

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE HOMESTEAD AT OWNSBY FARMS

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS AND CONSTRUCTION OBLIGATIONS FOR THE HOMESTEAD AT OWNSBY FARMS (as may be amended from time to time, the "Declaration") is made by CADG Ownsby Farms, LLC, a Texas limited liability company ("Declarant").

RECITALS

A. Declarant purchased approximately 113.548 acres of real property (the "Property") in Celina, Collin County, Texas, as more particularly described in Exhibit A, attached hereto and incorporated herein, from Ownsby 1880 Farms, Ltd., a Texas limited partnership (together with its successors and assigns, "Ownsby 1880"), and is the owner of all the Property.

B. The Property was part of a larger tract of land owned by Ownsby 1880, and Ownsby 1880 continues to own approximately 218.401 acres of real property (the "1880 Land") as more particularly described in Exhibit B, attached hereto and incorporated herein, that is contiguous to the Property.

C. As part of the consideration for purchasing the Property from Ownsby 1880, Declarant agreed to devise and establish the covenants, conditions, and restrictions set forth herein, containing certain rights of enforcement, consent and other rights for Ownsby 1880 and its Affiliates. Declarant is entering into and encumbering the Property with this Declaration and performing its obligations hereunder in part in order to provide the consideration for purchasing the Property from Ownsby 1880.

D. Declarant has devised a general plan of development for the Property as a whole as a single-family planned community to be known as "The Homestead at Ownsby Farms" (the "Subdivision"), with specific provisions for particular parts and parcels of the Property. This general plan provides a common scheme of development, administration, maintenance and preservation of the Property, designed to protect and safeguard the Property over a long period.

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E. This general plan will benefit the Property in general, the parcels and lots that constitute the Property, Declarant, Ownsby 1880, the 1880 Land, and each successive owner of an interest in the Property and the 1880 Land.

F. Therefore, in accordance with both the doctrines of restrictive covenant and implied equitable servitude, Declarant desires to restrict the Property according to these covenants, conditions, and restrictions in furtherance of this general development plan and to bind itself to perform the agreements set forth herein.

G. An integral part of the development plan is the creation of The Homestead at Ownsby Farms 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 and entities 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, in addition to terms defined elsewhere herein, the following terms have the following meanings:

(a) "Affiliate" means in the case of Ownsby 1880 any person or entity, (i) which owns beneficially, directly or indirectly, any outstanding ownership interests in Ownsby 1880, (ii) which is member, manager, or officer of Ownsby 1880, (iii) which controls, is controlled by or is under common control with Ownsby 1880. The term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person or entity, whether through ownership of voting securities, by contract or otherwise.

(b) "Architectural Control Committee" and/or "ACC" means the architectural review body for the Property, as described in Article III.

(c) "Association" means The Homestead at Ownsby Farms Homeowners Association, Inc., a Texas non-profit corporation, or such 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.

(d) "Board of Directors" or "Board" means 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 period of Declarant control, the Declarant has the sole right to appoint and remove all Directors to the Board, provided that prior to the date which is the earlier of (i) one hundred-twenty (120) days after seventy-five percent (75%) of the Lots have been sold to non-Declarant Owners, or (ii) ten (10) years from the date on which the Declaration is recorded, at least 1/3 of the directors serving on the Board shall be person(s) elected by a majority vote of Class A Members at a meeting of the members at which a quorum is present. Each Director, other than Directors appointed by Declarant, shall be a Member and resident, 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.

(e) "Builder" means any person or entity who has acquired a Lot or Lots for the purpose of constructing a residence thereon for later sale to consumers.

(f) "Bylaws" means the Bylaws of the Association, approved by the Board of Directors, as may be amended from time to time and attached as Exhibit Attachment E.

(g) "City" means the City of Celina, Collin County, Texas.

(h) "Common Properties" means 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: (i) property conveyed to the Association in fee simple title, (ii) property leased to the Association, (iii) landscape or maintenance easements granted or dedicated to the Association by plat or other written instrument, (iv) retention and detention ponds within the Property, and (v) any other real property or improvement the Association, at the sole discretion of the Board, decides to maintain.

(i) "Community-Wide Standard" means the standard of conduct, maintenance and appearance, including landscaping, generally prevailing throughout the Property or the minimum standards established pursuant to this Declaration, the Design Guidelines, Rules and Board resolutions, whichever is the highest standard. Declarant initially shall establish such standard, subject to Ownsby 1880's approval. 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, and subjective elements, such as matters subject to the Board's discretion. The Community-Wide Standard may or may not be in writing and shall be subject to the enforcement and notice and fining policy of the Association. 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.

(j) "County" means Collin County, Texas, in which the Property is located, as the context may require.

(k) "Declarant" means not only CADG Ownsby Farms, LLC, a Texas limited liability company, but also any successor, alternate or additional Declarant as appointed by CADG Ownsby Farms, LLC as successor, alternate or additional Declarant by written instrument, filed or recorded 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 CADG Ownsby Farms, 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 and expressly assigned, by a separate recorded instrument, some or all of the Declarant rights under this Declaration as to the conveyed property. No person or entity may become the Declarant unless such person or entity expressly assumes all of the obligations of the Declarant under this Declaration. Furthermore, if a person or entity who is the Declarant ceases to be the Declarant for any reason, such person or entity will continue to be liable for all obligations and liabilities of the Declarant under this Declaration that arise out of events occurring or failing to occur during the period of time that the person or entity was the Declarant.

(l) "Design Guidelines" means 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.

(m) "Development Period" means the period of time beginning on the date of this Declaration and ending on the date that the Declarant (including any successor, alternate or additional Declarant as appointed by the entity initially named as the Declarant herein) no

longer owns any interest in any Lot, including any Lot that is in any additional property subjected to this Declaration pursuant to Article XIV hereof.

(n) "Final Plat" means, 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.

(o) "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 the Texas Property Code Chapter 202.

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

(n) "Member" means a member of the Association, as described in Article VIII.

(o) "Owner" means each and every person or 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 (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.

(p) "Phase" means 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" means 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" means a recorded instrument that 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. A Supplemental Declaration is not effective unless it complies with Article XIV, below.

ARTICLE II CONSTRUCTION OF IMPROVEMENTS AND USE OF LOTS

Section 2.1 Residential Use. The Property shall be used for single-family residential purposes, home office and accessory uses, only. No building or other structure shall be erected, altered, placed or permitted to remain on any Lot other than (i) one (1) detached single-family residence per Lot, which residence may not exceed three (3) stories in height (ii) a private garage as provided by Section 2.3, and (iii) children's playhouses, doghouses, greenhouses, gazebos and buildings for storage of lawn maintenance equipment, provided no part of any such structure is visible from any front or side street. 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 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 2.3 Garage Required. Each residence shall have an enclosed garage and shall conform to the requirements set forth in the Design Guidelines. The garage shall conform in design and materials with the main structure and comply with all city zoning ordinances. In the event of a conflict among the Governing Documents and any City of Celina Ordinance to include any amendments of the Ordinance thereof, the City of Celina Ordinance shall supersede the Governing Documents and Design Guidelines. In this regard, it is the responsibility of the Builder or Owner to ensure compliance is met.

Section 2.4 Driveways. All driveways shall be surfaced with concrete.

Section 2.5 Uses Specifically Prohibited.

(a) Temporary dwelling, shop, storage building, trailer or mobile home of any kind or any improvement of a temporary character are prohibited on any Lot except (i) accessory uses permitted by Section 2.1; and (ii) temporary improvements (such as a sales office and/or construction trailer) placed by a Builder or contractor 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. Recreational vehicles, mobile homes, trailers, campers, stored vehicles, trucks with tonnage in excess of one (1) ton, commercial vehicles (including all vehicles with commercial lettering or logos), and unlicensed or inoperable vehicles that are twenty feet (20') or less in length may be parked only in an enclosed garage or on a driveway which is accessed by an alley provided (i) there is at least one (1) additional space outside of the garage for parking in the rear of the Lot. "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. Boats may be kept or stored in a side or rear yard on a Lot if completely concealed from the view of any street (other than an alley). 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. Local city or county ordinances may vary from this Section regarding parking rules and regulations. In the event city or county regulations or ordinances differ from those set forth in this section, the city or county regulations or ordinances may supersede those written in this Section so long as such regulations or ordinances are more restrictive. The Board of Directors shall have the sole right to determine which regulations or ordinances will be enforced. Each incident or violation action shall be reviewed and determined on a case by case basis.

Notwithstanding the above, for purposes of cleaning, loading, unloading [for a period of 24 hours prior to departure and upon return from a trip], and short-term and visitor parking, any vehicle may be parked outside of an enclosed garage temporarily and irregularly to accommodate such use. 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 such circumstances.

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 shall be raised, bred or kept on the Property for commercial purposes or for food. Dogs, cats or other small household pets 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. No pigs, pot-bellied pigs, snakes, ferrets, or any other kind of non-domestic animal is allowed. If the pet owner fails to honor such request, the Board may, at its sole discretion, remove or otherwise provide for the removal of the pet. 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 governmental authorities for handling and final disposition. Pets shall be kept on a leash or otherwise confined inside a fenced area whenever outside the dwelling. 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. Notwithstanding anything seemingly herein to the contrary, no more than three (3) household pets will be permitted on each Lot.

(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. 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.

(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. All air-conditioning equipment must be installed in the rear yard or side yard and screened in a manner so as not to be seen from the public right-of-way

(g) The erection, construction, placement or installation of any television, radio or other electronic tower, serial, 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 this 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 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) Except for children's playhouses, doghouses, greenhouses, gazebos and buildings for storage of lawn maintenance equipment which specifically conform to the Design Guidelines and the requirements of Section 2.5(a) herein, no building previously constructed elsewhere shall be moved onto any Lot, it being the intention that only new construction be placed and erected thereon.

(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.

(l) The drying of clothes in public view is prohibited. 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. Every Lot along with its residence, exterior structures and landscaping shall be kept in good repair at all times.

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 Zoning and Subdivision Regulations and other applicable laws. See the Design Guidelines, Exhibit C, for more information. Notwithstanding, twenty-five percent (25%) of the 50' lots shall be allowed to consist of a minimum square footage of 1,600 square feet.

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 may extend in front of the front building line of a residence. All side yard fencing on corner Lots shall run parallel to the curb, may be placed no closer to the street 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 Architectural Reviewer. Refer to Design Guidelines for more information on fence construction requirements.

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 cluster mailboxes and shall be constructed in accordance with the Design Guidelines. An address block shall be installed on the front facade of each residence and shall be of cast stone.

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 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. All landscaping including sod, plants, flowers, flowerbeds, vegetation and trees shall be properly watered, maintained and manicured at all times. Grass shall not be allowed to grow in height in excess of six inches.

Section 2.11 Design Guidelines. In addition to any requirements set forth in this Declaration, all Owners are required to comply with 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 CITY ORDINANCE. The Property and Lots are subject to Ordinance(s) as recorded or to be recorded in the Official Public Records, of the City of Celina, Collin County, Texas as they exist or may be amended.

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 during the Development Period 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. During the Development Period 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 or entities 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

may act solely in Declarant's interest and owe no duty to any other person or entity. 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 persons. Members of the ACC, need not be Members of the Association or representatives of Members, and may, but need not, include architects, engineers, or similar professionals, who may be compensated in such manner and amount, if any, as the Board may establish. The ACC members shall be designated, shall serve, and may be removed and replaced in the Board's discretion.

During the Development Period (and unless the Declarant notifies the ACC in writing to the contrary), the ACC shall notify Declarant in writing, no less than ten (10) business days prior to communicating any action (*ie.*, approval, partial approval, or disapproval) it intends to take under this Article. Furthermore, as long as Ownsby 1880 or any Affiliate of Ownsby 1880 owns any interest in the 1880 Land, the Declarant and ACC shall notify Ownsby 1880 in writing, no less than ten (10) business days prior to communicating any action (*ie.*, approval, partial approval, or disapproval) it intends to take under this Article. A copy of the application and any additional information that Declarant or ACC may require shall accompany the notices required above. With regard to notices given by the ACC to the Declarant, 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 three (3) 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. **Without limiting the rights and remedies of Ownsby 1880 and its Affiliates stated elsewhere herein, Ownsby 1880 is entitled to the notice required above only and does not have the right to veto any action of the ACC or Declarant taken hereunder.**

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 to have any application reviewed by architects, engineers, or other professionals. The Board may include the compensation of such persons in the Association's annual operating budget.

Section 3.2 Review Requirements.

(a) No building, wall, pool or other structure shall be commenced, erected, installed, placed, or substantially altered on any Lot, nor shall any exterior painting of (other than repainting a structure the same or similar color), 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.

(b) 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.

(c) 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. 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 SHALL

OBTAIN FROM THE REVIEWER A BUILDING PERMIT 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 AND MODIFICATIONS OR ADDITIONS TO EXISTING STRUCTURES OR IMPROVEMENTS. FAILURE TO OBTAIN SUCH PERMIT 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 REQUIRE THE CONSTRUCTION TO BE REMOVED.

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. 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, 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 thirty (30) business days after the date of submission of all information the Reviewer requires, the submission shall be deemed to have been disapproved. 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 submittal.

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 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.

Also, 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, 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 Reviewer 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 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 or the Design Guidelines 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 Association, 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 building codes 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.

THE ASSOCIATION HEREBY UNCONDITIONALLY AND PERPETUALLY INDEMNIFIES AND HOLDS DECLARANT, THE BOARD, THE ARCHITECTURAL CONTROL COMMITTEE, OWNSBY 1880, EACH AFFILIATE OF OWNSBY 1880, 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. DECLARANT HEREBY RETAINS ALL THE 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 during the Development Period 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, 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. 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 during the Development Period 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 during the Development Period 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 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 Limitation. The provisions of this Article IV regarding Declarant's rights shall terminate and be of no further force and effect at the end of the Development Period. 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 at all times, including adequate watering and prompt replacement of dead vegetation and trees, and shall edge the street curbs that run along the Lot boundary lines. 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 which 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 six inches (6") upon any Lot. Dead or dying sod due to lack of proper maintenance and care shall be repaired or replaced. Weeds shall be removed and proper weed treatments applied to control the growth and spread of weeds.

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. Fences shall be kept in good repair at all times including stain and/or paint. Owner shall replace worn, broken, rotten or missing parts and any leans in fences must be corrected. Fallen fence panels must be replaced and partial or incomplete fencing is prohibited. All painted surfaces shall be regularly repainted and Owner 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.

**ARTICLE VI
ENFORCEMENT**

Section 6.1 Special Enforcement Rights of the Board of Directors 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, then, 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 a minimum of one (1) notice of such failure and a period of not less than ten (10) days in which to cure such violation or failure. If the Owner does not correct such failure within ten (10) days receipt of such notice, the Board of Directors shall have the right but not the obligation, to assess monetary fines per Section 6.2(a) and as may be outlined in a Notice and Fining Policy which the Declarant and thereafter, the Board of Directors may adopt and/or amend at any time and from time to time as deemed necessary. Declarant, and the Board, or any authorized designee or agent shall have the right but not the obligation to enter upon the Lot and to bring the Lot, and any improvements thereon, into full compliance with this Declaration and the Design Guidelines. **In exercising this right, the Board is not trespassing and is not**

liable for damages related to the abatement. 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.

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 up to \$750.00 per violation occurrence which shall constitute a lien upon the Lot related to or connected with the alleged 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. A suspension does not constitute a waiver or discharge of the Owner's obligations under the Documents. Suspension may be issued at any time the Owner, Residents, Occupants, Guests, or Invitee's of the Owner is believed to create or cause conditions or foster an environment wherein the safety, enjoyment, health of the Association and other Owners are violated, jeopardized, or presents a risk of harm to person or property.

(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) it is not in the Association's best interests, based upon hardship, expense, or other reasonable criteria, to pursue enforcement action.

Section 6.3 Enforcement by Ownsby 1880 and its Affiliates. In addition to the enforcement rights of the Board of Directors and the Declarant set forth herein, Ownsby 1880 and each of its Affiliates that owns any interest in the 1880 Land have the right to request enforcement of this Declaration and the other Governing Documents and any rules, guidelines or standards adopted pursuant to this Declaration for as long as Ownsby 1880 or any Affiliate of Ownsby 1880 owns an interest in any of the 1880 Land and shall be entitled to the right to require specific performance and the right to request injunctive relief against the Owner. Furthermore, Ownsby 1880 and each Affiliate of Ownsby 1880 shall have the right to recover all of its costs and reasonable attorneys' fees incurred in the event they pursue enforcement of any of the Governing Documents notwithstanding, Ownsby 1880 shall first notify the Association or its Managing Agent to notify them of the violation and allow a reasonable amount of time for the Association or its Managing Agent to address the violation according to 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. The rights of Ownsby 1880 under this section continue for so long as it or any of its Affiliates own any interest in any of the 1880 Land. The rights of each Affiliate of Ownsby 1880 under this section continue as long as the Affiliate owns any interest in any of the 1880 Land. The rights and benefits contained herein to Ownsby 1880 and any Affiliate of Ownsby 1880 that owns any interest in the 1880 Land run with the title to the 1880 Land, so long as Ownsby 1880 or any Affiliate of Ownsby 1880 owns any portion of the 1880 Land. This section controls over all other provisions in the Governing Documents, except as to the termination rights set forth in Section 7.2 hereof.

ARTICLE VII AMENDMENT AND TERMINATION

Section 7.1 Amendment. Notwithstanding any other provision of the Governing Documents, this Declaration may not be amended, modified or repealed in any way during

the Development Period without the prior written consent of Ownsby 1880, which Ownsby 1880 shall not unreasonably withhold or delay. During the first ten (10) years from the date of filing of this Declaration, the Declarant will have the sole and exclusive right to amend this Declaration (but only after obtaining Ownsby 1880's prior written consent as provided above) without the consent or joinder of any other party and without the need to call a meeting of the Association. After the first ten (10) years and except in connection with the expansion of the Subdivision pursuant to Section 14.1 hereof, this Declaration may be amended only (a) with the prior written consent of both Declarant and Ownsby 1880, if it is during the Development Period, or (b) 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, during the Development Period, or the Board may, at its discretion (but, during the Development Period, only with the prior written consent of Ownsby 1880 who shall not unreasonably withhold or delay approval), 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 Collin County, Texas.

No amendment during the Development Period may remove, revoke, or modify any right or privilege of Declarant, the Class B Member, Ownsby 1880 or any Affiliate of Ownsby 1880 without the written consent of Declarant, the Class B Member, or Ownsby 1880 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.

