

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

**DECLARATION OF COVENANTS, CONDITIONS,
& RESTRICTIONS FOR COTTEN CREEK ESTATES**

This Declaration of Covenants, Conditions, and Restrictions (“Declaration”) is made and entered into to be effective as of the 22nd day of December, 2025, by BA Azle Development, LLC, a Texas limited liability company (together with its successors and assigns, “Declarant”).

RECITALS:

A. Declarant desires to establish a general plan of development for the planned community to be known as Cotten Creek Estates. Declarant also desires to provide a reasonable and flexible procedure by which Declarant may expand the Property to include additional real property, and to maintain certain development rights that are essential for the successful completion and marketing of the Property.

B. Declarant further desires to provide for the preservation, administration, and maintenance of portions of Cotten Creek Estates, and to protect the value, desirability, and attractiveness of Cotten Creek Estates. As an integral part of the development plan, Declarant deems it advisable to create a property owners association to perform these functions and activities more fully described in this Declaration and the other Government Documents described below.

C. Declarant owns 83 Residential Lots and 2 HOA Lots located within an 118.22 +/- acre, more or less, tract of real property in Parker County, Texas, which lots are more particularly described by metes and bounds description and the plat (“Plat”) attached hereto as Exhibit A and incorporated herein by this reference, such Plat recorded in County Clerk’s File Number 202534724, Plat Records, Parker County, Texas (referred to herein as the “Property”).

D. Declarant desires to adopt, establish, promulgate, and impress upon the Property the following reservations, covenants, restrictions, conditions, assessments, and liens for the benefit of Declarant, the Property, and the present and future Owners of the Property.

DECLARATION

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

ARTICLE 1 – DEFINITIONS

1.1 SPECIFIC DEFINITIONS. The following words or phrases, whether or not capitalized, when used in this Declaration, or any supplemental declaration, unless the context shall prohibit, shall have the following meanings:

“ACC” shall mean the Architectural Control Committee of the Association.

“Applicable Law” means the statutes and public laws, codes, ordinances, and regulations in effect at the time a provision of the Declaration is applied and pertaining to the subject matter of the Declaration. Statutes and ordinances specifically referenced in the Declarations are “Applicable Law” on the date of the Declaration 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.

“Association” as used herein shall have the following meanings during the following time periods: (1) during the Declarant Control Period, the term “Association” shall mean and refer exclusively to Declarant; (2) after the Declarant Control Period but before the Owners have formed a non-profit corporation by filing a certificate of formation (or similar instrument) with the Texas Secretary of State as set forth in Section 9.1 below, the term “Association” shall mean and refer collectively to the Owners as an entire group; and (3) after the Declarant Control Period and after the Owners have formed a non-profit corporation by filing a certificate of formation (or similar instrument) with the Texas Secretary of State as set forth in Section 9.1 below, the term “Association” shall mean and refer to the Texas non-profit corporation formed by the Owners, which shall be named Cotten Creek Estates Homeowners’ Association, Inc. (or such other name as the Owners shall select).

“Board” as used herein shall have the following meanings during the following time periods: (1) during the Declarant Control Period, the term “Board” shall mean and refer exclusively to Declarant; (2) after the Declarant Control Period but before the Owners have formed a non-profit corporation by filing a certificate of formation (or similar instrument) with the Texas Secretary of State as set forth in Section 9.1 below, the term “Board” shall mean and refer collectively to the Owners as an entire group; and (3) after the Declarant Control Period and after the Owners have formed a non-profit corporation by filing a certificate of formation (or similar instrument) with the Texas Secretary of State as set forth in Section 9.1 below, the term “Board” shall mean and refer to the board members elected by the Owners to govern and manage the Texas non-profit corporation formed by the Owners.

“Builders” shall mean the for-profit entities or ventures that purchase a lot from Declarant for the purpose of either improving the lot for the benefit of an Owner, or selling an improved lot to any Owner.

“Building Code” shall mean the applicable building code adopted by the County Seat of the County in which the Lot is located or, if a code has not been so adopted, the 2018 version of the International Residential Code (without reference to the energy code contained therein), as amended, supplemented or replaced from time to time.

