



**DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR
THE HOMEPLACE AT THE COLUMNS**

STATE OF TEXAS §
 § KNOW ALL PERSONS BY THESE PRESENTS:
COUNTIES OF COLLIN §

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE HOMEPLACE AT THE COLUMNS (as may be amended from time to time, the "Declaration") is made by, MM COLUMNS RESIDENTIAL, LLC, a Texas limited liability company ("Declarant").

WITNESSETH:

Declarant, as the owner of the real property described in Exhibit A, intends by recording this Declaration in the Official Public Records of Collin County, Texas, to create a general plan of development for a single-family home planned community known or to be known as the "The Homeplace at the Columns" (the "Subdivision"). This Declaration provides for the overall development, administration, maintenance, and preservation of the real property now and hereafter comprising the Property (as hereinafter defined). An integral part of the development plan is the creation of The Homeplace at the Columns Homeowners Association, Inc., a Texas non-profit corporation, or other named non-profit corporation formed to perform the duties of the "Association" hereunder, whose members shall be all owners of real property subject to this Declaration, to own, operate, and/or maintain various common areas and community improvements and to administer and enforce the covenants, conditions, restrictions, and easements set forth in this Declaration.

NOW, THEREFORE, Declarant hereby declares that the property described in Exhibit A, and any additional property which is subjected to this Declaration in the future in accordance with Article XIV of this Declaration, shall be owned, conveyed, used, occupied and otherwise encumbered subject to this Declaration, which shall run with the title to such property. This Declaration shall be binding upon all Persons having any right, title, or interest in any portion of the Property, their heirs, successors, successors-in-title, and assigns.

**ARTICLE I
DEFINITIONS**

The terms used in this Declaration are intended to have their normal, commonly understood definitions, unless otherwise specified. In order to minimize repetition, avoid confusion, and explain key concepts, some terms are capitalized to indicate they have special definitions. Whenever used in capitalized form, those terms have the following meanings:

(a) “Architectural Control Committee” (the “ACC”) and/or “Architectural Review Board” (the “ARB”) shall mean and refer to the architectural review body for the Property, as described in Article III.

(b) “Association” shall mean and refer to The Homeplace at the Columns Homeowners Association, Inc., a Texas non-profit corporation, or other non-profit corporation formed by the Declarant to perform the duties of the “Association” hereunder, and which shall have the right to enforce this Declaration.

(c) “Board of Directors” or “Board” shall mean and refer to the body selected as provided in the Bylaws, being responsible for the general governance and administration of the Association and this Declaration. The initial Board shall be those individuals set forth in the Certificate of Formation for the Association. During the time the Declarant has the right to appoint all Directors to the Board, those people appointed by Declarant serves at the sole pleasure and discretion of the Declarant and may not be removed by any other Member, regardless of class. The terms and transition process for the Board is set forth in the Association’s Bylaws. Each Director, other than Directors appointed by Declarant, shall be a Member and resident within the community, or in the case of corporate or partnership ownership of a Lot, a duly authorized agent or representative of the corporate or partnership Owner. The corporate, or partnership Owner shall be designated as the Director in all correspondence or other documentation setting forth the names of the Directors.

(d) “Builder” shall mean and refer to any person or entity who has acquired a Lot or Lots for the purpose of constructing a residence thereon for later sale to consumers.

(e) “Bylaws” shall mean and refer to the Bylaws of the Association, approved by the Board of Directors, as may be amended from time to time.

(f) “Common Properties” shall mean all real property (including improvements thereon) now or hereafter owned, leased or controlled by the Association, or to which the Association holds possessory or use rights, for the common use and enjoyment of the Owners (hereinafter defined) including, but not limited to such property which may be: (i) conveyed to the Association in fee simple title, (ii) leased to the Association, (iii) landscape or maintenance easements granted or dedicated to the Association by plat or other written instrument, (iv) retention ponds within the Property, and (v) any other real property or improvement the Association, at the sole discretion of the Board, decides to maintain.

(g) “Community-Wide Standard” shall mean the standard of conduct, maintenance and appearance, including landscaping, generally prevailing throughout the Property or the minimum standards established pursuant to the

Design Guidelines, Rules and Board resolutions, whichever is the highest standard. Declarant initially shall establish such standard. The Association, through its Board, shall ensure that the Community-Wide Standard established by the Declaration for the Property shall continue after the termination or expiration of the Class B membership. The Community-Wide Standard may contain objective elements, such as specific lawn or house maintenance requirements, visual impact of structures or the primary residence, and other subjective elements subject to the Declarant's and Board's discretion. The Community-Wide Standard may or may not be in writing and is just as enforceable as any written restriction, rule, or regulation of the Association and as such, subject to self-help and fines the same as any other violation. The Community-Wide Standard may evolve as development progresses and as the Property changes. The Community-Wide Standard shall not fall below the level established for the Property as of the date the Class B membership terminates or expires.

(h) "County" shall mean and refer to Collin County, Texas, in which the Property is located, as the context may require.

(i) "Declarant" shall mean and refer to not only MM Columns Residential, LLC, a Texas limited liability company, but also any successor, alternate or additional Declarant as appointed by MM Columns Residential, LLC, as successor, alternate or additional Declarant by written instrument, filed of record in the office of the County Clerk, specifically setting forth that such successor, alternate or additional Declarant is to have, in whole or in part, together with MM Columns Residential, LLC, the Declarant rights, duties, obligations and responsibilities for all or a specific portion or Phase of the Property. The term "Declarant" shall not include any person or entity that purchases a Lot from Declarant unless such purchaser is specifically assigned, by a separate recorded instrument, some or all of the Declarant rights under this Declaration as to the conveyed property.

(j) "Design Guidelines" shall mean and refer to the design standards and guidelines adopted by the Declarant, as may be amended in accordance with Article III, representing the minimum specifications for the construction of all residences, additions to such residences, and other improvements associated with each residence including, without limitation, other structures or improvements located on a residential Lot, and the minimum requirements for landscaping to be installed and maintained on each Lot. The Design Guidelines are an integral part of this Declaration and the development plan of the Property and/or Subdivision. The initial Design Guidelines are attached hereto as Exhibit C. All Builders and prospective Owners or those desirous of constructing a residence on a Lot are strongly encouraged to obtain a current copy of the Design Guidelines prior to preparing plans and specifications for submission to the Architectural Control Committee for approval.

(k) "Final Plat" shall mean, initially, the map or plat of the Property or any portion thereof and recorded in the Plat Records of Collin County, Texas, and any future recorded subdivision maps or plats covering any portion of the Property or additional real property made subject to this Declaration, as such Final Plats may be amended from time to time.

(l) "Governing Documents" means, singly or collectively as the case may be, this Declaration, the Final Plat, the Bylaws, the Association's certificate of formation, and the rules of the Association, as any of these may be amended from time to time. An appendix, exhibit, schedule, or certification accompanying a Governing Document is a part of that Governing Document. All Governing Documents are to be recorded in every county in which all or a portion of the Property is located. The Governing Documents are Dedicatory Instruments as defined in Texas Property Code Section 202.

(m) "Lot" shall mean and refer to any one (1) of the enumerated plots or tracts of land shown upon a Final Plat, and "Lots" shall mean and refer to more than one (1) of same; provided, however, Common Properties shall in no event be treated as "Lot" for purposes of this Declaration, and are hereby specifically excluded from the term "Lot" as used hereunder.

(n) "Member" shall mean and refer to a member of the Association, as described in Article VIII.

(o) "Owner" shall mean and refer to each and every person or business entity (whether one or more), including Declarant (so long as applicable), that is a record owner of a fee or undivided fee interest in any Lot; provided, however, that (i) the term "Owner" or "Owners" shall not include any person or entity who holds a bona fide lien or interest in a Lot as security merely for the performance of an obligation (specifically including, but not limited to, any mortgagee or trustee under a mortgage or deed of trust) unless and until such mortgagee, beneficiary or trustee has acquired title to such Lot pursuant to foreclosure or any proceeding in lieu thereof; and (ii) with respect to any matter requiring the vote, consent, approval or other action of an Owner, each Lot shall be entitled to only one (1) vote except as provided for in Section 8.2 and Section 15.6 herein.

(p) "Phase" shall mean and refer to each separately developed residential area or addition as set forth and more fully described on a Final Plat depicting real property that has been subjected to the Declaration.

(q) "Property" shall mean and refer to the real property described on Exhibit A, any improvements now or hereafter situated thereon, and any and all additional real property (and the improvements thereon) which Declarant hereafter subjects to this Declaration, in accordance with Article XIV hereof.

(r) “Supplemental Declaration” shall mean a recorded instrument which accomplishes one or more of the following purposes: (i) subjects additional real property to this Declaration, or (ii) imposes, expressly or by reference, additional restrictions, covenants, easements and/or rights and obligations on the land described.

ARTICLE II CONSTRUCTION OF IMPROVEMENTS AND USE OF LOTS

Section 2.1 Residential Use.

The Property shall be used for single-family residential purposes and home office only, and accessory uses. No building or other structure shall be erected, altered, placed or permitted to remain on any Lot other than one (1) detached single-family residence per Lot, which residence may not exceed three (3) stories in height, and a private garage as provided below. Any building or structure to be placed or constructed on a Lot is subject to approval in writing by the Architectural Control Committee under Article III.

Section 2.2 Single-Family Use.

Except as otherwise provided in this Section 2.2, (i) each single-family residence may be occupied only by persons living and cooking together as a single housekeeping unit, together with any household employees, and (ii) except for families consisting of persons related by blood, adoption, or marriage (a “Family Unit”), no more than two persons per bedroom may occupy the same dwelling on a regular and consistent basis.

Section 2.2(a) Leasing

No more than twenty percent (20%) of the residences within the Subdivision may be leased to a non-Owner occupant at any given time without the express written consent and approval of the Board, which may be withheld in the Board’s sole and absolute discretion. The Board may grant a variance of this use restriction on a case by case basis at its sole and absolute discretion. An Owner must deliver a copy of any proposed lease for approval by the Board as a condition to the effectiveness of such lease, and any proposed lease must include a requirement that the tenant and any occupants of a residence by such lease fully comply with the terms of this Declaration. Homeowners who rent or lease their residence are required to execute a written lease agreement, signed by the tenant and a copy provided to the Association prior to the tenant’s possession of the residence. Notwithstanding the foregoing or anything to the contrary contained herein, during the Declarant Control Period, neither Declarant nor any Builder shall be subject to the leasing restrictions contained in this Section nor shall the Declarant or any Builder be subject to restriction or limitation with regard to sales to investors notwithstanding, this exclusion shall only apply during the Declarant Control

Period. After expiration of the Declarant Control Period, all Lots, Lot Sales and Resales shall be subject to the limitations set forth in this Section.

All Lots and Lot Owners regardless of Class, are subject to the following. No exclusions of any kind shall apply: **Absolutely NO short-term leasing, bed and breakfast, vacation or house swapping rentals or leasing is allowed.**

The lease shall contain, at minimum, the following (the "Required Lease Terms"):

- a. Term of Lease. Initial term of the lease shall not be less than one (1) year without the express written consent of Declarant or the Board.
- b. Entire Residence. The property leased must include the entire residence. No short-term leasing, bed and breakfast, vacation or house swapping rentals or leasing is allowed.
- c. Single Family. Lease is restricted to single family per Section 2.2 above. Owner shall provide to the Association or its Managing Agent the names and contact information for the tenants.
- d. Abide by Rules. The Owner must make available to the tenant copies of the Governing Documents and all amendments and rules thereto. Tenant must agree to abide by all Association rules and must acknowledge that failure to do so may constitute a default under the lease terms and agreement. Owner must obtain a signed acknowledgment from the tenant that this section of the CCR's has been explained in detail.
- e. No assignment or sub leasing is allowed.
- f. Tenant must carry renters insurance.
- g. Owner shall be responsible at all times for his tenant, all occupants and guests. The maintenance and upkeep of the home and lot shall be borne by the Owner. Should the tenant violate a rule and a violation notice is sent, the Owner shall be responsible for ensuring the tenant's compliance and ensuring the violation is immediately abated. Should a fine for non-compliance result, the Owner shall be responsible for payment to the Association for all fines or any monetary expense the Association may incur for the enforcement and abatement of a violation. Fine(s) will be levied against the Owner's account for payment to the Association and shall be subject to collections as may be set forth in this Declaration or any existing collection policy of the Association which may be adopted at any time and from time to time.

Whether or not it is so stated in a lease, every lease is subject to this Declaration and any rules, regulations, design guidelines or other dedicatory instruments promulgated hereunder. An Owner is responsible for providing its tenant with copies of this Declaration, and any and all rules, regulations, design guidelines or other dedicatory instruments promulgated hereunder, and notifying its

tenant of changes thereto. Failure by the tenant or his invitees to comply with this Declaration and any rules, regulations, design guidelines or other dedicatory instruments promulgated hereunder is deemed to be a default under the lease. When the Association notifies an Owner of its tenant's violation, the Owner will promptly obtain his tenant's compliance or exercise its rights as a landlord for tenant's breach of lease. If the tenant's violation continues or is repeated, and if the Owner is unable, unwilling, or unavailable to obtain his tenant's compliance, then the Association has the power and right (but is not obligated) to pursue the remedies of a landlord under the lease or state law for the default, including eviction of the tenant. THE OWNER OF A LEASED LOT IS LIABLE TO THE ASSOCIATION FOR ANY EXPENSES INCURRED BY THE ASSOCIATION IN CONNECTION WITH ENFORCEMENT OF THIS DECLARATION, AND ANY AND ALL RULES, REGULATIONS, DESIGN GUIDELINES OR OTHER DEDICATORY INSTRUMENTS PROMULGATED HEREUNDER AGAINST HIS TENANT. The Board may reject any proposed lease that would result in more than twenty percent (20%) of the residences in the Subdivision being leased to non-Owner occupants or which fail to include the Required Lease Terms. Notwithstanding the foregoing or anything to the contrary contained herein, during the Declarant Control Period, Lots owned by Builder or Declarant shall not be accounted for in determining the twenty percent (20%) cap on leased residences in the Subdivision. The Association is not liable to the Owner for any damages, including lost rents, suffered by the Owner in relation to the Association's enforcement of this Declaration, and any and all rules, regulations, design guidelines or other dedicatory instruments promulgated hereunder against the Owner's tenant.

Section 2.3 Garage Required.

Each residence shall have a minimum of two (2) enclosed parking spaces for each dwelling unit. The minimum garage setback for front entry driveways shall be twenty (20) feet. Rear entry garages must be setback a minimum of eighteen (18) feet if alley access is provided. Garages shall conform to the requirements set forth in this Declaration and its Design Guidelines. The garage shall conform in design and materials with the main structure.

Section 2.4 Driveways.

All driveways shall be surfaced with concrete. Driveways and other paved areas may not be included in determining maximum lot coverage.

Section 2.5 Uses Specifically Prohibited.

(a) No temporary or permanent dwelling, shop, storage building, trailer or mobile home of any kind or any improvement of a temporary character shall be permitted on any Lot without the express written consent of the ACC. Generally, children's play sets and playhouses, dog houses, small greenhouses and gazebos, and small buildings for storage of lawn maintenance equipment will be allowed however, certain rules and restrictions will apply. These rules if applied through the "Community Wide Standard" may or may not be in writing and just as enforceable as any other rule. As a standard rule, no part of any such structure is to be visible from the front of the home or the street and the generally accepted height of any such structure shall be no more than two (2) feet over the top of a fence line. Any variance to this rule is at the sole discretion of the ACC. This does not apply to Builder or contractors who may have temporary improvements (such as a sales office and/or construction trailer) on a given Lot during construction of the residence on that Lot or on a different Lot as agreed to between the Builder or contractor and Declarant and/or as otherwise set out in the Design Guidelines. No building material of any kind or character shall be placed or stored upon the Property until the Owner thereof is ready to commence construction of improvements, and then such material shall be placed within the property lines of the Lot upon which the improvements are to be erected.

(b) Except as otherwise provided in this Section, no vehicle may be parked or left upon any portion of a Lot except in a garage or on a driveway. Except as provided below, the following vehicles may not be parked on any street within the Property: recreational vehicles, mobile homes, trailers, campers, stored vehicles, trucks with tonnage in excess of one (1) ton, oversized commercial vehicles (including all vehicles with commercial lettering or logos), and unlicensed or inoperable vehicles. If a vehicle can be parked fully within an enclosed garage then such vehicle may be parked and/or stored inside the garage only, parking outside the garage at any time except for cleaning, loading or unloading is prohibited. All homes shall include an enclosed garage and a driveway capable of parking two additional normal sized vehicles. "Sports utility vehicles" and "mini-vans" as such vehicles are commonly referred to, as determined in the Board's discretion, and pick-up trucks without commercial writing or logos shall be treated as automobiles and may be parked outside of enclosed garages. Homes with rear loading garages and driveways may be allowed more lenient parking than homes whose garages and driveways face the street or side of the home. Boats are not allowed to be kept anywhere on the premises or within the community. Boats may be parked directly in front of an Owner's home for no more than twenty-four (24) hours for loading or unloading only. Any violation of this rule shall result in a minimum fine of \$100.00 per day for each day any unauthorized vehicle, regardless of class or type, remains on the street or within the community without the express written consent of the ACC or the Board of Directors. This Section shall not apply to parking, for

purposes of emergency vehicle repairs or to construction, service, and delivery vehicles for periods necessary to perform the services or make a delivery. It shall also not apply to law enforcement vehicles, fire department vehicles, and other such vehicles belonging to Owners providing a service of law enforcement, health, and safety. Should the Association form a Neighborhood Watch or have Owners who participate in a Citizen's Patrol, such vehicles shall also be excluded. Notwithstanding, the ACC or the Board of Directors shall have the right to determine what service or branch of service would qualify for this exclusion.

The Board, in its discretion, may enact additional rules governing such temporary, irregular use or, in the absence of specific rules, shall have discretion in determining what constitutes permissible parking under any circumstance. As used in this Section, the term "vehicles" includes, without limitation, automobiles, trucks, boats, trailers, motorcycles, campers, vans, and recreational vehicles.

(c) No vehicle of any size which transports flammable or explosive cargo may be kept or parked on the Property at any time, except for use by or on behalf of Declarant in connection with the development of the Property or by a builder or contractor in connection with the construction of improvements on a Lot.

(d) No animals or livestock including pigs, potbellied pigs, snakes, rodents, and the like shall be raised, bred or kept on the Property for any reason. Dogs, cats or other usual and customary household pets such as cats and birds may be kept for the purpose of providing companionship for the private family; however, those pets which are permitted to roam free, or, in the sole discretion of the Board, constitute a nuisance to the occupants of other Lots shall be removed upon request of the Board. Violent or aggressive animals of any kind will not be tolerated. The immediate removal of such animals will be required and any failure to remove such an animal within twenty-four (24) hours of request will result in a fine of \$250.00 per day for every day the animal remains.

Notwithstanding anything contained herein to the contrary, the Board in its sole discretion and without incurring any further duty or obligation to owners and occupants within the Property may decide to take no action and refer complaining parties to the appropriate municipal or governmental authorities for handling and final disposition. Pets shall be confined inside a fenced area or within the home and whenever outside the dwelling, pets must be on a leash at all times. Pets shall be registered, licensed and inoculated as required by law and must be properly tagged for identification. It is the Owner's responsibility to keep the front of their Lot clean and free of pet debris and to pick up and properly dispose of their pet's waste wherever deposited. Animals should not be allowed to bark, yap, whine, or make constant, annoying noises. Owners experiencing disturbances from other Owners animals should contact the appropriate municipal or governmental authority to report the nuisance and request assistance. The Association shall make

appropriate attempts to address the matter with the offender however, the Association, its Board of Directors and any Managing Agent shall not be held liable for the failure of any Owner to properly house and maintain his/her animal. Notwithstanding anything seemingly herein to the contrary, no more than three (3) household pets will be permitted on each Lot. **NO PETS OF ANY KIND EXCEPT CERTIFIED SERVICE DOGS OR ANIMALS SHALL BE ALLOWED IN OR UPON ANY AMENITY AREA. ALL OWNERS SHALL BE HELD ONE-HUNDRED PERCENT (100%) RESPONSIBLE FOR ANY DAMAGES SUSTAINED TO COMMON AREA GROUNDS OR ANY COMMON ELEMENT CAUSED BY THEIR PET OR ANIMAL REGARDLESS OF WHETHER THE ANIMAL IS LEASHED OR NOT.** Owners with service animals are requested to keep with them a certificate or other proof that their dog or animal is a qualified service animal when entering or accessing any Amenity.

(e) No Lot or other area on the Property shall be used as a dumping ground for rubbish or a site for the accumulation of unsightly materials of any kind, including, without limitation broken or rusty equipment, disassembled or inoperative cars, other vehicles or discarded appliances and furniture. Trash, garbage or other waste shall be kept in sanitary containers. Bulk trash may not be placed out until the evening before scheduled bulk pickup. All incinerators or other equipment for the storage or other disposal of such material shall be kept in clean and sanitary condition. Materials incident to construction of improvements may be stored on Lots during construction so long as construction progresses without undue delay. Contractors should have onsite commercial bins to hold construction debris during new construction. Owners with any form of modification taking place on the exterior of their home or Lot shall ensure that trash and debris is picked up and placed in the proper containers for disposal each day. Trash containers shall be kept concealed when not placed out for pickup. After trash containers are emptied, they should be promptly retrieved from the street or curb.

(f) No air-conditioning apparatus shall be installed on the ground in front of a residence. No air-conditioning apparatus shall be attached to any wall or window of a residence. In some cases, air-conditioning apparatuses may be allowed in the rear of the home as long as they are completely concealed. All air-conditioning equipment must be installed in the rear yard. If installed in the side yard, screening such as fence or live screening is required.

(g) The erection, construction, placement or installation of any television, radio or other electronic tower, aerial, antenna, satellite dish or device of any type for the reception or transmission of radio or television broadcast signals or other means of communication upon a Lot or upon any improvement thereon is prohibited, except that this prohibition shall not apply to those antennae specifically covered by 47 C.F.R. Part 1, Subpart S, Section 1.4000 (or any successor provision) promulgated under the Telecommunications Act of 1996, as amended from time to time. The Board shall be empowered to adopt rules governing the types of antennae that are permissible hereunder and establishing reasonable, non-discriminatory restrictions relating to safety, location and maintenance of antennae.

To the extent that reception of an acceptable signal would not be impaired or the cost of installation would not be unreasonably increased, an antenna permissible pursuant to the Declaration or the rules of the Association may only be installed in a side or rear yard location, not visible from the street or neighboring property, and integrated with the dwelling and surrounding landscape. Antennae shall be installed in compliance with all state and local laws and regulations, including zoning, land-use and building regulations.

(h) No Lot or improvement thereon shall be used for commercial or manufacturing purposes of any kind other than a small home office. Nothing in this subparagraph shall prohibit a builder's use of a residence as a sales office until such builder's last residence on the Property is sold and closed. Nothing in this subparagraph shall prohibit an Owner's use of a residence for quiet, inoffensive activities such as a small home office, tutoring or giving lessons such as art or music, so long as such activities are consistent with the residential character of the Property, do not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of others within the Property, as determined in the Board's discretion, and do not materially increase the number of cars parked on the street.

(i) No fence, wall, hedge or shrub planting which obstructs sight lines at elevations between three feet (3') and six feet (6') above the roadway shall be placed or permitted to remain on any corner Lot within the triangular area formed by the street right-of-way lines and a line connecting them at points ten feet (10') from the intersection of the street right-of-way lines, or, in the case of a rounded property corner, from the intersection of the street right-of-way lines as extended. The same sight-line limitations shall apply on any Lot within ten (10) feet from the intersection of a street right-of-way line with the edge of a private driveway or alley pavement. No tree shall be permitted to remain within such distance of such intersections unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

(j) No building previously constructed elsewhere shall be moved onto any Lot without the express written consent of the ACC, it being the intention that only new construction be placed and erected thereon without the express written consent of the Architectural Reviewer.

(k) No sign of any kind shall be displayed to the public view on any Lot, except: (i) political signs which may be placed on the Lot no earlier than six (6) weeks prior to an election and which must be removed within two (2) weeks after the election for which such sign is displayed; (ii) one (1) professional security service sign of not more than one square foot; (iii) one (1) sign of not more than five square feet advertising the property for rent or sale during any period that the Lot actually is for rent or sale; or (iv) signs used by a Builder to advertise the Property during the construction and sales period, each of which shall, in any event, comply with all statutes, laws or ordinances governing same. The Board of Directors or its

agents shall have the right to remove any sign, billboard or other advertising structure that does not comply with the above, and in so doing shall not be subject to any liability for trespass or otherwise in connection with such removal and shall not be liable for the return of the sign(s) or any costs or purchase price of the sign(s) to any individual, Builder, Realtor, Contractor, or any other person or entity.

(l) The drying of clothes in public view is prohibited regardless of whether on a clothes line, hanging over the fence, or any other method. Clothes lines are prohibited.

(m) Wood used for fireplace, barbeque, or other use must be stacked neatly and screened from public view. The Owner is responsible for ensuring that such wood stack is kept free of rodents.

(n) No Owner shall perform, fail to perform, or permit anything to be done or not done on such Owner's Lot which would violate any laws, statutes, ordinances or regulations of any kind or character.

Section 2.6 Minimum Floor Area. The total air-conditioned living area of the main residential structure constructed on each Lot, as measured to the outside of exterior walls but exclusive of open porches, garages, patios and detached accessory buildings, shall be in accordance with the City of Celina Zoning and Subdivision Regulations and other applicable laws, but in no event shall be less than 1,400 square feet.

2.6.1 Minimum Lot Area. The minimum area of any Lot shall be four thousand (4,000) square feet and forty (40) feet in width when measured at the front yard setback line

Section 2.7 Fences and Walls.

Any fence or wall must be constructed of brick, wood, wrought iron or other material approved by the Declarant or the ACC. No chain link fences are permitted except on the Common Properties or any school property. No fence or wall shall be permitted to extend nearer to any street than the front of any residence. Notwithstanding, the ACC may require fencing to be kept back a minimum of five to ten feet from the edge of front façade if certain architectural features or concerns warrant. All side yard fencing on corner Lots shall run parallel to the curb and may be placed no nearer than five feet (5') inside the side Lot line and shall not extend beyond a point of five feet (5') behind the front of the residence on that side. Fences or walls erected by Declarant 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 except as is provided in Article IV and Article IX. Any fence or portion thereof that faces a public street shall be so constructed so that all structural members and posts will be on the side of the fence facing away from the street so that they are not visible from any street. No portion of any fence shall extend more than six feet (6') in height without the express written consent of the ACC.

Section 2.8 Building Materials.

The building materials to be used for each residence and other structure must conform to the requirements set out in the Design Guidelines. Allowed roofing materials shall be set forth exclusively in the Design Guidelines. The color of roofing shall be consistent throughout the Subdivision and shall otherwise conform to the Design Guidelines.

Section 2.9 Mailboxes and Address Blocks.

Mailboxes shall be standardized throughout The Homeplace at the Columns and shall be constructed in accordance with the Design Guidelines. Mailboxes for Lots shall be cluster mailboxes of a standardized design approved in writing by the Architectural Control Committee prior to installation and shall conform to any applicable requirements of the City, the United States Postal Service or other applicable governmental authority and shall be constructed in accordance with applicable Design Guidelines. In the event that any cluster mailbox installed in the Subdivision requires maintenance, replacement or repairs, such maintenance, replacement and/or repairs shall be performed by the Association and the costs and expenses incurred by the Association in connection therewith shall be charged on a pro rata basis (based on the total number of mailbox units within such cluster mailbox) as a special individual assessment to the Owners with mailbox units within the cluster mailbox that has been maintained, repaired and/or replaced.” Owners shall be responsible for obtaining mailbox keys at time of purchase of home. An address block shall be installed on the front facade of each residence.

Section 2.10 Landscaping.

Each Builder of a residence upon each Lot shall, upon or before the first occupancy of a house, sod grass in the front and side yards, plant the minimum size and number of trees and minimum size and number of shrubs in the front yard against the foundation of the house as required by either the Design Guidelines. Thereafter, each Owner of a Lot shall have the responsibility to properly maintain such trees and landscaping and, if necessary, shall replace such trees or landscaping in accordance with the Design Guidelines. The Declarant and/or the Association shall have the right but not the obligation, to be exercised at its sole option, to remove and replace dead trees and landscaping and charge the costs thereof to the Owner’s account as a special individual assessment under Section 10.7 below.

Section 2.11 Design Guidelines.

In addition to any requirements set forth in this Declaration, all Owners are required to comply with this Declaration and the Design Guidelines in the construction of improvements within the Property and the installation, maintenance and replacement of trees and landscaping within the Property.

Section 2.12 ORDINANCE NO. 2017-33

The Property and Lots are subject to City of Celina **ORDINANCE NO. 2017-33** as recorded or to be recorded in the Official Public Records, of the City of Celina, Collin County, Texas as it exists or may be amended. In the event of a conflict, the City of Celina Ordinance shall supersede the Governing Documents except in the event the standards, requirements and guidelines for construction in the Governing Documents are higher than that of the City. In this case, the higher standard shall always prevail. Exceptions to this rule is allowed only by written approval of the Architectural Control Committee and must be obtained prior to the commencement of construction.

**ARTICLE III
ARCHITECTURAL CONTROL**

Section 3.1 Review Authority.