7.2.1 At any time, the Owners may terminate and extinguish this Declaration in its entirety by executing an instrument terminating this Declaration and recording the same in the Official Public Records of the County, provided, however, that (i) during the Development Period, no such termination shall be valid or effective without the joinder and consent of Declarant and Ownsby 1880 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.

7.2.2 Notwithstanding anything contained herein to the contrary, in the event Declarant reasonably believes that neither Ownsby 1880 nor any Affiliate of Ownsby 1880

owns any interest in and to any portion of the 1880 Land, Declarant may send formal written notice to Ownsby 1880 at c/o Christie Ownsby Duke, P. O. Box 516, Celina, Texas 75009-0516 (the "Declarant Notice"). Ownsby 1880 shall have thirty (30) days upon receipt of the Declarant Notice to respond and either confirm that there is no such ownership or provide evidence of such ownership to Declarant. Failure to respond timely shall be deemed to be confirmation that neither Ownsby 1880 nor any Affiliate of Ownsby 1880 owns any interest in and to any portion of the 1880 Land. In event Declarant receives (or is deemed to have received) confirmation that neither Ownsby 1880 nor any Affiliate of Ownsby 1880 owns any interest in and to any portion of the 1880 Land, then Declarant shall be entitled (and Ownsby 1880 hereby empowers Declarant, on behalf of itself and any Affiliates), without joinder or consent of Ownsby 1880, to terminate this Declaration by recording a termination signed by Declarant in the real property records of Collin County, Texas. In the alternative, Declarant may elect, in event Declarant receives (or is deemed to have received) confirmation that neither Ownsby 1880 nor any Affiliate of Ownsby 1880 owns any interest in and to any portion of the 1880 Land, to file a modification of this Declaration in the real property records of Collin County, Texas removing any and all references to Ownsby 1880 or any Affiliates of Ownsby 1880 from this Declaration.

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 or entity holds such interest or interests in any Lot, even though all such persons or entities 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 ten (10) votes for each Lot owned by such Declarant. Class B Membership shall expire after the last lot sold on 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.

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 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 first time a meeting is called, whether regular or special, the presence at the meeting of Members, or of proxies, entitled to cast at least ten (10%) of all of the votes of the Association's Members, without regard to class, shall constitute a quorum. This quorum shall also be valid for the transition / organizational meeting held at the time Declarant transfers control of the Association to the Homeowners. For all other meetings the presence at the meeting of Members, or of proxies, entitled to cast at least twenty (20%) of all of the votes of the Association's Members, without regard to class, shall constitute a quorum. If a quorum is not present at the initial 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.

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 the 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 wall's, 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 assessments; (c) special assessments for capital improvements; (d) individual special assessments (including, without limitation interest and fines) levied against individual Owners for violations of the Declaration, 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, benefitted, special capital, and individual special assessments, together with such interest thereon and costs of collection thereof as hereinafter provided, shall be a charge on 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 or entity who was the Owner of such property at the time when the assessment fell due.

Fines, not to exceed \$750.00 per violation occurrence 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 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, health and welfare of the residents of the Property, and in particular for the improvement and maintenance of 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 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 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. 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 maximum annual assessment for each Lot for the year 2018 shall be **Six Hundred and No/100 Dollars (\$600.00)** Commencing with the year 2018 and each year thereafter, the Board of Directors may set the amount of the maximum annual assessment for that year (and for following years) for each Lot provided that the maximum annual assessment may not be increased more than twenty percent (20%) above the maximum annual assessment for the previous year without 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 10.4 Acquisition Assessments. At any time record title is transferred to an Owner (excluding Developer 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. In addition to the foregoing but still considered an assessment hereunder, the Association or its managing agent may, and probably will charge a reasonable transfer fee and a reasonable fee for producing a Resale Certificate and documents of the Association as required under the Texas Property Code, such fees to be paid no later than closing of the sale of any Lot to a new Owner. Notwithstanding the foregoing, such transfer

fee and fee for producing a Resale Certificate shall not exceed **Seven Hundred Fifty and No/100 Dollars (\$750.00)**.

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; provided that any such assessment in excess of an amount equal to the annual assessment charged at the time of levying of Special Assessment shall be approved by 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 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 assessments, 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 therefrom 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 thereof other than Declarant; or (b) the month in which the Board first determines a budget and levies assessments pursuant to this Article, whichever is later. 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. 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.

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 to 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 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. The Association's managing agent shall be entitled to charge an Owner a monthly collection fee of not less than **Fifteen and No/100 Dollars (\$15.00) per month** to compensate managing agent for its efforts in collecting delinquent assessments. The Managing Agent may, and probably will, have additional fees for the processing and handling of certain other collection actions such as but not limited to the thirty (30) day demand letter. The Association, in the Board's discretion, shall have the right to waive any part of or all of such interest and/or fees payable to the Association. Any bank fees charged to the Association due to insufficient funds or for any reason shall be charged back to the Owner's account and payable to the Association upon collection.

Section 10.12 Collection and Enforcement. The Association 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, non-judicial 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 Chapter 209 of the Texas Property Code shall be adhered to by the foreclosing entity.

At any foreclosure, judicial or non-judicial, 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. During the Declarant Control Period, the Declarant shall not be obligated to establish or fund a Maintenance / Reserve Fund. The Acquisition Assessment described in Section 10.4 is not to be confused with a Maintenance or Working Capital Fund which may be set aside for restricted uses (Restricted Reserve). Such an account, if established, shall be a separate account established and funded by the Association from Assessments or any other means allowed under this Declaration. Notwithstanding funds from the Acquisition Assessments may not be used for this purpose during the Declarant Control Period without the express written consent of the Declarant.

10.15.2 The Association may establish a working capital fund for the initial operation of the Common Properties 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 addition to any amounts paid by Declarant under Section 10.18 below) 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 (including reserve contributions, if any). Any such subsidy shall be disclosed as a line item in the income portion of the budget. 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.

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 may, on an annual basis, elect either to pay annual assessments on its unsold Lots or pay the difference between: (a) the Association's operating expenses otherwise to be funded by annual assessments (after applying all income received by the Association from other sources) and (b) the sum of the revenues of the Association from all sources. Upon ninety (90) days' notice to the

Association, the Declarant may change its election hereunder during the fiscal year. "All sources" includes, but is not limited to, revenues from the operation of Common Properties, capital contributions, accounting service fees, property management fees, guest fees; user fees, and the assessments levied against the owners of Lots, other than the Declarant. Such difference, herein called the "deficiency", shall not include any reserve for replacements, operating reserves, depreciation reserves, capital expenditures or special assessments, and Declarant shall not be responsible, in any event, for any reserve for replacements, operating reserves, depreciation reserves, capital expenditures or special assessments. Any sums paid by the Declarant to the Association to fund the "deficiency" or any sums paid by the Declarant to the Association in excess of the annual assessment otherwise due on the Declarant's unsold Lots may be considered by the Declarant to be the payment of a subsidy to the Association pursuant to Section 10.17 of this Article. Declarant's obligations hereunder may be satisfied in the form of cash or by "in kind" consideration of services or materials, or by a combination of these. After termination of the Class B membership, Declarant shall pay assessments on its unsold Lots in the same manner as any other Owner.

**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 to indemnify 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 insureds; 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 (the Board shall have no authority to terminate a contract during the period of Declarant control without the express written permission of the Declarant), 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 providing 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, notwithstanding, any rule or regulation may be amended or repealed by the vote of at least sixty percent (60%) 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 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.

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. All contracts shall have a maximum of thirty (30) day termination clause.

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 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 at least 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 ten (10) days after the date of the written notice, 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. Unless Owner submits a written request for a hearing, the Association may proceed with the action. 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.

(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.

(a) Declarant reserves the right during the Development Period to facilitate the development, construction and marketing of the Subdivision and the right to direct the size, shape, and composition of the Subdivision. These rights do not take precedence over any rights of Ownsby 1880 or its Affiliates, but do take precedence over all other provisions in the Governing Documents notwithstanding, Ownsby 1880 shall not unreasonably withhold or delay any approvals necessary for the Declarant to exercise its Declarant rights during the Development Period;

(b) during the Development Period, Declarant shall have the right, but not the obligation, in its sole discretion, at any time, to control, perform and/or conduct the following:

(i) amend this Declaration, the Design Guidelines, the Community-Wide Standard, and/or the Bylaws or any governing documents of the Association in whole or in part, but only after obtaining the written consent of , which shall not be unreasonably withheld or delayed;

(ii) enforce the provisions of this Declaration;

(iii) review, determine and enforce the architectural control of the Lots; and

- (iv) assign its rights and obligations under this Declaration to any entity at any time, in whole or in part.

Except where required to obtain the consent of Ownsby 1880 as provided elsewhere herein and except for the rights of Ownsby 1880 and its Affiliates that owns any interest in the 1880 Land to enforce this Declaration as provided herein, Declarant's rights set forth above may be exercised by Declarant in its sole and absolute discretion and do not require the approval, consent, or joinder of (1) any Owner, (2) the Association, (3) the Board of Directors, or (4) any committees or other parties which may be established with respect hereto. The rights of the Declarant to enforce this Declaration and the architectural control of the Lots are in addition to the rights of the Board of Directors and Ownsby 1880 and its Affiliates provided elsewhere herein. Actions taken by the Declarant pursuant hereto take precedence over the actions of the Board of Directors and the ACC. At such time as the Development Period ends, all rights of Declarant to enforce this Declaration and the architectural control of the Lots shall revert to the Board of Directors of the Association; and

- (c) except with regard to the rights of Ownsby 1880 and its Affiliates, 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 during the Development Period, 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 during the Development Period 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.

- (a) 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 during the Development Period and that such activities shall be conducted in phases and may cause disturbance and disruption which impact the use and enjoyment of a Lot.

(b) 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: (i) that such activities shall not be deemed nuisances, or noxious or offensive activities, under any applicable covenants or at law generally; (ii) not 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); (iii) 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; (iv) that any purchase or use of any portion of a Lot has been and will be made with full knowledge of the foregoing; and (v) 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.

(a) 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 (i) changes in uses or density of property within the Property, or (ii) 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.

(b) 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: (i) that any Lots, or other property or facilities will or will not be added, modified, or eliminated within the Property; or (ii) 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: (iii) the design, construction, completion, development, use, benefits, or value of the Property; or (iv) 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 and entities subject to this Declaration; any Builder, its officers, directors, employees and agents; and any person or entity 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).

(c) 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.

(e) Owensby 1880 and its Affiliates. Notwithstanding the foregoing, Owensby 1880 and its Affiliates are not bound by the provisions of this Section 12.6.

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; REMOVAL OF 1880 LAND

Section 14.1 Expansion of the Property. After first obtaining the prior written consent of Ownsby 1880, which Ownsby 1880 may not unreasonably withhold or delay, during the Development Period, Declarant, in its sole discretion and without the approval of any other party except Ownsby 1880, may from time to time subject additional real property to this Declaration 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 or entity, except Ownsby 1880, in order to be fully enforceable and effective to cause such additional real property to be incorporated herein. Except as stated below, nothing in this Declaration shall be construed to require Declarant to subject additional real property to this Declaration nor to allow Declarant to subject additional real property to this Declaration without Ownsby 1880's prior written consent. Declarant may take the actions contemplated in this section without the affirmative vote of the Members required under Section 7.1 hereof. Furthermore, reference is hereby made to a Development Agreement for Ownsby Parkway, Infrastructure

and Entry Feature between Declarant and Ownsby 1880, recorded or to be recorded in the Real Property Records of Collin County, Texas, pursuant to which Developer will acquire an additional tract of land called the "Entry Tract" therein. Notwithstanding the foregoing, Developer hereby agrees to subject the Entry Tract to this Declaration (and Ownsby 1880 hereby agrees to approve of the subjection of the Entry Tract to this Declaration) promptly after acquiring the Entry Tract.

Section 14.2 Additional Covenants and Easements. After first obtaining the prior written consent of Ownsby 1880, which Ownsby 1880 may not unreasonably withhold or delay, during the Development Period, and any affirmative vote of the Members required under Section 7.1 hereof, Declarant, in its sole discretion and without the approval of any other party except Ownsby 1880, 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 Collin County, Texas shall not require the consent or approval of any other Owner or other person or entity, except Ownsby 1880 and any affirmative vote of the Members required under Section 7.1 hereof, in order to be fully enforceable and effective to cause such additional covenants and easements to be incorporated herein. Nothing in this Declaration shall be construed to allow Declarant to subject any portion of the Property to additional covenants and easements without Ownsby 1880's prior written consent which Ownsby 1880 shall not unreasonably delay or withhold.

Section 14.3 Effect of Recording Supplemental Declaration. A Supplemental Declaration, with the written consent of Ownsby 1880, shall be effective upon the recording of same in the Real Property Records of Collin County, Texas 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.

Section 14.4 Removal of Land from the 1880 Land. Notwithstanding any other provision hereof, (a) Ownsby 1880 may at any time in its sole discretion unilaterally remove all or any portion of the 1880 Land from the scope and definition of the 1880 Land contained herein by filing in the Real Property Records of Collin County, Texas a written notice of removal signed by Ownsby 1880 that describes the portion of the 1880 Land being removed and (b) from and after the date of recording the notice of removal the land described therein as being removed shall no longer be a part of the 1880 Land.

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, Ownsby 1880, any Affiliate of Ownsby 1880 that owns any interest in any of the 1880 Land, 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 hereof is held to be illegal, invalid or unenforceable under applicable laws, then such provision shall be fully severable, and this Declaration shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof. Further, the remaining provisions hereof shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance here from. Furthermore, in lieu of such illegal, invalid or unenforceable provision, there shall be automatically added as part of this Declaration, a provision as similar in its terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

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 the Managing Agent on record or such other address as is specified by the Association in writing to the Owners. Any notices or correspondence to the Declarant shall be addressed to c/o Mehrdad Moayedi, 1800 Valley View Lane, suite 300, Farmers Branch, Texas 75234 or to such other address as is specified by the Declarant to the Association. Any notices or correspondence to Ownsby 1880 shall be addressed to c/o Christie Ownsby Duke, P.O. Box 516, Celina, Texas 75009-0516 or to such other address as is specified by Ownsby 1880 to the Association.

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; provided, however, any notices or correspondence sent by facsimile or electronic mail to Ownsby 1880 must also be sent to Ownsby 1880 by United States mail on the same day in the manner described above.

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. The party to whom the Property is conveyed shall be obligated to perform and liable for all of the duties, responsibilities and obligations of the Declarant accruing from and after the date of the transfer; provided, however, CADG Ownsby Farms, LLC and each subsequent person or entity who becomes the Declarant hereunder shall each continue to be liable, jointly and severally, for the obligations of the Declarant under Article XV of this Declaration.

Section 15.7 Discretion of Ownsby 1880; NO LIABILITY OF OWNSBY 1880.

(a) Except as provided in Section 7.2 herein above (in which event, time is of the essence and this Section 15.7 shall not apply), whenever Ownsby 1880 is given any discretion herein to consent or approve, not to consent or approve, or to take or withhold any other action, Ownsby 1880 may do so, refrain from doing so, or delay its decision to do so or refrain from doing so, in its sole and absolute discretion notwithstanding, Ownsby 1880 shall not unreasonably withhold or delay its consents or approval particularly concerning Declarant matters or at any time during the Declarant Control Period. Ownsby 1880 has no duty to anyone with respect to any matters set forth herein and may act or refrain from acting solely in its own interests.

(b) EACH OWNER, THE ASSOCIATION, AND THE DECLARANT HEREBY ACKNOWLEDGE AND AGREE THAT OWNSBY 1880 AND ITS AFFILIATES DO NOT HAVE ANY OBLIGATION TO ANY OF THEM AND DO NOT OWE ANY OF THEM ANY DUTY. TO THE FULLEST EXTENT PERMITTED UNDER APPLICABLE LAWS, EACH OWNER, THE ASSOCIATION, AND THE DECLARANT HEREBY RELEASE OWNSBY 1880 AND EACH OF ITS AFFILIATES FROM AND WAIVE ANY AND ALL CLAIMS AND LIABILITIES WHATSOEVER, WHETHER NOW EXISTING OR ARISING HEREAFTER, THAT ARISE OUT OF OR ARE IN ANY WAY RELATED TO THE PROPERTY, THE SUBDIVISION, OR THE GOVERNING DOCUMENTS, EVEN IF ANY SUCH CLAIMS OR LIABILITIES ARISE OUT OF THE SOLE OR COMPARATIVE NEGLIGENCE OR STRICT LIABILITY OF OWNSBY 1880 OR ANY OF ITS AFFILIATES.

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

Executed to be effective this 27 day of April, 2018

CADG Ownsby Farms, LLC,
a Texas limited liability company

By: CADG Holdings, LLC,
a Texas limited liability company
Its Sole Member

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

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

By: [Signature]
Name: Mehrdad Moayedi
Its: Manager

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on the 27 day of April, 20____, by Mehrdad Moayedi, Manager of 2M Ventures, LLC, as Manager of MMM Ventures, LLC, as Manager of CADG Holdings, LLC, as Sole Member of CADG Ownsby Farms, LLC, a Texas limited liability company on behalf of said company.