“Bylaws” shall mean the Bylaws of the Association.

“County” shall mean Parker County, Texas

“Declarant” shall mean BA Azle Development, LLC and its successors or assigns.

“Declaration” shall mean this Declaration of Covenants, Conditions, and Restrictions, as amended and/or supplemented from time to time.

“Design Guidelines” shall mean and include the Design Guidelines contained in Exhibit B, as well as any other Rules and Regulations promulgated or published by the ACC, from time to time..

“Development Period” means the period during 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, pursuant to the rights and reservations contained in this declaration, to the fullest extent permitted by Applicable Law. If Applicable Law requires a stated term, the Development Period runs continuously from the date this Declaration is recorded until the earliest of the following events: (1) ten years after this Declaration is recorded, or (2) the date on which every Lot in the Property is improved with a dwelling. No act, statement, or omission by the Association may terminate the Development Period earlier than the term stated herein. Declarant, however, may terminate the Development Period at any earlier time by recording a notice of termination. The Development Period is for a term of years or until the stated status is attained and does not require that Declarant own a Lot or any other land in the Property.

“Declarant Control Period” means that period of time during which Declarant controls the operation and management of the Property, together with the implementation and enforcement of the Restrictions, pursuant to the rights and reservations contained in this Declaration, to the fullest extent and for the maximum duration permitted by Applicable Law. The Declarant Control Period shall run continuously from the date of this Declaration is recorded until 120 days after one hundred percent (100%) of the Lots that may be created on the Property have been improved with dwellings thereon and conveyed to Owners other than Builders or Declarant, or their respective affiliates. In no event shall the Declarant Control Period last longer than fifteen years after the date on which the Declaration is recorded. No act, statement, or omission by the Association may terminate the Declarant Control Period earlier than the term stated herein. Declarant, however, may terminate the Declarant Control Period at any earlier time by publicly recording a notice of termination. The Declarant Control Period is for a term of years or until the stated status is attained and does not require that Declarant own a lot or any other land in the Property.

“Governing Documents” shall mean, singly or collectively as the case may be, the Plat, this Declaration, the Bylaws of the Association, the Articles of Organization, the Rules of the Association, if any, all of which may be adopted, amended, supplemented, restated, or repealed from time to time. Although Governing Documents reference each other and may be recorded contemporaneously, each instrument is independent and may be amended pursuant to its own terms or Applicable Law.

“Initial Owner” shall mean the first non-Builder purchaser of each Lot from Declarant.

“Lot” shall mean any one of the separate lots identified on the Plat that make up all or part of the Property.

“Lots” shall mean any two or more such lots. Each Lot is burdened by an easement for a portion of the Roads and the other Restrictions described herein.

“Owner” shall mean the record owner, whether one or more persons or entities, of fee simple title to any Lot, and his or its respective heirs, successors, personal representatives, and assigns. Mortgagees and creditors who acquire title to a Lot through foreclosure or a deed in lieu of foreclosure are owners. Persons or entities having ownership interests merely as security for the performance of an obligation are not owners. Every Owner is a member of the Association.

“Plat” shall mean the Plat described in the Recitals and depicted in Exhibit A, together with any and all replats thereof and amendments thereto.

“Property” shall mean all the real property identified on Exhibit A attached hereto and incorporated herein by this reference, and any additions thereto.

“Cotten Creek Estates” shall mean the Property referred to in the Recitals above as established by the Plat and this Declaration.

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

“Resident” shall mean individual that lives at or takes up residence on the Owner’s Lot.

“Restrictions” shall mean the Restrictions described in the Declaration section above.

“Roads” means collectively the streets and roads within the Property, whether public or private.

“Rules and Regulations” means any and all rules and regulations promulgated by Declarant (if during the Declarant Control Period), the Owners (if a non-profit corporation has not been formed pursuant to Section 9.1 below), or the Board (if a non-profit corporation has been formed pursuant to Section 9.1 below), as amended from time to time. The Rules and Regulations may, at the discretion of Declarant, the Owners, or the Board, as applicable, be incorporated into and made a part of the Design Guidelines.