(a) General. Declarant and the Association will, in all likelihood engage the services of third-party professionals including architects, engineers, or other persons to perform and administer the submission, review and inspection process which may be required or necessary under this Article. Declarant reserves the right to implement and enforce additional application, permitting, review, testing and inspection requirements and procedures not contained herein relating to national or uniform codes pertaining to building, electrical, plumbing and any other aspect of construction or development as deemed necessary by Declarant.

(b) Declarant. Declarant shall have exclusive authority to administer, review and act upon all applications for architectural and other improvements within the Property until all planned Lots have been conveyed to persons other than Declarant or a Builder and have been improved with a dwelling for which a certificate of occupancy has been issued, unless Declarant earlier terminates its rights in a recorded instrument. Declarant may designate or engage one or more persons or entities to act on its behalf with respect to some or all matters coming within the purview of this Article III. In reviewing and acting upon any request for approval, Declarant or its designee act solely in Declarant's interest and owe no duty to any other person. Declarant is not required to hold meetings or keep minutes relating to its review under this Article.

Declarant may from time to time delegate or assign all or any portion of its rights under this Article to any other person, entity or committee, including the Architectural Control Committee. Any such delegation shall be in writing, shall specify the delegated responsibilities, and shall be subject to (i) Declarant's right to revoke such delegation at any time and reassume its prior jurisdiction, and (ii)

Declarant's right to veto any decision which it determines, in its discretion, to be inappropriate or inadvisable for any reason. So long as Declarant has any rights under this Article, the jurisdiction of other entities shall be limited to such matters as Declarant specifically delegates.

(c) Architectural Control Committee. Upon Declarant's delegation or upon expiration or termination of Declarant's rights under this Article, the Association, acting through the ACC, shall assume jurisdiction over architectural matters. The ACC shall consist of at least three but no more than five persons. During the Declarant Control Period, Members of the ACC need not be Members of the Association however, the ACC Committee once the Declarant Control Period expires, shall consist of Owners who are residing and occupying a home within the subdivision. After the Declarant Control Period expires, the ACC members shall be designated, shall serve, and may be removed and replaced in the Board's discretion.

For so long as Declarant owns any portion of the Property (and unless the Declarant notifies the ACC in writing to the contrary), the ACC shall notify Declarant in writing, no less than thirteen (13) business days prior to communicating any action (*i.e.*, approval, partial approval, or disapproval) it intends to take under this Article. A copy of the application and any additional information that Declarant may require shall accompany the notice. During such time, Declarant shall have the right, in its sole and absolute discretion, to veto any ACC action; provided, Declarant's right to veto must be exercised within ten (10) business days after it receives notice of the ACC's proposed action. The party submitting the plans for approval shall not be notified of the ACC's proposed action until after Declarant's right to veto has expired. The Board may create and appoint subcommittees of the ACC. Subcommittees may be established to preside over particular areas of review (*e.g.*, landscape plans) and shall be governed by procedures the Board or the ACC may establish. Any subcommittee's actions are subject to review and approval by Declarant, for as long as Declarant may review the ACC's decisions, and the ACC. Notwithstanding the above, neither the ACC nor Declarant shall be obligated to review all actions of any subcommittee, and the failure to take action in any instance shall not be a waiver of the right to act in the future.

Unless and until such time as Declarant delegates any of its reserved rights to the ACC or Declarant's rights under this Article expire or terminate, the Association shall have no jurisdiction over architectural matters.

(d) Reviewer. The entity having jurisdiction in a particular case, whether Declarant or its designee or the ACC, shall be referred to as the "Reviewer".

(e) Fees; Assistance. The Reviewer may establish and charge reasonable fees for its review of applications and shall require that such fees be paid in advance. If such fees or charges, including those set forth under Section 3.3 below, are not paid in advance, the Reviewer shall have no obligation whatsoever to review any such related application. Such fees may include the reasonable costs incurred in having any application reviewed by architects, engineers, agents, or other professionals or occasionally rush requests when an Owner requests it. Fees, belong to the ACC and/or Reviewer for the services performed. After the Declarant Control Period, if agreed upon by the ACC and the Board, fees (all or a portion) may be paid to or on behalf of the Association and accounted for in the Association's budget.

Section 3.2 Review Requirements.

No building, wall, pool, including above ground pools, or other structure, temporary or permanent, shall be commenced, erected, installed, placed, or substantially altered on any Lot, nor shall any exterior painting (other than repainting a structure the same or similar color) of, exterior addition to, or substantial alteration of, such items be made until all plans and specifications and a plot plan have been submitted to and approved in writing by the Reviewer.

The Reviewer is authorized and empowered to consider and review any and all aspects of construction and landscaping which may, in the reasonable opinion of the Reviewer, adversely affect the living enjoyment of one (1) or more Owners or the general value of the Property. In reviewing each submission, the Reviewer may consider any factors it deems relevant, including, without limitation, harmony of the proposed exterior design with surrounding structures and environment and how the proposed change may affect the Community Wide Standard. **Decisions may be based on purely aesthetic considerations.** Each Owner acknowledges that aesthetic determinations are purely subjective and that opinions may vary as to the desirability and/or attractiveness of particular improvements. The Reviewer shall have the sole discretion to make final, conclusive, and binding determinations on matters of aesthetic judgment and such determinations are not subject to judicial review so long as they are made in good faith and in accordance with the required procedures.

Section 3.3 Procedure for Approval.

PRIOR TO THE COMMENCEMENT OF ANY CONSTRUCTION BY ANY PERSON OR ENTITY, THE BUILDER OR OWNER SHALL OBTAIN FROM THE REVIEWER A WRITTEN APPROVAL AND SHALL PAY, IN ADVANCE, ANY RELATED INSPECTION FEES AND FEES OWING OR TO BE OWED AS DETERMINED BY THE REVIEWER. THIS REQUIREMENT NOT ONLY APPLIES TO ORIGINAL CONSTRUCTION BUT TO POOL INSTALLATIONS AS WELL AS ANY MODIFICATION OR ADDITION TO

EXISTING STRUCTURES OF IMPROVEMENTS. FAILURE TO OBTAIN SUCH APPROVAL OR PAY SUCH FEES PRIOR TO INITIATION OF CONSTRUCTION SHALL BE CAUSE FOR THE REVIEWER OR THE ASSOCIATION TO REQUEST AND OBTAIN EMERGENCY TEMPORARY RELIEF TO RESTRAIN ALL ASPECTS OF CONSTRUCTION AND MAY RESULT IN A FINE WHICH MAY BE LEVIED IN A LUMP SUM OR ON A DAILY BASIS AS LONG AS NON-COMPLIANCE REMAINS. THERE SHALL BE NO MAXIMUM FINE AMOUNT RESTRICTIONS FOR SUCH VIOLATIONS.

In addition to the foregoing requirement, final plans and specifications shall be submitted in duplicate by certified mail, return receipt requested or hand delivery to the Reviewer. The plans and specifications shall show the nature, kind, shape, height, materials and location of all landscaping and improvements. It is the responsibility of the Builder to ensure all City of Celina Ordinances are followed. An application that does not adhere to the required ordinances or the governing documents may be denied. The application shall specify in writing any requested variances from the requirements set forth in this Declaration, the Design Guidelines or any Community-Wide Standard. The Reviewer is authorized to request the submission of samples of proposed construction materials and such other information as they reasonably deem necessary to make their determination. At such time as the plans and specifications meet the approval of the Reviewer, one complete set of plans and specifications will be retained by the Association, for up to three (3) years only, and the other complete set of plans shall be marked "Approved", signed by a representative of the Reviewer and returned to the Lot Owner or his designated representative. If disapproved by the Reviewer, one set of such plans shall be returned marked "Disapproved" and shall be accompanied by a reasonable statement of the reasons for disapproval, which statement shall be signed by a representative of the Reviewer. Any modification of the approved set of plans and specifications must again be submitted to the Reviewer for its approval. The Reviewer's approval or disapproval, as required herein, shall be in writing. Any reliance upon a verbal approval of any plans by the Reviewer shall be wholly unjustified, at the risk of the Lot Owner and subject to any subsequent or otherwise conflicting written response by the Reviewer.

If the Reviewer fails to approve or disapprove any such plans and specifications or modification thereto within forty-five (45) business days after the date of submission of all information the Reviewer requires, the submission shall be deemed to have been denied. Any Builder who is constructing residences on multiple Lots shall have the option of submitting a master set of final plans and specifications for all of the residences it intends to construct within the Property to the Reviewer in accordance with the provisions of this paragraph. Once the master

set of plans has been approved, the Builder shall be allowed to construct residences in accordance with such approved plans and no further submittals shall be required unless material deviations have been made to such approved plans. The Reviewer may, but is not obligated to, permit or require that plans be submitted or considered in stages, in which case, a final decision shall not be required until after the final, required submission stage.

As part of any approval, the Reviewer may require that construction in accordance with approved plans commence within a specified time period. If construction does not commence within the required period, the approval shall expire and the Owner must reapply for approval before commencing any activities. Once commenced, construction must be diligently pursued to completion. All new home construction work shall be completed within one (1) year of commencement unless otherwise specified in the notice of approval or the Design Guidelines, or unless the Reviewer, in its discretion, grants an extension in writing. If approved work is not completed within the required time, it shall be in violation of this Article and shall be subject to enforcement action. All contractors, regardless of the type of construction shall NEVER allow Lots to be littered with trash and construction debris. All trash and debris shall be placed in commercial or other construction trash bins. All contractors shall not allow nails, glass, and other potentially dangerous items to get into the street. Any cleaning the Association has to perform on sidewalks or in the streets shall be billed in equal portion to all Builders or Contractors performing work on the street or streets affected and shall be payable to the Association immediately upon receipt of the invoice by the Builder(s) or Contractor(s). The Association is not liable for any damage sustained by any Owner whether person or property, regardless of its nature as a result of construction being performed on any Lot or any Common Area.

Construction hours shall be kept reasonable, preferably not before 6:30 a.m. in the spring and summertime months and not after 7:00 p.m. each day. It is preferred no construction is done on Sundays however, if work is performed the hours shall be restricted between the hours of 10:00 a.m. and 5:00 p.m. Rules for Construction Hours pertain to all types of work, regardless of its nature and is subject to change by the ACC or the Board at their sole discretion. So long as a Builder owns a Lot for sale the Board, the ACC, nor any Member of the Association shall be able to amend, remove, or limit the Builder's ability to hold open house, maintain an onsite model home and/or office, hold special events for the purpose of promoting sales, place signs, flags, or banners, or any other reasonable form of advertisement related to the effective advertising, marketing, and sell of a Lot or a home constructed on a Lot. Builders must be mindful and respectful of Homeowners at all times and should notify the Board of Directors or the Managing Agent at least seventy-two (72) hours in advance of holding an event.

As a part of the review process, the Reviewer may require that the construction of any improvement be inspected on a periodic basis prior to completion for compliance with the plans, codes adopted by the Declarant and other matters relating to the quality or method of construction. The Association may conduct such inspections or, in the alternative, it may contract with third parties for such purposes. The Owner on whose Lot the construction is taking place shall be responsible for the payment of costs relating to any such inspection.

Section 3.4 Standards.

The Reviewer shall have sole discretion with respect to taste, design and all standards specified herein. One objective of the Reviewer is to prevent unusual, radical, curious, odd, bizarre, peculiar or irregular structures from being built on the Property. ***The ACC shall have the authority to interpret and amend the Design Guidelines, subject to Declarant's approval for so long as Declarant or any Builder owns any portion of the Property and, thereafter, subject to the approval of the Board.*** The Reviewer may from time to time publish and promulgate bulletins regarding architectural standards, which shall be fair, reasonable and uniformly applied and shall carry forward the spirit and intention of this Declaration.

Section 3.5 Requests for Variance.

Upon submission of a written narrative request for same, the Reviewer may, from time to time, in its sole discretion, permit Owners and Builders to construct, erect or install improvements which are in variance from the requirements of this Declaration or which may be contained in the Design Guidelines. In any case, however, such variances shall be in basic conformity and shall blend effectively with the general architectural style and design of the community. No member of the ACC or the Board, or the Association or Declarant shall be liable to any Owner or other person claiming by, through, or on behalf of any Owner, for any claims, causes of action, or damages arising out of the granting or denial of, or other action or failure to act upon, any variance request by any Owner or any person acting for or on behalf of any Owner.

Each request for a variance submitted hereunder shall be reviewed separately and apart from other such requests and the grant of a variance to any Owner shall not constitute a waiver of the Reviewer's right to strictly enforce the Declaration, the Design Guidelines or the against any other Owner. Each such written request must identify and set forth in narrative detail the specific restriction or standard from which a variance is sought and describe in complete detail the exact nature of the variance sought. Any grant of a variance by the Reviewer must be in writing and must identify in narrative detail both the standard from which a variance is being sought and the specific variance being granted.

Section 3.6 Liability of Reviewer.

Neither Declarant, the Board of Directors, the Architectural Control Committee, nor any of their respective members, officers, employees, designees, contractors, administrators, inspectors and agents, shall have any liability whatsoever for decisions made in accordance with this Article so long as such decisions are made in good faith and are not arbitrary or capricious. The plans or the site plan submitted to the Reviewer shall be the responsibility of the Owner of the Lot to which the improvements relate, and the Reviewer shall have no obligation to check for errors in or omissions from any such plans, or to check for such plans' compliance with the general provisions of this Declaration, or any codes, ordinances, regulations or other laws, whether statutory or not, and whether the same relate to Lot lines, building lines, easements or any other issue. Review and approval of any plans pursuant to this Article may be based on purely aesthetic considerations.

The Reviewer is not responsible for the structural integrity or soundness of approved construction or modifications, for compliance with drainage, building codes, city ordinances, and other governmental requirements, or for ensuring that every dwelling is of comparable quality, value, or size, of similar design, or aesthetically pleasing or otherwise acceptable to other Owners. Plans or modifications that do not adhere to the approved building plans of the ACC or fail to obtain the written approval of the ACC are subject to a fine for non-compliance up to \$1,000.00 and the Declarant, the Reviewer, the ACC, or the Association may demand any non-conforming structure or portion of any non-conforming structure be removed and replaced with an approved product the cost of which shall be at the sole expense of the Builder and/or Owner.

THE ASSOCIATION HEREBY UNCONDITIONALLY AND PERPETUALLY INDEMNIFIES AND HOLDS DECLARANT, THE BOARD, THE ARCHITECTURAL CONTROL COMMITTEE, AND THEIR RESPECTIVE MEMBERS, EMPLOYEES, DESIGNEES, ADMINISTRATORS, INSPECTORS, CONTRACTORS, AND AGENTS HARMLESS FROM AND AGAINST ANY CLAIMS, LIABILITIES, LOSS, DAMAGE, COSTS AND EXPENSES, INCLUDING BUT NOT LIMITED TO ATTORNEYS' FEES, IN CONNECTION WITH OR ARISING OUT OF ANY ACTIONS OR INACTIONS TAKEN HEREUNDER BY THE REVIEWER, IRRESPECTIVE OF WHETHER OR NOT THE REVIEWER, ITS EMPLOYEES, CONTRACTORS, AGENTS AND OTHER INDIVIDUALS OR ENTITIES TO OR EMPLOYED BY THE REVIEWER ACTED NEGLIGENTLY OR WITH WILLFUL MISCONDUCT.

Section 3.7 Special Rights of Declarant.

Notwithstanding anything to the contrary contained herein, any Lot owned by Declarant or its successor or assign, shall not be subject to the provisions of this Article III and Declarant shall not be required to submit plans and specifications, etc. to the Architectural Control Committee nor obtain the consent, permission or approval of the Architectural Control Committee for the matters otherwise required pursuant to this Article III, and the consent, permission or approval of the Architectural Control Committee shall be deemed given for plans and specifications, plot plans and the like to be used by Declarant, or Declarant's assigns, in the construction of any residence on any Lot owned or sold to a Builder by Declarant. **DECLARANT ALSO RETAINS SPECIAL AND UNIQUE RIGHTS AND PRIVILEGES IN ARTICLE XII THAT TAKE PRECEDENCE OVER ALL OTHER ARTICLES OR SECTIONS IN THIS DECLARATION.**

**ARTICLE IV
SPECIAL FENCING AND LANDSCAPING**

Section 4.1 Fences, Walls and Screening Landscaping.

Declarant and/or the Association shall have the right, but not the obligation, to erect, install, maintain, repair and/or replace fences, walls and/or screening landscaping within that portion of any Lot situated along the perimeter of the Property or on Lots adjacent to Common Properties, as shown on a Final Plat. Any such fence, wall or sprinkler system shall be the property of the Owner of the Lot on which such fence, wall or sprinkler system is erected or installed unless a document with a higher jurisdiction such as a recorded plat dictates otherwise and subject to the easements and rights of Declarant and the Association set forth below. With respect to any fencing installed within a Lot that is adjacent to a thoroughfare, the Association shall have the exclusive right to stain the exterior of such fence facing the thoroughfare whenever, in the Board's sole and absolute discretion, it deems necessary. Should the fence need maintenance and repair and the Owner, after written request is made, fails or refuses to initiate such maintenance or repair, the Association shall have the exclusive right to perform the needed maintenance or repair and bill all such costs, including material and labor, to the Owner's account. The Design Guidelines shall contain all construction and materials requirements for the walls adjacent to the Common Properties and any thoroughfare.

Section 4.2 Landscaping.

Declarant and/or the Association shall have the right to grade, plant and/or landscape and maintain, repair, replace and/or change such grading, planting and landscaping on any portion of the Property not comprising any portion of a Lot and,

without limitation whatsoever, to do all things necessary within the Property to obtain full compliance with applicable City ordinances.

Section 4.3 Easement.

Declarant and the Association shall have, and hereby reserve, the right and easement to enter upon the Common Properties and those Lots which are situated along the perimeter of the Property and/or the Common Properties, as shown on a Final Plat, or the Lots adjacent to a thoroughfare, for the purpose of exercising the discretionary rights set forth in this Article IV.

Section 4.4 Declarant and the Association's Discretion.

Notwithstanding any provisions herein to the contrary, neither Declarant nor the Association shall ever be obligated to erect, install, maintain, repair or replace any fences, walls, sprinkler systems, grading, planting or landscaping on the Property.

Section 4.5 Twenty (20) Year Limitation.

The provisions of this Article IV regarding Declarant's rights shall terminate and be of no further force and effect from and after that date which is twenty (20) years after the recording of this Declaration. The rights of the Association shall continue throughout the term hereof.

ARTICLE V LOT MAINTENANCE BY OWNERS

Section 5.1 Lot Maintenance.

After the installation of the landscaping on a Lot by a builder, the Owner of the Lot shall thereafter maintain the yard in a sanitary and attractive manner, including adequate watering and immediate replacement of dead trees, shrubs, and vegetation and shall edge the street curbs that run along the Lot boundary lines and along the driveway. Yards must be kept mowed and trimmed at regular intervals so as to maintain the Lot in a neat and attractive manner. No vegetables shall be grown in any portion of a Lot yard that faces a street or is not screened by fencing built in accordance with the terms hereof. Grass shall not be permitted to grow to a height of greater than four inches (4") upon any Lot. No fake or synthetic turf is allowed. No fake or synthetic flowers or plants are allowed. A regular maintenance regime for weed control should be exercised to prevent or minimize weeds. All Lot to Lot drainage flow issues shall be the responsibility of the Owner(s) of the affected Lots.

Section 5.2 Maintenance of Improvements.

Each Owner shall maintain the exterior of all buildings, fences, walls and other improvements on his Lot in good condition and repair, and shall replace worn and rotten parts, and shall regularly repaint all painted surfaces and shall not permit the roofs, rain gutters, down spouts, exterior walls, windows, doors, walks, driveways, parking areas or other exterior portions of the improvements to deteriorate in an unattractive manner. All fences shall be kept neat, clean and in good repair at all times. Any fence which is damaged, leaning, or otherwise not in good repair shall be immediately repaired to include fallen or missing panels, broken pickets, caps and trims. Any Owner who fails to perform the needed maintenance after receiving written notice from the Association is subject to having the Association perform the needed maintenance or repair and having all such costs, including materials and labor, billed to the Owner's account.

ARTICLE VI ENFORCEMENT

Section 6.1 Special Enforcement Rights of the Board of the Association.

In the event an Owner fails to comply with any provision of this Declaration, the Design Guidelines, including but not limited to any requirement contained in Article V, as well as any rule and regulation that Owner shall be subject to enforcement. This shall include, but is not limited to an Owner's misuse, any willful misconduct or negligent use or treatment of any portion of the Common Area Grounds and any Common Element such as, but not limited to, amenities, to include structures, electrical, furnishings, equipment owned or leased by the Association or which is under the Association's care and maintenance. Owners are responsible for their Occupants, Tenants, Guests, Invitee's or any other person or persons as well as pets or other animals causing damage to any Common Area or Element. Any such charge may be assessed to the Owner's account as a Special Individual Assessment which would be in addition to any other fine or monetary penalty which may apply.

Prior to the Board or the Association enforcing the compliance of such failure or seeking against such Owner remedies in accordance with this Declaration (or such other remedies as may be available to the Board and/or the Association at law or in equity), the Board shall first be obligated to give such Owner at least one (1) notice of such failure and a reasonable time not to exceed ten (10) days, after the date of such notice in which to cure such violation or failure. If the Owner has not corrected such failure within such reasonable time after the giving of such notice, the Association, acting through its ACC, Board of Directors, or its Managing Agent, shall have the right but not the obligation, to assess monetary fines and enter upon the Lot and to bring the Lot, and any improvements thereon, into full compliance

with this Declaration, the Design Guidelines. All costs and expenses incurred by the Association in connection with correcting any such failure shall be borne by the Owner. If any Owner does not promptly reimburse the Association for all such costs, expenses and violation fines assessed after receipt of written request for same, the Board shall have the right to assess the Owner for same plus interest, such assessment, interest and fines being a special individual assessment under the provisions of Section 10.6 below. Owners may contact the ACC, the Board, or its Managing Agent to request extensions of time and such considerations shall be made on a case by case basis. The Association, acting through any of its Agents, is under no obligation to provide extensions or variances at any time.

Section 6.2 Enforcement.

In addition to but not in lieu of the enforcement rights set forth in Section 6.1, the Board of Directors may impose sanctions for violation of this Declaration (including any rules, guidelines or standards adopted pursuant to the Declaration) in accordance with the applicable procedures set forth in any policy or procedure adopted by the Board. Such sanctions may include all remedies available at law and/or in equity and all remedies herein, including, without limitation, the following:

(a) Fines. The Board of Directors may impose reasonable monetary fines which shall constitute a lien upon the Owner of the Lot related to or connected with the alleged violation. Fines for non-conformity with ACC guidelines in connection with new construction or any exterior modification which may carry a fine up to \$1,000.00 per occurrence. Some violations set forth in this Declaration may have no maximum fine amount depending upon the severity of or the recurrence of the Violation. The Owner shall be liable for the actions of any occupant, guest, or invitee of the Owner of such Lot.

(b) Suspension of Rights to Use the Common Properties. The Board of Directors may suspend any person's or entity's right to use any recreational facilities within the Common Properties; provided, however, nothing herein shall authorize the Board of Directors to limit ingress or egress to or from a Lot.

(c) Right to Require Removal. The Board of Directors may require an Owner, at the Owner's expense, to remove any dead tree or landscaping from an Owner's Lot and to restore or install the necessary trees or landscaping as required by the applicable City ordinances or Association Rules, upon failure of the Owner to do so, the Board of Directors or its designee shall have the right to enter the Lot, remove and cure the violation without such action being deemed a trespass and charge the costs thereof to the Owner's account as a special individual assessment in accordance with Section 10.6 below.

(d) Levy Special Individual Assessment. The Board of Directors may levy a special individual assessment in accordance with Section 10.6 as a violation fine and/or to cover costs incurred by the Association in bringing a Lot into compliance with this Declaration or the Design Guidelines.

(e) Lawsuit; Injunction or Damages. The Board of Directors may bring a suit at law or in equity to enjoin any violation or to recover monetary damages, or both.

Failure by Declarant or the Board of Directors, to enforce any covenant, condition, agreement or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. In addition to the Association's enforcement rights, this Declaration may be enforced by any aggrieved Owner.

The decision to pursue enforcement action in any particular case shall be left to the Board's discretion, except that the Board shall not be arbitrary or capricious in taking enforcement action. Without limiting the generality of the foregoing sentence, the Board may determine that, under the circumstances of a particular case: (i) the Association's position is not strong enough to justify taking any or

further action; (ii) the covenant, restriction, or rule being enforced is, or is likely to be construed as, inconsistent with applicable law; (iii) although a technical violation may exist or may have occurred, it is not of such a material nature as to be objectionable to a reasonable person or to justify expending the Association's resources; or (iv) that it is not in the Association's best interests, based upon hardship, expense, or other reasonable criteria, to pursue enforcement action.

ARTICLE VII AMENDMENT AND TERMINATION

Section 7.1 Amendment.

This Declaration may be amended by Declarant at any time from the date this Declaration is filed of record with the office of the County Clerk so long as Declarant owns even one (1) Lot. Within this time, Declarant may amend the Declaration for any reason without the consent or joinder of any party or without the need to call a meeting of the Association. In addition to the foregoing, the Declaration may be amended by an instrument containing such amendment(s) and recorded in the Official Public Records of the County, provided, that (i) during the period Declarant owns at least one Lot, no such amendment shall be valid or effective without the joinder and consent of Declarant and (ii) such amendment shall first be approved by the affirmative vote or written consent of the Association's Members representing at least 67% of the votes in the Association voting, in person or by proxy, at a duly convened meeting of the Association.

Furthermore, Declarant or the Board may, at its sole discretion and without a vote or the consent of any other party, modify, amend, or repeal this Declaration: (i) as necessary to bring any provision into compliance with any applicable statute, governmental rule, regulation, or judicial determination; (ii) as necessary to comply with the requirements of VA, or HUD (Federal Housing Administration), FHLMC or FNMA or any other applicable governmental agency or secondary mortgage market entity; or (iii) as necessary for clarification or to correct technical, typographical or scrivener's errors; provided, however, any amendment pursuant to clause (ii) and/or (iii) immediately above must not have a material adverse effect upon any right of any Owner. Any amendment to this Declaration must be recorded in the Real Property Records of the County.

No amendment may remove, revoke, or modify any right or privilege of Declarant or the Class B Member without the written consent of Declarant or the Class B Member, respectively (or the assignee of such right or privilege). If an Owner consents to any amendment to this Declaration or the Bylaws, it will be conclusively presumed that the Owner has the authority to consent, and no contrary provision in any mortgage or contract between the Owner and a third party will affect the validity of such amendment.

Section 7.2 Termination.

At any time, the Owners may terminate and extinguish this Declaration in its entirety by executing an instrument terminating this Declaration and recording same in the Official Public Records of the County, provided, however, that (i) for the period in which Declarant owns at least one Lot, no such termination shall be valid or effective without the joinder and consent of Declarant and (ii) such termination and extinguishment shall first be approved by the affirmative vote or written consent of the Association's Members representing at least 75% of the votes in the Association.

ARTICLE VIII MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 8.1 Membership.

Every Owner of a Lot shall automatically be a Member of the Association. Membership shall be appurtenant to each Lot and may not be separated from ownership of any Lot which is subject to assessment hereunder.

Section 8.2 Classes of Membership.

The Association shall have two (2) classes of voting membership:

CLASS A. Class A Members shall all be Members with the exception of the Class B Member. Class A Members shall be entitled to one (1) vote for each Lot in which they hold the interest required for membership; provided, however, that in the event that more than one (1) person holds such interest or interests in any Lot, even though all such persons shall be Members, there shall be only one (1) vote for such Lot, which shall be exercised as they, among themselves, determine (but in no event shall more than one (1) vote be cast with respect to any such Lot).

CLASS B. The Class B Member(s) shall be Declarant. Until such time as 99% of the maximum number of Lots planned or approved for the Property has been conveyed to Class A Members other than Builders who purchase Lots for development and sale, the Class B Member shall have twenty-five (25) votes for each Lot owned by such Declarant. Class B Membership shall expire only after title to 99% of the maximum number of Lots planned or approved for the Property has been transferred to Class A Members other than Builders who purchase Lots for development and sale. After such time, the Class B Member shall be a Class A Member entitled to one (1) vote for each Lot it owns. Should property become subject to annexation of additional property by the Declarant, the Class B status may be restored under the same terms and conditions stated in this Section.

Section 8.3 Quorum and Notice Requirements.

8.3.1. Except as expressly provided herein to the contrary, any action of the Members shall require the assent of a majority of the votes of those Association Members who are present at a meeting, in person or by proxy, written notice of which shall be given to all Members not less than ten (10) days nor more than forty-five (45) days in advance of such meeting.

8.3.2. A quorum is required for any action referred to in Section 8.3.1 and, unless otherwise provided, for any action for which a percentage vote at a meeting is required. A quorum shall be determined as set forth in this Section 8.3.2. The presence at the meeting of Members, or of proxies, entitled to cast at least ten percent (10%) of all of the votes of the Association's Members, without regard to class, shall constitute a quorum. If the required quorum is not present at the meeting, additional meetings may be called, subject to the notice requirement hereinabove set forth, and the required quorum at such subsequent meeting(s) shall be one-half (1/2) of the quorum requirement for such prior meeting. The Association may call as many subsequent meetings as may be required to achieve a quorum

(although the quorum requirement shall be reduced for each such meeting, in no event shall a quorum be less than one-tenth (1/10) of the votes of the Association). At such adjourned or subsequent meeting at which a quorum shall be present or represented, any business may be transacted which may have been transacted at the meeting as originally notified. Quorum for Special meetings shall be as set forth in the Bylaws. Quorum at Board meetings requires only a majority of the Board to be present.

