

TO BE RECORDED IN
ELLIS COUNTY, TEXAS

DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS,
AND EASEMENTS OF CARRERA RANCH

NOTICE TO PURCHASER: CARRERA RANCH (THE "SUBDIVISION") IS A RESTRICTED COMMUNITY. THIS DOCUMENT AFFECTS YOUR RIGHT TO USE THE PROPERTY YOU ARE PURCHASING. BY PURCHASING PROPERTY IN THE SUBDIVISION, YOU ARE BOUND BY ALL OF THE TERMS OF THIS DOCUMENT, INCLUDING ANY DESIGN GUIDELINES NOW OR HEREAFTER ADOPTED AND THE RULES AND REGULATIONS INCORPORATED HEREIN.

This Declaration of Covenants, Conditions, Restrictions and Easements (this "**Declaration**") is made and entered into to be effective as of April __, 2022 by Stella Rose Homes, LLC, a Texas limited liability company (together with its successors and assigns, "**Declarant**").

RECITALS

A. Declarant owns 16 acres, more or less (the "**Property**") in Ellis County, Texas, more particularly described by metes and bounds on **Exhibit A** attached hereto and incorporated herein by this reference, known or to be known as Carrera Ranch (the "**Subdivision**") and depicted on a plat (the "**Plat**") attached hereto as **Exhibit B** and incorporated herein by this reference, such Plat(s) recorded under Instrument No. _____ Official Public Records of Ellis County, Texas, and Cabinet --, Slides ----, Plat Records of Ellis County, Texas. Declarant hereby reserves the right to annex additional property into the Subdivision and this Declaration in the future.

B. The Property has been or is to be subdivided pursuant to the Plat. Declarant desires to establish and preserve a general and uniform plan for the improvement, development, sale and use of the Property for the benefit of the present and future owners of lots therein, together with any property that Declarant may in the future annex into the Subdivision and this Declaration.

C. Declarant desires to adopt, establish, promulgate, and impress upon the Subdivision the following reservations, covenants, restrictions, conditions, easements, assessments, and liens for the benefit of the Declarant, the Association (as hereinafter defined), the Subdivision, and the present and future owners (as hereinafter defined) of the Property.

DECLARATION

NOW, THEREFORE, Declarant hereby declares that the Recitals set forth above shall be a part of this Declaration and all the Property and each of the Lots (as hereinafter defined) which comprise the Property shall, to the fullest extent lawful, be held, sold, and conveyed subject to the following reservations, covenants, restrictions, conditions, easements, assessments, and liens (collectively the "**Restrictions**" including, but not limited to, those matters set forth in the Design Guidelines which are incorporated herein by reference) and the Restrictions shall run with the Property and each of the Lots and shall be binding on all parties having or acquiring any right, title, or interest in the Property or any Lot or any part thereof, and shall inure to the benefit of Declarant, the present and future owner(s) of the Property, the Association, and their respective heirs, successors, executors, administrators, and assigns. THE RESTRICTIONS SHALL BE DEEMED INCORPORATED INTO EACH DEED COVERING THE PROPERTY OR ANY

LOT OR ANY PART THEREOF AS IF SET OUT FULLY IN SUCH DEED.

ARTICLE 1
DEFINITIONS

- 1.1 Specific Definitions. The following words when used in this Declaration, or any supplemental declaration, unless the context shall prohibit, shall have the following meanings:

"ARC" shall mean the Architectural Review Committee of the Association which shall, unless otherwise composed by the Association, consist of the Board. The ARC shall review and approve plans for the construction of improvements or modifications on Lots as set forth in this Declaration.

"Association" shall mean a Texas non-profit corporation to be formed and to act as a property owners association named Carrera Ranch Homeowners Association, Inc. (or such other name as Declarant shall select), its successors and assigns. Until formation of the Association, Declarant shall have all of the rights, powers, and authority of the Association, but not the obligations of the Association, unless specifically assumed herein.

"Board" shall mean the Board of Directors of the Association.

"Building Code" shall mean the applicable municipal building code and all related codes and ordinances or, if there is no applicable municipal building code, the International Residential Code 2000, as amended, supplemented or replaced from time to time.

"Bylaws" shall mean the Bylaws of the Association.

"Common Properties" shall mean the entrances and landscaping thereof, and any and all other areas of land within the Property which are described or designated as common green, common areas, recreational easements, greenbelts, open spaces or private streets on any recorded subdivision plat of the Property or other instrument or intended for or devoted to the common use and enjoyment of the Owners of the Association, and including all equipment, accessories and machinery used in the operation or maintenance of any of such Common Properties and any additions to or replacements of such Common Properties. There may or may not be Common Properties at the Property. Declarant may hold record title to all or any portion of the Common Properties, consistent with the objectives envisioned herein and subject to the easement rights herein of the Owners to use and enjoy the Common Properties, for an indefinite period of time, and at a point in time (deemed appropriate and reasonable by Declarant), record title to the Common Properties will be transferred from Declarant to the Association. The Association must accept the Common Properties and fulfill its duties with respect to Common Properties as set out in this Declaration.

"Declarant" shall mean the "Declarant" named above and its successors or assigns.

"Declaration" shall mean this Declaration of Covenants, Conditions, Restrictions and Easements, as amended from time to time.

"Design Guidelines" shall mean the Design Guidelines which may be promulgated and published by the ARC, and as may be as amended from time to time. In the event the

Design Guidelines conflict with the provisions of this Declaration, the most restrictive provision shall control.

"Initial Owner" shall mean the first purchaser from Declarant of each Lot.

"Lot" shall mean any one of the separate lots that make up all or part of the Property. "Lots" shall mean any two or more such lots. Each Lot is burdened by an easement for a portion of the Roads and the other Restrictions described herein.

"Member" shall mean every person or entity who holds legal title to the Lot.

"Owner" shall mean the record owner, whether one or more persons or entities, of fee simple title to any Lot, and his or its respective heirs, successors, personal representatives, and assigns.

"Plat" shall mean the Final Plat or Plats described in Recital A above, together with any and all re-plats thereof and amendments thereto.

"Property" shall mean all the real property referred to in Recital A above and more particularly described on **Exhibit A** attached hereto and incorporated herein by this reference, and any additions thereto.

"Residence" shall mean a single-family residential dwelling constructed or to be constructed on any Lot.

"Restrictions" shall mean the "Restrictions" described in the Declaration section above.

"Roads" means collectively the streets and roads within the Property.

"Rules and Regulations" means any and all rules and regulations promulgated by Declarant or the Board, as amended from time to time, as described in Section 6.5. The Rules and Regulations may, at the discretion of Declarant or the Board, be incorporated into and made a part of the Design Guidelines.

"Subdivision" means Carrera Ranch referred to above as established by the Plat and this Declaration together with any future phases thereof annexed into this Declaration.

- 1.2 Other Definitions. Other terms are defined in other sections of this Declaration and those terms are incorporated herein by this reference.

ARTICLE 2

ARCHITECTURAL REVIEW

- 2.1 Architectural Review Committee. In order to protect the overall integrity of the development of the Property, a committee of representatives designated as the Architectural Review Committee ("**ARC**") shall be established to carry out all duties as noted herein with full authority to approve, disapprove, and monitor all construction, development, and improvement activities of any kind within the Property and to help ensure that all such activities are in accordance with the Restrictions and architecturally and aesthetically designed to be compatible with the appearance and quality of the overall

Property. At the discretion of the Board, the duties of the ARC may be delegated in whole or in part to a third-party representative of the ARC who need not be an Owner or a member of the Board.

- 2.2 Plans and Specifications to ARC. (a) No Residence, garage, outbuilding, fence, storage tank, or improvement of any kind (an “**Improvement**”) shall be erected, placed, constructed, installed, maintained, modified, or altered by any Owner other than Declarant nor shall any site work be commenced by any Owner other than Declarant until a complete set of plans and specifications shall have been formally submitted to the ARC with a written request for approval and the ARC's written approval received. Plans and specifications which are submitted shall contain and include, but not necessarily be limited to, all the following information (collectively, the “**Plans**”): floor plans, including finished floor and ground elevations; foundation plans; exterior elevations for any Residence, garage, outbuilding, or other structure; a plat or site plan showing the proposed location of any such improvements and all utilities thereto; exterior lighting and locations; samples of exterior finish materials and color samples; and any other plans, specifications, or information deemed pertinent by the ARC, including, but not limited to, all matters required by the Design Guidelines, as further provided in Section 2.10 below. Only Declarant may commence construction of any improvements without the approval of the ARC.
- 2.3 ARC Review. The ARC shall approve any proposed Improvement only if it determines in its reasonable discretion that the Improvement at the location indicated will not be detrimental to the appearance of the Property as a whole; that the appearance of the proposed Improvement will be in harmony with the external design of similar Improvements in the Property, including, without limitation, harmony as to quality and color of materials and location with respect to topography and finished grade elevation; that the Improvement will comply with the provisions of this Declaration and any applicable plat, ordinance, governmental rule, or regulation; that the Improvement will not detract from the beauty, wholesomeness, and attractiveness of the Property or the enjoyment thereof by Owners; and that the upkeep and maintenance of the proposed Improvement will not become a burden on Declarant. The ARC is specifically granted the authority to disapprove proposed Improvements because of the unique characteristics or configuration of the Lot on which the proposed Improvement would otherwise be constructed, even though the same or a similar type of Improvement might or would be approved for construction on another Lot. Further, the ARC shall have the right to disapprove any plans and specifications upon any ground that is deemed inconsistent with the objectives and purposes of this Declaration, including purely aesthetic considerations. In reviewing any matter, Neither Declarant nor the ARC shall be required to inspect, guarantee or warrant the workmanship of the Improvement, including its design, construction and safety, whether structural or otherwise, conformance with building codes or other governmental laws or regulations, or whether the Improvement is suitable for its intended purpose. The ARC may condition its approval of any proposed Improvement upon the making of such changes thereto as the ARC, in its sole discretion, may deem appropriate. Each Owner may be required to pay certain fees to the ARC to reimburse the ARC for the cost of its Plan review as provided in the Design Guidelines. The ARC shall have full right and authority to utilize its sole discretion in approving or disapproving any Plans which are submitted. In the event the ARC fails to approve in writing submitted Plans or to request additional information reasonably required within fifteen (15) days after submission, the applicant shall give the ARC written notice of its failure to respond. Unless the ARC responds in writing within

ten (10) days of receipt of such notice, approval will be deemed denied.