[Signature]
Notary Public, State of Texas

EXHIBIT "A"

THE PROPERTY

Being a certain tract of land situated in the Collin County School Land Survey No. 14, Abstract Number 167, Collin County, Texas, and being a part of that tract of land (tracts 2 and 3) described by Deed to Ownsby 1880 Farms, Ltd., recorded in Volume 4332, Page 1047 of Official Public Records of Collin County, Texas and being more particularly described by metes and bounds as follows:

BEGINNING at a 60D nail found at the southwest corner of tract 3, and being the northwest corner of that tract of land described by Deed to Keeran Family Partnership, LTD., recorded in Volume 4957, Page 2455, of said Official Public Records, and being in the east line of that tract of land described by Deed to Forestar/RPG Land Company, LLC, recorded in Instrument Number 20070221000239380, said Official Public Records;

THENCE N 00°28'06" W. 2685.49 feet with west line of said tract 2 and 3 and the east line of said Forestar/RPG tract, to a 5/8 inch iron rod with plastic cap stamped "PELTON", set, from which a 1/2 inch iron rod , found at an ell corner, bears N00°28'06"W, 1372.52 feet;

THENCE S 89°59'53" E. 1578.03 feet, departing said common line, to a 5/8 inch iron rod with plastic cap stamped "PELTON", set;

THENCE S 00°32'58" E. at 1550.00 feet, a 5/8 inch iron rod with plastic cap stamped "PELTON" set as witness, in all 1621.17 feet to the centerline of a tributary of Doe Branch;

THENCE generally along said centerline the following bearings and distance:

S 47°14'14" E, 632.14 feet;

S 88°43'41" E, 330.75 feet;

S 64°15'48" E, 259.39 feet to the west right-of-way line of State Highway 289, also known as Preston Road (a variable width right-of-way);

THENCE S 00°36'04" E, 125.28 feet, with said west right-of-way, to a Texas Department of Transportation wood post, found;

THENCE S 00°24'05" E. 366.47 feet, continuing with said west right-of-way line to a metal fence post found at the southeast corner of aforementioned tract 3, and being the northeast corner of that tract of land described by deed to J. Altus, Inc., Profit Sharing Trust, et al recorded in Volume 5870, Page 5025 said Official Public Records;

THENCE S 89°23'49" W, 1264.45 feet, departing said west right-of-way with the north line

of said Altus tract and being the northeast corner of aforementioned Keeran tract;

THENCE S 89°34'11" W, 1334.46 feet with the north line of said Keeran, to the Point of Beginning and containing 4,946,162 square feet or 113.548 acres of land more or less.

EXHIBIT "B"

1880 LAND

EXHIBIT B
OWNSBY 1880 LAND

Description of 218.43 Acres of Land

BEING that certain tract of land situated in the Collin County School Land Survey No. 14, Abstract Number 167 and being the remainder of that tract of land described by deed to Ownsby 1880 Farms, Ltd., recorded in Volume 4332, Page 1047 of County Records, Collin County Texas and being those tracts of land described by deed to the City of Celina recorded in Instrument Numbers 201803114000314190 (hereinafter call Tract 1 for reference) and 20180125000102470 (hereinafter called Tract 2 for reference) said County Records and being more particularly described by metes and bounds as follows;

BEGINNING at the northwest corner of that tract of land described by deed to CADG Ownsby Farms, LLC., recorded in Instrument Number 21050306000243010 said County Records and being the southwest corner of said City of Celina Tract 1;

THENCE with the west line of said Celina Tract 1 and the west line of said Ownsby 1880 tract the following bearings and distances;

N 00°28'06"W, at 30.00 feet the northwest corner of said City of Celina Tract 1, in all 1372.52 feet;

S 89°04'38"W, 687.96 feet;

N 11°19'40"E, 1022.66 feet;

N 88°56'08"E, 477.03 feet;

THENCE N 00°02'04"E, 255.52 feet, continuing with said west line, to the northwest corner of said Ownsby 1880 Tract;

THENCE N 89°26'54"E, 1316.07 feet with the north line of said Ownsby 1880 Tract;

THENCE N 89°24'06"E, 1307.34 feet with said north line to the west right-of-way of Preston Road (a variable width right-of-way);

THENCE with the west right-of-way of said Preston road the following bearings and distances;

S 00°16'11"E, 554.03 feet;

S 01°42'11"W, 563.91 feet;

S 00°07'42"W, 134.23 feet;

S 06°55'27"E, 200.71 feet;

S 00°24'27"E, at 1197.54 feet the northeast corner of aforementioned City of Celina Tract 2, at 1337.54 feet the southeast corner of said Tract 2, in all 1498.95 feet;

EXHIBIT B
OWNSBY 1880 LAND

S 04°42'35"W, 410.01 feet;

S 03°16'00"E, 492.99 feet;

S 00°23'32"W, 300.73 feet;

THENCE S 00°36'05"E, 673.61 feet, continuing with said west right-of-way, to the northeast corner of aforementioned CADG Tract;

THENCE with the north and east line of said CADG Tract the following bearings and distances;

N 64°15'48"W, 259.39 feet;

N 88°43'41"W, 330.75 feet;

N 47°14'14"W, 632.14 feet;

N 00°32'58"W, 1621.17 feet;

THENCE N 89°59'53"W, 1578.03 feet to the **Point of Beginning** and containing 9,514,797 square feet or 218.430 acres of land more or less.

EXHIBIT “C”

DESIGN GUIDELINES

The Homestead at Ownsby Farms Design Guidelines

A. Introduction:

The purpose of these design guidelines is to provide the developer(s), homebuilder(s), and key design professionals a design framework of which to create a cohesive and coordinated development within the single-family portion to be named “The Homestead at Ownsby Farms”. The design criteria established herein provides elements to form community character and to reinforce the unifying theme of the residential development as well as meet planned development guidelines. The guidelines include standards for the architectural design and site design for homes, the amenity center and entry monuments. Review of architectural and site design shall be the responsibility of the Architectural Control Committee, which shall be established by the Declarant during the Declarant Control Period and thereafter, the Homeowner’s Association. Any deviation from these guidelines must be approved by the Architectural Control Committee in writing. Verbal authorizations are prohibited.

B. The Homestead at Ownsby Farms Development Theme and Character

The look and feel for The Homestead at Ownsby Farms is derived from the history of both of these words. The design will complement the rich family history and relationship that the Ownsby family has had with Celina and the surrounding area since 1880.

The design theme is historic Texas countryside. The historic details from the period may be reinterpreted within a modern context while still portraying hints into the North Texas heritage. Details such as walls, entry features, monumentation, and various other design elements may be replicated in authentic materials of stone, brick, wood, and metals.

C. Residential Design Guidelines

The following Residential Design Guidelines shall govern the residential property located in The Homestead at Ownsby Farms. Tracts within The Homestead at Ownsby Farms may be developed individually or as a whole and shall maintain consistency with the overall design theme. The development of the residential areas shall meet the requirements of The Homestead at Ownsby Farms PD or the Code of Ordinances of the City of Celina if not specifically listed in the PD. Any deviations or variances from these standards shall be approved by the City of Celina Planner.

D. Lot Types

There are two (2) Lot types designed to allow single family detached dwellings on Lots; the smallest being Lot Type 1 which allows not less than five thousand five hundred (5,500) square feet, together with the allowed incidental and accessory uses. Lot Type 2 shall be not less than six thousand six hundred (6,600) square feet, together with the allowed incidental and accessory uses. Notwithstanding, twenty-five percent (25%) of the 50' lots shall be allowed to consist of a minimum square footage of 1,600 square feet.

LOT TYPE 1:

(i) **Height:** No building shall exceed forty feet (40') or two and one-half (2 ½) stories in height to the highest point of its roof.

(ii) **Minimum Square Footage:** The minimum square footage of a dwelling unit, exclusive of garages, breezeways and porches, shall be seventeen hundred (1,700) square feet.

(iii) **Front Yard:** Twenty feet (20') setback line in all instances. Covered front porches may extend over the front building setback line up to five feet (5'), but the garage door must remain at or behind the MAIN STRUCTURE. Key Lots shall have two (2) front yards. In the event of a conflict among the Governing Documents and any City of Celina Ordinance to include any amendments of the Ordinance thereof, the City of Celina Ordinance shall supersede the Governing Documents and Design Guidelines. In this regard, it is the responsibility of the Builder or Owner to ensure compliance is met.

(iv) **Rear Yard:** Ten feet (10') minimum.

(v) **Side Yard:** Five feet (5') minimum. Fifteen feet (15') minimum when adjacent to street.

(vi) **Garage Orientation:** May face the street but shall be at or behind the main structure. See 8(iv) for more information on type and style of garage door allowed.

LOT TYPE 2:

(i) **Height:** No building shall exceed forty feet (40') or two and one-half (2 ½) stories in height to the highest point of its roof.

(ii) **Minimum Square Footage:** The minimum square footage of a dwelling unit, exclusive of garages, breezeways and porches, shall be shall be nineteen hundred (1,900)

square feet.

(iii) **Front Yard:** Twenty feet (20') setback line in all instances. Covered front porches may extend over the front building setback line up to five feet (5'), but the garage door must remain at or behind the MAIN STRUCTURE. Key Lots shall have two (2) front yards. In the event of a conflict among the Governing Documents and any City of Celina Ordinance to include any amendments of the Ordinance thereof, the City of Celina Ordinance shall supersede the Governing Documents and Design Guidelines. In this regard, it is the responsibility of the Builder or Owner to ensure compliance is met.

(iv) **Rear Yard:** Ten feet (10') minimum.

(v) **Side Yard:** Five feet (5') minimum. Fifteen feet (15') minimum when adjacent to street.

(vi) **Garage Orientation:** May face the street but shall be at or behind the main structure. In the event of a conflict among the Governing Documents and any City of Celina Ordinance to include any amendments of the Ordinance thereof, the City of Celina Ordinance shall supersede the Governing Documents and Design Guidelines. In this regard, it is the responsibility of the Builder or Owner to ensure compliance is met.

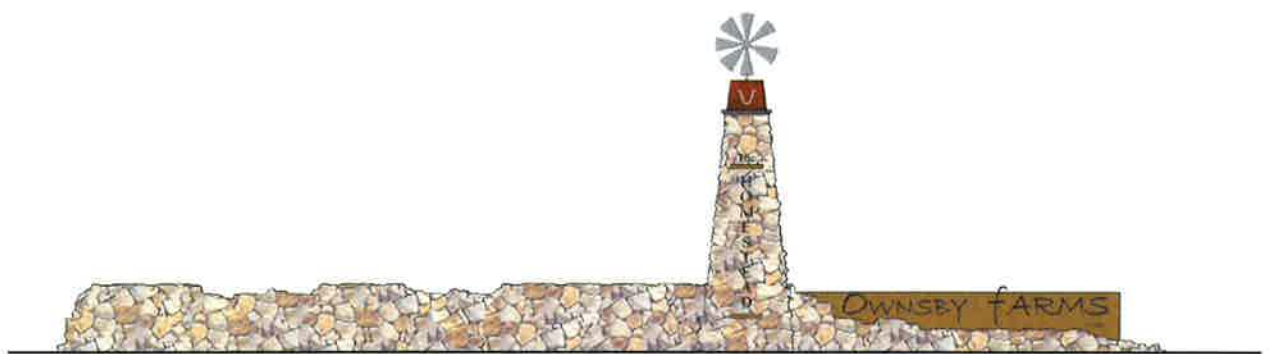
See 8(iv) for more information on type and style of garage door allowed.

1. Subdivision Entrances

- i. Street entrances into the neighborhoods shall be pronounced to create a sense of arrival by incorporating any of the following elements:
 - a. Enhanced landscaping materials and seasonal color landscape beds
 - b. Enhanced pavement
 - c. Divided street with landscaped median
- ii. Masonry walls located on each side of the entrance may:
 - a. be increased in height for prominence
 - b. include architectural elements to reinforce the design theme
 - c. include neighborhood signage



Example of Monumentation



Example of Monumentation

2. Open Space/Parks

- i. Areas designated as open space or park shall be connected by the overall trail system to create pedestrian linkages and increase access.
- ii. Existing natural drainage features on the property, such as creeks and floodplain areas, should be preserved, where appropriate, by placing said areas into the open space system.
- iii. Open space areas may be improved for detention and drainage facilities.
- iv. Open space areas should include elements to encourage passive recreation, such as benches, picnic tables and other types of seating areas, arbors or other similar structures.



Example of Open Space Improvements

3. Detention/Retention Facilities

- i. Drainage improvements may include the use of detention and/or retention ponds
- ii. Retention facilities may include a fountain for aeration
- iii. Trails may be constructed along the perimeter of the ponds to provide pedestrian circulation

4. Trails/Sidewalks

- i. A four (4) foot sidewalk shall be provided on each side of local/60' collector streets and 80' divided collector streets
- ii. A six (6) foot minimum trail may be constructed within the open space areas. These trails may be paved concrete or natural paths, provided that they meet all ADA requirements.
- iii. When crossing rights-of-way, trails shall be distinguished by the use of bollards, pavement striping, lights, or other similar methods.
- iv. The six (6) foot trail system shall connect to required four (4) foot sidewalks along the rights-of-way.

- v. Required sidewalks shall be constructed concurrently with the development of the lot in which they are located.

5. Landscape

- i. Lots shall feature at least (1) trees within the front yard.
- ii. Collector streets and residential lots shall be separated with a 10' minimum landscape buffer.
- iii. All landscape species must come from the City's approved plant list.
- iv. Landscape in open space areas and along trails should incorporate natural elements and take existing site features into account. Use of native plant species is encouraged.
- v. Trees along rights-of-way and in open space may be planted in odd-numbered groves and drifts to maintain a natural and organic feel.
- vi. **Tract 4 Lots** require screening (**6-foot solid masonry wall**) shall be required for residential Lots adjacent to Preston Road, residential Lots backing or siding collectors (60' ROW or larger), and residential Lots backing or siding to future Cypress Creek Way.
- vii. Landscape buffers shall be required for all Lots adjacent to a collector or future Cypress Creek Way. The landscape buffers shall be a minimum ten feet (10') in width with an average of fifteen feet (15').

6. Fencing/Screening

- i. Neighborhoods shall be separated from collector streets with either a six (6) foot masonry wall or a combination of wrought iron or tubular steel fencing with live screening.
- ii. Residential lots may be enclosed with board-on-board cedar plank fencing or better with metal posts. **Metal posts for all wood fencing must be on the inside so as not to be visible.**
- iii. Fencing for lots directly adjacent to common areas, greenbelts, and open space shall be constructed of wrought iron or tubular steel.
- iv. Lots adjacent to rights-of-way may feature a combination of wrought iron or tubular steel fencing with live screening, or a masonry fence.
- v. External surface of retaining walls shall be constructed of stone or brick.
- vi. Examples of acceptable fencing are attached as the following Exhibits: Exhibit Attachment 1.2.3.2 for wrought Iron Fencing and Exhibit Attachment 1.2.1.1 for board-on-board cedar plank fencing with metal posts.



Example of Wrought Iron Fence Adjacent to Open Space

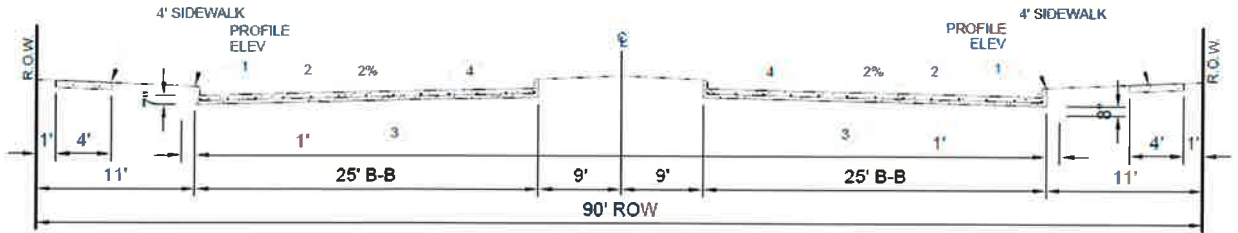


Example of Masonry Screening Wall

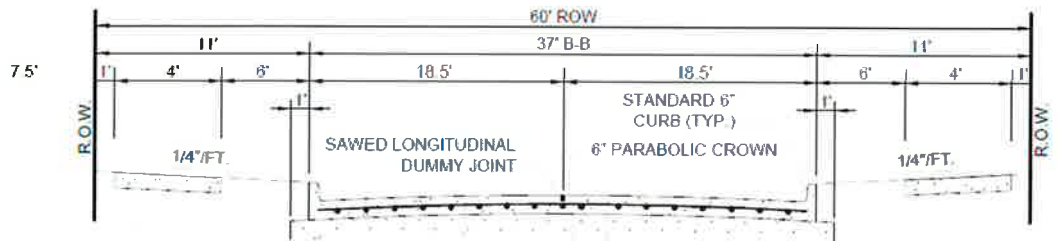
7. Streets/Alleys

i. The Homestead at Ownsby Farms shall feature three (3) different street types:

a. a 90' divided collector (Type B Minor Thoroughfare Section):



b. a 60' undivided collector as shown below:

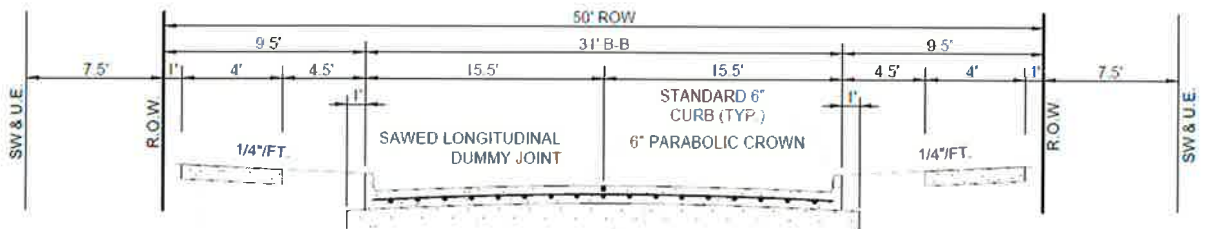


4' WIDE - 4" THICK 3000 PSI REINFORCED CONCRETE WALK (TO BE CONST. BY HOMEBUILDER EXCEPT WHERE NOTED ON PLANS)

NO. 3 BARS @ 24" O.C.B.W.

6"-3,600 PSI MINIMUM CONCRETE STRENGTH NCTCOG CLASS "C" CONCRETE MIX DESIGN ON 6" LIME STABILIZED SUBGRADE 7.5% (MIN) COMPACTED TO 95% MODIFIED PROCTOR DENSITY & A MOISTURE CONTENT WITHIN -2 TO +4 OF OPTIMUM

c. a 50' local residential street (Local Residential Collector):



4' WIDE - 4" THICK 3000 PSI REINFORCED CONCRETE WALK (TO BE CONST. BY HOMEBUILDER EXCEPT WHERE NOTED ON PLANS)

NO. 3 BARS @ 24" O.C.B.W.