1.2 OTHER DEFINITIONS. Other terms are defined in other sections of this Declaration and are incorporated herein by this reference.

ARTICLE 2 – SUBJECT TO DOCUMENTS

2.1 SUBJECT TO DOCUMENTS OF RECORD. The Property is held, transferred, sold, conveyed, leased, occupied, used, insured, and encumbered subject to the terms of all publicly recorded documents, and all other publicly recorded instruments that touch and concern the land, run with the Property, and bind all parties having or acquiring any right, title, or interest in the Property, their heirs, successors, and assigns.

2.2 COVENANTS IN PLAT. The dedications, covenants, limitations, restrictions, easements, notes, and reservations shown on the Plat are hereby incorporated by reference as covenants running with the land. Each Owner must inform himself about the Plat’s covenants on the Lot.

2.3 OWNER AGREES TO BE BOUND. Each Owner, by impliedly or expressly accepting or acquiring an ownership interest in or title to a Lot, whether or not it is so expressed in the instrument of conveyance, covenants and agrees to be bound by this Declaration, the Plat, and the Governing Documents. Owner acknowledges that the Governing Documents may be amended, supplemented, or restated from time to time. Each Owner agrees to maintain any easement that crosses Owner’s Lot and for which the Association does not have express responsibility.

ARTICLE 3 – PROPERTY EASEMENT

3.1 GENERAL. In addition to other easements and rights established by the Governing Documents, the Property is subject to the easements and rights contained or referenced herein.

3.2 [Intentionally deleted]

3.3 UTILITY AND OTHER EASEMENTS.

(a) Declarant will bring an electric line to the utility easement adjacent to each Lot. Each Owner will be responsible for bringing electricity service from such point to the Residence. Nothing contained herein shall be construed as imposing upon Declarant or the Association any obligation to provide any utilities or services. Furthermore, Declarant reserves the right to sell, lease, license, or assign, in whole or in part, such easements and to otherwise negotiate as to such lines, utilities, or other facilities for the

providing of services by a municipality, governmental agency, or other private or public service corporation. **EXCEPT DECLARANT'S OBLIGATION SET FORTH IN THE FIRST SENTENCE OF THIS SUBSECTION, EACH OWNER SHALL BE RESPONSIBLE FOR, AND SHALL PAY FOR, THE INSTALLATION AND MAINTENANCE OF ALL UTILITIES TO THE OWNER'S LOT, AND DECLARANT DOES NOT WARRANT OR GUARANTY THE AVAILABILITY OF UTILITIES OR THE ECONOMIC FEASIBILITY OF BRINGING UTILITIES TO ANY LOT.**

(b) The Property, and each Lot, as applicable, is subject to all easements established by or shown on the Plat.

3.4 [Intentionally deleted]

3.6 OWNER'S INGRESS/EGRESS EASEMENT. Every Owner is granted a perpetual easement over the Property's streets, as may be reasonably required, for vehicular ingress to and egress from Owner's Lot.

3.7 [Intentionally deleted]

3.8 OWNER'S RIGHT TO BUILD. That a Lot remains vacant and unimproved for a period of years, even decades, does not diminish the right of the Lot Owner to construct improvements on the Lot. Nor does a vacant Lot enlarge the rights of Owners or neighboring lots, who may have become so accustomed to the open space that they expect it to remain unimproved forever.

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

3.10 CONDEMNATION OR GOVERNMENTAL TAKING.

(a) [intentionally deleted]

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

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

3.11 ASSOCIATION'S ACCESS EASEMENT. Each Owner, by accepting an interest in or title to a Lot, whether or not it is so expressed in the instrument of conveyance, grants to the Association an easement of access and entry over, across, under, and through the Property, including without limitation the Owner's Lot and all improvements thereon for the below-described purposes. If the exercise of this easement requires entry onto an Owner's Lot, the entry will be during reasonable hours and after notice to the Owner, unless entry is in response to a situation that at the time of entry is deemed to be an emergency that may result in imminent damage to or loss of life or property. In exercising this easement on an Owner's Lot, the Association is not liable to the Owner for trespass. The Association may exercise this easement of access and entry for the following express purposes:

