stone on any element of the home to include gables, columns, patios, wainscoting or watertable, etc. Cast stone may be used as an accent or topping material only. Stone can be installed (laid) on any of the following patterns: Aslar, Biltmore, Cobblestone, Fieldstone, Ledge, Stack, and Random.

Any other pattern except those listed above may NOT be used without the express written consent of the City and the ACC. **River rock and bedrock may not be used.** Grout patterns should complement the profile of the stone. Flush grout detailing is only permitted on cut stone assembly. Recessed or concave grout detailing is generally preferred. The following stone selections are allowed: Oklahoma Fieldstone, Grandbury Stone, Milsap Stone, Moss Builders Old Hickory, Lueders, Oklahoma Builders, Black & Tan, Red River Blend, Desert Brown Blend, Blanco Blend, Vaquero Blend, Rhinestone Chopped, Country Fresh Blend, Cave Rock Blend, Millcreek Blend, Savannah Stone, Tumbleweed Stone, and Rattlesnake Stone.

- **STUCCO**: Stucco may be applied over a wood or metal stud frame and must be applied in the standard 3-coat process; comprised of scratch coat, brown coat, and finish coat. Stucco must be applied over a metal lath adhered to the exterior wall membrane. May be applied over concrete or masonry walls with joints struck flush using the 2-coat process over a suitable masonry or concrete surface. Finishes for stucco may have a float, stippled, combed or pebbled texture. The finish may be natural or integrally colored through the use of pigment, colored sand or stone chips. **The use of Styrofoam or PVC is strictly prohibited.** Formwork shall be detailed out of 100% masonry.

2.5.1.1 **90% of the exterior of the home shall be brick or stone excluding doors, windows, garage doors, dormers, and the sides above the single-story living plate for 1-story housing and the sides above the 2-story living plate for 2-story houses, and the sides above the 3-story living plate for 3-story houses.** Columns at entries and porches shall have enhanced materials. Masonry or a combination of wood and masonry is acceptable for columns and porches. Other façade materials may be hardie board, plank, or the equivalent. ALL MATERIALS MUST BE APPROVED IN WRITING BY THE ARC.

2.5.1.2 **Front Walls**: Exterior walls of each Residence (excluding doors, windows, garage doors, dormers, and sides above the single story living plate for 1-story Residences, and sides above the second story living plate for 2-story Residences, and sides above the third story living plate for 3-story Residences) shall be a minimum of ninety percent (90%) brick or stone materials as described in the City Design Guidelines. Hardie board, plank or the equivalent may only make up 10% or less of the front wall/façade of the home and is preferred to be used in areas not readily visible from the street. Shake siding may not be used without the express written consent of the ACC.

2.5.1.3 **Side and Rear Walls**: Exterior walls of each Residence (excluding doors, windows, garage doors, dormers, and sides above the single story living plate for 1-story Residences, and sides above the second story living plate for 2-story Residences, and sides above the third story living plate for 3-story Residences) shall be a minimum of ninety percent (90%) brick or stone materials, as described in the City Design Guidelines, and hardie board, plank or the equivalent, or as approved by the Architectural Control Committee.

2.5.1.3 No color scheme may be repeated within three Lots of the same color scheme along the same block face for Single Family Detached Homes.

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

NOTE: THE INTENTION OF THIS DECLARATION AND ITS DESIGN GUIDELINES IS FOR THE EXTERIOR MATERIALS ON A HOME TO BE UP TO 90% MASONRY IN THE FRONT AND FOR MAJORITY IF NOT ALL OF THE SIDES AND REAR OF HOME. THIS IS A CITY ORDINANCE AS WELL AS AN ASSOCIATION REQUIREMENT AND SHALL BE SUBJECT TO LITTLE OR NO VARIANCE OR CHANGE. ANY VARIANCE OR CHANGE REQUESTED MUST BE APPROVED IN WRITING BY THE CITY OF MESQUITE AND THE ACC.