6"-3,600 PSI MINIMUM CONCRETE STRENGTH NCTCOG CLASS "C" CONCRETE MIX DESIGN ON 6" LIME STABILIZED SUBGRADE 7.5% (MIN) COMPACTED TO 95% MODIFIED PROCTOR DENSITY & A MOISTURE CONTENT WITHIN -2 TO +4 OF OPTIMUM

8. Residential Architectural

i. Roof

- a. Gable and hip roofs with varying roof pitches are required.
- b. Moderate to steep roofs are encouraged to enhance the unified design theme.
- c. Roof materials shall minimally consist of 30-year composition shingles. **Barrel tile roofs and wooden shingles are discouraged and will require the prior written permission of the ACC before use. Roof colors MUST be approved in writing before use. Typically, weatherwood, weatherwood gray or gray shall be the standard colors used or allowed.**
- d. Metal roofing is allowed in small areas as a detail element and should typically consist of copper or metal standing seam.
- e. Dormers may be used and shall be compatible with the architectural style of the home.

ii. Building Materials

- a. Residences shall be constructed of masonry which includes brick, stone, or stucco (cement plaster) for a minimum of 70% of all exterior wall surfaces excluding doors, windows, boxed or bay windows, ornamental trim, dormers, areas above a roof line, areas under covered porches and architectural projections.
- b. Accent materials may include cast stone, cedar, iron, and cementitious fiberboard.

iii. Doors and Windows

- a. Windows shall be wood or wood-clade, vinyl or vinyl-clad, aluminum clad wood or metal provided that the metal finish complements the color and architectural style of the house.
- b. Doors shall be recessed to enhance articulation and create a pronounced entrance.
- c. Front doors shall be a minimum of three (3) feet wide by eight (8) feet tall and be made of wrought iron or paneled hardwood.

iv. Garages

- a. All residences shall include a minimum two-car garage.
- b. The width of front entry garages shall not exceed 50% of the front, street facing elevation.
- c. Front entry garages are permitted provided that the garage door is setback at least 20' from the street right-of-way.
- d. The material for garages shall be decorative wood veneer, wood, cedar wood, or faux wood. No other material may be used without the express written consent of the Architectural Reviewer.
- e. In the event of a conflict among the Governing Documents and any City of Celina Ordinance to include any amendments of the Ordinance thereof, the City of Celina Ordinance shall supersede the Governing Documents and Design Guidelines. In this regard, it is the responsibility of the Builder or Owner to ensure compliance is met.

v. Elevations

- a. The same floor plan with the same elevation shall be separated by a minimum of three (3) lots on the same side of the street and no fewer than four (4) lots for the same front façade and by no less than a minimum of two (2) lots on the opposite side of the street.
- b. A minimum of three (3) elevations must be provided per proposed home plan.
- c. The color scheme of the homes shall complement the unified design theme of the development and consistent of earth tone colors, except for doors. Elevations may use up to three (3) complementary colors per residence.

9. Mailboxes

(i) Unless otherwise permitted by the U.S. Postal Service, mailboxes for all Lots shall be cluster mailboxes. The Association does not maintain keys or spare sets of keys for mailboxes. It shall be the responsibility of the Builder to ensure the Owner upon purchase is provided the keys to the cluster box assigned to that Lot. When a buyer purchases from an individual Owner, the buyer shall be responsible for obtaining the keys to the cluster mailboxes. Any repair or replacement of cluster mailboxes performed by the Association will be billed as a special group assessment against Owners serviced by that cluster mailbox system. Repairs to an individual mailbox performed by the Association will be billed as an individual assessment against the Owner of that mailbox.

(ii) 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 Architectural Control

Committee or Declarant. An example of some types and styles of cluster mailboxes that may be suitable for this development is attached as Exhibit Attachment 1.3.1.

D. Amenities Center Design Guidelines

Any amenities center constructed for The Homestead at Owsby Farms shall conform to the Development Theme and Character set out in Section B and to the residential roof, building materials, and doors and windows standards set out in Section C and shall be compatible with single-family residential structures constructed in the Homestead at Owsby Farms. The presence of this Section D in the Design Guidelines is not intended to be a guarantee of amenities for The Homestead at Owsby Farms.

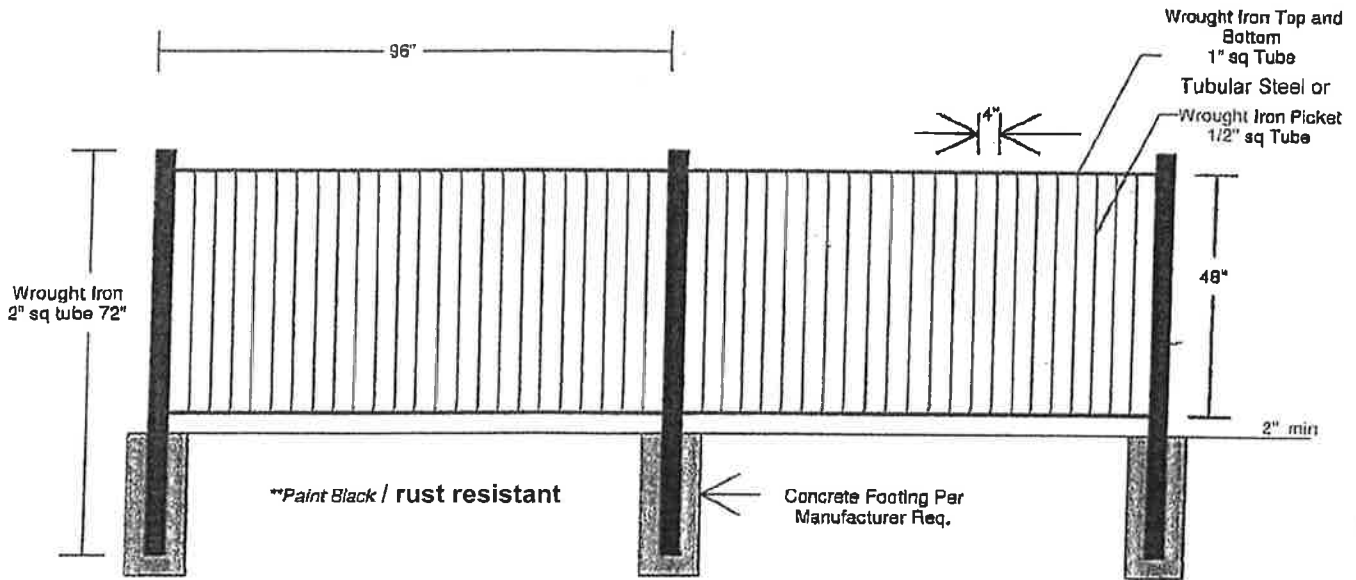
SHOULD ANY CONFLICT EXIST BETWEEN THIS DECLARATION, THE DESIGN GUIDELINES, AND THE ZONING ORDINANCE OF THE CITY, THE HIGHER STANDARD SHALL ALWAYS PREVAIL. WITHOUT THE PRIOR WRITTEN APPROVAL OF THE ARCHITECTURAL REVIEWER, THERE SHALL BE NO EXCEPTION TO THIS RULE.

EXHIBIT ATTACHMENT 1.2.3.2
THE HOMESTEAD AT OWNSBY FARMS
WROUGHT IRON OR TUBULAR STEEL FENCING

EXHIBIT ATTACHMENT 1.2.3.2

Sample of acceptable wrought iron or tubular steel fencing allowed.
Refer to the Design Guidelines for more information.

Iron Fence Detail



NO SCREENING OR SECONDARY FENCING SUCH AS DOG RUN ALLOWED WITHOUT THE PRIOR WRITTEN APPROVAL OF THE ARCHITECTURAL REVIEWER

Attachment: 1.2.3.2

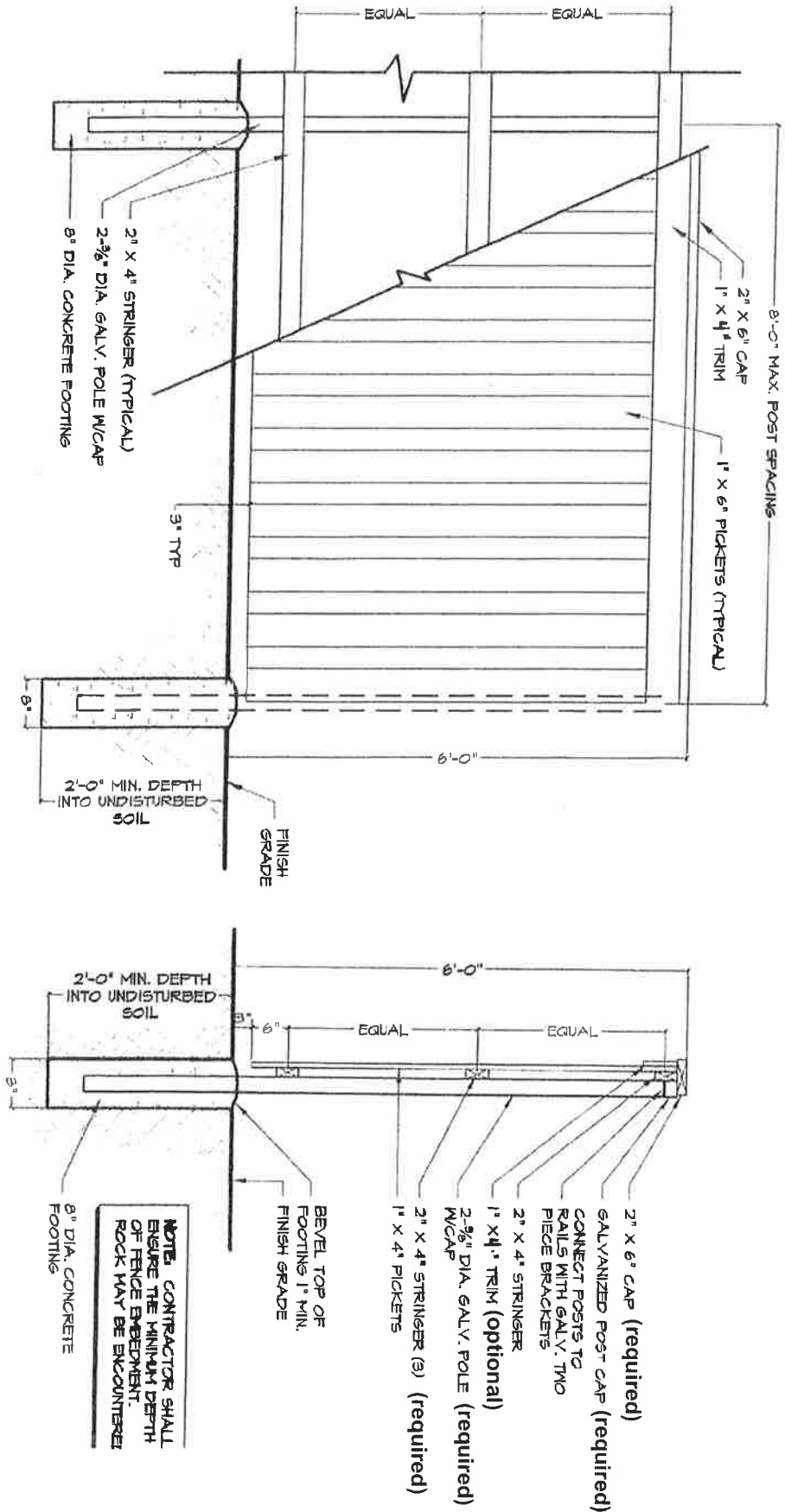
EXHIBIT ATTACHMENT 1.2.1.1

THE HOMESTEAD AT OWNSBY FARMS

**BOARD-ON-BOARD CEDAR WOOD OR BETTER FENCING
WITH STEEL POSTS ON THE INSIDE**

**EXHIBIT ATTACHMENT 1.2.1.1
BOARD-ON-BOARD CONSTRUCTION**

Fence height shall be six feet (6')
Eight foot (8') fences allowed only upon written permission of the Architectural Reviewer



Any variation from the requirements stated in the Design Guidelines and/or this exhibit 1.2.1.1 shall require the prior written approval of the Architectural Reviewer

EXHIBIT ATTACHMENT 1.3.1

THE HOMESTEAD AT OWNSBY FARMS

SAMPLE OF CLUSTER STYLE MAILBOXES

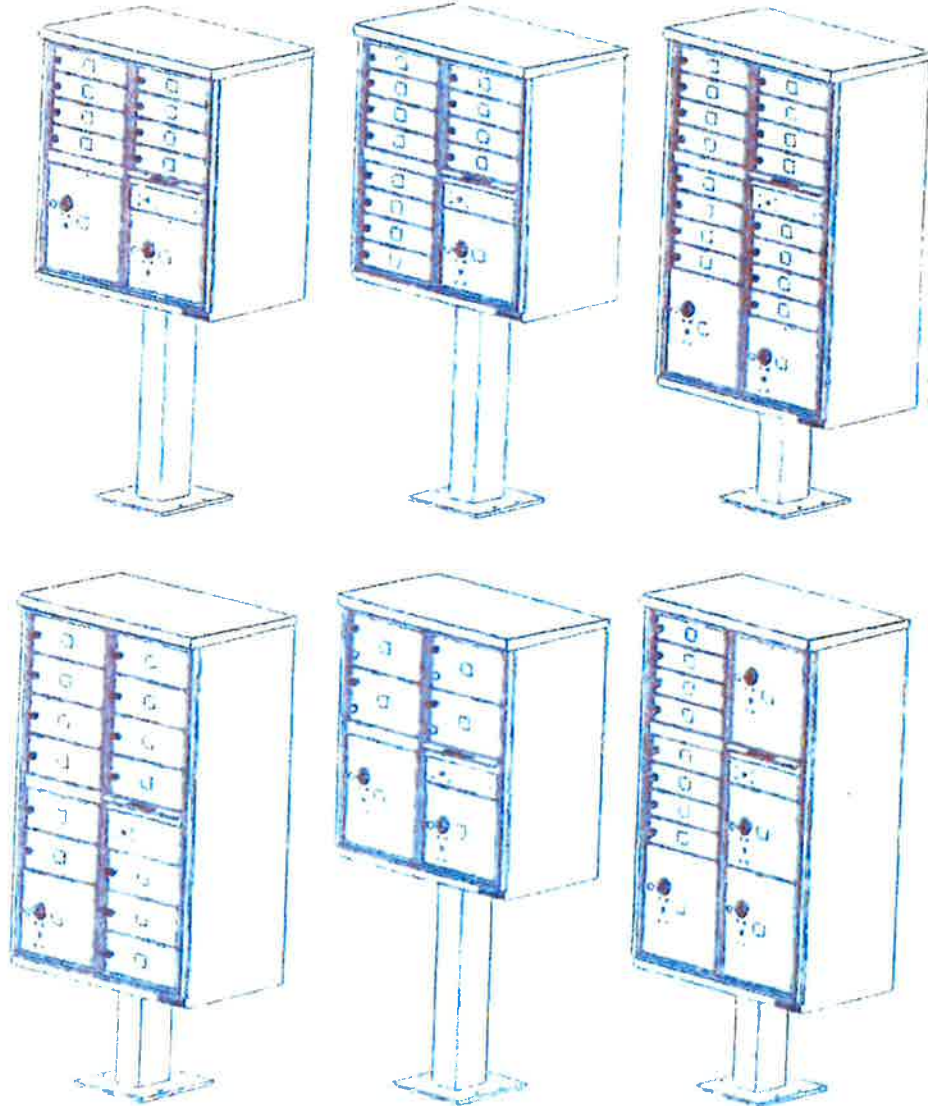
(final type and location of all cluster mailboxes shall be at the sole discretion of the Declarant and the U.S. Postal Service when required)

EXHIBIT ATTACHMENT 1.3.1

SAMPLE EXHIBIT - CLUSTER STYLE MAILBOXES

FINAL TYPE AND LOCATION OF CLUSTER MAILBOXES IS SUBJECT TO PRIOR WRITTEN APPROVAL OF THE ARCHITECTURAL REVIEWER, THE DECLARANT AND THE U.S. POSTAL SERVICE WHEN REQUIRED.

vital™ cluster box units
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EXHIBIT D

**ZONING AMENDMENT FOR
OWNSBY FARMS (“THE HOMESTEAD AT OWNSBY FARMS”)
PLANNED DEVELOPMENT (PD #39)**

EXHIBIT "D"

Zoning Amendment for:
OWNSBY FARMS



PLANNED DEVELOPMENT (PD #39)
In
Celina, Texas

February 10, 2015

Prepared By:



10875 John W. Elliot Dr., Suite 400 • Frisco, Texas 75033

PLANNED DEVELOPMENT – OWNSBY FARMS

DEVELOPMENT REGULATIONS

Tract 1

Designated for a base zone of I-1, those permitted uses and conditional uses, as well as the regulations thereof, set forth in Section 3.24 of Ordinance No. 2006-57, as the same may be amended, are adopted herein.

Tract 2

Designated for a base zone of C-2, those permitted uses and conditional uses, as well as the regulations thereof, set forth in Section 3.18 of Ordinance No. 2006-57, as the same may be amended, are adopted herein.

Tract 3

Designated for a base zone of MF-2, those permitted uses and conditional uses, as well as the regulations thereof, set forth in Section 3.13 of Ordinance No. 2006-57, as the same may be amended, are adopted herein.

Tract 5

Designated for a base zone of C-1, those permitted uses and conditional uses, as well as the regulations thereof, set forth in Section 3.17 of Ordinance No. 2006-57, as the same may be amended, are adopted herein.

Tract 4

Single Family Residential District - 7.5, the intent is to allow a mixture of medium size single family lots and patio homes, provided that the overall density within such SF area shall not exceed four and a half (4.5) units to the gross acre or 504 lots. For medium size single family lots, the permitted and conditional uses, as well as the regulations, under Section 14.03.014 of the City of Celina’s zoning ordinance shall apply, except as set forth herein, and further defined as Lot Types 1 and 2 below. For patio home developments within this area, the permitted and conditional uses, as well as the regulations of Section 14.03.016 of the City of Celina’s zoning ordinance.

SINGLE-FAMILY PERMISSIBLE USES

The following uses shall be allowed:

1. Agricultural Uses – Agricultural uses whose products are grown primarily for home consumption, such as domestic gardening, berry or bush crops, tree crops, flower gardening, orchards, and aviaries.
2. Residential Uses: Single-family detached dwellings
3. Community Facility Uses
 - A. Public and private parks;
 - B. Recreational and open space including but not limited to playgrounds, parkways, greenbelts, ponds and lakes, botanical gardens, pedestrian paths, bicycle paths, equestrian bridle trails, nature centers, bird and wildlife sanctuaries;
 - C. Amenity centers.
4. Temporary structure for storage of building materials and equipment used for initial residential construction, when on the same or adjoining lot, for a period not to exceed the duration of the

construction. This shall include temporary trailers for construction and sales activity. Building material storage will be allowed adjacent to temporary trailers or in a lot designated for storage.