8.3.3. Except as specifically set forth in this Declaration, notice, voting and quorum requirements of any action to be taken by the Association shall be set forth in its Bylaws, as same may be amended from time to time.

Section 8.4 Right of Inspection.

Each Owner shall have the right to inspect the financial records and books of the Association, during normal business hours and at the place where such books are kept, upon reasonable prior written notice to the Association stating a proper purpose in accordance with Section 209.005 of the Texas Property Code, as amended, and pursuant to the Open Records Policy established by the Association.

**ARTICLE IX
THE COMMON PROPERTIES**

Section 9.1 Initial Common Properties.

The Common Properties may include but are not limited to, and by way of illustration only, all aspects of the entry features, entry monuments and walls, landscaping, irrigation for same and the land on which such entry features are situated, retention ponds, screening walls, pocket parks, a clubhouse and associated recreational amenity, gates, fences, fountains and other structures, whether or not shown on a Final Plat, or as deemed necessary by Declarant, each as may be leased, maintained or owned by the Association. *The foregoing list is intended to illustrate examples of Common Properties and under no circumstance shall such list impose any obligation on the Declarant or the Association to purchase, install or construct any such features or amenities.* The Common Properties may hereafter include any neighborhood parks or other improvements or land conveyed to or leased by the Association for the use and benefit of the Owners.

Section 9.2 Additional Common Properties.

Additional property may be added to the Common Properties hereunder upon the sole discretion of Declarant during such time as Declarant owns at least

one (1) Lot. Thereafter, additional property may be added to the Common Properties hereunder upon the affirmative vote of sixty percent (60%) of the votes of those Association Members who are voting, in person or by proxy, at a meeting duly called for such purpose.

Section 9.3 Acceptance and Control of Common Properties.

Declarant, or any third-party at the request of Declarant, may transfer to the Association, and the Association shall accept as Common Properties, personal property and/or fee title or other property interests in any improved or unimproved real property included within the property described in Exhibit A or any other real property made subject to this Declaration in the future. Upon Declarant's written request, the Association shall transfer back to Declarant any unimproved real property originally conveyed to the Association for no payment, to the extent conveyed by Declarant in error or needed by Declarant to make minor adjustments in property lines.

Section 9.4 Extent of Members' Easement in the Common Properties.

Each Member shall have a right and easement of access, use and enjoyment in and to the Common Properties which is subject to the following:

9.4.1 The right of the Association to prescribe regulations governing the use, operation and maintenance of the Common Properties;

9.4.2 The right of the Association to take such steps as is reasonably necessary to protect the Common Properties against foreclosure;

9.4.3 The right of the Association to suspend the right of any individual to use any of the Common Properties and/or common facilities for any period during which any assessment against a Lot resided upon or owned by such individual remains unpaid, and for any period not to exceed sixty (60) days for an infraction of the rules and regulations of the Association, the Declaration, or the Design Guidelines; and

9.4.4 The right of the Association to charge reasonable admission and other fees for the use of recreational facilities on the Common Properties, if any such recreational facilities are ever constructed.

Section 9.5 Dedication of the Common Properties.

The Board of Directors shall have the right at any time to dedicate or transfer all or any part of the Common Properties to any public agency, authority or utility for such purposes and upon such conditions as the Board of Directors may determine.

ARTICLE X COVENANT FOR ASSESSMENTS

Section 10.1 Creation of the Lien and Personal Obligation of Assessments.

Each Owner hereby covenants and agrees, and each purchaser of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association (or to a mortgage company or other collection agency designated by the Association) the following: (a) annual assessments or charges; (b) acquisition or working capital assessments; (c) special assessments for capital improvements or other; (d) insurance assessments; (e) individual special assessments (including, without limitation interest and fines) levied against individual Owners for violations of the Declaration or for other allowed purposes, Design Guidelines or the Community-Wide Standard or to reimburse the Association for extra costs for maintenance and repairs caused by the willful or negligent acts of the individual Owner, his tenant(s) occupying his Lot, if applicable, and their respective family, agents, guests and invitees, or for costs incurred by the Association resulting from any Owner failing to comply with the terms and provisions hereof. All such assessments shall be fixed, established and collected as hereinafter provided.

The annual, acquisition, working, benefitted, special capital, insurance, and individual special assessments, together with such interest thereon and costs of collection thereof as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon each Lot against which each such assessment is made. Each such assessment, together with late charges, collection costs, such interest thereon and cost of collection thereof, including attorneys' fees, as hereinafter provided, shall also be the continuing personal obligation of the person who was the Owner of such property at the time when the assessment fell due.

Fines shall be assessed upon the expiration of a reasonable time after the date notice of such violation was sent to the violating Owner. In all instances of violations, the Owner shall be responsible for correcting such violation within a reasonable time after the date of such notice, regardless as to whether the residence is occupied by the Owner or a tenant. The lien provided for herein shall secure payment of fines not timely paid and the Owner shall also have personal liability for the payment of same.

Section 10.2 Purpose of Assessments.

The assessments levied by the Association shall be used as follows: (a) for the purpose of promoting the interests of the Association and the recreation, safety, health and welfare of the residents of the Property, and in particular for the improvement and maintenance of all Common Areas and Elements including, but

not limited to, the entry ways or any other properties, services and facilities devoted to this purpose and comprising or directly relating to the use and enjoyment of the Common Properties, including, but not limited, to the payment of taxes on and insurance in connection with the Common Properties, and the repair, replacement and additions thereto; (b) for paying the cost of labor, equipment (including the expense of leasing any equipment) and materials required for, and management and supervision of, the Common Properties; (c) for carrying out the duties of the Board of Directors of the Association including meetings and as set forth in Article XI hereafter including, but not limited to, the payment by the Association of all assessments and charges payable in connection with sewer, water and garbage pickup services and other services such as cable and internet, and the installation and maintenance of lighting (if any) of the Common Properties; (d) for paying the cost of maintenance of the monument sign for the Property, if any, in the event the appropriate governmental authority refuses to maintain the same; or (e) for carrying out the purposes of the Association as stated in its Certificate of Formation.

Section 10.3 Basis and Amount of Annual Assessments.

10.3.1 The Board of Directors may fix the annual assessment at any amount equal to or less than the maximum annual assessment for that year, as herein below provided. The annual assessment for each Lot for the year beginning 2020 shall be **Seven Hundred and No/100 Dollars (\$700.00)** Commencing with the year 2020 and each year thereafter, the Board of Directors may set the amount of the annual assessment for that year (and for following years) for each Lot as needed to meet the budgetary needs of the Association provided that any increase in the annual assessment may not be increased more than thirty percent (30%) above the maximum annual assessment for the previous year.

10.3.2 Commencing with the year 2020, and in each year thereafter, the Board of Directors may set the annual assessment for the following year for each Lot at an amount more than thirty percent (30%) above the annual assessment for the previous year without consent or joinder of the Members; provided that any such increased assessment is required to meet the budgetary needs of the Association, fund needed or mandated reserves, to meet an anticipated extraordinary expense, or as the Board may deem necessary to ensure the Association is able to meet its obligations. An increase initiated under this Section 10.3.2 may not in any event, exceed fifty percent (50%) of the prior year's annual assessment without the vote of at least fifty-one percent (51%) of the Members, regardless of Class, present at a meeting in person or by proxy, called for this purpose. Notices of increases of fifty percent (50%) or more shall include a copy of the budget along with budgetary notes, if applicable, outlining the reason for the increase.

Section 10.4 Acquisition Assessments.

At any time record title is transferred to an Owner (excluding a Declarant or a Builder), an acquisition assessment shall be paid to the Association by such Owner at closing in the amount of **Three Hundred Fifty And No/100 Dollars (\$350.00) for each Lot acquired.** Acquisition assessments shall be in addition to, not in lieu of, any other assessment provided for herein. Acquisition assessments are not refundable and shall be available for all necessary expenditures of the Association as determined by the Board. Notwithstanding, upon approval of the Declarant, the Board may initiate a general, unrestricted reserve into which a portion (not to exceed 25%) of the Acquisition Assessment may be placed. In addition to the foregoing but still considered an assessment hereunder, the Board may, at its sole discretion, enter into a contract with a Managing Agent to oversee the daily operation and management of the Association. The Managing Agent may, and probably will, have fees, which will be charged to any Owner for the transfer of a significant estate or fee simple title to a Lot and the issuance of a "**Resale Certificate**" (herein so called). The Association or its agent shall not be required to issue a Resale Certificate until payment for all costs thereof has been received by the Association or its agent. Transfer fees and fees for the issuance of a Resale Certificate shall in no event exceed the greater of (i) \$750.00 for each home being conveyed and are not refundable and may not be regarded as a prepayment of or credit against regular or special assessments. This Section does not obligate the Board or any third party to levy such fees. Notwithstanding, this Declaration may not be amended to remove or lessen the Managing Agent's right to fees as outlined in this Section.

Section 10.5 Special Assessments.

The Association may also levy in any assessment year a Special Assessment, applicable to that year only, for the purpose of defraying, in whole or in part, the costs of any construction or reconstruction, maintenance, unexpected repair or replacement of a described capital improvement upon the Common Properties, including the necessary fixtures and personal property related thereto or for any reason deemed necessary or appropriate by the Board; provided that any such assessment greater than the then annual assessment being levied at the time shall require the affirmative vote of sixty-seven percent (67%) of the votes of those Association Members, regardless of Class, who are voting, in person or by proxy, at a meeting duly called for such purpose.

Section 10.6 Special Individual Assessments, Interest and Fines.

In the event that any Owner fails to comply with the provisions of this Declaration, the Design Guidelines or the Community-Wide Standard and/or the Association incurs any cost or expense in either enforcing said provisions against any such Owner or in carrying out the obligations of any such Owner, the Association shall have the right to assess against such Owner and the Lot of such Owner a special individual assessment in the amount of all such costs incurred by the Association plus interest and/or in the amount of any violation fine(s) levied by the Board. Special individual assessment, interest and fines to be paid by the applicable Owner upon demand by the Association.

Section 10.7 Uniform Rate of Assessments.

Both annual and special assessments (excepting there from special individual assessments) shall be fixed at a uniform rate for all Lots.

Section 10.8 Date of Commencement and Due Dates of Assessments.

The obligation to pay assessments commences as to each Lot: (a) upon acquisition of record title to a Lot by the Owner thereof other than Declarant; the initial annual assessment levied on each Lot shall be adjusted according to the number of months remaining in the fiscal year at the time assessments commence on the Lot. Notwithstanding, Builder Assessments may be levied differently to comply with any contractual development agreement or arrangement existing between the Declarant and a Builder. Annual assessments shall be payable in advance on the first (1st) business day of each January; provided, if the Board so elects, annual assessments may be paid in monthly, quarterly, or semi-annual installments. The Board may require advance payment of all or any portion of the annual assessment at closing of the transfer of title to a Lot. The due date or dates, if it is to be paid in installments, of any special assessment under Section 10.5 shall be fixed in the respective resolution authorizing such assessment. Each Owner, by accepting a deed or entering into a contract of sale for any portion of the Properties, is deemed to covenant and agree to pay these assessments. No Owner may exempt himself from liability for assessments by non-use of Common Area, including exclusive common area reserved for such Owner's use, abandonment of his Lot/Unit, or any other means. The obligation to pay assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of assessments or set-off shall be claimed or allowed for any alleged failure of the Declarant, Association, Board, or ACC to take some action or perform some function required of it, or for inconvenience or discomfort arising from the making of repairs or improvements, or from any other action it takes.

Section 10.9 Duties of the Board of Directors with Respect to Assessments.

10.9.1 The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period and shall, at that time, prepare a roster of the Lots and assessments applicable thereto, which shall be kept in the office of the Association and shall be open to inspection by any Owner.

10.9.2 Only if such assessment is an amount different from that charged for the previous year, written notice of the assessment shall thereupon be delivered or mailed to every Owner subject thereto (according the Association's then current records).

10.9.3 The Board of Directors shall, upon demand, cause to be furnished to any Owner liable for said assessments a certificate in writing signed by an officer or agent of the Association, setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid. A reasonable charge may be made by the Board or the Association's managing agent for the issuance of such certificates.

Section 10.10 Assessment Lien to Secure Charges and Assessments.

All assessments, interest, late charges, collection fees and attorneys' fees, as provided for herein, shall constitute and be secured by a separate and valid and

subsisting assessment lien, hereby created and fixed, and which shall exist upon and against each Lot and all improvements and fixtures thereon, for the benefit of the Association. Notwithstanding any other provision hereof, the lien to secure the payment of assessments or any other sums due hereunder and any other lien which the Association may have on any Lot pursuant to this Declaration shall be subordinate to the lien or equivalent security interest of any first lien mortgage or deed of trust on any Lot. Any foreclosure of any such superior lien under the power of sale of any mortgage, deed of trust or other security instrument, or through court proceedings in which the Association has been made a party, shall extinguish the liens securing maintenance charges or assessments or any other sums due hereunder which became due and payable prior to such foreclosure date, but no such foreclosure shall free any Lot from the liens securing assessments thereafter becoming due and payable, nor shall the liability of any Member personally obligated to pay maintenance charges or assessments which become due prior to such foreclosure be extinguished by any foreclosure, nor shall the lien for future assessments or charges be affected in any manner.

Section 10.11 Effect of Nonpayment of Assessment.

If any assessment is not paid within thirty (30) days from the due date thereof, the same shall bear interest from time to time, at the sole discretion of the Board, from the due date until paid at the highest non-usurious rate allowed under the laws of the State of Texas, or other applicable law, or if no such limitation imposed then at the rate of fifteen percent (15%) per annum, and if placed in the hands of an attorney for collection or if collected through probate or other judicial proceedings, there shall be reimbursed to the Association its reasonable attorneys' fees. Should any assessment provided for herein be payable in installments, the Association may accelerate the entire assessment and demand immediate payment thereof. In addition, a late charge shall be assessed against the non-paying Owner for each month that any assessment remains unpaid. The late charge shall be in the amount of **Twenty-Five and No/100 Dollars (\$25.00)** per month and shall serve to reimburse the Association for administrative expenses and time involved in collecting and processing delinquent assessments. A minimum charge equal to that charged by the Bank of a financial institution or a fee of **Twenty-Five and No/100 Dollars (\$25.00), whichever is greater**, shall be assessed against an Owner for payment returned for insufficient funds or for any other reason. The Association's managing agent shall be entitled to charge an Owner a monthly collection fee to compensate managing agent for its efforts in collecting delinquent assessments. Other fees by the Managing Agent incurred for the purpose of collecting delinquent assessments may also apply. The Association, in the Board's discretion, shall have the right to waive any part of or all of such interest and/or fees owed to the Association. No such fee owed to the Managing Agent may be waived by the Board without the written consent of the Managing Agent.

Section 10.12 Collection and Enforcement.

The Association shall diligently pursue collection of all delinquencies and shall have a lien on each Lot securing payment of any assessment, together with interest thereon as provided herein, reasonable attorneys' fees, late charges, collection fees and costs incurred in the collection of same and the enforcement of said lien. The Board of Directors shall take such action as it deems necessary to collect assessments and may settle and compromise the same if deemed appropriate in the exercise of the Board's business judgment. Such liens shall be effective as and in the manner provided for herein and shall have the priorities established in this Declaration.

The Board of Directors may bring an action at law against any Owner personally obligated to pay an assessment or foreclose the lien against such Owner's Lot, or both, and interest, costs and reasonable attorneys' fees of any such action shall be added to the amount of such assessment. Each Owner, by his acceptance of a deed to a Lot, hereby expressly vests in the Board of Directors of the Association or its agent the right and power to bring all actions against such Owner

personally for the collection of such assessments as a debt and to enforce the aforesaid lien by all methods available for the enforcement of such liens, including, but not limited to, nonjudicial foreclosure pursuant to Texas Property Code Section 51.002 in force and effect on the date of this Declaration, or in accordance with the prescribed manner for foreclosure of deed of trust liens provided by any future amendment to such Section 51.002 or any other statute or article enacted in substitution therefore, and such Owner hereby expressly grants to the Board of Directors a private power of sale in connection with said lien. The Board is hereby appointed trustee, unless and until the Board of Directors shall designate a substitute or successor trustee, as hereinafter provided, to post the required notices as provided by law and conduct such foreclosure sale. The lien provided for in this Section shall be in favor of the Association and shall have the same effect as though each Owner had expressly granted to the Association a deed of trust lien as well as a security interest in said Lot to secure the payment of the assessments provided for herein. In addition to such notices as required by the aforesaid statute, the trustee shall mail to the Owner of a Lot for which the assessment has not been paid, a copy of the notice of assessment lien prior to the date any notice of sale is posted, by certified, return receipt requested, at the Lot or such other address as the Board has been advised in writing for receipt of notices under this Declaration. Notwithstanding the foregoing, any mandatory foreclosure requirements of Section 209 of the Texas Property Code shall be adhered to by the foreclosing entity.

At any foreclosure, judicial or nonjudicial, the Association shall be entitled to bid up to the amount of its lien, together with costs and attorneys' fees, and to apply as cash credit against its bid all sums due the Association covered by the lien foreclosed. All foreclosure sales provided for herein shall be subject to any then existing statutory right of redemption in favor of the former Owner. From and after any such foreclosure, the former Owner or Owners, their heirs and assigns, shall forthwith upon the making of such sale surrender and deliver possession of the property so sold to the purchaser at such sale, and in the event of their failure to surrender possession of said property upon demand, the purchaser, or his heirs or assigns, shall be entitled to institute and maintain an action for forcible detainer of said property in the Justice of the Peace Court in the Justice Precinct in which such Lot, or any part thereof, is situated. The Board of Directors in any event is hereby authorized to appoint a substitute trustee, or a successor trustee, to act in the place of the trustee without any formality other than the designation in writing of a substitute or successor trustee; and the authority hereby conferred by the Board of Directors shall extend to the appointment of other successor and substitute trustees successively until the delinquent assessment or assessments have been paid in full, or until said property is sold, and each substitute and successor trustee shall succeed to all the rights and powers of the original trustee appointed by the Board of Directors or its agents.

Section 10.13 Homestead.

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

Section 10.14 Omission of Assessments.

The omission of the Board of Directors, before the expiration of any assessment period, to fix the assessments hereunder for that or the next assessment period, shall not be deemed a waiver or modification in any respect of the provisions of this Declaration, or a release of any Owner from the obligation to pay the assessments, or any installment thereof for that or any subsequent assessment period, but the assessment fixed for the preceding assessment period shall continue until a new assessment is fixed or levied by the Board.

Section 10.15 Maintenance Fund; Working Capital Fund.

10.15.1 The Association may, but is not obligated to, establish and maintain a maintenance fund for the periodic maintenance of the Common Properties. Subject to the provisions of Section 10.3 above, the Board may at any time ratably increase or decrease the amounts of regular annual assessments in accordance with this Declaration to such level as shall be reasonably necessary in the judgment of the Board to cover obligations of the Association under this Declaration, including provisions for reasonable reserves.

So long as the Board exercises business judgment in determining the amount or necessity of the reserve fund, the amount held in reserves shall be considered adequate. *Up to 25% of an Acquisition Assessment paid as described in Section 10.4 above may be set aside in a general, non-restricted reserve and may be used for any purpose as the Declarant or the Board may deem necessary. No reserve fund may be restricted during the Declarant Control Period without the express written consent of the Declarant.* After the Declarant Control Period, the Board of Directors may establish a separate Maintenance or Working Capital Fund using Assessments or by any other means approved or allowed in this Declaration.

10.15.2 The Association may establish an Operating fund for the initial operation of the Common Properties and Association use as needed in such amount as the Board shall determine.

Section 10.16 Exempt Property.

The following property subject to this Declaration shall be exempted from the assessments, charges and liens created herein:

- 10.16.1 All properties dedicated and accepted by the local public authority and devoted to public use; and
- 10.16.2 All Lots and/or Property owned by Declarant, subject to the terms of Sections 10.17 and 10.18 below; and
- 10.16.2 All Common Properties.

Section 10.17 Declarant Subsidy.

Declarant may, but shall not be obligated to, pay a subsidy to the Association in order to reduce the total annual assessment which would otherwise be necessary to be levied against all Lots to cover the estimated expenses of the Association (excluding reserve contributions, if any). The subsidy may be treated by the Declarant, in its sole discretion, as a loan from the Declarant to the Association or as an advance against future assessments due or as a contribution. Notwithstanding, should the Declarant choose to provide a subsidy the Association shall first be required to apply all income received by the Association from other sources prior to receiving subsidy from the Declarant. "All sources" includes, but is not limited to, revenues from the operation of Common Properties, acquisition assessments, capital contributions, reserves, accounting service fees, guest fees, user fees, and the assessments levied against the owners of Lots, other than the Declarant. The Declarant at no time shall be required to subsidize any reserve or maintenance fund of any kind. Any sums paid by the Declarant to the Association to fund any "deficiency" may be considered by the Declarant to be the payment of a subsidy to the Association pursuant to this Section 10.17. After termination of the Class B membership, Declarant shall pay assessments on its unsold Lots in the same manner as any other Owner.

Section 10.18 Declarant's Assessment.

Notwithstanding any provision of this Declaration or the Certificate of Formation or Bylaws to the contrary, so long as there is Class B membership in the Association, the Declarant is not obligated to pay assessments or subsidize the Association.

**ARTICLE XI
GENERAL POWERS OF THE
BOARD OF DIRECTORS OF THE ASSOCIATION**

Section 11.1 Power and Duties.

Except as provided in Article XII below, the Board, for the benefit of the Association, the Property and the Owners shall have the right to do all things which are necessary or advisable in connection with enforcing the provisions of this Declaration. Such powers shall include, but shall not be limited to, the following:

11.1.1 Paying assessments and charges for sewer, water and garbage pickup services for the Properties, if any, the installation and maintenance charges for street lighting for the Property, if any, and taxes, assessments and other charges which shall properly be assessed or charged against the Common Properties.

11.1.2 Performing maintenance on the Common Properties which may include, without limitation, the following: (a) maintenance of any driveways, private roadways, jogging paths, walkways and sidewalks; (b) maintenance of grounds, including care of trees, shrubs and grass, lighting systems, sprinkler systems (if installed) and similar facilities on the Common Properties; and (c) maintenance of the entry monument(s) and any screening walls or fences constructed around the perimeter of the Property; provided, further, that in the event that the need for maintenance or repair is caused through the willful or negligent act of any Owner, his family, his guests or invitees, the cost of such maintenance or repairs shall be added to and become a part of the assessment to which such Lot is subject.

11.1.3 Managing and maintaining the Common Properties and full maintenance of a utility service for the Common Properties; the furnishing and upkeep of any desired personal property for use in the Common Properties.

11.1.4 Purchasing a policy or policies of insurance insuring the Association against any liability to the public or to the Owners (and/or invitees or tenants) incident to the operation of the Association, in an amount not less than \$250,000.00 to indemnify against the claim of one person, \$500,000.00 against the claims of two or more persons in any one occurrence, and property damage insurance in an amount not less than \$50,000.00 per occurrence; which policy or policies shall contain an endorsement providing that the rights of the named insured shall not be prejudiced with respect to actions against other named insured's; provided, that under no circumstances shall the Board be authorized to provide or pay for fire, casualty, or other insurance insuring the interest of any Owner in his Lot.

11.1.5 Executing all replats of the Property and all declarations of ownership for tax assessment purposes with regard to the Common Properties on behalf of all Owners.

11.1.6 Borrowing funds to pay costs of operation, secured by assignment or pledge of rights against delinquent Owners, if the Board sees fit.

11.1.7 Entering into contracts, maintaining one or more bank accounts, and generally exercising all the powers necessary or incidental to the operation and management of the Association, expressly including the power to enter into management and maintenance contracts.

11.1.8 Protecting or defending the Common Properties from loss or damage by suit or otherwise, and to provide adequate reserves for replacements.

11.1.9 Making reasonable rules and regulations for the operation of the Common Properties and amending them from time to time, provided that any rule or regulation may be amended or repealed by the Members but only by the vote of at least sixty-seven percent (67%) of those Members present, in person or by proxy, at a meeting called for such purpose (without limiting the generality of the foregoing language, the rules and regulations may provide for limitations on use of the Common Properties during certain periods by youthful persons, visitors or otherwise).

11.1.10 Adjusting the amount, collecting and using any insurance proceeds to repair damage or replace lost property, and if proceeds are insufficient to repair damage or replace lost property, assessing the Members in proportionate amounts to cover the deficiency.

11.1.11 Enforcing the provisions of this Declaration, the Design Guidelines, any Community-Wide Standard, and any rules made hereunder, and to enjoining and seeking damages from any Owner for violation of such provisions or rules.

11.1.12 Exercising the rights granted to the Association in this Declaration, including, without limitation, all rights of the Board, the Association, and the ACC relating to architecture, design, and construction review and inspections under Article III.

The Association may exercise any right or privilege given to it expressly or by reasonable implication by this Declaration, the Bylaws, or the Certificate of Formation, and may take action reasonably necessary to effectuate any such right or privilege. Except as otherwise specifically provided in such documents or by law,

all of the Association's rights and powers may be exercised by the Board without a vote of the membership.

The Board may institute, defend, settle, or intervene on the Association's behalf in mediation, binding or non-binding arbitration, litigation, or administrative proceedings in matters pertaining to the Common Properties, enforcement of this Declaration, or any other civil claim or action. However, the Board shall exercise business judgment in determining whether to take any such action under particular circumstance and shall have no legal duty to institute litigation under any circumstances on behalf of or in the name of the Association or the Members.

No action may be challenged or repealed by Members during the Declarant Control Period. This shall include, but is not limited to, assessment increases, budget approval, amendments to budget, addition, modification, or rescension of a rule or regulation or any other action of the Declarant or the Board under instruction of the Declarant.

Section 11.2 Board Power, Exclusive.

The Board shall have the exclusive right to contract for all goods, services and insurance, payment for which is to be made from the maintenance fund, and the exclusive right and obligation to perform the functions of the Board, except as otherwise provided herein notwithstanding, contracts entered into by the Declarant for the benefit of the Association during the Declarant Control Period may not be terminated by the Board without the express written consent of the Declarant. By written instrument, the Declarant may at any time, and from time to time, limit or restrict the duties of the Board.

Section 11.3 Owner's Obligations to Repair.

Except for those portions of each Lot constituting the Common Properties, each Owner shall at his sole cost and expense, maintain and repair his Lot and the improvements situated thereon, keeping the same in good condition and repair. In the event that any Owner shall fail to maintain and repair his Lot and such improvements as required hereunder, the Association, in addition to all other remedies available to it hereunder or by law, and without waiving any of said alternative remedies, shall have the right but not the obligation, subject to the notice and cure provisions of Section 6.1 above, through its agents and employees, to enter upon said Lot and to repair, maintain and restore the Lot and the exterior of the buildings and any other improvements erected thereon; and each Owner (by acceptance of a deed for his Lot) hereby covenants and agrees to repay to the Association the cost thereof immediately upon demand, and the failure of any such Owner to pay the same shall carry with it the same consequences as the failure to pay any assessments hereunder when due.

Section 11.4 Maintenance Contracts with Owners.

The Board, on behalf of the Association, shall have full power and authority to contract with any Owner for the performance by or for the Association of services pursuant to the terms hereof (including, but not limited to, the maintenance and repair of fences owned by any such Owner), such contracts to be upon such terms and conditions and for such consideration as the Board may deem proper, advisable and to the best interest of the Association; provided, however, that same must be commercially reasonable in all circumstances.

Section 11.5 Liability of the Board of Directors.

The Association shall indemnify every officer, director, and committee member against all damages and expenses, including attorneys' fees, reasonably incurred in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding if approved by the Board of Directors at the time of such settlement) to which he or she may be a party by reason of being or having been an officer, director, or committee member.

OFFICERS, DIRECTORS, AND COMMITTEE MEMBERS SHALL NOT BE LIABLE FOR ANY MISTAKE OF JUDGMENT, NEGLIGENCE OR OTHERWISE, EXCEPT FOR THEIR OWN INDIVIDUAL WILLFUL MISFEASANCE, MALFEASANCE, MISCONDUCT, OR BAD FAITH. The Association's officers and directors shall have no personal liability with respect to any contract or other commitment made or action taken in good faith on behalf of the Association. The Association shall indemnify and forever hold each such officer, director, and committee member harmless from any and all liability to others on account of any such contract, commitment, or action. This right to indemnification shall not be exclusive of any other rights to which any present or former officer, director, or committee member may be entitled. The Association shall, as an Association expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

Section 11.6 Notice and Hearing Procedures Prior to the Initiation of Certain Types of Actions by the Association.

Except as set forth in paragraph (c) below, prior to enforcing or filing suit to enforce the provisions of this Declaration, the Design Guidelines, any Community-Wide Standard or rules promulgated hereunder, the Association shall comply with the notice and hearing procedures set forth in subsections (a) and (b) below.