SECTION 2.6 WINDOWS

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

2.6.2 **Zero Lot Line homes will have NO clear windows directly across from each other, however, window above 7'-5" may be used for natural lighting.**

SECTION 2.7 DRIVEWAYS

2.7.1 Front entry driveways serving two-car garages are limited to 18'-0" width. Front entry driveways shall be set back from any side property line by a minimum of 5'-0". In the case where two front entry driveways are side-by-side, there will be a minimum of a 3'-0" planting area between the driveways. Driveway grades shall not exceed a 14% slope and shall not be less than 1% positive slope. At side entry and rear located garages (except for alley loaded), the driveway must be located at least 5'-0" off property line. Front entry Single Family Corner Lots – all front entry driveways will be located on the interior Lot line, not adjacent to any street. The minimum set back from property line for driveways is set a higher standard than that of the City's and will be strictly adhered to. An Owner or a Builder may submit a request for a variance to this rule notwithstanding, variances will be reviewed and considered on a case by case basis and is at the sole discretion of the Declarant and/or the ACC.

SECTION 2.8 GARAGE

2.8.1 All internal garage depths will be a minimum of 20-feet. Garage Doors shall be constructed of natural wood or wood clad material, use of certain wood products subject to ACC approval and shall be kept in good repair at all times. ***Synthetic material with a wood appearance may be permitted notwithstanding use of this garage door and material requires the prior written consent of the ACC and may be considered on a case by case basis and limited only to rear entry or alley entry garages. A request for use of synthetic material with a wood appearance IS NOT guaranteed.*** Garages may extend beyond the front plane of the home but, requirement for two architectural elements per the City of Mesquite remains as does the minimum width and depth. Builders MUST disclose ALL information on garages at time of submission of plans including the materials for garage door to be used and any additional decorative elements or hardware desired. All garages shall be sheet rocked and painted. No garage shall be used as living or business quarters at any time. Garage doors should be kept closed when not in use.

SECTION 2.9 ADDRESS BLOCKS

2.9.1 All homes must have a cast stone, brass, or bronze address block visible from the street. Alley homes shall have the house address displayed above the garage.

SECTION 2.10 LIGHTING

2.10.1 "Dark Sky" lighting, per City of Mesquite architectural standards is preferred. Alternative lighting may be considered on a case by case basis and shall require the approval of the City and the ACC.

SECTION 2.11 ELEVATION AND BRICK USAGE

This Section is subject to the City Design Guidelines attached hereto as Appendix "D-2". If contradictions between this Section and the City Design Guidelines exist, the City Design Guidelines shall prevail unless this Section sets a higher or stricter standard. The higher standard shall prevail.

2.11.1 No identical street facing elevation on a Zero Lot Line Single-Family Detached home shall be repeated directly across the street from itself (including at "T" intersections and within a cul-de-sac), or within three Lots of itself along the same block face. At least 20% of an elevation must be different, or it will be considered a repeat elevation.

2.11.1(b) No identical street facing elevation on a Bungalow or Villa Single-Family detached home shall be repeated directly across the street from itself (including "T" intersections and within a cul-de-sac), or within two Lots of itself along the same block face. At least 20% of an elevation must be different, or it will be considered a repeat elevation.

2.11.1(c) No color scheme may be repeated within three Lots of the same color scheme along the same block face for Single Family Detached Homes.

2.11.1(d) The residential façade adjacent to, and facing a street or public open space, shall contain windows and/or doorways.

