



AFTER RECORDING RETURN TO:
LEGENDS CROSSING TOWNHOME OWNER'S ASSOCIATION, INC.
C/O ESSEX ASSOCIATION MANAGEMENT, LP
1512 CRESCENT DRIVE, SUITE 112
CARROLLTON, TEXAS 75006

PREPARED BY:
ROBERT D. BURTON, ESQ.
WINSTEAD PC
401 CONGRESS AVE., SUITE 2100
AUSTIN, TEXAS 78701
email: rburton@winstead.com

LEGENDS CROSSING TOWNHOMES

[DALLAS COUNTY, TEXAS]

SUBORDINATE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

Declarant: MM LEGENDS CROSSING, LLC, a Texas limited liability company

Cross Reference to Master Declaration of Covenants, Conditions and Restrictions for Legends Crossing recorded as Document No. 202000168700 of the Official Public Records of Dallas County, Texas.

**SUBORDINATE DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS
LEGENDS CROSSING TOWNHOMES
TABLE OF CONTENTS**

	<u>Page</u>
ARTICLE 1 DEFINITIONS	2
ARTICLE 2 SUB-DECLARATION AND SUB-ASSOCIATION	6
ARTICLE 3 EASEMENTS	7
3.1. Owner’s Easement of Enjoyment.....	7
3.2. Owner’s Maintenance Easement.....	7
3.3. Owner’s Ingress/Egress Easement	8
3.4. Owner’s Encroachment Easement	8
3.5. Easement Of Cooperative Support.....	8
3.6. Association’s Access, Maintenance and Landscape Easement.....	8
3.7. Utility Easement.....	9
3.8. Private Utility Lines.....	10
3.9. Party Wall Fences and Walls.....	11
3.10. Security	12
3.11. Injury to Person or Property	12
3.12. Easement to Inspect and Right To Correct.....	12
ARTICLE 4 GENERAL AND USE RESTRICTIONS	13
4.1. General.....	13
4.2. Conceptual Plans.....	14
4.3. Single-Family Residential Use	14
4.4. Rentals.....	15
4.5. Subdividing	16
4.6. Hazardous Activities	16
4.7. Insurance Rates	16
4.8. Noise.....	16
4.9. Clotheslines; Window Air Conditioners.....	17
4.10. Animals - Household Pets.....	17
4.11. Rubbish and Debris	18
4.12. Trash Containers	18
4.13. Signs	18
4.14. Tanks	19
4.15. Temporary Structures.....	19
4.16. Unsightly Articles; Vehicles	19

005782\00075\2707926.2

LEGENDS CROSSING TOWNHOMES

SUBORDINATE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

Page 1

4.17. **Basketball Goals; Permanent and Portable**..... 20
 4.18. **Garages** 20
 4.19. **Holiday Decorations**..... 20
 4.20. **On Street Parking**..... 20
 4.21. **Limited or Restricted Driveway Parking**..... 21
 4.22. **Drainage** 21
 4.23. **Setback Requirements** 21
 4.24. **Minimum Floor Space**..... 21
 4.25. **Height**..... 21
 4.26. **Rear Yard Structures**..... 21
 4.27. **Use of Association Logo** 22
 4.28. **Compliance with Restrictions** 22
 4.28. **Liability of Owners for Damage to Common Area** 22
 4.29. **Water Quality Facilities, Drainage Facilities and Drainage Ponds** 23
 4.30. **No Warranty of Enforceability** 23
 4.31. **Approval Rights and Authority of Master Declarant and Master Association to Enforce Restrictions** 23

ARTICLE 5 DISCLOSURES 23

5.1. **Service Contracts**..... 24
 5.2. **Adjacent Thoroughfares** 24
 5.3. **Fire Sprinkler Disclosure** 24
 5.4. **Adjacent Use**..... 25
 5.5. **Outside Conditions** 25
 5.6. **Concrete**..... 25
 5.7. **Construction Activities** 25
 5.8. **Moisture**..... 25
 5.9. **Mold and/or Mildew** 26
 5.10. **Encroachments**..... 26
 5.11. **Budgets** 26
 5.12. **Light and Views** 26
 5.13. **Schools**..... 26
 5.14. **Suburban Environment** 26
 5.15. **Water Runoff** 26
 5.16. **Photography of the Property**..... 27
 5.17. **Changes to Street Names and Addresses** 27
 5.18. **Plans** 27
 5.19. **Location of Utilities** 27
 5.20. **Wood** 27
 5.21. **Stone**..... 27
 5.22. **Chemicals** 28

005782\00075\2707926.2

LEGENDS CROSSING TOWNHOMES

SUBORDINATE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

Page 2

5.23. Marketing 28

ARTICLE 6 LEGENDS CROSSING TOWNHOME OWNER’S ASSOCIATION, INC..... 28

6.1. Organization 28

6.2. Membership 28

6.3. Governance 29

6.4. Voting Rights..... 30

6.5. Powers 30

6.6. Conveyance of Common Area to the Association 33

6.7. Indemnification..... 34

6.8. Insurance 35

6.9. Bulk Rate Contracts 35

6.10. Community Systems 35

6.11. Declarant’s Right to Contribute to Revenues of the Association 36

6.12. Protection of Declarant’s Interests..... 36

6.13. Administration of Common Area 36

6.14. Notices and Disclaimers as to Security Systems..... 36

6.15. Water Bodies 37

ARTICLE 7 ENFORCING THE RESTRICTIONS 38

7.1. Notice And Hearing..... 38

7.2. Remedies 38

7.3. Board Discretion 39

7.4. No Waiver..... 39

7.5. Recovery of Costs..... 39

7.6. Right of Action by Association 39

7.7. Right of Action by Owners; Release 40

ARTICLE 8 ASSESSMENTS 40

8.1. Assessments 40

8.2. Maintenance Fund..... 41

8.3. Regular Annual Assessments 41

8.4. Working Capital Assessment 41

8.5. Special Assessments..... 42

8.6. Individual Assessments..... 43

8.7. Amount of Assessment 43

8.8. Late Charges..... 43

8.9. Owner’s Personal Obligation; Interest 44

8.10. Assessment Lien and Foreclosure..... 44

8.11. Exempt Property 46

8.12. Fines and Damages Assessment 46

005782\00075\2707926.2

LEGENDS CROSSING TOWNHOMES

SUBORDINATE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

Page 3

8.13. Collection of Master Association Assessments Levied Pursuant to Master Declaration 47

ARTICLE 9 MAINTENANCE AND REPAIR OBLIGATIONS..... 47

9.1. Overview 47

9.2. Association Maintains 47

9.3. Area of Common Responsibility 48

9.4. Inspection Obligations 49

9.5. Owner Responsibility 50

9.6. Yard Maintenance 51

9.7. Disputes..... 51

ARTICLE 10 INSURANCE..... 52

10.1. Insurance-Association 52

10.2. Insurance-Owner 54

10.3. Owner’s Liability For Insurance Deductible..... 55

ARTICLE 11 ARCHITECTURAL REVIEWER 55

11.1. Purpose 55

11.2. Architectural Control By Declarant..... 55

11.3. Architectural Control by Association..... 56

11.4. Prohibition of Construction, Alteration and Improvement..... 57

11.5. Architectural Approval 57

11.6. Approval under the Master Declaration..... 59

ARTICLE 12 MORTGAGE PROVISIONS 59

12.1. Notice of Action 59

12.2. Examination of Books 59

12.3. Taxes, Assessments and Charges 60

ARTICLE 13 GENERAL PROVISIONS 60

13.1. Term..... 60

13.2. Eminent Domain 60

13.3. Amendment 60

13.4. Roadway and Utility Easements 61

13.5. Enforcement..... 61

13.6. Higher Authority..... 61

13.7. Severability 61

13.8. Conflicts..... 61

13.9. Gender..... 61

13.10. Notices..... 61

ARTICLE 14 DEVELOPMENT EASEMENTS..... 62

 14.1. Subdivision Entry and Fencing Easement 62

 14.2. Landscape and Monument Sign Easement 62

ARTICLE 15 DEVELOPMENT RIGHTS..... 62

 15.1. Development by Declarant 62

 15.2. Special Declarant Rights 63

 15.3. Addition of Land..... 63

 15.4. Withdrawal of Land..... 63

 15.5. Notice of Plat Recordation 64

 15.6. Assignment of Declarant’s Rights 64

ARTICLE 16 DISPUTE RESOLUTION 64

 16.1. Introduction and Definitions 64

 16.2. Mandatory Procedures 65

 16.3. Claim Affecting Common Areas 65

 16.4. Claim by Owners – Improvements on Lots 67

 16.5. Notice 67

 16.6. Negotiation..... 68

 16.7. Mediation 68

 16.8. Termination Of Mediation..... 69

 16.9. Binding Arbitration-Claims..... 69

 16.10. Allocation Of Costs 71

 16.11. General Provisions 71

 16.12. Period of Limitation 71

 16.13. Approval & Settlement 72

 16.14. Limitation on Consolidation or Joinder 72

**SUBORDINATE DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
LEGENDS CROSSING TOWNHOMES**

This Subordinate Declaration of Covenants, Conditions and Restrictions (the "Declaration") is made by MM LEGENDS CROSSING, LLC, a Texas limited liability company (the "Declarant"), and is as follows:

RECITALS:

A. This Declaration is filed with respect to that certain real property located in Dallas County, Texas, described on Exhibit "A", attached hereto and incorporated herein by reference (the "Property"). The Declarant is the owner of the Property.

B. Article 1 of that certain Master Declaration of Covenants, Conditions and Restrictions for Legends Crossing recorded as Document No. 202000168700 of the Official Public Records of Dallas County, Texas (the "Master Declaration"), permits a Sub-Declaration to be filed pertaining to the Townhome Lots, provided that the Sub-Declaration is approved in advance and in writing by the Declarant during the Development Period (as such terms are defined in the Master Declaration).

C. Declarant intends for this Declaration to serve as the Sub-Declaration permitted under the Master Declaration.

D. The Master Declarant (defined below) and Ashton Dallas Residential L.L.C., a Texas limited liability company, as the initial Homebuilder within the Property have each consented to the Recordation of this Declaration by its execution of this Declaration in the space provided below.

E. By the filing of this Declaration, Declarant serves notice that the Property will be subjected to the terms and provisions of this Declaration.

NOW, THEREFORE, it is hereby declared: (i) that the Property (or any portion thereof) will be held sold, conveyed, and occupied subject to the following covenants, conditions and restrictions which will run with such portions of the Property and will be binding upon all parties having right, title, or interest in or to such portions of the Property or any part thereof, their heirs, successors, and assigns and will inure to the benefit of each owner thereof; and (ii) that each contract or deed conveying the Property (or any portion thereof) will conclusively be held to have been executed, delivered, and accepted subject to the following covenants, conditions and restrictions, regardless of whether or not the same are set out in full or by reference in said contract or deed; and (iii) that this Declaration will supplement and be in

005782\00075\2707926.2

LEGENDS CROSSING TOWNHOMES

SUBORDINATE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

Page 1

addition to the covenants, conditions and restrictions of the Master Declaration. To the extent that the Master Declaration is more restrictive than this Declaration, the Master Declaration shall control.

This Declaration uses notes (text set apart in boxes) to illustrate concepts and assist the reader. If there is a conflict between any note and the text of the Declaration, the text will control.

ARTICLE 1 DEFINITIONS

Unless the context otherwise specifies or requires, the following words and phrases when used in this Declaration will have the meanings hereinafter specified:

"Applicable Law" means the statutes and public laws and ordinances in effect at the time a provision of the Restrictions is applied, and pertaining to the subject matter of the Restriction provision. Statutes and ordinances specifically referenced in the Restrictions are "Applicable Law" on the date of the Restrictions, and are not intended to apply to the Property if they cease to be applicable by operation of law, or if they are replaced or superseded by one or more other statutes or ordinances.

"Architectural Reviewer" means Declarant or its designee until expiration or termination of the Development Period. Upon expiration or termination of the Development Period, the rights of the Architectural Reviewer will automatically be transferred to the architectural control committee appointed by the Board.

"Area of Common Responsibility" means those portions of a Structure or Dwelling that are designated, from time to time, by this Declaration or the Association to be maintained, repaired, and replaced by the Association, as a common expense, as reflected in the Designation of Area of Common Responsibility and Maintenance Chart attached to this Declaration as Exhibit "B".

"Assessment" or **"Assessments"** means assessments imposed by the Association under this Declaration.

"Assessment Unit" has the meaning set forth in *Section 8.7.2*.

"Association" means Legends Crossing Townhome Owner's Association, Inc., a Texas non-profit corporation, which has been created by Declarant to exercise the authority and assume the powers specified in *Article 6* and elsewhere in this Declaration.

"Board" means the Board of Directors of the Association.

"Bulk Rate Contract" or "Bulk Rate Contracts" means one or more contracts which are entered into by the Association for the provision of utility services or other services of any kind or nature to the Lots. The services provided under Bulk Rate Contracts may include, without limitation, cable television services, telecommunications services, internet access services, "broadband" services, security services, trash pick-up services, propane service, natural gas service, lawn maintenance services, wastewater services, and any other services of any kind or nature which are considered by the Board to be beneficial to all or a portion of the Property.

"Bylaws" means the bylaws of the Association as adopted and as amended from time to time.

"Certificate" means the Certificate of Formation of the Association, filed in the Office of the Secretary of State of Texas, as the same may be amended from time to time.

"City" means the City of Dallas, Texas.

"Common Area" means any property and facilities that the Association owns or in which it otherwise holds rights or obligations, including any property or facilities held by the Declarant for the benefit of the Association or its Members. Common Area includes any property that the Association holds under a lease, license, or any easement in favor of the Association. Some Common Area will be solely for the common use and enjoyment of the Owners, Residents, and their guests, tenants and invitees, while other portions of the Common Area may be for the use and enjoyment of the Owners, Residents, their guests, tenants and invitees, and members of the public. The Common Area, as described in this Declaration, shall be the "Neighborhood Common Area" (as defined in the Master Declaration).

"Community Manual" means the community manual, which may be initially adopted and recorded by the Declarant or the Board of the Association as part of the initial project documentation for the benefit of the Association. The Community Manual may include the Bylaws, Rules and other policies governing the Association. The Bylaws, Rules and other policies set forth in the Community Manual may be amended, from time to time, by the Declarant until expiration or termination of the Development Period. Any amendment to the Bylaws, Rules and other policies governing the Association prosecuted by the Board must be approved in advance and in writing by the Declarant until expiration or termination of the Development Period. Upon expiration or termination of the Development Period, the Community Manual may be amended by a Majority of the Board.

"Community Systems" means any and all cable television, telecommunications, alarm/monitoring, internet, telephone or other lines, conduits, wires, amplifiers, towers, antennae, satellite dishes, equipment, materials and installations and fixtures (including those based on, containing and serving future technological advances not now known), if installed by

Declarant pursuant to any grant of easement or authority by Declarant or the Association within the Property.

"Declarant" means MM LEGENDS CROSSING, LLC, a Texas limited liability company, its successors or assigns; provided that any assignment(s) of the rights of MM LEGENDS CROSSING, LLC, a Texas limited liability company, as Declarant, must be expressly set forth in writing and Recorded.

Declarant enjoys special rights and privileges to help protect its investment in the Property which are described in this Declaration. Many of these rights do not terminate until either Declarant: (i) has conveyed all Lots which may be created out of the Property; or (ii) voluntarily terminates these rights by Recorded written instrument.

"Development Period" means the period of time beginning on the date when this Declaration has been Recorded and ending two (2) years after Declarant or a Homebuilder no longer owns any Lot or other portion of the Property, unless earlier terminated by Declarant. Declarant may terminate the Development Period by an instrument executed by Declarant and Recorded. The Development Period is the period in which Declarant reserves the right to facilitate the development, construction, and marketing of the Property, and the right to direct the size, shape and composition of the Property.

"Dwelling" means the single family residence located on a Lot, together with any garage incorporated therein, whether or not the Dwelling is occupied for residential purposes.

"Homebuilder" means an Owner (other than the Declarant) who acquires a Lot for the construction of a single family Dwelling for resale to a third party.

"Improvement" means every structure and all appurtenances of every type and kind, whether temporary or permanent in nature, including, but not limited to, buildings, outbuildings, storage sheds, balconies, porches, patios, tennis courts, sport courts, recreational facilities, swimming pools, putting greens, garages, driveways, parking areas and/or facilities, storage buildings, sidewalks, fences, gates, screening walls, retaining walls, stairs, decks, walkways, landscaping, alteration of drainage flow, mailboxes, poles, signs, antennas, exterior air conditioning equipment or fixtures, exterior lighting fixtures, water softener fixtures or equipment, and poles, pumps, wells, tanks, reservoirs, pipes, lines, meters, antennas, towers and other facilities used in connection with water, sewer, gas, electric, telephone, regular or cable television, or other utilities.

"Lot" means any portion of the Property designated by Declarant or as shown as a subdivided Lot on a Plat other than Common Area.

"Majority" means more than half.

“Manager” has the meaning set forth in *Section 6.5.8*.

“Master Association” means the Legends Crossing Master Homeowner’s Association, Inc., a Texas non-profit corporation, created or to be created pursuant to the Master Declaration.

“Master Association Assessments” means any charge, fee or assessment levied by the Master Association pursuant to the Master Declaration or Applicable Law.

“Master Declarant” means MM Legends Crossing, LLC, a Texas limited liability company, its successors or assigns.

“Members” means every person or entity that holds membership privileges in the Association.

“Mortgage” or **“Mortgages”** means any mortgage(s) or deed(s) of trust securing indebtedness and covering any Lot.

“Mortgagee” or **“Mortgagees”** means the holder(s) of any Mortgage(s).

“Owner” means the person(s), entity or entities, including Declarant, holding all or a portion of the fee simple interest in any Lot, but does not include the Mortgagee under a Mortgage prior to its acquisition of fee simple interest in such Lot pursuant to foreclosure of the lien of its Mortgage.

“Planned Development Ordinance” shall have the meaning ascribed to such term in the Master Declaration.

“Plat” means a Recorded subdivision plat of any portion of the Property and any amendments thereto.

“Property” means that certain real property located in Dallas County, Texas, described on Exhibit “A”, attached hereto and incorporated herein by reference, subject to such additions thereto and deletions therefrom as may be made pursuant to *Section 15.3* and *Section 15.4* of this Declaration.

“Record, Recording, Recordation and Recorded” means recorded or to be recorded in the Official Public Records of Dallas County, Texas.

“Resident” means an occupant of a Lot, regardless of whether the person owns the Lot.

“Restrictions” means the restrictions, covenants, and conditions contained in this Declaration, Bylaws, Community Manual, Rules or policies promulgated by the Board, as adopted and amended from time to time. See *Table 1* for a summary of the Restrictions.

"Rules" means any instrument, however denominated, which is adopted by the Board for the regulation and management of the Property, including any amendments thereto.

"Structure" means a building containing two (2) or more Dwellings that: (i) is located on two (2) or more adjacent Lots; and (ii) has one (1) or more party walls separating the Dwellings comprising such building.

TABLE 1: RESTRICTIONS	
Declaration (Recorded)	This document and any amendments thereto
Certificate of Formation (Recorded)	Establishes the Association as a Texas nonprofit corporation.
Bylaws (Recorded)	Governs the Association's internal affairs, such as elections, meetings, etc.
Community Manual (Recorded)	Establishes rules and policies governing the Association.
Rules (if adopted, Recorded)	Regulates the use of property, activities, and conduct within the Property.
Board Resolutions (adopted by the Board of the Association)	Establishes rules, policies, and procedures for the Property, Owners, and the Association.

ARTICLE 2 SUB-DECLARATION AND SUB-ASSOCIATION

This Declaration is a "Sub-Declaration" and the Association is a "Sub-Association" as such terms are defined in the Master Declaration. Article 1 of the Master Declaration provides that if a Sub-Declaration is filed that pertains to a portion of the Land consisting of Townhome Lots and the Dwellings thereon, the Sub-Declaration may provide that the Sub-Association created by the Sub-Declaration and/or the Owners of Dwellings provide maintenance to the Townhome Lots and Dwellings. This Declaration provides that the Association and/or the Owners of Dwellings subject to this Declaration will provide maintenance for the Common Areas, the Lots and the Dwellings. Accordingly, the Master Association will not provide the maintenance of the Common Areas hereunder or any of the Lots or the Dwellings; provided, however, in the event that the Association and/or Owners cease to satisfy the maintenance and/or other obligations of the Association or an Owner (as applicable) hereunder, the Master Association may, but is in no way obligated to, upon thirty (30) days prior written notice to the Association and applicable Owner(s), enter onto the Common Areas and/or the Owner's(s') Lot(s) to assume the rights and/or obligations of the Association or Owner(s) hereunder as necessary or appropriate to satisfy such maintenance or other obligations, which exercise of right by the Master Association may include, without limitation, the right to levy the Assessments hereunder in the same manner as the Association therefor.

**ARTICLE 3
EASEMENTS**

3.1. **Owner's Easement of Enjoyment.** Every Owner is granted a right and easement of enjoyment over the Common Area and to use of Improvements thereon, subject to other rights and easements contained in the Restrictions. An Owner who does not occupy a Dwelling delegates this right of enjoyment to the Residents of his Dwelling, and is not entitled to use the Common Area.