(a) Notice. The Association shall serve the alleged violator with a minimum of one (1) written notice describing (i) the nature of the alleged violation, (ii) the action which the Association proposes or intends to take unless the violation is corrected within a reasonable time after the date of the written notice (reasonable

time being not less than five (5) days and not more than ten (10) days for each notice however, this shall exclude any violation or situation considered to be an emergency or considered to threaten the safety, health, and welfare of residents as well as any property, animal, or thing), and (iii) a period of not less than thirty (30) calendar days within which the alleged violator may present a written request for a hearing. If a timely request for a hearing is not made within the thirty (30) day period, the Association may proceed with initiating a fine or the collection of any costs associated with abating a violation by the Association. The Association shall have and will exercise when necessary Self-Help actions wherein the Association shall make the necessary repairs to correct the violation and all charges incurred by the Association in abating the violation shall be assessed to the Owner's account. Non-Payment of fines for non-compliance or charges assessed by the Association for Self Help remedies will be collected according to applicable law and per current Texas Property Code regulations. Charges will be subject to possible late and/or collection charges when applicable. If the violation is abated within the time period set forth in the written notice, the Association shall suspend the proposed action unless a similar violation occurs within six (6) months from the date of the written notice. Such suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions and rules by any Owner. Recurring violations within a six (6) month period will not require the Association to issue again notices previously sent and the Association may initiate an immediate "Fine Warning Notice" and initiate fines for non-compliance against the Owner.

If Owner does not make the necessary corrections, the Association may begin fines or initiate Self Help action without further notice required. Self-Help actions or in the case of emergency situations the Association or any Agent or Contractor sent to abate a violation or handle an emergency situation shall be considered to have trespassed.

(b) Hearing. If a hearing is requested within the allotted thirty (30) day period, the hearing shall be held before a committee appointed by the Board consisting of three (3) persons, all of whom shall be Owners or Residents of the Subdivision or representatives of the Declarant. A representative of the Association shall be afforded a reasonable opportunity to make a statement describing the alleged violation and to present any evidence or witnesses to support its statement. The alleged violator shall also be afforded a reasonable opportunity to be heard and to present any evidence or witnesses on his or her behalf. At the conclusion of all statements and presentations, the committee may close the hearing and retire to discuss the evidence and to render a judgment as to whether, in fact, a violation has occurred. The committee shall notify the Association and the alleged violator in writing of its determination within ten (10) days after the hearing. If the committee determines that a violation has occurred, the Association may pursue any and all remedies described in its original notice of the violation. The alleged violator shall have the opportunity to appeal the decision of the committee to the Board in accordance with Section 209.007 of the Texas Residential Property Owners Act, Texas Property Code, as it may be amended.

(c) Applicability. The notice and hearing procedures set forth in this Section shall not apply to any claim: (i) upon which the Board deems it necessary to obtain emergency injunctive relief; (ii) pertaining to the collection of assessments; or (iii) where the Association decides to exercise its right of self-help to cure the violation after written notice to the Owner and an opportunity to cure.

ARTICLE XII AUTHORITY AND CONTROL BY DECLARANT

Section 12.1 Declarant Rights.

Notwithstanding anything herein to the contrary, so long as Declarant owns at least one (1) Lot, Declarant shall have the sole right, but not the obligation, in its sole discretion, at any time, effective as of the date hereof, to control, perform and/or conduct the following:

- (1) amend this Declaration, the Design Guidelines and/or the Community-Wide Standard, in whole or in part for any reason as the Declarant in its discretion, deems necessary. Create, amend, or repeal any rules and regulations;
- (2) enforce the provisions of this Declaration as well as any Rules and Regulations;
- (3) review, determine and enforce the architectural control of the Lots;
- (4) assigns its rights and obligations under this Declaration to any entity at any time, in whole or in part;
- (5) appoints and removes members of the Board none of which must be a member of the Association; and
- (6) approves budgets and amendments to budget during the Declarant Control Period. Owners may not veto a budget or amendment to budget during the Declarant Control Period;

Declarant's rights set forth above are absolute in its sole discretion and do not require the approval, consent, or joinder of (i) any Owner, (ii) the Association, (iii) the Board of Directors, or (iv) any committees or other parties which may be established with respect hereto. At such time as Declarant no longer owns a Lot within the Property, all of such rights of enforcement shall revert to the Board of Directors of the Association. In the event any other provision in this Declaration is in contradiction to this Article XII, in whole or in part, this Article XII shall prevail.

Section 12.2 Easement to Inspect and Right to Correct.

Declarant reserves for itself and others it may designate the right, but not the obligation, to inspect, monitor, test, redesign, and correct any structure, improvement, or condition which may exist on any portion of the Property, including Lots, and a nonexclusive easement of access throughout the Property to the extent reasonably necessary to exercise such right. Except in an emergency, entry onto a Lot shall be only after reasonable notice to the Owner and no entry into a dwelling or other structure on a Lot shall be permitted without the Owner's consent, which consent shall not unreasonably be withheld, conditioned, or delayed. The failure or refusal to permit reasonable access to the Lot for the purposes contemplated under this paragraph shall excuse Declarant or its designee from responsibility for repairs or damages relating to defective workmanship or materials.

Section 12.3 Right to Develop.

Declarant and its employees, agents, and designees shall have a right of access and use and an easement over and upon all of the Property for the purpose of making, constructing, and installing such improvements to the Property, as Declarant deems appropriate in its discretion.

Section 12.4 Construction Activities.

All Owners, occupants, and users of Lots are hereby placed on notice that Declarant, and/or its agents, contractors, subcontractors, licensees, and other designees, shall conduct development and construction activities within the Property and that such activities shall be conducted in phases and may cause disturbance and disruption which impact the use and enjoyment of a Lot.

By the acceptance of a deed or other conveyance or mortgage, leasehold, license, or other interest, and by using any portion of a Lot or the Property generally, the Owners and all occupants and users of Lots acknowledge, stipulate, and agree: (a) that such activities shall not be deemed nuisances, or noxious or offensive activities, under any applicable covenants or at law generally; (b) not to enter upon, or allow their children or other persons under their control or direction to enter upon, or allow their children or other persons under their control or direction to enter upon (regardless of whether such entry is a trespass or otherwise) any property within or in proximity to the Lot where such activities are being conducted (even if not being actively conducted at the time of entry, such as at night or otherwise during non-working hours); (c) that Declarant and all of its agents, contractors, subcontractors, licensees, and other designees, shall not be liable but, rather, shall be held harmless for any and all losses, damages (compensatory, consequential, punitive, or otherwise), injuries, or deaths arising from or relating to the aforesaid activities; (d) that any purchase or use of any portion of a Lot has been and will be made with full knowledge of the foregoing; and (e) this acknowledgment and agreement is a

material inducement to Declarant to sell, convey, lease, and/or allow the use of Lots within the Property.

Section 12.5 Changes in Master Plan.

Each Owner acknowledges that Subdivision is a planned community, the development of which is likely to extend over many years, and agrees that the Association shall not engage in, or use Association funds to support any protest, challenge, or other form of objection to (a) changes in uses or density of property within the Property, or (b) changes in the master plan of Subdivision, including, without limitation, the enlargement of the master plan and the acquisition or revision of regulatory approvals to reflect the annexation of real property, without Declarant's prior written consent, which consent may be granted or withheld in Declarant's discretion.

Each Owner acknowledges and agrees that the present plans and themes for the Property's development may change and that it has not relied on any representation, warranty, or assurance by any person: (a) that any Lots, or other property or facilities will or will not be added, modified, or eliminated within the Property; or (b) as to the financial or other impact of such action on any Owner.

Each Owner acknowledges and agrees that it is not entitled to rely upon and has not received or relied upon any representations, warranties, or guarantees whatsoever as to: (a) the design, construction, completion, development, use, benefits, or value of the Property; or (b) the number, types, sizes, prices, or designs of any residential structures or improvements built or to be built in any part of the Property.

Section 12.6 Dispute Resolution Involving Declarant.

(a) Right to Correct. Prior to the Association or any Member commencing any proceeding to which Declarant is a party, including but not limited to an alleged defect of any improvement, Declarant shall have the right to be heard by the Members, or the particular Member, and to access, inspect, correct the condition of, or redesign any portion of any improvement as to which a defect is alleged or otherwise correct the alleged dispute.

(b) Alternative Method for Resolving Disputes. Declarant, its officers, directors, employees and agents; the Association, its officers, directors and committee members; all persons subject to this Declaration; any Builder, its officers, directors, employees and agents; and any person not otherwise subject to this Declaration who agrees to submit to this Section 12.6 (each such entity being referred to as a "Bound Party") agree to encourage the amicable resolution of disputes, without the emotional and financial costs of litigation. Accordingly, each Bound Party covenants and agrees to submit those claims, grievances or disputes described in Section 12.6 (c) (collectively, the "Claims") to the mandatory procedures set forth in Section 12.6 (d).

(c) Claims. Those Claims between any of the Bound Parties, regardless of how the same might have arisen, relating to the quality of design or construction of improvements within the Property including the Common Properties or based upon any statements, representations, promises, or warranties made by or on behalf of any Bound Party, shall be subject to the provisions of this Section 12.6.

(d) Mandatory Procedures.

(i) Notice. Any Bound Party having a Claim (“Claimant”) against any other Bound Party (“Respondent”) (the Claimant and Respondent referred to herein being individually, as a “Party”, or, collectively, as the “Parties”) shall notify each Respondent in writing (the “Notice”), stating plainly and concisely:

(a) the nature of the Claim, including the persons involved and Respondent’s role in the Claim;

(b) the legal basis of the Claim (*i.e.*, the specific authority out of which the Claim arises;

(c) the proposed remedy; and

(d) the fact that Claimant will meet with Respondent to discuss in good faith ways to resolve the Claim.

(ii) Negotiations and Mediation.

(a) The parties shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation. If requested in writing, accompanied by a copy of the Notice, the Board may appoint a representative to assist the Parties in negotiation.

(b) If the parties do not resolve the Claim within thirty (30) days after the date of the Notice (or within such other period as may be agreed upon by the Parties) (“Termination of Negotiations”), Claimant shall have two (2) days to submit the Claim to mediation under the auspices of the American Arbitration Association (“AAA”) in accordance with the AAA’s Commercial or Construction Industry Mediation Rules, as appropriate.

(c) If Claimant does not submit the Claim to mediation within such time, or does not appear for mediation, Claimant shall be deemed to have waived the Claim, and Respondent shall be released and discharged from any and all liability to Claimant on account of such Claim; provided, nothing herein shall release or

discharge Respondent from any liability to any Person other than the Claimant.

(d) Any settlement of the Claim through mediation shall be documented in writing by the mediator and signed by the Parties. If the Parties do not settle the Claim within thirty (30) days after submission of the matter to the mediation, or within such other time as determined by the mediator or agreed to by the Parties, the mediator shall issue a notice of termination of the mediation proceedings ("Termination of Mediation"). The Termination of Mediation Notice shall set forth that the Parties are at an impasse and the date that mediation was terminated.

Each Party shall bear its own costs of the mediation, including attorneys' fees, and each Party shall share equally all charges rendered by the mediator. If the Parties agree to a resolution of any Claim through negotiations or mediation in accordance with this Section and any Party thereafter fails to abide by the terms of such agreement, then any other Party may file suit or initiate arbitration proceedings to enforce such agreement, without the need to again comply with the procedures

set forth in this Section. In such event, the Party taking action to enforce the agreement shall be entitled to recover from the non-complying Party (or if more than one non-complying Party, from all such Parties pro rata) all costs incurred in enforcing such agreement, including, without limitation, attorneys' fees and court costs.

(iii) Binding Arbitration.

(a) Upon Termination of Mediation, Claimant shall thereafter be entitled to initial final, binding arbitration of the Claim under the auspices of the AAA in accordance with the AAA's Commercial or Construction Industry Arbitration Rules, as appropriate. Such Claims shall not be decided by or in a court of law. Any judgment upon the award rendered by the arbitrator may be entered in and enforced by any court having jurisdiction over such Claim. If the claimed amount exceeds \$250,000, the dispute shall be heard and determined by three (3) arbitrators. Otherwise, unless mutually agreed to by the Parties, there shall be one (1) arbitrator. Arbitrators shall have expertise in the area(s) of dispute, which may include legal expertise if legal issues are involved.

(b) Each Party shall bear its own costs and expenses and an equal share of the arbitrator's and administrative fees or arbitration. Notwithstanding the foregoing, if a Party unsuccessfully contests the validity or scope of arbitration in a court of law, the non-contesting Party shall be awarded reasonable

attorneys' fees and expenses incurred in defending such contest. All decisions respecting the arbitrability of any Claim shall be decided by the arbitrator(s).

- (b) The award of the arbitrator(s) shall be accompanied by detailed written findings of fact and conclusions of law. Except as may be required by law or for confirmation of an award, neither a Party nor an arbitrator may disclose the existence, content, or results of any arbitration hereunder without the prior written consent of both Parties.

ARTICLE XIII OBLIGATIONS OF BOARD OF DIRECTORS

Section 13.1 Obligations of Board of Directors.

Notwithstanding anything herein to the contrary, and so long as Declarant is acting on behalf of the Board of Directors as further described in

Section 13.2 below, the sole responsibility and obligation of the Board of Directors shall be to maintain the corporation books of the Association and maintain the Association in good corporate standing with Secretary of State of the State of Texas and in good standing with the Office of the Comptroller of Public Accounts of the State of Texas.

Section 13.2 Liability for Association Operations.

The Association shall, to the fullest extent permitted by law, indemnify, defend, and hold harmless Declarant (including its successors, and assigns) from and against any and all losses, claims, demands, damages, costs, and expenses of whatever kind or nature (including, without limitation, reasonable attorneys' fees and costs at all tribunal levels and whether or not suit is instituted, including those incurred in establishing the right to be indemnified, defended, and held harmless pursuant hereto), which relate to or arise out of Association management and operations, including, without limitation, improvement, maintenance, and operation of amenities and other portions of the Common Properties and the collection of assessments.

Section 13.3 No Liability for Acts of Third Party.

OWNERS AND OCCUPANTS OF LOTS, AND THEIR RESPECTIVE GUESTS AND INVITEES, ARE RESPONSIBLE FOR THEIR OWN PERSONAL SAFETY AND FOR THEIR PROPERTY WITHIN THE

PROPERTY. THE ASSOCIATION MAY BUT IS NOT OBLIGATED TO MAINTAIN OR SUPPORT CERTAIN ACTIVITIES WITHIN THE PROPERTY WHICH PROMOTE OR ENHANCE SAFETY OR SECURITY WITHIN THE PROPERTY. HOWEVER, THE ASSOCIATION, AND DECLARANT SHALL NOT IN ANY WAY BE CONSIDERED INSURERS OR GUARANTORS OF SAFETY OR SECURITY WITHIN THE PROPERTY, NOR SHALL THEY BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN. NO REPRESENTATION OR WARRANTY IS MADE THAT ANY SYSTEMS OR MEASURES, INCLUDING FIRE PROTECTION, BURGLAR ALARM, OR OTHER SECURITY MONITORING SYSTEMS, OR ANY MECHANISM OR SYSTEM FOR LIMITING ACCESS TO THE PROPERTY, CANNOT BE COMPROMISED OR CIRCUMVENTED, NOR THAT ANY SUCH SYSTEMS OR MEASURES UNDERTAKEN WILL IN ALL CASES PREVENT LOSS OR PROVIDE THE DETECTION OR PROTECTION FOR WHICH THE SYSTEM IS DESIGNED OR INTENDED. EACH OWNER ACKNOWLEDGES, UNDERSTANDS, AND SHALL BE RESPONSIBLE FOR INFORMING ITS TENANTS AND ALL OCCUPANTS OF ITS LOT THAT THE ASSOCIATION, THE BOARD AND ITS COMMITTEES, AND DECLARANT ARE NOT INSURERS OR GUARANTORS OF SECURITY OR SAFETY AND THAT EACH PERSON WITHIN THE PROPERTY ASSUMES ALL RISKS OF PERSONAL INJURY AND LOSS OR DAMAGE TO PROPERTY, INCLUDING LOTS AND THE CONTENTS OF LOTS, RESULTING FROM ACTS OF THIRD PARTIES.

ARTICLE XIV EXPANSION OF THE PROPERTY

Section 14.1 Expansion of the Property.

Declarant, in its sole discretion and without the approval of any other party, may from time to time subject this Declaration to additional real property by recording in the Real Property Records of the County, a Supplemental Declaration describing the additional real property to be subjected to this Declaration. Any such Supplemental Declaration which is executed by Declarant and the owner of such additional property, if other than Declarant, and recorded in the Real Property Records of the County shall not require the consent or approval of any other Owner or other person in order to be fully enforceable and effective to cause such additional real property to be incorporated herein. Nothing in this Declaration shall be construed to require Declarant to subject additional real property to this Declaration.

Section 14.2 Additional Covenants and Easements.

Declarant, in its sole discretion and without the approval of any other party, may from time to time subject any portion of the Property, whether now or hereafter a part of this Declaration, to additional covenants and easements, including, without limitation, covenants obligating the Association to maintain and insure such property and authorizing the Association to recover its costs through the assessments, as described in Article X hereof. Such additional covenants and easements may be set forth either in a Supplemental Declaration subjecting such property to this Declaration or in a separate Supplemental Declaration referencing property previously subjected to this Declaration. Any such Supplemental Declaration may supplement, create exceptions to, or otherwise modify the terms of this Declaration as it applies to the Property, whether now or hereafter a part of this Declaration, in order to reflect the different character and intended use of such Property. Any such Supplemental Declaration which is executed by Declarant and recorded in the Real Property Records of the County shall not require the consent or approval of any other Owner or other person in order to be fully enforceable and effective to cause such additional covenants and easements to be incorporated herein.

Section 14.3 Effect of Recording Supplemental Declaration.

A Supplemental Declaration shall be effective upon the recording of same in the Real Property Records of the County unless otherwise specified in such Supplemental Declaration. On the effective date of the Supplemental Declaration, any additional property subjected to this Declaration shall be assigned voting rights in the Association and assessment liability in accordance with the provisions of this Declaration.

**ARTICLE XV
GENERAL PROVISIONS**

Section 15.1 Mortgages.

It is expressly provided that the breach of any of the conditions contained herein shall not defeat or render invalid the lien of any mortgage or deed of trust made in good faith and for value, as to the same premises or any part thereof encumbered by such mortgage or deed of trust, but said conditions shall be binding thereto as to Lots acquired by foreclosure, trustee's sale or otherwise, as to any breach occurring after such acquisition of title.

Section 15.2 Term.

This Declaration shall be enforceable by Declarant, the Association, any aggrieved Owner, and their respective legal representatives, heirs, successors, and

assigns until December 31, 2050, after which time this Declaration shall extend automatically for successive 10-year periods unless at least sixty-seven percent (67%) of the then Owners have signed, within a six month period preceding the end of the initial term or any extension, an instrument which terminates this Declaration and such instrument is recorded in the Real Property Records of the County prior to the end of the term.

Section 15.3 Severability.

If any provision herein contained shall be invalid, which invalidity shall not be presumed until the same is determined by the final (*i.e.*, non-appealable) judgment or order of a court of competent jurisdiction, such invalidity shall in no way affect any other provision hereof, each of which shall remain in full force and effect.

Section 15.4 Binding Effect.

This Declaration is for the mutual benefit of, and shall be binding upon, each and every person acquiring any part of the Property, it being understood that the covenants, conditions, restrictions, easements, and other provisions contained in this Declaration are not for the benefit of the owner of any land except that which is a part of the Property. This Declaration, when executed, shall be filed of record in the Real Property Records of the County, so that each and every Owner or purchaser of any portion of the Property is on notice of the covenants, conditions, restrictions, easements, and other provisions herein contained.

Section 15.5 Notices.

Any notices or correspondence to an Owner shall be addressed to the street address of the Lot or to such other address as is specified by any such Owner in writing to the Association. The burden shall be on the Owner to prove that such written notification was duly given and delivered to the Association as provided below. Any notices or correspondence to the Association shall be addressed to the registered office of the Association as shown by the records of the Secretary of State for the State of Texas or to such other address as is specified by the Association in writing to the Owners.

Except as this Declaration or the Bylaws otherwise provide, all notices, demands, bills, statements, or other communications under this Declaration or the Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally, or by private carrier; if sent by United States mail; or, if the intended recipient has given its prior written authorization to use such method of delivery, by facsimile or electronic mail with written confirmation of transmission.

Notices sent in accordance with this Declaration shall be deemed to have been duly given and effective:

(i) sent by United States mail, when deposited with the U.S. Postal Service, correctly addressed, with first class postage prepaid;

(ii) if delivered personally or by private carrier, when actually delivered to the address of the intended recipient, as evidenced by the signature of the person at such address who accepts such delivery; or

(iii) if sent by facsimile or electronic mail, upon transmission, as evidenced by a printed confirmation.

Section 15.6 Transfer Under Deed of Trust.

Upon any transfer of Declarant's interest in and to the Property, or any part thereof, under the terms of any deed of trust lien upon the Property, whether voluntary or involuntary, by foreclosure, deed in lieu of foreclosure or otherwise, all rights, title and interests of Declarant under this Declaration, shall be transferred to and devolve upon the party to whom the Property or any part thereof, is thereby conveyed.

Section 15.7 Notice of Transfer.

If at any time a Lot is sold, the new Owner shall have the sole obligation to promptly notify the Association of the name and address of the new Owner and shall be responsible for any cost, charge or expense added to the account of such Owner which may have otherwise been avoided if the above information was promptly delivered to the Association.

Section 15.8 No Liability for Trespass.

Whenever the Association, the Board of Directors or Declarant exercises any right hereunder and in connection therewith enters upon any Lot, such parties shall not be liable for trespass upon such Lot.

Section 15.9 Lien Priority.

Notwithstanding any other provision of the Declaration, the lien to secure the payment of assessments and any other lien which the Association may have on any Lot pursuant to the Declaration for (a) assessments or other charges becoming payable on or after the date of recordation of the first mortgage or deed of trust on any Lot, or (b) any fees, late charges, fines or interest that may be levied by the Association in connection with unpaid assessments, shall be subordinate to the lien or equivalent security interest of any legitimate third-party first lien mortgage or

deed of trust on any Lot, if any. Any foreclosure of any such superior lien under the power of sale of any mortgage, deed of trust or other security instrument, or through court proceedings in which the Association has been made a party, shall extinguish the liens securing maintenance charges or assessments which became due and payable prior to such foreclosure date, but no such foreclosure shall free any Lot from the liens securing assessments thereafter becoming due and payable, nor shall the liability of any Owner personally obligated to pay maintenance charges or assessments which become due prior to such foreclosure be extinguished by any foreclosure, nor shall the lien for future assessments or charges be affected in any manner. Any such maintenance charges or assessments which are extinguished pursuant to the foregoing provision shall be reallocated and assessed to all Lots as a common expense.

Section 15.10 Use of Recreational Facilities and Other Common Properties.

The property made subject to this Declaration may contain common recreational facilities available for the use and enjoyment of Owners of all or any part of the Property, including lots and homes, within the Subdivision, their families, tenants and other occupants of their property, and the guests of any such persons. **EACH OWNER, BY ACCEPTANCE OF A DEED TO ANY PORTION OF THE PROPERTY MADE SUBJECT TO THIS DECLARATION, ACKNOWLEDGES THAT THE USE AND ENJOYMENT OF ANY RECREATIONAL FACILITY OR ANY OTHER PORTION OF THE COMMON PROPERTIES INVOLVES RISK OF PERSONAL INJURY OR DAMAGE TO PROPERTY.**

Each Owner acknowledges, understands, and covenants to inform his or her family members, and tenants and other occupants of Owner's property that Declarant, the Association, the Board and any committees, and Builders constructing homes and other improvements within the Property are not insurers of personal safety. **EACH PERSON USING SUCH RECREATIONAL FACILITIES OR ANY OTHER PORTION OF THE COMMON PROPERTIES ASSUMES ALL RISKS OF PERSONAL INJURY, DEATH, AND LOSS OR DAMAGE TO PROPERTY, RESULTING FROM THE USE AND ENJOYMENT OF ANY RECREATIONAL FACILITY OR OTHER PORTION OF THE COMMON PROPERTIES.** Each Owner agrees that Declarant, the Association, the Board and committees, and builders within the community shall not be liable to any person claiming any loss or damage, including, without limitation, indirect, special or consequential loss or damage arising from personal injury or death, destruction of property, trespass, loss of enjoyment, or any other wrong or entitlement to remedy based upon, due to, arising from, or otherwise relating to the use of any recreational facility or other portions of the Common Properties, including, without limitation, any claim arising in whole or in part from the negligence of Declarant, the Association, or any Builder within the community.

THE FOREGOING RELEASE IS INTENDED TO RELEASE THE SPECIFIED PARTIES FROM LIABILITY FOR THEIR OWN

NEGLIGENCE. EACH OWNER ACKNOWLEDGES AND AGREES THAT THE ABOVE RELEASE FROM LIABILITY IS CONSIDERATION FOR, AND A CONDITION TO, THE USE AND ENJOYMENT OF THE RECREATIONAL FACILITIES AND OTHER COMMON PROPERTIES WITHIN THE SUBDIVISION AND THAT THIS ACKNOWLEDGMENT AND AGREEMENT IS A MATERIAL INDUCEMENT TO DECLARANT AND BUILDERS TO SELL, CONVEY, LEASE, AND/OR ALLOW THE USE OF LOTS WITHIN THE SUBDIVISION. ANY VIOLATION OF THIS RELEASE AGREEMENT BY AN OWNER, OR ANY OF OWNER'S FAMILY MEMBERS, TENANTS AND OTHER OCCUPANTS OF OWNER'S PROPERTY, OR THEIR RESPECTIVE GUESTS SHALL BE GROUNDS FOR THE SUSPENSION OR TERMINATION OF ALL OF SUCH PERSONS' USE PRIVILEGES IN SUCH FACILITIES.

Section 15.11 Construction of Declaration and All Association Documents.

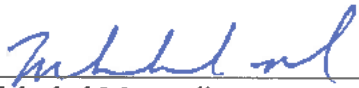
The provisions of this Declaration and all other documents of the Association shall be liberally construed to give effect to its intended purpose. All doubts regarding the meaning, significance or effect of a provision in this Declaration or other documents of the Association, shall be resolved in favor of the operation of the Association and its enforcement of the Declaration.

(Signature page follows)

MM Columns Residential, LLC,
a Texas limited liability company

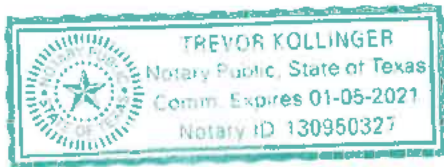
By: MMM Ventures, LLC,
a Texas limited liability company
Its Manager

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

By: 
Name: Mehrdad Moayed
Its: Manager

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on the 16 day of January, 2018, by Mehrdad Moayed, Manager of 2M Ventures, LLC, as Manager of MMM Ventures, LLC, as Manager of MM Columns Residential, LLC, a Texas limited liability company on behalf of said company.





Notary Public, State of Texas

Exhibit "A"
TO
DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR
THE HOMEPLACE AT THE COLUMNS

Property Description

WHEREAS CADG Celina Outer Loop, LLC is the owner of a tract of land situated in the John Ragsdale Survey, Abstract No.734, City of Celina, Collin County, Texas and being a portion of that tract of land conveyed to MM Columns Residential, LLC, according to the document filed of record in Document No. 20180511000578260 of the Deed Records of Collin County, Texas (D.R.C.C.T.), said tract of land being more particularly described as follows:

BEING a tract of land situated in the John Ragsdale Survey, Abstract No.734, City of Celina, Collin County, Texas and being a portion of said CADG Celina Outer Loop, LLC, said tract of land being more particularly described as follows:

BEGINNING at a 5/8 inch iron rod with plastic cap stamped "KHA" found for the most easterly southeast corner of said CADG Celina Outer Loop tract, same being the northeast corner of a called 42.00 acre tract of land conveyed to LFC Devco Sweetwater, LLC, according to the document filed of record in Document No. 20170504000573640 (D.R.C.C.T.), same also being common with the west line of that tract of land conveyed to LFC Land Company, LLC, according to the document filed of record in Document No. 20120423000464780 (D.R.C.C.T.), same also being the most easterly southeast corner of this tract;

THENCE South 89°27'47" West, leaving the west line of said LFC Land Company tract, with the common line of said tracts and passing at a distance of 1,249.27 feet a 1/2 inch iron rod found for a point on line, and continuing with said common line for a total distance of 1,571.92 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found for an interior "ell" corner of this tract and the northwest corner of said LFC Devco Sweetwater tract;

THENCE South 08°36'11" East, continuing with a common line of said tracts, a distance of 60.60 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found for the most southerly southeast corner of this tract, said point being in the northeast corner of a called 10.00 acre tract of land conveyed to SEC Punk Carter and the Tollway, LTD, according to the document filed of record in Document No. 20171221001687210 (D.R.C.C.T.);

THENCE South 89°27'47" West, leaving said common line, with said north line of SEC Punk tract, a distance of 606.00 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found for a corner of this tract in the east line of Dallas Parkway, same being common with the west line of said CADG Celina Outer Loop tract;

THENCE North 08°36'12" West, with said common line, a distance of 121.20 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found for the most westerly northwest corner of this tract, for the southwest corner of a called 10.500 acre tract of land conveyed to Parkwood Hill School Real Estate, LLC, according to the document filed of record in Document No. 20171222001687770 (D.R.C.C.T.);

THENCE North 89°27'47" East, with the most southerly north line of this tract, being common to the south lines of said Parkwood Hill School tract and a called 2.500 acre tract of land conveyed to Celina School Real Estate, LLC, according to the document filed of record in Document No.