5. Manufactured and/or modular homes are prohibited in this PD district.

RESIDENTIAL DESIGN GUIDELINES

I. Lot Type Regulations

The PD District will include a variety of lot types in order to achieve the goals established for the district. The lot types and requirements for each shall be as follows:

A. Lot Type 1:

1. Purpose: This lot type is designed to allow single family detached dwellings on lots of not less than five thousand five hundred (5,500) square feet, together with the allowed incidental and accessory uses.

2. Height Regulations: No building shall exceed forty feet (40') or two and one-half (2-1/2) stories in height to the highest point of its roof.

3. Area Regulations: The following minimum standards shall be required as measured from property lines:

Lot Size:	Five thousand five hundred (5,500) square feet.
Lot Coverage:	The maximum Lot Coverage shall not exceed sixty percent (60%).
Minimum Floor Area:	The minimum square footage of a dwelling unit, exclusive of garages, breezeways and porches, shall be seventeen hundred (1,700) square feet.
Front Yard:	Twenty feet (20') setback line in all instances. Covered Front Porches may extend over the front building setback line up to five feet (5'), but the garage door must remain at or behind the MAIN STRUCTURE. Key lots shall have two (2) front yards.
Rear Yard:	Ten feet (10') minimum.
Side Yard:	Five feet (5') minimum.
Lot Width:	Fifteen feet (15') minimum when adjacent to street. Fifty feet typical (50') at building line; forty feet (40') minimum (@ right-of-way) on cul-de-sac lots.
Lot Depth:	One hundred ten feet (110') minimum. Eighty-five feet (85') minimum on cul-de-sac lots.
Garage Orientation:	May face the street, but shall be at or behind the main structure.

B. Lot Type 2:

1. Purpose: This lot type is designed to allow single family detached dwellings on lots of not less than six thousand six hundred (6,600) square feet, together with the allowed incidental and accessory uses.

2. Height Regulations: No building shall exceed forty feet (40') or two and one-half (2-1/2) stories in height to the highest point of its roof.

3. Area Regulations: The following minimum standards shall be required as measured from property lines:

Lot Size:	Six thousand six hundred (6,600) square feet.
Lot Coverage:	The maximum Lot Coverage shall not exceed sixty percent (60%).
Minimum Floor Area:	The minimum square footage of a dwelling unit, exclusive of garages, breezeways and porches, shall be nineteen hundred (1,900) square feet.
Front Yard:	Twenty feet (20') setback line in all instances. Covered Front Porches may extend over the front building setback line up to five feet (5'), but the garage door must remain at or behind the main structure. Key lots have two (2) front yards.
Rear Yard:	Ten feet (10') minimum.
Side Yard:	Five feet (5') minimum.
Lot Width:	Fifteen feet (15') minimum when adjacent to street. Sixty feet typical (60') at building line; fifty feet (50') minimum (@ right-of-way) on cul-de-sac lots.
Lot Depth:	One hundred ten feet (110') minimum. Eighty-five feet (85') minimum on cul-de-sac lots.
Garage Orientation:	May face the street, but shall be at or behind the main structure.

CONDITIONAL USES

Uses allowed as conditional uses in the SF-7.5 District (Section 14.03.014) and the Patio Home Residential District (Section 14.03.016) as outlined in the City of Celina Zoning Ordinance No 2006-57, as amended.

DISTRICT REGULATIONS

It is the intent of this Ordinance that all uses permitted by the Planned Development conform to the applicable City of Celina development guidelines.

OTHER DEVELOPMENT REGULATIONS

HOMEOWNERS/PROPERTY OWNERS ASSOCIATION

Homeowner Association(s) will be established as each residential or nonresidential parcel of land is developed. The PD shall contain one or multiple Homeowner/Property Owner Association(s).

OPEN SPACE

The single family tract of the PD (Tract 4) will dedicate open space in accordance with current PD zoning (Sec. 14.03.031). One acre of open space shall be dedicated for every 75 dwelling units. A minimum of 2.0 acres shall be non-floodplain open space. Open space may consist of any pervious areas including publicly accessible detention/drainage facilities (wet ponds included), natural open space areas including floodplain, and public or private parks. Any detention/drainage areas counted toward the open space requirement shall be landscaped and amenitized with benches and sidewalks on a minimum of three (3) sides. The Open Space shall be maintained by the Homeowner Association(s).

TRACTS 1, 2, 3 & 5

Tracts 1, 2, 3 & 5 shall be required to submit a concept plan as a PD Amendment prior to submission of any site plan, plat, general development plan, building permit, or early grading permit. The PD Amendment shall be processed as outlined in section 14.03.031 of the Celina Code of Ordinances.

SCREENING & LANDSCAPE BUFFERS – Tract 4

Screening (6 foot solid masonry wall) shall be required for residential lots adjacent to Preston Road, residential lots backing or siding to collectors (60' ROW of larger), and residential lots backing or siding to future Cypress Creek Way. Landscape buffers shall be required for all lots adjacent to a collector or future Cypress Creek Way. The landscape buffers shall be a minimum 10' in width with an average of 15 feet.

LIST OF EXHIBITS

- Exhibit A – Legal Descriptions
- Exhibit B – Zoning Exhibit
- Exhibit C – Concept Plan
- Exhibit D – Development Regulations

Exhibit "A"
Description of 78.69 Acres
Tract 1

BEING that certain tract of land situated in the Collin County School Land Survey, Abstract Number 167, Collin County, Texas and being all of Tracts 1 thru 4 of that tract of land described by deed to Ownsby 1880 Farms, Ltd., recorded in Volume 4332, Page 1047 of the Official Public Records of Collin County, Texas and being more particularly described by metes and bounds as follows;

COMMENCING at the southwest corner of said Tract 3;

THENCE N 01°04'01"W, 3535.52 feet to the **POINT OF BEGINNING**;

THENCE N 01°04'01"W, 522.67 feet;

THENCE S 88°28'57"W, 687.63 feet;

THENCE N 10°43'05"E, 1022.07 feet;

THENCE N 88°19'13"E, 477.31 feet;

THENCE N 00°42'50"W, 256.30 feet;

THENCE N 88°52'48"E, 1316.65 feet;

THENCE N 88°48'00"E, 273.76 feet;

THENCE S 01°11'55"E, 1793.96 feet;

THENCE S 89°23'49"W, 1594.59 feet to the **Point of Beginning** and containing 3,427,907 square feet or 78.69 acres of land more or less.

"This document was prepared under 22 TAC 663.21, does not reflect the results of an on the ground survey, and is not to be used to convey or establish interests in real property except those rights and interests implied or established by the creation or reconfiguration of the boundary of the political subdivision for which it was prepared."

Exhibit "A"
Description of 63.31 Acres
Tract 2

BEING that certain tract of land situated in the Collin County School Land Survey, Abstract Number 167, Collin County, Texas and being all of Tracts 1 thru 4 of that tract of land described by deed to Ownsby 1880 Farms, Ltd., recorded in Volume 4332, Page 1047 of the Official Public Records of Collin County, Texas and being more particularly described by metes and bounds as follows;

COMMENCING at the southwest corner of said Tract 3;

THENCE N 01°04'01"W, 2639.99 feet;

THENCE N 89°23'49"E, 1596.64 feet to the **POINT OF BEGINNING**;

THENCE N 01°11'55"W, 2689.51 feet;

THENCE N 88°48'00"E, 1033.63 feet to the west right-of-way of State Highway 289 (a variable width right-of-way);

THENCE with the west right-of-way of said State Highway 289 the following courses and distances;

S 00°50'21"E, 551.21 feet;

S 02°00'51"W, 400.60 feet;

S 01°08'09"E, 164.39 feet;

S 00°37'09"E, 136.79 feet;

S 07°29'09"E, 201.08 feet;

S 00°58'37"E, 1247.97 feet;

THENCE S 89°23'49"W, 1023.40 feet, departing said west right-of-way, to the **Point of Beginning** and containing 2,757,653 square feet or 63.31 acres of land more or less.

"This document was prepared under 22 TAC 663.21, does not reflect the results of an on the ground survey, and is not to be used to convey or establish interests in real property except those rights and interests implied or established by the creation or reconfiguration of the boundary of the political subdivision for which it was prepared."

Exhibit "A"
Description of 32.80 Acres
Tract 3

BEING that certain tract of land situated in the Collin County School Land Survey, Abstract Number 167, Collin County, Texas and being all of Tracts 1 thru 4 of that tract of land described by deed to Ownsby 1880 Farms, Ltd., recorded in Volume 4332, Page 1047 of the Official Public Records of Collin County, Texas and being more particularly described by metes and bounds as follows;

COMMENCING at the southwest corner of said Tract 3;

THENCE N 01°04'01"W, 2639.99 feet to the **POINT OF BEGINNING**;

THENCE N 01°04'01"W, 895.53 feet;

THENCE N 89°23'49"E, 1594.59 feet;

THENCE S 01°11'55"E, 895.55 feet;

THENCE S 89°23'49"W, 1596.64 feet to the **Point of Beginning** and containing 1,248,880 square feet or 32.80 acres of land more or less.

"This document was prepared under 22 TAC 663.21, does not reflect the results of an on the ground survey, and is not to be used to convey or establish interests in real property except those rights and interests implied or established by the creation or reconfiguration of the boundary of the political subdivision for which it was prepared."

EXHIBIT "A"
Description of 111.88 Acres
Tract 4

BEING that certain tract of land situated in the Collin County School Land Survey, Abstract Number 167, Collin County, Texas and being all of Tracts 1 thru 4 of that tract of land described by deed to Ownsby 1880 Farms, Ltd., recorded in Volume 4332, Page 1047 of the Official Public Records of Collin County, Texas and being more particularly described by metes and bounds as follows;

BEGINNING at the southwest corner of said Tract 3;

THENCE N 01°04'01"W, 2639.99 feet;

THENCE N 89°23'49"E, 1575.64 feet;

THENCE S 01°11'55"E, 1574.73 feet;

THENCE S 47°53'08"E, 632.04 feet;

THENCE S 89°22'37"E, 330.70 feet;

THENCE S 64°54'44"E, 260.57 feet to the west right-of-way of State Highway 289 (a variable width right-of-way);

THENCE S 01°18'59"E, 127.10 feet, with said west right-of-way;

THENCE S 00°09'24"E, 366.47 feet, continuing with said west right-of-way;

THENCE S 88°48'06"W, 1264.59 feet, departing said west right-of-way;

THENCE S 88°58'39"W, 1334.68 feet to the **Point of Beginning** and containing 4,873,527 square feet or 111.88 acres of land more or less.

"This document was prepared under 22 TAC 663.21, does not reflect the results of an on the ground survey, and is not to be used to convey or establish interests in real property except those rights and interests implied or established by the creation or reconfiguration of the boundary of the political subdivision for which it was prepared."

Exhibit "A"
Description of 45.28 Acres
Tract 5

BEING that certain tract of land situated in the Collin County School Land Survey, Abstract Number 167, Collin County, Texas and being all of Tracts 1 thru 4 of that tract of land described by deed to Ownsby 1880 Farms, Ltd., recorded in Volume 4332, Page 1047 of the Official Public Records of Collin County, Texas and being more particularly described by metes and bounds as follows;

COMMENCING at the southwest corner of said Tract 3;

THENCE N 01°04'01"W, 2639.99 feet;

THENCE N 89°23'49"E, 1575.64 feet to the **POINT OF BEGINNING**;

THENCE N 89°23'49"E, 1044.40 feet to the west right-of-way of State Highway 289 (a variable width right-of-way);

THENCE with the west right-of-way of said State Highway 289 the following courses and distances;

S 00°58'37"E, 250.98 feet;

S 04°08'28"W, 408.08 feet;

S 04°03'32"E, 493.79 feet;

S 00°12'32"E, 300.04 feet;

S 01°07'45"E, 672.89 feet;

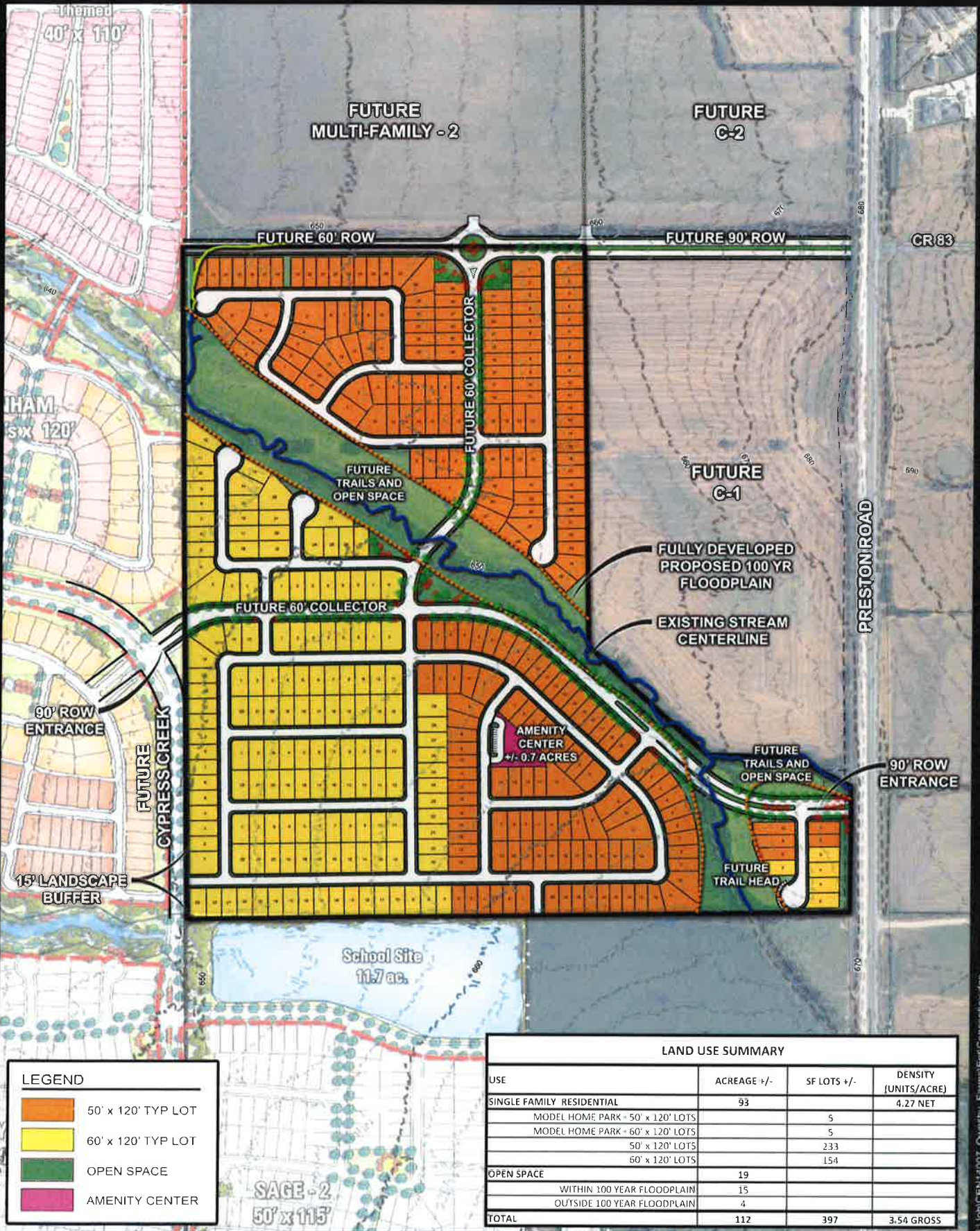
THENCE N 64°54'44"W, 260.57 feet, departing said west right-of-way;

THENCE N 89°22'37"W, 330.70 feet;

THENCE N 47°53'08"W, 632.04 feet;

THENCE N 01°11'55"W, 1574.73 feet to the **Point of Beginning** and containing 1,972,402 square feet or 45.28 acres of land more or less.

"This document was prepared under 22 TAC 663.21, does not reflect the results of an on the ground survey, and is not to be used to convey or establish interests in real property except those rights and interests implied or established by the creation or reconfiguration of the boundary of the political subdivision for which it was prepared."



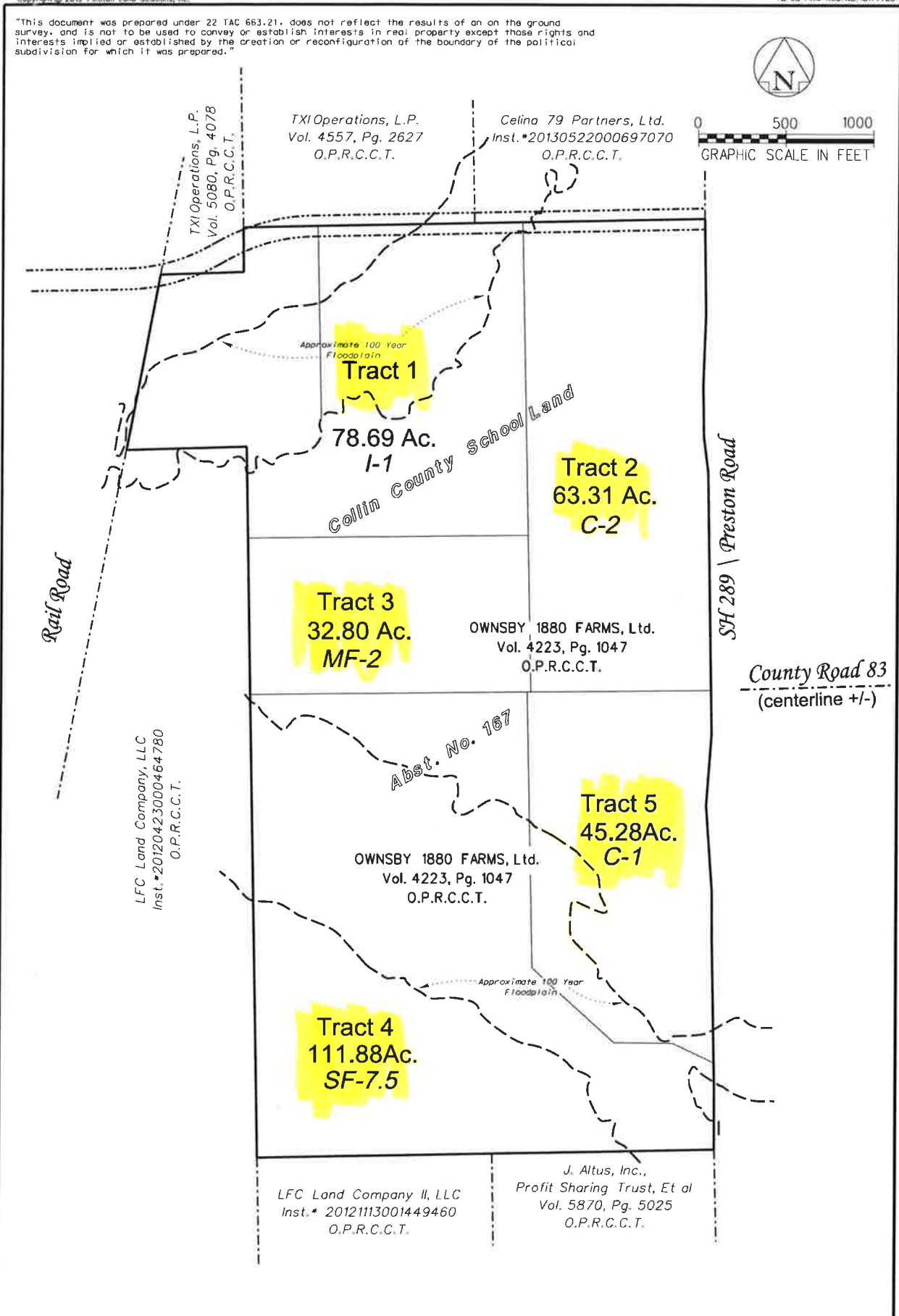
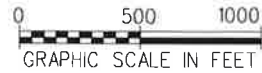
LEGEND

- 50' x 120' TYP LOT
- 60' x 120' TYP LOT
- OPEN SPACE
- AMENITY CENTER

LAND USE SUMMARY			
USE	ACREAGE +/-	SF LOTS +/-	DENSITY (UNITS/ACRE)
SINGLE FAMILY RESIDENTIAL	93		4.27 NET
MODEL HOME PARK - 50' x 120' LOTS		5	
MODEL HOME PARK - 60' x 120' LOTS		5	
50' x 120' LOTS		233	
60' x 120' LOTS		154	
OPEN SPACE	19		
WITHIN 100 YEAR FLOODPLAIN	15		
OUTSIDE 100 YEAR FLOODPLAIN	4		
TOTAL	112	397	3.54 GROSS

J:\Job\CE114007_Ownsby_Farm\CE114007.dgn

"This document was prepared under 22 TAC 663.21, does not reflect the results of an on the ground survey, and is not to be used to convey or establish interests in real property except those rights and interests implied or established by the creation or reconfiguration of the boundary of the political subdivision for which it was prepared."