- 2.4 ARC Discretion to Approve or Disapprove. The ARC will approve or disapprove all Plans in accordance with this Declaration. Approval may be withheld if the construction or architectural design of any improvement is deemed, on any grounds, including purely aesthetic grounds, necessary to protect the continuity of design of the Property. Prior approvals or disapprovals of the ARC pertaining to any Improvement shall not be deemed binding upon the ARC for later requests for approval if the ARC determines that the construction of similar Improvements will have an adverse effect on the Property. The ARC shall have the express power to construe and interpret any covenant herein that may be capable of more than one construction, and to grant variances for certain requirements when, in its discretion, it is appropriate to do so (but no variance will be effective unless in writing and signed by the ARC). All approvals or disapprovals by the ARC are for the sole benefit of the Association and the respective Owner to whom the approval or disapproval is addressed, and no other Owner or any third party is or shall be deemed to be a third-party beneficiary of such approval or disapproval.
- 2.5 ARC Right to Inspect. During reasonable hours and, if the Residence is occupied, after reasonable advance notice, Declarant, members of the ARC, any member of the Board, or any authorized representative of any of them, shall have the right (but not the obligation) to enter upon and inspect any Lot, and any structure thereon, for the purpose of ascertaining whether or not the provisions of this Declaration have been or are being complied with, and said persons shall not be deemed guilty of trespass by reason of such entry. All inspections by the ARC are for the sole benefit of the Association and no individual Owner or other third party is or shall be deemed to be a third-party beneficiary of such inspections.
- 2.6 ARC Variances. The ARC is authorized to grant variances from compliance with any of the provisions of the Declaration (except for the provisions relating to single family residential construction and use), including restrictions upon placement of structures (except for front and rear setback lines), the time for completion of construction of any Improvement, or similar restrictions, when circumstances such as topography, natural obstructions, hardship, aesthetics, environmental, or other relevant considerations may make a variance appropriate. All variances must be in writing to be enforceable. The granting of a variance shall not operate to waive, modify or amend any provision of this Declaration; a granted variance applies only to the particular Lot and matter covered by the variance, and such variance shall not be considered to establish a precedent or future waiver, modification, or amendment of the provisions of this Declaration, nor shall the granting of a variance affect in any way the Owner's obligation to comply with all government laws and regulations affecting the Lot.
- 2.7 ARC Decision Final. The ARC shall have the authority to employ professional consultants at the expense of the Association to assist it in performance of its duties. The decisions of the ARC shall be final, conclusive and binding upon all parties other than Declarant and the Board.
- 2.8 No Liability. Neither the ARC nor its members nor Declarant or the members of the Board shall be liable to any person (including Owners and builders) for any damage or injury to property arising out of their acts hereunder, except in the case of bad faith or willful misconduct. Neither the ARC nor its members nor Declarant or the members of the Board shall be deemed to have made any warranty or representation to any Owner, builder, or

other third party about any matter whatsoever arising out of any approvals or inspections. Without limiting the foregoing, it is expressly agreed that no approval of Plans by the ARC and no construction inspection approvals shall be deemed a representation or warranty by the ARC that any Residence has been or will be completed in a good and workmanlike manner, or in conformance with building codes, or other governmental laws or regulations. No discretionary acts by the ARC (such as approval or disapproval of Plans) shall give rise to any liability of the ARC or its members or Declarant or the members of the Board.

- 2.9 Number and Appointment of ARC Members. The number and identity of the initial ARC members shall be decided by Declarant, and Declarant may appoint its own representatives as any or all of the ARC members, so long as Declarant owns at least one (1) Lot. In the event of the death or resignation of any member of the ARC, Declarant shall have full power and authority to appoint a successor committee member or members, chosen in its sole discretion, with like authority. When Declarant no longer owns at least one (1) Lot, or when Declarant has otherwise elected to cede control of the Association to the Members, Declarant shall appoint the original members of the ARC, which shall consist of at least three (3) but no more than five (5) members, and which may be members of the Board.
- 2.10 Design Guidelines. The ARC may promulgate and publish Design Guidelines. The Design Guidelines, as amended from time to time, shall be incorporated into this Declaration by this reference. A copy of the Design Guidelines will be furnished to any Owner upon request. The Design Guidelines will supplement this Declaration and may contain other and further provisions as to the approval and disapproval of Plans, suggested or prohibited materials, and other matters relating to the appearance, design, quality, and construction of Improvements. The Design Guidelines may be more restrictive than the Restrictions. The Design Guidelines may be amended from time to time by the Association or upon the affirmative vote of two-thirds of the members of the ARC and the consent of the Association. The Design Guidelines may include or incorporate any Rules and Regulations promulgated by Declarant or the Board.
- 2.11 Most Restrictive Instrument Applies. **To the extent of any conflict between this Declaration, the Design Guidelines, or the Plat, the most restrictive instrument shall control. Accordingly, each Owner must obtain and study all three instruments and provide them to their architects, builders, contractors, and other appropriate parties prior to purchasing a Lot or commencing the construction of any improvements thereon. Notwithstanding the foregoing, if any applicable provision of Texas Property Code Chapter 202 (or other statute regarding restrictive covenants or other matters applicable to the Declaration, Design Guidelines, and/or Plat) conflicts with anything in this Declaration, the Design Guidelines, or the Plat, then the provision(s) of the Texas Property Code (or other statute) shall control.**

ARTICLE 3

GENERAL RESTRICTIONS

- 3.1 Single Family Residential Uses Only. (a) No part of a Lot, or improvements thereon, shall be used for any purpose other than one Residence on each Lot and certain accessory improvements, to the extent accessory improvements are specifically authorized elsewhere in this Declaration. Each residence may be occupied only by one family consisting of persons related by blood, adoption or marriage with not more than two unrelated persons living together as a single household unit. It is the intent of Declarant that the Subdivision

be a single-family residential community.

(b) Without limiting the foregoing, the construction of any duplex, triplex, quadplex apartment house, or other multi-tenant building is expressly prohibited. No garage may be used as living quarters, and no garage apartment for rental purposes shall be permitted. However, Declarant or a builder approved by Declarant, in Declarant's sole discretion, shall have the right, in connection with construction and sales operations on the Property, to use a garage as a sales office.

- 3.2 No Commercial Use. An Owner may maintain an office in a Residence for business purposes so long as: (a) the business does not involve any employee, customer, client, co-worker, or other party being present at the Residence; (b) there is no sign or other visible evidence of the business on the Lot; (c) operation of such business does not generate traffic in and out of the Subdivision; and (d) the business is not open to the public. No other business or commercial activity of any kind shall be conducted on a Lot, whether for profit or non-profit. Private orchards and gardens shall not be deemed to be commercial or business activity. No hobby may be conducted on any Lot which attracts vehicular or pedestrian traffic to the Lot.
- 3.3 Lease Restrictions. A Residence may be leased for a period of no less than one (1) year. All tenants shall be bound by the Restrictions, but the lease of a Residence shall not discharge the Owner from compliance with any of the obligations and duties of the Owner. All leases shall make reference to the Restrictions and Owners shall provide tenants with a copy of this Declaration. All leases shall be subject to this Declaration and the other documents of the Association, regardless of whether the lease makes specific reference to them or whether the Owner delivers this Declaration to the tenant.
- 3.4 No Mobile Homes. Except as otherwise specifically set forth herein, no mobile home, trailer home, manufactured home, modular home (single or double wide), or prefabricated home of any kind, whether or not it has wheels or the wheels have been removed, shall be allowed on any Lot.
- 3.5 No Temporary Structures. (a) Except for the benefit of Declarant or as otherwise allowed herein, no structure of a temporary character (whether trailer, tent, shack, etc.) shall be used on any Lot at any time for any purpose, either temporarily or permanently.
- (b) With prior ARC approval, a job site trailer may be placed on the Lot during construction of the Residence thereon.
- 3.6 No Subdividing. No Lot may be subdivided by any Owner other than Declarant, and no Owner other than Declarant may sell or transfer less than 100% of any Lot (other than the sale or transfer of undivided interests).
- 3.7 Parking. All vehicles belonging to Owners or guests must be parked in the Owner's driveway, garage, or other ARC approved parking area overnight. In no case may vehicles be parked overnight on the Roads. No tractor trailer rigs may be parked on any part of the Property or elsewhere in the Subdivision except while active loading or unloading is occurring. No recreational vehicle, motor home, camper, travel trailer, or similar vehicle or trailer may be parked on any Lot at any time. No travel trailer, motor home, camper, camp trailer, bbq or hobby trailer, boat, flatbed trailer or utility trailer, aircraft, recreational

vehicle, RV, motorcycle, four-wheeler, tractor, truck larger than one (1) ton, or any vehicle or trailer similar to any of the foregoing shall at any time be parked on any Lot or on any Road or in front of any Residence or within any building setback area. Commercial trucks and trailers providing services to a Residence may park trucks and trailers on a Road during weekday business hours in connection with the provision of services. No more than two (2) vehicles bearing commercial insignia or names shall be parked on any Lot, and then only if the vehicle is utilized by the Owner as transportation to and from the Owner's place of employment. No vehicle (regardless of size) which transports flammable or explosive cargo may be kept on a Lot at any time other than the temporary parking of a properly licensed fuel truck that dispenses propane to an Owner's approved on-site propane tank. Boats, ATVs, UTVs, golf carts and similar may be parked on a Lot only within an enclosed garage or in a covered parking area out of sight of all Roads and other Lots. Notwithstanding the foregoing, a utility trailer may be kept on a Lot behind a fenced or enclosed area as long as the trailer does not exceed 16 feet in length and is not visible from any Road or other Lot and is stored empty and free of junk, refuse, trash, tree limbs, and similar.

- 3.8 Storage of Vehicles. Except in accordance with these Restrictions, no travel trailer, motor home, camper, boat, aircraft, recreational vehicle, motorcycle, four-wheeler, tractor, lawnmower, machinery or truck larger than one (1) ton or similar vehicle or trailer shall be parked in the Subdivision overnight, or stored, within view of any Road or within view from another Lot. No such vehicles, equipment or trailers or any other items that are stripped down, wrecked, junked, or inoperable shall be kept, parked, stored or maintained on any Lot unless in an enclosed garage or other structure or in a screened area which prevents the view thereof from any other Lot or Road. No dismantling or assembling of any such vehicle or trailer or any other machinery or equipment shall be permitted unless in an enclosed structure or in a screened area which prevents the view thereof from any other Lot or Road. The ARC shall have the absolute authority to determine from time to time whether a vehicle is operable and, if not, adequately screened from public view. Upon an adverse determination by the ARC, the vehicle shall be removed or otherwise brought into compliance with these Restrictions. Under no circumstances may any recreational vehicle, boat, trailer, lawnmower, motorcycle, aircraft, travel trailer, motor home, or machinery be stored on any Lot and visible from any Road.
- 3.9 Recreational Vehicles, Campers, Travel Trailers, Etc. No recreational vehicle, camper, travel trailer, motorhome, motorcoach, or any similar vehicle or trailer may be parked, stored, kept, or used in the Subdivision. None of the foregoing may be used for residential purposes in the Subdivision, whether on a temporary or permanent basis.
- 3.10 No Drilling Operations by Owners. No Owner may authorize any oil or gas exploration or drilling, oil or gas development operations, oil refining, quarrying, or mineral operations of any kind on any Lot, nor may any Owner authorize oil or gas wells, storage tanks, tunnels, mineral excavation, or shafts on any Lot. No derrick or other structure designed for use in boring for oil or natural gas will be erected on any Lot by any Owner. EACH OWNER UNDERSTANDS AND AGREES THAT TO THE EXTENT THE MINERALS ASSOCIATED WITH THE PROPERTY HAVE BEEN RESERVED BY OTHERS, DECLARANT HAS NO CONTROL OVER THE LEASING ACTIVITIES OF THESE MINERAL OWNERS OR THE OIL AND GAS EXPLORATION OR PRODUCTION ACTIVITIES OF THEIR LESSEES. THERE MAY BE OIL AND GAS EXPLORATION OR PRODUCTION ON THE PROPERTY BY OTHERS OVER WHOM NEITHER

DECLARANT NOR ANY OWNER HAS CONTROL. To the extent there is any conflict between this section 3.9 and any other section of the Declaration, this section 3.9 shall control.

3.11 Trash.

(a) No trash, garbage, debris, or other refuse may be burned, stored, disposed of, or allowed to remain upon any Lot or Road, whether the Lot is vacant or otherwise. No Lot will be used or maintained as a dumping ground for rubbish, rocks, brush, grass clippings, garbage, or trash. Garbage and other waste will be kept in sealed, sanitary containers prior to disposal.

(b) Declarant or the Association may, but is not obligated to, contract with a garbage collection service for the pick-up and disposal of all household garbage on the Property and, in such event, the cost thereof will be an expense of the Association, which shall be paid by the Owners through the assessments provided for in this Declaration.