3.2. **Owner's Maintenance Easement.** Each Owner is hereby granted an easement over and across any adjoining Dwelling and Lot and the Common Area to the extent reasonably necessary to maintain or reconstruct such Owner's Dwelling, subject to the consent of the Owner of the adjoining Lot and Dwelling and the consent of the Board as provided below, or the consent of the Board in the case of Common Area, and provided that the Owner's use of the easement granted hereunder does not damage or materially interfere with the use of the adjoining Lot and/or Dwelling or Common Area. Requests for entry into an adjoining Lot must be made to the Owner of such Lot in advance. The consent of the adjoining Lot Owner will not be unreasonably withheld; however, the adjoining Lot Owner may require that access to its Lot be limited to Monday through Friday, between the hours of 8 a.m. until 6 p.m., and then only in conjunction with actual maintenance or reconstruction activities. Access to the Common Area for the purpose of maintaining or reconstructing any Dwelling must be made in advance to the Board. The consent of the Board will not be unreasonably withheld; however, the Board may require that access to the Common Area be limited to Monday through Friday, between the hours of 8 a.m. until 6 p.m., and then only in conjunction with actual maintenance or reconstruction activities. In addition, the Board may require that the Owner abide by additional reasonable rules with respect to use and protection of the Common Area during any such maintenance or reconstruction. If an Owner damages an adjoining Dwelling or Common Area in exercising the easement granted hereunder, the Owner will be required to restore the Dwelling or Common Area to the condition which existed prior to any such damage, at such Owner's expense, within a reasonable period of time not to exceed thirty (30) days after the date the Owner is notified in writing of the damage by the Association or the Owner of the damaged Dwelling.

Notwithstanding the foregoing, no Owner shall perform any work to any portion of his Dwelling or Lot if the work requires access to, over or through the Common Area or other Lots and/or Dwellings without the prior consent of the Architectural Reviewer except in case of an emergency. All such work may only be performed by a person who shall deliver to the Architectural Reviewer prior to commencement of such work, in form satisfactory to the Board:

(i) releases of the Board, the Architectural Reviewer, and the Association for all claims that such person may assert in connection with such work;

(ii) indemnities of the Board, the Architectural Reviewer, and the Association, holding each and all of them harmless from and against any claims asserted for loss or damage to persons or property, including, but not limited to, Common Area, or other Lots and Dwellings;

(iii) certificates of insurance, including liability and workmen's compensation coverage, in amounts and with companies reasonably acceptable to the Board; and

(iv) all other information and assurances which the Board may reasonably require.

3.3. Owner's Ingress/Egress Easement. Each Owner is hereby granted a perpetual easement over the Property, including the Lots (but excluding any portion of the Lot enclosed by a private fence installed by the Declarant or approved by the Architectural Reviewer creating a private yard space for the Lot Owner), as may be reasonably required, for ingress to and egress from his Dwelling, but subject to any Rules adopted from time to time by the Board.

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

3.5. Easement Of Cooperative Support. Each Owner is granted an easement of cooperative support over each adjoining Lot and Dwelling as needed for the common benefit of the Property, or for the benefit of Dwellings in a Structure, or Dwellings that share any aspect of the Property that requires cooperation. By accepting an interest in or title to a Lot, each Owner: (i) acknowledges the necessity for cooperation in a townhome; (ii) agrees to try to be responsive and civil in communications pertaining to the Property and to the Association; (iii) agrees to provide access to his Dwelling and Lot when needed by the Association to fulfill its duties; and (iv) agrees to try refraining from actions that interfere with the Association's maintenance and operation of the Property.

3.6. Association's Access, Maintenance and Landscape Easement. Each Owner, by accepting an interest in or title to a Lot, whether or not it is so expressed in the instrument of conveyance, grants to the Association an easement of access, maintenance and entry over, across, under, and through the Property, including without limitation, each Lot and each Dwelling and all Improvements thereon for the following purposes:

(i) To perform inspections and/or maintenance that is permitted or required of the Association by the Restrictions or by Applicable Law.

(ii) To perform maintenance that is permitted or required of the Owner by the Restrictions or by Applicable Law, if the Owner fails or refuses to perform such maintenance.

(iii) To perform maintenance and repair, and to regulate use of all driveways located within the Property.

(iv) To enforce the Restrictions.

(v) To exercise self-help remedies permitted by the Restrictions or by Applicable Law.

(vi) To respond to emergencies.

(vii) To have the exclusive right to maintain landscaping and make, erect or install non-structural improvements (such as fences, irrigation systems, lighting systems, walking or biking paths, and the like) in or on those portions of each Owner's Lot.

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

(ix) To perform any and all functions or duties of the Association as permitted or required by the Restrictions or by Applicable Law.

3.7. Utility Easement. Declarant hereby establishes and reserves: (i) a non-exclusive easement over and across each open space, landscape or recreational lot within the Property for public and private utilities necessary or required to serve the Property or the individual Dwellings located thereon; (ii) a non-exclusive utility easement over and across each Lot to the extent necessary or required to provide utility service to Dwellings; provided, however, that such easement will not unreasonably interfere with the use of any Dwelling for residential purposes; and (iii) an easement on the exterior elevation of each Structure (including necessary penetrations into the Structure) for the purpose of installation, maintenance, repair and operation of meters, panels, lines and related facilities or appurtenances necessary or required to provide utilities to each Structure and the Dwellings located therein. In addition, Declarant, during the Development Period, and the Board thereafter, may grant further easements over and across the Structure, Lots and Common Areas to the extent necessary or required to provide utilities to Dwellings and/or Lots; provided, however, that such easements will not unreasonably interfere with the use of any Dwelling for residential purposes. A company or

entity, public or private, furnishing utility service to the Property, is granted an easement over the Property, including the Structure and Lots, for ingress, egress, meter reading, installation, maintenance, repair, or replacement of utility lines and equipment, and to do anything else necessary to properly maintain and furnish utility service to the Property. Utilities may include, but are not limited to, water, sewer, trash removal, electricity, gas, telephone, electronic communications and internet, master or cable television, and security.

3.8. Private Utility Lines. Utility lines from each meter located on a Structure that exclusively serve a Dwelling are private utility lines (each a "Private Utility Line" and collectively, the "Private Utility Lines") that the Owner of the Dwelling is required to maintain, repair and replace, if necessary. Neither the Association, the Declarant, nor the utility company providing utility services will maintain, repair or replace Private Utility Lines. **EACH OWNER IS ADVISED THAT THE PRIVATE UTILITY LINES ARE LOCATED IN THE YARD AREA OF THE LOTS ON WHICH A STRUCTURE HAS BEEN ERECTED AND THE UTILITY LINES SERVING MORE THAN ONE DWELLING MAY BE LOCATED ON AN OWNER'S LOT. PRIOR TO DIGGING ON THE OWNER'S LOT, THE OWNER MUST DETERMINE THE LOCATION OF UTILITY LINES. FAILURE TO LOCATE UTILITY LINES BEFORE DIGGING MAY CAUSE SERIOUS INJURY TO PERSON OR PROPERTY. CALL 811 AT LEAST 48 HOURS BEFORE YOU DIG. SEE WWW.TEXAS811.ORG FOR FURTHER INFORMATION.**

EACH OWNER AND RESIDENT HEREBY RELEASES AND HOLDS HARMLESS THE DECLARANT AND THE ASSOCIATION, AND THEIR OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS FROM ANY COST, LOSS, DAMAGE, EXPENSE, LIABILITY, CLAIM OR CAUSE OF ACTION INCURRED OR THAT MAY ARISE BY REASON OF AN OWNER'S FAILURE MAINTAIN, REPAIR OR REPLACE A PRIVATE UTILITY LINE OR FAILURE TO TAKE THE PROPER PRECAUTIONS AND DETERMINE THE LOCATION OF ALL PRIVATE UTILITY LINES AT PRIOR TO DIGGING ON SUCH OWNER'S LOT.

Each Owner is hereby granted an easement over and across the yard space of each Lot with a private utility line that exclusively serves such Owner's Dwelling Unit to the extent reasonably necessary to maintain, repair and replace the Private Utility Line serving such Owner's Dwelling, subject (except in the case of an emergency threatening life or property) to the consent of the Owners of the Lots on which such Private Utility Line is located, and provided that the Owner's use of the easement granted hereunder does not damage or materially interfere with the use of the Lots or Dwellings. Requests for entry into Lots subject to the easement granted herein must be made to the Owner of such Lot in advance. The consent of the Lot Owner will not be unreasonably withheld; however, the Lot Owner may require that access to its Lot be limited to Monday through Friday, between the hours of 8 a.m. until 6 p.m., and then only in conjunction with actual maintenance, repair or replacement activities. If an

005782\00075\2707926.2

LEGENDS CROSSING TOWNHOMES

SUBORDINATE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

Page 10

Owner damages a Dwelling or Lot in exercising the easement granted hereunder, the Owner will be required to restore the Dwelling or Lot to the condition which existed prior to any such damage, at such Owner's expense, within a reasonable period of time not to exceed thirty (30) days after the date the Owner is notified in writing of the damage by the Owner of the damaged Dwelling or Lot.

3.9. Party Wall Fences and Walls. A fence or wall located on or near the dividing line between two (2) Lots or Dwellings constructed upon such Lots and intended to benefit both Lots constitutes a "Party Wall" and, to the extent not inconsistent with the provisions of this Section 3.9, is subject to the general rules of law regarding party walls and liability for property damage due to negligence, willful acts, or omissions.

3.9.1 Encroachments & Easement. If the Party Wall is on one Lot due to an error in construction, the Party Wall is nevertheless deemed to be on the dividing line for purposes of this Section 3.9. Each Lot sharing a Party Wall is subject to an easement for the existence and continuance of any encroachment by the Party Wall as a result of construction, repair, shifting, settlement, or movement in any portion of the Party Wall, so that the encroachment may remain undisturbed as long as the Party Wall stands. Each Lot is subject to a reciprocal easement for the maintenance, repair, replacement, or reconstruction of the Party Wall.

3.9.2 Right to Repair. If the Party Wall is damaged or destroyed from any cause, the Owner of either Lot may repair or rebuild the Party Wall to its previous condition, and the Owners of both Lots, their successors and assigns, have the right to the full use of the repaired or rebuilt Party Wall. No Party Wall may be constructed, repaired, or rebuilt without the advance written approval of the Architectural Reviewer in accordance with Article 11 of this Declaration.

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

3.9.4 Alterations. The Owner of a Lot sharing a Party Wall may not cut openings in the Party Wall or alter or change the Party Wall in any manner that affects

the use, condition, or appearance of the Party Wall to the adjoining Lot or Dwelling. The Party Wall will always remain in the same location as when erected unless otherwise approved by the Owner of each Lot sharing the Party Wall and the Architectural Reviewer.

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

3.11. Injury to Person or Property. Neither the Association nor Declarant, or their respective directors, officers, committees, agents, and employees have a duty or obligation to any Owner, Resident or their guests: (i) to supervise minor children or any other person; (ii) to fence or otherwise enclose any Lot or Common Area; or (iii) to provide security or protection to any Owner, Resident, or their guests, employees, contractors, and invitees from harm or loss. By accepting title to a Lot, each Owner agrees that the limitations set forth in this Section are reasonable and constitute the exercise of ordinary care by the Association and Declarant. Each Owner agrees to indemnify and hold harmless the Association and Declarant, and Declarant's agents from any claim of damages, to person or property arising out of an accident or injury in or about the Property to the extent and only to the extent caused by the acts or omissions of such Owner, his tenant, his guests, employees, contractors, or invitees to the extent such claim is not covered by insurance obtained by the Association at the time of such accident or injury.

3.12. Easement to Inspect and Right To Correct. For a period of 10 years after the expiration of the Development Period, Declarant reserves for itself, each Homebuilder and for Declarant's architect, engineer, other design professionals, builder, and general contractor the right, but not the duty, to inspect, monitor, test, redesign, correct, and relocate any Structure, Improvement, Dwelling, or condition that may exist on any portion of the Property, including

the Dwelling, and a perpetual nonexclusive easement of access throughout the Property to the extent reasonably necessary to exercise this right. The party exercising the easement reserved hereunder, will promptly repair, at its sole expense, any damage resulting from the exercise of this right. By way of illustration but not limitation, relocation of a retaining wall may be warranted by a change of circumstance, imprecise siting of the original wall, or desire to comply more fully with Applicable Law. This Section may not be construed to create a duty for Declarant or the Association, and may not be amended without Declarant's written and acknowledged consent. In support of this reservation, each Owner, by accepting an interest in or title to a Lot, hereby grants to Declarant, each Homebuilder, and the Declarant's architect, engineer, other design professionals, builder, and general contractor an easement of access and entry over, across, under, and through the Property, including without limitation, each Lot, Structure, and Dwelling, and all Improvements thereon for the purposes contained in this Section.

**ARTICLE 4
GENERAL AND USE RESTRICTIONS**

All of the Property shall be owned, held, encumbered, leased, used, occupied, and enjoyed subject to the following limitations and restrictions:

4.1. General.

4.1.1 Conditions and Restrictions. All Lots within the Property will be owned, held, encumbered, leased, used, occupied and enjoyed subject to the Restrictions and the Master Declaration.

NOTICE

The Restrictions and the Master Declaration are subject to change from time to time. By owning or occupying a Lot, you agree to remain in compliance with the Restrictions, as they may change from time to time.

4.1.2 Ordinances. Ordinances and requirements imposed by local governmental authorities are applicable to all Lots within the Property. Compliance with the Restrictions is not a substitute for compliance with such ordinances and regulations. Please be advised that the Restrictions do not purport to list or describe each ordinance or regulation which may be applicable to a Lot located within the Property. Each Owner is advised to review all ordinances, requirements, regulations and encumbrances affecting the use and improvement of their Lot prior to submitting plans to the Architectural Reviewer for approval. Furthermore, approval by the Architectural Reviewer should not be construed by the Owner that any Improvement complies with the terms and provisions of any ordinances, requirements, regulations, or

encumbrances which may affect the Owner's Lot. Certain encumbrances may benefit parties whose interests are not addressed by the Architectural Reviewer.

4.2. Conceptual Plans. All master plans, site plans, brochures, illustrations, information and marketing materials relating to the Property (collectively, the "Conceptual Plans") are conceptual in nature and are intended to be used for illustrative purposes only. The land uses and Improvements reflected on the Conceptual Plans are subject to change at any time and from time to time, and it is expressly agreed and understood that land uses within the Property may include uses which are not shown on the Conceptual Plans. Neither Declarant nor any Homebuilder or other developer of any portion of the Property makes any representation or warranty concerning such land uses and Improvements shown on the Conceptual Plans or otherwise planned for the Property and it is expressly agreed and understood that no Owner will be entitled to rely upon the Conceptual Plans or any statement made by the Declarant or any of Declarant's representatives regarding proposed land uses or proposed Improvements in making the decision to purchase any land or Improvements within the Property. Each Owner who acquires a Lot acknowledges that development of the Property will likely extend over many years, and agrees that the Association will not engage in, or use Association funds to support, protest, challenge, or make any other form of objection to development of the Property or changes in the Conceptual Plans as they may be amended or modified from time to time.

4.3. Single-Family Residential Use. The Lots shall be used solely for single family residential purposes. The Lots may not be used for any other purposes without the prior written consent of the Declarant, which consent may be withheld by the Declarant in its sole and absolute discretion.

No professional, business, or commercial activity to which the general public is invited shall be conducted on any portion of a Lot, except an Owner or Resident may conduct business activities within a Dwelling so long as: (i) such activity complies with all the applicable zoning ordinances (if any); (ii) participation in the business activity is limited to the Owner(s) or Resident(s) of a Dwelling; (iii) the existence or operation of the business activity is not apparent or detectable by sight, i.e., no sign may be erected advertising the business within the Property, sound, or smell from outside the Dwelling; (iv) the business activity does not involve door-to-door solicitation of residents within the Property; (v) the business does not, in the Board's judgment, generate a level of vehicular or pedestrian traffic or a number of vehicles parked within the Property which is noticeably greater than that which is typical of Dwellings in which no business activity is being conducted; (vi) the business activity is consistent with the residential character of the Property and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other Residents within the Property as may be determined in the sole discretion of the Board; and (vii) the business does not require the installation of any machinery other than that customary to normal household operations. In

addition, for the purpose of obtaining any business or commercial license, neither the Dwelling nor Lot will be considered open to the public. The terms "business" and "trade", as used in this provision, shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (x) such activity is engaged in full or part-time; (y) such activity is intended to or does generate a profit; or (z) a license is required.

Leasing of a Dwelling shall not be considered a business or trade within the meaning of this subsection. This subsection shall not apply to any activity conducted by the Declarant or a Homebuilder.

Notwithstanding any provision in this Declaration to the contrary, until the earlier to occur of expiration or termination of the Development Period, or forty (40) years from the date this Declaration is Recorded:

(i) Declarant and/or its licensees may construct and maintain upon portions of the Common Area and any Lot owned by the Declarant such facilities and may conduct such activities which, in Declarant's sole opinion, may be reasonably required, convenient, or incidental to the construction or sale of Dwellings constructed upon the Lots, including, but not limited to, business offices, signs, model homes, and sales offices. Declarant and/or its licensees shall have an easement over and across the Common Area for access and use of such facilities at no charge; and

(ii) Declarant and/or its licensees will have an access easement over and across the Common Area for the purpose of making, constructing and installing Improvements upon the Common Area and the Property.

4.4. Rentals. Nothing in this Declaration will prevent the rental of any Lot and the Improvements thereon by the Owner thereof for residential purposes; provided that: (i) all rentals must be for terms of at least twelve (12) months, and under no circumstance shall a Dwelling be advertised, used, or made available for short-term rentals, VRBO's, Airband's, Vacation Rentals, or House Swapping.; and (ii) no portion of a Lot (other than the entire Lot) may be rented. All leases shall be in writing. Notice of any lease, together with such additional information as may be required by the Board, will be remitted to the Association by the Owner on or before the expiration of ten (10) days after the effective date of the lease. Each lease must provide, or be deemed to provide, that the Board shall have the right to terminate the lease upon default by the tenant in observing any provisions of the Restrictions. Regardless of whether or not expressed in the applicable lease, all Owners shall be jointly and severally liable with the tenants of such Lot to the Association for any amount which is required by the

Association to effect such repairs or to pay any claim for any injury or damage to property caused by the negligence of the tenant of such Lot or for the acts or omissions of the tenant(s) of such Lot which constitute a violation of, or non-compliance with, the provisions of the Documents. All leases shall comply with and be subject to the provisions of the Restrictions and the provisions of same shall be deemed expressly incorporated into any lease of a Lot. This Section 4.4 shall also apply to assignments and renewals of leases.

4.5. **Subdividing.** No Lot shall be further divided or subdivided, nor may any easements or other interests therein less than the whole be conveyed by the Owner thereof without the prior written approval of the Architectural Reviewer; provided, however, that when Declarant is the Owner thereof, Declarant may further divide and subdivide any Lot and convey any easements or other interests less than the whole, all without the approval of the Architectural Reviewer.

4.6. **Hazardous Activities.** No activities may be conducted on or within the Property and no Improvements may be constructed on or within any portion of the Property which, in the opinion of the Board, are or might be unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no firearms or fireworks may be discharged upon any portion of the Property unless discharged in conjunction with an event approved in advance by the Board and no open fires may be lighted or permitted except within safe and well-designed fireplaces or in contained barbecue units while attended and in use for cooking purposes. No portion of the Property may be used for the takeoff, storage, or landing of aircraft (including, without limitation, helicopters) except for medical emergencies.

4.7. **Insurance Rates.** Nothing shall be done or kept on the Property which would increase the rate of casualty or liability insurance or cause the cancellation of any such insurance on the Common Area without the prior written approval of the Board.

4.8. **Noise.** No exterior speakers, horns, whistles, bells, or other sound devices (other than security devices used exclusively for security purposes) shall be located, used, or placed on any of the Property. No noise or other nuisance shall be permitted to exist or operate upon any portion of the Property so as to be offensive or detrimental to any other portion of the Property or to its Residents. Without limiting the generality of the foregoing, if any noise or nuisance emanates from any Improvement on any Lot, the Association may (but shall not be obligated to) enter any such Improvement and take such reasonable actions necessary to terminate such noise (including silencing any burglar or break-in alarm).

EACH OWNER, BY ACCEPTANCE OF A DEED OR OTHER CONVEYANCE OF THEIR UNIT, HEREBY ACKNOWLEDGES AND AGREES THAT SOUND AND IMPACT NOISE TRANSMISSION IN STRUCTURES SUCH AS THE DWELLINGS IS VERY DIFFICULT TO CONTROL, AND THAT NOISES FROM ADJOINING OR NEARBY DWELLINGS AND THE SURROUNDING DEVELOPMENT AND/OR MECHANICAL EQUIPMENT CAN AND WILL

BE HEARD IN DWELLINGS. DECLARANT DOES NOT MAKE ANY REPRESENTATION OR WARRANTY AS TO THE LEVEL OF SOUND OR IMPACT NOISE TRANSMISSION BETWEEN AND AMONG DWELLINGS AND THE OTHER PORTIONS OF THE PROPERTY, AND EACH OWNER BY ACCEPTANCE OF A DEED HEREBY WAIVES AND EXPRESSLY RELEASES, TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW AS OF THE DATE OF THE DECLARATION, ANY SUCH WARRANTY AND CLAIM FOR LOSS OR DAMAGES RESULTING FROM SOUND OR IMPACT NOISE TRANSMISSION.

4.9. Clotheslines: Window Air Conditioners. No clotheslines and no outdoor clothes drying or hanging shall be permitted within the Property, nor shall anything be hung, painted or displayed on the outside of the windows (or inside, if visible from the outside) or placed on the outside walls or outside surfaces of doors of any of the Dwelling, and no awnings, canopies or shutters (except for those heretofore or hereinafter installed by Declarant) shall be affixed or placed upon the exterior walls or roofs of Dwellings, or any part thereof, nor relocated or extended, without the prior written consent of the Architectural Reviewer. Window air conditioners are prohibited.