20190221000182260, a distance of 882.70 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found for the southeast corner of a called 2.500, for an interior "ell" corner of this tract;

THENCE North 00°31'31" West, with the west line of this tract, said line being common with the east lines of said Parkwood Hill School Tract, said Celina School Tract, and that tract of land conveyed to Legacy HWY 380, LP, according to the document filed of record in Document No. 20190311000247700 (D.R.C.C.T.), a distance of 1,538.09 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found for a corner of this tract, said corner being common to the south west corner of a called 14.668 acre tract of land conveyed to CADG Celina Outer Loop, LLC, according to the document filed of record in Document No. 20170428000456440 (D.R.C.C.T.);

THENCE North 89°32'22" East, with the south line of said CADG Celina Outer Loop tract, a distance of 713.56 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for an interior "ell" corner of this tract;

THENCE over and across said CADG Celina Outer Loop tract, the following nine (9) courses and distances:

North 17°54'58" East, a distance of 15.81 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for a corner of this tract;

North 00°31'31" West, a distance of 20.00 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for a corner of this tract;

North 06°14'09" West, a distance of 50.25 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for a corner of this tract;

North 00°31'31" West, a distance of 116.82 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for a corner of this tract at the beginning of a tangent curve to the right having a central angle of 04°35'01", a radius of 280.00 feet, a chord bearing and distance of North 01°45'59" East, 22.39 feet;

In a northeasterly direction, with said curve to the right, an arc distance of 22.40 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for a corner of this tract;

North 04°03'30" East, a distance of 105.12 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for a corner of this tract at the beginning of a tangent curve to the left having a central angle of 04°35'01", a radius of 220.00 feet, a chord bearing and distance of North 01°45'59" East, 17.60 feet;

In a northeasterly direction, with said curve to the left, an arc distance of 17.60 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for a corner of this tract;

North 00°31'31" West, a distance of 60.76 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for a corner of this tract;

North 45°29'35" West, a distance of 42.45 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for the most northerly northwest corner of this tract on the north line of said CADG Celina Outer Loop tract, same being common with the south line of a that tract of land conveyed to Collin County Toll Road Authority, according to the document filed of record in Document No. 20171114001514440 (D.R.C.C.T.), same also being in the approximate centerline of County Road Number 51;

THENCE North 89°32'21" East, with said common line and county road, a distance of 120.00 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for the most northerly northeast corner of this tract;

THENCE departing said common line and county road, over and across said CADG Celina Outer Loop tract, the following nine (9) courses and distances:

South 44°30'25" West, a distance of 42.40 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for a corner of this tract;

South 00°31'31" East, a distance of 60.69 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for a corner of this tract at the beginning of a tangent curve to the right having a central angle of 04°35'01", a radius of 280.00 feet, a chord bearing and distance of South 01°45'59" West, 22.39 feet;

In a southwesterly direction, with said curve to the right, an arc distance of 22.40 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for a corner of this tract;

South 04°03'30" West, a distance of 105.12 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for a corner of this tract at the beginning of a tangent curve to the left having a central angle of 04°35'01", a radius of 220.00 feet, a chord bearing and distance of South 01°45'59" West, 17.60 feet;

In a southwesterly direction, with said curve to the left, an arc distance of 17.60 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for a corner of this tract;

South 00°31'31" East, a distance of 116.82 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for a corner of this tract;

South 05°11'07" West, a distance of 50.25 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for a corner of this tract;

South 00°31'31" East, a distance of 20.06 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for a corner of this tract;

South 18°57'14" East, a distance of 15.82 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for a corner of this tract in the south line of said CADG Celina Outer Loop tract;

THENCE North 89°32'22" East, with said south line, a distance of 681.87 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found for the most easterly northeast corner of this tract on

the east line of said CADG Celina Outer Loop tract, same being common with the west line of said LFC Land Company tract, from which the northeast corner of said CADG Celina Outer Loop tract, same being the northwest corner of said LFC Land Company tract bears, North 04°54'11" East, 387.12 feet and North 03°21'11" East, 52.02 feet;

THENCE South 04°54'11" West, with said common line, a distance of 1,603.37 feet to the **POINT OF BEGINNING** and containing 53.240 acres (2,319,132 square feet) of land, more or less.

Exhibit "B"

**TO
DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR
THE HOMEPLACE AT THE COLUMNS**

Declarant's Representations and Reservations

THE HOMEPLACE AT THE COLUMNS
HOMEOWNERS ASSOCIATION, INC.

DECLARANT REPRESENTATIONS & RESERVATIONS

B. 1 . GENERAL PROVISIONS.

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

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

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

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

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

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

- (1) After 99% of all Property and Lots has been conveyed to Owners other than Declarant or a Builder; or
- (2) Fifteen (15) years and one (1) day after the date title to the Lots and all other portions of the Property has been conveyed to Owners other than Builders or Declarant.

B.1.5. **Builders.** Declarant, through its affiliates, intends to construct single family residences on the Lots in connection with the sale of the Lots. However, Declarant may, without notice, sell some or all of the Lots to one or more Builders to improve the Lots with single family residences to be sold and occupied. Declarant and/or Builders may sell Lots to investors. Declarant has sole discretion regarding the sell or use of Lots during the Declarant Control Period.

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

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

B.2.2. **Weighted Votes.** During the Declarant Control Period, the vote appurtenant to each Lot owned by Declarant is weighted twenty-five (25) times that of the vote appurtenant to a Lot owned by another Owner. In other words, during the Declarant Control Period, Declarant may cast the equivalent of twenty-five (25) votes for each Lot owned by Declarant on any issue before the Association. On termination of the Declarant Control Period and thereafter, the vote appurtenant to Declarant's Lots is weighted uniformly with all other votes.

B.2.3. **Budget Funding.** During the Declarant Control Period only, Declarant may choose to subsidize the Association's operating expenses the Regular Assessments received from Owners other than Declarant and will provide any additional funds necessary to pay actual cash outlays of the Association for common recurring operating expenses. Non-recurring expenses, major damages

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or repairs, and any capital improvements desired by the Association that is not associated with the initial construction or development is excluded and the Declarant has no obligation to fund such expenses. **Declarant is under no obligation to provide, build, or install amenities or improvements.**

Payment of Assessments by Owners, including Builders, is not contingent upon the construction or existence of any amenity, common area, or common element. At the Declarant's sole discretion, funds provided for the purpose of subsidizing or offsetting a deficit may be treated as a loan. On termination of the Declarant Control Period, Declarant will cease being responsible for the difference between the Association's operating expenses and the Assessments received from Owners other than Declarant.

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

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

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

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

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

B.2.9. Organizational Meeting. Within one-hundred twenty (120) days after the end of the Declarant Control Period, or sooner at the Declarant's option, Declarant will call an organizational meeting of the Members of the Association for the purpose of electing, by vote of the Owners, directors to the Board. Written notice of the organizational meeting must be given to an Owner of each Lot at least ten (10) days but not more than forty-five (45) days before the meeting. For the organizational meeting, Owners of ten percent (10%) of the Lots constitute a quorum. The directors elected at the organizational meeting will serve as the Board until the next annual meeting of the Association or a special meeting of the Association called for the purpose of electing directors, at which time the staggering of terms will begin. At this transition meeting, the Declarant will transfer control over of all

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utilities related to the Common Areas owned by the Association and Declarant will provide information to the Association, if not already done so, relating to the operation and maintenance of the Common Areas and Areas of Common Responsibility.

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

B.3.1. Changes in Development Plan. Declarant may modify the initial development plan to respond to perceived or actual changes and opportunities in the marketplace.

Subject to approval by (1) a governmental entity, if applicable, and (2) the Owner of the land or Lots to which the change would directly apply (if other than Declarant), Declarant may (a) change the sizes, dimensions, and configurations of Lots and Streets; (b) change the minimum Single-Family Residence size; (c) change the building setback requirements; and (d) eliminate or modify any other feature of the Property.

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

B.3.3. Architectural Control. **During the Development Period, Declarant has the absolute right to serve as the Architectural Reviewer.** Declarant may from time to time, but is not obligated to, delegate all or a portion of its reserved rights to (1) an ACC appointed by the Declarant, or (2) a committee comprised of architects, engineers, or other persons who may or may not be Members of the Association. Fees for review of Architectural Modifications shall be allowed as outlined in Article 3, Section 3.1(e) of this Declaration. Any delegation is at all times subject to the unilateral rights of Declarant (1) to revoke such delegation at any time and reassume jurisdiction over the matters previously delegated and (2) to veto any decision which Declarant in its sole discretion determines to be inappropriate or inadvisable for any reason. Declarant also has the unilateral right to exercise architectural control over vacant Lots in the Property. **The Association, the Board of directors, nor a committee appointed by the Association or Board (no matter how the committee is named) may involve itself with the approval of new homes and related improvements on vacant Lots.**

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

- c. To create Lots, easements, and Common Areas within the Property.
- d. To modify the designation of the Area of Common Responsibility.
- e. To subdivide, combine, or reconfigure Lots.
- f. To convert Lots into Common Areas and Common Areas back to Lots.
- g. To modify the construction and use restrictions of this Declaration.
- h. To merge the Association with another property owners' association.
- i. To comply with the requirements of an underwriting lender.
- j. To resolve conflicts, clarify ambiguities, and to correct misstatements, errors, or omissions in the Documents.
- k. To enable any reputable title insurance company to issue title insurance coverage on the Lots.
- l. To enable an institutional or governmental lender to make or purchase mortgage loans on the Lots.
- m. To change the name or entity of Declarant.
- n. To change the name of the addition in which the Property is located.
- o. To change the name of the Association.
- p. For any other purpose, provided the amendment has no material adverse effect on any right of any Owner.

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

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

B.3.7. Promotion. During the Development Period, Declarant reserves for itself an easement and right to place or install signs, banners, flags, display lighting, potted plants, exterior decorative items, seasonal decorations, temporary window treatments, and seasonal landscaping on the Property, including items and locations that are prohibited to other Owners and Residents, for purposes of promoting, identifying, and marketing the Property and/or Declarant's homes, Lots, developments, or other products located outside the Property.

Declarant reserves an easement and right to maintain, relocate, replace, or remove the same from time to time within the Property. Declarant also reserves the right to sponsor marketing events such as open houses, MLS tours, and broker's parties at the Property to promote the sale of Lots. During the Development Period, Declarant also reserves (1) the right to permit Builders to place signs and promotional materials on the Property and (2) the right to exempt Builders from the sign restriction in this Declaration. So long as a Builder owns a Lot for sale the Board, the ACC, or any Member of the Association may amend, remove, or limit the Builder's ability to hold open house, maintain an onsite office, hold special events, place signs, flags, or banners, or any other form of advertisement or action related to the advertising, marketing, and sell of a Lot or a home constructed on a Lot.

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

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

existing or future gate that restricts vehicular access to the Property in connection with the active marketing of Lots and homes by Declarant or Builders, including the right to require that the gate be kept open during certain hours and/or on certain days. This provision may not be construed as an obligation or intent to gate the Property.

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

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

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

B.4. COMMON AREAS. Declarant will convey title to the Common Areas, including any and all facilities, structures, improvements and systems of the Common Areas owned by Declarant, to the Association by one or more deeds — with or without warranty. Any initial Common Area improvements will be installed, constructed, or authorized by Declarant, the cost of which is not a Common Expense of the Association. At the time of conveyance to the Association, the Common Areas will be free to encumbrance except for the property taxes accruing for the year of conveyance the terms of this Declaration and matters reflected on the Plat. Declarant's conveyance of title is a ministerial task that does not require and is not subject to acceptance by the Association or the Owners. The transfer of control of the Association at the end of the Declarant Control Period is not a transfer of Common Areas requiring inspection, evaluation, acceptance, or approval of Common Area improvements by the Owners.

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B.5. WORKING CAPITAL FUND. Declarant may (but is not required to) establish a working capital fund for the Association by requiring purchasers of Lots to make a one-time contribution to this fund. Working Capital Fund excludes Acquisition Assessments as outlined in the Declaration. Working Capital Fund Contribution if established is subject to the following conditions;

a. The amount of the contribution to this fund will be set by the Declarant or the Board and is subject to amendment from year to year at the sole discretion of the Declarant and thereafter, the Board and will be collected on the closing of the sale of the Lot to any Owner other than Declarant, a Successor Declarant, Declarant-affiliate or a Builder and is in addition to the Acquisition Assessment outlined in the Declaration.

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

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

d. If applicable, Declarant will transfer the balance of the working capital fund to the Association on or before termination of the Declarant Control Period. Declarant may not use the fund to defray Declarant's personal expenses or construction costs however, Declarant may, if necessary, utilize funds for the Association's operating needs in the event of a deficit in the Association's operating budget. **The Declarant is not responsible for the establishment or funding of a Reserve or Working Capital Fund.**

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

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

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

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

- (i) A legally sufficient description of the Annexed Land being added or annexed, which Annexed Land must as a condition precedent to such annexation be included in the real property subject to the Declaration;
- (ii) That the Annexed Land is being annexed in accordance with and subject to the provisions of this Declaration, and that the Annexed Land being annexed shall be developed, held, used, sold and conveyed in accordance with, and subject to, the provisions of this Declaration as theretofore and thereafter amended; provided, however, that if any Lots or portions thereof being so annexed are to be treated differently than any of the other Lots (whether such difference is applicable to other Lots included therein or to the Lots now

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subject to this Declaration), the Supplemental Declaration should specify the details of such differential treatment and a general statement of the rationale and reasons for the difference in treatment, and if applicable, any other special or unique covenants, conditions, restrictions, easements or other requirements as may be applicable to all or any of the Lots or other portions of Annexed Land being annexed;

- (iii) That all of the provisions of this Declaration, as amended, shall apply to the Annexed Land being added or annexed with the same force and effect as if said Annexed Land were originally included in this Declaration as part of the Initial Property, with the total number of Lots increased accordingly;
- (iv) That an Assessment Lien is therein created and reserved in favor of the Association to secure collection of the Assessments as provided in this Declaration, and as provided for, authorized or contemplated in the Supplemental Declaration, and setting forth the first year Maintenance Assessments and the amount of any other then applicable Assessments (if any) for the Lots within the Annexed Land being made subject to this Declaration; and
- (v) Such other provisions as the Declarant therein shall deem appropriate.

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

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

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

[End of Exhibit B]

EXHIBIT "C"

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE HOMEPLACE AT THE COLUMNS

Design Guidelines

PART ONE: LANDSCAPING, FENCES AND EXTERIOR ELEMENTS

SECTION 1.1 LANDSCAPING:

Upon completion of each dwelling unit, each dwelling must comply with the landscaping requirements of any applicable City of Celina ordinances and Association Rules. Notwithstanding compliance with the foregoing, the following landscape elements shall be installed prior to occupancy of the dwelling:

- 1.1.1 Sod: Each dwelling shall have full sod installed for the entire front and rear yard and a minimum of ten (10) feet back from the front wall face for each side yard, or to the side yard fence, whichever is greater.
- 1.1.2 Trees: Trees are required to be planted by the homebuilder in the front yard of all Lots. A minimum of one (1) four-inch (4") caliber tree, measured at twelve inches (12") above ground is required for all Lots. Each homeowner shall be responsible for maintenance and preservation of trees located on their property and shall promptly replace dead trees within thirty days of loss occurrence when favorable planting weather exists. When unfavorable planting weather exists, the ACC shall grant an extension until such a time favorable weather for tree replacement exists.
- 1.1.3 Shrubbery and Planting Beds: Each Dwelling shall have a minimum of ten (10) one-gallon shrubs planted in a mulched planting bed; the planting bed shall have edging materials to separate the sod and bed mulch areas. The homeowner shall be responsible for the maintenance and preservation of the shrubs and planting bed and shall promptly replace dead plants when favorable planting weather exists. When unfavorable planting weather exists, the ACC shall grant an extension until such a time favorable weather for plants and shrubbery replacement exists.

SECTION 1.2 FENCES: Fence height shall be a standard six (6) feet. Eight (8) foot fences shall be allowed with prior written consent of the Architectural Reviewer. Builders are responsible, upon initial construction, to inform the ACC of the type and height of fencing to be used so the initial building approval can include the proper fence approval language needed.

- 1.2.1 Major thoroughfares and Corner Lots: All fencing on corner lots and backing up to streets and major thoroughfares will be considered major thoroughfare fencing. Fencing, which shall be board on board, six (6') with a cap, and pre-stained Spruce

Fence or better, with steel posts on the inside so as not to be visible. Wall construction shall comply with the details indicated in Exhibit Attachment 1.2.1. All such fencing facing major thoroughfare shall be stained and preserved as follows:

Manufacturer: Sherwin Williams
Color: Banyan Brown – or similar color acceptable to ACC.

Manufacturer: Standard Paint
Color: Sable Brown – or similar color acceptable to ACC.

1.2.2 Standard Side and Rear Yard Fences – Interior Lots: For all interior lots, fences shall not exceed six feet (6) max fence height without the prior written approval of the Architectural Control Committee. Fencing that may be seen from any street must be board-on-board and at minimum, contain a top rail. All fences to have step ups and step downs to adjust for grade. Fences that are not visible from any street may be board-to-board notwithstanding, all fencing shall have steel posts and all posts must be mounted on the inside so as only the smooth side of the fence is facing out if visible to any street. All fences must be stained and kept in good repair at all times. See Exhibit Attachments 1.2.2 for examples of acceptable fencing.

1.2.3 Greenbelt Areas, Open Spaces and Parks: Enforcement of this section shall be at the sole discretion of the Declarant. While some Lots facing an open space or common area may require wrought iron fencing other Lots such as those where an alley exists between the Lot and any open space or Common Area of any kind shall not be required to adhere to the Wrought Iron Fencing rule.

Lots required to use wrought iron shall have black finished forty-eight-inch (48") high wrought iron or tubular steel fences for the full rear of the Lot. See sample provided in Exhibit 1.2.3. All fences shall be consistent; no variation of design shall be permitted without the express written approval of the Architectural Control Committee. Fence areas shall be unobstructed by screening or other materials unless specifically approved by the Architectural Control Committee.

SECTION 1.3 MAIL BOXES:

1.3.1 Mail boxes shall be Cluster Style Mailboxes. All Lots shall utilize cluster mailboxes in accordance with the terms of the Declaration. Attached as Exhibit 1.3.1 is a **sample** of a product that may be utilized notwithstanding, the exhibit is for sample purposes only. Final product used as well as location of the pad and cluster mailboxes must receive the prior written approval of the Declarant, Architectural Control Committee, and United States Postal Service prior to installation.

- 1.3.2 Mail Box Location: Cluster mailboxes utilized by the Lots shall be located as and where required by the United States Postal Service or as otherwise approved by the Declarant and Architectural Control Committee.

SECTION 1.4 FLAGS AND FLAGPOLES

- 1.4.1 The only flags which may be displayed are: (i) the flag of the United States of America; (ii) the flag of the State of Texas; and (iii) an official or replica flag of any branch of the United States armed forces. No other types of flags, pennants, banners, kits or similar types of displays are permitted on a Lot if the display is visible from a street or Common Properties.
- 1.4.2 The flag of the United States must be displayed in accordance with 4 U.S.C. Sections 5-10.
- 1.4.3 The flag of the State of Texas must be displayed in accordance with Chapter 3100 of the Texas Government Code.
- 1.4.4 Any freestanding flagpole, or flagpole attached to a dwelling, shall be constructed of permanent, long-lasting materials. The materials used for the flagpole shall be harmonious with the dwelling, and must have a silver finish with a gold or silver ball at the top. The flagpole must not exceed three (3) inches in diameter.
- 1.4.5 The display of a flag, or the location and construction of the supporting flagpole, shall comply with applicable zoning ordinances, easements, and setbacks of record.
- 1.4.6 A displayed flag, and the flagpole on which it is flown, shall be maintained in good condition at all times. Any flag that is deteriorated must be replaced or removed. Any flagpole that is structurally unsafe or deteriorated shall be repaired, replaced, or removed.
- 1.4.7 Only one flagpole will be allowed per Lot. A flagpole can either be securely attached to the face of the dwelling (no other structure) or be a freestanding flagpole. A flagpole attached to the dwelling may not exceed 4 feet in length. A freestanding flagpole may not exceed 20 feet in height. Any freestanding flagpole must be located in either the front yard or backyard of a Lot, and there must be a distance of at least 5 feet between the flagpole and the property line.
- 1.4.8 Any flag flown or displayed on a freestanding flagpole may be no smaller than 3'x5' and no larger than 4'x6'.
- 1.4.9 Any flag flown or displayed on a flagpole attached to the dwelling may be no larger than 3'x5'.
- 1.4.10 Any freestanding flagpole must be equipped to minimize halyard noise. The

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

- 1.4.11 The illumination of a flag is allowed so long as it does not create a disturbance to other residents in the community. Solar powered, pole mounted light fixtures are preferred as opposed to ground mounted light fixtures. Compliance with all municipal requirements for electrical ground mounted installations must be certified by Owner. Flag illumination may not shine into another dwelling. Neighbor complaints regarding flag illumination are a basis to prohibit further illumination until Owner resolves complaint.
- 1.4.12 Flagpoles shall not be installed in Common Properties or any property maintained by the Association.
- 1.4.13 All freestanding flagpole installations must receive prior written approval from the Reviewer.

SECTION 1.5 RAIN BARRELS OR RAINWATER HARVESTING SYTEMS

- 1.5.1 Rain barrels or rain water harvesting systems and related system components (collectively, "Rain Barrels") may only be installed after receiving the written approval of the Reviewer.
- 1.5.2 Rain Barrels may not be installed upon or within Common Properties.
- 1.5.3 Under no circumstances shall Rain Barrels be installed or located in or on any area within a Lot that is in-between the front of the property owner's home and an adjoining or adjacent street.
- 1.5.4 The rain barrel must be of color that is consistent with the color scheme of the property owner's home and may not contain or display any language or other content that is not typically displayed on such Rain Barrels as manufactured.
- 1.5.5 Rain Barrels may be located in the side-yard or back-yard of an owner's Residential Parcel so long as these may not be seen from a street, another Lot or any Common Properties.
- 1.5.6 In the event the installation of Rain Barrels in the side-yard or back-yard of an owner's property in compliance with paragraph 1.5.5 above is impossible, the Reviewing Body may impose limitations or further requirements regarding the size, number and screening of Rain Barrels with the objective of screening the Rain Barrels from public view to the greatest extent possible. The owner must have sufficient area on their Lot to accommodate the Rain Barrels.

- 1.5.7 Rain Barrels must be properly maintained at all times or removed by the owner.
- 1.5.8 Rain Barrels must be enclosed or covered.
- 1.5.9 Rain Barrels which are not properly maintained become unsightly or could serve as a breeding pool for mosquitoes must be removed by the owner from the Lot.

SECTION 1.6 RELIGIOUS DISPLAYS

- 1.6.1 An owner may display or affix on the entry to the owner's or resident's dwelling one or more religious items, the display of which is motivated by the owner's or resident's sincere religious belief.
- 1.6.2 If displaying or affixing of a religious item on the entry to the owner's or resident's dwelling violates any of the following covenants, The Association may remove the item displayed:
 - (1) threatens the public health or safety;
 - (2) violates a law;
 - (3) contains language, graphics, or any display that is patently offensive to a passerby;
 - (4) is in a location other than the entry door or door frame or extends past the outer edge of the door frame of the owner's or resident's dwelling; or
 - (5) individually or in combination with each other religious item displayed or affixed on the entry door or door frame has a total size of greater than 25 square inches
- 1.6.3 No owner or resident is authorized to use a material or color for an entry door or door frame of the owner's or resident's dwelling or make an alteration to the entry door or door frame that is not authorized by the Association, Declaration or otherwise expressly approved by the Architectural Control Committee. The addition of screen doors, storm doors and other similar doors shall require the prior written approval of the Architectural Control Committee.

PART TWO: DWELLING UNITS

SECTION 2.1 ROOFS

- 2.1.1 Roof Pitch: Minimum Roof Pitch for homes shall be 6-in-12 slopes. 4-in-12 or other slopes may be allowed on roofing over patios, porches, windows, and garages or for other minor areas on the residence notwithstanding, lower roof pitch pans shall require the prior written approval of the Architectural Control Committee prior to commencing construction.

- 2.1.2 **Roofing Materials:** Roofing materials shall be asphalt shingles with a minimum 30-year rated shingle having a minimum weight of 220 pounds per square (100 square feet) and have a weather wood or gray color scheme. Other roofing materials or colors shall not be used without written approval from the Architectural Control Committee.
- 2.1.3 **Dormers & Above Roof Chimneys:** Dormers and Chimney Chases, above roof structure and roofing materials, may be finished with an approved exterior grade siding material. All Fireplace flues shall be enclosed and finished; exposed pre-fabricated metal flue piping is prohibited.
- 2.1.4 Exemptions allowing lower pitch pans in areas around windows, covered porches and patios are allowed and will be reviewed for approval by the ACC on a case by case basis.

SECTION 2.2 CERTAIN ROOFING MATERIALS

- 2.2.1 Roofing shingles covered by this Section are exclusively those designed primarily to: (i) be wind and hail resistant; (ii) provide heating and cooling efficiencies greater than those provided by customary composite shingles; or (iii) provide solar generation capabilities (collectively, "Roofing Shingles").
- 2.2.2 Roofing Shingles allowed under this Section 2.2 shall:
 - (1) resemble the shingles used or otherwise authorized for use in the Subdivision and/or Property;
 - (2) be more durable than and are of equal or superior quality to the shingles used or otherwise authorized for use in the Subdivision and/or Property.
 - (3) match the aesthetics of the property surrounding the property of the owner requesting permission to install the Roofing Shingles.
- 2.2.3 The owner requesting permission to install the Roofing Shingles will be solely responsible for accrediting, certifying and demonstrating to the Reviewer that the proposed installation is in full compliance with paragraphs a and b above.
- 2.2.4 Roofing Shingles shall be installed after receiving the written approval of the Reviewer.
- 2.2.5 Owners are hereby placed on notice that the installation of Roofing Materials may void or adversely other warranties.

SECTION 2.3 SOLAR PANELS

- 2.3.1 Solar energy devices, including any related equipment or system components (collectively, "Solar Panels") may only be installed after receiving the written approval of the Architectural Control Committee.
- 2.3.2 Solar Panels may not be installed upon or within Common Properties or any area which is maintained by the Association.
- 2.3.3 Solar Panels may only be installed on designated locations on the roof of a home, on any structure allowed under any Association dedicatory instrument, or within any fenced rear-yard or fenced-in patio of the owner's property, but only as allowed by the Reviewer. Solar Panels may not be installed on the front elevation of the home.
- 2.3.4 If located on the roof of a home, Solar Panels shall:
- (1) not extend higher than or beyond the roofline;
 - (2) conform to the slope of the roof;
 - (3) have a top edge that is parallel to the roofline; and
 - (4) have a frame, support bracket, or wiring that is black or painted to match the color of the roof tiles or shingles of the roof. Piping must be painted to match the surface to which it is attached, i.e. the soffit and wall. Panels must blend with the color of the roof to the greatest extent possible.
- 2.3.5 If located in the fenced rear-yard or patio, Solar Panels shall not be taller than the fence line or visible from a Lot, Common Properties or street.
- 2.3.6 The Reviewer may deny a request for the installation of Solar Panels if it determines that the placement of the Solar Panels, as proposed by the property owner, will create an interference with the use and enjoyment of land of neighboring owners.
- 2.3.7 Owners are hereby placed on notice that the installation of Solar Panels may void or adversely affect roof warranties. Any installation of Solar Panels which voids material warranties is not permitted and will be cause for the Solar Panels to be removed by the owner.
- 2.3.8 Solar Panels must be properly maintained at all times or removed by the owner.
- 2.3.9 Solar Panels which become non-functioning or inoperable must be removed by the owner of the property.

SECTION 2.4 EXTERIOR WALLS

2.4.1 Exterior Wall Materials: Exterior walls shall consist of brick, stone, and exterior-grade siding materials as approved by the Architectural Control Committee. Shake siding is not allowed without the express written approval of the Architectural Control Committee. **Homes siding or backing collectors, major roads, open spaces and amenity centers may be required to contain one-hundred percent (100%) brick or other masonry material.**

2.4.1.1 Front Walls: All front wall surfaces shall be full (100%) masonry materials, except siding may be used for hidden or concealed wall surfaces not directly visible from the lot front property line. Siding can be used in limited quantities for upper gable areas that would create a “brick-on-wood” condition; *this provision is for special conditions only and is not intended to reduce the essential 100% masonry requirement for the front wall areas and for homes located where facing siding or backing collectors, major roads, open spaces and amenity centers.* Three-Coat stucco systems are acceptable as a masonry requirement. Masonry content for all homes is subject to the approval of ACC and the City of Celina and must comply with the City’s Ordinance.

2.4.1.2 Side Walls: Side wall surfaces may be constructed using a mixture of brick and exterior-grade siding. A minimum seventy five percent (75%) brick or masonry overall is required for side and rear walls. Refer to 2.4.1.1 for exceptions to this rule.

2.4.1.3 Rear Walls: Rear wall surfaces of the first floor may be constructed using a mixture of brick and exterior-grade siding as required to comply with the minimum seventy five percent (75%) brick or masonry overall requirement for side and rear walls; second floor wall surfaces may be exterior-grade siding materials. Refer to 2.4.1.1 for exceptions to this rule.