(c) Rubbish, trash, garbage or other waste materials to be disposed shall be placed at all times in an appropriate varmint resistant receptacle. If receptacles are not provided by the garbage collection service with whom the Declarant or an Owner contracts, then each Owner shall be responsible for purchasing and maintaining its own garbage receptacles. Each receptacle must be approved by the Declarant or the Association. No such receptacle shall be placed for collection in a location visible from any Road more than 24 hours prior to the scheduled collection time or allowed to remain in a location visible from any Road more than 24 hours after the scheduled collection time.

3.12 No Nuisance or Noxious Activity. No noxious or offensive activity shall be carried on or upon any Lot or Road by any Owner, construction workers hired by any Owner, or an Owner's guest, nor shall anything be done upon any Lot or Road which may be or become an annoyance or nuisance to the neighbors (such as, but not limited to, the noise created by the operation of an excessive or unreasonable number of off-road vehicles or motorcycles on a Lot). No junk, railroad cars, buses, inoperative cars or other vehicles, or other noxious, offensive or unsafe equipment or materials may be stored on the Property.

3.13 Animals. No horse or livestock of any kind may be kept on a Lot. Domestic, non-dangerous house pets such as cats and certain breeds of dogs, in reasonable number as determined by the Association, may be kept on a Lot, but no Owner shall allow a pet to run loose or become a nuisance to the other residents. No pets may be raised for sale, and commercial kennels of any kind are expressly prohibited. Hogs, swine, chickens and other poultry are prohibited. No pet shall be allowed to make an unreasonable amount of noise or to become a nuisance or a danger. No bees or other insects may be housed, kept or farmed. All animals shall be kept in strict accordance with all applicable laws and ordinances, and in accordance with the Rules and Regulations. It is the intention of these restrictions to restrict use of the Lot so that no person may quarter any animal, insect or other creature that may interfere with the quietude, health or safety of the community or any other Owner or resident in the Subdivision.

3.14 Lawns. All grass, weeds, and vegetation on each lot shall be maintained at regular intervals as needed to maintain a neat and well-maintained appearance. Landscaping requirements must be finished and met within 180 days of construction of the Residence. All landscaping, including lawns and shrubs, shall utilize native plants or hybrids to the extent

practicable. All swales and culverts shall be grassed and shall be regularly maintained as needed to maintain a neat appearance. All statues and other similar decorative features located in the front yard, or the back or side yard if not screened by a privacy fence, must have prior approval by the ARC. No invasive species may be planted.

- 3.15 Signs. One (1) sign per lot shall be allowed, not exceeding more than four (4) square feet in size, to advertise a lot for sale or lease. Also, political signs may be placed upon a Lot by the Owner of the Lot during election times only, in size and location as shall be approved by the Declarant, the ARC or the Association. All other signs shall be approved by the ARC before being erected or placed on any Lot. Builder shall be allowed to have one open house sign in addition to a for sale sign on each lot.
- 3.16 No Adverse Conditions. No Owner or occupant shall construct any improvements or perform any work that will impair any easement or right-of-way or do any act or allow any condition to exist which will adversely affect the other Lots or their owners or residents.
- 3.17 Insurance. Each Owner must carry all risk casualty insurance for the full insurable value of the Residence on the Lot. Each Owner must use all insurance proceeds required to properly rebuild in case of a partial loss or damage or, in the case of complete damage, to either rebuild or clear all debris and return the Lot to substantially the natural state as it existed prior to destruction. Reconstruction must be promptly commenced and diligently pursued to completion (and in any event must be completed within eighteen (18) months and if not, the Owner shall make payment as described in Section 4.8). No damaged buildings, including the foundation, shall be allowed to remain on any Lot unless they are to be promptly repaired or restored. Each Owner must carry homeowner's liability insurance at all times, including prior to the construction of Improvements on the Lot.
- 3.18 Property Taxes. Each Owner shall be responsible for the payment of all ad valorem and other property taxes owing on the Owner's Lot.
- 3.19 Underground Utilities. All utility lines and other facilities installed by or for any Owner for electricity, water, cable, telephone, sewer, internet, storm sewer, or other utilities must be installed underground.
- 3.20 No Hunting/Firearms. No hunting or trapping (except the trapping of varmints) shall be allowed on any Lot. No firearms shall be discharged on any Lot.
- 3.21 Fires. Only controlled fires, in compliance with all applicable laws, shall be allowed outdoors on any Lot. All fires must be supervised by an adult at all times, and each Owner bears the sole responsibility and risk of any such fires.
- 3.22 Fireworks. The use of fireworks is prohibited.
- 3.23 Permitted Hours for Construction Activities. Except as otherwise permitted by Declarant, no outside construction work or unreasonably loud interior construction work is permitted except between the hours of 6:00 A.M. and 7:00 P.M. Monday through Friday, between 8:00 A.M. and 6:00 P.M. on Saturday, and 9:00 A.M. and 5:00 P.M. on Sunday. No construction activity is permitted on New Year's, Easter, Memorial, Independence, Labor, Thanksgiving, or Christmas days.

- 3.24 No Hazardous Material. No vehicle of any size which transports inflammable, explosive or hazardous materials may be kept in the Subdivision at any time.
- 3.25 Water Supply. No individual water supply system, well, or similar shall be permitted in the Subdivision.
- 3.26 Burning Restricted. Except within fireplaces in the main residential dwelling and outdoor cooking, nothing shall be burned anywhere within the Subdivision.
- 3.27 Golf Cars, ATVs, UTVs, Side by Sides, Etc. No golf car, ATV, UTV, side by side, or similar motor vehicle may be driven or operated on any Road or kept on any Lot within view of any Road.
- 3.28 Security Measures. The ARC and Association may not adopt Design Guideline which prevent Owners from building or installing security measures on a Lot, including but not limited to a security camera, motion detector, or perimeter fence. Security cameras may only be installed on an Owner's Lot on the Owner's private property.
- 3.29 Displayed Religious Items. An Owner shall not be prohibited from displaying or affixing on the Owner's Lot or Residence one or more religious items, the display of which is motivated by the Owner's sincere religious belief. However, no religious item may be displayed which threatens the public health or safety, violates a law other than a law prohibiting the display of religious speech, contains language, graphics, or any display that is patently offensive to a passerby for reasons other than its religious content, or is installed on property (i) owned or maintained by the Association or (ii) owned in common by members of the Association, or violates any applicable building line, right-of-way, setback, or easement, or is attached to a traffic control device, street lamp, fire hydrant, or utility sign, pole, or fixture.
- 3.30 Solar Panels. Solar energy devices (defined in Section 171.107, Texas Tax Code) may be installed only after written approval from the ARC and in strict accordance with the requirements found in **Exhibit C** to this Declaration.
- 3.31 Rain Barrels and Rainwater Harvesting Systems. Rain barrels and rainwater harvesting systems are permitted only with written approval from the ARC. Rain barrels and rainwater harvesting systems shall be of a size, type, and material, and shall be shielded from public view, and must conform to all requirements found in **Exhibit D** to this Declaration.
- 3.32 Flagpoles and Display of Flags.
- (1) Flagpoles, whether attached to a Residence or other improvement of a Lot, or freestanding, shall be constructed of permanent, long-lasting materials with a finish appropriate to the materials used in the construction of the flagpole and harmonious with the Residence. Flagpoles must conform to all applicable municipal or local government ordinances. Flagpoles may not be placed within easements, rights-of-way, or setback areas of record.

(2) Unless approved in writing otherwise by the ARC, no flag shall be displayed unless it is (a) the flag of the United States of America, (b) the flag of the State of Texas, or (c) an official or replica flag of any branch of the United States armed forces. All flags displayed shall conform to applicable provisions of Federal and Texas state law.

(3) All flags and flagpoles must conform to the requirements found in **Exhibit E** to this Declaration.

3.33 Wind Turbines and Wind Harvesting Devices. No wind turbines, wind harvesting devices, wind electricity generating devices, or similar may be installed on any Lot.

ARTICLE 4 **CONSTRUCTION RELATED RESTRICTIONS**

4.1 Approved Builders. No Owner shall contract with any builder or other general contractor or person or entity for the construction of a Residence on a Lot without first obtaining the written approval of that builder from the ARC within its sole discretion which shall not be unreasonably withheld.

4.2 Minimum Construction Requirements. Minimum Construction Requirements shall be set by the ARC and shall be set forth in the Design Guidelines. These guidelines will provide specific restrictions such as (any not by way of limitation) minimum contiguous interior living area square footage, exterior façade appearance and construction, height of residences, garage specifications, and roofing requirements.

4.3 Accessory Improvements.

(a) A building that is immediately accessory to the Residence and other similar improvements to the Residence, such as a detached garage, maid's quarters, guest house, or cabana may be allowed, provided it conforms to the same style and architecture and is constructed of the same materials as the Residence and is approved by the ARC. No such accessory building to the Residence shall exceed fifty (50) percent of the interior living area of the Residence.

(b) Storage buildings, sheds, shops, and other similar buildings and improvements constructed or placed on a Lot must be located at least twenty-five (25) feet behind the rear plane of the Residence and completely screened from view from a Road or any other Lot. A storage building shall be defined as a building with a square footage equal to or less than one hundred fifty (150) square feet. A shop building shall be defined as a building with square footage in excess than one hundred fifty (150) square feet. All buildings and improvements must be built on permanent concrete foundations, approved by the ARC and must adhere to the specifications set forth in the Design Guidelines. Additionally, all Accessory Improvements contemplated by this Section 4.3 must be located in a backyard fully enclosed by a fence constructed in accordance with the Design Guidelines.

4.4 Recreational Improvements. Tennis courts, swimming pools, or any other similar sporting or recreational equipment or improvement shall be placed behind the Residence, unless otherwise approved by the ARC. No above-ground pools are permitted whatsoever. No temporary basketball goals will be permitted, but permanent basketball goals are permitted

in or around the driveway area of a house but must be set back at least even with the front of the Residence. All pools, playground equipment, trampolines, and other recreational improvements or equipment must be within a fenced area of the back yard of the Residence.

- 4.5 Minimum Setback. The Design Guidelines will control and describe the minimum setbacks required for improvements within a Lot. In cases where rugged terrain is encountered, thus necessitating, or making highly desirable the use of such space, a variance to this restriction may be granted by written approval of the ARC, within its sole discretion.
- 4.6 Storage of Building Materials. No building materials of any kind may be stored on any Lot for longer than one week prior to the commencement of work for which the materials were purchased unless they are stored in an enclosed building or located such that they cannot be viewed from any other Lot.
- 4.7 Construction Clean-up. From time to time during construction as required to maintain a neat and orderly appearance, and upon completion of construction, the Owner of the Lot will be responsible for the removal of any trash or debris that may have been thrown, placed, or discarded on any part of the Lot or on any other Lot if the trash or debris originated at the Owner's Lot. No trash may be burned in the Subdivision. All construction trash shall be contained in piles circled by 3/8" material in 4x8 sheets.
- 4.8 Construction Requirements.
- (a) All sites must be graded prior to foundation with foundation pads and drainage set to protect adjacent property owners. Another grading shall occur after the foundation is poured back filling all ditches and establishing drainage. Special care must be used to protect water valves, cut-offs and utility boxes. All excess brush and trees must be removed at the time the Lot is first graded and prior to the foundation work.
 - (b) Reserved.
 - (c) Once construction of a Residence is commenced on a Lot, it shall be diligently continued to completion.
 - (d) Prior to commencing construction, the foundation plans for each Residence shall be approved and stamped by an architect or structural engineer approved by the State of Texas. A final grade survey will be required which shows a positive drainage and responsible water flow away from the main structure and adjoining Lots. Each Owner will be responsible for ensuring their drainage is channeled to the street or normal drainage areas.
 - (e) No Residence shall remain incomplete for more than twelve (12) months after construction has commenced. An Owner who breaches this time requirement shall pay to Declarant, as liquidated damages, the sum of \$100 (one hundred dollars) per day for each day construction remains incomplete beyond this twelve (12) month period.
- 4.9 HVAC. No HVAC system component or similar and no air conditioning apparatus shall be used, placed, or maintained on any Residence except on the ground or the walls of the side or back of the Residence or on the roof of the Residence. No air conditioning apparatus shall be installed at or on the front of a Residence or otherwise be visible from any Road. No window-unit or other aftermarket heating or cooling device may be used.
- 4.10 Lighting. In general, exterior lighting used in connection with the occupancy of a Residence shall be kept to the minimum required for safety and security. Landscape lighting is allowed. No mercury vapor, fluorescent, or neon lights shall be used to illuminate the outside areas

of a Lot. No exterior lighting of any sort shall be installed or maintained on a Lot where the light source is offensive or a nuisance to other Owners or Lots (tennis court or similar lighting is permitted with the approval of the ARC).