5751 KROGER DR. STE. 185 | KELLER, TX 76244 | 817-562-3350

Zoning Exhibit "C"
An Exhibit of
331.96 Acres
of land situated in the Collin County School Land Survey, Abstract Number 167, Collin County, Texas

JOB #:	CEN14007
DRAWN BY:	
CHECKED BY:	lab
DATE:	NOV. 13, 2014
REVISIONS:	12-03-14 Rev. to 5 1/2" x 11"

EXHIBIT E

THE HOMESTEAD AT OWNSBY FARMS

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

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 #: 802717395 05/09/2017
Document #: 735600780004
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 Homestead At Ownsby Farms

Article 2 – Registered Agent and Registered Office

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

OR

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

Name:

Ron Corcoran

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

Street Address:

**c/o Essex Association Management, LP
1512 Crescent Drive, Suite 112 Carrollton TX 75006-3627**

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: **1800 Valley View Lane Suite 300 Farmers Branch TX, USA 75234**

Director 2: **Michael Beaty**

Title: **Director**

Address: **1800 Valley View Lane Suite 300 Farmers Branch TX, USA 75234**

Director 3: **Dustin Warren**

Title: **Director**

Address: **1800 Valley View Lane Suite 300 Farmers Branch TX, USA 75234**

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:

Homeowner's 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 HOMESTEAD AT OWNSBY FARMS HOMEOWNERS ASSOCIATION, INC.**

The undersigned, being all of the members of the Board of Directors of The Homestead at Ownsby Farms 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 May 9, 2017, does hereby accept appointment to such office and does hereby agree to serve as a director of the Association until the first annual meeting of the members 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 attached hereto Exhibit A, are approved and adopted as the Bylaws of the Association, and the Secretary of the Association is instructed to insert the original thereof in the minute book of the Association.

3. OFFICERS

RESOLVED, that each of the following-named persons be and they hereby are elected as officers of the Association for the office or offices set forth below opposite his or her name, 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 Moayedi	-	President
Dustin Warren	-	Vice President
Michael Beaty	-	Secretary and Treasurer

4. REGISTERED OFFICE; REGISTERED AGENT

RESOLVED, that the registered office of the Association be established and maintained at c/o Essex Management, 1512 Crescent Drive, Suite 112, Carrollton, Texas 75006, and that Ron Corcoran 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 all necessary books and records of the Association.

6. ORGANIZATIONAL EXPENSES

RESOLVED, that the President of the Association or other officer 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.

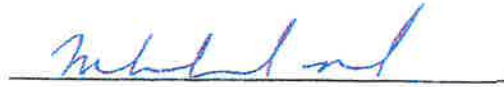
8. DEPOSITORY RESOLUTIONS

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:

Mehrdad Moayedi, President and Director
Ron Corcoran, Essex Association Management, LP
Anna Corcoran, Essex Association Management, LP

BE IT FURTHER RESOLVED, that the Bank 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.

IN WITNESS WHEREOF, the undersigned have executed this instrument as of and effective the 9th day of May, 2017.



Mehrdad Moayed, Director



Dustin Warren, Director



Michael Beaty, Director

EXHIBIT A

Bylaws

[See Attached]

**BYLAWS
OF
THE HOMESTEAD AT OWNSBY FARMS HOMEOWNERS ASSOCIATION, INC.**

**ARTICLE I
INTRODUCTION**

The name of the corporation is The Homestead at Ownsby Farms Homeowners Association, Inc., a Texas non-profit corporation, hereinafter referred to as the "Association". The principal office of the Association shall be located in Dallas County, Texas, but meetings of Members and Directors may be held at such places within the State of Texas, as may be designated by the Board of Directors.

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 Homestead at Ownsby Farms recorded or to be 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 Homestead at Ownsby Farms Homeowners Association, Inc., a Texas nonprofit 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 are hereafter owned or held by the Association.

Section 2.4. Association Restrictions. "Association Restrictions" shall mean the Declaration of Covenants, Conditions and Restrictions for The Homestead at Ownsby Farms as the same may be amended from time to time, together with the Certificate, Bylaws, and Association Rules and Regulations from time to time in effect.

Section 2.5. Association Rules. “Association Rules” shall mean the rules and regulations adopted by the Board pursuant to the Declaration or these Bylaws, as the same may be amended from time to time.

Section 2.6. Board. “Board” shall mean the Board of Directors of the Association.

Section 2.7. Bylaws. “Bylaws” shall mean the Bylaws of the Association which may be adopted by the Board and as the same may be amended from time to time.

Section 2.8. Certificate. “Certificate” shall mean the Certificate of Formation of The Homestead at Ownsby Farms 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 2.9. Declarant. “Declarant” shall mean CADG Ownsby Farms, LLC, a Texas limited liability company, and its duly authorized representatives or their successors or assigns; provided that any assignment of the rights of Declarant must be expressly set forth in writing and the mere conveyance of a portion of the Property without written assignment of the rights of Declarant shall not be sufficient to constitute an assignment of the rights of Declarant hereunder.

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

Section 2.11. Development. “Development” shall mean and refer to the property subject to the terms and provisions of the Declaration.

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.

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.

ARTICLE III MEETING OF MEMBERS

Section 3.1. Annual Meetings. The first annual meeting of the Members shall be held on such date as selected by the Board of Directors which is on or before the earlier of (i) the date which is one hundred twenty (120) days after seventy-five percent (75%) of the Lots have been sold to non-Declarant Owners, or (ii) ten (10) years from the date on which the Declaration is recorded in the Official Public Records of Collin County, Texas, and each subsequent regular annual meeting of the Members shall be held in a month selected by the Board notwithstanding, the Board shall endeavor to keep the meeting date around the same time each year. If the day for the annual meeting of the Members is a Sunday, or legal holiday, the meeting will be held on the first day following which is not a Sunday, or legal holiday.

Section 3.2. Special Meetings. Special meetings of the Members may be called at any time by the President or by a majority vote of the Board of Directors, or upon written request of the Members who are entitled to vote fifty-one percent (51%) or more of the votes of the Association.

Section 3.3. Place of Meetings. Meetings of the Association may be held at the Development or at a suitable place convenient to the Members, as determined by the Board.

Section 3.4. Notice of Meetings. At the direction of the Board, written notice of meetings of the Association will be given to the Members at least ten (10) days but not more than forty-five (45) days prior to the meeting. Notices of meetings will state the date, time, and place the meeting is to be held. Notices will identify the type of meeting, and will state the particular purpose of the meeting. Notices may also set forth any other items of information deemed appropriate by the Board.

Section 3.5. Voting Member List. The Board will prepare and make available a list of the Association's voting Members in accordance with the Texas Business Organization Code.

Section 3.6. Quorum. A quorum is required for any action referred to in Section 8.3 of the Declaration 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. The first time a meeting is called, whether regular or special, the presence at the meeting of Members, or of proxies, entitled to cast at least ten (10%) of all of the votes of the Association's Members, without regard to class, shall constitute a quorum. This quorum shall also be valid for the transition / organizational meeting held at the time Declarant transfers control of the Association to the Homeowners. For all other meetings the presence at the meeting of Members, or of proxies, entitled to cast at least twenty percent (20%) of all of the votes of the Association's Members, without regard to class, shall constitute a quorum. If a quorum is not present at the initial 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.

Section 3.7. Proxies. Votes may be cast in person or by written proxy. To be valid, each proxy must: (i) be signed and dated by a Member or his attorney-in-fact; (ii) identify the Lot to which the vote is appurtenant; (iii) name the person or title (such as “presiding officer”) in favor of whom the proxy is granted, such person having agreed to exercise the proxy; (iv) identify the meeting for which the proxy is given; (v) not purport to be revocable without notice; and (vi) be delivered to the secretary, to the person presiding over the Association meeting for which the proxy is designated, or to a person or company designated by the Board. Unless the proxy specifies a shorter or longer time, it terminates eleven (11) months after the date of its execution. Perpetual or self-renewing proxies are permitted, provided they are revocable. To revoke a proxy, the granting Member must give actual notice of revocation to the person presiding over the Association meeting for which the proxy is designated. Unless revoked, any proxy designated for a meeting which is adjourned, recessed, or rescheduled is valid when the meeting reconvenes. A proxy may be delivered by fax. However, a proxy received by fax may not be counted to make or break a tie-vote unless: (a) the proxy has been acknowledged or sworn to by the Member, before and certified by an officer authorized to take acknowledgments and oaths; or (b) the Association also receives the original proxy within five (5) days after the vote.

Section 3.8. Conduct of Meetings. The president, or any person designated by the Board, presides over meetings of the Association. The secretary keeps, or causes to be kept, the minutes of the meeting which should record all resolutions adopted and all transactions occurring at the meeting, as well as a record of any votes taken at the meeting. The person presiding over the meeting may appoint a parliamentarian. Votes should be tallied by persons other than the Board or a Candidate. The Board may assign a Homeowner to participate in the vote count for election or proxies notwithstanding, unless otherwise directed by the Board the Managing Agent will preside over tallies of votes and proxies. Order should be kept at all times during a Board meeting. Any misconduct by a Board Member or Homeowner should be addressed and appropriately handled. Any Member who disrupts a meeting or causes contention of any kind should be removed from the meeting.

Section 3.9. Order of Business. Unless the notice of meeting states otherwise or the assembly adopts a different agenda at the meeting, the order of business at meetings of the Association is as follows:

- Determine votes present by roll call or check-in procedure

- Announcement of quorum
- Proof of notice of meeting
- Approval of minutes of preceding meeting
- Reports of Officers (if any)
- Election of Directors (when required)
- Unfinished or old business
- New business

Section 3.10. Adjournment of Meeting. At any meeting of the Association, a majority of the Members present at that meeting, either in person or by proxy, may adjourn the meeting to another time and place.

Section 3.11. Action without Meeting. Subject to Board approval, any action which may be taken by a vote of the Members at a meeting of the Association may also be taken without a meeting by written consents. The Board may permit Members to vote by any method allowed by the Texas Business Organization Code, which may include hand delivery, United States Mail, facsimile, e-mail, or any combination of these. Written consents by Members representing at least a majority of votes in the Association, or such higher percentage as may be required by the Documents, constitutes approval by written consent. This Section may not be used to avoid the requirement of an annual meeting and does not apply to the election of Directors.

Section 3.12. Telephone Meetings. Members of the Association may participate in and hold meetings of the Association by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in the 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 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. Except as is provided in the Declaration and in Sections 4.1(b) and 4.1(c) below, during the Declarant control period, **Declarant shall have the absolute right to appoint and remove members of the Board of Directors.**

(b) The initial Board shall be those individuals set forth in the Certificate of Formation for the Association. During the period of Declarant control, the Declarant has the sole right to appoint and remove all Directors to the Board, provided that prior to the date which is the earlier of (i) one hundred-twenty (120) days after seventy-five (75%) of the Lots have been sold to non-Declarant Owners, or (ii) ten (10) years from the date on which the Declaration is recorded, at least 1/3 of the directors serving on the Board shall be person(s) elected by a majority vote of Class A Members at a meeting of the members at which quorum is present. Each Director, other than Directors appointed by Declarant, shall be a Member and resident, 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. The Board of Directors shall consist of three (3) persons appointed by Declarant who need not be Members of the Association. The Declarant may increase the Board to five (5) Members at any time during the Declarant Control Period without consent or joinder of the Board or Members required. On and after the 75% Transition Date, the Board of Directors shall include two (2) persons appointed by Declarant and one (1) person elected by a majority vote of Class A Members ("Non-Declarant Director") or in the event of a five (5) person Board, two (2) ("Non-Declarant Directors") at such meeting at which quorum is present, which Non-Declarant Member(s) shall serve for a period which is the shorter of one (1) year, or until the next annual meeting of the Members at which the Non-Declarant Member (or replacement thereof) shall be elected. The Non-Declarant Director shall be elected at the first annual meeting (or special meeting called for such purpose by the President of the Association) of Members held on or after the 75% Transition Date. **On and after the date on which the last Lot is sold to a non-Declarant Owner (the "Declarant Turnover Date"), the Board of Directors shall be increased to five (5) members unless a five person Board already exists.** The President of the Association will thereupon call a meeting of the Members of the Association where the Members will elect three (3) Directors for a two (2) year term, and two (2) Directors for a one (1) year term. Upon expiration of the term of a Director elected by the Members pursuant to this Section 4.1(b), his or her successor will be elected to serve a term equal to that of the retiring member. A Director takes office upon the adjournment of the meeting or balloting at which s/he is elected or appointed notwithstanding the absence by death, ineligibility, resignation, or removal, will hold office until his successor is elected or appointed.

(c) Each Director, other than Directors appointed by Declarant, shall be a Member and resident, 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.

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

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 s/he holds by signifying his intention to seek reelection in a writing addressed to the Board of Directors.

Section 4.4. Removal of Directors for Cause. If a Director breaches such Director's duties hereunder, becomes a constant source of contention, or violates the terms of the Declaration, the Certificate, the Association Rules or these Bylaws, such Director may be removed by the Declarant during the Declarant Control Period. After the Declarant Control Period a Director may be removed by a majority vote of the Board. No Director shall have any voting rights nor may such Director participate in any meeting of the Board of Directors at any time that such Director is delinquent in the payment of any Assessments or other charges owed to the Association. Any Director that is ninety (90) days delinquent in the payment of Assessments or other charges more than three (3) consecutive times shall be removed as a Director.

Section 4.5. Vacancies on Board of Directors. At such time as Declarant's right to appoint and remove Directors has expired or been terminated, if the office of any elected Director shall become vacant by reason of death, resignation, retirement, disqualification, removal from office or otherwise, 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 be re-elected or his successor shall be elected in accordance with these Bylaws.

Section 4.6. Removal of Directors by Members. 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 a majority vote of the Members present at any special meeting of the Members of which notice has been properly given as provided in these Bylaws; provided the same notice of this special meeting has also been given to the entire Board of Directors, including the individual Director whose removal is to be considered at such special meeting.

Section 4.7. Consent in Writing. Any action by the Board of Directors, including any action involving a vote on a fine, damage assessment, appeal from a denial or architectural control approval, or suspension of a right of a particular Member before the Member has an opportunity to attend a meeting of the Board of Directors to present the Member's position on the issue, may be taken without a meeting if all of the Directors shall unanimously consent in writing to the action. Such written consent shall be filed in the Minute Book. Any action taken by such written consent shall have the same force and effect as a unanimous vote of the Directors.

ARTICLE V MEETINGS OF DIRECTORS

Section 5.1. Regular Meetings. Regular meetings of the Board shall be held annually during the Declarant Control Period and thereafter, at least semi- annually or at such other frequency as determined by the Board, without notice, at such place and hour as may be fixed from time to time by resolution of the Board.

Section 5.2. 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 5.3. 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.

Section 5.4. Telephone Meetings. Members of the Board or any committee of the Association may participate in and hold meetings of the Board or committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in such 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.

Section 5.6. Action without a Meeting. Any action required or permitted to be taken by the Board at a meeting may be taken without a meeting, if all Directors individually or collectively consent in writing to such action. The written consent must be filed with the minutes of Board meetings. Action by written consent has the same force and effect as a unanimous vote.

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. During the Declarant Control Period Declarant may limit the duties of the Board:

(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;

(b) suspend the voting rights of a Member and right of a Member 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 Association Restrictions;

(d) to enter into any contract or agreement including with a municipal agency or utility company to provide electric utility service to all or any portion of the Property. All contracts must consist of not less than a thirty (30) day termination clause wherein the Board may negotiate termination of a contract;

(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;

(f) 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 or agent 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 property owned by the Association;

(j) 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.

Section 6.2. Duties. It shall be the duty of the Board to:

(a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by Members who are entitled to cast fifty-one percent (51%) of all outstanding votes; and

(b) supervise all officers, agents and employees of the Association, and to see that their duties are properly performed.

ARTICLE VII OFFICERS AND THEIR DUTIES

Section 7.1. Enumeration of Offices. The officers of the Association shall be at minimum a President, Vice-President, and Secretary who shall at all times be members of the Board. The Board, may by resolution, amend this Section 7.1 when it is deemed in the best interest of the Association to do so.