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

2.4.1.5 Required masonry percentages shall be calculated excluding exterior wall areas built on top of a roof.

SECTION 2.5 BUILDING HEIGHT

2.5.1 Buildings shall be a maximum of forty-five (45) feet in height as measured to the peak. Chimneys, antennae and other architectural projections not used for human occupancy may extend above this height limit notwithstanding, the prior written approval of the Architectural Control Committee shall be required.

SECTION 2.6 WINDOWS

2.6.1 Windows shall be constructed of vinyl or other materials as may be approved by the ACC and acceptable under the City's Ordinance. Divided light on all front windows and divided light on all windows backing siding collectors, parks or open spaces is preferred. Reflective glass is prohibited. Should any Lot be a Zero Lot Line Lot the zero lot side of that home shall not be allowed to install windows, doors, or other similar openings without the express written consent of the ACC.

SECTION 2.7 GARAGE

2.7.1 Garage Doors may be constructed of metal, wood, or wood overlay. Doors with raised panels and/or decorative hardware are encouraged to enhance the overall aesthetics of the home and neighborhood. Front loading garage doors must be set back a minimum of twenty (20) feet and rear loading garage doors must be set back a minimum of eighteen (18) feet if alley access is provided.

SECTION 2.8 ADDRESS BLOCKS

2.8.1 All address blocks shall be cast stone or of another aesthetically pleasing material.

SECTION 2.9 ELEVATION AND BRICK USAGE

2.9.1 Same Plan with Same Elevation: The repeat of the same floor plan with the same elevation design shall be governed first and foremost by PD Ordinance 2017-33 or any City of Celina ordinance affecting new construction in The Homeplace at the Columns. Should no such Ordinance exist, the following provisions shall apply:

2.9.1.1 Dwelling units using the same floor plan and same elevation shall be separated by a minimum of three (3) lots; streets are equal to one (1) Lot. Same floor plan with a different elevation must be separated by a minimum of two (2) lots; streets are equal to one (1) Lot.

2.9.2 Repeat Brick Usage: All Dwelling submittals shall calculate the percentage coverage for each material as follows:

2.9.2.1 Same Side of Street: No combination of brick color, mortar color, and sand color shall be repeated for adjacent dwellings. Street and alley intersections are acceptable separation elements.

2.9.2.2 Opposite Side of Street: There are no restrictions for the use of brick color, mortar color, and sand color for dwelling units on opposing sides of the street.

2.9.3 Exterior Material Area Calculations: All Dwelling submittals shall calculate the percentage coverage for each material as follows:

2.9.3.1 Calculation Method: Calculations for material coverage percentages shall include all exposed areas of the wall surface, excluding window and door openings.

2.9.3.2 Calculation Format: Calculations shall indicate the area coverage for front, side, and rear wall areas. Calculations shall be submitted in the following format:

Brick Calculations

<i>Overall</i>	
Total Wall Area	0 sf
Total Brick Area	0 sf
Total Brick Percentage	0%
<i>Front</i>	
Total Wall Area	0 sf
Total Brick Area	0 sf
Total Brick Percentage	0%
<i>Left</i>	
Total Wall Area	0 sf
Total Brick Area	0 sf
Total Brick Percentage	0%
<i>Right</i>	
Total Wall Area	0 sf
Total Brick Area	0 sf
Total Brick Percentage	0%
<i>Rear</i>	
Total Wall Area	0 sf
Total Brick Area	0 sf
Total Brick Percentage	0%

** Openings removed from areas in all calculations

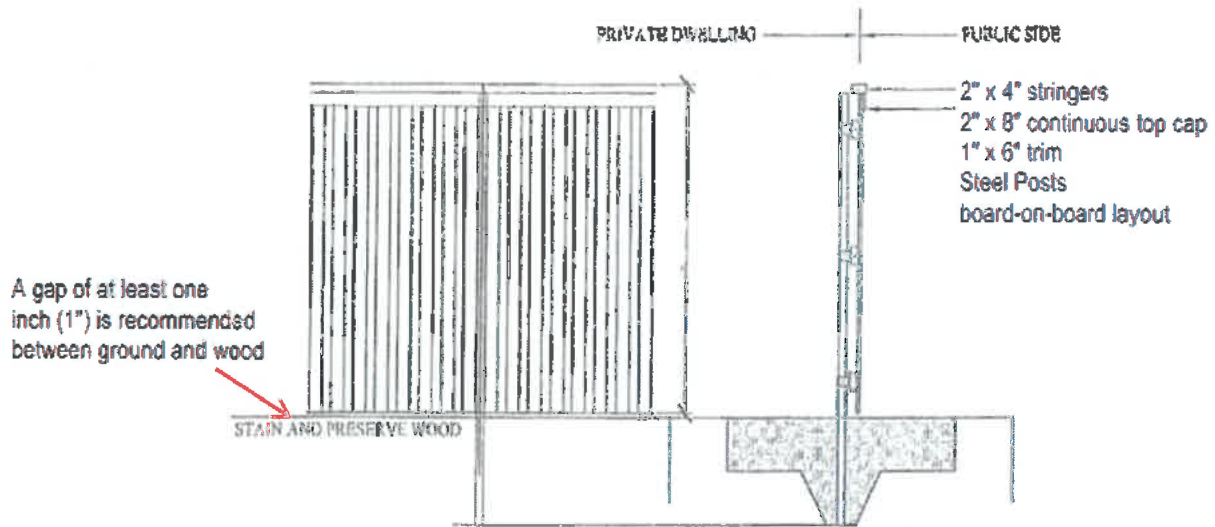
Exhibit Attachment 1.2.1

Exhibit Attachment 1.2.2

Exhibit Attachment 1.2.3

Exhibit Attachment 1.2.1

Fencing on corner lots and backing up to major thoroughfares



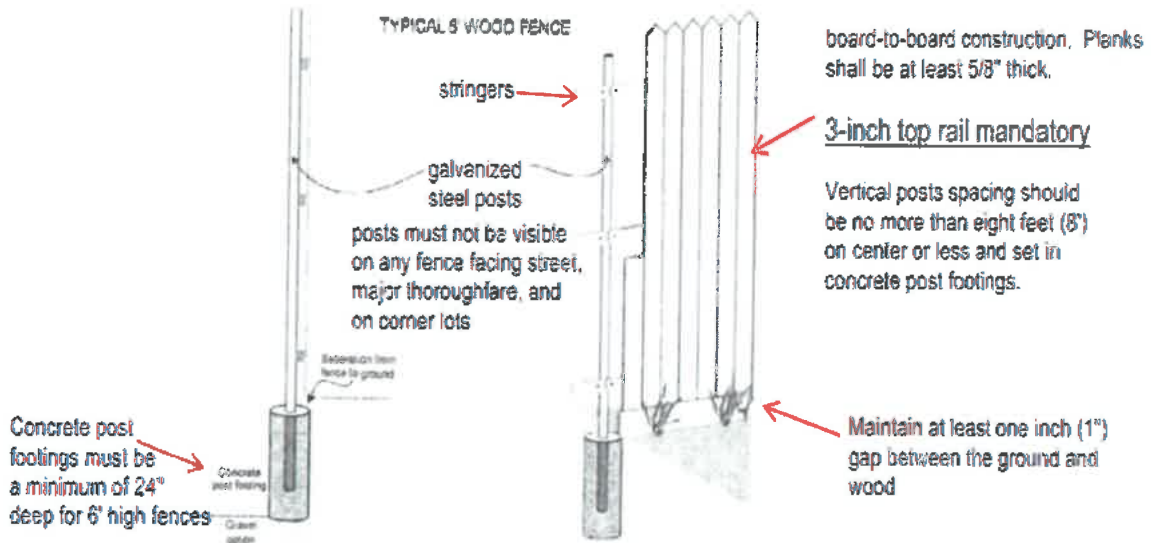
Stain Color:

Manufacturer: Sherwin Williams **Color:** REFER TO SECTION 1.2.1 OF DESIGN GUIDELINES FOR APPROVED STAIN COLORS

Minimum Fence height shall be six feet (6'). Heights greater than six feet (6') require prior written approval of the ACC. See Section 1.2.1 of the Design Guidelines for more information.

Exhibit Attachment 1.2.2
Standard Side and Rear Yard Fences

BELOW IS A SAMPLE DEPICTION ONLY



STEP UP'S AND STEP DOWN'S TO ADJUST FOR GRADE REQUIRED.

ALL PORTION OF ANY FENCE VISIBLE FROM ANY STREET SHALL BE STAINED WITH THE COLORS SHOWN IN SECTION 1.2 OF THE DESIGN GUIDELINES. FENCE AND STAIN MUST BE KEPT IN GOOD CONDITION AT ALL TIMES.

Exhibit Attachment 1.2.3
Greenbelt Areas, Open Spaces and Parks
Side and Rear Yard Fences

SEE SECTION 1.2.3 OF THE DESIGN GUIDELINES
FOR CERTAIN EXCEPTIONS FOR USE OF WROUGHT IRON FENCING

Iron Fence Detail

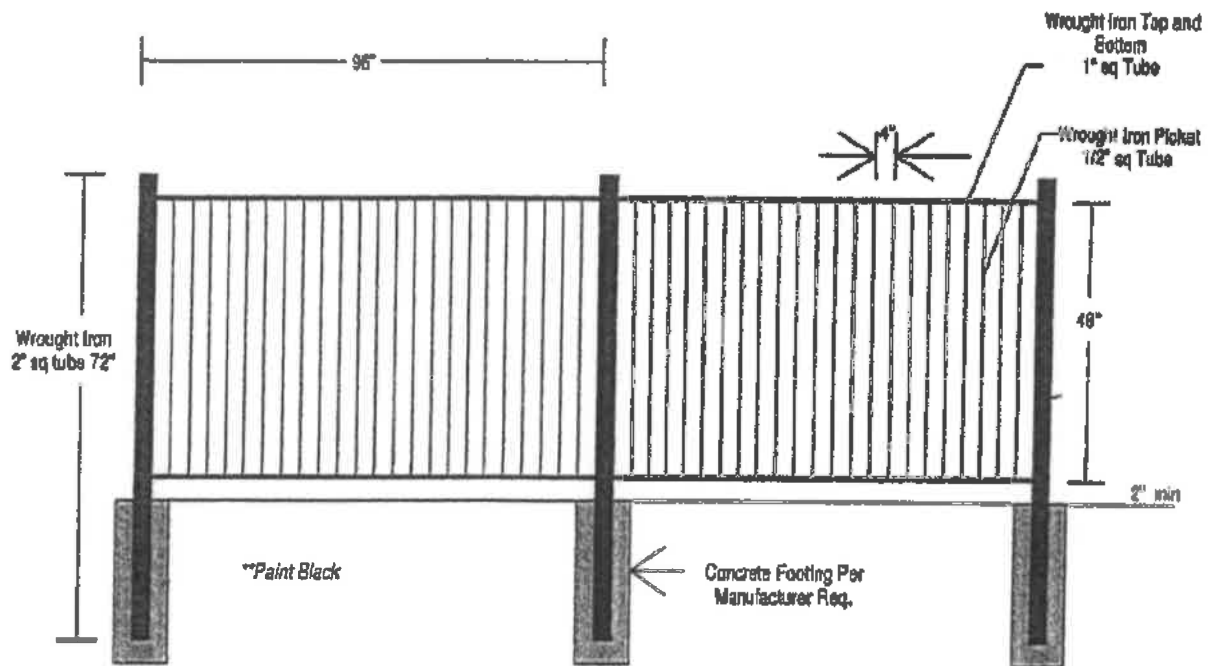


Exhibit "D"

**TO
DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR
THE HOMEPLACE AT THE COLUMNS**

**Includes: Certificate of Formation, Organizational Consent,
Bylaws and Policies of the Association**

THE HOMEPLACE AT THE COLUMNS

MM COLUMNS RESIDENTIAL, LLC., a Texas limited liability company, as the Declarant under the Declaration of Covenants, Conditions and Restrictions, recorded or to be recorded in the Official Public Records of Collin County, Texas, certifies that the foregoing was adopted for the benefit of The Homeplace at the Columns Homeowners Association, Inc., as part of the initial project documentation for The Homeplace at the Columns. The signature below constitutes the adoption and validity of all documents that follow and eliminates the need for individual signature at the end of each document. This certification should be kept as part of the written record of the following documents but, in no wise, must be produced each and every time any of the below documents are posted or produced.



Mehrdad Moayedi, Declarant
MM Columns Residential, LLC

Dated: 01 / 20 /2020

THE HOMEPLACE AT THE COLUMNS

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ATTACHMENT 1

CERTIFICATE OF FORMATION

ORGANIZATIONAL CONSENT

Form 202

Secretary of State
P.O. Box 13697
Austin, TX 78711-3697
FAX: 512/463-5709

Filing Fee: \$25



**Certificate of Formation
Nonprofit Corporation**

Filed in the Office of the
Secretary of State of Texas
Filing #: 803522262 01/18/2020
Document #: 938404130003
Image Generated Electronically
for Web Filing

Article 1 - Corporate Name

The filing entity formed is a nonprofit corporation. The name of the entity is :

The Homeplace at the Columns Homeowners Association, Inc.

Article 2 – Registered Agent and Registered Office

A. The initial registered agent is an organization (cannot be corporation named above) by the name of:

Essex Association Management, L.P.

OR

B. The initial registered agent is an individual resident of the state whose name is set forth below:

C. The business address of the registered agent and the registered office address is:

Street Address:

1512 Crescent Drive Suite 112 Carrollton TX 75006

Consent of Registered Agent

A. A copy of the consent of registered agent is attached.

OR

B. The consent of the registered agent is maintained by the entity.

Article 3 - Management

A. Management of the affairs of the corporation is to be vested solely in the members of the corporation.

OR

B. Management of the affairs of the corporation is to be vested in its board of directors. The number of directors, which must be a minimum of three, that constitutes the initial board of directors and the names and addresses of the persons who are to serve as directors until the first annual meeting or until their successors are elected and qualified are set forth below.

Director 1: **Mehrdad Moayedi**

Title: **Director**

Address: **1512 Crescent Drive Suite 112 Carrollton TX, USA 75006**

Director 2: **Dustin Warren**

Title: **Director**

Address: **1512 Crescent Drive Suite 112 Carrollton TX, USA 75006**

Director 3: **Brock Babb**

Title: **Director**

Address: **1512 Crescent Drive Suite 112 Carrollton TX, USA 75006**

Article 4 - Organization Structure

A. The corporation will have members.

or

B. The corporation will not have members.

Article 5 - Purpose

The corporation is organized for the following purpose or purposes:

Homeowners Association

Supplemental Provisions / Information

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

Effectiveness of Filing

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

OR

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

Organizer

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

Mehrdad Moayed **1800 Valley View Lane, Suite 300, Farmers Branch, TX 75234**

Execution

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

Mehrdad Moayed

Signature of organizer.

FILING OFFICE COPY

**CONSENT OF DIRECTORS IN LIEU OF
ORGANIZATIONAL MEETING
OF
THE HOMEPLACE AT THE COLUMNS
HOMEOWNERS ASSOCIATION, INC.**

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

1. DIRECTORS

RESOLVED, that each of the undersigned, being all of the directors of the Association, as named in its Certificate of Formation filed with the Secretary of State of the State of Texas on January 20, 2020, did hereby accept appointment to such office and did hereby agree to serve as a director of the Association until the first annual meeting of the members or resignation or removal and until said director's successor or successors have been duly elected and qualified or until his or her earlier death, resignation, retirement, disqualification or removal from office.

2. BYLAWS

RESOLVED, that the form of Bylaws are approved and adopted as the Bylaws of the Association including its policies, procedures, rules and regulations filed therewith, and the Secretary of the Association is instructed to insert or cause to be inserted the original thereof in the minute book of the Association.

3. OFFICERS

RESOLVED, that each of the following-named persons were named as Directors according to the Certificate of Formation and/or Articles of Incorporation, and to hold any such office to which elected until the first annual meeting of the Board of Directors of the Association and until his or her successor should be chosen and qualified in his or her stead, or until his or her earlier death, resignation, retirement, disqualification or removal from office:

Mehrdad Moayesdi- President

Brock Babb - Vice President

Dustin Warren - Secretary

RESOLVED, that each of the above named persons are named as Directors and shall hold any such office to which elected until the first annual meeting of the Board of Directors of the Association and until his or her successor should be chosen and qualified in his or her stead, or until his or her earlier death, resignation, retirement, disqualification or removal from office.

4. REGISTERED OFFICE; REGISTERED AGENT

RESOLVED, that the registered office of the Association be established and maintained at c/o Essex Association Management, L.P., 1512 Crescent Drive, Suite 112, Carrollton, Texas 75006, is hereby appointed as registered agent of the corporation in said office.

5. BOOKS AND RECORDS

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

6. ORGANIZATIONAL EXPENSES

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

7. CORPORATE SEAL

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

8. DEPOSITORY RESOLUTIONS

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

Ronald Corcoran, Essex Association Management, LP
Anna Corcoran, Essex Association Management, L.P

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

effective the 20th day of January, 2020.



Mehrdad Moayedi, President



Brock Babb, Vice President



Dustin Warren, Secretary

ATTACHMENT 2

BYLAWS
OF
THE HOMEPLACE AT THE COLUMNS
HOMEOWNERS ASSOCIATION, INC.

ARTICLE I
INTRODUCTION

The name of the corporation is The Homeplace at the Columns Homeowners Association, Inc., a Texas non-profit corporation, hereinafter referred to as the "**Association**". The principal office of the Association shall be located in Collin County, Texas, but meetings of Members and Directors may be held at such places within the State of Texas, County of Collin, or as may be designated by the Board of Directors, as provided in these Bylaws.

The Association is organized to be a nonprofit corporation.

Notwithstanding anything to the contrary in these Bylaws, a number of provisions are modified by the Declarant's reservations in that certain Declaration of Covenants, Conditions and Restrictions for The Homeplace at the Columns recorded in the Official Public Records of Collin County, Texas, including the number, qualification, appointment, removal, and replacement of Directors.

ARTICLE II
DEFINITIONS

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

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

Section 2.2. Association. "Association" shall mean and refer to The Homeplace at the Columns Homeowners Association, Inc., a Texas non-profit corporation.

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

Section 2.4. Association Rules. "Association Rules" shall mean the rules and regulations adopted by the Board pursuant to the Declaration, as the same may be amended from time to time.

Section 2.5. Board. "Board" shall mean the Board of Directors of the Association.

Section 2.6. Bylaws. "Bylaws" shall mean the bylaws of the Association, which may be initially adopted and Recorded by Declarant or the Board of the Association and Recorded as part of the initial project documentation for the benefit of the Association. The Bylaws may be amended, from time to time, by the Declarant until expiration or termination of the Development Period (as defined in the Declaration). Any amendment to the Bylaws

proposed by the Board must be approved in advance and in writing by the Declarant until expiration or termination of the Development Period. Upon expiration of the Development Period, the Bylaws may be amended by a Majority of the Board.

Section 2.7. Certificate. "Certificate" shall mean the Certificate of Formation of The Homeplace at the Columns Homeowners Association, Inc., a Texas non-profit corporation, filed in the office of the Secretary of State of the State of Texas, as the same may from time to time be amended.

Section 2.8. Manual. "Manual" shall mean this manual of the Association, which may be initially adopted and Recorded by the Declarant or the Board of the Association and Recorded as part of the initial project documentation for the benefit of the Association and the Property. The Manual may include the Bylaws, Rules and Regulations and other policies governing the Association.

The Bylaws, Rules and Regulations and other policies set forth in this Manual may be amended, from time to time, by the Declarant until expiration or termination of the Development Period (as defined in the Declaration) and thereafter, the Board. Any amendment to the Rules and Regulations and other policies governing the Association initiated by the Board must be approved in advance and in writing by the Declarant until expiration or termination of the Development Period. Upon expiration or termination of the Development Period, Rules, Regulations and Policies whether part of this Manual or as stand-alone documents may be adopted, amended, supplemented, and repealed by Resolution of the Board.

Section 2.9. Declarant. "Declarant" shall mean **MM COLUMNS RESIDENTIAL, L.L.C.**, a Texas limited liability company, its successors or assigns; provided that any assignment(s) of the rights of **MM COLUMNS RESIDENTIAL, L.L.C.**, a Texas limited liability company, as Declarant, must be expressly set forth in writing and recorded in the Official Public Records of Collin County, Texas.

Section 2.10. Declaration. "Declaration" shall mean the "Declaration of Covenants, Conditions and Restrictions for The Homeplace at the Columns", recorded in the Official Public Records of Collin County, Texas, as the same may be amended from time to time.

Section 2.11. Majority. "Majority" shall mean more than half.

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

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

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

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

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

Section 2.17. Property. "Property" shall mean and refer to the property subject to the terms and provisions of the Declaration.

Section 2.18. Restrictions. "Restrictions" means, singularly or collectively as the case may be, the Declaration, the Certificate, Bylaws, the Manual, the Design Guidelines, if any, and any Rules and Regulations promulgated by the Association pursuant to the Declaration, as adopted and amended from time to time. An appendix, exhibit, schedule, or certification accompanying a Restriction is part of a Restriction.

ARTICLE III

MEMBERSHIP, MEETINGS, QUORUM, VOTING, PROXIES

Section 3.1. Membership. Each Owner of a Lot is a mandatory Member of the Association, as more fully set forth in the Declaration.

Section 3.2. Place of Meetings. Meetings of the Association shall be held where designated by the Board, either within the Property or as convenient as possible and practical.

Section 3.3. Annual Meetings. There shall be an annual meeting of the Members of the Association for the purposes of conducting Association business and Association-wide elections or votes and for such other Association business at such reasonable place, date and time as set by the Board.

Section 3.4. Special Meetings. Special meetings of Members may be called by the President; the Board of Directors; or by Members having not less than one-tenth (1/10th) of the votes entitled to be cast at the meeting; or by other Officers or persons as may be provided for in the Certificate of Formation or these Bylaws.

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Section 3.5. Notice of Meetings. Written or printed notice stating the place, day, and hour of any Annual, Election, or Special meeting of the Members shall be delivered, either personally or by mail, to each Member entitled to vote at such meeting, not less than ten (10) nor more than sixty (60) days before the date of such meeting. In the case of any Annual, Election, or Special Meeting or when otherwise required by statute or these Bylaws, the purpose or purposes for which the meeting is called shall be clearly stated in the notice or on an Agenda or Draft Agenda to be sent with the Notice. **No business shall be transacted at a special meeting except as stated in the notice.** If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Member at his address as it appears on the records of the Association, with postage prepaid. If an election or vote of the Members will occur outside of a meeting of the Members (i.e., absentee or electronic ballot), then the Association shall provide notice to each Member no later than the 20th day before the latest date on which a ballot may be submitted to be counted. Absentee and electronic ballots shall be allowed in The Homeplace at the Columns.

Section 3.6. Waiver of Notice. Waiver of notice of a meeting of the Members shall be deemed the equivalent of proper notice. Any Member may, in writing, waive notice of any meeting of the Members, either before or after such meeting. Attendance at a meeting by a Member shall be deemed a waiver by such Member of notice of the time, date, and place thereof, unless such Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting by a Member shall be deemed a waiver of notice of all business transacted at such meeting unless an objection by a Member on the basis of lack of proper notice is raised before the business is put to a vote.

Section 3.7. Quorum. Except as provided in these Bylaws or in the Declaration, the presence of the Members representing ten percent (10%) of the total votes in the Association shall constitute a quorum at any Annual, Election, or Special Meeting.

The Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding should quorum not be met, the Meeting must be called and the Association will be required to re-schedule the Meeting at least seven (7) but not more than (30) days from the date of the initial Meeting. The re-scheduled meeting will have to be Noticed and the quorum requirement for the new Meeting shall be five percent (5%) of the total votes in the Association. Should quorum not be met at the second Meeting the quorum shall be satisfied based on the number of Owners in attendance, either in person or by Proxy. **During the Declarant Control Period the reduced quorum shall be calculated and satisfied based on the number of Lots owned by the Declarant. This rule may only be exercised during the Declarant Control Period.**

Section 3.8. Conduct of Meetings. The President or any other person appointed by the Board shall preside over all Association meetings, and the Secretary, or the Secretary's designee, shall keep the minutes or cause to be kept the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions occurring at the meeting. Misconduct or outbursts by any Member, including Members of the Board will not be tolerated any person creating a disturbance will be asked to exit the Meeting. No meeting may be recorded or videotaped without the express written permission of the Board.

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Section 3.9. Voting. The voting rights of the Members shall be as set forth in the Declaration, and such voting rights provisions are specifically incorporated by reference. Except as otherwise provided in the Declaration, action may be taken at any legally convened meeting of the Members upon the affirmative vote of the Members having a Majority of the total votes present at such meeting in person or proxy or by absentee ballot or electronic voting, if such votes are considered present at the meeting as further set forth herein. Cumulative voting shall not be allowed. The person holding legal title to a Lot shall be entitled to cast the vote allocated to such Lot and not the person merely holding beneficial title to the same unless such right is expressly delegated to the beneficial Owner thereof in writing. **Any provision in the Association's governing documents that would disqualify an Owner from voting in an Association election of Board Members or on any matter concerning the rights or responsibilities of the Owner is void.** In a Board election, each candidate is allowed to name one person to observe the counting of the ballots, provided that the designated observer (i) is prohibited from seeing the name of the Member who cast any ballot, and (ii) shall not be disruptive, and if found to be disruptive, shall be removed.

Section 3.10. Methods of Voting: In Person; Proxies; Absentee Ballots; Electronically. The voting rights of an Owner may be cast or given: (a) in person or by proxy at a meeting of the Association; (b) by absentee ballot; or (c) by electronic ballot. Any vote cast in an election or vote by a Member of the Association must be in writing and signed by the Member. Electronic votes constitute written and signed ballots. In an Association election, written and signed ballots are not required for uncontested races. Votes shall be cast as provided in this Section:

(a) **Proxies.** Any Member may give a revocable written proxy in the form as prescribed by the Board from time to time to any person authorizing such person to cast the Member's vote on any matter. A Member's vote by proxy is subject to any limitations of Texas law relating to the use of general proxies and subject to any specific provision to the contrary in the Declaration or these Bylaws. No proxy shall be valid unless signed by the Member for which it is given or his duly authorized attorney-in-fact, dated, and filed with the Secretary of the Association prior to the meeting for which it is to be effective. Proxies shall be valid only for the specific meeting for which given and for lawful adjournments of such meeting. In no event shall a proxy be valid more than eleven (11) months after the effective date of the proxy. Every proxy shall be revocable and shall automatically cease upon conveyance of the Lot for which it was given.

(b) **Absentee and Electronic Ballots.** An absentee or electronic ballot: (1) may be counted as an Owner present and voting for the purpose of establishing a quorum **only for items appearing on the ballot**; (2) may not be counted, even if properly delivered, if the Owner attends any meeting to vote in person, so that any vote cast at a meeting by an Owner supersedes any vote submitted by absentee or electronic ballot previously submitted for that proposal; and (3) may not be counted on the final vote of a proposal if the proposal was amended at the meeting to be different from the **exact language** on the absentee or electronic ballot. For the purposes of this Section, a nomination taken from the floor in a Board member election is not considered an amendment to the proposal for the election. Ballots must be signed and all boxes checked. No Ballot can be counted if not signed and properly completed.

(i) **Absentee Ballots.** No absentee ballot shall be valid unless it is in writing, signed by the Member for which it is given or his duly authorized attorney-in-fact, dated, and filed with the Secretary of the Association prior to the meeting for which it is to be effective. Absentee ballots shall be valid only for the specific meeting for which given and for lawful adjournments of such meeting. In no event shall an absentee ballot be valid after the specific meeting or lawful adjournment of such meeting at which such ballot is counted or upon conveyance of the Lot for which it was given. Any solicitation for votes by absentee ballot must include:

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- A. an absentee ballot that contains each proposed action and provides an opportunity to vote for or against each proposed action;
- B. instructions for delivery of the completed absentee ballot, including the delivery location; and
- C. the following language: "By casting your vote via absentee ballot you will forgo the opportunity to consider and vote on any action from the floor on these proposals, if a meeting is held. This means that if there are amendments to these proposals your votes will not be counted on the final vote on these measures. If you desire to retain this ability, please attend any meeting in person. You may submit an absentee ballot and later choose to attend any meeting in person, in which case any in-person vote will prevail."

(ii) *Electronic Ballots.* "Electronic ballot" means a ballot: (a) given by email, facsimile or posting on a website; (b) for which the identity of Owner submitting the ballot can be confirmed; and (c) for which the Owner may receive a receipt of the electronic transmission and receipt of the Owner's ballot. If an electronic ballot is posted on a website, a notice of the posting shall be sent to each Owner that contains instructions on obtaining access to the posting on the website.

Section 3.11. Tabulation of and Access to Ballots. A person who is a candidate in an Association election or who is otherwise the subject of an Association vote, or a person related to that person within the third degree by consanguinity or affinity may not tabulate or otherwise be given access to the ballots cast in that election or vote except such person may be given access to the ballots cast in the election or vote as part of a recount process. A person tabulating votes in an Association election or vote or who performs a recount pursuant to *Section 3.12* may not disclose to any other person how an individual voted. Notwithstanding, any provision of these Bylaws to the contrary, only a person who tabulates votes pursuant to this Section or performs a recount pursuant to *Section 3.12* shall be given access to any Association ballots.