- 4.11 Sound Devices. No exterior speakers, horns, whistles, bells, or other sound devices (except reasonable security devices) audible from any adjoining Lot shall be placed or used upon any Lot.
- 4.12 Fences and Walls.
- (a) Any wall must be constructed of masonry, steel, brick, stone, iron, or metal and preapproved by the ARC. Retaining walls must be constructed entirely out of materials approved by the ARC. No fences in the front of the home will be permitted. Fences or walls erected by Declarant, the Association, or the ARC shall become the property of the Owner of the Lot on which the same are erected and, as such, shall be maintained and repaired by such Owner, provided that the Association shall have an easement to access and maintain the fence if the Owner neglects to do so, in which case the Association may charge such expenses to such Owner. No portion of any fence shall extend more than eight (8) feet in height, except for entry walls and other improvements constructed by the Association, Declarant or the ARC.
- (b) No fence or gate may be erected across or into any Road.
- (c) **No wood fencing is permitted.** All fencing must be built using metal or vinyl construction material.
- 4.13 Lot Entries and Driveways. There shall be only one primary entry point off any Road onto a Lot, except that all primary entries off of any Road into a Lot shall have a sufficient culvert installed, and the drainage ditch shall be lined with rock. Driveways on each Lot must be constructed of concrete. Circular driveways shall be permitted with ARC approval.
- 4.14 Garages. All garages must open on the side or at the rear of the Residence. Each garage must be a minimum two-car garage. No front-facing garages are allowed on any Residence.
- 4.15 Sewage Disposal. If the Lot is not serviced by a public sewer system, the Owner must install an aerobic septic system for sewage disposal or any other system that complies with applicable law. All septic systems must be installed by a state certified licensed installer and must be permitted and inspected by Ellis County. Septic Systems must be inspected by a state certified licensed installer every three years and must be regularly maintained to remain in good operating condition. No outside toilets or cesspools will be permitted. Where applicable, Owners must have an active septic maintenance contract required by law. All sewage systems must comply with standards under local, state and federal law.
- 4.16 Drainage/Impoundment of Surface Water. (a) The existing creeks, ponds, and drainage channels traversing along or across portions of the Property will remain as open channels at all times and will be maintained by the Association or Owners of the Lot or Lots that are traversed by or adjacent to the drainage courses along or across said Lots. The Association or each Owner shall keep the natural drainage channels traversing or adjacent to each Lot

clean and free of debris, silt or any substance which would result in unsanitary conditions or any obstruction of the natural flow of water. Any retaining pond or similar improvement which sits on any Lot must be maintained by the Owner of such Lot.

- 4.17 Antenna. No microwave dishes, radio, citizen band or otherwise, or television axial wires or antennas shall be maintained on any portion of any Lot, or in the common area, except direct broadcast satellite (DBS) antennae no more than 18" in diameter, multichannel multipoint distribution system (MMES) antennae no more than 18" in diameter, or television broadcast antennae, all of which Owner shall screen from public view as much as possible without impairing its installation, maintenance or use. All matters set forth in this provision require the express approval, in advance, of the ARC, which shall be exercised in conformity with the rules of the Federal Communications Commission.
- 4.18 Entryway Easements. On, over, and across each Lot, upon which is now or hereafter constructed (or replaced) all or any part of any common entryway into the Property, there is hereby reserved to Declarant and the Association an easement for the construction, maintenance, repair, and replacement of all common entryway improvements including, but not limited to, poles and posts associated therewith, irrigation systems and water lines, brick, stone, metal, or other decorative fences, walls, planters, or other, improvements, landscaping, and similar common entryway improvements.
- 4.19 Building Codes. All construction will comply with the Building Code, any other applicable local building codes or fire codes, and any other applicable laws, ordinances or regulations of any governmental body or agency.
- 4.20 Storage Tanks, Water Tanks and Water Heaters. Propane and other storage tanks shall be located underground or behind the Owner's Residence, completely screened from public and neighboring Lot view with stone, stucco, or shrubbery. If shrubbery is used for screening purposes, the shrubbery, at the time it is planted, must be of adequate size to screen the propane or storage tanks. Water tanks must also be completely screened from view pursuant to the same requirements applicable to propane and storage tanks. No water heater may be visible from the view of any Road.
- 4.21 Mailboxes. Mailboxes must meet local, state and federal government standards and must be constructed using materials and design which match the Residence on the Lot corresponding to the mailbox.
- 4.22 Special Requirements.
- (1) Minimum Floor Area. The total air-conditioned living area of the main residential structure, as measured to the outside of exterior walls, but exclusive of open porches, garages, patios, and detached accessory buildings, shall not be less than two thousand, four hundred (2,400) square feet for one-story Residences or two thousand, eight hundred (2,800) square feet for two-story Residences.
 - (2) Height. Residences may not exceed two (2) stories in height.

- (3) Building Materials, Exterior Items, and Surfaces. The total exterior wall area, except windows and doors, of each building constructed on a Lot shall not be less than sixty percent (60%) brick, brick veneer, stone, stone veneer, masonry product, or other material approved by the ARC, exclusive of roofs, eaves, soffits, windows, doors, gables, garage doors, and trim. No plywood shall be used on any exterior wall, unless approved by the Developer. Roof pitches will be a minimum of 8/12 or greater over the main span and front roof spans. The rear pitch on a 1 ½ story or porches can be reduced to 6/12 or greater. The primary first floor plate height shall be 9' or taller for 2/3 of the overall area, with no plate height under 8'. Roofing shall be composed of three hundred pound (300#) or better composition shingles, metal seamed, man-made slate, concrete flat tile, or other materials shall be permitted when approved by the ARC. Installation of all types of exterior items and surfaces such as address numbers or external ornamentation, lights, mail chutes, mailboxes, exterior paint or stain, shall be subject to the proper approval of the ARC, both as to design, materials, and location. Metal outbuildings not exceeding 40x40 in size may be approved by the ARC if constructed of 24ga art panel metal, welded or bolted on a permanent foundation (no portable buildings are allowed).

4.23 Swimming Pool Enclosures. (a) In this section, "swimming pool enclosure" means a fence that:

- (1) surrounds a water feature, including a swimming pool or spa;
- (2) consists of transparent mesh or clear panels set in metal frames;
- (3) is not more than six feet in height; and
- (4) is designed to not be climbable.

(b) Each Owner may construct a swimming pool enclosure that conforms to applicable state or local safety requirements.

(c) The ARC may adopt and enforce Design Guidelines related to the appearance of a swimming pool enclosure, including limitations establishing permissible colors for a swimming pool enclosure, provided that the Design Guidelines shall not prohibit a swimming pool enclosure that is black in color and consists of transparent mesh set in metal frames.

ARTICLE 5

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

- 5.1 Control by Declarant. So long as Declarant owns at least one (1) Lot, and notwithstanding any provision of the Bylaws to the contrary, Declarant shall, at Declarant's option, have exclusive control of the Association by being the sole voting Member. Declarant may, at any time and at Declarant's option, turn over control of the Association to the Members by filing an instrument to that effect in the Real Property Records of Ellis County, Texas. At the point in time that Declarant no longer owns any Lots, control may be delivered to the Members through a written instrument of Declarant. At such time as Declarant cedes control of the Association to the Members, or at such earlier time as Declarant may choose, Declarant shall also deed to the Association title to the Common Properties.

Notwithstanding anything to the contrary contained herein, it is expressly acknowledged and understood that, in the event that Declarant transfers, sells, or assigns all of the Lots owned by Declarant to an affiliated or related entity of Declarant, the rights of the Declarant set forth herein shall automatically and simultaneously transfer to such related or affiliated entity at the time of such conveyance so that there is no lapse in ownership or rights of the Declarant.

- 5.2 Membership and Voting. (a) Subject to Section 5.1 above, every person or entity who is an Owner shall be a Member of the Association. The foregoing is not intended to include persons or entities who hold an interest in a Lot merely as security, unless such persons or entities acquire title to a Lot through judicial or non-judicial foreclosure, or deed in lieu of foreclosure. Membership shall be appurtenant to and may not be separated from ownership of any Lot. Ownership of such Lot shall be the sole qualification for membership. When more than one person holds a membership interest in any Lot, all such persons shall be Members, and the vote for such Lot shall be exercised as they, among themselves, determine, but in no event shall more than one (1) vote be cast with respect to any Lot.
- (b) Upon acquiring a Lot, the Owner thereof shall promptly notify the Association, in writing, of the Owner's name, physical address (not just a post office box), telephone number, and the identity of the Lot acquired.
- 5.3 Suspension of Voting Rights. All voting rights of a Member may be suspended by the Association during any period in which such Member is delinquent in the payment of any duly established assessment or is otherwise in default and/or violation of these Restrictions, the Bylaws, or Rules and Regulations.
- 5.4 Registration with the Association. In order that Declarant and the Association can properly determine voting rights and acquaint every Lot Owner and every Member with these Restrictions and the day-to-day matters within the Association's jurisdiction, each Member shall have an affirmative duty and obligation to provide, within fifteen (15) days of becoming an Owner, and thereafter revise and update, within fifteen (15) days after a material change has occurred, contact and related information for each occupant of the Residence to the Association, as may be required by the Association from time to time.
- 5.5 Management by the Elected Board. The affairs of the Subdivision shall be administered by the Association. The Association shall have the right, power and obligation to provide for the management, acquisition, construction, maintenance, repair, replacement, administration, and operation of the Subdivision as herein provided for and as provided for in the Bylaws and Rules and Regulations. The business and affairs of the Association shall be managed by its Board. The Declarant shall determine the number of Directors and appoint, dismiss and reappoint all of the members of the Board until the first election of Directors by the Members of the Association is held in accordance with the Bylaws, this Declaration, and Texas law. The appointed Board may engage the Declarant or any entity, whether or not affiliated with Declarant, to perform the day-to-day functions of the Association and to provide for the maintenance, repair, replacement, administration

and operation of the Subdivision. The Association, acting through the Board, shall be entitled to enter into such contracts and agreements concerning the Subdivision as the Board deems reasonably necessary or appropriate to maintain and operate the Subdivision in accordance with the Declaration, including without limitation, the right to grant utility and other easements for uses the Board shall deem appropriate and the right to enter into agreements with adjoining or nearby land owners or governmental entities on matters of maintenance, trash pick-up, repair, administration, security, traffic, operation of recreational facilities, or other matters of mutual interest.