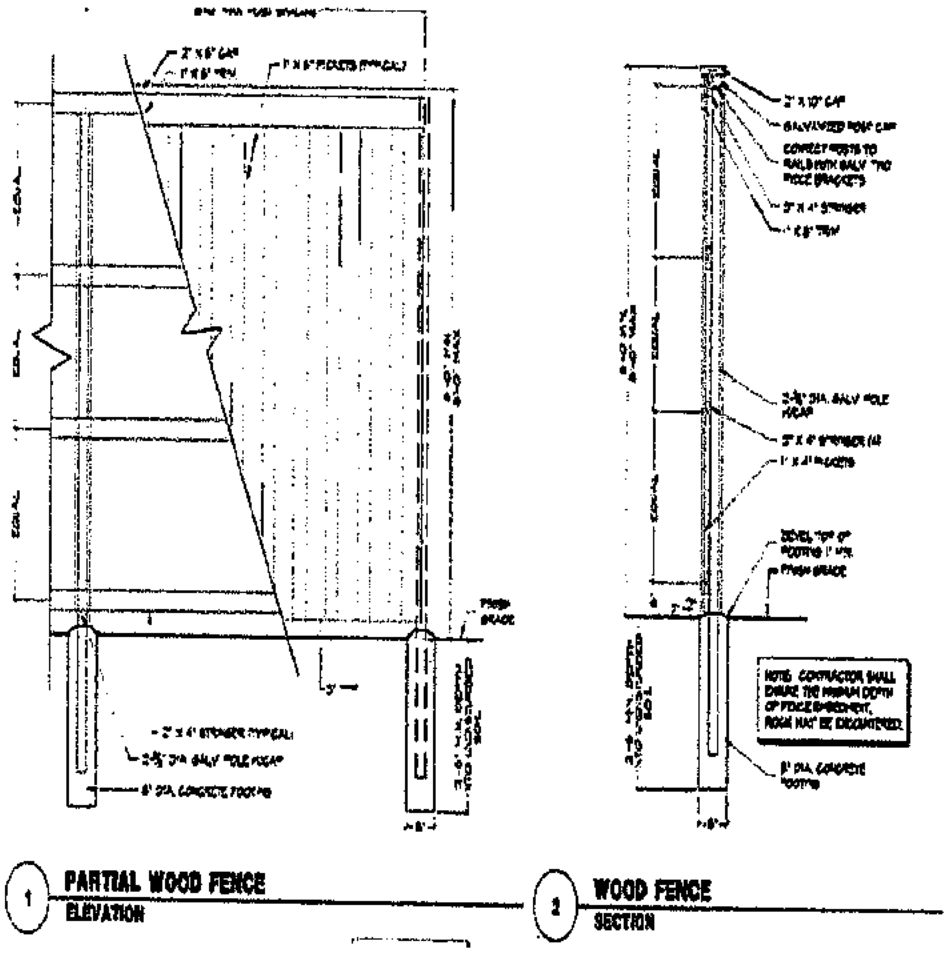
[Appendixes for D-1 Follow this Page]

APPENDIX TO "D-1"

TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR IRON HORSE VILLAGE

FENCE STANDARDS

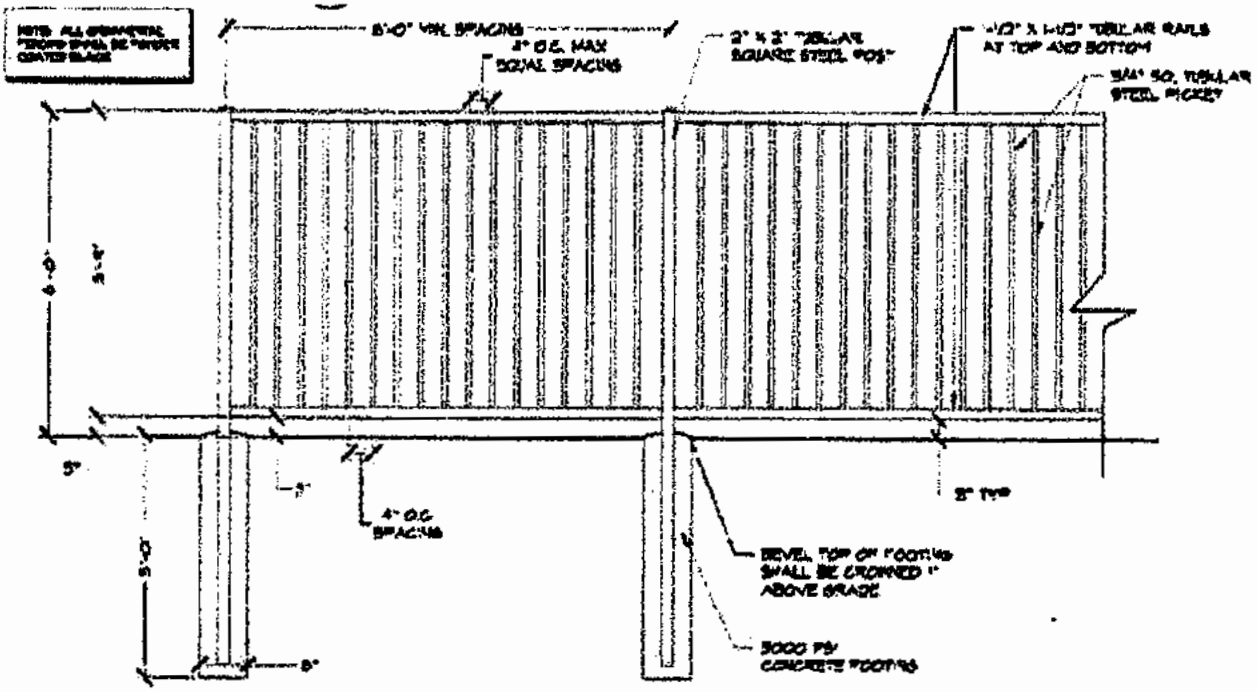
WOOD FENCE DETAILS



1 PARTIAL WOOD FENCE ELEVATION

2 WOOD FENCE SECTION

WROUGHT IRON FENCE DETAILS

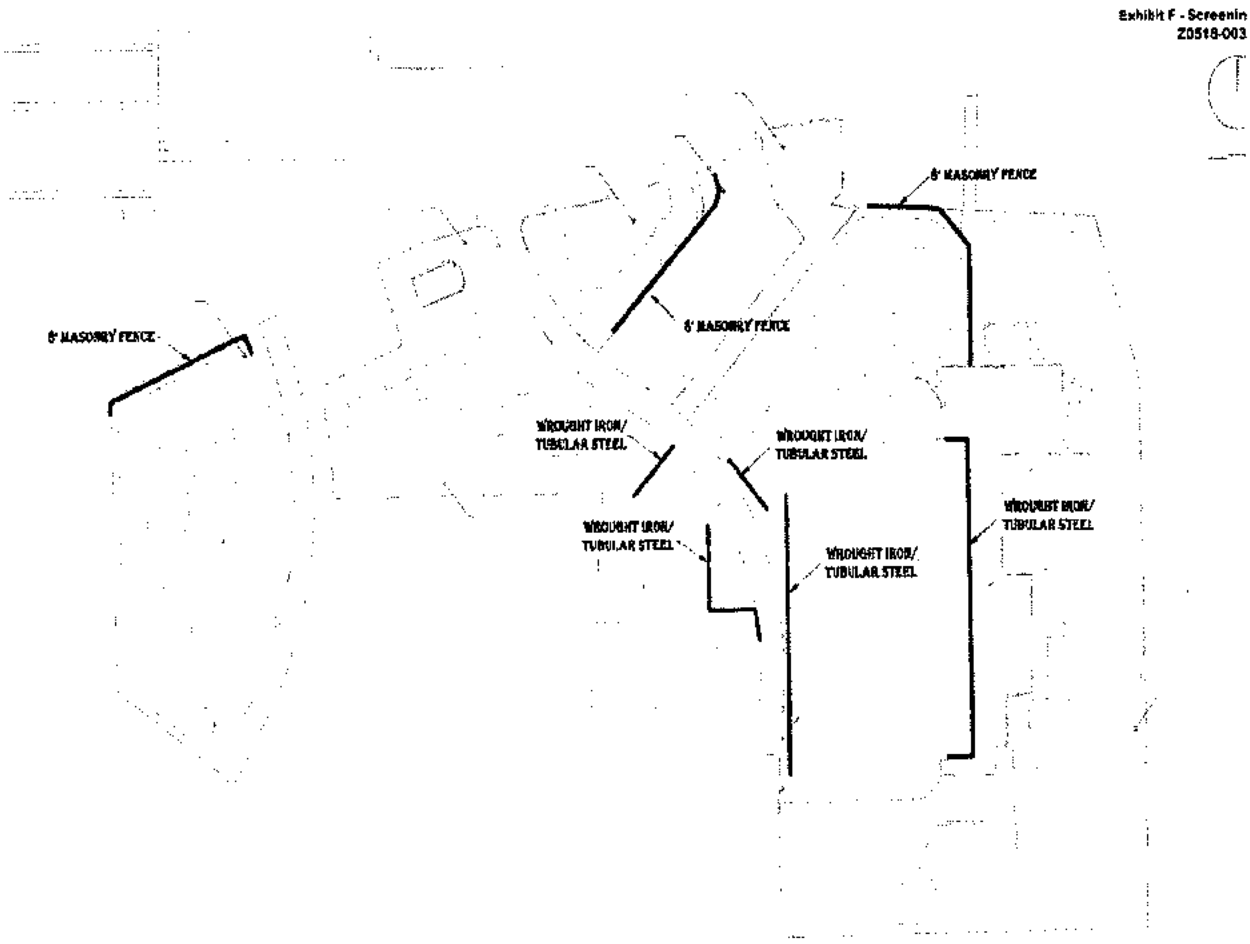


APPENDIX TO "D-1" Continued

TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR IRON HORSE VILLAGE

FENCE TYPES AND LOCATIONS

[see attached]



[End of D1 Design Guidelines and Appendixes]

APPENDIX "D-2"

TO
DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR
IRON HORSE VILLAGE

CITY DESIGN (ARCHITECTURAL) STANDARDS

List provided is a partial list only

See the City of Mesquite
Architectural Design Standards
for more information on required
construction and design standards

ARCHITECTURAL STANDARDS

REAR ENTRY TOWNHOMES AND URBAN ROW HOMES

ALLOWED ENCROACHMENTS INTO SETBACK:

• Porches (up to 0' into front setback and corner side yard setback but in no event into the PDUCE)

• Fireplaces and box windows (up to 2' into all setbacks). 0' on Zero Lot Line for side yards.