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.

Section 7.3. Term. The officers of the Association shall be elected annually by the Board and each shall hold office for the term of his / her appointment unless s/he resigns sooner, or shall be removed or otherwise disqualified to serve.

Section 7.4. Special Appointments. 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, determine. Written permission from the Declarant to appoint Officers shall be required during the Declarant Control Period.

Section 7.5. Resignation and Removal. Any officer may be removed from office with or without cause by the Declarant and thereafter, 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; 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 or Vice Presidents (including, without limitation, Executive Vice Presidents and Senior Vice Presidents), 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 or in the absence of a President for any reason the Vice President shall perform the duties of the President until such time the President is able to resume duties or new offices are assigned.

(c) **Secretary.** The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses; and shall perform 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.** If the Association is self-managed, the Treasurer shall be responsible for deposits in appropriate bank accounts of all monies of the Association and shall be responsible for disbursement of such funds as directed by resolution of the Board. When a managing agent is employed by the Association the Treasurer shall have the responsibility to view deposits and disbursements of funds by way of monthly financials and bank statements provided by the Managing Agent; shall sign promissory notes of the Association; 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 aid in the prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular meeting, and deliver a copy of each to the Members.

**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 (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. Notwithstanding the foregoing or anything to the contrary contained herein, the Architectural Control Committee (as defined in the Declaration) shall be established by Declarant and comprised of members appointed by Declarant during the Declarant Period (as defined in the Declaration) in accordance with Section 8.1 of the Declaration, as amended from time to time.

**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 Association Restrictions shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost. Inspection of books and records shall be subject to the Records Production, Copying, and Retention Policy. In the event of a discrepancy in the policy and any Texas State Property Code Regulation, the higher standard shall prevail.

**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 DECLARANT PROVISIONS

Section 12.1. Conflict. The provisions of this Article control over any provision to the contrary elsewhere in these Bylaws.

Section 12.2. Board of Directors. As provided in Section 4.1 of these Bylaws, Declarant is entitled to appoint and remove all members of the Board of Directors until the Transition Date and thereafter, the majority of the Board of Directors until the Declarant no longer owns any portion of the Property (as defined in the Declaration). Until Declarant's right to appoint members of the Board of Directors terminates, the Directors appointed by Declarant need not be Owners or residents and may not be removed by the Owners. In addition, Declarant has the right to fill vacancies in any directorship vacated by a Declarant appointee.

ARTICLE XIII AMENDMENTS

Section 13.1. These Bylaws may be amended, (i) on or before the Declarant Turnover Date, by the Declarant without consent or joinder of the Board or Members and thereafter, a majority vote or written consent of a majority of the Directors on the Board of Directors of the Association, and approval of Declarant so long as Declarant owns at least one (1) lot or (ii) at a regular or special meeting of the Members called for this purpose and, by a vote of at least sixty-seven percent (67%) of the total number of votes of the Members of the Association present at a duly called meeting of the Members at which quorum is present.

Section 13.2. 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.

ARTICLE XIV INDEMNIFICATION OF DIRECTORS AND OFFICERS

THE ASSOCIATION SHALL INDEMNIFY EVERY DIRECTOR AND OFFICER OF THE ASSOCIATION AGAINST, AND REIMBURSE AND ADVANCE TO EVERY DIRECTOR AND OFFICER 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 ORGANIZATION CODE AND ALL OTHER APPLICABLE LAWS AT THE TIME OF SUCH INDEMNIFICATION, REIMBURSEMENT OR ADVANCE PAYMENT; PROVIDED, HOWEVER, NO DIRECTOR OR OFFICER 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 OR OFFICER 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 OR OFFICER IS EXPRESSLY PROVIDED FOR BY STATUTE.

**ARTICLE XV
MISCELLANEOUS**

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.

I, the undersigned, being the Secretary of THE HOMESTEAD AT OWNSBY FARMS HOMEOWNERS ASSOCIATION, INC. does hereby certify that the foregoing are the Bylaws of said non-profit corporation, as adopted by the Association's Board of Directors pursuant to a Unanimous Consent of Directors in Lieu of Organizational Meeting of the Corporation dated to be effective as of May 9, 2017.



Printed Name: Michael Beaty

Title: Secretary

Attachments

- Schedule 1 – Records Production, Copying, and Retention Policy
- Schedule 2 – Alternative Payment Plan Policy
- Schedule 3 – Collection Policy
- Schedule 4 – Notice and Fining Policy
- Schedule 5 – E-mail Registration Policy

SCHEDULE 1

FOR BYLAWS OF THE HOMESTEAD AT OWNSBY FARMS HOMEOWNERS ASSOCIATION INC.

Records Production, Copying, and Retention Policy

WHEREAS, the Board of Directors (the “Board”) of The Homestead at Ownsby Farms Homeowners Association Inc. (the “Association”) wishes to adopt reasonable guidelines to establish Records Production, Copying, and Retention Policy for the Association; and

WHEREAS, the Board wishes to adopt these reasonable guidelines in compliance with Section 209.005 of the Texas Property Code (“Section 209.005”) regarding Owner access to Association documents and records (“Records”); and

WHEREAS, the Board intends to file these guidelines with the Bylaws for The Homestead at Ownsby Farms in the real property records of each county in which the subdivision is located, in compliance with Section 209.005 of the Texas Property Code; and

WHEREAS, this policy may be amended at any time and from time to time by the Declarant during the Declarant Control Period and thereafter by the Board of Directors by Resolution to comport with industry standards, to amend or revise provisions of the policy as may be deemed necessary and in the best interest of the Association. Any amendment or revision shall be mailed to each homeowner and a copy placed on the Association’s website if applicable; and

NOW, THEREFORE, IT IS RESOLVED that the following guidelines for Records Production and Copying are established by the Board:

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

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- had been made; or
- b. 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
 - c. 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
 - d. 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
 - e. 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.

SCHEDULE 1

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 Declarations.
 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.
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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--\$1.00;
 - (B) Data cartridge--actual cost;
 - (C) Rewritable CD (CD-RW)--\$1.00;
 - (D) Non-rewritable CD (CD-R)--\$1.00;
 - (E) Digital video disc (DVD)--\$3.00;
 - (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)--\$.50 per page;
 3. **Labor charge for programming.** If a particular request requires the services of a programmer

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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.

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.

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RECORDS RETENTION

The Record Retention Policy of The Homestead at Ownsby Farms Homeowners Association 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

SCHEDULE 1

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.

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- 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

SCHEDULE 1

E. PAYROLL DOCUMENTS

<u>Record Type</u>	<u>Retention Period</u>
Employee Deduction Authorizations	4 years after termination
Payroll Deductions	Termination + 7 years
W-2 and W-4 Forms	Termination + 7 years
Garnishments, Assignments, Attachments	Termination + 7 years
Payroll Registers (gross and net)	7 years
Time Cards/Sheets	2 years
Unclaimed Wage Records	6 years

F. PERSONNEL RECORDS

<u>Record Type</u> <u>Period</u>	<u>Retention</u>
EEO- I/EEO-2 - Employer Information Reports	2 years after superseded or filing (whichever is longer)
Employee Earnings Records	Separation + 7 years
Employee Handbooks	1 copy kept permanently
Employee Personnel Records (including individual attendance records, application forms, job or status change records, performance evaluations, termination papers, withholding information, garnishments, test results, training and qualification records)	6 years after separation
Employment Contracts — Individual	7 years after separation
Employment Records - Correspondence with Employment Agencies and Advertisements for Job Openings	3 years from date of hiring
Employment Records - All Non-Hired Applicants (including all applications and resumes - whether solicited or unsolicited, results of post-offer, pre-employment physicals, results of background investigations, if any, related correspondence)	2-4 years (4 years if file contains any correspondence which might be construed as an offer)
Job Descriptions	
Record Retention Policy	3 years after

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<u>Record Type</u>		<u>Retention Period</u>
Personnel Count Records		3 years
Forms 1-9	G. PROPERTY RECORDS	3 years after hiring, or 1 year after separation if later

<u>Record Type</u>	<u>Retention Period</u>
Correspondence, Property Deeds, Assessments, Licenses, Rights of Way	Permanent
Property Insurance Policies	Permanent

H. TAX RECORDS

<u>Record Type</u>	<u>Retention Period</u>
Tax-Exemption Documents and Related Correspondence	Permanent
IRS Rulings	Permanent
Tax Bills, Receipts, Statements	7 years
Tax Returns - Income, Franchise, Property	Permanent
Tax Workpaper Packages - Originals	7 years
Annual Information Returns - Federal and State	Permanent
IRS or other Government Audit Records	Permanent
All other Tax Records	7 years

SCHEDULE 2

FOR BYLAWS OF THE HOMESTEAD AT OWNSBY FARMS HOMEOWNERS ASSOCIATION INC.

Alternative Payment Schedule Guidelines for Certain Assessments

WHEREAS, the Board of Directors (the “Board”) of The Homestead at Ownsby Farms Homeowners Association Inc. (the “Association”) wishes to adopt reasonable guidelines to establish an alternative payment schedule by which an owner may make partial payments to the Association for delinquent regular or special assessments or any other amount owed to the Association; and

WHEREAS, the Board wishes to adopt these reasonable guidelines in compliance with Section 209.0062 of the Texas Property Code; and

WHEREAS, the Board intends to file these guidelines with the Bylaws for The Homestead at Ownsby Farms in the real property records of each county in which the subdivision is located, in compliance with Section 209.0062 of the Texas Property Code; and

NOW, THEREFORE, IT IS RESOLVED that the following guidelines are established by the Board:

1. Upon the request of a delinquent owner, the Association shall enter into an alternative payment schedule with such owner, subject to the following guidelines:
 - a. An Alternative Payment Schedule is only available to owners who have delinquent regular assessments, special assessments or any other amount owed to the Association.
 - b. An Alternative Payment Schedule will not be made available in the following cases: (1) to owners who have failed to honor the terms of a previous Alternative Payment Schedule during the two years following the owner’s default of such previous Alternative Payment Schedule; (2) to owners who have failed to request an Alternative Payment Schedule prior to the 30 day deadline to cure the delinquency as set forth in the Association’s letter sent pursuant to Tex. Prop. Code § 209.0064(b); and/or (3) to owners who have entered into an Alternative Payment Schedule within the previous 12 months. Notwithstanding the foregoing, the Board has discretion to allow any owner to enter into an Alternative Payment Schedule.
 - c. During the course of an Alternative Payment Schedule, additional monetary penalties shall not be charged against an owner so long as the owner timely performs all obligations under the Alternative Payment Schedule and does not default. However, the Association or its Managing Agent may charge reasonable costs for administering the Alternative Payment Schedule (“Administrative Costs”) and, if interest is allowed under the Declaration, then interest will continue to accrue during the term of the Alternative Payment Schedule. The Association may provide an estimate of the amount

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of interest that will accrue during the term of the Alternative Payment Schedule. Fees or Administrative Costs owed to the Managing Agent may not be waived or reduced by the Board of Directors without the prior written consent of the Agent.

- d. The total of all proposed payments in an Alternative Payment Schedule must equal the sum of the current delinquent balance, the estimated interest, and any Administrative Costs; and may include any assessments that will accrue during the term of the Payment Plan.
- e. All payments under an Alternative Payment Schedule shall be due and tendered to the Association by the dates specified in the Alternative Payment Schedule, and shall be made by cashier's checks or money orders.
- f. The minimum term for an Alternative Payment Schedule is 3 months from the date of the owner's request for an Alternative Payment Schedule. The Association is not required to allow an Alternative Payment Schedule for any amount that extends more than 18 months from the date of the owner's request for an Alternative Payment Plan.
- g. Any owner may submit to the Board a request for an Alternative Payment Schedule that does not meet the foregoing guidelines, along with any other information he/she believes the Board should consider along with such request (e.g. evidence of financial hardship). The Board, in its sole discretion, may approve or disapprove such a request for a non-conforming Alternative Payment Schedule. An owner who is not eligible for an Alternative Payment Schedule may still request an Alternative Payment Schedule, and the Board, in its sole discretion, may accept or reject such a request.
- h. Default
 1. The following shall result in an immediate default of an Alternative Payment Schedule:
 - i. The owner's failure to timely tender and deliver any payment when due under the Alternative Payment Schedule;
 - ii. The owner's failure to tender any payment in the full amount and form (e.g., cashier's check or money order) as specified in the Alternative Payment Schedule; or
 - iii. The owner's failure to timely comply with any other requirement or obligation set forth in the Alternative Payment Plan.
 2. Any owner who defaults under an Alternative Payment Schedule shall remain in default until his/her entire account balance is brought current.

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3. The Association is not required to provide notice of any default.
4. Owners are not entitled to any opportunity to cure a default.
5. While an owner is in default under an Alternative Payment Schedule, the owner's payments need not be applied to the owner's debt in the order of priority set forth in Tex. Prop. Code § 209.0063(a). But, in applying a payment made while the owner is in default, a fine assessed by the Association may not be given priority over any other amount owed to the Association.
6. The failure by the Association to exercise any rights or options shall not constitute a waiver thereof or the waiver of the right to exercise such right or option in the future.
 - i. All other terms of an Alternative Payment Schedule are at the discretion of the Board.
 - j. This Alternative Payment Plan Policy may be amended at any time and from time to time by the Declarant during the Declarant Control Period and thereafter by the Board of Directors. Any amendment or rescission to any portion of this policy will require a copy be mailed to each homeowner and a copy posted to the Association's website, if applicable.

Schedule 3

**FOR
BYLAWS OF
THE HOMESTEAD AT OWNSBY FARMS
HOMEOWNERS ASSOCIATION, INC.**

**Policies and Procedures for the collection of Assessments
and other charges of the Association**

Schedule 3

The Homestead at Ownsby Farms Homeowners Association, Inc. (the "Association") has adopted the following policies and procedures for the collection of assessments and other charges of the Association. The policies and procedures detailed herein will be implemented on behalf of the Board of Directors by its Managing Agent (the "Management Company") as agent for the Association unless otherwise stated.

Obligation to Pay Assessments. Membership in the Association is mandatory pursuant to the terms and conditions of the Declaration. A property owner is legally obligated to pay the Assessments to the Association even if the Association's facilities or amenities are not used by the property owner. The property owner may not withhold assessment payments even if the association is not providing maintenance or other services mandated by the Association's governing documents.

Due Dates. Assessments are due on the 1st day of January of each calendar year and are delinquent if not paid by 31st day of January. Should the Board choose a different pay schedule or due date the delinquency date will be set forth based on the schedule or due date.

Invoices. The association may, but shall not be required to, invoice a property owner as a condition to an owner's obligation to pay assessment or other charges of the Association. As a matter of course, assessments are invoiced by statements. **Non-receipt of an invoice (statement) shall in no way relieve the property owner of the obligation to pay the amount due by the due date.** Property owners who do not receive their invoice (statement) are responsible for contacting the Management Company prior to the due date to request a replacement. Property owners are responsible for notifying the Management Company of their mailing address at the time of acquiring property ownership and any subsequent mailing address change thereafter.

Written Notice of Delinquency. Subsequent to an Owner becoming delinquent, and prior to referring the account to the Association's legal counsel for collection, the Association will send written notice of the delinquency to the Owner via certified mail (the "**Delinquency Notice or sometimes known as 30 Day Demand Letter**"). The Delinquency Notice shall: (i) detail each delinquent amount and the total amount owed; (ii) describe the options the Owner has to avoid having the account referred to the Association's legal counsel, including the availability of a payment plan, and (iii) provide the Owner a period of at least thirty (30) days to cure the delinquency before further collection action is taken.

Late Payment Charges and Collection Fees.

Late Charges. In the event any assessment, or any portion thereof, is not paid in full by the Delinquency Date, late charges in an amount up to \$25.00 shall be assessed against the Owner's account each month and every month until the assessment is paid in full. Such late charge, as and when levied, is secured by the Assessment Lien described in the Declaration, and will be subject to recovery in the manner provided herein for assessments. The Board may, in its sole discretion, waive the

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collection of any late charge; provided, however, that the waiver of any late charge shall not constitute a waiver of the Board's right to collect any or late charges or any other charges in the future.

Collection Fees. In the event any assessment, or any portion thereof, is not paid in full by the Delinquency Date, collection fees shall be assessed against the Owner's account each month and every month until the assessment is paid in full. Collection fees are charges by the managing agent for the collection of delinquent accounts and may not be waived by the Board without the consent of the managing agent. Such collection fee, as and when levied, is secured by the Assessment Lien described in the Declaration, and will be subject to recovery in the manner provided herein for assessments. Managing Agent may and probably will have additional fees related to collection efforts performed on a delinquent account which may include but, are not limited to demand letter fees and payment plan set up and monitoring fees. These fees shall be assessed against the Owner's account. Such collection fees, as and when levied, is secured by the Assessment Lien described in the Declaration, and will be subject to recovery in the manner provided herein for assessments. Payment of collection fees may be subject to further guidelines or restrictions as they may be set forth in the management contract between the Association and Managing Agent.

Return Payment Charges. A non-negotiable fee equal to the amount of charge levied by the Bank to the Association will be assessed to the property owner for any payment processed that is not honored by a bank or financial institution for any reason including but not limited to insufficient funds notwithstanding, the minimum such charge shall be \$25.00. Such return payment charge shall be due and payable immediately upon demand. Any applicable late payment charges, which would have been assessed if the payment had not been made, may also be applied to the property owner's account. The payment of the outstanding account balance may be required to be paid with a money order or cashier's check. Personal checks will not be accepted to satisfy an outstanding account balance when an insufficient fund check makes up a portion of the balance.

Referral of Delinquent Accounts to Lien Services or Collection Agencies

Collection Agencies. In the event an account has not been paid in full following thirty (30) days from the date Delinquency Notice was mailed to the Owner, the Association's agent may refer the account to a collection agency for collection, including reporting delinquent account to any credit bureau or other agency providing credit histories to authorized entities. All costs incurred by the Association for using the services of a collection agency, or administering the referral and handling of the account to a collection agency, are deemed costs of collection of the Association. Such costs of collection, when incurred by the Association and added to an Owner's account, are secured by the Assessment Lien described in the Declaration, and will be subject to recovery in the manner provided herein for assessments.