Section 3.12. Recount of Votes. Any Member (the "**Recount Requesting Member**") may, not later than the fifteenth (15th) day after the later of the date of any meeting of Members at which an election or vote was held, or the date of the announcement of the results of the election or vote, require a recount of the votes (the "**Recount Request**"). A Recount Request must be submitted in writing either: (i) by any method of mailing for which evidence of mailing is provided by the United States Postal Service or a common carrier, with signature confirmation service to the Association's mailing address as reflected on the latest management certificate; or (ii) in person to the Association's managing agent as reflected on the latest management certificate or to the address to which absentee and proxy ballots are mailed. The Recount Requesting Member shall be required to pay, in advance, expenses associated with the recount as estimated by the Association pursuant to subsection (a) below.

(a) Cost of Recount. The Association shall estimate the costs for performing the recount by a person qualified to tabulate votes under subsection (b), and no later than the 20th day after the date the Association receives the Recount Request, shall send an invoice for the estimated costs (the "**Initial Recount Invoice**") to the Recount Requesting Member at the Recount Requesting Member's last known address according to the Association's records. The Recount Requesting Member must pay the Initial Recount Invoice in full to the Association on or before the 30th day after the date the Initial Recount Invoice was delivered to the Recount Requesting Member (the "**Deadline**"). If the Initial Recount Invoice is not paid by the Recount Requesting Member by the Deadline, the Recount Requesting Member's Recount Request shall be considered withdrawn and the Association shall not be required to perform a recount. If the Initial Recount Invoice is paid by the Recount Requesting Member by the Deadline, then on or before the 30th day after the date of receipt of payment of the Invoice, the recount must be completed and the Association must provide each Recount Requesting Member with notice of the results of the recount. If the recount changes the results of the election, the Association shall reimburse the Recount Requesting Member for the cost of the recount not later than the 30th day after the date the results of the recount are provided. If the recount does not change the results of the election, and the estimated costs included on the Initial Recount Invoice are either lesser or greater than the actual costs of the recount, the Association shall send a final invoice (the "**Final Recount Invoice**") to the Recount Requesting Member on or before the 30th business day after the date the results of the recount are provided. If the Final Recount Invoice reflects that additional amounts are owed by the Recount Requesting Member, the Recount Requesting Member shall remit such additional amounts to the Association immediately. Any additional amounts not paid to the Association by the Recount Requesting Member before the 30th business day after the date the Final Recount Invoice is sent may be charged as an Individual Assessment against the Recount Requesting Member. If the costs estimated in the Initial Recount Invoice costs exceed the amount reflected in the Final Recount Invoice, then the Recount Requesting Member shall be entitled to a refund, which such refund shall be paid at the time the Final Recount Invoice is delivered pursuant to this Section.

(b) Vote Tabulator. Following receipt of payment of the Initial Recount Invoice, the Association shall retain for the purpose of performing the recount, the services of a person qualified to tabulate votes. The Association shall enter into a contract for the services of a person who: (i) is not a Member of the Association or related to a Member of the Association Board within the third degree by consanguinity or affinity; and (ii) is either a person agreed on by the Association and each person requesting a recount or is a current or former county judge, county elections administrator, justice of the peace or county voter registrar.

(c) Board Action. Any action taken by the Board in the period between the initial election vote tally and the completion of the recount is not affected by any recount

Section 3.13. Action Without a Meeting. Any action required or permitted by law to be taken at a meeting of the Members may be taken without a meeting, without prior notice, and without a vote if written consent specifically authorizing the proposed action is signed by Members holding at least the minimum number of votes necessary to authorize such action at a meeting if all Members entitled to vote thereon were present. Such consents shall be signed within sixty (60) days after receipt of the earliest dated consent, dated, and delivered to the Association at its principal place of business in Texas. Such consents shall be filed with the minutes of the Association and shall have the same force and effect as a vote of the Members at a meeting. Within ten (10) days after receiving authorization for any action by written consent, the Secretary shall give written notice to all Members entitled to vote who did not give their written consent, fairly summarizing the material features of the authorized action.

**ARTICLE IV
BOARD OF DIRECTORS**

Section 4.1. Authority; Number of Directors.

(a) The affairs of the Association shall be governed by a Board of Directors. The number of Directors shall be fixed by the Board of Directors from time to time. The initial Directors shall be three (3) in number and shall be those Directors named in the Certificate. The initial Directors shall serve until their successors are elected and qualified. Homeowners who have been convicted or have a record of committing certain crimes may be prohibited from serving as a Director and/or Officer of the Association.

(b) In accordance with the Declaration, i.e., on or before the date which is the earlier of (i) one-hundred twenty (120) days after Declarant has sold seventy-five percent (75%) of the Lots that may be developed within the Property, or (ii) ten (10) years after the date of recordation of the Declaration, at least one-third (1/3) of the Directors on the Board shall be elected by non-Declarant Owners. Declarant will continue to appoint and remove two-thirds of the Board after the Initial Member Election Meeting until expiration or termination of the Declarant / Development Period. Notwithstanding the foregoing, the First Member Elected Director's position will expire one (1) year after the date of the Member Election Meeting.

(c) At the expiration or termination of the Declarant / Development Period, the Declarant will thereupon call a meeting of the Members of the Association where the Declarant appointed Directors will resign and the Members, including Declarant, will elect three (3) new directors (to replace all Declarant appointed Directors and the First Member Elected Director) (the "**Member Election Meeting**"), one (1) Director for a three (3) year term, one (1) Director for a two (2) year term, and one (1) Director for a one (1) year term (with the individual receiving the highest number of votes to serve the three (3) year term, the individual receiving the next highest number of votes to serve the two (2) year term, and the individual receiving the third highest number of votes to serve a one (1) year term). Upon expiration of the term of a Director elected by the Members pursuant to this *Section 4.1(c)*, his or her successor will be elected for a term of two (2) years

(d) A Director takes office upon the adjournment of the meeting or balloting at which he is elected or appointed. A Director serves until a successor is elected or appointed. A Director may resign any time by serving written notice to the Board. A resignation is valid as soon as received unless the Director lists a specific date of resignation. A Director may also be removed for a number of reasons including, but not limited to, excessive absences from meetings, ineligibility, removal, breach of duties or a breach of confidentiality.

(e) Each Director, other than Directors appointed by Declarant, shall be a Member. In the case of corporate, partnership, or other entity ownership of a Lot, the Director must be a duly authorized agent or representative of the corporation, the partnership, or other entity which owns the Lot. Other than as set forth in this subparagraph (e), the Association may not restrict an Owner's right to run for a position on the Board.

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

As determined by the Board, Directors may be reimbursed for any reasonable and necessary out-of-pocket expenses.

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

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

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

Section 4.4. Vacancies on Board of Directors. Except with respect to Directors appointed by the Declarant, if the office of any elected Director shall become vacant the remaining Directors, at a special meeting duly called for this purpose, shall choose a successor who shall fill the unexpired term of the directorship being vacated. If there is a deadlock in the voting for a successor by the remaining Directors, the one Director with the longest continuous term on the Board shall select the successor. At the expiration of the term of his position on the Board of Directors, the successor Director shall run for election or his successor shall be elected in accordance with these Bylaws. Declarant appointed Directors may only be removed by the Declarant.

Section 4.5. Removal of Directors. Subject to the right of Declarant to nominate and appoint Directors as set forth in *Section 4.1* of these Bylaws, an elected Director may be removed, with or without cause, by the vote of Members holding a Majority of the votes entitled to be cast in the Association.

Section 4.6. Solicitation of Candidate for Election to the Board. At least thirty (30) days before the date an Association disseminates absentee ballots or other ballots to Members for the purpose of voting in a Board election, the Association shall provide notice (the "**Solicitation Notice**") of the election to the Members. The Solicitation Notice shall: (a) solicit candidates that are eligible under *Section 4.1(e)* and interested in running for a position on the Board; (b) state that an eligible candidate has fifteen (15) days to respond to the Solicitation Notice and request to be placed on the ballot; and (c) must be: (1) mailed to each Member; (2) e-mailed to each Member that has registered their e-mail address with the Association; or (3) posted in a conspicuous manner reasonably designed to provide notice to Members, such as: (i) within the Common Area or, with the Member's consent, on other conspicuously located privately owned property within the subdivision; or (ii) on any website maintained by the Association or other internet media.

ARTICLE V MEETINGS OF DIRECTORS

Section 5.1. Development Period. The provisions of this *Article V* do not apply to Board meetings during the Development Period (as defined in the Declaration) during which period the Board may take action by unanimous written consent in lieu of a meeting pursuant to *Section 5.10*, except with respect to a meeting conducted for the purpose of: (a) adopting or amending the Documents (i.e., declarations, bylaws, rules, and regulations); (b) increasing the amount of Regular Assessments of the Association or adopting or increasing a Special Assessment; (c) electing non-Declarant Board members or establishing a process by which those members are elected; or (d) changing the voting rights of Members.

Section 5.2. Definition of Board Meetings. A meeting of the Board means a deliberation between a quorum of the Board, or between a quorum of the Board and another person, during which Association business is considered and the Board takes formal action.

Section 5.3. Regular Meetings. Regular meetings of the Board shall be held annually or such other frequency as determined by the Board, at such place and hour as may be fixed from time to time by resolution of the Board.

Section 5.4. Special Meetings. Special meetings of the Board shall be held when called by the President of the Association, or by any two Directors, after not less than three (3) days' notice to each Director.

Section 5.5. Quorum. A Majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a Majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board of Directors. Directors may conduct business without a meeting as described in Section 5.1 and Section 5.10. Business carried out without the benefit of a meeting shall be ratified by oral or written statements at the next scheduled Board Meeting and the content thereof recorded in the minutes of the meeting for the Association's records.

Section 5.6. Open Board Meetings. All regular and special Board meetings must be open to Owners. However, the Board has the right to adjourn a meeting and reconvene in closed executive session to consider actions involving: (a) personnel; (b) pending or threatened litigation; (c) contract negotiations; (d) enforcement actions; (e) confidential communications with the Association's attorney; (f) matters involving the invasion of privacy of individual Owners, or matters that are to remain confidential by request of the affected parties and agreement of the Board. Following an executive session, any decision made by the Board in executive session must be summarized orally in general terms and placed in the minutes. The oral summary must include a general explanation of expenditures approved in executive session.

Section 5.7. Location. Except if otherwise held by electronic or telephonic means, a Board meeting must be held in the county in which all or a part of the property in the subdivision is located or in a county adjacent to that county, as determined in the discretion of the Board.

Section 5.8. Record; Minutes. The Board shall keep a record of each regular or special Board meeting in the form of written minutes of the meeting. The Board shall make meeting records, including approved minutes, available to a Member for inspection and copying on the Member's written request to the Association's managing agent at the address appearing on the most recently filed management certificate or, if there is not a managing agent, to the Board.

Section 5.9. Notices. Members shall be given notice of the date, hour, place, and general subject of a regular or special board meeting, including a general description of any matter to be brought up for deliberation in executive session. The notice shall be: (a) mailed to each Member not later than the tenth (10th) day or earlier than the sixtieth (60th) day before the date of the meeting; or (b) provided at least seventy-two (72) hours before the start of the meeting by: (i) posting the notice in a conspicuous manner reasonably designed to provide notice to Members in a place located on the Association's common area or on any website maintained by the Association; and (ii) sending the notice by e-mail to each Member who has registered an e-mail address with the Association. It is the Member's duty to keep an updated e-mail address registered with the Association. The Board may establish a procedure for registration of email addresses, which procedure may be required for the purpose of receiving notice of Board meetings. If the Board recesses a regular or special Board meeting to continue the following regular business day, the Board is not required to post notice of the continued meeting if the recess is taken in good faith and not to circumvent this Section. If a regular or special Board meeting is continued to the following regular business day, and on that following day the Board continues the meeting to another day, the Board shall give notice of the continuation in at least one manner as set forth above within two (2) hours after adjourning the meeting being continued.

Section 5.10. Unanimous Consent. During the Development Period, Directors may vote by unanimous written consent. Unanimous written consent occurs if all Directors individually or collectively consent in writing to a Board action. The written consent must be filed with the minutes of Board meetings. Action by written consent shall be in lieu of a meeting and has the same force and effect as a unanimous vote of the Directors. As set forth in *Section 5.1*, Directors may not vote by unanimous consent if the Directors are

considering any of the following actions: (a) adopting or amending the Documents (i.e., declarations, bylaws, rules, and regulations); (b) increasing the amount of Regular Assessments of the Association or adopting or increasing a Special Assessment; (c) electing non-Declarant Board members or establishing a process by which those members are elected; or (d) changing the voting rights of Members

Section 5.10. Unanimous Consent. During the Development Period, Directors may vote by unanimous written consent. Unanimous written consent occurs if all Directors individually or collectively consent in writing to a Board action. The written consent must be filed with the minutes of Board meetings. Action by written consent shall be in lieu of a meeting and has the same force and effect as a unanimous vote of the Directors. As set forth in *Section 5.1*, Directors may not vote by unanimous consent if the Directors are considering any of the following actions: (a) adopting or amending the Documents (i.e., declarations, bylaws, rules, and regulations); (b) increasing the amount of Regular Assessments of the Association or adopting or increasing a Special Assessment; (c) electing non-Declarant Board members or establishing a process by which those members are elected; or (d) changing the voting rights of Members

Section 5.11. Meeting without Prior Notice. The Board may take action outside a meeting including voting by electronic or telephonic means without prior notice to the Members if each Board member is given a reasonable opportunity (i) to express his or her opinions to all other Board members and (ii) to vote. Any action taken without notice to Members must be summarized orally, including an explanation of any known actual or estimated expenditures approved at the meeting, and documented in the minutes of the next regular or special Board meeting. The Board may not, unless done in an open meeting for which prior notice was given to the Members pursuant to *Section 5.9* above, consider or vote

on: (a) fines; (b) damage assessments; (c) the initiation of foreclosure actions; (d) the initiation of enforcement actions, excluding temporary restraining orders or violations involving a threat to health or safety; (e) increases in assessments; (f) levying of special assessments; (g) appeals from a denial of architectural control approval; (h) a suspension of a right of a particular Member before the Member has an opportunity to attend a Board meeting to present the Member's position, including any defense, on the issue; (i) the lending or borrowing of money; (j) the adoption of any amendment of a dedicatory instrument; (k) the approval of an annual budget or the approval of an amendment of an annual budget that increases the budget by more than 10 percent (10%); (l) the sale or purchase of real property; (m) the filling of a vacancy on the Board; (n) the construction of capital improvements other than the repair, replacement, or enhancement of existing capital improvements; or (o) the election of an officer.

Section 5.12. Telephone and Electronic Meetings. Any action permitted to be taken by the Board may be taken by telephone or electronic methods provided that: (1) each Board member may hear and be heard by every other Board member; (2) except for any portion of the meeting conducted in executive session: (i) all Members in attendance at the meeting may hear all Board members; and (ii) any Members are allowed to listen using any electronic or telephonic communication method used or expected to be used by a participating Board member at the same meeting; and (3) the notice of the Board meeting provides instructions to the Members on how to access the electronic or telephonic communication method used in the meeting. Participation in such a meeting constitutes presence in person at the meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

**ARTICLE VI
POWERS AND DUTIES OF THE BOARD**

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

(a) Adopt and publish the Association Rules, including regulations governing the use of the Association Property and facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof. Such Rules may be adopted, amended, or rescinded by means of a Board Resolution;

(b) Suspend the right of a Member or any Occupant, Tenant, Guest, or Invitee to use of the Association Property during any period in which such Member shall be in default in the payment of any Assessment levied by the Association, or after notice and hearing, for any period during which an infraction of the Association Rules by such Member exists;

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

(d) To enter into any contract or agreement with a municipal agency or utility company to provide electric utility service to all or any portion of the Property. Contracts of any kind executed by the Declarant may have restrictions or terms set at the sole discretion of the Declarant;

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

Employ such employees as they deem necessary, and to prescribe their duties;

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

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

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

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

- (i) Procure and maintain adequate liability and hazard insurance on Association Property;
- (i) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and
- (k) Exercise such other and further powers or duties as provided in the Declaration or by law.

**ARTICLE VII
OFFICERS AND THEIR DUTIES**

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

Section 7.2. Election of Officers. The election of officers shall take place at the first meeting of the Board following each annual meeting of the Members. If no change in the residing Officers is desired, the Board should provide in writing for Association Records, signed by a majority of the Board that all Officers agree to continue to serve in the current Officer capacity.

Section 7.3. Term. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, may determine.

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

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

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

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

(a) **President.** The President shall preside at all meetings of the Board unless the President delegates this responsibility to another Board Member; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

(b) Vice President. The Vice President, if any, shall generally assist the President and shall have such powers and perform such duties and services as shall from time to time be prescribed or delegated to him by the President or the Board. In the event the President is unable or refuses to serve or fulfill the duties required of a President, the Vice President shall perform the duties.

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

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

(e) Treasurer. The Treasurer shall oversee the receipt and deposit in appropriate bank accounts all monies of the Association and shall oversee disbursement of such funds. These duties may be performed by a Managing Agent and the Treasurer shall be responsible for reviewing the financial reports and providing an overview to the Board when requested. The Treasurer shall sign all promissory notes of the Association; keep or cause to be kept proper books of account in appropriate form such that they could be audited by a public accountant whenever ordered by the Board or the membership; and shall prepare or cause to be prepared an annual budget and a statement of income and expenditures to be presented to the membership at its regular meeting, and deliver or cause to be delivered a summary copy of each to the Members.

Section 7.9. Execution of Instruments. Except when the Restrictions require execution of certain instruments by certain individuals, the Board may authorize any person to execute instruments on behalf of the Association, including without limitation checks from the Association's bank account. In the absence of Board designation, and unless otherwise provided herein, the President and the Secretary are the only persons authorized to execute instruments on behalf of the Association. During the Declarant Period, the Declarant authorizes any person to execute instruments on behalf of the Association.

ARTICLE VIII

OTHER COMMITTEES OF THE BOARD OF DIRECTORS

The Board may, by resolution adopted by affirmative vote of a Majority of the number of Directors fixed by these Bylaws, designate two or more Directors or Members (with such alternates, if any, as may be deemed desirable) to constitute another committee or committees for any purpose; provided, that any such other committee or committees shall have and may exercise only the power of recommending action to the Board of Directors and of carrying out and implementing any instructions or any policies, plans, programs and rules theretofore approved, authorized and adopted by the Board.

ARTICLE IX

BOOKS AND RECORDS

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

**ARTICLE X
ASSESSMENTS**

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

**ARTICLE XI
CORPORATE SEAL**

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

**ARTICLE XII
AMENDMENTS**

These Bylaws may be amended by: (i) the Declarant until expiration or termination of the Development Period; or (ii) a Majority vote of the Board of Directors with the advance written consent of the Declarant until expiration or termination of the Development Period.

**ARTICLE XIII
INDEMNIFICATION OF DIRECTORS AND OFFICERS**

The Association shall indemnify every Director, Officer, or Committee Member against, and reimburse and advance to every Director, Officer and Committee Member for all liabilities, costs and expenses' incurred in connection with such directorship or office and any actions taken or omitted in such capacity to the greatest extent permitted under the Texas Business Organizations Code and all other applicable laws at the time of such indemnification, reimbursement or advance payment; provided, however, no Director, Officer or Committee Member shall be indemnified for: (a) a breach of duty of loyalty to the Association or its Members; (b) an act or omission not in good faith or that involves intentional misconduct or a knowing violation of the law; (c) a transaction from which such Director, Officer or Committee Member received an improper benefit, whether or not the benefit resulted from an action taken within the scope of directorship or office; or (d) an act or omission for which the liability of such Director, Officer or Committee Member is expressly provided for by statute.

**ARTICLE XIV
MISCELLANEOUS**


Section 14.1. Fiscal Year. The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

Section 14.2. Review of Statutes and Court Rulings. Users of these Bylaws should also review statutes and court rulings that may modify or nullify provisions of this document or its enforcement, or may create rights or duties not anticipated by these Bylaws.

Section 14.3. Conflict. In the case of any conflict between the Certificate and these Bylaws, the Certificate shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control. In the case of any conflict between these Bylaws and any provision of the applicable laws of the State of Texas, the conflicting aspect of the Bylaws provision is null and void, but all other provisions of these Bylaws remain in full force and effect.

Section 14.4. Interpretation. The effect of a general statement is not limited by the enumerations of specific matters similar to the general. The captions or articles and sections are inserted only for convenience and are in no way to be construed as defining or modifying the text to which they refer. The singular is construed to mean the plural, when applicable, and the use of masculine or neuter pronouns includes the feminine.

Section 14.5. No Waiver. No restriction, condition, obligation, or covenant contained in these Bylaws may be deemed to have been abrogated or waived by reason of failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.



Mehrdad Moayedi, Board President, and
Declarant
The Homeplace at the Columns Homeowners
Association, Inc.

Policies that Follow:

Attachment 3, Fine and Enforcement Policy

Attachment 4, Assessment Collection Policy

Attachment 5, Records Inspection, Copying and Retention Policy

Attachment 6, Statutory Notice of Posting and Recordation of Association Governing Documents

Attachment 7, E-mail Registration Policy

Attachment 8, Generator Policy

ATTACHMENT 3

THE HOMDPLACE AT THE COLUMNS
FINE AND ENFORCEMENT POLICY

1. Background. The Homeplace at the Columns is subject to that certain Declaration of Covenants, Conditions and Restrictions, recorded in the Official Public Records of Collin County, Texas, as the same may be amended from time to time (the "**Declaration**"). In accordance with the Declaration, The Homeplace at the Columns, (the "**Association**") was created to administer the terms and provisions of the Declaration. Unless the Declaration or applicable law expressly provides otherwise, the Association acts through a majority of its board of directors (the "**Board**"). The Association is empowered to enforce the covenants, conditions and restrictions of the Declaration, Certificate, Bylaws, Manual, and any Rules and Regulations promulgated by the Association pursuant to the Declaration, as adopted and amended from time to time (collectively, the "**Restrictions**"), including the obligation of Owners to pay Assessments pursuant to the terms and provisions of the Declaration and the obligations of the Owners to compensate the Association for costs incurred by the Association for enforcing violations of the Restrictions.

The Board hereby adopts this Fine and Enforcement Policy to establish equitable policies and procedures for the levy of fines within the Association in compliance with the Chapter 209 of the Texas Property Code, titled the "Texas Residential Property Owners Protection Act," as it may be amended (the "**Act**"). To the extent any provision within this policy is in conflict with the Act or any other applicable law, such provision shall be modified to comply with the applicable law.

Terms used in this policy, but not defined, shall have the meaning subscribed to such term in the Restrictions.

2. Policy. The Association uses fines to discourage violations of the Restrictions, and to encourage compliance when a violation occurs — not to punish violators or generate revenue for the Association. Although a fine may be an effective and efficient remedy for certain types of violations or violators, it is only one of several methods available to the Association for enforcing the Restrictions. The Association's use of fines does not interfere with its exercise of other rights and remedies for the same violation.
3. Owner's Liability. An Owner is liable for fines levied by the Association for violations of the Restrictions by the Owner and the relatives, occupants, tenants, guests, invites, employees, and agents of the Owner and residents. Regardless of who commits the violation, the Association may direct all communications regarding the violation to the Owner.
4. Amount. The Association may set fine amounts on a case by case basis, provided the fine is reasonable in light of the nature, frequency, and effects of the violation. The Association may establish a schedule of fines for certain types of violations. The amount and cumulative total of a fine must be reasonable in comparison to the violation, and should be uniform for similar violations of the same provision of the Restrictions. If the Association allows fines to accumulate,

the Association may establish a maximum amount for a particular fine, at which point the total fine will be capped.

5. Violation Notice. Except as set forth in *Section 5(C)* below, before levying a fine, the Association will give (i) one (1) written violation notice via mail to the Owner (at the Owner's last known address as shown in the Association records) (the "Violation Notice"). If an e-mail is available or know, a copy of the notice may be sent by e-mail as well as U.S. mail, and (ii) an opportunity to be heard, if requested by the Owner. The Association's Violation Notice will contain the following items: (1) the date the Violation Notice is prepared or mailed; (2) a description of the violation or property damage that is the basis for the Individual Assessment, suspension action, or other charge; (3) a reference to the rule or provision that is being violated; (4) a description of the action required to cure the violation and a reasonable timeframe in which the violation is required to be cured to avoid the fine or suspension. Generally, this timeframe will not be more than ten (10) days; (5) the amount of the possible fine; (6) a statement that no later than the thirtieth (30th) day after the date the notice was mailed, the Owner may request a hearing pursuant to Section 209.007 of the Texas Property Code, and further, if the hearing held pursuant to Section 209.007 of the Texas Property Code is to be held by a committee appointed by the Board, a statement notifying the Owner that he or she has the right to appeal the committee's decision to the Board by written notice to the Board; and (7) a statement that the Owner may have special rights or relief related to the enforcement action under federal law, including the Servicemembers Civil Relief Act (50 U.S.C. app. section *et seq*), if the Owner is serving on active military duty. The Violation Notice sent out pursuant to this paragraph is further subject to the following:

- (A) First Violation. If the Owner has not been given notice and a reasonable opportunity to cure the same or similar violation within the preceding six (6) months, the Violation Notice will state those items set out in (1) — (7) above, along with a reasonable timeframe by which the violation must be cured to avoid the fine. **The Violation Notice must state that any future violation of the same rule may result in the levy of a fine** which may be levied in a lump sum or in a sequence of charges until the violation is abated.
- (B) Uncurable Violation/Violation of Public Health or Safety. If the violation is of an uncurable nature which could materially affect the physical health and safety of a resident or poses a threat to public health or safety (as exemplified in Section 209.006 of the Texas Property Code), then the Violation Notice shall state those items set out in (1), (2), (3), (5), (6), and (7) above, and the Association shall have the right to exercise any enforcement remedy afforded to it under the Restrictions, including but not limited to the right to levy a fine pursuant to the *Schedule of Fines* or when circumstances warrant, levying charges for self-help actions or charges for the repair and/or replacement of damage property, real or personal, done by anyone or any animal or thing.
- (C) Repeat Violation without Attempt to Cure. If the Owner has been given a Violation Notice and a reasonable opportunity to cure the same or similar violation within the preceding six (6) months but commits the violation again, then the Owner shall not be entitled to an additional Violation Notice or a hearing pursuant to Section 209.007 of the Texas Property Code, and the Association shall have the right to exercise any enforcement remedy afforded

to it under the Restrictions, including but not limited to the right to levy a fine pursuant to the *Schedule of Fines* or as the Board, the ACC, or its Managing Agent may deem necessary and appropriate. After an Owner has been provided a Violation Notice as set forth herein and assessed fines in the amounts set forth in the Notice, if the Owner has never cured the violation in response to any Violation Notices sent or any fines levied, then the Board, in its sole discretion, may determine that such a circumstance is a continuous violation which warrants a levy of a fine based upon a daily, monthly, or quarterly amount as determined by the Board.

6. **Violation Hearing.** If the Owner is entitled to an opportunity to cure the violation, then the Owner has the right to submit a written request to the Association for a hearing before the Board or a committee appointed by the Board to discuss and verify the facts and resolve the matter. To request a hearing, the Owner must submit a written request by certified mail (the "Request") to the Association's manager (or the Board if there is no manager) within thirty (30) days after receiving the violation notice. The Association must then hold the hearing requested no later than thirty (30) days after the Board receives the Request. The Board must notify the Owner of the date, time, and place of the hearing at least (10) days before the date of the hearing. The hearing will be scheduled to provide a reasonable opportunity for both the Board and the Owner to attend. The Board or the Owner may request a postponement, and if requested, a postponement shall be granted for a period of not more than ten (10) days. Additional postponements may be granted by agreement of the parties. Notwithstanding the foregoing, the Association may exercise its other rights and remedies as set forth in Section 209.007(d) and (e) of the Texas Property Code. ***Any hearing before the Board will be held in a closed or executive session of the Board.*** At the hearing, the Board will consider the facts and circumstances surrounding the violation. The Owner shall attend the hearing in person, but may be represented by another person (i.e., attorney) during the hearing, upon advance written notice to the Board. If an Owner intends to make an audio recording of the hearing, such Owner's request for hearing shall include a statement noticing the Owner's intent to make an audio recording of the hearing, otherwise, no audio or video recording of the hearing may be made, unless otherwise approved by the Board. The minutes of the hearing must contain a statement of the results of the hearing and the fine, if any, imposed. A copy of the Violation Notice and request for hearing should be placed in the minutes of the hearing. If the Owner appears at the meeting, the notice requirements will be deemed satisfied. Unless otherwise agreed by the Board, each hearing shall be conducted in accordance with the agenda outline attached hereto as Exhibit A.

7. **Due Date.** **Fine and/or damage charges are due immediately if the violation is incurable or poses a threat to public health or safety.** A violation is considered incurable if the violation occurred but is not a continuous action or a condition capable of being remedied by affirmative action. The non-repetition of a one-time violation or other violation that is not ongoing is not considered an adequate remedy. Some samples of such violations are listed at the end of this policy. If the violation is curable, the fine and/or damage charges are due immediately after the later of: (1) the date that the cure period set out in the first Violation Notice ends and the Owner does not attempt to cure the violation or the attempted cure is unacceptable to Association, or (2) if a hearing is requested by the Owner, such fines or damage charges will be due immediately after the Board's final decision on the matter, assuming that a fine or damage charge of some amount is confirmed by the Board at such hearing.