- 5.6 Professional Management. The Declarant, the Association, or Board shall have the authority to retain, hire, employ or contract with such professional management companies or personnel as the Board deems appropriate to perform the day-to-day functions of the Association and to provide for the construction, maintenance, repair, landscaping, administration and operation of the Subdivision as provided for herein and as provided for in the Bylaws.
- 5.7 Board Actions in Good Faith. Any action, inaction or omission by the Board made or taken in good faith shall not subject the Board or any individual member of the Board to any liability to the Association, its Members or any other party.
- 5.8 Inspection of Records. The Members of the Association shall have the right to inspect the books and records of the Association in accordance with Section 2.23B of the Texas Non-Profit Corporation Act, as it exists upon the date of recording of this Declaration or as it may thereafter be amended. All such inspections shall be made at the offices of the Association and made during normal business hours unless as otherwise agreed solely by the Association.

ARTICLE 6

MAINTENANCE BY AND OTHER ACTIVITIES OF ASSOCIATION

- 6.1 Board Powers and Duties. (a) The Board shall have the right, power and duty to provide, and shall pay out on behalf of the Association, from the assessments provided for herein, the following:
 - (1) Maintenance, care, preservation, and repair of the Common Properties and the furnishing and upkeep of any desired personal property for use in the Common Properties;
 - (2) Maintenance, care, preservation and repair of any signage for the Subdivision, which may be located on any of the Common Properties or in a public right-of-way (however, if the Association shall cease to exist or fail to be established, then this obligation will be shared pro rata by the Owners, subject to any additional requirements imposed by the county or other government entity with control of such public right-of-way);
 - (3) Any private trash and garbage collection service provided by the Association;

- (4) Taxes, insurance and utilities (including, without limitation, electricity, gas, water and sewer charges) which pertain to the Common Properties only;
- (5) Any security arrangements;
- (6) The services of a person or firm (including Declarant and any affiliates of Declarant) to manage the Association or a separate portion thereof, to the extent deemed advisable by the Board, and the services of such other personnel as the Board shall determine to be necessary or proper for the operation of the Association, whether such personnel are employed directly by the Board or by a manager designed by the Board;
- (7) Legal and accounting services; and
- (8) Any other materials, supplies, furniture, labor, service, maintenance, repairs, structural alteration, taxes or assessments which the Board is required to obtain or pay for pursuant to the terms of this Declaration or which in its opinion shall be necessary or proper for the operation or protection of the Association or for the enforcement of this Declaration.

(b) Without limiting Section 6.1 above, the Board shall have the following additional rights, powers and duties:

- 6.2 Right of Entry for Maintenance of Common Properties. Declarant, the Association, or any of their authorized representatives, shall have the right to enter upon and across any and all Lots for the maintenance of the Common Properties. Declarant, the Association, and any authorized representative thereof shall not be guilty of trespass because of entry onto a Lot for the purposes provided herein.
- 6.3 Right of Entry to Cure Violations of the Declarations. If the Association intends to cure an Owner's violation of the Restrictions, the Association shall have a right of entry across the Owner's Lot for purposes of curing the violation. [FOR EXAMPLE ONLY: If an Owner dumps rubbish and debris on the Owner's Lot and refuses to remove it after notice, the Association may enter upon the Lot, remove the rubbish, and charge the cost to the Owner.]
- 6.4 Declarant Reimbursement. Out of pocket expenses incurred by Declarant on behalf of the Association shall be reimbursed by the Association to Declarant upon request. Without limiting the generality of the foregoing, the assessments levied by the Association may be used to reimburse Declarant for all out-of-pocket costs and expenses incurred by Declarant in organizing and conducting affairs on behalf of the Association, including, but not limited to, organizational costs of the Association, creation and modification of the Declaration and any amendments thereto, legal and accounting fees, and other costs.

- 6.5 Rules and Regulations. The Rules and Regulations, as promulgated and amended by the Board from time to time, are incorporated into this Declaration by this reference. A copy of the Rules and Regulations will be furnished to any Owner upon request. The Rules and Regulations may, at the discretion of Declarant or the Board, be incorporated into and made a part of the Design Guidelines.

ARTICLE 7
COVENANT FOR ASSESSMENT

7.1 Creation of the Lien and Personal Obligation of Assessment.

(a) Each Owner of any Lot and each purchaser of any Lot, by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, shall be obligated to pay to the Association regular assessments and special assessments as provided for in this Declaration, and subject to the enforcement of payment of the assessments and the lien of the Association as hereinafter provided. Such assessments shall be fixed, established, and collected from time to time as provided by the Association. The regular and special assessments, together with any interest thereon and costs of collection thereof, including reasonable attorney's fees, shall be a charge upon the Lot and a continuing lien upon the Lot against which each such assessment is made. Each such assessment, together with any interest and costs of collection thereof, including reasonable attorney's fees, shall also be a personal obligation of the Owner of the Lot.

(b) The following Property, being otherwise subject to this Declaration, shall be exempt from all assessments, charges, and liens created herein:

(i) All Property dedicated to and accepted by any public authority and devoted to public use;

(ii) All Common Properties; and

(iii) All property exempt from such assessments and charges by the laws of the State of Texas.

7.2 Purpose of Assessments.

(a) The assessments levied by the Association shall be used for the purpose of promoting the recreation, health, safety, enjoyment and welfare of the residents in the Property, including the enforcement of the Declaration, for the maintenance and repair of any capital improvements owned or controlled by the Association, establishing and maintaining repair and replacement reserves as determined by Declarant or the Association, and any other purpose reasonable, necessary, or incidental to such purposes as determined by the Association.

(b) The Association shall not be obligated to spend all monies collected in a year, and may carry forward, as surplus, any balances remaining. The Association shall not be obligated to apply such surplus to the reduction of the amount of the Annual Assessments in any later year, but may carry forward a surplus as the Board deems desirable for the greater financial security of the Association.

- 7.3 Regular Assessments. The regular assessments of the Lots shall be based upon the cash requirements, as the Association and/or Board (or the Declarant so long as the Declarant owns at least one (1) Lot) shall from time to time determine, necessary to provide for the payment of all estimated expenses arising out of or connected with the purposes described above. The regular assessments may be due monthly, quarterly, or annually, as determined by the Association and/or Board from time to time. Regular assessments shall begin to accrue for each Owner (other than Declarant or any developer of the Lots) upon such Owner taking legal possession of a Lot. Each Owner will pay a pro-rata proportion of regular assessments based on the number of Lots each Owner owns in the Property. A Builder who owns a Lot for less than one year will not be required to pay assessments for such year.
- 7.4 Special Assessments. The Association and/or Board (or the Declarant so long as the Declarant owns at least one (1) Lot) may levy, in addition to the regular assessments, one or more special assessments in any calendar year applicable to all Owners other than Declarant, for the purpose of defraying in whole or in part the costs of construction, reconstruction, repair or replacement of a capital improvement, including necessary fixtures and personal property related thereto, or for such other lawful purposes related to the use, maintenance and repair of the Property as the Association and/or Board may determine.
- 7.5 Capitalization of Association – Payment.
- a) Each Owner (other than Declarant) of a Lot will pay a contribution to the Association (the "**Initial Contribution**"), which amount shall be due immediately upon the transfer of title to the Lot. Upon the purchase/resale of a Lot from Declarant or another Builder or an occupying owner, the Initial Contribution initially shall be \$300. Declarant in its sole discretion may exempt the party buying the Lot from Declarant from the Initial Contribution. This fee will be charged each and every time the lot/home is sold (if the Association is in existence). This fee can be adjusted up to ten percent (10%) per year by the Board, at the Board's sole discretion; provided, however, any yearly increase which would exceed ten percent (10%) of the amount of the previous year will require approval of sixty-seven percent (67%) or greater of all outstanding votes of the Members entitled to be cast.
 - b) Notwithstanding the foregoing provision, the following transfers will not be subject to the requirement to pay the Initial Contribution: (i) foreclosure of a deed of trust lien, tax lien, or the Association's assessment lien; (ii) transfer to, from, or by the Association; or (iii) voluntary transfer by an Owner to one or more co-owners, or to the Owner's spouse, child or parent. In the event of any dispute regarding the application of the Initial Contribution to a particular Owner, the Board's determination

regarding application of the exemption will be binding and conclusive without regard to any contrary interpretation of this Section 7.5. The Initial Contribution will be in addition to, not in lieu of, any other assessments or other charges levied in accordance with this Article VII and will not be considered an advance payment of such assessments. The Association will have the power to waive the payment of any Initial Contribution attributable to a Lot by the execution and recordation in the Public Records of a waiver notice executed by a majority of the Board.

7.6 The Effect of Non-Payment of Assessments: Remedies of the Association. Each Owner shall be obligated to pay to the Association the assessments provided for herein, and each shall be subject to the enforcement of the assessments in the manner herein specified. In the event the Association employs attorneys for collection of any assessment, whether by suit or otherwise, or to enforce compliance with or specific performance of the terms and conditions of this Declaration, each Owner against whom collection or enforcement or other action is taken shall pay reasonable attorney's fees and costs thereby incurred in addition to any other amounts due or any other relief or remedy obtained against said Owner. In the event of a default by an Owner in payment of any such assessment when due, the assessment shall be deemed delinquent, and in addition to any other remedies herein or by law provided, the Association may enforce each such obligation against the Owner in any manner provided by law or in equity, specifically including:

(a) Enforcement by Suit. The Association may cause a suit at law to be commenced and maintained in the name of the Association against an Owner to enforce each such assessment obligation. Any judgment rendered in any such action shall include the amount of the delinquency, together with interest thereon at the highest legal rate from the date of delinquency, plus court cost, and reasonable attorney's fees and shall be a lien against the Owner's Lot.

(b) Enforcement by Lien. There is, to the full extent permitted by law, hereby created and granted a lien, with power of sale, on each Lot to secure payment to the Association of any and all assessments levied against all Owners of such Lots under these Restrictions and all damages owed by any Owner to the Association, however incurred, together with interest thereon at the highest legal rate from the date of delinquency, and all costs of collection which may be paid or incurred by the Association in connection therewith, including reasonable attorney's fees. At any time after the occurrence of any default in payment of any such assessment, the Association, or any authorized representative, shall deliver to the defaulting Owner, on behalf of the Association, notice of such default as required under Chapter 209 of the Texas Property Code, as amended. The demand shall state the date and the amount of the delinquency and any other information that is required to be sent by such notice of default under Chapter 209 of the Texas Property Code, as amended. Each default shall constitute a separate basis for a demand or claim of lien, but any number of defaults may be included within a single demand or claim of lien. If such delinquency is not paid after delivery of such demand, the Board may elect to file a notice of lien on behalf of the Association against Lot owned by the defaulting Owner. Thereafter, such lien may be foreclosed upon in accordance with Texas Property Code Section 209

and/or Texas Property Code 51.002, each as amended. Such a claim of lien shall be executed and acknowledged by any officer of the Association, and shall contain substantially the following information:

- (1) The name of the delinquent Owner;
- (2) The legal description and if applicable, street address of the Lot against which the claim of lien is made;
- (3) The total amount claimed to be due and owing for the amount of the delinquency, interest thereon, collection costs, and reasonable attorney's fees; and
- (4) That the claim of the lien is made by the Association pursuant to the Restrictions. Notwithstanding the foregoing, it is expressly intended that the lien herein described shall immediately attach and become effective in favor of the Association as a lien upon any Lot against which an assessment is levied regardless of whether any demand is made or claim of lien filed. Such a lien shall have priority over all liens or claims created subsequent to the recordation of the claim of lien thereof, except only tax liens for real property taxes on any Lot, assessments in favor of any municipal or other governmental assessing unit, and the liens which are specifically described in section 7.6(b)(5) below. Any such lien may be foreclosed by appropriate action in court or in the manner provided by law for the foreclosure of a deed of trust or other contracted lien with power of sale as set forth by the laws of the State of Texas, as the same may be changed or amended. The lien provided for herein shall be in favor of the Association and all other Lot Owners. The Association shall have the power to bid in at any foreclosure sale and to purchase, acquire, hold, lease, mortgage, and convey any Lot. In the event such foreclosure is by action in court, reasonable attorney's fees, court costs, title search fees, interest, and all other costs and expenses shall be allowed to the extent permitted by law. Each Owner, by becoming an Owner of a Lot, hereby expressly waives any objection to the enforcement and foreclosure of this lien in this manner.
- (5) Subordination of the Lien to Mortgages. The lien described herein shall be subordinate to any bona fide first lien deed of trust on the Property or a Lot which was recorded before the delinquent assessment became due and owing.