4.10. Animals - Household Pets. No animals, including pigs, hogs, swine, poultry, fowl, wild animals, horses, cattle, sheep, goats, or any other type of animal not considered to be a domestic household pet within the ordinary meaning and interpretation of such words may be kept, maintained, or cared for on or within the Property (as used in this paragraph, the term "domestic household pet" shall not mean or include non-traditional pets such pot-bellied pigs, miniature horses, goats, exotic snakes or lizards, monkeys, chickens or other exotic animals). The Board may conclusively determine, in its sole discretion, whether a particular pet is a domestic household pet within the ordinary meaning and interpretation of such words. No Owner may keep more than three (3) cats and dogs, in the aggregate, of which no more than two (2) may be dogs, unless otherwise approved by the Board. No animal may be allowed to make an unreasonable amount of noise, or to become a nuisance, and no domestic pets will be allowed on the Property other than within the Owner's Dwelling, or the fenced yard space associated therewith, unless confined to a leash. The Association may restrict pets to certain areas on the Property. No animal may be stabled, maintained, kept, cared for, or boarded for hire or remuneration within the Property, and no kennels or breeding operation will be allowed. No animal may be allowed to run at large, and all animals must be kept within enclosed areas which must be clean, sanitary, and reasonably free of refuse, insects, and waste at all times. No pet may be left unattended in yards, porches or other outside area. All pet waste will be removed and appropriately disposed of by the owner of the pet. All pets must be registered, licensed and vaccinated as required by Applicable Law. If, in the opinion of the Board, any pet becomes a source of unreasonable annoyance to others, or the owner of the pet fails or refuses to comply with these restrictions, the Owner, upon written notice, may be required to remove the pet from the Property.

4.11. **Rubbish and Debris.** No rubbish or debris of any kind may be placed or permitted to accumulate on or within the Property, and no odors will be permitted to arise therefrom so as to render all or any portion of the Property unsanitary, unsightly, offensive, or detrimental to any other property or Residents. Refuse, garbage, and trash must be kept at all times in covered containers, and such containers must be kept within enclosed structures or appropriately screened from view. Each Owner will contract with an independent disposal service to collect all garbage or other wastes, if such service is not provided by a governmental entity or the Association. Each and every Owner shall observe and comply with any and all regulations or requirements promulgated by the City and/or the Master Association in connection with the storage and removal of trash and garbage. No Lot shall be used for open storage of any materials whatsoever, except that building materials to be used in the construction of improvements erected on any Lot may be placed upon such Lot at the time construction is commenced and may be maintained thereon through completion of construction, and an Owner shall maintain a commercial refuse or trash bin onsite for disposal of construction debris and trash at all times during periods of construction on a Lot.

4.12. **Trash Containers.** Trash containers and recycling bins must be stored in the inside garage of the single-family Dwelling constructed on the Lot. The Board shall have the right to specify additional locations on each Owner's Lot in which trash containers or recycling bins must be stored.

4.13. **Signs.** Unless otherwise prohibited by Applicable Law, no sign of any kind may be displayed to the public view on any Lot without the prior written approval of the Architectural Reviewer, except for:

(i) signs which are permitted pursuant to any Architectural Reviewer guidelines or Rules;

(ii) signs which are part of Declarant's or Homebuilder's overall marketing, sale, or construction plans or activities for the Property;

(iii) one (1) temporary "For Sale" sign placed on the Lot. The sign must be professionally made and shall be limited to a maximum face area of five (5) square feet on each visible side and, if free standing, is mounted on a single or frame post. The overall height of the sign from finished grade at the spot where the sign is located may not exceed four (4) feet. The sign must be removed within two (2) business days following the sale or lease of the Lot;

(iv) permits as may be required by legal proceedings or a governmental entity;

(v) political signs may be erected provided the sign: (a) is erected no earlier than the 90th day before the date of the election to which the sign relates; (b) is removed no later than the 10th day after the date of the election to which the sign relates; and (c) is ground-mounted. Only one sign may be erected for each candidate or ballot item. In addition, signs which include any of the components or characteristics described in Section 202.009(c) of the Texas Property Code are prohibited;

(vi) a religious item on the entry door or door frame of a Dwelling (which may not extend beyond the outer edge of the door frame), provided that the size of the item(s), individually or in combination with other religious items on the entry door or door frame of the Dwelling, does not exceed twenty-five (25) square inches;

(vii) a "no soliciting" and "security warning" sign near or on the front door to their Dwelling, provided, that the sign may not exceed twenty-five (25) square inches.

For Lease and For Rent signs are expressly prohibited.

4.14. Tanks. The Architectural Reviewer must approve any tank used or proposed in connection with a Dwelling, including tanks for storage of fuel, water, oil, or liquid petroleum gas (LPG). No elevated tanks of any kind may be erected, placed or permitted on any Lot without the advance written approval of the Architectural Reviewer. All permitted tanks must be screened from view in accordance with a screening plan approved in advance by the Architectural Reviewer. This provision will not apply to a tank used to operate a standard residential gas grill.

4.15. Temporary Structures. No tent, shack, or other temporary building, or Improvement shall be placed upon the Property without the prior written approval of the Architectural Reviewer; provided, however, that temporary structures necessary for storage of tools and equipment, and for office space for Declarant and Homebuilders, and their respective architects and foremen during actual construction may be maintained without the prior approval of the Architectural Reviewer..

4.16. Unightly Articles; Vehicles. No article deemed to be unsightly by the Board shall be permitted to remain on any Lot so as to be visible from adjoining property or from public or private thoroughfares. Without limiting the generality of the foregoing, trailers, graders, trucks other than pickups, boats, tractors, campers, wagons, buses, motorcycles, motor scooters, all-terrain vehicles and garden and lawn maintenance equipment shall be kept at all times except when in actual use, in enclosed structures or screened from view and no repair or maintenance work shall be done on any of the foregoing, or on any automobile (other than

minor emergency repairs), except in enclosed garages. Service areas, storage areas, compost piles and facilities for hanging, drying or airing clothing or household fabrics must be appropriately screened from view and, no lumber, grass, plant waste, shrub or tree clippings, metals, bulk materials, scrap, refuse or trash shall be kept, stored, or allowed to accumulate on any portion of the Property except within enclosed structures or appropriately screened from view. No: (i) racing vehicles; or (ii) other vehicles (including, without limitation, motorcycles or motor scooters) which are inoperable or do not have a current license tag shall be permitted to remain visible on any Lot or to be parked on any street or driveway within the Property.

Parking of commercial vehicles or equipment, recreational vehicles, boats and other watercraft, trailers, stored vehicles or inoperable vehicles in places other than: (a) in enclosed garages; and (b) behind a fence so as to not be visible from any other portion of the Property is prohibited; provided, construction, service and delivery vehicles may be exempt from this provision for such period of time as is reasonably necessary to provide service or to make a delivery to a Dwelling.

Mobile homes are prohibited. Notwithstanding the foregoing, sales trailers or other temporary structures installed by the Declarant, Homebuilder or expressly approved by the Architectural Reviewer shall be permitted.

4.17. Basketball Goals: Permanent and Portable. Permanent and portable basketball goals are strictly prohibited.

4.18. Garages. All garages shall be maintained for the parking of automobiles, may not be used for storage or other purposes which preclude its use for the parking of automobiles, and no garage may be permanently enclosed or otherwise used for habitation. Each Dwelling erected on any Lot shall provide garage space that contains a minimum of 400 square feet and that measures twenty feet (20') deep, unless some greater number is required by the City or under the terms of the Planned Development Ordinance. All garages shall be constructed to comply with setback requirements set forth on the Plat or other applicable ordinances of the City. All garage doors shall be constructed of wood or aluminum - carriage door style. Garage doors shall be closed at all times when not in use.

4.19. Holiday Decorations. No decorative appurtenances such as sculptures, birdbaths and birdhouses, fountains, or other decorative embellishments shall be placed on the Dwelling or on any other portion of a Lot which is visible from any street, unless such specific items have been approved in writing by the Board. Customary seasonal decorations for holidays are permitted without approval by the Board but shall be removed within thirty (30) days of the applicable holiday

4.20. On Street Parking. Unless otherwise approved by the Declarant or the Board, no Owner or Resident may park a vehicle on any road or street within the Property unless in

the event of an emergency. Guests and/or visitors may not park a vehicle overnight on any road or street within the Property unless in the event of an emergency or as otherwise approved in writing by the Declarant or the Board. "Emergency" for purposes of the foregoing sentence shall mean an event which jeopardizes life or property. "Parked" as used herein shall be defined as a vehicle left unattended by a licensed operator for more than thirty (30) consecutive minutes. This provision will not apply to Declarant or its designee during the Development Period.

4.21. Limited or Restricted Driveway Parking. As a result of the required design of the project, driveways constructed on a Lot may not be able to accommodate the parking of vehicles. No vehicle may be parked on a driveway constructed on a Lot if the vehicle, when parked, would obstruct or otherwise block ingress and egress to and from sidewalks adjacent to the driveway, i.e., no portion of the vehicle may extend over a line extended from the rear of one sidewalk adjacent to the driveway to the rear of the other sidewalk adjacent to the driveway.

4.22. Drainage. There shall be no interference with the established drainage patterns over any of the Property, including the Lots, except by Declarant, unless adequate provision is made for proper drainage and such provision is approved in advance by the Architectural Reviewer. Specifically, and not by way of limitation, no Improvement, including landscaping, may be installed which impedes the proper drainage of water between Lots or within the Property.

4.23. Setback Requirements. Each Dwelling constructed on any Lot shall comply with setback requirements set forth on the Plat, the Planned Development Ordinance, or other applicable ordinances of the City.

4.24. Minimum Floor Space. Each Dwelling constructed on any Lot shall contain a minimum square feet of floor area, exclusive of garages, breezeways and porches as required under the Planned Development Ordinance, the Plat or under any other Applicable Laws.

4.25. Height. No Dwelling or other building on any Lot shall have a height in excess of the lesser of (i) thirty-five feet (35') or (ii) the maximum height allowed by the Planned Development Ordinance.

4.26. Rear Yard Structures. No permanent structures may be constructed on any Lot without the prior written consent and approval of the Architectural Reviewer, including without limitation (i) children's playhouses and play sets; (ii) dog houses; (iii) greenhouses; (iv) gazebos; (v) pools, spas, and other water features; (vi) cabanas or pergolas; and (vii) buildings for storage of lawn maintenance equipment. Permanent structures that exceed the height of the fence line around the rear yard of any Lot shall be placed in the rear yard area behind and screened from the street by the primary residence constructed on such Lot.

4.27. Use of Association Logo. The use of the name of the Association or Subdivision, or any various thereof, in any capacity without the express written consent of the Declarant during the Declarant Control Period, and thereafter the Board, is strictly prohibited. Additionally, the use of any logo adopted by the Association or the Subdivision, or use of any photographs of the entryway signage or other Subdivision signs or monuments or Areas of Common Responsibility without the express written consent of the Declarant during the Declarant Control Period, and thereafter the Board, is strictly prohibited.

4.28. Compliance with Restrictions. Each Owner, his or her family, Residents of a Dwelling, tenants, and the guests, invitees, and licensees of the preceding shall comply strictly with the provisions of the Restrictions as the same may be amended from time to time. Failure to comply with any of the Restrictions shall constitute a violation of the Restrictions and may result in a fine against the Owner in accordance with *Section 7.2.2* of this Declaration, and shall give rise to a cause of action to recover sums due for damages or injunctive relief, or both, maintainable by the Declarant, the Board on behalf of the Association, the Architectural Reviewer or by an aggrieved Owner. Without limiting any rights or powers of the Association, the Board may (but shall not be obligated to) remedy or attempt to remedy any violation of any of the provisions of Restrictions, and the Owner whose violation has been so remedied shall be personally liable to the Association for all costs and expenses of effecting (or attempting to effect) such remedy. If such Owner fails to pay such costs and expenses upon demand by the Association, such costs and expenses (plus interest from the date of demand until paid at the maximum lawful rate, or if there is no such maximum lawful rate, at the rate of one and one-half percent (1-1/2%) per month) shall be assessed against and chargeable to the Owner's Lot(s). Any such amounts assessed and chargeable against a Lot shall be secured by the liens reserved in this Declaration for Assessments and may be collected by any means provided in this Declaration for the collection of Assessments, including, but not limited to, foreclosure of such liens against the Owner's Lot(s). Each such Owner shall indemnify and hold harmless the Association and its officers, directors, employees and agents from any cost, loss, damage, expense, liability, claim or cause of action incurred or that may arise by reason of the Association's acts or activities under this *Section 4.28* (including any cost, loss, damage, expense, liability, claim or cause of action arising out of the Association's negligence in connection therewith), except for such cost, loss, damage, expense, liability, claim or cause of action arising by reason of the Association's gross negligence or willful misconduct. "Gross negligence" as used herein does not include simple negligence, contributory negligence or similar negligence short of actual gross negligence.

4.29. Liability of Owners for Damage to Common Area. No Owner shall in any way alter, modify, add to or otherwise perform any work upon the Area of Common Responsibility or Common Area without the prior written approval of the Board. Each Owner shall be liable to the Association for any and all damages to: (i) the Common Area and any Improvements constructed thereon; or (ii) any Improvements constructed on any Lot, the maintenance of

which has been assumed by the Association, including but not limited to the Area of Common Responsibility, which damages were caused by the neglect, misuse or negligence of such Owner or Owner's family, or by any tenant or other Resident of such Owner's Lot, or any guest or invitee of such Owner. The full cost of all repairs of such damage shall be levied as an Individual Assessment against such Owner's Lot, secured by a lien against such Owner's Lot and collectable in the same manner as provided in *Section 8.10* of this Declaration.

4.30. Water Quality Facilities, Drainage Facilities and Drainage Ponds. The Common Area may include one or more water quality facilities, sedimentation, drainage and detention facilities, systems or ponds which serve all or a portion of the Property and are inspected, maintained and administered by the Association in accordance with all applicable governmental regulations, codes and ordinances, including Dallas County regulations, and state and federal laws. Access to these facilities and ponds is limited to persons engaged by the Association to periodically maintain such facilities. Each Resident is advised that the water quality facilities, sedimentation, drainage and detention facilities and ponds are an active utility feature integral to the proper operation of the Property and may periodically hold standing water. Each Resident is advised that entry into the water quality facilities, sedimentation, drainage and detention facilities or ponds may result in injury and is a violation of the Restrictions. To the extent that a drainage system or facility is situated upon an Owner's Lot, the Owner shall keep all grates, drains and other similar items clear of trash and debris upon the Owner's Lot.

4.31. No Warranty of Enforceability. Declarant makes no warranty or representation as to the present or future validity or enforceability of any Restrictions. Any Owner acquiring a Lot in reliance on the Restrictions shall assume all risks of the validity and enforceability thereof and, by acquiring the Lot, agrees to hold Declarant harmless therefrom.

4.32. Approval Rights and Authority of Master Declarant and Master Association to Enforce Restrictions. The Master Declarant and Master Association, through its board of directors, each have the right and option (but are in no way obligated) to enforce the Restrictions contained herein. Any approval rights of the Architectural Reviewer in this *Article 4*, are additionally subject to the approval rights set forth in the Master Declaration of the Master Declarant, Master Association and/or Committee (as defined in the Master Declaration).

ARTICLE 5 DISCLOSURES

This Article discloses selective features of the Property that may not be obvious to potential Owners and Residents. Because features may change over time, no disclosure in this Article should be relied upon without independent confirmation.

5.1. **Service Contracts.** Declarant may have contracted, on behalf of the Owner, for one or more services to be provided by vendors to the Dwellings on a contract basis, such as intrusion monitoring and cable television. In that event, whether or not an Owner chooses to use the service, the Owner is required its share of the contract for the contract period. The Association may serve as the conduit for the service fees and payments, which may be considered Regular Assessments or Individual Assessments. However, the Association is not the service provider and has no responsibility or liability for the availability or quality of the service, or for the maintenance, repair, or replacement of the wires, conduits, equipment, or other fittings relating to the contract service.

5.2. **Adjacent Thoroughfares.** The Property is located adjacent to thoroughfares that may be affected by traffic and noise from time to time and may be improved and/or widened in the future.

5.3. **Fire Sprinkler Disclosure.** The Structures may be constructed with a fire sprinkler system. If sprinklers are present, water lines and sprinkler heads may be in the ceilings above rooms in the Dwelling. This disclosure is given because damage to, or a malfunction of, a water line or sprinkler head may harm or destroy real and personal property. Each Owner is solely responsible for all of the following:

- (i) Determining the location and proper care of the sprinkler equipment, water lines and sprinkler heads in the Dwelling.
- (ii) Preserving the integrity and functionality of the portion of the fire sprinkler system in their Dwelling.
- (iii) Instructing each Resident, invitees and contractors about the care and protection of the sprinkler system, including any applicable rules adopted by the Board.
- (iv) Any damage to their Dwelling, an adjoining Dwelling, Common Area, and/or any personal property (such as furnishings and clothing) caused by the functioning or malfunctioning of any component of the sprinkler system in or serving their Dwelling.

The Association does not inspect or fix water lines and sprinkler heads, if any, in your Dwelling.

Components of a fire sprinkler system may be located in the attic portion of the Dwelling. If the attic is also the location of air conditioning equipment or other equipment that requires periodic servicing or repair, to ensure protection of the water lines and sprinkler heads, the Owner is advised to closely supervise all persons using the attic.

5.4. **Adjacent Use.** No representations are made regarding the use of adjacent property.

5.5. **Outside Conditions.** Since in every neighborhood there are conditions that different people may find objectionable, it is acknowledged that there may be conditions outside of the Property that an Owner or Resident may find objectionable, and it shall be the sole responsibility of an Owner or Resident to become acquainted with neighborhood conditions that could affect the Property.

5.6. **Concrete.**

5.6.1 **Cracks.** Minor cracks in poured concrete, including foundations, garage floors, sidewalks, driveways and patios, are inevitable as a result of the natural movement of soil (expansion and contraction), shrinkage during the curing of the concrete, and settling of a Structure.

5.6.2 **Exposed Floors.** This Section applies to Structures or Dwellings with exposed concrete floors. This notice is given because Owners may be inexperienced with concrete and expect it to be as forgiving as wood or sheetrock. In deciding whether, when, and how to fill cracks in exposed concrete floors, an Owner is hereby made aware that the color and texture of the fill material may not match the rest of the concrete floor. On some exposed concrete floors, fill materials make minor cracks more noticeable than if the cracks had been left in their natural state. In addition, an Owner is hereby made aware that any specification for polished concrete means that the concrete will be polished, but this does not mean an Owner will be able to actually see their reflection in the floor.

5.7. **Construction Activities.** Declarant will be constructing portions of the Property and engaging in other construction activities related to the construction of Structures, Dwellings, and Common Area. Such construction activities may, from time to time, produce certain conditions on the Property, including, without limitation: (i) noise or sound that is objectionable because of its volume, duration, frequency or shrillness; (ii) smoke; (iii) noxious, toxic or corrosive fumes or gases; (iv) obnoxious odors; (v) dust, dirt or flying ash; (vi) unusual fire or explosion hazards; (vii) temporary interruption of utilities; and/or (viii) other conditions that may threaten the security or safety of persons within the Property. Notwithstanding the foregoing, all Owners and Residents agree that such conditions on the Property resulting from construction activities shall not be deemed a nuisance and shall not cause Declarant and its agents to be deemed in violation of any provision of the Declaration.

5.8. **Moisture.** Improvements within a Structure may trap humidity created by general use and occupancy. As a result, condensation may appear on the interior portion of windows and glass surfaces and fogging of windows and glass surfaces may occur due to

temperature disparities between the interior and exterior portions of the windows and glass. If left unattended and not properly maintained by Owners and Residents, the condensation may increase resulting in staining, damage to surrounding seals, caulk, paint, wood work and sheetrock, and potentially, mildew and/or mold.

5.9. **Mold and/or Mildew.** Mold and/or mildew can grow in any portion of a Structure and/or Dwelling that is exposed to elevated levels of moisture including, but not limited to, those portions of a Structure and/or Dwelling in which HVAC condenser units are located. Each Owner is advised to regularly inspect the Owner's Dwelling for the existence of mold, mildew and/or water intrusion (except when the water intrusion is part of the normal functioning of Improvements and appliances such as showers, sinks, dishwashers and other similar appliances and Improvements) and/or damage.

5.10. **Encroachments.** Improvements may have been constructed on adjoining lands that encroach onto the Property. Declarant gives no representations or warranties as to property rights, if any, created by any such encroachments.

5.11. **Budgets.** Any budgets of the Association provided by the Declarant are based on estimated expenses only without consideration for the effects of inflation and may increase or decrease significantly when the actual expenses become known.

5.12. **Light and Views.** The natural light available to and views from a Dwelling or Lot can change over time due to among other things, additional development and the removal or addition of landscaping. **NATURAL LIGHT AND VIEWS ARE NOT PROTECTED.**

5.13. **Schools.** No representations are being made regarding which schools may now or in the future serve the Property.

5.14. **Suburban Environment.** The Property is located in a suburban environment. Sound and vibrations may be audible and felt from such things as sirens, whistles, horns, the playing of music, people speaking loudly, trash being picked up, deliveries being made, equipment being operated, dogs barking, construction activity, building and grounds maintenance being performed, automobiles, buses, trucks, ambulances, airplanes, and other generators of sound and vibrations typically found in an suburban area. In addition to sound and vibration, there may be odors and light in suburban areas.

5.15. **Water Runoff.** The Property may still be subject to erosion and/or flooding during unusually intense or prolonged periods of rain. In addition, water may pond on various portions of the Property having impervious surfaces, such as rooftop terraces, patios, and balconies, as applicable.