8. Lien Created. The payment of each fine and/or damage charge levied by the Board against the Owner of a Lot is, together with interest as provided in the Declaration and all costs of collection, including attorney's fees as herein provided, secured by the lien granted to the Association pursuant the Declaration. The fine and/or damage charge will be considered an Assessment for the purpose of this Article and will be enforced in accordance with the terms and provisions governing the enforcement of assessments pursuant of the Declaration.

9. Levy of Fine. Any fine levied shall be reflected on the Owner's periodic statements of account or delinquency notices.

10. Foreclosure. The Association may not foreclose its assessment lien on a debt consisting solely of fines.

11. Amendment of Policy. This policy may be revoked or amended from time to time by the Board. This policy will remain effective until the Association records an amendment to this policy in the county's official public records.

Schedule of Fines

The Board has adopted the following general schedule of fines. The Board may elect to pursue such additional remedies at any time in accordance with applicable law. The Board also reserves the right to set fine amounts on a case by case basis, provided the fine is reasonable in light of the nature, frequency, and effect of the violation:

The Board reserves the right to adjust these fine amounts based on the severity and/or frequency of the violation.

FINES

Fines may be levied in lump sums or in increments. Uncurable violations are more likely to be levied in lump sums the amounts of which may range from \$50.00 to \$1,000.00, depending upon the severity or reoccurrence of the violation. Fines levied in increments may follow the table below notwithstanding, the table is set forth as an example only and does not require the fine amounts or increments to be followed.

1st Fine	\$50.00 and not more than five (5) additional days to cure
2nd Fine	\$100.00 and not more than five (5) additional days to cure
3rd Fine	\$200.00 and not more than five (5) additional days to cure
4th Fine and Following	\$25.00 per day for every day the violation remains. There shall be no limit or maximum to fines due to an Owner's continued failure or refusal to abate a violation for which the Owner has received notice and opportunity to cure.

The Board, the ACC, or the Managing Agent may levy fines in varying amounts so long as a minimum of five (5) days is granted between the first and third fines.

Samples of incurable violations for purposes of this Notice & Fining Policy. The list below is NOT Intended to restrict the Association's right to notice any violation nor is it intended to restrict acts of violations that can be pursued by the Association whether curable or incurable in nature.

1. Shooting Fireworks
2. Any act constituting a threat to health or safety
3. A noise violation that is ongoing
4. Property damages, including the removal or alteration of landscape
5. Holding a garage sale or other event prohibited by a dedicatory instrument

The Following acts are generally considered curable and should not be enforced as an incurable violation. There may be exceptions and it is up to the Board, the ACC, or the Managing Agent to determine under which category any violation may occur:

1. A parking violation;
2. A maintenance violation;
3. Failure to construct improvements or modifications in accordance with the approved plans and Specifications; and
4. An ongoing noise violation such as a barking dog.

EXHIBIT TO ATTACHMENT 3

SAMPLE OF NORMAL HEARING PROCEDURES

HEARING BEFORE THE BOARD

Note: An individual will be appointed to act as the presiding hearing officer. The hearing officer will provide introductory remarks and administer the hearing agenda and may be appointed by the Hearing panel or may be an Attorney should the Hearing Panel decide to have one present.

I. Introduction:

Hearing Officer. The Board has convened for the purpose of providing [Owner] an opportunity to be heard regarding a notice of violation of the Restrictions sent by the Association. The hearing is being conducted as required by Section 209.007(a) of the Texas Property Code, and is an opportunity for [Owner] to discuss, verify facts, and attempt to resolve the matter at issue. The Board may be able to resolve the dispute at the hearing or the Board may elect to take the matter under advisement and conclude the hearing. If the matter is taken under advisement, a final decision will be communicated in writing within ten (10) business days.

II. Presentation of Facts: This portion of the hearing is to permit a representative of the Association the opportunity to describe the violation and to present photographs or other material relevant to the violation, fines or penalties.

Hearing Officer.

[Presentations] After the Association's representative has finished his presentation, the Owner or its representative will be given the opportunity to present photographs or other material relevant to the violation, fines or penalties. *The Board may ask questions during either party's presentation. It is requested that questions by the [Owner] be held until completion of the presentation by the Association's representative.*

Discussion:

Hearing Officer. This portion of the hearing is to permit the Board and [Owner] to discuss factual disputes relevant to the violation. Discussion regarding any fine or penalty is also appropriate. Discussion should be productive and designed to seek, if possible, a mutually agreed upon resolution of the dispute. The Hearing Officer retains the right to conclude this portion of the hearing at any time.

III. Resolution: This portion of the hearing is to permit discussion between the Board and Owner regarding the final terms of a mutually agreed upon resolution if such Resolution can be agreed upon during the discussion phase of the hearing. If no mutually agreed upon resolution can be reached, the Hearing Officer may (i) request the Board enter into an executive session to discuss the matter; (II)

Hearing Officer.

This portion of the hearing is to permit discussion between the Board and [Owner] regarding the final terms of a mutually agreed upon resolution if such resolution was agreed upon during the discussion phase of the hearing. If no mutually agreed upon resolution was reached, the Hearing Officer may: (i) request that the Board enter into executive session to discuss the matter; (ii) adjourn the Hearing advising the Board will take the matter into consideration and will notify the Owner by mail of the decision within ten (10) business days.

ATTACHMENT 4

THE HOMEPLACE AT THE COLUMNS ASSESSMENT COLLECTION POLICY

The Homeplace at the Columns is a community (the "**Community**") created by and subject to the Declaration of Covenants, Conditions and Restrictions Recorded in the Official Public Records of Collin County, Texas, and any amendments or supplements thereto (the "**Declaration**"). The operation of the Community is vested in The Homeplace at the Columns (the "**Association**"), acting through its board of directors (the "**Board**") or to whom the Board delegates such authority. The Association is empowered to enforce the covenants, conditions and restrictions of the Declaration, Certificate, Bylaws, Manual, and any Rules and Regulations promulgated by the Association pursuant to the Declaration, as adopted and amended from time to time (collectively, the "**Restrictions**"), including the obligation of Owners to pay Assessments pursuant to the terms and provisions of the Declaration. Payment of Assessments are a mandatory deed restriction upon every Lot Owner save the Declarant.

The Board hereby adopts this Assessment Collection Policy to establish equitable policies and procedures for the collection of Assessments levied pursuant to the Restrictions. Terms used in this policy, but not defined, shall have the meaning subscribed to such term in the Restrictions.

SECTION 1. DELINQUENCIES, LATE CHARGES & INTEREST

- 1-A. Due Date. An Owner will timely and fully pay Assessments. Regular Assessments shall be assessed on terms set forth by the Board and may be subject to change by the Board from time to time and are due and payable on the first day of January of each fiscal year, or in such other manner as the Board may designate in its sole and absolute discretion.
- 1-B. Delinquent. Any Assessment that is not fully paid when due is delinquent. When the account of an Owner becomes delinquent, it remains delinquent until paid in full — including collection costs, interest and late fees.
- 1-C.. Late Fees & Interest. If the Association does not receive full payment of an Assessment by 5:00 p.m. no later than the last day of the month in which the Assessment is due or as established by the Board, the Association may levy a late fee of \$25 per month and/or interest at the highest rate allowed by applicable usury laws then in effect on the amount of the Assessment from the due date thereof (or if there is no such highest rate, then at the rate of 1 and 1/2% per month) until paid in full.
- 1-D. Liability for Collection Costs. The defaulting Owner is liable to the Association or its Managing Agent for the cost of title reports, credit reports, certified mail, long distance calls, court costs, filing fees, and other reasonable costs and attorney's fees incurred by the Association in collecting the delinquency.
- 1-E. Insufficient Funds. The Association may levy a charge of \$25 or the amount charged by the bank or banks for any check returned to the Association marked "not sufficient funds" or for any other reason.

- 1-F Waiver. Properly levied collection costs, late fees, and interest may only be waived by a majority of the Board. Fees owed to the Managing Agent may not be waived by the Board.

SECTION 2. INSTALLMENTS & ACCELERATION

If an Assessment, other than a Regular Assessment, is payable in installments, and if an Owner defaults in the payment of any installment, the Association may declare the entire Assessment in default and accelerate the due date on all remaining installments of the Assessment. An Assessment, other than a Regular Assessment, such as a Special Assessment, payable in installments may be accelerated only after the Association gives the Owner at least fifteen (15) days prior notice of the default and the Association's intent to accelerate the unpaid balance if the default is not timely cured. Following acceleration of the indebtedness, the Association has no duty to reinstate the installment program upon partial payment by the Owner. Payment Plans must be at least three (3) months and no more than twelve (12) months without express written consent of the Board.

SECTION 3. PAYMENTS

- 3-A. Application of Payments. After the Association notifies the Owner of a delinquency and the Owner's liability for late fees or interest, and collection costs, any payment received by the Association shall be applied according to the order of application required in the Texas State Property Code or as it may be amended from time to time.
- 3-B. Payment Plans. The Association shall offer a payment plan to a delinquent Owner with a minimum term of at least three (3) months from the date the payment plan is requested for which the Owner may be charged reasonable administrative costs and interest. The Association will determine the actual term of each payment plan offered to an Owner in their sole and absolute discretion. An Owner is not entitled to a payment plan if the Owner has defaulted on a previous payment plan in the last two (2) years. The Association is not required to make a payment plan available to a Member after the Delinquency Cure Period allowed under Paragraph 5-B expires. If an Owner is in default at the time the Owner submits a payment, the Association is not required to follow the application of payments schedule set forth in Paragraph 3-A.
- 3-C. Form of Payment. The Association may require that payment of delinquent Assessments be made only in the form of cashier's check, money order, or certified funds.
- 3-D. Partial and Conditioned Payment. The Association may refuse to accept partial payment (*i.e.*, less than the full amount due and payable) and payments to which the payer attaches conditions or directions contrary to the Board's policy for applying payments. ***The Association's endorsement and deposit of a payment does not constitute acceptance.*** Instead, acceptance by the Association occurs when the

Association posts the payment to the Owner's account. If the Association does not accept the payment it must not post the payment to the Owner's account and at that time, it will promptly return the payment to the payer. A payment that is not returned to the payer within thirty (30) days after receipt by the Association may be deemed accepted as to payment, but not as to words of limitation or instruction accompanying the payment. The acceptance by the Association of partial payment of delinquent Assessments does not waive the Association's right to pursue or to continue pursuing its remedies for payment in full of all outstanding obligations.

3-E. Notice of Payment. If the Association receives full payment of the delinquency after Recording a notice of lien, the Association will cause a release of notice of lien to be publicly Recorded, a copy of which will be sent to the Owner. The Association may require the Owner to prepay the cost of preparing and Recording the release or may levy to the Owner's account for repayment.

3-F. Correction of Credit Report. If the Association receives full payment of the delinquency after reporting the defaulting Owner to a credit reporting service, if applicable, the Association will report receipt of payment to the credit reporting service.

SECTION 4. LIABILITY FOR COLLECTION COSTS

4-A. Collection Costs. The defaulting Owner may be liable to the Association or its Managing Agent for the cost of title reports, credit reports, certified mail, long distance calls, filing fees, and other reasonable costs and attorney's fees incurred in the collection of the delinquency.

SECTION 5. COLLECTION PROCEDURES

5-A. Delegation of Collection Procedures. From time to time, the Association may delegate some or all of the collection procedures, as the Board in its sole discretion deems appropriate, to the Association's Manager, an attorney, or a debt collector.

5-B. Delinquency Notices. If the Association has not received full payment of an Assessment by the due date, the Association may send written notice of nonpayment to the defaulting Owner, by certified mail, (a thirty (30) Day Demand Letter) stating: (a) the amount delinquent and the total amount of the payment required to make the account current, (b) the options the Owner has to avoid having the account turned over to a collection agent, as such term is defined in Texas Property Code Section 209.0064, including information regarding availability of a payment plan through the Association, and (c) that the Owner has thirty (30) days for the Owner to cure the delinquency before further collection action is taken (the "Delinquency Cure Period"). The Association's delinquency-related correspondence may state that if full payment is not timely received, the Association may pursue any or all of the Association's remedies, at the sole cost and expense of the defaulting Owner.

5-C. Verification of Owner Information. The Association may obtain a title report to determine the names of the Owners and the identity of other lien-holders, including the mortgage company.

5-D. Collection Agency. The Board may employ or assign the debt to one or more collection agencies.

- 5-E. Notification of Mortgage Lender. The Association may notify the Mortgage lender of the default obligations.
- 5-F. Notification of Credit Bureau. The Association may report the defaulting Owner to one or more credit reporting services.
- 5-G. Collection by Attorney. If the Owner's account remains delinquent after a period of thirty (30) days, the Manager of the Association or the Board of the Association may refer the delinquent account to the Association's attorney for collection. In the event an account is referred to the Association's attorney, the Owner will be liable to the Association for its legal fees and expenses. Upon referral of a delinquent account to the Association's attorney, the Association's attorney may, and probably will, provide the following notices and take some, if not all, the following actions unless otherwise directed by the Board:
- (1) Initial Notice: Preparation of the Initial Notice of Demand for Payment Letter. If the account is not paid in full within 30 days (unless such notice has previously been provided by the Association), then
 - (2) Lien Notice: Preparation of the Lien Notice and Demand for Payment Letter and Recordation of a Notice of Unpaid Assessment Lien.
 - (3) Final Notice: Preparation of the Final Notice of Demand for Payment Letter and Intent to Foreclose and Notice of Intent to Foreclose to Lender.
 - (4) Foreclosure of Lien: Only upon specific approval by a majority of the Board.
- 5-H. Notice of Lien. The Association's attorney may cause a notice of the Association's Assessment lien against the Owner's home to be publicly Recorded. In that event, a copy of the notice will be sent to the defaulting Owner, and may also be sent to the Owner's Mortgagee.
- 5-I. Cancellation of Debt. If the Board deems the debt to be uncollectible, the Board may elect to cancel the debt on the books of the Association as bad debt. The Association may report the full amount of the forgiven indebtedness to the Internal Revenue Service as income to the defaulting Owner.
- 5-J. Suspension of Use of Certain Facilities or Services. The Board may suspend the use of the Common Area amenities by an Owner, or his tenant, whose account with the Association is delinquent for at least thirty (30) days.

SECTION 6. GENERAL PROVISIONS

- 6-A. Independent Judgment. Notwithstanding the contents of this detailed policy, the officers, directors, Manager, and attorney of the Association may exercise their independent, collective, and respective judgment in applying this policy. This policy is an outline of steps or processes for the collection of delinquent Assessments or amounts owed to the Association, but in no wise, is it meant to limit or restrict the Association, its Agent, third party Collection Agency, or the Association's Attorney from taking different or additional steps which may lawfully be available.

- 6-B. Other Rights. This policy is in addition to and does not detract from the rights of the Association to collect Assessments under the Restrictions and the laws of the State of Texas.
- 6-C. Limitations of Interest. The Association, and its officers, directors, Managers, and attorneys, intend to conform strictly to the applicable usury laws of the State of Texas. Notwithstanding anything to the contrary in the Restrictions or any other document or agreement executed or made in connection with this policy, the Association is not required to collect late fees and interest although it has every right to do so.
- 6-D. Notices. Unless the Restrictions, applicable law, or this policy provide otherwise, any notice or other written communication given to an Owner pursuant to this policy will be deemed delivered to the Owner upon depositing same with the U.S. Postal Service, addressed to the Owner at the most recent address shown on the Association's records, or upon personal delivery to the Owner. If the Association's records show that an Owner's property is owned by two (2) or more persons, notice to one co-Owner is deemed notice to all co-Owners. Similarly, notice to one resident is deemed notice to all residents. Written communications to the Association, pursuant to this policy, will be deemed given on actual receipt by the Association's president, secretary, managing agent, or attorney.
- 6-E. Amendment of Policy. This policy may be amended from time to time by the Board by Resolution of the Board without requiring any amendment to the Bylaws.

ATTACHMENT 5

THE HOMEPLACE AT THE COLUMNS

RECORDS INSPECTION, COPYING AND RETENTION POLICY

Terms used but not defined in this policy will have the meaning subscribed to such terms in that certain Declaration of Covenants, Conditions and Restrictions for The Homeplace at the Columns in the Official Public Records of Collin County, Texas, as the same may be amended from time to time.

Note: Texas statutes presently render null and void any restriction in the Declaration which restricts or prohibits the inspection, copying and/or retention of association records and files in violation of the controlling provisions of the Texas Property Code or any other applicable state law. The Board has adopted this policy in lieu of any express prohibition or any provision regulating such matters which conflict with Texas law, as set forth in the Declaration.

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

a written notice that the Records are available and offer dates and times when the Records may be inspected by the owner or their proxy during normal business hours at the office of the Association; or

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

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

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

10. On a case-by-case basis where an owner request for Records is deemed to be minimal, the Association or its managing agent reserves the right to waive notice under section 2 and/or fees under section 4.

11. All costs associated with fulfilling the request under this Policy will be paid by the Association's Managing Agent. All fees paid to the Association under this Policy will be reimbursed to the Association's Managing Agent or paid directly to the Association's Managing Agent.

1. **Standard paper copy.** The charge for standard paper copies reproduced by means of an office machine copier or a computer printer is \$.10 per page or part of a page. Each side that has recorded information is considered a page.

2. **Nonstandard copy.** The charges in this subsection are to cover the materials onto which information is copied and do not reflect any additional charges, including labor, that may be associated with a particular request. The charges for nonstandard copies are:

- (A) Diskette--\$3.00;
- (B) Data cartridge--actual cost;
- (C) Rewritable CD (CD-RW)--\$5.00;
- (D) Non-rewritable CD (CD-R)--\$5.00;
- (E) Digital video disc (DVD)--\$5.00;
- (F) JAZ drive, Thumb Drive, or other external hard drive --actual cost;
- (G) Other electronic media--actual cost;
- (H) All other mediums for copying data not provided herein — actual cost;
- (I) Oversize paper copy or specialty paper (e.g.: 11 inches by 17 inches, greenbar, bluebar)--\$1.00 per page;

3. **Labor charge for programming.** If a particular request requires the services of a programmer in order to execute an existing program or to create a new program so that requested information may be accessed and copied, the Association may charge a reasonable fee for the location of the Property for the programmer's time.

4.

Labor charge for locating, compiling, manipulating data, and reproducing public information.

(A) The charge for labor costs incurred in processing a request for public information is \$15 an hour. The labor charge includes the actual time to locate, compile, manipulate data, and reproduce the requested information.

(B) A labor charge shall not be billed in connection with complying with requests that are for 50 or fewer pages of paper records.

5.

Labor charge for third parties. A labor charge shall not be recovered for any time spent by an attorney, legal assistant, or any other person who reviews the requested information to determine whether the Association will raise any exceptions to disclosure of the requested information under applicable law.

6.

Miscellaneous supplies. The actual cost of miscellaneous supplies, such as labels, boxes, and other supplies used to produce the requested information, may be added to the total charge for public information.

7.

Postal and shipping charges. The Association may add any related postal or shipping expenses which are necessary to transmit the reproduced information to the requesting party.

8.

Payment. The Association that accepts payment by credit card for copies of public information and that is charged a "transaction fee" by the credit card company may recover that fee. The Association may require advance payment of the charges in this Policy. The Association will provide an invoice to the Owner within 30 days after delivering the requested information. In the event the invoiced amount is less than the pre-paid amount, the Association will refund the excess amount to the Owner within 30 days after the invoice is sent to the Owner. If the actual cost invoiced is greater than the pre-paid amount, the Owner will pay such excess within 30 days of receipt of the invoice. In the event such excess is not paid by the owner timely, the Association may add such unpaid amounts to the Owner's assessment account. The Association shall pay to the Managing Agent any charge or fee incurred for the labor and work performed to gather, prepare, copy, provide, and/or review with an Owner. **This fee will apply each time a request for review or copying of Association documents occurs.**

9.

Savings Clause. This Policy is subject to periodic reevaluation and update. Notwithstanding anything to the contrary, the Association will not in any event be entitled to receive or collect the charges in this Policy in amounts greater than the maximum allowed by applicable law. In the event the Association receives amounts charged which are in excess of the maximum charges permitted by law, the excess amount will be returned to the Owner.

RECORDS RETENTION

The Record Retention Policy of Alcove at Hickory Creek ensures that necessary records and documents are adequately protected and maintained and that records that are no longer needed or are of no value are discarded at the proper time.

1. Policy. This Policy represents the Association's policy regarding the retention and disposal of records and the retention and disposal of electronic documents.

2. Administration. The Record Retention Schedule herein is approved as the initial maintenance, retention and disposal schedule for physical records of the Association and the retention and disposal of electronic documents. The Board or Secretary of the Association ("Administrator") is the officer in charge of the administration of this Policy and the implementation of processes and procedures to ensure that the Record Retention Schedule is followed. The Administrator is also authorized to: make modifications to the Record Retention Schedule from time to time to ensure that it is in compliance with local, state and federal laws and includes the appropriate document and record categories for the Corporation; monitor local, state and federal laws affecting record retention; annually review the record retention and disposal program; and monitor compliance with this Policy.

3. Suspension of Record Disposal In Event of Litigation or Claims. In the event the Association is served with any subpoena or request for documents or any employee becomes aware of a governmental investigation or audit concerning the Association or the commencement of any litigation against or concerning the Association, such employee shall inform the Administrator and any further disposal of documents shall be suspended until such time as the Administrator, with the advice of counsel, determines otherwise. The Administrator will take such steps as is necessary to promptly inform all staff of any suspension in the further disposal of documents.

4. Applicability. This Policy applies to all physical records generated in the course of the Association's operation, including both original documents and reproductions. It also applies to the electronic documents described above.

Record Retention Schedule

The Record Retention Schedule is organized as follows:

SECTION TOPIC

- A. Accounting and Finance
- B. Contracts
- C. Corporate Records
- D. Electronic Documents
- E. Payroll Documents
- F. Personnel Records
- G. Property Records
- H. Tax Records

The following are the Association's retention periods. These apply to both physical and electronic documents. If no physical copy of an electronic document is retained, the means to 'read' the electronic document must also be retained. If a record does not fall within the following categories, Board approval must be obtained to dispose of such record.

A. ACCOUNTING AND FINANCE

Record Type

Accounts Payable & Accounts Receivable ledgers and schedules	7 years
Annual Audit Reports and Financial Statements	7 years
Annual Audit Records, including work papers and other documents that relate to the audit	7 years after completion of audit
Bank Statements and Canceled Checks Employee Expense Reports	7 years
General Ledgers	7 years
Notes Receivable ledgers and schedules Investment Records	Permanent

B. CONTRACTS

Record Type **Retention Period**

Contracts and Related Correspondence (including any proposal that resulted in the contract and all other supportive documentation)	4 years after expiration or termination
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C. ASSOCIATION RECORDS

Record Type **Retention Period**

Corporate Records (unless otherwise specifically addressed in this Policy - Governing Documents,	
Dedicatory Instruments, minute books, signed minutes of the Board and all committees, corporate seals, annual corporate reports)	Permanent
Licenses and Permits	Permanent
Account records of current owners	5 years

D. ELECTRONIC DOCUMENTS

- 1. Electronic Mail:** Not all email needs to be retained, depending on the subject matter.
 - All e-mail—from internal or external sources—is to be deleted after 12 months.
 - Staff will strive to keep all but an insignificant minority of their e-mail related to business issues.
 - The Corporation's business-related email should be downloaded to a service center or user directory on the server, when determined by the Board.
 - Staff will not store or transfer the Corporation's related e-mail on non-work-related computers except as necessary or appropriate for the Corporation's purposes.
 - Staff will take care not to send confidential/proprietary information to outside sources.

- 2. Electronic Documents:** Retention depends on the subject matter and follows D.1 above

ATTACHMENT 6

THE HOMEPLACE AT THE COLUMNS HOMEOWNERS ASSOCIATION, INC.
STATUTORY NOTICE OF POSTING AND RECORDATION OF
ASSOCIATION GOVERNING DOCUMENTS

Terms used but not defined in this policy will have the meaning subscribed to such terms in that certain Declaration of Covenants, Conditions and Restrictions for The Homeplace at the Columns Recorded in the Official Public Records of Collin County, Texas, as the same may be amended from time to time.

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

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

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

ATTACHMENT 7

THE HOMEPLACE AT THE COLUMNS HOMEOWNERS ASSOCIATION, INC.
EMAIL REGISTRATION POLICY

Terms used but not defined in this policy will have the meaning subscribed to such terms in that certain Declaration of Covenants, Conditions and Restrictions for The Homeplace at the Columns Recorded in the Official Public Records of Collin County, Texas, as the same may be amended from time to time.

1. Purpose. The purpose of this Email Registration. Policy is to facilitate proper notice of annual and special meetings of members of the Association pursuant to Section 209.0051(e) of the Texas Property Code.

2. Email Registration. Should the owner wish to receive any and all email notifications of annual and special meetings of members of the Association, it is the owner's sole responsibility to register his/her email address with the Association and to continue to keep the registered email address updated and current with the Association. In order to register an email address, the owner must provide their name, address, phone number and email address through the method provided on the Association's website, if any, and/or to the official contact information provided by the Association for the community manager.

3. Failure to Register. An owner may not receive email notification or communication of annual or special meetings of members of the Association should the owner fail to register his/her email address with the Association and/or properly and timely maintain an accurate email address with the Association. Correspondence to the Association and/or Association manager from an email address or by any method other than the method described in Paragraph No. 2 above will not be considered sufficient to register such email address with the Association.

4. Amendment. The Association may, from time to time, modify, amend, or supplement this Policy or any other rules regarding email registration.

ATTACHMENT 8

THE HOMEPLACE AT THE COLUMNS

GENERATOR POLICY

Terms used but not defined in this policy will have the meaning subscribed to such terms in that certain Declaration of Covenants, Conditions and Restrictions for The Homeplace at the Columns, Recorded or to be recorded in the Official Public Records of Collin County, Texas, as the same may be amended from time to time.

A. ARCHITECTURAL REVIEW APPROVAL REQUIRED

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

B. GENERATOR PROCEDURES AND REQUIREMENTS

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

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

(i) The Owner must install and maintain the Generator in accordance with the manufacturer's specifications and meet all applicable governmental health, safety, electrical, and building codes.

(ii) The Owner must use a licensed contractor(s) to install all electrical, plumbing, and fuel line connections and all electrical connections must be installed in accordance with all applicable governmental health, safety, electrical, and building codes.

(iii) The Owner must install all-natural gas, diesel fuel, biodiesel fuel, and/or hydrogen fuel line connections in accordance with applicable governmental health, safety, electrical, and building codes.

(iv) The Owner must install all liquefied petroleum gas fuel line connections in accordance with the rules and standards promulgated and adopted by the Railroad Commission of Texas and other applicable governmental health, safety, electrical, and building codes.

(v) The Owner must install and maintain all non-integral standby Generator fuel tanks in compliance with applicable municipal zoning ordinances and governmental health, safety, electrical, and building codes.

(v) The Owner must install all liquefied petroleum gas fuel line connections in accordance with the rules and standards promulgated and adopted by the Railroad Commission of Texas and other applicable governmental health, safety, electrical, and building codes.

(vi) The Owner must install and maintain all non-integral standby Generator fuel tanks in compliance with applicable municipal zoning ordinances and governmental health, safety, electrical, and building codes.

(vii) The Owner must maintain in good condition the Generator and its electrical lines and fuel lines. The Owner is responsible to repair, replace, or remove any deteriorated or unsafe component of a Generator, including electrical and fuel lines.

(viii) The Owner must screen a Generator if it is visible from the street faced by the residence, located in an unfenced side or rear yard of a Lot, and is visible either from an adjoining residence or from adjoining property owned by the Association, and/or is located in a side or rear yard fenced by a wrought iron or residential aluminum fence and is visible through the fence either from an adjoining residence or from adjoining property owned by the Association.

(ix) The Owner may only perform periodic testing of the Generator consistent with the manufacturer's recommendations between the hours of 9 a.m. to 5 p.m., Monday through Friday.

(x) No Owner shall use the Generator to generate all or substantially all of the electric power to the Owner's residence unless the utility-generated electrical power to the residence is not available or is intermittent due to causes other than nonpayment for utility service to the residence.

(xi) No Owner shall locate the Generator (i) in the front yard of a residence; or (ii) in the side yard of a residence facing a street.

(xii) No Owner shall locate a Generator on property owned by the Association.

(xiii) No Owner shall locate a Generator on any property owned in common by members of the Association.

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

4. Approval. Each Owner is advised that if the Generator Application is approved by the ACC, installation of the Generator must: (i) strictly comply with the Generator Application; (ii) commence within thirty (30) days of approval; and (iii) be diligently prosecuted to completion. If the owner fails to cause the Generator to be installed in accordance with the approved Generator Application, the ACC may require the Owner to: (a) modify the Generator Application to accurately reflect the Generator installed on the Property; or (b) remove the Generator and reinstall the Generator in accordance with the approved Generator Application. Failure to install the Generator in accordance with the approved Generator Application or an Owner's failure to comply with the post-approval requirements constitutes a violation of the Declaration and may subject the Owner to fines and penalties. Any requirement imposed by the ACC to resubmit a Generator Application or remove and relocate a Generator in accordance with the approved Generator Application shall be at the Owner's sole cost and expense.

Filed and Recorded
Official Public Records
Stacey Kemp, County Clerk
Collin County, TEXAS
02/05/2020 09:18:27 AM
\$562.00 DKITZMILLER
20200205000162530

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A handwritten signature in cursive script that reads "Stacey Kemp".