7.7 Association's Right to Bid Credit. At any foreclosure, judicial or non-judicial, the Association shall be entitled to bid up to the amount of the sum secured by its lien, together with costs and attorneys' fees, and to apply as a cash credit against its bid all sums due to the Association covered by the lien foreclosed. From and after any such foreclosure, the

occupants of such Lot shall be required to pay a reasonable rent for the use of such Lot and such occupancy shall constitute a tenancy-at-sufferance, and the purchaser at such foreclosure shall be entitled to the appointment of a receiver to collect such rents and, further, shall be entitled to sue for recovery of possession of such Lot by forcible detainer without further notice.

- 7.8 Common Areas Exempt. All Common Properties as defined in Section 1.1 hereof, and any common areas of any other association designated on any recorded plat filed by Declarant, and all portions of the Property owned by or otherwise dedicated to any political subdivision, shall be exempted from the assessments and lien created herein.
- 7.9 Property of Declarant Exempt. All property owned by Declarant is exempt from the assessments and liens created herein. Declarant shall have the right to assign this exemption to any transferee in bulk of the Lots owned by Declarant in connection with any transfer of Lots in bulk.
- 7.10 Annual Budget and Assessment – Increases. The annual assessment or budget of the Association may be increased by the Board, provided that the Board gives written notice of the increase to the Members and adopts such increase consistent with the requirement of Chapter 209 of the Texas Property Code.

ARTICLE 8

ADMINISTRATION AND MANAGEMENT

- 8.1 Governing Documents. The administration of the Property shall be governed by these Restrictions, the Bylaws, and any Design Guidelines or Rules and Regulations of the Association, as promulgated and published from time to time.
- 8.2 Evidence of Compliance with Declaration. Records of Declarant or the Association with respect to compliance with this Declaration kept in the ordinary course of business shall be conclusive evidence as to all matters shown by such records. A certificate of completion and compliance issued by Declarant or the secretary of the Association stating that the Improvements to a Lot were made in accordance with this Declaration, or a certificate as to any matters relating to this Declaration issued by Declarant or the secretary of the Association, shall be conclusive evidence as to all matters shown by such certificate.
- 8.3 Association Insurance. The Association shall maintain property insurance, comprehensive public liability insurance, and errors and omissions insurance on behalf of the directors, officers, managers and employees of the Association and the Association may assess the Owners for the cost of insurance maintained by the Association.
- 8.4 Personal Property for Common Use. The Association may acquire and hold property, tangible and intangible, real and personal, in the name of the Association, for the use and benefit of all Owners and may dispose of the same by sale or otherwise, as the Association determines in its sole discretion.

ARTICLE 9
PROPERTY RIGHTS OF DECLARANT

So long as Declarant owns any interest in the Property, Declarant hereby specifically excepts, excludes, and reserves the following rights and interests in the Property:

- 9.1 Amendments. So long as Declarant owns at least one (1) Lot, and for a period of twelve (12) months following the transfer or conveyance of Declarant's last owned Lot, Declarant shall have the right to amend this Declaration and each amendment shall apply to all of the Property and Lots, whether owned by Declarant or not.
- 9.2 Plat Revision. Declarant reserves the right to replat the Property and revise the acreage and configuration of Lots owned by Declarant, to change any building lines or setback lines, or change the course or size of easements so long as Declarant holds legal title to the affected Lots.
- 9.3 Sales and Construction Activities. Declarant shall have the right to maintain sales and administrative offices, construction offices or trailers, model homes, and parking facilities, storage facilities, and signs on the Property and to conduct sales activities on the Property if Declarant owns at least one (1) Lot.
- 9.4 Construction Work by Declarant. Declarant shall have the right to construct and complete the construction of Roads and any common improvements on the Property. In connection therewith, Declarant reserves the right to use, occupy, and excavate the surface and subsurface of the ground for the erection, construction, and installation of said improvements including, but not limited to, the right to locate, install, maintain, and repair all utilities and utility lines, whether temporary or permanent, necessary for Declarant's construction, reconstruction, maintenance, and operation. Declarant also reserves the right to extend the Roads located or to be located on the Property to other property. Declarant, in addition, reserves the right to convey to any county, water district, sanitary sewer district, or other municipal or quasi municipal corporation all sewer lines and mains, water lines and mains, and any other utilities constructed or to be constructed on the Property, together with suitable rights-of-way over the Property for the required maintenance, repair, replacement, and operation thereof. The foregoing rights reserved by Declarant do not impose on Declarant the obligation to construct or install any improvements of any kind.
- 9.5 General Right of Entry for Declarant. Declarant, so long as it shall retain record title to at least one (1) Lot, reserves for itself and for the Association the right to enter upon any Lot, or any portion thereof, as may be needed for repair, maintenance, or construction on any of the Lots in accordance with these Restrictions.

ARTICLE 10
OTHER EASEMENTS AND RIGHTS

10.1 Utility and other Easements.

- (a) Easements. Easements for the installation and maintenance of utilities are reserved as shown and provided for on the Plat or as dedicated by separate instruments. Neither Declarant nor any utility company or authorized persons using the easements referred to herein shall be liable for any damages done by them or their assigns, agents, employees or servants, to fences, shrubbery, trees, flowers, Improvements or other property of the Owner situated on the land within such easements as a result of construction, maintenance or repair work conducted by such parties.
- (b) Underground Electrical Distribution System. An underground electric distribution system (the "**System**") will be installed in that part of the Property, which according to the Plat contains Lots (the "**Underground Residential Subdivision**"). The System embraces all of the Lots. This System shall consist of overhead primary feeder circuits constructed on wood or steel poles, single or three phase, as well as underground primary and secondary circuits, pad mounted or other types of transformers, junction boxes, and such other appurtenances as shall be necessary to make underground service available to the Lots. The Owner of each Lot on which a Residence exists, shall, at the Owner's cost, furnish, install, own and maintain (all in accordance with the requirements of local governing authorities and the National Electrical Code) the underground service cable and appurtenances from the point of the electric company's metering at the structure to the point of attachment at such company's installed transformers or energized secondary junction boxes, such point of attachment to be made available by the electric company at a point designated by such company at the property line of each Lot. The electric company furnishing service shall make the necessary connections at said point of attachment and at the meter. Declarant has either by designation on the Plat or by separate instrument granted necessary easements to the electric company providing for the installation, maintenance and operation of its electric distribution system and has also granted to the various homeowners reciprocal easements providing for access to the area occupied by and centered on the service wires of the various homeowners to permit installation, repair and maintenance of each homeowner's owned and installed service wires. In addition, the Owner of each Lot on which a Residence exists shall, at the Owner's cost, furnish, install; own and maintain a meter loop (in accordance with the then current standards and specifications of the electric company furnishing service) for the location and installation of the meter of such electric company for the Residence involved. For as long as underground service is maintained in the Underground Residential Subdivision, the electric service to each Residence therein shall be underground, uniform in character and exclusively of the type known as single phase, 120/240-volt, three wire, 60 cycle, alternating current. The electric company has installed, the underground electric distribution system in the Underground Residential Subdivision at no cost to Declarant (except for certain conduits, where applicable, and except as hereinafter provided)

upon Declarant's representation that the Underground Residential Subdivision is being developed for Residences, which are designed to be permanently located where originally constructed (such category of Residences expressly to exclude mobile homes) which are built for sale or rent.

The provisions of the preceding paragraph also apply to any future residential development in any reserves shown on the Plat as such Plat exists at the execution of the agreement for underground electric service between the electric company and Declarant. The provisions of the preceding paragraph do not apply to any future nonresidential development in such reserve(s).

Easements for the underground service may be crossed by driveways and walkways provided that the builder or Owner makes prior arrangements with the utility company furnishing electric service and provides and installs the necessary electric conduit of approved type and size under such driveways or walkways prior to construction thereof. Such easement for the underground service shall be kept clear of all other Improvements, including buildings, patios, or other paving, and neither builder nor any utility company using the easements shall be liable for any damage done by either of them or their assigns, agents, employees, or servants, to shrubbery, trees, or Improvements (other than crossing driveways or walkways provided the conduit has been installed as outlined above) of the Owner and located on the land covered by said easements.

- (c) Cable Television. Declarant reserves the right to hereafter enter into a franchise or similar type agreement with one or more cable television companies and Declarant shall have the right and power in such agreement or agreements to grant to such cable television company or companies the uninterrupted right to install and maintain communications cable and related ancillary equipment and appurtenances within the utility easements and rights-of-way dedicated by the Plat or by separate instruments pertaining to the Property.
- (d) **Except Declarant's obligation set forth above, each Owner shall be responsible for, and shall pay for, the installation and maintenance of all utilities to the Owner's Lot, and Declarant does not warrant or guaranty the availability of utilities or the economic feasibility of bringing utilities to any Lot.**
- (e) The Property, and each Lot, as applicable, is subject to all easements established by or shown on the Plat.

10.2 Use of Common Properties. Subject to provisions of Section 10.4, the Owners, tenants, and occupants of each Lot shall have the right to use the Common Properties in common with the other Owners, tenants and occupants of the Lots.

10.3 Title to the Common Properties. Declarant will hold record title to the Common Properties, which shall include the right and option (without the joinder and consent of any person or entity) to encumber, mortgage, design, redesign, reconfigure, alter, improve, landscape and maintain the Common Properties, until such time that Declarant conveys title to the

Common Properties to the Association for the purposes herein described. Declarant reserves the right to execute any open space declarations applicable to the Common Properties which may be permitted by law in order to reduce property taxes.

10.4 Perpetual Easements. All easements reserved or created in any part of this Declaration for the benefit of Declarant or the Association are perpetual. Utility easements reserved or created herein for the benefit of the Association may be granted or assigned by the Association, in whole or in part, on an exclusive or nonexclusive basis, to any public or private utility or utilities.

10.5 Condemnation or Governmental Taking.

(a) If all or any part of the Common Properties are taken by any authority having the power of condemnation or eminent domain or are conveyed in lieu thereof, the funds payable with respect thereto shall be payable to the Association and shall be used by the Association to purchase additional Common Properties to replace that which has been condemned or to take whatever steps it deems reasonably necessary to repair any damage suffered by the condemnation. If all of the funds cannot be used in such manner, any remaining funds may be distributed equitably to the Owners.

(b) If all or any part of a Lot is taken by any authority having the power of condemnation or eminent domain, or is conveyed in lieu thereof, and the Owner elects not to restore the remainder of the Lot, then the Owner shall promptly remove any remaining improvements damaged or destroyed by such taking or conveyance and shall leave the Lot in orderly, safe and net condition;

(c) If any part of a Lot is taken by any authority having the power of condemnation or eminent domain or is conveyed in lieu thereof and the Owner elects to restore the remainder of the Lot, then, subject to the provisions of this Declaration, the Owner shall diligently restore, within 90 days after the taking, the remainder of the Lot to the same condition it was in prior to such taking or conveyance.