5.16. **Photography of the Property.** Declarant retains the right to obtain and use photography of the Property for publication and advertising purposes.

5.17. **Changes to Street Names and Addresses.** Declarant retains the right to change, in its sole discretion, the Property name and the street names and addresses in or within the Property including the street address of the Dwellings and/or Lots before or after conveyance to any third-party.

5.18. **Plans.** Any advertising materials, brochures, renderings, drawings, and the like, furnished by Declarant to Owner which purport to depict the Improvements to be constructed on any Lot are merely approximations and do not necessarily reflect the actual as-built conditions of the same.

5.19. **Location of Utilities.** Declarant makes no representation as to the location of mailboxes, utility boxes, street lights, fire hydrants or storm drain inlets or basins.

5.20. **Wood.** Natural wood has considerable variation due to its organic nature. There may be shades of white, red, black or even green in areas. In addition, mineral streaks may also be visible. Grain pattern or texture will vary from consistent to completely irregular; wood from different areas of the same tree can also have variations in pattern or texture. It is these variations in wood that add to its aesthetic appeal. These variations in grain will in turn accept stain in varying amounts, which will show throughout the wood products from one door to the next, one panel to the next or one piece of wood to the next. Also, cabinet finishes (including gloss and/or matte finishes) will not be entirely consistent and some minor irregularities will be apparent. Additionally, wood and wood products may be subject to warping, splitting, swelling and/or delamination. Wood floors may require more maintenance than some man-made materials. Owners of Dwellings with wood floors should educate themselves about wood floor care.

5.21. **Stone.** Veins and colors of any marble, slate or other stone if any, within a Dwelling, may vary drastically from one piece of stone to another. Each piece is different. Marble, granite, slate and other stone can also have chips and shattering veins, which look like scratches. The thickness of the joints between marble, granite, slate and other stone and/or other materials against which they have been laid will vary and there will be irregularities in surface smoothness. Marble and other stone finishes may be dangerously slippery and Declarant assumes no responsibility for injuries sustained as a result of exposure to or use of such materials. Periodic use of professionally approved and applied sealant is needed to ensure proper maintenance of the marble, granite, slate and other stone and it is the Owner's responsibility to properly maintain these materials. Marble, granite and other stone surfaces may scratch, chip or stain easily. Such substances, as part of their desirable noise attenuating properties, may flex or move slightly in order to absorb impacts. Such movement may in turn

cause grout to crack or loosen or cause some cracking in the stone flooring which may need to be repaired as part of normal home maintenance.

5.22. Chemicals. Each Structure and Dwelling will contain products that have water, powders, solids and industrial chemicals, which will be used in construction. The water, powders, solids and industrial chemicals will and do contain mold, mildew, fungus, spores and chemicals that may cause allergic or other bodily reactions in certain individuals. Leaks, wet flooring and moisture will contribute to the growth of molds, mildew, fungus or spores. Declarant is not responsible for any illness or allergic reactions that a person may experience as a result of mold, mildew, fungus or spores. It is the responsibility of the Owner to keep their Dwelling clean, dry, well ventilated and free of contamination.

5.23. Marketing. Declarant's use of a sales center and/or model homes or reference to other construction by Declarant is intended only to demonstrate the quality of finish detail, the basic floor plans and styles of the Dwellings available for purchase. A Structure and/or Dwelling may not conform to any model in any respect, or contain some or all of the amenities featured, such as furnishings and appliances. Likewise, any model of a Structure and/or Dwelling is intended only to demonstrate approximate size and basic architectural features. The Structures and/or Dwellings, as completed, may not conform to the models displayed by Declarant. Declarant may also have shown prospective purchasers model homes, floor plans, sketches, drawings, and scale models of Structures and/or Dwellings ("**Promotional Aids**"). Owner understands and agrees that the Promotional Aids are conceptual, subject to change, for display purposes only, and may not be incorporated into the Structures and/or Dwellings.

ARTICLE 6

LEGENDS CROSSING TOWNHOME OWNER'S ASSOCIATION, INC.

6.1. Organization. The Association is a nonprofit corporation created for the purposes, charged with the duties, and vested with the powers of a Texas non-profit corporation. Neither the Certificate nor the Bylaws will for any reason be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration.

6.2. Membership.

6.2.1 Mandatory Membership. Any person or entity, upon becoming an Owner, will automatically become a Member of the Association. Membership will be appurtenant to and will run with the ownership of the Lot that qualifies the Owner thereof for membership, and membership may not be severed from the ownership of the Lot, or in any way transferred, pledged, mortgaged or alienated, except together with the title to such Lot.

6.2.2 Easement of Enjoyment – Common Area. Every Member will have a right and easement of enjoyment in and to all of the Common Area and an access easement by and through any Common Area, which easements will be appurtenant to and will pass with the title to such Member's Lot, subject to the following restrictions and reservations:

(i) The right of the Declarant to cause such Improvements and features to be constructed upon the Common Area, as determined from time to time by the Declarant, in the Declarant's sole and absolute discretion;

(ii) The right of the Association to suspend the Member's right to use the Common Area for any period during which any Assessment against such Member's Lot remains past due and for any period during which such member is in violation of any provision of the Restrictions;

(iii) The right of the Association and Declarant (during the Development Period) to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for any purpose;

(iv) The right of the Association and Declarant (during the Development Period) to grant easements or licenses over and across the Common Area;

(v) The right of the Association to borrow money for the purpose of improving the Common Area and, in furtherance thereof, mortgage the Common Area;

(vi) The right of the Declarant, during the Development Period, and the Board thereafter, to promulgate Rules regarding the use of the Common Area and any Improvements thereon; and

(vii) The right of the Association to contract for services with any third parties on such terms as the Association may determine.

6.3. Governance. The Board will consist of at least three (3) persons elected at the annual meeting of the Association, or at a special meeting called for such purpose. **Notwithstanding the foregoing provision or any provision in this Declaration to the contrary, Declarant will have the sole right to appoint and remove all members of the Board until the tenth (10th) anniversary of the date this Declaration is Recorded. No later than the tenth (10th) anniversary of the date this Declaration is Recorded, or sooner as determined by Declarant, the Board must hold a meeting of Members of the Association for the purpose of electing one-third (1/3) of the Board (the "Initial Member Election Meeting"), which Board member(s)**

must be elected by Owners other than the Declarant. Declarant shall continue to have the sole right to appoint and remove two-thirds (2/3) of the Board from and after the Initial Member Election Meeting until expiration or termination of the Development Period.

6.4. Voting Rights. The right to cast votes and the number of votes which may be cast for election of members to the Board (except as provided by *Section 6.3*) and on all other matters to be voted on by the Members will be calculated as set forth below.

(i) The Owner of each Lot will have one (1) vote for each Lot so owned.

(ii) In addition to the votes to which Declarant is entitled by reason of *Section 6.4(i)*, for every one (1) vote outstanding in favor of any other person or entity, Declarant will have four (4) additional votes until the expiration or termination of the Development Period.

(iii) When more than one person or entity owns a portion of the fee simple interest in any Lot, all such persons or entities will be Members. The vote or votes (or fraction thereof) for such Lot will be exercised by the person so designated in writing to the Secretary of the Association by the Owner of such Lot, and in no event will the vote for such Lot exceed the total votes to which such Lot is otherwise entitled under this *Section 6.4*.

6.5. Powers. The Association has the powers of a Texas nonprofit corporation. It further has the power to do and perform any and all acts that may be necessary or proper, for or incidental to, the exercise of any of the express powers granted to it by Applicable Law or this Declaration. Without in any way limiting the generality of the two preceding sentences, the Board, acting on behalf of the Association, has the following powers at all times:

6.5.1 Rules, Bylaws and Community Manual. To make, establish and promulgate, and in its discretion to amend from time to time, or repeal and re-enact, such Rules, Bylaws, and the Community Manual not in conflict with this Declaration, as it deems proper, covering any and all aspects of the Property (including the operation, maintenance and preservation thereof) or the Association. Any Rules, and any modifications to existing Rules, or the Bylaws proposed by the Board, must be approved in advance and in writing by the Declarant until expiration or termination of the Development Period.

6.5.2 Insurance. To obtain and maintain in effect, policies of insurance that, in the opinion of the Board, are reasonably necessary or appropriate to carry out the Association's functions.

6.5.3 Records. To keep books and records of the Association's affairs, and to make such books and records, together with current copies of the Restrictions available for inspection by the Owners, Mortgagees, and insurers or guarantors of any Mortgage upon request during normal business hours.

6.5.4 Assessments. To levy and collect Assessments, as provided in *Article 8* below.

6.5.5 Right of Entry and Enforcement. To enter at any time without notice in an emergency (or in the case of a non-emergency, after twenty-four (24) hours written notice), without being liable to any Owner or Resident, upon any Lot and into any Dwelling thereon for the purpose of enforcing the Restrictions or for the purpose of maintaining or repairing any area, Improvement or other facility to conform to the Restrictions. The expense incurred by the Association in connection with the entry upon any Lot and/or Dwelling, and the maintenance and repair work conducted thereon or therein, will be a personal obligation of the Owner of the Lot so entered, will be deemed an Individual Assessment against such Lot, will be secured by a lien upon such Lot, and will be enforced in the same manner and to the same extent as provided in *Article 8* hereof for Assessments. The Association will have the power and authority from time to time, in its own name and on its own behalf, or in the name of and on behalf of any Owner who consents thereto, to commence and maintain actions and suits to enforce, by mandatory injunction or otherwise, or to restrain and enjoin, any breach or threatened breach of the Restrictions. The Association is also authorized to settle claims, enforce liens and take all such action as it may deem necessary or expedient to enforce the Restrictions; provided, however, that the Board will never be authorized to expend any Association funds for the purpose of bringing suit against Declarant, or its successors or assigns. The Association may not alter or demolish any Improvements on any Lot other than Common Area in enforcing these Restrictions before a judicial order authorizing such action has been obtained by the Association, or before the written consent of the Owner(s) of the affected Lot(s) has been obtained. **EACH SUCH OWNER AND RESIDENT WILL RELEASE AND HOLD HARMLESS THE ASSOCIATION, ITS OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS FROM ANY COST, LOSS, DAMAGE, EXPENSE, LIABILITY, CLAIM OR CAUSE OF ACTION INCURRED OR THAT MAY ARISE BY REASON OF THE ASSOCIATION'S ACTS OR ACTIVITIES UNDER THIS SECTION 6.5.5 (INCLUDING ANY COST, EXPENSE, LIABILITY, CLAIM OR CAUSE OF ACTION ARISING OUT OF THE ASSOCIATION'S NEGLIGENCE IN CONNECTION THEREWITH), EXCEPT FOR SUCH COST, LOSS, DAMAGE, EXPENSE, LIABILITY, CLAIM OR CAUSE OF ACTION ARISING BY REASON OF THE ASSOCIATION'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. "GROSS NEGLIGENCE" DOES NOT INCLUDE SIMPLE**

NEGLIGENCE, CONTRIBUTORY NEGLIGENCE OR SIMILAR NEGLIGENCE SHORT OF ACTUAL GROSS NEGLIGENCE.

6.5.6 Legal and Accounting Services. To retain and pay for legal and accounting services necessary or proper in the operation of the Association.

6.5.7 Conveyances. To grant and convey to any person or entity the real property and/or other interest, including fee title, leasehold estates, easements, rights-of-way or mortgages, out of, in, on, over, or under any Common Area for the purpose of constructing, erecting, operating or maintaining the following:

- (i) Parks, parkways or other recreational facilities or structures;
- (ii) Roads, streets, sidewalks, signs, street lights, walks, driveways, trails and paths;
- (iii) Lines, cables, wires, conduits, pipelines or other devices for utility purposes;
- (iv) Sewers, water systems, storm water drainage systems, sprinkler systems and pipelines; and/or
- (v) Any similar Improvements or facilities.

Nothing set forth above, however, will be construed to permit use or occupancy of any Improvement or other facility in a way that would violate applicable use and occupancy restrictions imposed by the Restrictions or by Applicable Law. In addition, until expiration or termination of the Development Period, any grant or conveyance under this Section 6.5.7 must be approved in advance and in writing by the Declarant.

6.5.8 Manager. To retain and pay for the services of a person or firm (the "Manager"), which may include Declarant or any affiliate of Declarant, to manage and operate the Association, including its property, to the extent deemed advisable by the Board. Personnel may be employed directly by the Association or may be furnished by the Manager. Each contract entered into between the Association and the Manager will be terminable by the Association without cause upon sixty (60) days written notice to the Manager. To the extent permitted by Applicable Law, the Board may delegate any other duties, powers and functions to the Manager. In addition, the Board may adopt transfer fees, resale certificate fees or any other fees associated with the provision of management services to the Association or its Members; and the transfer and resale certificate fees charged to Homebuilders upon conveyance of a Lot to a Homebuilder shall be at least **One Hundred Twenty-Five and No/100 Dollars (\$125.00)** per Lot

transferred. **THE MEMBERS HEREBY RELEASE THE ASSOCIATION AND THE MEMBERS OF THE BOARD AND COMMITTEE MEMBERS FROM LIABILITY FOR ANY OMISSION OR IMPROPER EXERCISE BY THE MANAGER OF ANY SUCH DUTY, POWER OR FUNCTION SO DELEGATED.**

6.5.9 Property Services. To pay for water, sewer, garbage removal, street lights, landscaping, gardening and all other utilities, services, repair and maintenance for any portion of the Property, Common Area, private or public recreational facilities, easements, roads, roadways, rights-of-ways, signs, parks, parkways, median strips, sidewalks, paths, trails, ponds, and lakes.

6.5.10 Other Services and Properties. To obtain and pay for any other property and services, and to pay any other taxes or assessments that the Association or the Board is required or permitted to secure or to pay for pursuant to Applicable Law or under the terms of the Restrictions or as determined by the Board.

6.5.11 Construction on Common Area. To construct new Improvements or additions to any property owned, leased, or licensed by the Association, subject to the approval of the Board and the Declarant until expiration or termination of the Development Period.

6.5.12 Contracts. To enter into Bulk Rate Contracts or other contracts or licenses with Declarant or any third party on such terms and provisions as the Board will determine, to operate and maintain any Common Area, or other property, or to provide any service, including but not limited to cable, utility, or telecommunication services, or perform any function on behalf of Declarant, the Board, the Association, or the Members. During the Development Period, all Bulk Rate Contracts must be approved in advance and in writing by the Declarant.

6.5.13 Property Ownership. To acquire, own and dispose of all manner of real and personal property, including habitat, whether by grant, lease, easement, gift or otherwise. During the Development Period, all acquisitions and dispositions of the Association hereunder must be approved in advance and in writing by the Declarant.

6.5.14 Allocation of Votes. To determine votes when permitted pursuant to Section 6.4 above.

6.5.15 Membership Privileges. To establish Rules governing and limiting the use of the Common Area and any Improvements thereon.

6.6. Conveyance of Common Area to the Association. The Association may acquire, hold, and dispose of any interest in tangible and intangible personal property and real property.

Declarant, and its assignees, reserves the right, from time to time and at any time, to designate by written and Recorded instrument portions of the Property being held by the Declarant for the benefit of the Association. Upon the Recording of such designation, the portion of the Property identified therein will be considered Common Area for the purpose of this Declaration. Declarant and its assignees may also assign, transfer or convey to the Association interests in real or personal property within or for the benefit of the Property, for the Property and the general public, or otherwise, as determined in the sole and absolute discretion of the Declarant. All or any real or personal property assigned, transferred and/or conveyed by the Declarant to the Association shall be deemed accepted by the Association upon Recordation, and without further action by the Association, and shall be considered Common Area without regard to whether such real or personal property is designated by the Declarant as Common Area. If requested by the Declarant, the Association will execute a written instrument, in a form requested by the Declarant, evidencing acceptance of such real or personal property; provided, however, execution of a written consent by the Association shall in no event be a precondition to acceptance by the Association. The assignment, transfer, and/or conveyance of real or personal property to the Association may be by deed without warranty, may reserve easements in favor of the Declarant or a third party designated by Declarant over and across such property, and may include such other provisions, including restrictions on use, determined by the Declarant, in the Declarant's sole and absolute discretion. Property assigned, transferred, and/or conveyed to the Association may be improved or unimproved and may consist of fee simple title, easements, leases, licenses, or other real or personal property interests. Upon Declarant's written request, the Association will re-convey to Declarant any unimproved real property that Declarant originally conveyed to the Association for no payment.

6.7. Indemnification. To the fullest extent permitted by Applicable Law but without duplication (and subject to) any rights or benefits arising under the Certificate or Bylaws of the Association, the Association will indemnify any person who was, or is, a party, or is threatened to be made a party to any threatened pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that he or she is, or was, a director, officer, committee member, employee, servant, manager or agent of the Association against expenses, including attorneys' fees, reasonably incurred by him in connection with such action, suit or proceeding if it is found and determined by the Board or a court of competent jurisdiction that he or she: (i) acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Association; or (ii) with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by settlement, or upon a plea of *nolo contendere* or its equivalent, will not of itself create a presumption that the person did not act in good faith or in a manner which was reasonably believed to be in, or not opposed to, the best interests of the Association or, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

6.8. **Insurance.** The Board may purchase and cause to be maintained, at the expense of the Association, insurance on behalf of any person who is acting as a director, officer, committee member, employee, servant or agent of the Association against any liability asserted against or incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the Association would have the power to indemnify such person against such liability or otherwise.

6.9. **Bulk Rate Contracts.** Without limitation on the generality of the Association powers set out in *Section 6.5* hereinabove (except that during the Development Period, all Bulk Rate Contracts must be approved in advance and in writing by the Declarant), the Association will have the power to enter into Bulk Rate Contracts at any time and from time to time. The Association may enter into Bulk Rate Contracts with any service providers chosen by the Board (including Declarant, and/or any entities in which Declarant, or the owners or partners of Declarant are owners or participants, directly or indirectly). The Bulk Rate Contracts may be entered into on such terms and provisions as the Board may determine in its sole and absolute discretion. The Association may, at its option and election, add the charges payable by such Owner under such Bulk Rate Contract to the Assessments against such Owner's Lot. In this regard, it is agreed and understood that, if any Owner fails to pay any charges due by such Owner under the terms of any Bulk Rate Contract, then the Association will be entitled to collect such charges by exercising the same rights and remedies it would be entitled to exercise under this Declaration with respect to the failure by such Owner to pay Assessments, including without limitation the right to foreclose the lien against such Owner's Lot which is reserved under the terms and provisions of this Declaration. In addition, in the event of nonpayment by any Owner of any charges due under any Bulk Rate Contract and after the lapse of at least twelve (12) days since such charges were due, the Association may, upon five (5) days' prior written notice to such Owner (which may run concurrently with such 12 day period), in addition to all other rights and remedies available pursuant to Applicable Law, terminate, in such manner as the Board deems appropriate, any utility service or other service provided at the cost of the Association and not paid for by such Owner (or the Resident of such Owner's Lot) directly to the applicable service or utility provider. Such notice will consist of a separate mailing or hand delivery at least five (5) days prior to a stated date of termination, with the title "termination notice" or similar language prominently displayed on the notice. The notice will include the office or street address where the Owner (or the Resident of such Owner's Lot) can make arrangements for payment of the bill and for re-connection or re-institution of service. No utility or cable television service will be disconnected on a day, or immediately preceding a day, when personnel are not available for the purpose of collection and reconnecting such services.

6.10. **Community Systems.** The Association is specifically authorized to provide, or to enter into contracts to provide Community Systems. Any such contracts may provide for installation, operation, management, maintenance, and upgrades or modifications to the Community Systems as the Board determines appropriate. Each Owner acknowledges that

interruptions in Community Systems and services will occur from time to time. Declarant and the Association, or any of their respective successors or assigns shall not be liable for, and no Community System or service user shall be entitled to refund, rebate, discount, or offset in applicable fees for, any interruption in Community Systems and services, regardless of whether or not such interruption is caused by reasons within the service provider's control.

6.11. Declarant's Right to Contribute to Revenues of the Association. Declarant shall have the right, but not the obligation, in its sole discretion and from time to time, to contribute to the revenues of the Association. At the option of Declarant, such contribution may be reflected on the books and records of the Association as a loan, in which event it shall be repaid by the Association to Declarant, at the discretion of Declarant. If treated as a loan, the contribution shall accrue interest, compounded monthly, from the date it is made until the date of its repayment, at the short term Applicable Federal Rate ("AFR"), as published by the Internal Revenue Service, and adjusted each month to reflect the AFR for such month.

6.12. Protection of Declarant's Interests. Despite any assumption of control of the Board by Owners other than Declarant, until the expiration or termination of the Development Period, the Board is prohibited from taking any action which would discriminate against Declarant, or which would be detrimental to the sale of Lots owned by Declarant. Declarant shall be entitled to determine, in its sole and absolute discretion, whether any such action discriminates or is detrimental to Declarant. The Board will be required to continue the same level and quality of maintenance, operations and services as that provided immediately prior to assumption of control of the Board by Owners other than Declarant until the expiration or termination of the Development Period.

6.13. Administration of Common Area. The administration of the Common Area by the Association shall be in accordance with the provisions of Applicable Law and the Restrictions, and of any other agreements, documents, amendments or supplements to the foregoing which may be duly adopted or subsequently required by any institutional or governmental lender, purchaser, insurer or guarantor of mortgage loans (including, for example, the Federal Home Loan Mortgage Corporation) designated by Declarant or by any governmental or quasi-governmental agency having regulatory jurisdiction over the Common Area or by any title insurance company selected by Declarant to insure title to any portion of the Common Area.