Referral of Delinquent Accounts to Attorneys

Remedies and Legal Actions. If an Owner fails to cure the delinquency within the thirty (30) day period stated in the Delinquency Notice, the Association may, at its discretion and when it chooses, refer the delinquency to legal counsel for the Association. Any attorney's fees and related charges incurred by virtue of legal action taken will become part of the Owner's assessment obligation and may be collected as such as provided herein. Upon direction of the Board or the Association's agent, legal counsel for

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the Association may pursue any and all available legal remedies with regard to the delinquencies referred to it including, but not limited to, the following:

Notice Letter. The initial correspondence to a delinquent Owner from the Attorney.

Notice of Lien. If an Owner fails to cure the delinquency indicated in the Notice Letter, upon being requested to do so by the Board and/or Management, counsel may prepare and record in the Official Public Records of Collin County, a written notice of assessment lien (referred to as the "Notice of Lien") against the Lot. A copy of the Notice of Lien will be sent to the Owner, together with an additional demand for payment in full of all amounts then outstanding.

Foreclosure. In the event that the Owner fails to cure the delinquency, the Board may direct legal counsel to pursue foreclosure of the lien. In any foreclosure proceedings, the Owner shall be required to pay the costs and expenses of such proceedings, including reasonable attorney's fees.

Expedited Foreclosure Pursuant to Rules 735 & 736 of the Texas Rules of Civil Procedure. The Board may decide to foreclose its lien by exercising its power of sale granted by the Declaration. In such event, counsel may commence expedited foreclosure lawsuit under Rules 735 and 736 of the Texas Rules of Civil Procedure ("Expedited Foreclosure"). Upon receipt from the Court of an order authorizing foreclosure of the Lot, counsel may post the Lot at the Collin County Courthouse for a foreclosure sale. The Association shall have the power to bid on the Owner's Lot and improvements at foreclosure and to acquire, hold, lease, mortgage, convey or otherwise deal with the same. The Association may institute, a personal judgment suit against the former Owner for any deficiency resulting from the Association's foreclosure of its assessment lien.

Judicial Foreclosure. The Association may file suit for judicial foreclosure ("Judicial Foreclosure") of the assessment lien, which suit may also seek a personal money judgment. Upon receipt from the Court of an order foreclosing the Association's assessment lien against the Lot, the sheriff or constable may post the Lot for sheriff's sale. The Association shall have the power to bid on the Owner's Lot and improvements at foreclosure and to acquire, hold, lease, mortgage, convey or otherwise deal with the same.

Lienholder Notification. In pursuing Expedited Foreclosure or Judicial Foreclosure, the Association shall provide the 61-day notice letter to inferior lienholders pursuant to Section 209.0091 of the Texas Property Code.

Lawsuit for Money Judgment. The Association may file suit for a money judgment in any court of competent jurisdiction.

Bankruptcy. Upon notification of a petition in bankruptcy, the Association may refer the account to legal counsel.

Rights Not Exclusive. All rights and remedies provided in this Policy and herein above are cumulative and not exclusive of any other rights or remedies that may be available to the Association, whether provided by law, equity, and the Association's governing documents or otherwise. In order to expedite the resolution of a delinquent account, the Board may, at any time, compromise or waive the payment of interest, late charges, handling charges, collection costs other than collection fees, unless approved by the managing agent, legal fees or any other application charge.

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Use of Regular Mail / Certified Mail. In the event the Association shall send a delinquency notice or demand notice to a property owner by regular mail, certified or certified, return receipt requested, the association will use the property address unless the owner has contacted the Association or its Managing Agent and has provided updated mailing address information. Once the notice(s) have been placed in a U.S. mail receptacle or given to a U.S. postal representative, the notice will be considered to have been duly delivered. It is the sole responsibility of the owner to provide and maintain up to date mailing address information with the Association and/or its Managing Agent.

Waivers. The Association may grant a waiver of any provision herein upon petition in writing by a property owner showing a personal hardship. Such relief granted a property owner shall be appropriately documented in the files with the person representing the Association granting the relief and the conditions of the relief. In addition, the Association is hereby authorized to extend the time for the filing of lawsuits and liens, or to otherwise modify the procedures contained herein, as the Association shall determine appropriate under the circumstances. **The Association reserves the right to consider each petition or make its determination regarding referral to an attorney or a third party collection service on a case by case basis.** Costs owed to the Managing Agent for their efforts in the processing, handling and collections of an account cannot be waived by the Association without the written consent of the Managing Agent.

Effective Date and Enforcement. The foregoing collection procedure has been adopted by the association and is effective as of the date recorded.

Nothing specified in this document shall require the Association to take specific actions.

The foregoing collection procedures have been adopted by the Association and are effective as of the date recorded. Nothing specified in this document shall require the Association to take specific actions. The foregoing collection procedures is a directive by the Board of the Association to the Management Company and is intended to be a guide to collection of Assessments owed to the Association. The Board of the Association may at any time revise the foregoing collection procedure and may at any time direct the Management Company to proceed differently with collection of an individual account based on circumstances applicable to that account and advice and guidance from the Management Company or the Association's attorney. ***Failure by the Management Company or the Board of the Association to follow the foregoing collection procedure shall not in any way affect the property owner's obligation to pay all Assessments when due, along with all applicable late payment charges and costs of collection.*** To obtain any information regarding this collection procedure or to obtain the most up-to-date collection procedure, a property owner should contact the Management Company. In the event that any provision herein shall be determined by a court with jurisdiction to be invalid or unenforceable in any respect, such determination shall not affect the validity or enforceability of any other provision, and this Policy shall be enforced as if such provision did not exist. Furthermore, in the event that any provision of this Policy is deemed by a court with jurisdiction to be ambiguous or in contradiction with any law, this Policy and any such provision shall be interpreted in a manner that complies with an interpretation that is consistent with the law. In the event any provision of this Policy conflicts with the Declaration, the Declaration controls.

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Ownership Records. All collection notices and communications will be directed to those persons shown by the records of the Association as being the Owner or a Lot for which assessments are due and will be sent to the most recent address of such Owner solely as reflected by the records of the Association. Any notice or communication directed to a person at an address, in both cases reflected by the records of the Association as being the Owner and address for a given Lot, will be valid and effective for all purposes pursuant to the Declaration and this Policy until such time as there is actual receipt by the Association of written notification from the Owner of any change in the identity or status of such Owner or its address or both.

Notification of Owner's Representative. Where the interests of an Owner in a Lot have been handled by a representative or agent of such Owner or where an Owner has otherwise acted so as to put the Association on notice that its interest in a Lot have been and are being handled by a representative or agent, any notice or communication from the Association pursuant to this Policy will be deemed full and effective for all purposes if given to such Representative or agent.

In the event that any provision herein shall be determined by a court with jurisdiction to be invalid or unenforceable in any respect, such determination shall not affect the validity or enforceability of any other provision, and this Policy shall be enforced as if such provision did not exist. Furthermore, in the event that any provision of this Policy is deemed by a court with jurisdiction to be ambiguous or in contradiction with any law, this Policy and any such provision shall be interpreted in a manner that complies with an interpretation that is consistent with the law. In the event any provision of this Policy conflicts with the Declaration, the Declaration controls.

[1] A Statement of Account and / or a delinquency notice will not be sent in cases whereby the Management Company has received notice of a property owner bankruptcy filed in the U.S. Bankruptcy Court, a Notice of Foreclosure on the owner's property or when an active payment plan is in place and being paid as agreed.

[2] The Management Company will continue to post assessments and applicable late payment penalties to the account. The attorney or lien service may, however, have other charges not reflected on the account or may have entered into payment arrangements not reflected on the account. The Management Company will adjust the account as instructed by the attorney or lien service as notified or at the time of closure.

SCHEDULE 4

FOR BYLAWS OF THE HOMESTEAD AT OWNSBY FAMRS HOMEOWNERS ASSOCIATION, INC.

NOTICE AND FINING POLICY

The Board of Directors (the "Board") of The Homestead at Ownsby Farms Homeowners Association, Inc. wishes to adopt reasonable guidelines to establish a Notice and Fining Policy; and

Whereas, the Board intends to file this policy with the Bylaws for The Homestead at Ownsby Farms, Collin, County, Texas, in the real property records of each county in which the subdivision is located; and

Now Therefore, it is Resolved, that the following Notice and Fining Policy is established by the Board:

The following Notice and Fining Policy shall supplement the enforcement rules found in the Declaration or Bylaws and any amendment thereto for the enforcement of the Association's Governing Documents (to include the CC&R's, Amendments, By-Laws, and Rules & Regulations).

This policy shall supplement the provisions set forth in the Declaration and is subject to amendment by the Declarant or Board at any time and from time to time at their sole discretion. Should there be a conflict between the Declaration and this Notice and Fining Policy, the higher standard shall prevail. The amending of this policy shall not require the consent or joinder of the Members nor shall an amendment of the Bylaws be required. The Board may, by Resolution, amend this Notice and Fining Policy at any time and from time to time as deemed necessary and appropriate, notwithstanding, any amendment shall be posted to the HOA's website, if applicable, and a copy shall be mailed to each Owner via regular U.S. mail.

1. **Violation Notice (Warning):** Homeowners will be notified when a violation occurs. A minimum of one (1) notice of not less than ten (10) days each will be required except in the case of emergencies where it can reasonably be assumed that the safety, health, welfare and protection of the Owner, a neighbor or neighborhood, or the community in part or as a whole is at risk or recurring violations within a six (6) month period. Violations which present hazards for residents, are damaging property, creating an ongoing nuisance or can be considered an emergency requiring immediate correction shall be subject to self-help actions by the Association as described in the Declaration of Covenants, Conditions and Restrictions (the "CCR's") should Owner fail to cure the violation. Self Help actions considered an emergency requiring immediate attention will be addressed within seventy-two (72) hours or less by the Association. A notice in the case of an emergency may be delivered by hand, electronic mail, or U.S. mail. Any costs for initiating Self Help to cure a violation including the costs of postage and handling shall be assessed to the Owner's account. *****The Association may, but is not obligated, to provide more than one (1) initial notice of violation. Should additional violation***

*notices be sent, each notice shall allow a period of not more than ten (10) days in which to correct the violation. ***

2. **Notice of Assessment of Fine (Hearing Notice):** If after the initial notice (or subsequent notices if given) the violation continues, the Owner will be notified that a fine will be levied against his/her account, ***This notice shall be mailed certified and regular U.S. mail*** and shall be the initial "Fine Warning" notice which shall include the amount of the fine to be levied and shall contain verbiage pursuant to Chapter 209.006 and 209.007 of the Texas Property Code as amended from time to time regarding an Owner's right to request a hearing before a committee (or the Board in the absence of a committee).

Notice must describe the violation or property damage that is the basis for the fine for such violation, and state any amount due the Association from the Owner and Owner shall be given a reasonable time to cure the violation. Owner shall have thirty (30) days to request a hearing in writing from the date of notice. If the Owner does not request a hearing within that time frame the fines shall commence. Upon levying of a fine to an Owner's account a Notice of Fine shall be sent to the Owner by Certified and Regular U.S. mail and shall follow the outline as shown in the Fine Schedule below. If a hearing is requested the Association or its Managing Agent shall set the hearing within thirty (30) days of receipt of the written request and the Owner shall be notified in writing of the hearing date, time and place not less than ten (10) days prior to the date of the hearing. The Board or 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. If the Hearing is to be held before a Committee appointed by the Board, the Owner shall have the right to appeal to the Board of Directors should the Owner disagree with the Committee's decision. Notice of an Appeal Hearing before the Board of Directors must be submitted by the Owner in writing. An Owner is liable to the Association for certain charges, including reimbursement of attorney's fees which may be incurred by the Association.

3. **"Damage Assessment":** Violations that result in property damage or cause the Association to incur cleanup or other costs will result in a "Special Individual Assessment" on the homeowner's account. Non-payment of this type of assessment may result in additional fees, and collection actions as allowed by law. Any attorney fees or other costs incurred by the Association will be assessed to the Owner's account. Notices for Special Individual Assessment shall follow the same protocol for Fine Warning Notices sent in Section 2 above unless the Declaration requires a different notification process. If conflicts on notification exist, the Declaration shall prevail. The Association shall deliver to the Owner a statement of account identifying the Special Individual Assessment due which Owner shall pay upon receipt of statement. Failure to pay any Special Individual Assessment by an Owner shall be subject to collection the same as any other Assessment.
4. **Suit and Board Discretion:** Failure to comply with the Documents will be grounds for an action to recover damages or for injunctive relief to cause any such violation to be remedied, or both. Prior to commencing legal proceeding, the Association will give the defaulting party reasonable notice and an opportunity to cure the violation. The Board

may use its sole discretion in determining whether to pursue a violation of the Documents, provided the Board does not act in an arbitrary or capricious manner.

FINE SCHEDULE

The costs of curing or abating a violation are at the expense of the Owner or other person responsible for the violation. At the Board's sole discretion, a fine may be levied against a renter or lessee other than the Owner however, should the renter or lessee fail to pay the fine within the time allotted, the Owner shall be responsible for the fine which shall be added to the Owner's account.

First, Second, and Third fines shall require a notice to the Owner advising a fine is being levied and the number of days the Owner has to cure the violation. The fine notice shall contain the minimum verbiage as required by the Texas State Property Code or the Declaration and Bylaws and must advise the Owner of his/her right to request a hearing pursuant to Section 209.006 and 209.007 of the Texas Property Code. Additionally, notices prior to levying a fine shall notify Owners serving in active military of their rights under Chapter 209 of the Texas Property Code wherein active military personnel may have special rights of relief related to enforcement actions under federal law, including Service members Civil Relief Act (50 U.S.C. app. Section 501 et seq.), if the Owner is serving on active military duty. Fine Notices shall be mailed certified and regular U.S. mail.

The table below is intended to establish a base fining structure. **The Board shall have the right to instruct or adopt a different fining structure so long as the fines imposed do not exceed the maximum fine limit of \$750.00 set forth in the Declaration per violation occurrence.** Fines for some violations such as recurring violations or serious violations which endanger persons or property may have a different fine structure. Fines may be assessed based on the severity of a violation or for continual or recurring violations within a six month period. **Fines may be levied in lump sum or increments at the sole discretion of the Board.** Each day the violation continues to exist shall constitute a separate violation.

An Owner who continually violates the Association's Declaration, Rules and Regulations or Bylaws, or who damages Association property may be assessed greater fines which may include a one-time fine up to the maximum fine amount at the sole discretion of the Board so long as the fine amounts levied are commensurate to the violation or the history of recurring violations recorded against an Owner.

- 1st Fine:** First fine for a violation not cured by the Owner after the initial fine warning notice has been given shall not be less than \$50.00, then;
- 2nd Fine:** After a minimum of not less than five (5) or more than ten (10) days the Board, its Managing Agent, or any person designated by the Board or Managing Agent shall inspect the Owner's property for compliance. If the violation remains, a letter shall be sent to the violating Owner advising that a second fine in the amount of \$75.00 shall be assessed to the Owner's account, then;
- 3rd Fine:** After a minimum of not less than five (5) or more than ten (10) additional

days, the Board, its Managing Agent, or any person designated by the Board or Managing Agent shall inspect the Owner's property for compliance. If the violation remains, a letter shall be sent to the violating Owner advising that a third fine in the amount of \$100.00 shall be assessed to the Owner's account.

4th & After: If compliance is not met after the end of a minimum of five (5) days from the date the third fine letter is sent, the Owner will receive one (1) final notice advising that fines shall escalate at the rate of \$50.00 for every week in which the violation remains until the maximum fine amount is reached at which time the violation process shall start over and shall be treated as a recurring violation subject to additional fines as outlined in this section so long as the violation remains. Each day the violation continues to exist shall constitute a separate violation.

4. *The maximum fine amount is based on a per violation occurrence and can be assessed each time a violation occurs whether or not it is the same or similar kind or whether it is a recurring violation. Recurring violations or violations that cause damage or harm may be treated as those considered to be of greater severity by the Board or its Managing Agent.*

If at any time the Owner submits a written request for a hearing, all fines shall be suspended until after the hearing. If the Association has a Managing Agent, notice shall be served through the Managing Agent who shall set the hearing date, time, and place and shall notify the Owner via U.S. mail. The Board may appoint a Hearing Committee who shall oversee the first hearing and who shall render a decision based upon the facts and/or testimonies provided. The Hearing Committee shall render their findings and subsequent results from the hearing in writing no more than ten (10) days from the date of the hearing and the Managing Agent shall notify the Owner via U.S. mail of the decision.

The Association or its Managing Agent shall immediately proceed and comply with any instructions and/or findings. If the Hearing Committee rules in favor of the Association, all fines or other violation actions suspended pending the hearing outcome may resume unless the Hearing Committee instructs otherwise. If the Hearing Committee rules in favor of the Owner, all violation actions shall cease and no further fines shall be assessed unless and until the Hearing Committee provides instruction. The Hearing Committee must note in their findings and provide direction to the Managing Agent as to whether any fine(s) previously assessed to the Owners account will be upheld or waived. **If the hearing is held by a committee appointed by the Board, the Owner shall have the right to appeal the decision of the committee to the Board of Directors and the decision of the Board of Directors shall be final.** If the hearing is held by the Board of Directors in the absence of a committee, the decision of the Board of Directors is final.

Note: All fines are subject to collections and will be collected in the same manner as are the association dues.

SCHEDULE 5
FOR
BYLAWS OF
THE HOMESTEAD AT OWNSBY FARMS
HOMEOWNERS ASSOCIATION, INC.
EMAIL REGISTRATION POLICY

WHEREAS, the Board of Directors (the "Board") of The Homestead at Ownsby Farms Homeowners Association, Inc. (the "Association") wishes to adopt reasonable guidelines to establish an E-mail Policy by which an owner may register his e-mail address to facilitate proper notice of annual and special meetings; and

WHEREAS, the Board wishes to adopt this E-mail Registration Policy in compliance with Section 209.0051(e) of the Texas Property Code; and

WHEREAS, the Board intends to file these guidelines with the Bylaws for The Homestead at Ownsby Farms, Collin County, Texas in the real property records of each county in which the subdivision is located; and

NOW THEREFORE, IT IS RESOLVED that the following guidelines are established by the Board:

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 Homestead at Ownsby Farms Homeowners Association recorded or to be recorded in the Official Public Records of Collin County, Texas, as the same may be amended from time to time.

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.

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.

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.

Amendment. The Association may, from time to time, modify, amend, or supplement this Policy or any other rules regarding email registration. A copy of any amendment or rescission of this policy will be mailed to all homeowners and a copy placed on the Association's website, if applicable.