ARTICLE 11

INSURANCE AND INDEMNIFICATION

11.1 Insurance Requirements Generally.

(a) The Association shall obtain and maintain in full force and effect commercial general liability insurance and such other insurance as it deems necessary or desirable. All such insurance shall be obtained from responsible companies duly authorized and licensed to do business in the State of Texas. To the extent possible, the insurance shall:

(1) Provide a waiver of subrogation by the insurer as to claims against the Association, its directors, officers, employees, agents and Owners; and

(2) Provide that the policy of insurance shall not be terminated, canceled, or substantially modified without at least thirty (30) days prior written notice to the Association.

Any insurance policy may contain such deductible provisions as the Association deems consistent with good business practice. The cost and expense of all insurance obtained by the Association shall be paid out of Association funds.

(b) The Association will not carry any insurance pertaining to, nor does it assume any liability or responsibility for, the real or personal property of the Owners (and their respective family members and guests). Each Owner expressly understands, covenants and agrees with Declaration and the Association that:

(1) Neither Declarant nor the Association has any responsibility or liability of any kind or character whatsoever regarding or pertaining to the real and personal property of each Owner;

(2) Each Owner shall, from time to time and at various times, consult with reputable insurance industry representatives of each Owner's own selection to select, purchase, obtain and maintain appropriate insurance providing the amount, type and kind of insurance deemed satisfactory to each Owner covering his or her real and personal property.

(c) Each Owner will abide by any and all Rules and Regulations, as adopted and promulgated from time to time, related to the entry upon and use of the Common Properties.

11.2 Indemnification. The Declarant, each officer, director, ARC or other committee member, or agent of the Association shall be indemnified by the Association against all expenses and liabilities, including attorney's fees, reasonably incurred by or imposed upon him in any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been Declarant, an officer, director, committee member, or agent of the Association; provided, however, that (a) in the case of Declarant or any affiliate entity of Declarant, or any officer, director, or employee of Declarant or any affiliate, this indemnification shall not apply if Declarant or any affiliate or the indemnified officer, director, or employee of Declarant or any affiliate is adjudged guilty of malfeasance in the performance of its or his obligations hereunder, and (b) in the case of any other indemnified party, this indemnification shall be applicable only as set forth in the Bylaws of the Association.

ARTICLE 12

GENERAL PROVISIONS

12.1 Terms of and Amendments to Restrictions. The provisions hereof, including the Restrictions, shall run with the Property and be binding on each Owner for a period of thirty (30) years from the date hereof, at which time all provisions shall be automatically extended for successive periods of ten (10) years, unless prior to the expiration of any such initial period or extended period, Declarant and/or at least seventy-five percent (75%) of the Owners shall have executed and recorded an instrument to become operative at the expiration of the particular period.

So long as Declarant owns at least one (1) Lot, these Restrictions may be amended or revoked only by Declarant, and no other Owner shall have a vote regarding amendment or revocation. After Declarant no longer owns any Lot, these Restrictions may be amended with the consent of seventy-five percent (75%) of the Lot Owners, with each Lot being entitled to one (1) vote.

12.2 Complaints by Owner. If any Owner believes any other Owner is in violation of this Declaration, a complaint may be transmitted in writing to the President of the Association, who shall thereupon notify the Board. The Board shall have the right (but not the obligation or duty) to institute appropriate legal action, at law or in equity, to enforce this Declaration, and may recover its reasonable expenses, including attorney's fees. Without limiting the foregoing, the Association may take such other action as it deems necessary to cure the Owner's violation and the cost expended by the Association in doing so shall be a charge and lien upon the subject Lot.

12.3 Complaints by Association. If an Owner is in violation of this Declaration, the Association may so notify such Owner in writing. If the Owner fails to remedy the violation within ten (10) days following delivery of such notice, then the Association shall have the right (but not the obligation or duty) to institute appropriate legal action, at law or in equity, including, but not limited to, obtaining a temporary restraining order and subsequent injunction, to enforce this Declaration, and may recover the damages owed by such Owner pursuant to 12.4 below, any other damages incurred by the Association, and its reasonable expenses, including attorney's fees. Without limiting the foregoing, the Association may take such other action as it deems necessary to cure the Owner's violation and the cost expended by the Association in doing so shall be a charge and lien upon the subject Lot. Only the Association shall have the right to levy a fine for a violation under this section.

12.4 Per Day Damages for Violations. Any Owner in breach or violation of the Restrictions shall incur a penalty of \$100 per day per breach or violation until the breach or violation is remedied or cured. Such sum shall be payable to the Association as damages.

12.5 Association's Authority to Correct Violations. If an Owner who has committed a violation of these restrictions (a "Restriction Violation") does not cure it within such ten (10) day period, then Association shall have the right and power to enter onto the Lot and correct the failure without any liability for damages for wrongful entry, trespass or otherwise to any Person. The Owner of the Lot on which such curative work is performed shall be liable for the cost of such work and shall promptly reimburse the Association for such cost. If the Owner fails to reimburse the Association within ten (10) days after receipt of a statement for such work from the Association, then said indebtedness shall be a person debt of such Owner, shall be a violation secured by a lien against the Lot on which said work was performed. Such lien shall have the same attributes as the liens for Assessments set forth herein, which provisions are incorporated herein by reference and the Association shall have identical powers and rights in all respects, including but not limited to the right of foreclosure.

12.6 Waiver of Enforcement. Waiver of enforcement of any provision of this Declaration shall be limited to that particular provision which is waived, in writing, as to a particular matter as it relates to a particular Lot, and shall not be construed to be a waiver of any other provision of this Declaration. A variance granted by Declarant or the Association is not a waiver and shall not entitle any other owner to a waiver or variance.

12.7 Effect of Ordinances. Police, fire, and other public safety ordinances of any governmental

corporation or unit having jurisdiction over any portion of the Property shall govern where more restrictive than this Declaration.

12.8 Bylaws. To the extent of any conflict between this Declaration and the Bylaws, this Declaration shall control.

12.9 Severability. Invalidation of any provision of this Declaration by judgment or court decree shall in no way affect any other provisions which shall remain in full force and effect. Nothing herein shall be in conflict with Texas homestead law. Should a provision herein be in conflict, Texas homestead law shall apply. All other provisions shall remain in full force and effect.

12.10 Dispute Resolution between Owners.

(a) Each Owner agrees that if any dispute arises between such Owner and Declarant, the Association, or the ARC as to any matter arising out of or related to this Declaration, then before proceeding with any legal action the parties shall, with reasonable promptness, arrange a mutually agreeable time for a face-to-face meeting between fully authorized representatives to seek to resolve the dispute in a mutually acceptable manner.

(b) If the meeting described in (a) above fails to resolve the dispute or fails to occur, then said parties shall agree to promptly submit the dispute to mediation in Ellis County, Texas before a single attorney mediator practicing law in Ellis County, Texas (or any surrounding county) chosen by Declarant or the Association, as the case may be, and approved by the Owner within the Owner's reasonable discretion.

(c) If the mediation described in (b) above fails to resolve the dispute or fails to occur, then upon demand by either party, the parties shall submit to binding arbitration all disputes between or among them arising out of or relating to this Agreement.

12.11 Additional Property. Declarant may, at any time, irrespective of whether or not Declarant remains in ownership of at least one Lot in the Subdivision, subject additional land to this Declaration and the Restrictions by recording a Declaration of Annexation in the deed records where the Subdivision is located, which describes the property being annexed into the Subdivision and references the recording information of this Declaration.

EXECUTED to be effective the date first written above.

Declarant:

Stella Rose Homes, LLC, by:

Name: _____
Title: _____

STATE OF TEXAS)
)
COUNTY OF ELLIS)

This instrument was acknowledged before me on _____, 2022, by _____,
acting as _____ of Stella Rose Homes, LLC, a Texas limited liability
company, Declarant.

Notary Public, State of Texas

Exhibit A

PROPERTY DESCRIPTION

BEING A TRACT OF LAND SITUATED IN THE T. JACKSON SURVEY, ABSTRACT NO. 574, ELLIS COUNTY, TEXAS AND BEING ALL OF A TRACT OF LAND DESCRIBED IN DEED TO STELLA ROSE HOMES, LLC, RECORDED IN INSTRUMENT NO. 1929508, OF THE OFFICIAL PUBLIC RECORDS OF ELLIS COUNTY, TEXAS (OPRECT) AND BEING MORE PARTICULARLY DESCRIBED, AS FOLLOWS:

BEGINNING AT A 5/8" IRON ROD WITH CAP STAMPED "TXRCS" SET FOR A NORTHEAST CORNER OF SAID STELLA ROSE TRACT IN THE WEST LINE OF A TRACT OF LAND DESCRIBED IN DEED TO BARRY WILLIAMS AND MARY WILLIAMS, RECORDED IN VOLUME 1846, PAGE 1369, OPRECT, IN THE SOUTH RIGHT-OF-WAY (ROW) LINE OF F.M. HIGHWAY NO. 878 (A CALLED 80' ROW), FROM WHICH A 1/2" IRON ROD FOUND FOR THE CALLED NORTHWEST CORNER OF SAID WILLIAMS TRACT BEARS N 09°31'49" W, 1.4';

THENCE S 09°31'49" E, ALONG AN EAST LINE OF SAID STELLA ROSE TRACT AND THE COMMON WEST LINE OF SAID WILLIAMS TRACT, PASSING AT A DISTANCE OF 288.95 FEET A 1/2" IRON ROD FOUND FOR THE SOUTHWEST CORNER OF SAID WILLIAMS TRACT AND A COMMON NORTHWEST CORNER OF A TRACT OF LAND DESCRIBED IN DEED TO JACOB ALAN WESTHOFF AND SARAH M. JAFFA, RECORDED IN INSTRUMENT NO. 1709327, OPRECT, CONTINUING ALONG SAID STELLA ROSE TRACT AND THE COMMON WEST LINE OF SAID WESTHOFF TRACT, A TOTAL DISTANCE OF 423.65 FEET TO A 1/2" IRON ROD FOUND FOR AN INTERIOR ELL CORNER OF SAID STELLA ROSE TRACT AND THE COMMON SOUTHWEST CORNER OF SAID WESTHOFF TRACT;

THENCE N 80°26'17" E, ALONG A NORTH LINE OF SAID STELLA ROSE TRACT AND THE COMMON SOUTH LINE OF SAID WESTHOFF TRACT, A DISTANCE OF 533.39 FEET TO A 5/8" IRON ROD WITH CAP STAMPED "TXRCS" SET FOR THE NORTHEAST CORNER OF SAID STELLA ROSE TRACT AND THE COMMON NORTHWEST CORNER OF A TRACT OF LAND DESCRIBED IN DEED DONALD E. BUSBY AND JANE E. BUSBY, RECORDED IN INSTRUMENT NO. 1930918, FROM WHICH A 1/2" IRON ROD FOUND FOR THE SOUTHEAST CORNER OF SAID WESTHOFF TRACT AND THE COMMON NORTHWEST CORNER OF SAID BUSBY TRACT, BEARS N 80°26'17" E, A DISTANCE OF 38.51 FEET;

THENCE S 01°07'24" E, ALONG THE EAST LINE OF SAID STELLA ROSE TRACT AND THE COMMON WEST LINE OF SAID BUSBY TRACT, A DISTANCE OF 723.90 FEET TO A 5/8" IRON ROD WITH CAP STAMPED "TXRCS" SET FOR THE SOUTHEAST CORNER OF SAID STELLA ROSE TRACT AND THE COMMON SOUTHWEST CORNER OF SAID BUSBY TRACT;