6.14. Notices and Disclaimers as to Security Systems. NEITHER THE DECLARANT, A HOMEBUILDER, NOR THE ASSOCIATION, OR THEIR SUCCESSORS OR ASSIGNS GUARANTEE OR WARRANT, EXPRESSLY OR IMPLIEDLY, THE MERCHANTABILITY OR FITNESS FOR USE OF ANY SUCH SECURITY SYSTEM OR SERVICES, OR THAT ANY SYSTEM OR SERVICES WILL PREVENT INTRUSIONS OR NOTIFY AUTHORITIES OF FIRES OR OTHER OCCURRENCES, OR THE CONSEQUENCES OF SUCH OCCURRENCES, REGARDLESS OF WHETHER OR NOT THE SYSTEM OR SERVICES ARE DESIGNED TO

MONITOR SAME; AND EVERY OWNER OR RESIDENT OF PROPERTY RECEIVING SECURITY SERVICES THROUGH THE COMMUNITY SYSTEMS ACKNOWLEDGES THAT NEITHER THE DECLARANT, A HOMEBUILDER, NOR THE ASSOCIATION, OR ANY OF THEIR SUCCESSORS OR ASSIGNS ARE INSURERS OF THE OWNER OR RESIDENT'S PROPERTY OR OF THE PROPERTY OF OTHERS LOCATED ON THE LOT AND WILL NOT BE RESPONSIBLE OR LIABLE FOR LOSSES, INJURIES OR DEATHS RESULTING FROM SUCH OCCURRENCES. It is extremely difficult and impractical to determine the actual damages, if any, which may proximately result from a failure on the part of a security service provider to perform any of its obligations with respect to security services and, therefore, every Owner or occupant of property receiving security services through the Community Systems agrees that neither the Declarant, a Homebuilder, nor the Association, or their successors or assigns assumes liability for loss or damage to property or for personal injury or death to persons due to any reason, including, without limitation, failure in transmission of an alarm, interruption of security service or failure to respond to an alarm because of: (i) any failure of the Owner's security system; (ii) any defective or damaged equipment, device, line or circuit; (iii) negligence, active or otherwise, of the security service provider or its officers, agents or employees; or (iv) fire, flood, riot, war, act of God or other similar causes which are beyond the control of the security service provider. Every Owner and Resident obtaining security services through the Community Systems further agrees for himself, his grantees, tenants, guests, invitees, licensees and family members that if any loss or damage should result from a failure of performance or operation, or from defective performance or operation, or from improper installation, monitoring or servicing of the system, or from negligence, active or otherwise, of the security service provider or its officers, agents, or employees, the liability, if any, of the Declarant, a Homebuilder, the Association, or their successors or assigns for loss, damage, injury or death shall be limited to a sum not exceeding Two Hundred Fifty U.S. Dollars (\$250.00), which limitation apply irrespective of the cause or origin of the loss or damage and notwithstanding that the loss or damage results directly or indirectly from negligent performance, active or otherwise, or non-performance by an officer, agent or employee of Declarant, a Homebuilder, or the Association, or their successors or assigns. Further, in no event will Declarant, a Homebuilder, the Association, or their successors or assigns be liable for consequential damages, wrongful death, personal injury or commercial loss.

6.15. Water Bodies. By acceptance of a deed to a Lot, each Owner acknowledges that the water levels of all water bodies may vary. There is no guarantee by Declarant or the Association that water levels will be constant or aesthetically pleasing at any particular time. In fact, water levels may be non-existent from time to time.

**ARTICLE 7
ENFORCING THE RESTRICTIONS**

7.1. **Notice And Hearing.** Before levying a fine for violation of the Restrictions (other than nonpayment of Assessments), or before levying an Individual Assessment for property damage, the Association will give the Owner written notice of the levy and an opportunity to be heard, to the extent required by Applicable Law. The Association's written notice must contain a description of the violation or property damage; the amount of the proposed fine or damage charge; a statement that not later than the 30th day after the date of the notice, the Owner may request a hearing before the Board to contest the fine or charge; and a stated date by which the Owner may cure the violation to avoid the fine - unless the Owner was given notice and a reasonable opportunity to cure a similar violation within the preceding 12 months. The Association may also give a copy of the notice to the Resident. Pending the hearing, the Association may continue to exercise its other rights and remedies for the violation, as if the declared violation were valid. The Owner's request for a hearing suspends only the levy of a fine or damage charge. The Owner may attend the hearing in person, or may be represented by another person or written communication. The Board may adopt additional or alternative procedures and requirements for notices and hearing, provided they are consistent with the requirements of Applicable Law.

7.2. **Remedies.** The remedies provided in this Article for breach of the Restrictions are cumulative and not exclusive. In addition to other rights and remedies provided by the Restrictions and by Applicable Law, the Association has the following rights to enforce the Restrictions:

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

7.2.2 **Fine.** The Association may levy reasonable charges, as an Individual Assessment, against an Owner and the Owner's Lot if the Owner or Resident, or the Owner or Resident's family, guests, employees, agents, or contractors violate a provision of the Restrictions. Fines may be levied for each act of violation or for each day a violation continues, and does not constitute a waiver or discharge of the Owner's obligations under the Restrictions.

7.2.3 **Suspension.** The Association may suspend the right of Owners and Residents to use Common Area (except rights of ingress and egress) for any period during which the Owner or Resident, or the Owner or Resident's family, guests, employees, agents, or contractors violate the Restrictions. A suspension does not constitute a waiver or discharge of the Owner's obligations under the Restrictions.

7.2.4 **Self-Help.** The Association has the right to enter a Lot, Structure, and/or Dwelling to abate or remove, using force as may reasonably be necessary, any erection, thing, animal, person, vehicle, or condition that violates the Restrictions. In exercising this right, the Board is not trespassing and is not liable for damages related to the abatement. The Board may levy its costs of abatement against the Lot and Owner as an Individual Assessment. Unless an emergency situation exists in the good faith opinion of the Board, the Board will give the violating Owner fifteen (15) days' notice of its intent to exercise self-help.

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

7.3. **Board Discretion.** The Board may use its sole discretion in determining whether to pursue a violation of the Restrictions, provided the Board does not act in an arbitrary or capricious manner. In evaluating a particular violation, the Board may determine that under the particular circumstances: (i) the Association's position is not sufficiently strong to justify taking any or further action; (ii) the provision being enforced is or may be construed as inconsistent with Applicable Law; (iii) although a technical violation may exist, it is not of such a material nature as to be objectionable to a reasonable person or to justify expending the Association's resources; or (iv) that enforcement is not in the Association's best interests, based on hardship, expense, or other reasonable criteria.

7.4. **No Waiver.** The Association and every Owner has the right to enforce all restrictions, conditions, covenants, liens, and charges now or hereafter imposed by the Restrictions. Failure by the Association or by any Owner to enforce a provision of the Restrictions is not a waiver of the right to do so thereafter.

7.5. **Recovery of Costs.** The costs of curing or abating a violation are the expense of the Owner or other person responsible for the violation. If legal assistance is obtained to enforce any provision of the Restrictions, or in any legal proceeding (whether or not suit is brought) for damages or for the enforcement of the Restrictions or the restraint of violations of the Restrictions, the prevailing party is entitled to recover from the non-prevailing party all reasonable and necessary costs incurred by it in such action, including reasonable attorneys' fees.

7.6. **Right of Action by Association.** The Association shall not have the power to institute, defend, intervene in, settle or compromise litigation, arbitration or other proceedings: (i) in the name of or on behalf of any Lot Owner (whether one or more); or (ii) pertaining to a Claim, as defined in *Section 16.1* below, relating to the design or construction of Improvements on a Lot, including any Area of Common Responsibility located on a Lot. This *Section 7.6* may

not be amended or modified without Declarant's written and acknowledged consent and Members entitled to cast at least one hundred percent (100%) of the total number of votes of the Association, which must be part of the Recorded amendment instrument.

7.7. **Right of Action by Owners; Release.** The Owners, acting collectively or individually, shall have the right to maintain actions against the Association for its willful failure to comply with the provisions of the Applicable Law, this Declaration or the Bylaws or its willful failure to perform its duties and responsibilities hereunder; provided, however, except as otherwise provided by the Restrictions, no other action shall be brought against the Association or its affiliates, parents, subsidiaries, officers, directors, agents, employees, predecessors, successors, contractors, consultants, insurers, sureties, by the Owners, or the Association. Subject to the Association's obligations under this Declaration, except as otherwise provided by the Restrictions, each Owner hereby releases, acquits and forever discharges the Association, and its affiliates, parents, members, subsidiaries, officers, directors, agents, employees, predecessors, successors, contractors, consultants, insurers, sureties and assigns and agrees to hold such persons harmless of and from any and all claims, damages, liabilities, costs and/or expenses (including reasonable attorneys' fees) relating to the construction of, repair or restoration of, or the sale to the Owners of the Dwellings, or the Common Areas. This release shall release and forever discharge the Association and its affiliates, parents, members, subsidiaries, officers, directors, agents, employees, predecessors, successors, contractors, consultants, insurers, sureties and assigns, from all claims and causes of action, whether statutory or under the common law, known or unknown, now accrued, or that arise in the future.

ARTICLE 8 ASSESSMENTS

8.1. **Assessments.**

8.1.1 **Established by Board.** Assessments established by the Board pursuant to the provisions of this *Article 8* will be levied against each Lot in amounts determined pursuant to *Section 8.7* below. The total amount of Assessments will be determined by the Board pursuant to *Sections 8.3, 8.4, 8.5* and/or *8.6*.

8.1.2 **Personal Obligation; Lien.** Each Assessment, together with such interest thereon and costs of collection as hereinafter provided, will be the personal obligation of the Owner of the Lot against which the Assessment is levied and will be secured by a lien hereby granted and conveyed by Declarant to the Association against each such Lot and all Improvements thereon. The Association may enforce payment of such Assessments in accordance with the provisions of this Article.

8.1.3 Declarant Subsidy. Declarant may, but is not obligated to, reduce Assessments which would otherwise be levied against Lots for any fiscal year by the payment of a subsidy to the Association. Any subsidy paid to the Association by Declarant may be treated as a contribution or a loan, in Declarant's sole and absolute discretion. The payment of a subsidy in any given year will not obligate Declarant to continue payment of a subsidy to the Association in future years.

8.1.4 Master Declaration Assessments. **ASSESSMENTS CHARGED HEREUNDER SHALL BE IN ADDITION TO ANY ASSESSMENTS, FEES OR OTHER AMOUNTS LEVIED AND/OR DUE OR PAYABLE BY OWNERS UNDER THE TERMS OF THE MASTER DECLARATION.**

8.2. Maintenance Fund. The Board will establish a maintenance fund into which will be deposited all monies paid to the Association and from which disbursements will be made in performing the functions of the Association under this Declaration. The funds of the Association may be used for any purpose authorized by the Restrictions and the Applicable Law.

8.3. Regular Annual Assessments. Prior to the beginning of each fiscal year, the Board will prepare a budget for the purpose of determining amounts sufficient to pay the estimated net expenses of the Association (the "Regular Assessments") which sets forth: (i) an estimate of the expenses to be incurred by the Association during such year in performing its functions and exercising its powers under the Restrictions, including, but not limited to, the cost of all management, repair and maintenance, the cost of providing street and other lighting, the cost of administering and enforcing the Restrictions; and (ii) an estimate of the amount needed to maintain a reasonable provision for contingencies and an appropriate replacement reserve, and giving due consideration to any expected income and any surplus from the prior year's fund. Assessments sufficient to pay such estimated net expenses will then be levied at the level of Assessments set by the Board in its sole and absolute discretion, and the Board's determination will be final and binding so long as it is made in good faith. If the sums collected prove inadequate for any reason, including nonpayment of any Assessment, the Association may at any time, and from time to time, levy further Assessments in the same manner. All such Regular Assessments will be due and payable to the Association annually on or before the first day of the month, or in such other manner as the Board may designate in its sole and absolute discretion.

8.4. Working Capital Assessment. Each Owner (other than Declarant) of a Lot will pay a one-time working capital assessment (the "Working Capital Assessment") to the Association in such amount of Five Hundred and No/100 Dollars (\$500.00) per Lot or as may be determined by the Declarant, until expiration or termination of the Development Period, and the Board thereafter. Such Working Capital Assessment need not be uniform among all Lots, and the Declarant or the Board, as applicable, is expressly authorized to establish Working

Capital Assessments of varying amounts depending on the size, use and general character of the Lots. The levy of any Working Capital Assessment will be effective only upon the Recordation of a written notice, signed by Declarant or a duly authorized officer of the Association, setting forth the amount of the Working Capital Assessment and the Lots to which it applies. Funds collected from the Working Capital Assessment may be used for any purposes deemed necessary or appropriate by the Board of the Association, including, without limitation, administrative or operating expenses of the Association, insurance expenses of the Association, and/or maintenance and upkeep of the Lots, Commons Areas or any Dwellings, Structures, or other Improvements thereon.

Notwithstanding the foregoing provision, the following transfers will not be subject to the Working Capital Assessment: (i) foreclosure of a deed of trust lien, tax lien, or the Association's assessment lien; or (ii) transfer to, from, or by the Association. Additionally, an Owner who (a) is a Homebuilder; or (b) acquires a Lot for the purpose of resale to a Homebuilder (a "**Development Owner**") will not be subject to the Working Capital Assessment; however, the Working Capital Assessment will be payable by any Owner who acquires a Lot from a Homebuilder or Development Owner for residential living purposes or by any Owner who: (I) acquires a Lot and is not in the business of constructing single-family residences for resale to a third party; or (II) who acquires the Lot for any purpose other than constructing a single-family residence thereon for resale to a third party. In the event of any dispute regarding the application of the Working Capital Assessment to a particular Owner, the Declarant during the Development Period, and thereafter the Board's, determination regarding the application of the exception will be binding and conclusive without regard to any contrary interpretation of this *Section 8.4*. The Working Capital Assessment will be in addition to, not in lieu of, any other Assessments levied in accordance with this *Article 8* and will not be considered an advance payment of such Assessments. The Working Capital Assessment hereunder will be due and payable by the transferee to the Association immediately upon each transfer of title to the Lot, including upon transfer of title from one Owner of such Lot to any subsequent purchaser or transferee thereof. The Declarant during the Development Period, and thereafter the Board, will have the power to waive the payment of any Working Capital Assessment attributable to a Lot (or all Lots) by the Recordation of a waiver notice, which waiver may be temporary or permanent.

8.5. Special Assessments. In addition to the Regular Assessments provided for above, the Board may levy special Assessments (the "**Special Assessments**") whenever in the Board's opinion such Special Assessments are necessary to enable the Board to carry out the functions of the Association under the Restrictions. The amount of any Special Assessments will be at the reasonable discretion of the Board. In addition to the Special Assessments authorized above, the Association may, in any fiscal year, levy a Special Assessment for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or

replacement of a capital improvement upon the Common Area, any insurance costs, and/or to fund any deficits of the Association.

8.6. Individual Assessments. In addition to any other Assessments, the Board may levy an individual assessment (the "**Individual Assessment**") against an Owner and the Owner's Lot. Individual Assessments may include, but are not limited to: interest, late charges, and collection costs on delinquent Assessments; reimbursement for costs incurred in bringing an Owner or the Owner's Lot into compliance with the Declaration; fines for violations of the Restrictions; transfer-related fees and resale certificate fees; fees for estoppel letters and project documents; insurance deductibles; reimbursement for damage or waste caused by willful or negligent acts of the Owner, the Owner's guests, invitees or Residents of the Owner's Lot; common expenses that benefit fewer than all of the Lots, which may be assessed according to benefit received; fees or charges levied against the Association on a per-Lot basis; and "pass through" expenses for services to Lots provided through the Association and which are equitably paid by each Lot according to the benefit received.

8.7. Amount of Assessment.

8.7.1 Assessments to be Levied. The Board shall levy Assessments against each "Assessment Unit" (as defined in *Section 8.7.2* below). Unless otherwise provided in this Declaration, Assessments levied pursuant to *Section 8.3* and *Section 8.5* shall be levied uniformly against each Assessment Unit allocated to a Lot.

8.7.2 Assessment Unit. Each Lot shall constitute one "Assessment Unit" unless otherwise provided in *Section 8.7.3* and *8.7.4*.

8.7.3 Assessment Exemption. Notwithstanding anything in this Declaration to the contrary, no Assessments shall be levied upon Lots owned by Declarant.

8.7.4 Other Exemptions. Declarant may, in its sole discretion, elect to: (i) exempt any un-platted or unimproved portion of the Property or any Lot from any Assessments levied or charged pursuant to this *Article 8*; or (ii) delay the levy of Assessments against any un-platted, unimproved or improved portion of the Property. Declarant or the Board may also exempt any portion of the Property which is dedicated and accepted by public authority from Assessments.

8.8. Late Charges. If any Assessment is not paid by the due date applicable thereto, the Owner responsible for the payment may be required by the Board, at the Board's election at any time and from time to time, to pay a late charge in such amount as the Board may designate, and the late charge (and any reasonable handling costs) will be levied as an Individual Assessment against the Lot owned by such Owner, collectible in the manner as provided for collection of Assessments, including foreclosure of the lien against such Lot;

provided, however, such charge will never exceed the maximum charge permitted under Applicable Law.

8.9. Owner's Personal Obligation; Interest. Assessments levied as provided for herein will be the personal and individual debt of the Owner of the Lot against which are levied such Assessments. No Owner may exempt himself from liability for such Assessments. In the event of default in the payment of any such Assessment, the Owner of the Lot will be obligated to pay interest on the amount of the Assessment at the highest rate allowed by applicable usury laws then in effect on the amount of the Assessment from the due date therefor (or if there is no such highest rate, then at the rate of one and one half percent (1 1/2%) per month), together with all costs and expenses of collection, including reasonable attorney's fees. Such amounts will be levied as an Individual Assessment against the Lot owned by such Owner.

8.10. Assessment Lien and Foreclosure. The payment of all sums assessed in the manner provided in this Article is, together with late charges as provided in *Section 8.8* and interest as provided in *Section 8.9* hereof and all costs of collection, including attorney's fees as herein provided, secured by the continuing Assessment lien granted to the Association pursuant to *Section 8.1.2* above, and will bind each Lot in the hands of the Owner thereof, and such Owner's heirs, personal representatives, successors or assigns. The aforesaid lien will be superior to all other liens and charges against such Lot, except only for: (i) tax liens; (ii) all sums secured by a first mortgage lien or first deed of trust lien of record, to the extent such lien secures sums borrowed for the acquisition or improvement of the Lot in question and (iii) home equity loans or home equity lines of credit which are secured by a second mortgage lien or second deed of trust lien of record; provided that, in the case of subparagraphs (ii) and (iii) above, such Mortgage was Recorded before the delinquent Assessment was due. The Association will have the power to subordinate the aforesaid Assessment lien to any other lien. Such power will be entirely discretionary with the Board, and such subordination may be signed by an officer, agent, or attorney of the Association. The Association may, at its option and without prejudice to the priority or enforceability of the Assessment lien granted hereunder, prepare a written notice of Assessment lien setting forth the amount of the unpaid indebtedness, the name of the Owner of the Lot covered by such lien and a description of the Lot. Such notice may be signed by one of the officers, agents, or attorneys of the Association and will be Recorded. Each Owner, by accepting a deed or ownership interest to a Lot subject to this Declaration, will be deemed conclusively to have granted a power of sale to the Association to secure and enforce the Assessment lien granted hereunder. The Assessment liens and rights to foreclosure thereof will be in addition to and not in substitution of any other rights and remedies the Association may have by law and under this Declaration, including the rights of the Association to institute suit against such Owner personally obligated to pay the Assessment and/or for foreclosure of the aforesaid lien. In any foreclosure proceeding, such Owner will be required to pay the costs, expenses and reasonable attorney's fees incurred. The Association will have the power to bid (in cash or by credit against the amount secured by the

lien) on the property at foreclosure or other legal sale and to acquire, hold, lease, mortgage, convey or otherwise deal with the same. Upon the written request of any Mortgagee, the Association will report to said Mortgagee any unpaid Assessments remaining unpaid for longer than sixty (60) days after the same are due. The lien hereunder will not be affected by the sale or transfer of any Lot; except, however, that in the event of foreclosure of any lien superior to the Assessment lien, the lien for any Assessments that were due and payable before the foreclosure sale will be extinguished, provided that past-due Assessments will be paid out of the proceeds of such foreclosure sale only to the extent that funds are available after the satisfaction of the indebtedness secured by the Mortgage. The provisions of the preceding sentence will not, however, relieve any subsequent Owner (including any Mortgagee or other purchaser at a foreclosure sale) from paying Assessments becoming due and payable after the foreclosure sale. Upon payment of all sums secured by a lien of the type described in this Section 8.10, the Association will upon the request of the Owner, and at such Owner's cost, execute a release of lien relating to any lien for which written notice has been Recorded as provided above, except in circumstances in which the Association has already foreclosed such lien. Such release will be signed by an officer, agent, or attorney of the Association. In addition to the lien hereby retained, in the event of nonpayment by any Owner of any Assessment and after the lapse of at least twelve (12) days since such payment was due, the Association may, upon five (5) days' prior written notice (which may run concurrently with such twelve (12) day period) to such Owner, in addition to all other rights and remedies available pursuant to Applicable Law, terminate, in such manner as the Board deems appropriate, any utility or cable service provided through the Association and not paid for directly by an Owner or Resident to the utility or service provider. Such notice will consist of a separate mailing or hand delivery at least five (5) days prior to a stated date of disconnection, with the title "termination notice" or similar language prominently displayed on the notice. The notice will include the office or street address where the Owner or the Resident of the Owner's Lot can make arrangements for payment of the bill and for reconnection of service. Utility or cable service will not be disconnected on a day, or immediately preceding a day, when personnel are not available for the purpose of collection and reconnecting such services. Except as otherwise provided by Applicable Law, the sale or transfer of a Lot will not relieve the Owner of such Lot or such Owner's transferee from liability for any Assessments thereafter becoming due or from the lien associated therewith. If an Owner conveys its Lot and on the date of such conveyance Assessments against the Lot remain unpaid, or said Owner owes other sums or fees under this Declaration to the Association, the Owner will pay such amounts to the Association out of the sales price of the Lot, and such sums will be paid in preference to any other charges against the Lot other than liens superior to the Assessment lien and charges in favor of the State of Texas or a political subdivision thereof for taxes on the Lot which are due and unpaid. The Owner conveying such Lot will remain personally liable for all such sums until the same are fully paid, regardless of whether the transferee of the Lot also assumes the obligation to pay such amounts. The Board may adopt an administrative transfer fee to cover the expenses associated with updating the Association's records upon the transfer of a Lot to a third party; provided,

005782\00075\2707926.2

LEGENDS CROSSING TOWNHOMES

SUBORDINATE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

Page 45

however, that no transfer fee will be due upon the transfer of a Lot from Declarant to a third party.