- (a) To inspect the Lot for compliance with maintenance and architectural standards.
- (b) To perform maintenance that is permitted or required of the Association by Governing Documents or by Applicable Law.
- (c) To perform maintenance that is permitted or required of the Owner by the Governing Documents or by Applicable Law, if the Owner fails or refuses to perform such maintenance.
- (d) To enforce architectural standards.
- (e) To enforce use restrictions.
- (f) To exercise any self-help remedy permitted by the Governing Documents or by Applicable Law.
- (g) To enforce any other provision of the Governing Documents.
- (h) To respond to emergencies.
- (i) To assist utility providers as may be necessary to install, maintain, and inspect utilities serving any portion of the Property.
- (j) To perform any and all functions or duties of the Association as permitted or required by the Governing Documents or by Applicable Law.

3.12 GENERAL EASEMENTS FOR DECLARANT. Declarant, so long as it shall retain record title to at least one (1) Lot, reserves for itself and for the Association the right and easement to the use of any Lot, or any portion thereof, as may be needed for repair, maintenance, or construction on any of the Property in accordance with these Restrictions.

3.13 ROAD EASEMENT FOR DECLARANT. Declarant reserves an easement over and across the Property for the use of the Roads and any other existing roads and rights-of-way on the Property. Without limiting the foregoing, Declarant reserves the right to use the Roads for ingress and egress to and from any adjacent undeveloped property owned by Declarant.

ARTICLE 4 – SECURITY

4.1 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 or the perception of 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, shareholders, members, managers, committees, agents, and employees are not providers, insurers, or guarantors of security within the Property. Each Owner and Resident acknowledges and accepts his sole responsibility to provide security for his own person and property, and assumes all risks for loss or damage to same. Each Owner and Resident further acknowledges that Declarant, the Association their respective directors, officers, shareholders, members, managers, committees, agents, and employees have made no representation or warranty, nor has the Owner or Resident relied on any representation nor warranty, express or implied, including any warranty of merchantability or fitness for any particular purpose, relative to any fire, burglar, and/or intrusion systems recommended or installed, or any security measures undertaken within the Property. Each Owner and Resident acknowledges and agrees that Declarant, the Association, and their respective directors, officers, shareholders, members, managers, committees, agents, and employees, may not be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken.

ARTICLE 5 –**[Intentionally deleted]****ARTICLE 6 – ARCHITECTURAL CONTROL COMMITTEE**

6.1 ARCHITECTURAL CONTROL COMMITTEE. To protect the overall integrity of the development of Cotten Creek Estates as well as the value of the improvements of all Owners, a committee of representatives designated as the ACC is hereby established to carry out all duties as noted herein with full authority to approve, disapprove, and monitor all construction, development, and improvement activities of any kind within the Property and to help ensure that all such activities are in accordance with the Restrictions and architecturally and aesthetically designed to be compatible with Declarant's conceptual plan for the Property. At the discretion of the Board, the duties of the ACC may be delegated in whole or in part to a third-party representative of the ACC who need not be an Owner or a member of the Board.

6.2 APPOINTMENT OF ACC MEMBERS. During the Declarant Control Period, the number and identity of the ACC members shall be decided by Declarant. In the event of the death or resignation of any member of the ACC, Declarant shall have full power and authority to appoint a successor committee member or members, chosen in its absolute and sole discretion. At the end of the Declarant Control Period, all ACC members elected by Declarant shall be immediately removed, and the Owners (or if the Association has been formed, the Board) shall appoint the successor members of the ACC, which shall consist of at least three (3) but no more than five (5) members. The term of each ACC member shall be two years and shall be staggered so all ACC members are not elected in any given year. The members of the ACC serve at the pleasure of the Owners or the Board, as applicable, and may be removed and replaced at the Owners or Board's discretion. The members of the ACC need not be Owners. The Association may hire professionals, such as architects, engineers, and design consultants, to serve on or to advise the ACC at a compensation determined by the Board.