THENCE S 88°52'36" W, ALONG THE SOUTH LINE OF SAID STELLA ROSE TRACT, A DISTANCE OF 902.14 FEET TO A 5/8" IRON ROD WITH CAP STAMPED "TXRCS" SET FOR THE SOUTHWEST CORNER OF SAID STELLA ROSE TRACT AND THE COMMON EAST LINE OF A TRACT OF LAND DESCRIBED IN DEED TO JAMES L. BARNES AND

DAPHNE BARNES, RECORDED IN VOLUME 631, PAGE 187, OPRECT, FROM WHICH A 1" IRON PIPE FOUND FOR THE SOUTHWEST CORNER OF SAID BARNES TRACT BEARS S 00°44'03" E, A DISTANCE OF 157.21 FEET;

THENCE N 00°44'03" W, ALONG A WEST LINE OF SAID STELLA ROSE TRACT AND THE COMMON EAST LINE OF SAID BARNES TRACT, A DISTANCE OF 41.89 FEET TO A 5/8" IRON ROD WITH CAP STAMPED "TXRCS" SET IN THE EAST ROW LINE OF SAID F.M. HIGHWAY NO. 878, FOR THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 341.56 FEET, A CHORD WHICH BEARING N 11°46'36" E, A CHORD LENGTH OF 144.52 FEET;

THENCE, ALONG THE WEST LINE OF STELLA ROSE TRACT AND THE COMMON EAST OF SAID F.M. HIGHWAY NO 878, AS FOLLOWS:

ALONG SAID CURVE TO THE LEFT, AN ARC LENGTH OF 145.62 FEET TO A 5/8" IRON ROD WITH CAP STAMPED "TXRCS" SET FOR CORNER;

N 00°24'21" W, A DISTANCE OF 642.99 FEET TO A 5/8" IRON ROD WITH CAP STAMPED "TXRCS" SET FOR THE BEGINNING OF A TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 232.84 FEET, A CHORD BEARING N 39°44'09" E, A CHORD LENGTH OF 300.21 FEET;

ALONG SAID CURVE TO THE RIGHT, AN ARC LENGTH OF 326.25 FEET TO A 5/8" IRON ROD WITH CAP STAMPED "TXRCS" SET FOR CORNER;

N 79°52'39" E, A DISTANCE OF 76.53 FEET TO THE POINT OF BEGINNING AND CONTAINING 16.000 ACRES OF LAND MORE OR LESS.

Exhibit B

Plat(s)

See attached.

EXHIBIT C

ARCHITECTURAL GUIDELINES FOR THE INSTALLATION OF SOLAR PANELS

1. These Architectural Guidelines for the Installation of Solar Panels ("Guidelines") are promulgated in accordance with Texas Property Code Section 202.010 and supersede any guidelines relating to the regulation of solar energy devices that may have previously been in effect.

2. Solar energy devices, including any related equipment or system components (collectively, "Solar Panels"), may be installed only after receiving written approval from the ACC. Approval will not be unreasonably withheld, conditioned, or delayed as long as the installation complies with the provisions of these Guidelines.

3. Solar Panels may not be installed on or within any area owned or maintained by the Association.

4. Solar Panels may be installed only on designated locations on the roof of a Residence, on any other improvement permitted under the Declaration or Guidelines, or within any fenced rear-yard or fenced-in patio of an Owner's Lot.

5. If located on the roof of a Residence, Solar Panels must be located on the roof facing away from the nearest road or street, unless the Owner demonstrates that the location decreases the estimated annual energy production of the Solar Panels, as determined by using a publicly available modeling tool provided by the Natural Renewable Energy Laboratory (or its successor), by more than ten percent (10%) above the energy production of the Solar Panels.

6. If located on the roof of a Residence, Solar Panels must meet the following requirements:

(a) they must not extend higher than or beyond the roofline;

(b) they must conform to the slope of the roof;

(c) they must have a top edge that is parallel to the roofline; and

(d) they must have a frame, support bracket, or visible piping or wiring that is in a silver, bronze, or black tone commonly available in the marketplace and that blends with the color of the roof to the greatest extent possible.

7. If located in the fenced rear-yard or fenced-in patio, Solar Panels must not be taller than the fence line.

8. The Architectural Committee may deny a request for the installation of Solar Panels if it is determined in writing that the placement of the Solar Panels as proposed by the Owner constitutes a condition that substantially interferes with the use and enjoyment of land by causing unreasonable discomfort or annoyance to persons of ordinary sensibilities. The Architectural Committee will approve a request for the installation of Solar Panels if the Owner obtains the written approval of the proposed placement of the Solar Panels by all

Owners of adjoining Lots, provided that (a) the installation meets all other requirements contained in these Guidelines and (b) the Architectural Committee determines that the placement of the Solar Panels as proposed by the Owner does not constitute a condition that substantially interferes with the use and enjoyment of land by causing unreasonable discomfort or annoyance to persons of ordinary sensibilities.

9. Any installation of Solar Panels that voids material warranties is not permitted and will be cause for the Solar Panels to be removed by the Owner.

10. Solar Panels must be properly maintained at all times or removed by the Owner.

11. Solar Panels that become nonfunctioning or inoperable must be removed by the Owner.

12. Solar Panels are prohibited if a court of competent jurisdiction determines that their installation violates any laws or threatens the public health or safety.

EXHIBIT D

ARCHITECTURAL GUIDELINES FOR THE INSTALLATION OF RAIN BARRELS OR RAINWATER HARVESTING SYSTEMS

1. Rain barrels or rainwater harvesting systems and related system components (collectively, "Rain Harvesting System") may be installed only after receiving written approval from the ACC. Approval will not be unreasonably withheld, conditioned, or delayed as long as the installation complies with the provisions of these Guidelines.

2. No Rain Harvesting System may be installed on or within any area owned or maintained by the Association.

3. Under no circumstances may a Rain Harvesting System be installed or located in or on any area within a Lot that is between the front of the Owner's Residence and an adjoining or adjacent street.

4. Other than gutters and downspouts conventionally attached to a Living Unit or appurtenant Improvement, all components of a Rain Harvesting System, such as tanks, barrels, filters, pumps, motors, pressure tanks, pipes, or hoses, must be substantially screened from public view from any street or Common Properties. Screening may be accomplished by one of the following:

- (a) placing equipment behind a solid fence, a structure, or vegetation;
- (b) burying the tanks or barrels; or
- (c) placing equipment in an outbuilding approved by the Architectural Committee.

5. A rain barrel may be placed in a location that is visible from a street or Common Properties only if the configuration of the guttering system on the Residence precludes screening as described in Section 6, and the following restrictions are met:

- (a) the barrel does not exceed fifty-five (55) gallons;
- (b) the barrel is installed in close proximity to the Residence on a level base with the guttering downspout leading directly to the barrel inlet at a substantially vertical angle;
- (c) the barrel is fully painted in a single color to blend with the adjacent Residence, fence, or vegetation; and
- (d) any hose attached to the barrel discharge is neatly coiled and stored behind or beside the rain barrel in the least visible position when not in use.

6. Overflow lines from a Rain Harvesting System must not be directed onto or adversely affect adjacent properties or Common Properties.

7. A Rain Harvesting System must be of a color that is consistent with the color scheme of the Owner's Residence and may not contain or display any language or other content that is

not typically displayed on the Rain Harvesting System as manufactured.

8. Inlets, ports, vents, and other openings must be sealed or protected with mesh to prevent children, animals, and debris from entering the Rain Harvesting System. Open top storage containers are not allowed.

9. Harvested water must be used and not allowed to become stagnant or a health threat.

10. A Rain Harvesting System must be properly maintained at all times or removed by the Owner.

EXHIBIT E

ARCHITECTURAL GUIDELINES FOR THE INSTALLATION OF FLAGPOLES AND THE DISPLAY OF FLAGS

1. Committee Approval.

(a) Not required. Advance written approval from the ACC is not required for displaying the following flags in compliance with these Guidelines (each a "Permitted Flag" and collectively "Permitted Flags"):

- (1) the flag of the United States of America;
- (2) the flag of the State of Texas; and
- (3) an official or replica flag of any branch of the United States armed forces.

(b) Required. Advance written approval from the ACC is required for the following:

- (1) the display of flags, pennants, banners, kits, or similar types of displays other than Permitted Flags, if the display is visible from a street or Common Properties;
- (2) the installation of any freestanding flagpole; and
- (3) the installation of any illumination associated with the display of any flag, including Permitted Flags.

(c) Reasonable approval. Approval under Section 1(b) will not be unreasonably withheld, conditioned, or delayed as long as display or installation complies with the provisions of these Guidelines.

3. Guidelines for Displaying Flags.

(a) Generally.

- (1) Flags must be displayed from a flagpole. Flags may not be draped over or directly attached to any Improvement. For example, a Permitted Flag may not be laid across a fence, stapled to a garage door, or attached to any tree or other vegetation.
- (2) Only one flag may be displayed on a flagpole attached to an Improvement. Up to two (2) flags may be displayed on an approved freestanding flagpole that is at least fourteen feet (14') tall.
- (3) The display of any flag must comply with applicable zoning ordinances, easements, and setbacks of record.
- (4) Any flag flown or displayed on a freestanding flagpole may be no smaller

than three feet (3') by five feet (5') in size, and no larger than four feet (4') by six feet (6') in size.

- (5) Any flag flown or displayed on a flagpole attached to an Improvement may be no larger than three feet (3') by five feet (5') in size.
- (6) A displayed flag must be maintained in good condition at all times. Any flag that is deteriorated must be replaced or removed.

(b) United States Flag. The flag of the United States must be displayed from a flagpole in accordance with 4 U.S.C. Sections 5-10.

(c) Texas Flag. The flag of the State of Texas must be displayed from a flagpole in accordance with Chapter 3100 of the Texas Government Code.

(d) Illumination of Flags. The illumination of a flag is allowed as long as it does not create a disturbance to other Owners in the Subdivision. 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 the Owner. Flag illumination may not shine into another Living Unit. Neighbor complaints about flag illumination are a basis to prohibit further illumination until the Owner resolves the complaint.

4. Guidelines for Flagpoles.

(a) Use. Flagpoles are allowed solely for the purpose of displaying flags. If a flagpole is no longer used on a daily basis, it must be removed.

(b) Number. Only one flagpole is allowed per Lot.

(c) Location.

- (1) The location of flagpoles must comply with applicable zoning ordinances, easements, and setbacks of record.
- (2) Any freestanding flagpole must be located in an area that is set back from all property boundaries a distance at least equal to the height of the flagpole.
- (3) Flagpoles may not be installed in Common Properties or property maintained by the Association.

(d) Installation.

- (1) A flagpole can either be securely attached to the face of a Residence or be a freestanding flagpole.
- (2) A flagpole attached to Residence may not exceed six feet (6') in length and must be securely attached with a bracket with an angle of thirty

degrees (30°) to forty-five degrees (45°) down from vertical. The flagpole must be attached in a way that does not damage the Residence.

- (3) A freestanding flagpole may not extend higher than or beyond the roofline of the adjacent Improvements or twenty feet (20') in height (inclusive of any ornamental caps), whichever is less.
- (4) 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 about noisy halyards are a basis to have a flag removed until the Owner resolves the complaint.

(e) Construction. All flagpoles must be constructed of permanent, long-lasting materials. The materials used for the flagpole must be harmonious with the Residence and have a finish appropriate to the materials used in the construction of the flagpole.

(f) Maintenance. Flagpoles must be maintained in good condition at all times. Any flagpole that is structurally unsafe or deteriorated must be repaired, replaced, or removed.