• Balconies, awnings, overhanging eaves (up to 2' into all setbacks). 1' on Zero Lot Line for side yards.

• Bay windows (up to 0' into front and rear setbacks)

• Stoops and stairs (up to 5' into front and rear setbacks)

• Suspended planters/flower boxes (up to 1.5' into all setbacks)

• Foundation encroachments of 4"- 6" are allowed for architectural details such as brick ledges

ARCHITECTURAL ELEMENTS:

• Columns at entries and porches shall have enhanced materials. Masonry or a combination of wood and masonry is acceptable.

FRONT ENTRY BUNGALOWS AND VILLAS

ALLOWED ENCROACHMENTS INTO SETBACK:

• Porches (up to 5' into front setback and corner side yard setback but in no event into the PDUCE)

• Fireplaces and box windows (up to 2' into all setbacks)

• Balconies, awnings, overhanging eaves (up to 2' into all setbacks)

• Bay windows (up to 2' into front and rear setbacks)

• Stoops and stairs (up to 5' into front and rear setbacks)

• Suspended planters/flower boxes (up to 1.5' into all setbacks)

• Foundation encroachments of 4"- 6" are allowed for architectural details such as brick ledges

ARCHITECTURAL STANDARDS

• 90% of the exterior masonry of the home shall be brick or stone excluding doors, windows, garage doors, dormers, and the sides above the single story living plate for 1 story housing, the sides above the two story living plate for 2 story houses, and the sides above the three story living plate for 3 story houses. Other Façade materials may be hardie board, plank, or equivalent. Masonry requirement may be reduced to 81% with prior written approval from the City.

• All homes must have a cast stone, brass, or bronze address block visible from the street.

• All alley homes will have the house address displayed above the garage.

• The Front Entry into a residential home does not constitute as a porch. Front entry area does not fall under the standards for a porch.

• If considered a front porch, the porch for Bungalows and Villas will be a minimum of 5' in depth, railings are required unless the architectural and design of the home dictates something different. The City's approval will be required prior to construction.

• Porch decks may be a material other than broom finished concrete, i.e. stained, pattern, or full brick.

• All homes and master set of plans will be submitted to the City for comment and approval.

• No identical street-facing elevation on a Zero Lot single-family detached home shall be repeated directly across the street from itself (including at "T" intersections and within a cul-de-sac), or within three lots of itself along the same block face. At least 20% of an elevation must be different, or it will be considered a repeated elevation.

• No identical street-facing elevation on a Bungalow or Villa single-family detached home shall be repeated directly across the street from itself (including at "T" intersections and within a cul-de-sac), or within two lots of itself along the same block face. At least 20% of an elevation must be different, or it will be considered a repeated elevation.

• In addition, no color scheme may be repeated within three lots of the same color scheme along the same block face for single family detached homes.

• The residential facade adjacent to, and facing a street or public open space, shall contain windows or doorways.

• Material returns at corners are required to terminate at inside corners only

• Each home will have a minimum first floor plate height of 9'. Second floor ceiling may have an 8' plate height or entrance.

• Zero lot line homes will have no clear windows directly across from each other, however, windows above 7'-5" maybe used for natural lighting.

• Garages may extend beyond the front plane of the home but requirement for two architectural elements remains as does the minimum width and depth.

OCCUPANCY FOR BUNGALOWS WEST OF RODEO DRIVE ONLY

• The southern portion of Tract 2A Bungalow homes is an age restricted community. Each Bungalow dwelling may be occupied by either: (i) Disregarded Residents; and (ii) at least one (1) Resident which shall be not less than fifty-five (55) years of age. No permanent resident may be less than 18 years of age.

• A dwelling on the southern portion of Tract 2A may be occupied by any person who takes title to a lot through a conveyance or change of interest by reason of death of the prior owner of the lot, whether provided for in a will, trust or decree of distribution; provided, however, that in any event, no person may occupy a dwelling if occupancy by such person would result in fewer than eighty percent (80%) of all occupied dwellings in the Southern portion of Tract 2A Bungalow homes being occupied by at least one (1) resident of not less than fifty five (55) years of age.