6.3 ACC APPROVAL REQUIRED. The ACC shall review all plans and modifications submitted for compliance with the Restrictions, Design Guidelines, Rules, if any, and for compatibility with the architectural and aesthetic goals of the Property. Without ACC approval, Owners, other than Declarant, may not construct and/or reconstruct a dwelling, garage, outbuilding, fence, storage tank, or improvement of any kind (including exterior cosmetic alterations such as painting) on a Lot or make an addition, alteration, improvement, installation, modification, redecoration, or reconstruction of or to a Lot if it will be visible from a street, or if it may have an adverse impact on neighboring homes. If the Declarant Control Period has ended and no new members of the ACC have been appointed, no construction may commence until a new ACC has been appointed by the Owners or the Board, as applicable. The ACC 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. Generally, the architectural and aesthetic style of the improvements shall harmonize as much as may be reasonable and practicable with each other and with the heritage and historical architecture of the area. Landscaping generally shall be in harmony with the natural occurring flora of the area using native or native hybrid plants as much as is practicable. Each Owner may be required to pay certain fees to the ACC to reimburse it for the cost of its plan review as provided in the Design Guidelines.

6.4 APPLICATION FOR APPROVAL. To request approval from the ACC, an Owner must make written application to the ACC, in a form approved by the ACC, and electronically submit (by using an email address or electronic portal selected by the ACC for plans submittal) a complete set of final plans and specifications, including all elevations, floor plans, foundation plans, plot plan, roof, outbuildings, colors, exterior lighting, mailbox, showing the nature, kind, shape, color, size, materials, and locations of the work to be performed (collectively the "Plans"). In support of the application, the Owner may, but is not required to, submit letters of support or non-opposition from Owners that may be affected by the proposed change. The application must clearly identify any requirement of this Declaration for which a variance is sought. Within forty-five (45) days of receipt, the ACC shall review the Owner's Plans and advise Owner if the Plans are approved, denied, or if more information is required. If the Plans are denied or more information is required, the ACC will provide the Owner with a reasonable statement supporting the denial

or request for further information. The ACC may retain the Plans, together with the application, for the ACC's files. If the Plans are approved, the ACC shall mark same on the Plans and return the Plans to the Owner. An "approved" marking or stamp on the Plans shall be conclusive evidence that the ACC approved such Plans. Verbal approval by an Association director or officer, a member of the ACC, the Association's manager, or Declarant does not constitute architectural approval by the ACC. Approval may only be issued in writing.

6.4.1. DEEMED APPROVAL. If the Owner has not received the ACC's written response, approving, denying, or requesting further information, within sixty (60) days after delivering a complete application to the ACC, Owner may proceed, provided Owner adheres to the Plans that accompanied Owner's application. In exercising deemed approval, the burden is on the Owner to document the ACC's actual receipt of the Owner's complete application. Under no circumstances may approval of the ACC be deemed implied or presumed for an addition or modification that would require a variance from the requirements and construction specifications contained in this Declaration and in any design guidelines for the Property in effect at the time of application.

6.4.2. NO APPROVAL REQUIRED. No approval is required to repaint exteriors in accordance with the color scheme approved by the ACC or to rebuild a dwelling in accordance with its original plans and specifications. Nor is approval required for an Owner to remodel or repaint the interior of a dwelling.

6.4.3. BUILDING PERMIT. If the application is for work that requires a building permit from a governmental body, the ACC's approval (including its deemed approval, if applicable) is automatically and implicitly conditioned on the issuance of the appropriate permit. The ACC's approval of plans and specifications does not mean that they comply with the requirements of the governmental body. Alternatively, issuance of a building permit does not ensure ACC approval.

6.4.4. NEIGHBOR INPUT. The ACC may solicit comments on the application, such as from owners or residents of Lots that may be affected by the proposed change, or from which the proposed change may be visible. Whether to solicit comments, from whom to solicit comments, and whether to make the comments available to the applicant are solely at the discretion of the ACC. The ACC is not required to respond to the commenters in ruling on the application.