Yes, the Association can foreclose on your Lot!
If you fail to pay assessments to the Association, you may lose title to your Lot if the Association forecloses its assessment lien.

8.11. **Exempt Property.** The following area within the Property will be exempt from the Assessments provided for in this Article:

- (i) All area dedicated and accepted by a public authority;
- (ii) The Common Area; and
- (iii) Any portion of the Property owned by the Master Declarant, the Master Association, or the Declarant.

8.12. **Fines and Damages Assessment.**

8.12.1 **Board Assessment.** The Board may assess fines against an Owner for violations of the Restrictions which have been committed by an Owner, a Resident, or the Owner or Residents guests, agents or invitees pursuant to any *Fine and Enforcement Policy* adopted by the Board. Any fine and/or charge for damage levied in accordance with this *Section 8.12* will be considered an Individual Assessment pursuant to this Declaration. Each day of violation may be considered a separate violation if the violation continues after written notice to the Owner. The Board may assess damage charges against an Owner for pecuniary loss to the Association from property damage or destruction of Common Area or any facilities caused by the Owner, Resident, or their guests, agents, or invitees. The Manager will have authority to send notices to alleged violators, informing them of their violations and asking them to comply with the Rules and/or informing them of potential or probable fines or damage assessments. The Board may from time to time adopt a schedule of fines.

8.12.2 **Lien Created.** The payment of each fine and/or damage charge levied by the Board against the Owner of a Lot is, together with interest as provided in *Section 8.9* hereof and all costs of collection, including attorney's fees as herein provided, secured by the lien granted to the Association pursuant to *Section 8.1.2* of this Declaration. Unless otherwise provided in this *Section 8.12*, the fine and/or damage charge will be considered an Assessment for the purpose of this Article, and will be enforced in accordance with the terms and provisions governing the enforcement of assessments pursuant to this *Article 8*.

8.13. Collection of Master Association Assessments Levied Pursuant to Master Declaration. Unless the Master Association elects otherwise, the Association will collect from each Owner the allocated share attributable to such Owner's Lot of Master Association Assessments. The Master Association Assessments shall be paid by each Owner of a Lot together with the Regular Assessment levied hereunder by the Association. If, for any reason, the Association fails to collect the Master Association Assessments in conjunction with Regular Assessments, then the Association shall collect the Master Association Assessments from each Owner, and remit the Master Association Assessments to the Master Association in such manner as the Master Association may deem proper; provided, however, that, in any event, each Master Association Assessment will be remitted to the Master Association prior to the time when payment thereof is required by the terms and provisions of the Master Declaration.

ARTICLE 9 MAINTENANCE AND REPAIR OBLIGATIONS

9.1. Overview. Generally, the Association maintains the Common Area, and the Owner maintains his Lot and the Structure and Dwelling located thereon. If any Owner fails to maintain his Lot and the Structure and Dwelling located thereon, the Association may perform the work at the Owner's expense. This Declaration assigns portions of the Structures, Dwellings and Lots to the "**Area of Common Responsibility**", as defined and described below. The Area of Common Responsibility is maintained by the Association and not the Owner. On the date of this Declaration, the initial designation of components of Structures, Dwellings, and Lots included within the Area of Common Responsibility is attached hereto as Exhibit "B".

9.2. Association Maintains. The Association's maintenance obligations will be discharged when and how the Board deems appropriate. Unless otherwise provided in this Declaration, the Association maintains, repairs and replaces, as a common expense, the portions of the Property listed below, regardless of whether the portions are on an Owner's Lot:

- (i) the Common Area;
- (ii) the Area of Common Responsibility;
- (iii) any real and personal property owned by the Association not otherwise designated as a Common Area;
- (iv) any property adjacent to the Property if maintenance of same is deemed to be in the best interests of the Association, and if not prohibited by the owner or operator of said property; and

(v) any area, item, easement or service the maintenance of which is assigned to the Association by this Declaration or in accordance with any recorded plat of the Property.

The Association may be relieved of all or any portion of its maintenance responsibilities herein to the extent that: (i) such maintenance responsibility is assigned to an Owner under this Declaration; (ii) such maintenance responsibility is otherwise assumed by or assigned to an Owner; or (iii) such property is dedicated to any local, state or federal government or quasi-governmental entity; provided, however, that in connection with such assumption, assignment or dedication, the Association may reserve or assume the right or obligation to continue to perform all or any portion of its maintenance responsibilities, if the Board determines that such maintenance is necessary or desirable.

Subject to the maintenance responsibilities herein provided, any maintenance or repair performed on or to the Common Area by an Owner or Resident that is the responsibility of the Association hereunder shall be performed at the sole expense of such Owner or Resident and the Owner and Resident shall not be entitled to reimbursement from the Association even if the Association accepts the maintenance or repair.

The Association shall not be liable for injury or damage to person or property caused by the elements or by the Owner or Resident of any Lot or any other person or resulting from any utility, rain, snow or ice which may leak or flow from any portion of the Common Area or from any pipe, drain, conduit, appliance or equipment which the Association is responsible to maintain hereunder, except for injuries or damages arising after the Owner or Resident of a Lot has put the Association on written notice of a specific leak or flow from any portion of the Common Area and the Association has failed to exercise due care to correct the leak or flow within a reasonable time thereafter. The Association shall not be liable to any Owner or Resident of any Lot for loss or damage, by theft or otherwise, of any property, which may be stored in or upon any of the Common Area or any Lot. The Association shall not be liable to any Owner or Resident, for any damage or injury caused in whole or in part by the Association's failure to discharge its responsibilities under this Section where such damage or injury is not a foreseeable, natural result of the Association's failure to discharge its responsibilities. No diminution or abatement of Assessments shall be claimed or allowed by reason of any alleged failure of the Association to take some action or perform some function required to be taken or performed by the Association under this Declaration or for inconvenience or discomfort arising from the making of repairs or Improvements which are the responsibility of the Association or from any action taken by the Association to comply with any law ordinance or with any order or directive of any municipal or other governmental authority.

9.3. **Area of Common Responsibility.** The Association, acting through its members only, has the right but not the duty to designate, from time to time, portions of the Structure,

Dwelling, and Lot as an Area of Common Responsibility to be treated, maintained, repaired, and/or replaced by the Association as a common expense. A designation applies to every Lot having the identified feature. The cost of maintaining the Area of Common Responsibility is added to the annual budget and assessed uniformly against all Lots as a Regular Assessment, unless, after expiration of the Development Period, the Owners of at least a Majority of the Lots decide to assess the costs as Individual Assessments.

9.3.1 Easement. The Association is hereby granted an easement over and across each Structure, Lot and Dwelling to the extent reasonably necessary or convenient for the Association or its designee to maintain, repair and/or replace the Area of Common Responsibility. Unless otherwise agreed to by the Owner of the Lot to be accessed, access to the Area of Common Responsibility is limited to Monday through Friday, between the hours of 7 a.m. until 6 p.m., and then only in conjunction with actual maintenance activities. If the Association damages any Improvements located within a Structure, Lot or Dwelling in exercising the easement granted hereunder, the Association will be required to restore such Improvements to the condition which existed prior to any such damage, at the Association's expense, within a reasonable period of time not to exceed thirty (30) days after the date the Association is notified in writing of the damage by the Owner of the damaged Improvements.

9.3.2 Change in Designation. The Association may, from time to time, include additional components of Structures, Lots and Dwellings within the Area of Common Responsibility; however, unless otherwise approved by the Declarant during the Development Period, in no event may the Association at any time remove from the Area of Common Responsibility components of Structures, Lots or Dwellings previously designated as an Area of Common Responsibility under this Declaration. During the Development Period, any modification to the Area of Common Responsibility must also be approved by the Declarant. After expiration or termination of the Development Period, any modification must be approved by the Owners of two-thirds of the votes in the Association. During the Development Period, the Area of Common Responsibility may be modified or amended by the Declarant, acting alone. Any modification or amendment to the Area of Common Responsibility must be recorded in the Official Public Records of Dallas County, Texas.

9.4. Inspection Obligations.

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

9.4.2 Schedule of Inspections. Such inspections shall take place at least once every three (3) years. The inspectors shall provide written reports of their inspections to the Association promptly following completion thereof. The written reports shall identify any items of maintenance or repair that either require current action by the Association or will need further review and analysis. The Board shall report the contents of such written reports to the Members of the Association at the next meeting of the Members following receipt of such written reports or as soon thereafter as reasonably practicable and shall include such written reports in the minutes of the Association. Subject to the provisions of the Declaration below, the Board shall promptly cause all matters identified as requiring attention to be maintained, repaired, or otherwise pursued in accordance with prudent business practices and the recommendations of the inspectors.

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

9.5. Owner Responsibility. This Declaration contemplates that the Association will maintain some significant components of the Structures, Dwellings and Lots. Every Owner is responsible for the maintenance, repair and replacement of all Improvements located on such Owner's Lot, unless such Improvements are maintained by the Association as an Area of Common Responsibility. Every Owner has the following responsibilities and obligations for the maintenance, repair and replacement of their Lot:

(i) to maintain, repair, and replace the Structure and Dwelling located on the Owner's Lot and any Improvements which exclusively serve such Owner's Lot, except for the Area of Common Responsibility;

(ii) to not do any work or fail to do any work which, in the reasonable opinion of the Board, would materially jeopardize the soundness and safety of the Property, reduce the value thereof, or impair any easement or real property right thereto;

(iii) to be responsible for his own willful or negligent acts and those of his or the Resident's family, guests, agents, employees, or contractors when those acts necessitate maintenance, repair, or replacement of Common Area or the property of another Owner, or any component of the Property for which the Association has maintenance and/or insurance responsibility;

(iv) to perform his or her responsibilities in such a manner so as not to unreasonably disturb other Owners and Residents;

(v) to promptly report to the Association or its agent any defect or need for repairs for which the Association is responsible;

(vi) to pay for the cost of repairing, replacing or cleaning up any item that is the responsibility of the Owner but which responsibility such Owner fails or refuses to discharge (which the Association shall have the right, but not the obligation, to do), or to pay for the cost of repairing, replacing, or cleaning up any item which, although the responsibility of the Association, is necessitated by reason of the willful or negligent act of the Owner, his or her family, tenants or guests, with the cost thereof to be added to and to become part of the Owner's next chargeable Assessment.

SEE EXHIBIT "B"
IF IT'S NOT AN AREA OF COMMON RESPONSIBILITY, THEN IT'S THE OWNER'S INDIVIDUAL RESPONSIBILITY.

9.6. Yard Maintenance. As set forth on the Designation of Area of Common Responsibility and Maintenance Chart, attached as Exhibit "B", the Association is obligated to maintain, as an Area of Common Responsibility, all yard areas within a Lot, including yard areas enclosed or bounded by a fence. All yards must be maintained at a level, to a standard, and with an appearance that is commensurate with the neighborhood. Specifically, the Association must:

- (i) maintain an attractive ground cover or lawn on all yards visible from a street;
- (ii) edge the street curbs and sidewalks at regular intervals;
- (iii) mow the lawns and grounds at regular intervals; and
- (iv) prevent lawn weeds or grass from exceeding 6 inches in height;

9.7. Disputes. If a dispute arises regarding the allocation of maintenance responsibilities by this Declaration, the dispute will be resolved by the Board, who shall delegate such maintenance responsibility to either the Association or the individual Owner(s), as determined by the Board in its sole and absolute discretion.

**ARTICLE 10
INSURANCE**

10.1. Insurance-Association. The Association shall comply with the following insurance requirements:

10.1.1 The Association will insure the Common Area, and property owned by the Association including, if any, records, furniture, fixtures, equipment, and supplies. The Association will maintain a commercial general liability insurance policy covering the Common Area for bodily injury and property damage. The Association may maintain blanket fidelity coverage for any person who handles or is responsible for funds held or administered by the Association, whether or not the person is paid for his services. The Association may maintain directors and officer's liability insurance, errors and omissions insurance, indemnity bonds, or other insurance the Board deems advisable to insure the Association's directors, officers, committee members, and managers against liability for an act or omission in carrying out their duties in those capacities. The Association may maintain any insurance policies and bonds deemed by the Board to be necessary or desirable for the benefit of the Association.

10.1.2 The Association shall obtain property insurance on the Dwellings and Structures insuring against all risks of physical loss commonly insured against, including fire and extended coverage, in a total amount sufficient to reconstruct the components of the Dwellings and Structures to the quality and condition of the typical Dwelling or Structure located on the Property, as originally constructed, and as modified over time by changes in replacement materials and systems that are customary for the market and area (the "**Building Standard**"). In the event of a dispute regarding the Building Standard, the Board's determination shall be binding and conclusive. Such coverage will include the following components:

- (i) All structural components of the Structure, such as load bearing walls, and roof trusses. The Association is not obligated to insure Structure foundations.
- (ii) The exterior components of the Structure, such as the roof and roof stacks; exterior walls, windows, and doors.
- (iii) The Party Walls of the Structure, from and including the unfinished sheetrock on one side of the Party Wall, to and including unfinished sheetrock on the other side of the Party Wall.
- (iv) Utility systems and equipment serving the Structure and Dwellings, including electric wiring, ducts, and vents.

(v) The structural components of the floor/ceiling assemblies that partition the Dwelling into levels or floors, including stairs connecting the floors.

10.1.3 Insurance policies carried pursuant to this Section, and to the extent available, must also provide that:

(i) Each Owner is an insured person under the policy with respect to liability arising out of the person's membership in the Association;

(ii) The insurer waives its right to subrogation under the policy against an Owner;

(iii) No action or omission of an Owner, unless within the scope of the Owner's authority on behalf of the Association, will void the policy or be a condition to recovery under the policy;

(iv) If, at the time of a loss under the policy, there is other insurance in the name of an Owner covering the same property covered by the policy, the Association's policy provides primary insurance.

10.1.4 A claim for any loss covered by the insurance required by this *Section 10.1* must be submitted by and adjusted with the Association. Each Owner irrevocably appoints the Association, acting through its Board, as his trustee to negotiate, receive, administer, and distribute the proceeds of any claim against an insurance policy maintained by the Association. The Association shall hold insurance proceeds in trust for the Owners and lienholders as their interests may appear. Subject to *Section 10.1.7*, the proceeds paid under a policy must be disbursed first for the repair or restoration of the damaged Dwellings and Structures, and Owners and lienholders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the Dwellings and Structures have been repaired or restored to the Building Standard.

10.1.5 An insurance policy issued to the Association does not prevent an Owner from obtaining insurance for the Owner's own benefit.

10.1.6 The insurer issuing the policy may not cancel or refuse to renew it less than thirty (30) days after written notice of the proposed cancellation or nonrenewal has been mailed to the Association.

10.1.7 Except as provided by this section, any damaged or destroyed component of a Dwelling or Structure insured by the Association that is damaged or destroyed shall be promptly repaired or replaced (to the Building Standard) by the Association unless

replacement would be illegal under any Applicable Law. The cost of repair or replacement in excess of the insurance proceeds shall be a common expense of the Association, and the Board may levy an Assessment to pay the excess costs or expenses in accordance with *Article 8*. Any insurance proceeds attributable to a damaged Dwelling or Structure shall be used to restore the damaged Dwelling or Structure to the Building Standard. If a Dwelling or Structure is not repaired or replaced, the insurance proceeds attributable to the Dwelling or Structure that is not rebuilt shall be distributed to the Owners of that Dwelling, or to their mortgagees, as their interests may appear.

10.1.8 The decision to repair or replace damaged Common Area shall be made by the Board, in its sole and absolute discretion, subject to the approval of the Declarant until expiration or termination of the Development Period.

10.1.9 Even if the Association and the Owners have adequate amounts of recommended and required coverage, the Property may experience a loss that is not covered by insurance. In such event, the Association is responsible for restoring the Common Area as a common expense of the Association, and the Owner is responsible for restoring the Owner's Dwelling or Structure.

10.1.10 The Association, the Board, and the Association's officers and managers, will not be liable for failure to obtain any coverage required by this Article or for any loss or damage resulting from such failure if the failure is due to the unavailability of a particular coverage from reputable insurance companies, or if the coverage is available only at demonstrably unreasonable cost.

10.2. Insurance-Owner. The Association does not insure an Owner or Resident's personal property or any components of the Dwelling or Structure not expressly set forth in *Section 10.1.2* above. Each Owner and Resident is solely responsible for insuring any components of such Owner's Dwelling not insured by the Association and personal property in the Owner's Dwelling and on the Lot, including furnishings, vehicles, and stored items. THE ASSOCIATION STRONGLY RECOMMENDS THAT EACH OWNER AND RESIDENT PURCHASE AND MAINTAIN INSURANCE IN ACCORDANCE WITH THIS PARAGRAPH.

10.2.1 The Owner of a Townhome is encouraged to procure insurance covering the portions of the Townhome not insured by the Association, including coverage for the following components:

- (i) Countertops, cabinets, fur downs, interior doors, and fixtures within the Dwelling.
- (ii) The Dwelling foundation.

- (iii) Patios, balconies, and decks.
- (iv) Finish materials on walls, floors, and ceilings, such as carpet, paint, tile, mirrors, and wallpaper.
- (v) Lighting fixtures, tub enclosures, and decorative hardware.
- (vi) Appliances, plumbing fixtures, water heaters, and air conditioning and heating equipment.
- (vii) Personal property within the Dwelling or Lot.

10.2.2 The Owner of a Townhome is also encouraged to obtain general liability insurance covering the Owner's Lot for bodily injury and property damage. Notwithstanding the foregoing, the Board may establish additional minimum insurance requirements, including types and minimum amounts of coverage, to be individually obtained and maintained by Owners if the insurance is deemed necessary or desirable by the Board to reduce potential risks to the Association or other Owners or to meet the guidelines or requirements of a mortgagee or underwriting lender.

10.3. Owner's Liability For Insurance Deductible. If repair or restoration of a Dwelling, Structure, Common Area or any Improvement thereon is required as a result of an insured loss, the Board may levy an Individual Assessment, in the amount of the insurance deductible, against the Owner or Owners who would be responsible for the cost of the repair or reconstruction in the absence of insurance. Notwithstanding the foregoing, if the Board reasonably determines that the loss is the result of the negligence or willful misconduct of an Owner, then the Board may levy an Individual Assessment against the Owner and his Lot for the amount of the deductible that is attributable to the act or omission.

ARTICLE 11 ARCHITECTURAL REVIEWER

11.1. Purpose. This Declaration creates rights to regulate the design, use, and appearance of all Improvements.

11.2. Architectural Control By Declarant. During the Development Period, neither the Association, the Board, nor a committee appointed by the Association or Board (no matter how the committee is named) may involve itself with the approval of any Improvements. Until expiration or termination of the Development Period, the Architectural Reviewer for Improvements is Declarant or its designee.

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

11.2.2 Delegation by Declarant. During the Development Period, Declarant may from time to time, but is not obligated to, delegate a portion of its reserved rights under this Article to an architectural control committee appointed by the Board or a committee comprised of architects, engineers, or other persons who may or may not be members of the Association. Any such delegation must be in writing and must specify the scope of delegated responsibilities. Any such delegation is at all times subject to the unilateral rights of Declarant to: (i) revoke such delegation at any time and reassume jurisdiction over the matters previously delegated; and (ii) to veto any decision which Declarant in its sole discretion determines to be inappropriate or inadvisable for any reason.

11.3. Architectural Control by Association. Unless and until such time as Declarant delegates all or a portion of its reserved rights to the Board, or the Development Period is terminated or expires, the Association has no jurisdiction over architectural matters. On termination or expiration of the Development Period, or earlier if delegated in writing by Declarant, the Association, acting through an architectural control committee (the "ACC") will assume jurisdiction over architectural control and will have the powers of the Architectural Reviewer hereunder.

11.3.1 ACC. The ACC will consist of at least three (3) but not more than seven (7) persons appointed by the Board. Members of the ACC serve at the pleasure of the Board and may be removed and replaced at the Board's discretion. At the Board's option, the Board may act as the ACC, in which case all references in the Restrictions to the ACC will be construed to mean the Board. Members of the ACC need not be Owners or Residents, and may but need not include architects, engineers, and design professionals whose compensation, if any, may be established from time to time by the Board.