• For purposes of this section, "Disregarded Residents" means any resident who is necessary to provide reasonable accommodation or provide assistance to 55 years of age or older residents.

• The Developer shall file the appropriate deed restrictions in the real property records of Dallas County to reflect (b) and (c) above.

MASONRY STANDARDS

Masonry is defined as stone, brick, or stucco.

BRICK

Depending on the Architectural style of the home, the brick may be placed in one of the following patterns:

- Running Bond
- Basketweave
- Herringbone
- English Bond
- Header Bond
- Flemish Bond

* Note: No Stack Bond Patterns are allowed.

- No cement bricks are allowed. All bricks must be a clay fired brick.

STONE

The use of stone is as much as possible is encouraged.

Builders may use stone on any element of the home. Stone can be used on gables both full and partial, columns, patios, wainscotting or watertable, etc. Cast stone may be used as an accent or topping material.

Stone can be installed (laid) on any of the following patterns:

- Aslar
- Biltmore
- Cobblestone
- Fieldstone
- Ledge

• Stack

• Random

All other patterns, expect those listed above may be used with prior written consent of the City and depending on the architectural style of the homes.

Cultured stone may be used with prior written approval from the City.

*Note: River rock and Bedrock may not be used.

STONE PATTERNS

Grout patterns should complement the profile of the stone. Flush grout detailing is only permitted on cut stone assembly. Recessed or concave grout detailing is generally preferred.

STONE SELECTIONS

• Oklahoma Fieldstone • Grandbury Stone • Milsap Stone

• Moss Builders Old Hickory • Lueders • Oklahoma Builders

• Black & Tan • Red River Blend • Desert Brown Blend

• Blanco Blend • Vaquero Blend • Rhinestone Chopped

• Country French Blend • Cave Rock Blend • Millcreek Blend

• Savannah Stone • Tumbleweed Stone • Rattlesnake Stone

STUCCO

Applied over a wood or metal stud frame.

• Must be applied in the standard 3-coat process; comprised of the scratch coat, brown coat and finish coat. Stucco must be applied over a metal lath adhered to the exterior wall membrane.

Applied over concrete or masonry wall with joints struck flush.

• Stucco is applied in 2 coats over a suitable masonry or concrete surface.

STUCCO FINISHES

• The finish coat may have a float, stippled, combed or pebbled texture. The finish may be natural or integrally colored through the use of pigment, colored sand or stone chips.

• The use of Styrofoam or PVC is strictly prohibited. Formwork shall be detailed out of 100% masonry.

ROOF STANDARDS

Gable roofs and hip roofs are permitted, whereas mansard and gambrel roofs are not permitted in

Planning Area One. Roofs may have a kicked eave.

For larger homes, roof volumes must be contained through combining simple forms, rather than containing the volume in a single, giant form.

ROOF NOTES

• Roof slopes for the main house may range between 6:12 and 16:12. Roof slopes of accessory elements shall not exceed a 10:12 pitch.

• One nested gable is allowed on the home if the primary gable of the home is facing the street and no part of the roof ridge on the front of the house is facing the street. Nested gables are not permitted in any other location or circumstance.

• No portion of the home may have a roof slope higher than the slope of the main roof. Wings may have roof slopes that are lower than the main roof.

• All other roof types require the City's approval prior to installation.

• "3-tab" shingles are not permitted.

• All roofs shall be a minimum 25-year dimensional shingle.

ROOF VENTS

• All roof vents must be painted to match the roof color.

• All exposed flashing shall be painted the same color as the roof.

• The color of the gutters and downspouts must blend with the facia and soffit. If copper gutters and downspouts are specified, prior written approval is required.

• Roof vents should be located away from public view and kept to a minimum. Ridge vents are encouraged.

• Gutters and downspouts must extend away from the foundation shall be directed toward the center of the side yard swale in the direction of the flow, as shown on the grading plan.

• Roof drainage which will ultimately create erosion or will run across pedestrian walks, is not permitted.

LOT ELEMENTS

SIDEWALKS

• Sidewalks will be a minimum of 5' wide located on both sides of the street, unless sidewalks are part of the overall master plan trail system.