6.5 ASSOCIATION'S RIGHT TO PROMULGATE RULES. The Association has the right to adopt, amend, repeal, and enforce reasonable rules, and penalties for infractions thereof, regarding the occupancy, use, disposition, maintenance, appearance, and enjoyment of the Property. The right to make rules, or to regulate, includes the right to prohibit or to restrict. In addition to the restrictions contained in this Article, each Lot is owned and occupied subject to the right of the Board to establish rules, and penalties for infractions thereof, governing:

- (a) Hazardous, illegal, or annoying materials or activities on the Property.
- (b) The use of Property wide services provided through the Association.
- (c) The use, maintenance, and appearance of exteriors of dwellings and Lots.
- (d) Landscaping and maintenance of Lots.
- (e) The occupancy and leasing of dwellings.
- (f) Animals.
- (g) Vehicles.
- (h) Disposition of trash and control of vermin, termites, and pests.

- (i) Anything that interferes with maintenance of the Property, operation of the Association, or the quality of life for residents.

6.6. SUBJECTIVE STANDARDS. Standards for some rules and restrictions are inherently subjective, such as what is unattractive or offensive. The Association is not required to honor every resident's individual tolerances. The use restrictions set forth herein, in particular, are not intended to shield a hypersensitive resident from actions or circumstances that would be tolerable to a typical resident of the Property. On lifestyle related rules, the Association may refrain from acting on a perceived violation unless the Board determines the violation to be significant or a community wide problem. The Association may not be compelled by one resident to enforce rules and restrictions against another resident. Residents are expected to deal directly and peaceably with each other about their differences.

6.7. LIMITS TO OWNER'S RIGHTS. No right granted to an Owner by this Article or any provision of any Governing Document is absolute. The Governing Documents grant rights with the expectation that the rights will be exercised in ways, places, and times that are customary for the neighborhood. This Article and the other Governing Documents as a whole do not try to anticipate and address every creative interpretation of the restrictions. For example, an Owner's right to have a sign advertising the home for sale is not the right to mount the sign on the chimney and illuminate it with pulsating neon lights. The rights granted by this Article and the Governing Documents are at all times subject to the Board's determination that a particular interpretation and exercise of a right is significantly inappropriate, unattractive, or otherwise unsuitable for the neighborhood, and thus constitutes a violation of the Governing Documents. In other words, the exercise of a right or restriction must comply with the spirit of the restriction as well as with the letter of the restriction.

6.8. ACC DISCRETION. The ACC will approve or disapprove all Plans in accordance with this Declaration. The ACC shall have full right and authority to utilize its sole discretion in approving or disapproving any Plans which are submitted. Approval may be withheld if the construction or architectural design of any improvement is deemed, on any grounds, including purely aesthetic grounds, necessary to protect the continuity of design or value of the Property, or to preserve the serenity and natural beauty of any surroundings. The ACC may exercise discretion with respect to taste, design, and all standards specified by this Declaration. Prior approvals or disapprovals of the ACC pertaining to any improvement activities or regarding matters of design or aesthetics shall not be deemed binding upon the ACC for later requests for approval if the ACC feels that the repetition of such matters will have an adverse effect on the Property. The ACC shall have the express power to construe and interpret any covenant herein that may be capable of more than one construction, and to grant variances for certain requirements when, in its discretion, it is appropriate to do so (but no variance will be effective unless in writing and signed by the ACC). All approvals or disapprovals by the ACC are for the sole benefit of the Association and the Owner to whom the approval or disapproval is addressed, and no other Owner or any third party is or shall be deemed to be a third-party beneficiary of such approval or disapproval.

6.9. ACC RIGHT TO INSPECT. During reasonable hours and, if the Residence is occupied, after reasonable advance notice, Declarant, members of the ACC, any member of the Board, or any authorized representative of any of them, shall have the right (but not the obligation) to enter upon and inspect any Lot, and any structure thereon, for the purpose of ascertaining whether or not the provisions of this Declaration have been or are being complied with, and said persons shall not be deemed guilty of trespass by reason of such entry. All inspections by the ACC are for the sole benefit of the Association and no Owner or other third party is or shall be deemed to be a third-party beneficiary of such inspections.