11.3.2 Limits on Liability. The ACC has sole discretion with respect to taste, design, and all standards specified by this Article. The members of the ACC have no

liability for the ACC's decisions made in good faith, and which are not arbitrary or capricious. The ACC is not responsible for: (i) errors in or omissions from the plans and specifications submitted to the ACC; (ii) supervising construction for the Owner's compliance with approved plans and specifications; or (iii) the compliance of the Owner's plans and specifications with governmental codes and ordinances, state and federal laws.

11.4. Prohibition of Construction, Alteration and Improvement. No Improvement, or any addition, alteration, installation, modification, redecoration, or reconstruction thereof may occur unless approved in advance by the Architectural Reviewer. The Architectural Reviewer has the right but not the duty to evaluate every aspect of construction, landscaping, and property use that may adversely affect the general value or appearance of the Property. Notwithstanding the foregoing, each Owner will have the right to modify, alter, repair, decorate, redecorate, or improve the interior of their Dwelling, provided that such action is not visible from any other portion of the Property.

11.5. Architectural Approval.

11.5.1 Submission and Approval of Plans and Specifications. Construction plans and specifications will be submitted in accordance with procedural rules established from time to time by the Architectural Reviewer together with any review fee which is imposed by the Architectural Reviewer. No Improvement will be placed or allowed on any Lot until the plans and specifications have been approved in writing by the Architectural Reviewer. The Architectural Reviewer may, in reviewing such plans and specifications consider any information that it deems proper including, but not limited to, the harmony of external design and location in relation to surrounding structures. The Architectural Reviewer may postpone its review of any plans and specifications submitted for approval pending receipt of any information or material which the Architectural Reviewer, in its sole discretion, may require. The Architectural Reviewer may refuse to approve plans and specifications for proposed Improvements on any grounds that, in the sole and absolute discretion of the Architectural Reviewer, are deemed sufficient, including, but not limited to, purely aesthetic grounds.

Notwithstanding any provision to the contrary in this Declaration, the Architectural Reviewer may issue an approval to Homebuilders for the construction of Improvements based on the review and approval of plan types and adopt a procedure which differs from the procedures for review and approval of Improvements set forth in this Declaration.

11.5.2 Failure to Act. In the event that any plans and specifications are submitted to the Architectural Reviewer as provided herein, and the Architectural Reviewer fails to either approve or reject such plans and specifications for a period of

sixty (60) days following such submission, the plans and specifications will be deemed disapproved.

11.5.3 Variances. The Architectural Reviewer may grant variances from compliance with any of the provisions of Restrictions when, in the opinion of the Architectural Reviewer, in its sole and absolute discretion, such variance is justified. All variances must be evidenced in writing and, if Declarant has assigned its rights to the ACC, must be approved by at least a Majority of the members of the ACC. Each variance must also be recorded in the Official Public Records of Dallas County, Texas; provided, however, that failure to record a variance will not affect the validity thereof or give rise to any claim or cause of action against the Architectural Reviewer, Declarant, the Board or the ACC. If a variance is granted, no violation of the Restrictions will be deemed to have occurred with respect to the matter for which the variance was granted. The granting of such variance will not operate to waive or amend any of the terms and provisions of the Restrictions for any purpose except as to the particular property and in the particular instance covered by the variance, and such variance will not be considered to establish a precedent for any future waiver, modification, or amendment of the terms and provisions of the Restrictions.

11.5.4 Duration of Approval. The approval of the Architectural Reviewer of any final plans and specifications, and any variances granted by the Architectural Reviewer will be valid for a period of one hundred and twenty (120) days only. If construction in accordance with such plans and specifications or variance is not commenced within such one hundred and twenty (120) day period and diligently prosecuted to completion thereafter, the Owner will be required to resubmit such final plans and specifications or request for a variance to the Architectural Reviewer, and the Architectural Reviewer will have the authority to re-evaluate such plans and specifications in accordance with this Section 11.5.4 and may, in addition, consider any change in circumstances which may have occurred since the time of the original approval.

11.5.5 No Waiver of Future Approvals. The approval of the Architectural Reviewer to any plans or specifications for any work done or proposed in connection with any matter requiring the approval or consent of the Architectural Reviewer will not be deemed to constitute a waiver of any right to withhold approval or consent as to any plans and specifications on any other matter, subsequently or additionally submitted for approval by the same or a different person, nor will such approval or consent be deemed to establish a precedent for future approvals by the Architectural Reviewer.

11.5.6 Non-Liability of Architectural Reviewer. THE ARCHITECTURAL REVIEWER WILL NOT BE LIABLE TO ANY OWNER OR TO ANY OTHER PERSON FOR ANY LOSS, DAMAGE OR INJURY ARISING OUT OF THE PERFORMANCE OF THE ARCHITECTURAL REVIEWER'S DUTIES UNDER THIS DECLARATION,

UNLESS SUCH LOSS, DAMAGE, OR INJURY IS DUE TO THE WILLFUL MISCONDUCT OR BAD FAITH OF THE ARCHITECTURAL REVIEWER OR ONE OR MORE INDIVIDUALS ACTING ON ITS BEHALF, AS THE CASE MAY BE.

11.6. **Approval under the Master Declaration.** The provisions for architectural control contained in this Declaration shall be in addition to, and not in lieu of, the architectural control provisions contained in the Master Declaration. Whenever approval of the Architectural Reviewer is required pursuant to this Declaration, the granting of such approval shall not dispense with the need also to comply with the approval procedures set forth in the Master Declaration. All proposed construction, modifications, alterations, and Improvements shall be approved pursuant to this Declaration before being submitted for approval pursuant to the Master Declaration.

ARTICLE 12 MORTGAGE PROVISIONS

The following provisions are for the benefit of holders, insurers and guarantors of first Mortgages on Lots within the Property.

12.1. **Notice of Action.** An institutional holder, insurer, or guarantor of a first Mortgage which provides a written request to the Association (such request to state the name and address of such holder, insurer, or guarantor and the street address of the Lot to which its Mortgage relates (thereby becoming an "Eligible Mortgage Holder"), will be entitled to timely written notice of:

(i) Any condemnation loss or any casualty loss which affects a material portion of the Property or which affects any Lot on which there is an eligible Mortgage held, insured, or guaranteed by such Eligible Mortgage Holder; or

(ii) Any delinquency in the payment of Assessments or charges owed for a Lot subject to the Mortgage of such Eligible Mortgage Holder, where such delinquency has continued for a period of sixty (60) days, or any other violation of the Restrictions relating to such Lot or the Owner or Resident which is not cured within sixty (60) days; or

(iii) Any lapse, cancellation, or material modification of any insurance policy maintained by the Association.

12.2. **Examination of Books.** The Association will permit Mortgagees to examine the books and records of the Association during normal business hours.

12.3. Taxes, Assessments and Charges. All taxes, Assessments and charges that may become liens prior to first lien mortgages under Applicable Law will relate only to the individual Lots and not to any other portion of the Property.

ARTICLE 13 GENERAL PROVISIONS

13.1. Term. The terms, covenants, conditions, restrictions, easements, charges, and liens set out in this Declaration will run with and bind the Property, and will inure to the benefit of and be enforceable by the Association, and every Owner, including Declarant, and their respective legal representatives, heirs, successors, and assigns, for a term beginning on the date this Declaration is Recorded, and continuing through and including January 1, 2057, after which time this Declaration will be automatically extended for successive periods of ten (10) years unless a change (the word "change" meaning a termination, or change of term or renewal term) is approved in a resolution adopted by Members entitled to cast at least sixty-seven percent (67%) of the total number of votes of the Association, voting in person or by proxy at a meeting duly called for such purpose, written notice of which will be given to all Members at least thirty (30) days in advance and will set forth the purpose of such meeting; provided, however, that such change will be effective only upon the Recording of a certified copy of such resolution. Notwithstanding any provision in this *Section 13.1* to the contrary, if any provision of this Declaration would be unlawful, void, or voidable by reason of Applicable Law restricting the period of time that covenants on land may be enforced, such provision will expire (twenty one) 21 years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

13.2. Eminent Domain. In the event it becomes necessary for any public authority to acquire all or any part of the Common Area for any public purpose during the period this Declaration is in effect, the Board is hereby authorized to negotiate with such public authority for such acquisition and to execute instruments necessary for that purpose. Should acquisitions by eminent domain become necessary, only the Board need be made a party, and in any event the proceeds received will be held by the Association for the benefit of the Owners. In the event any proceeds attributable to acquisition of Common Area are paid to Owners, such payments will be allocated on the basis of Assessment Units and paid jointly to the Owners and the holders of Mortgages or deeds of trust on the respective Lot.

13.3. Amendment. This Declaration may be amended or terminated by the Recording, of an instrument executed and acknowledged by: (a) Declarant acting alone and unilaterally; or (b) by the president and secretary of the Association setting forth the amendment and certifying that such amendment has been approved by Declarant until expiration or termination of the Development Period and Members entitled to cast at least sixty-seven percent (67%) of the number of votes entitled to be cast by members of the Association. No amendment will be effective without the written consent of Declarant, its

successors or assigns during the Development Period. Specifically, and not by way of limitation, Declarant may unilaterally amend this Declaration: (i) to bring any provision into compliance with Applicable Law; (ii) to enable any reputable title insurance company to issue title insurance coverage on any Lot; (iii) to enable any institutional or governmental lender, purchaser, insurer or guarantor of mortgage loans, including, for example, the Federal Home Loan Mortgage Corporation, to make, purchase, insure or guarantee mortgage loans on Lots; or (iv) to comply with any requirements promulgated by a local, state or governmental agency, including, for example, the Department of Housing and Urban Development.

13.4. Roadway and Utility Easements. Declarant reserves the right to create, locate, relocate, construct, erect, and maintain or cause to be located, relocated, constructed, erected, and maintained in and on any streets maintained by the Association, or areas conveyed to the Association, or areas reserved or held as Common Area, roadways, sewer lines, water lines, electrical lines and conduits, and other pipelines, conduits, wires, and any public utility function beneath or above the surface of the ground with the right of access to the same at any time for the purposes of repair and maintenance.

13.5. Enforcement. The Association and the Declarant will have the right to enforce, by a proceeding at law or in equity, the Restrictions. Failure to enforce any right, provision, covenant, or condition set forth in the Restrictions will not constitute a waiver of the right to enforce such right, provision, covenants or condition in the future.

13.6. Higher Authority. The terms and provisions of this Declaration are subordinate to Applicable Law. Generally, the terms and provisions of this Declaration are enforceable to the extent they do not violate or conflict with Applicable Law.

13.7. Severability. If any provision of this Declaration is held to be invalid by any court of competent jurisdiction, such invalidity will not affect the validity of any other provision of this Declaration, or, to the extent permitted by Applicable Law, the validity of such provision as applied to any other person or entity.

13.8. Conflicts. If there is any conflict between the provisions of this Declaration, the Certificate, the Bylaws, or the Rules, the provisions of this Declaration, the Certificate, the Bylaws, and the Rules, in such order, will govern.

13.9. Gender. Whenever the context so requires, all words herein in the male gender will be deemed to include the female or neuter gender, all singular words will include the plural, and all plural words will include the singular.

13.10. Notices. Any notice permitted or required to be given to any person by this Declaration will be in writing and may be delivered either personally or by mail. If delivery is made by mail, it will be deemed to have been delivered on the third (3rd) day (other than a

Sunday or legal holiday) after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to the person at the address given by such person to the Association for the purpose of service of notices. Such address may be changed from time to time by notice in writing given by such person to the Association.

ARTICLE 14 DEVELOPMENT EASEMENTS

14.1. Subdivision Entry and Fencing Easement. Declarant reserves for itself and the Association, an easement over and across the Property and any Common Area for the installation, maintenance, repair or replacement of subdivision entry facilities and fencing, including perimeter fencing, which serves the Property, the Common Area or any other property owned by the Declarant. Declarant will have the right, from time to time, to Record a written notice which identifies the subdivision entry facilities to which the easement reserved hereunder applies. Declarant may designate all or any portion of the subdivision entry facilities and/or fencing as Common Area by written notice recorded in the Official Public Records of Dallas County, Texas. The exercise of the easements reserved hereunder will not extend to permitting entry into any residence, nor will it unreasonably interfere with the use of any Lot or Dwelling.

14.2. Landscape and Monument Sign Easement. Declarant hereby reserves for itself and the Association, an easement over and across the Property and any Common Area for the installation, maintenance, repair or replacement of signs, landscaping, and/or monument signs which serve the Property, the Common Area or any other property owned by the Declarant. Declarant will have the right, from time to time, to Record a written notice which identifies those portions of the Property, Common Area or property owned by the Declarant to which the easement reserved hereunder applies. Declarant may designate the easement areas reserved hereunder as Common Area. The exercise of the easements reserved hereunder will not extend to permitting entry into any residence, nor will it unreasonably interfere with the use of any Lot or Dwelling.

ARTICLE 15 DEVELOPMENT RIGHTS

15.1. Development by Declarant. It is contemplated that the Property will be developed pursuant to a coordinated plan, which may, from time to time, be amended or modified. Declarant reserves the right, but will not be obligated, to pursue the development, construction and marketing of the Property, the right to direct the size, shape, and composition of the Property, the right to create and/or designate additional Lots and Common Area and to subdivide any of the Property pursuant to the terms of this *Section 15.1*, subject to any limitations imposed on portions of the Property by any applicable Plat. These rights may be exercised with respect to any portions of the Property. As each area is developed or dedicated,

Declarant may designate the use, classification and such additional covenants, conditions and restrictions as Declarant may deem appropriate for that area.

15.2. Special Declarant Rights. Notwithstanding any provision of this Declaration to the contrary, at all times, Declarant will have the right and privilege: (i) to erect and maintain advertising signs (illuminated or non-illuminated), sales flags, other sales devices and banners for the purpose of aiding the sale of Lots in the Property; (ii) to maintain Improvements upon Lots as sales, model, management, business and construction offices; and (iii) to maintain and locate construction trailers and construction tools and equipment within the Property and the Common Area. The construction, placement or maintenance of Improvements by Declarant will not be considered a nuisance, and Declarant hereby reserves the right and privilege for itself to conduct the activities enumerated in this *Section 15.2* until two (2) years after expiration or termination of the Development Period.

15.3. Addition of Land. Declarant may, at any time and from time to time, add additional lands to the Property. Upon the filing of a notice of addition of land, such land will be considered part of the Property for purposes of this Declaration, and such added lands will be considered part of the Property subject to this Declaration and the terms, covenants, conditions, restrictions and obligations set forth in this Declaration, and the rights, privileges, duties, and liabilities of the persons subject to this Declaration will be the same with respect to such added land as with respect to the lands originally covered by this Declaration. To add lands to the Property, Declarant will be required only to Record a notice of addition of land containing the following provisions:

(i) A reference to this Declaration, which reference will include the document number or volume and initial page number of the Official Public Records of Dallas County wherein this Declaration is Recorded;

(ii) A statement that such land will be considered Property for purposes of this Declaration, and that all of the terms, covenants, conditions, restrictions and obligations of this Declaration will apply to the added land; and

(iii) A legal description of the added land.

15.4. Withdrawal of Land. Declarant may, at any time and from time to time, reduce or withdraw from the Property, and remove and exclude from the burden of this Declaration and the jurisdiction of the Association any portions of the Property. Upon any such withdrawal and removal this Declaration and the covenants conditions, restrictions and obligations set forth herein will no longer apply to the portion of the Property withdrawn. To withdraw lands from the Property hereunder, Declarant will be required only to Record a notice of withdrawal of land containing the following provisions:

- (i) A reference to this Declaration, which reference will include the document number or volume and initial page number of the Official Public Records of Dallas County wherein this Declaration is recorded;
- (ii) A statement that the provisions of this Declaration will no longer apply to the withdrawn land; and
- (iii) A legal description of the withdrawn land.

15.5. **Notice of Plat Recordation.** Declarant may, at any time and from time to time, file a notice of plat recordation (a "Notice of Plat Recordation"). A Notice of Plat Recordation is Recorded for the purpose of more clearly identifying specific Lots subject to the terms and provisions of this Declaration after portions of the Property is made subject to a Plat. Unless otherwise provide in the Notice of Plat Recordation, portions of the Property included in the Plat identified in the Notice of Plat Recordation, but not shown as a residential Lot on such Plat, shall be automatically withdrawn from the terms and provisions of this Declaration (without the necessity of complying with the withdrawal provisions set forth in *Section 15.4*). Declarant shall have no obligation to Record a Notice of Plat Recordation and failure to Record a Notice of Plat Recordation shall in no event remove any portion of the Property from the terms and provisions of this Declaration.

15.6. **Assignment of Declarant's Rights.** Notwithstanding any provision in this Declaration to the contrary, Declarant may, by written instrument, assign, in whole or in part, any of its privileges, exemptions, rights and duties under this Declaration to any person or entity and may permit the participation, in whole, in part, exclusively, or non-exclusively, by any other person or entity in any of its privileges, exemptions, rights and duties hereunder.

ARTICLE 16 DISPUTE RESOLUTION

16.1. **Introduction and Definitions.** The Association, the Owners, Declarant, each Homebuilder, all persons subject to this Declaration, and any person not otherwise subject to this Declaration who agrees to submit to this Article (collectively, the "Parties") agree to encourage the amicable resolution of disputes involving the Property and to avoid the emotional and financial costs of litigation and arbitration if at all possible. Accordingly, each Party hereby covenants and agrees that this Article applies to all Claims as hereafter defined. This *Article 16* may only be amended with the prior written approval of the Declarant, the Association (acting through a Majority of the Board), and Owners holding 100% of the votes in the Association. As used in this Article only, the following words, when capitalized, have the following specified meanings:

16.1.1 "Claim" means:

(i) Claims relating to the rights and/or duties of Declarant, the Association, any managing agent engaged by the Declarant or the Association, or the Architectural Reviewer, or an Owner, under the Restrictions.

(ii) Claims relating to the acts or omissions of the Declarant or the Association during Declarant's control and administration of the Association, any claim asserted against the Architectural Reviewer, and any claims asserted against a the Board or a person serving as a Board member or officer of the Association, or the Architectural Reviewer.

(iii) Claims relating to the design or construction of the Dwellings, Common Area or any Improvement located within the Property, including any Area of Common Responsibility located on a Lot.

16.1.2 "**Claimant**" means any Party having a Claim against any other Party.

16.1.3 "**Respondent**" means any Party against which a Claim has been asserted by a Claimant.

16.2. Mandatory Procedures. Claimant may not initiate any proceeding before any administrative tribunal seeking redress of resolution of its Claim until Claimant has complied with the procedures of this Article. As provided in *Section 16.9* below, a Claim will be resolved by binding arbitration.

16.3. Claim Affecting Common Areas. In accordance with *Section 7.6* of this Declaration, the Association does not have the power or right to institute, defend, intervene in, settle, or compromise litigation or administrative proceedings: (i) in the name of or on behalf of any Lot Owner (whether one or more); or (ii) pertaining to a Claim, as defined in *Section 16.1.1* above, relating to the design or construction of Improvements on a Lot, including any Area of Common Responsibility located on a Lot. In the event the Association or a Lot Owner asserts a Claim related to the Common Areas, as a precondition to providing the Notice defined in *Section 16.5*, initiating the mandatory dispute resolution procedures set forth in this *Article 16*, or taking any other action to prosecute a Claim related to the Common Areas, the Association or a Lot Owner, as applicable, must:

16.3.1 Independent Report on the Condition of the Common Areas. Obtain an independent third-party report (the "**Common Area Report**") from a licensed professional engineer which: (i) identifies the Common Areas subject to the Claim including the present physical condition of the Common Areas; (ii) describes any modification, maintenance, or repairs to the Common Areas performed by the Lot Owner(s) and/or the Association; (iii) provides specific and detailed recommendations regarding remediation and/or repair of the Common Areas subject to the Claim. For the

purposes of this Section, an independent third-party report is a report obtained directly by the Association or a Lot Owner and paid for by the Association or a Lot Owner, as applicable, and not prepared by a person employed by or otherwise affiliated with the attorney or law firm that represents or will represent the Association or a Lot Owner in the Claim. As a precondition to providing the Notice described in *Section 16.5*, the Association or Lot Owner must provide at least ten (10) days prior written notice of the inspection to each party subject to a Claim which notice shall identify the independent third-party engaged to prepare the Common Area Report, the specific Common Areas to be inspected, and the date and time the inspection will occur. Each party subject to a Claim may attend the inspection, personally or through an agent. Upon completion, the Common Area Report shall be provided to each party subject to a Claim. In addition, before providing the Notice described in *Section 16.5*, the Association or the Lot Owner, as applicable, shall have permitted each party subject to a Claim the right, for a period of ninety (90) days, to inspect and correct, any condition identified in the Common Area Report.

16.3.2 Claim by the Association - Owner Meeting and Approval. If the Claim is prosecuted by the Association, obtain approval from Members holding sixty-seven percent (67%) of the votes in the Association to provide the Notice described in *Section 16.5*, initiate the mandatory dispute resolution procedures set forth in this *Article 16*, or take any other action to prosecute a Claim, which approval from Members must be obtained at a special meeting of Members called in accordance with the Bylaws. The notice of meeting required hereunder will be provided pursuant to the Bylaws but the notice must also include: (i) the nature of the Claim, the relief sought, the anticipated duration of prosecuting the Claim, and the likelihood of success; (ii) a copy of the Common Area Report; (iii) a copy of any proposed engagement letter, with the terms of such engagement between the Association and an attorney to be engaged by the Association to assert or provide assistance with the claim (the "**Engagement Letter**"); (iv) a description of the attorney fees, consultant fees, expert witness fees, and court costs, whether incurred by the Association directly or for which it may be liable if it is not the prevailing party or that the Association will be required, pursuant to the Engagement Letter or otherwise, to pay if the Association elects to not proceed with the Claim; (v) a summary of the steps previously taken, and proposed to be taken, to resolve the Claim; (vi) an estimate of the impact on the value of each Dwelling if the Claim is prosecuted and an estimate of the impact on the value of each Dwelling after resolution of the Claim; (vii) an estimate of the impact on the marketability of each Dwelling if the Claim is prosecuted and during prosecution of the Claim, and an estimate of the impact on the value of each Dwelling during and after resolution of the Claim; (viii) the manner in which the Association proposes to fund the cost of prosecuting the Claim; (ix) the impact on the finances of the Association, including the impact on present and projected reserves, in the event the Association is not the prevailing party. The notice required by

this paragraph must be prepared and signed by a person other than, and not employed by or otherwise affiliated with, the attorney or law firm that represents or will represent the Association or Lot Owner, as applicable, in the Claim. In the event Members approve providing the Notice described in *Section 16.5*, or taking any other action to prosecute a Claim, the Members holding a Majority of the votes in the Association, at a special meeting called in accordance with the Bylaws, may elect to discontinue prosecution or pursuit of the Claim.