• All lead walks must be a minimum of 4' wide. Additionally, builders shall band the lead walk with stained concrete. Stone, brick or other material may be substituted if compatible with the architecture of the home.

• Manholes and valve boxes located within sidewalks shall be flush with the concrete paving that will extend to the curb.

• Sidewalks and meandering pathways will be provided within the street right-of-ways and throughout the interior portions of the project to provide connections between the residential villages, parks and open space areas, and non-residential areas.

• All intrusions, such as newsstands, utility poles, fire hydrants, valves and other impediments will be placed outside of the sidewalk.

• All other public sidewalks will be concrete and built to the widths shown on the plan using a medium broom finish to reduce glare.

DRIVEWAYS

• Front entry driveway cuts are to be horizontal curb cut.

• Banding driveways with stone, brick or other materials that is compatible with the architecture of the home is encouraged, but not required

• All front entry driveway aprons shall be medium broom finished concrete.

• All rear entry/alley served homes shall be medium broom finished concrete.

*Note: Variances must be approved by the City prior to installation.

DRIVEWAY LAYOUT

• Front Entry Driveways serving two-car garages are limited to 18'-0" in width.

• Front entry driveways shall be set back from any side property line by a minimum of 1' foot.

• In the case where two front entry driveways are side-by-side, there will be a minimum of a 3' planting area between the driveways.

• Driveway grades shall not exceed a 14% slope and shall not be less than 1% positive slope.

• At side entry and rear located garages (except for alley loaded), the driveway may be located 1' off property line.

• Front Entry Single Family Corner lots - all front entry driveways will be located on the interior lot line, not adjacent to any street.

FIXTURES

• "Dark Sky" lighting is preferred. Alternative lighting may be considered on a case by case basis with the City's approval.

SEWER CLEAN-OUTS

• All sewer clean-outs are to be located within the shrub bed and painted black or dark brown.

• All clean-outs shall extend 3-4 inches above grade.

HOME ELEMENTS

PORCHES

• Porches may be single or two story.

• Porches may have a shed roof or a hip roof with gable inset over the door, if desired.

• If considered a Porch, flooring material may be enhanced and compliment the character of the home. Concrete is permitted.

• If considered a front porch for Bungalow and Villa homes then porches must be a minimum of 5' deep.

• The roof slope of the porch, if not a direct extension in the roof of the home is to be a minimum of 3:12.

• Balconies must project a minimum of 1' from face of the home.

• Exposed second floor decks may be approved on a case-by-case basis and submitted for City approval.

GARAGES

• All internal garage depths will be a minimum of 20 feet.

• Front entry Garage doors shall be natural wood, wood clad material or synthetic material with a wood appearance are permitted

• All garages shall be sheet rocked and painted.

TRASH RECEPTACLES

The trash receptacles must be located within the garage or behind the side fence screened from view.

OPENINGS

• All windows and doors must be vertically proportioned. Awning or Transom windows are the exception to this rule.

• Multiple windows mulled together are acceptable as long as the individual units are vertically proportioned, or otherwise connected by a 6" minimum mullion.

• Openings such as doors, windows, garages, etc. are required on all sides of the home (except for zero lot line home).

• No reflective glass or tinting will be allowed.

• Windows shall be energy efficient.

• Shutters must be sized to fully enclose the windows even if the shutters are non-functional.

• Sliding glass doors may not be utilized on any elevation visible from a street.

SATELLITE DISH / ANTENNAS

• Roof mounted hardware may not be visible from public view.

• Pole-mounted hardware in lawn must be screened by landscape or fence.

RESIDENTIAL LOT LANDSCAPING GUIDELINES

FRONT YARD LANDSCAPE

Residential landscapes are to be designed to be usable, sustainable and complementary to the architectural style of the house. Each area should be designed to "flow" from one yard to the next, enhancing the feeling of openness.

Front yards shall be fully landscaped and irrigated by the builder and may use a combination of turf grass, trees, shrubs, perennials, ground covers, mulch, and permeable hard scape elements. Front yard landscapes must be installed prior to the transfer of property from the builder to the homeowner.

• Landscape beds located away from the foundation of the home are required.

PLANT VARIETIES AND DIVERSITY

• All plant material must conform to the approved plant list per city standards and the palette list provided in this document.

• Planting beds may extend toward the front property line (street) to provide a more lush appearance to the community.