16.4. Claim by Owners – Improvements on Lots. Notwithstanding anything contained herein to the contrary, in the event a warranty is provided to an Owner by the Declarant or a Homebuilder relating to the design or construction of any improvements located on a Lot, then this *Article 16* will only apply to the extent that this *Article 16* is more restrictive than such Owner's warranty, as determined in the sole discretion of the Declarant or Homebuilder providing such warranty, as applicable (if any). If a warranty has not been provided to an Owner relating to the design or construction of any improvements located on a Lot, then this *Article 16* will apply. If an Owner brings a Claim relating to the design or construction of any improvements located on a Lot (whether one or more), as a precondition to providing the Notice defined in *Section 16.5*, initiating the mandatory dispute resolution procedures set forth in this *Article 16*, or taking any other action to prosecute a Claim, the Owner must obtain an independent third-party report (the "**Owner Improvement Report**") from a licensed professional engineer which: (i) identifies the improvements subject to the Claim including the present physical condition of the improvements; (ii) describes any modification, maintenance, or repairs to the improvements performed by the Owner(s) and/or the Association; and (iii) provides specific and detailed recommendations regarding remediation and/or repair of the improvements subject to the Claim. For the purposes of this Section, an independent third-party report is a report obtained directly by the Owner and paid for by the Owner, and not prepared by a person employed by or otherwise affiliated with the attorney or law firm that represents or will represent the Owner in the Claim. As a precondition to providing the Notice described in *Section 16.5*, the Owner must provide at least ten (10) days prior written notice of the inspection, calculated from the date of receipt of such notice, to each party subject to a Claim which notice shall identify the independent third-party engaged to prepare the Owner Improvement Report, the specific improvements to be inspected, and the date and time the inspection will occur. Each party subject to a Claim may attend the inspection, personally or through an agent. Upon completion, the Owner Improvement Report shall be provided to each party subject to a Claim. In addition, before providing the Notice described in *Section 16.5*, the Owner shall have permitted each party subject to a Claim the right, for a period of ninety (90) days, to inspect and correct, any condition identified in the Owner Improvement Report.

16.5. Notice. Claimant must notify Respondent in writing of the Claim (the "**Notice**"), stating plainly and concisely: (i) the nature of the Claim, including date, time, location, persons

involved, and Respondent's role in the Claim; (ii) the basis of the Claim (i.e., the provision of the Restrictions or other authority out of which the Claim arises); (iii) what Claimant wants Respondent to do or not do to resolve the Claim; and (iv) that the Notice is given pursuant to this Section. For Claims governed by Chapter 27 of the Texas Property Code, the time period for negotiation in *Section 16.6* below, is equivalent to the sixty (60) day period under Section 27.004 of the Texas Property Code. If a Claim is subject to Chapter 27 of the Texas Property Code, the Claimant and Respondent are advised, in addition to compliance with *Section 16.6*, to comply with the terms and provisions of Section 27.004 during such sixty (60) day period. *Section 16.6* does not modify or extend the time period set forth in Section 27.004 of the Texas Property Code. Failure to comply with the time periods or actions specified in Section 27.004 could affect a Claim if the Claim is subject to Chapter 27 of the Texas Property Code. The one hundred and twenty (120) day period for mediation set forth in *Section 16.7* below, is intended to provide the Claimant and Respondent with sufficient time to resolve the Claim in the event resolution is not accomplished during negotiation. If the Claim is not resolved during negotiation, mediation pursuant to *Section 16.7* is required without regard to the monetary amount of the Claim.

If the Claimant is the Association, the Notice will also include: (a) a true and correct copy of the Common Area Report; (b) a copy of the Engagement Letter; (c) copies of all reports, studies, analyses, and recommendations obtained by the Association related to the Common Area which forms the basis of the Claim; (d) a true and correct copy of the special meeting notice provided to Members in accordance with *Section 16.3.2* above; and (e) reasonable and credible evidence confirming that Members holding sixty-seven percent (67%) of the votes in the Association approved providing the Notice. If the Claimant is not the Association and pertains to the Common Area, the Notice will also include a true and correct copy of the Common Area Report. If the Claimant is not the Association and pertains to Improvements on a Lot, the Notice will also include a true and correct copy of the Owner Improvement Report.

16.6. Negotiation. Claimant and Respondent will make every reasonable effort to meet in person to resolve the Claim by good faith negotiation. Within sixty (60) days after Respondent's receipt of the Notice, Respondent and Claimant will meet at a mutually acceptable place and time to discuss the Claim. If the Claim involves all or any portion of the Property, then at such meeting or at some other mutually-agreeable time, Respondent and Respondent's representatives will have full access to the Property that is subject to the Claim for the purposes of inspecting the Property. If Respondent elects to take corrective action, Claimant will provide Respondent and Respondent's representatives and agents with full access to the Property to take and complete corrective action.

16.7. Mediation. If the parties negotiate, but do not resolve the Claim through negotiation within one-hundred twenty (120) days from the date of the Notice (or within such other period as may be agreed on by the parties), Claimant will have thirty (30) additional days within which to submit the Claim to mediation under the auspices of a mediation center or

individual mediator on which the parties mutually agree. The mediator must have at least five (5) years of experience serving as a mediator and must have technical knowledge or expertise appropriate to the subject matter of the Claim. If Claimant does not submit the Claim to mediation within the 30-day period, Respondent will submit the Claim to mediation in accordance with this *Section 16.7*.

16.8. Termination Of Mediation. If the Parties do not settle the Claim within thirty (30) days after submission to mediation, or within a time deemed reasonable by the mediator, the mediator will issue a notice of termination of the mediation proceedings indicating that the Parties are at an impasse and the date that mediation was terminated. Thereafter, Claimant may file suit or initiate arbitration proceedings on the Claim, as appropriate and permitted by this Article.

16.9. Binding Arbitration-Claims. All Claims must be settled by binding arbitration. Claimant or Respondent may, by summary proceedings (e.g., a plea in abatement or motion to stay further proceedings), bring an action in court to compel arbitration of any Claim not referred to arbitration as required by this *Section 16.9*.

16.9.1 Governing Rules. If a Claim has not been resolved after mediation as required by *Section 16.7*, the Claim will be resolved by binding arbitration in accordance with the terms of this *Section 16.9* and the rules and procedures of the American Arbitration Association ("AAA") or, if the AAA is unable or unwilling to act as the arbitrator, then the arbitration shall be conducted by another neutral reputable arbitration service selected by Respondent in Dallas County, Texas. Regardless of what entity or person is acting as the arbitrator, the arbitration shall be conducted in accordance with the AAA's "Construction Industry Dispute Resolution Procedures" and, if they apply to the disagreement, the rules contained in the Supplementary Procedures for Consumer-Related Disputes. If such Rules have changed or been renamed by the time a disagreement arises, then the successor rules will apply. Also, despite the choice of rules governing the arbitration of any Claim, if the AAA has, by the time of Claim, identified different rules that would specifically apply to the Claim, then those rules will apply instead of the rules identified above. In the event of any inconsistency between any such applicable rules and this *Section 16.9*, this *Section 16.9* will control. Judgment upon the award rendered by the arbitrator shall be binding and not subject to appeal, but may be reduced to judgment in any court having jurisdiction. Notwithstanding any provision to the contrary or any applicable rules for arbitration, any arbitration with respect to Claims arising hereunder shall be conducted by a panel of three (3) arbitrators, to be chosen as follows:

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

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

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

16.9.2 Exceptions to Arbitration; Preservation of Remedies. No provision of, nor the exercise of any rights under, this *Section 16.9* will limit the right of Claimant or Respondent, and Claimant and the Respondent will have the right during any Claim, to seek, use, and employ ancillary or preliminary remedies, judicial or otherwise, for the purposes of realizing upon, preserving, or protecting upon any property, real or personal, that is involved in a Claim, including, without limitation, rights and remedies relating to: (i) exercising self-help remedies (including set-off rights); or (ii) obtaining provisions or ancillary remedies such as injunctive relief, sequestration, attachment, garnishment, or the appointment of a receiver from a court having jurisdiction before, during, or after the pendency of any arbitration. The institution and maintenance of an action for judicial relief or pursuit of provisional or ancillary remedies or exercise of self-help remedies shall not constitute a waiver of the right of any party to submit the Claim to arbitration nor render inapplicable the compulsory arbitration provisions hereof.

16.9.3 Statute of Limitations. All statutes of limitation that would otherwise be applicable shall apply to any arbitration proceeding under this *Section 16.9*.

16.9.4 Scope of Award; Modification or Vacation of Award. The arbitrator shall resolve all Claims in accordance with the applicable substantive law. The arbitrator may grant any remedy or relief that the arbitrator deems just and equitable and within the scope of this *Section 16.9* and subject to *Section 16.10* below (attorney's fees and costs may not be awarded by the arbitrator); provided, however, that for a Claim, or any portion of a Claim governed by Chapter 27 of the Texas Property Code, or any successor statute, in no event shall the arbitrator award damages which exceed the damages a Claimant would be entitled to under Chapter 27 of the Texas Property Code. In all arbitration proceedings the arbitrator shall make specific, written findings of fact and conclusions of law. In all arbitration proceedings the parties shall have the right to seek vacation or modification of any award that is based in whole, or in part, on (i) factual findings that have no legally or factually sufficient evidence, as those terms are defined in Texas law; (ii) conclusions of law that are erroneous; (iii) an error of federal or state law; or (iv) a cause of action or remedy not expressly provided under existing state or federal law. In no event may an arbitrator award speculative, consequential, or punitive damages for any Claim.

16.9.5 Other Matters. To the maximum extent practicable, an arbitration proceeding hereunder shall be concluded within one hundred and eighty (180) days of the filing of the Claim for arbitration by notice from either party to the other. Arbitration proceedings hereunder shall be conducted in Dallas County, Texas. The arbitrator shall be empowered to impose sanctions and to take such other actions as the arbitrator deems necessary to the same extent a judge could pursuant to the Federal Rules of Civil Procedure, the Texas Rules of Civil Procedure and Applicable Law. Each party agrees to keep all Claims and arbitration proceedings strictly confidential, except for disclosures of information required in the ordinary course of business of the parties or by Applicable Law or regulation. In no event shall any party discuss with the news media or grant any interviews with the news media regarding a Claim or issue any press release regarding any Claim without the written consent of the other parties to the Claim.

16.10. Allocation Of Costs. Notwithstanding any provision in this Declaration to the contrary, each Party bears all of its own costs incurred prior to and during the proceedings described in the Notice, Negotiation, Mediation, and Arbitration sections above, including its attorney's fees. Respondent and Claimant will equally divide all expenses and fees charged by the mediator and arbitrator.

16.11. General Provisions. A release or discharge of Respondent from liability to Claimant on account of the Claim does not release Respondent from liability to persons who are not party to Claimant's Claim.

16.12. Period of Limitation.

16.12.1 For Actions by an Owner or Resident of a Dwelling. The exclusive period of limitation for any of the Parties to bring any Claim, including, but not limited to, a Claim of construction defect or defective design of a Dwelling, shall be the earliest of: (i) for Claims alleging construction defect or defective design, two (2) years and one (1) day from the date that the Owner or Resident discovered or reasonably should have discovered evidence of the Claim; (ii) for Claims other than those alleging construction defect or defective design, four (4) years and one (1) day from the date that the Owner or Resident discovered or reasonably should have discovered evidence of the Claim; or (iii) for all Claims, the applicable statute of limitations under Texas law. In no event shall this *Section 16.12.1* be interpreted to extend any period of limitations under Texas law.

16.12.2 For Actions by the Association. The exclusive period of limitation for the Association to bring any Claim, including, but not limited to, a Claim of construction defect or defective design of the Common Areas, shall be the earliest of: (i) for Claims alleging construction defect or defective design, two (2) years and one (1) day from the date that the Association or its agents discovered or reasonably should have discovered

evidence of the Claim; (ii) for Claims other than those alleging construction defect or defective design of the Common Areas, four (4) years and one (1) day from the date that the Association discovered or reasonably should have discovered evidence of the Claim; or (iii) for all Claims, the applicable statute of limitations under Texas law. In no event shall this *Section 16.12.2* be interpreted to extend any period of limitations under Texas law.

16.13. Approval & Settlement. The Association must levy a Special Assessment to fund the estimated costs of arbitration, including estimated attorney's fees, conducted pursuant to this *Article 16* or any judicial action initiated by the Association. The Association may not use its annual operating income or reserve funds or savings to fund arbitration or litigation, unless the Association's annual budget or a savings account was established and funded from its inception as an arbitration and litigation reserve fund.

16.14. Limitation on Consolidation or Joinder. No mediation, arbitration, or other action arising out of or relating to this Declaration or any other Documents shall include, by consolidation or joinder or in any other manner, the Declarant, the Association, any managing agent engaged by the Declarant, the Association, or the Architectural Reviewer as a "Respondent" in such Claim, except by written consent containing specific reference to this Declaration signed by the Declarant, the Association, any managing agent engaged by the Declarant or the Association, or the Architectural Reviewer named as Respondent, as applicable, the Claimant, and any other person or entity sought to be joined. Consent to mediation, arbitration or other proceeding involving an additional person or entity shall not constitute consent to mediation, arbitration or other proceeding to resolve a Claim not described therein or with a person or entity not named or described therein. Notwithstanding the foregoing, the Declarant if named as a "Respondent" in a Claim, may, at its option and in its sole and absolute discretion, elect to join or consolidate mediation or arbitration with a Claimant and other Claimant(s) or any other party having an interest in the proceedings. Each Owner by taking title to any Lot hereby consents to such joinder or consolidation, which may be ordered at the sole discretion or election of the Declarant.

[SIGNATURE APPEARS ON FOLLOWING PAGES]

EXECUTED to be effective on the date this instrument is recorded in the Official Public Records of Dallas County, Texas.

DECLARANT AND MASTER DECLARANT:

MM Legends Crossing, LLC,
a Texas limited liability company

By: MM Finished Lots Holdings, LLC,
a Texas limited liability company,
its Manager

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

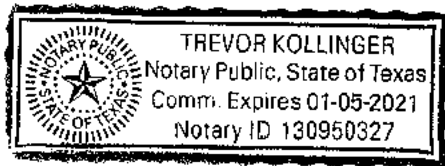
By: 2M Ventures, LLC,
a Delaware limited liability company,
its Manager

By: Mehrdad Moayed
Mehrdad Moayed, Manager

THE STATE OF Texas §
§
COUNTY OF Dallas §

This instrument was acknowledged before me this 24 day of September, 2020, by Mehrdad Moayed, the Manager of 2M Ventures, LLC, a Delaware limited liability company, manager of MMM Ventures, LLC, a Texas limited liability company, manager of MM Finished Lots Holdings, LLC, a Texas limited liability company, manager of MM Legends Crossing, LLC, a Texas limited liability company, on behalf of said limited liability companies.

(SEAL)



[Signature]
Notary Public Signature

APPROVAL OF INITIAL HOMEBUILDER

Ashton Dallas Residential L.L.C., a Texas limited liability company, executes this Sub-Declaration for the sole and limited purpose of evidencing its consent to Recordation of the Sub-Declaration in its capacity as an Owner and initial Homebuilder on Lots located within the Property.

INITIAL HOMEBUILDER:

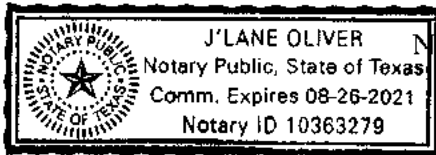
ASHTON DALLAS RESIDENTIAL L.L.C., a Texas limited liability company

By: [Signature]
Printed Name: Tom House
Title: D.P.

THE STATE OF TEXAS §
 §
COUNTY OF Dallas §

This instrument was acknowledged before me this 24th day of September 2020 by Tom House, Dir. Pres. of Ashton Dallas Residential L.L.C., a Texas limited liability company, on behalf of such limited liability company.

(SEAL)



[Signature]
Notary Public Signature

EXHIBIT "A"

PROPERTY DESCRIPTION

Lots 1 through 22, inclusive, in Block 4-R; Lots 1 through 22, inclusive, in Block 5-R; Lots 1 through 22, inclusive, in Block 6-R; and Lots 1 through 20, inclusive, in Block 6-R; all as shown on the Amended Plat Legends Crossing Revised, an addition to the City of Irving, Dallas County, Texas, according to the map/plat thereof recorded on July 8, 2020, as Document No. 2020 - 202000170776, in the plat records of the Official Public Records of Dallas County, Texas. The foregoing are all "Lots" for purposes of this Declaration.

EXHIBIT "B"**DESIGNATION OF AREA OF COMMON RESPONSIBILITY
AND MAINTENANCE CHART****MAINTENANCE RESPONSIBILITY CHART**

"All aspects" includes maintenance, repair, and replacement, as needed.

COMPONENT OF PROPERTY	ASSOCIATION RESPONSIBILITY	OWNER RESPONSIBILITY
Roof.	Replacement of the roof when the Board determines, in its sole and absolute discretion, that the roof needs to be replaced in its entirety. The Association will have no obligation to replace shingles, flashing, or other roof components unless associated with roof replacement as determined by the Board in its sole and absolute discretion.	All other aspects. Any maintenance or replacement of the roof by an Owner must be approved in advance by the Board.
Dwelling Foundation.	None.	All aspects.
Exterior painting.	Exterior painting as determined necessary or required by the Board. Such exterior painting may be limited to re-painting on single occurrences when the Board determines the exterior paint needs to be replaced due to the useful life of the painted surfaces, as determined by the Board in its sole and absolute discretion. The Association will have no obligation to provide periodic touch-ups or maintenance of the exterior paint.	Periodic touch-ups and maintenance of the exterior paint. Touch-ups or maintenance of exterior painting performed by the Owner must be approved in advance by the Board.
Exterior Dwelling components, including glass and appurtenant hardware.	None.	All aspects.
Windows, doors, garage doors.	Exterior painting of entry doors and garage doors only.	All other aspects.
Dwelling interior, including improvements, fixtures, partition walls and floors within Dwelling,	None.	All aspects.

LEGENDS CROSSING TOWNHOMES
SUBORDINATE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

COMPONENT OF PROPERTY	ASSOCIATION RESPONSIBILITY	OWNER RESPONSIBILITY
and all other improvements within the Property not expressly listed on this Attachment and maintained by the Association.		
Landscape Services*	Full yard area of each Lot, including front, rear and side yard areas.	All other aspects.
Fences	None.	All aspects subject to <i>Section 3.9</i>
Patios, balconies, porches, and decks	None.	All aspects.

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

NOTE 2: If an Owner fails or refuses to perform necessary maintenance, repair, or replacement, the Association may perform the work after giving required notices to the Owner.

*Landscape Services are described in more detail on Exhibit "B-1" attached hereto.

EXHIBIT "B-1"

LANDSCAPE SERVICES

Landscape Services will be performed by the Association to the full yard area, including the front, rear and side yard of each Dwelling and/or Lot. Services will commence as to a particular Dwelling and/or Lot on the date a residence has been constructed on such Lot and has been occupied for single-family residential purposes.

Services:

1. Mow and edge all front, rear and side yard turf areas on an as-needed basis as determined by the Association (in its sole and absolute discretion). During the months of April through October of each year, mowing and edging will typically occur at least once per week.
2. Apply fertilizer to the front, rear and side yard turf areas on an as-needed basis as determined by the Association (in its sole and absolute discretion), which will typically occur three times per year; spring, summer, and fall.
3. Aerate front, rear and side yard turf area on an as-needed basis as determined by the Association in its sole and absolute discretion.
4. Manually and mechanically control weeds in the front, rear and side yard as required to maintain a manicured appearance. In cases of extraordinary weed problems, spot treat weeds with appropriate herbicide.
5. Irrigation of the front, rear and side yard on an as-needed basis, as determined by the Association.
6. Irrigation repair and maintenance of irrigation facilities for the front, rear and side yard.

The Association or its designated landscape company, from time to time, may provide each Owner with a schedule of dates on which the lawn maintenance will be performed.

**Dallas County
John F. Warren
Dallas County Clerk**

Instrument Number: 202000261148

eRecording - Real Property

Recorded On: September 24, 2020 03:18 PM

Number of Pages: 85

" Examined and Charged as Follows: "

Total Recording: \$358.00

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

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

File Information:

Document Number: 202000261148
Receipt Number: 20200924001126
Recorded Date/Time: September 24, 2020 03:18 PM
User: Jerome M
Station: CC06

Record and Return To:

Simplifile



**STATE OF TEXAS
COUNTY OF DALLAS**

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

John F. Warren
Dallas County Clerk
Dallas County, TX

A handwritten signature in black ink, appearing to be "JFW".