SHRUBS AND GROUND COVERS

The use of water-wise shrubs and ground covers are encouraged in place of turf grass. Shrubs and ground cover must be situated to screen any visible portion of the front elevations of exposed concrete house foundations, utility structures, irrigation controls, HVAC, electrical and gas equipment, downspouts, and air conditioning units.

TURF GRASS

• Turf grass is limited to no more than 85% and no less than 70% of the residential front yard area. All front yard landscape shall follow landscape standards within the PD. Lawn area shall be sodded with Tiff 419 Bermuda Grass – No exceptions.

• Turf grass species are limited to those listed on the plant palette list provided within this document.

• Artificial turf is not allowed.

• Xeriscape for the front lawns of single family residential must be approved prior to installation.

BOULDERS

When using rocks and boulders, the setting must appear natural, including burying the rock or boulder to the natural visible soil lines.

LANDSCAPE GRADING

• Contouring of open space landscaping lots are encouraged to create visual interest in the landscape and produce soft, gentle transitions between the existing grade of the home and the street.

• Landscape areas shall be graded to provide positive drainage away from all buildings and structures, minimum 1% on paved areas and minimum of 1.5% in landscaped areas. Builders need to verify with a geotechnical engineer for actual design criteria.

• Water may not discharge onto neighboring property. In the event of heavy discharge loads, surface drain should be used to capture and remove water from the site.

• Drainage shall be concentrated on paved areas, or in the shared swale with adjacent property.

• Plant bed edging shall not be prone to rot, rust, split or crack. A composite edge is acceptable.

• All final surveys will need to verify grades

ALL FINAL SURVEYS WILL NEED TO VERIFY GRADES

MINIMUM LANDSCAPE REQUIREMENTS

Each front yard (and side yards on corner lots) shall comply with the plant type and plant quantities outlined in the PD.

WALLS AND FENCES

• The wall concept for Iron Horse shall follow the landscape plan.

• Spacing between a retaining wall and adjacent pathway, alley or curb shall be planted with appropriate 3 gallon shrubs spaced per landscape architects recommendations.

• Walls within courtyards attached to the home should be constructed of materials to match those of the building exterior.

• All walls and fences, or combination thereof shall be 6' in height. Should the style of the home warrant a deviation in height, approval from the City is required.

• Where walkways are located between residential lots, any retaining walls and fences along both sides of walkways should be located and designed to make the walkway appear as open and spacious as possible. This can be accomplished by minimizing continuous wall lengths through the use of low walls and open fences along property lines and landscaping.

• Residential walls shall join village walls at the same top of wall elevation, or lower. Residential walls higher than village walls shall step down to the same top of wall elevation as village walls at least 15' feet prior to point of connection.

• Side and rear yard fences between homes are to be a standard 6'-0" high, max of 8'-0" upon request from the City.

• Side yard gates are to reflect the fence style and be fabricated of selected fence material.

• All side yard gates and fencing will need to meet all health and safety codes.

• Wood fencing shall an approved design, single sided, board on board, with metal posts and capped. Single standardized color required.

• Fences shall have finished side out with no posts and rails visible from any street, alley or open space.

• The front side yard fence shall be setback from the front elevation of the home a minimum of 4 feet.

• Side yard fencing shall be no closer than nine feet (9') to the back of curb of adjacent street.

• Columns shall only be installed on corner lots that have fences for side or backyards and are adjacent to ROW or Public open space. Columns shall only be installed at the corner rear fence line and at the front fence line if there is a side yard. Residential units with no fences are not required to install columns.

• All fences will be constructed per attached fence exhibit detail.

PARTIAL LIST OF ALLOWED TREES AND SHRUBS:

Shade Trees:
Shumard Oak, Live Oak, Chinese Pistache, Lacebark Elm, Bald Cypres), Texas Red Oak, Little Gem Magnolia, Texas Redbud "Forest Pansy", Mexican Plum, Possumhaw Holly

Ornamental Trees:
Crape Myrtle, Wax Myrtle, Rose of Sharon

Shrubs:
Purple Diamond Loropetalum, Texas Sage, Red Yucca, Blueberry Muffin Indian Hawthorn, English Lavender

Ornamental Grasses:
Morning Light Miscanthur, Autumn Red Miscanthus, Gulf Muhly Grass, Little Bunny Dwarf Fountain Grass, Little Bluestem Grass, Mexican Feather Grass

See Exhibit L of the City of Mesquite Architectural Standards for more information on ground cover, and allowed rock and/or granite

[End of D2 Partial List of City of Mesquite Design Standards]