6.10. ACC VARIANCES. The Board and/or the ACC may grant a variance or waiver to a restriction or rule on a case-by-case basis when unique circumstances dictate and may limit or condition its grant and such variance will not impair or detract from the high-quality development of the Property. To be effective, a variance must be in writing. The grant of a variance does not affect a waiver or estoppel of the Association's right to deny a variance in other circumstances. Approval of a variance or waiver may not be deemed, implied, or presumed under any circumstance.

6.11 APPEAL OF ACC DECISION. An Owner may appeal to the Board any decision by the ACC if the Owner submits a written application for appeal to the Board, with a copy to the ACC, within sixty (60) days of the Owner's receipt of the ACC's decision. The Board may affirm, overrule, or modify the ACC's decision. The decision of the Board shall be final and unappealable. An Owner waives its right of appeal if it fails to submit a written appeal to the Board within sixty days after the Owner's receipt of the ACC's decision.

6.12 DESIGN GUIDELINES. The Design Guidelines are incorporated into this Declaration by this reference. To the extent any portion of the Design Guidelines are not contained in Exhibit B, a copy of the Design Guidelines will be furnished to any Owner on request. The Design Guidelines will supplement this Declaration and may make other and further provisions as to the approval and disapproval of Plans, suggested or prohibited materials, and other matters relating to the appearance, design, quality, and construction of improvements. The Design Guidelines may be more (but not less) restrictive than the Restrictions or the guidelines contained in Exhibit B. The Design Guidelines may be amended from time to time by the Association or upon the affirmative vote of two-thirds of the members of the ACC and the consent of the Association. The Design Guidelines may include or incorporate any Rules and Regulations promulgated by Declarant or the Board.

6.13 MOST RESTRICTIVE INSTRUMENT APPLIES. To the extent of any conflict between this Declaration, the Design Guidelines, or the Plat, the most restrictive instrument shall control. Accordingly, each Owner must obtain and study all three instruments and provide them to their architects, builders, contractors, and other appropriate parties prior to purchasing a Lot or commencing the construction of any improvements thereon.

6.14 NO LIABILITY. Neither the Association, Board, ACC, its members, nor Declarant shall be liable to any person (including Owners) for any damage or injury to property arising out of their acts hereunder, except in the case of gross negligence or willful misconduct. Further, neither the Association, Board, ACC, its members, nor Declarant shall be deemed to have made any warranty or representation to any Owner or other third party about any matter whatsoever arising out of any approvals or inspections. Without limiting the foregoing, it is expressly agreed that no approval of Plans by the ACC and no construction inspection approvals shall be deemed a representation or warranty by the ACC that any Residence has been or will be completed in a good and workmanlike manner or pursuant to the applicable building code. No discretionary acts by the ACC (such as approval or disapproval of Plans) shall give rise to any liability of the ACC, its members, Declarant, the Association, or the Board. The ACC, Association, and Board shall not be liable for (1) errors in or omissions from the Plans and specifications submitted to the ACC, (2) supervising construction for the Owner's compliance with the approved Plans, or (3) the compliance of the Owner's Plans with governmental codes, ordinances, and public laws.

ARTICLE 7 – RESTRICTIONS

7.1 SINGLE FAMILY RESIDENTIAL USES ONLY. No part of a Lot or improvements thereon, shall be used for any purpose other than one Residence on each Lot and certain accessory improvements, to the extent accessory improvements are specifically authorized elsewhere in this Declaration. No portion of any lot may be used to gain access to any adjacent property, if traveling from Cotten Creek Estates, or to Cotten Creek Estates, if traveling from any adjacent property, other than shown on the Final Plat—no Lot shall contain a driveway, road, or ingress/egress easement of any kind for the benefit of any adjacent property that is not Cotten Creek Estates. It is the intent of Declarant that Cotten Creek Estates be a single-family residential community. Each residence may be occupied by only one family consisting of persons related by blood, adoption, or marriage or no more than two unrelated persons living together as a single housekeeping unit, together with any household servants. Without limiting the foregoing, the construction of any duplex, triplex, quadplex apartment house, or other multi-tenant building is expressly prohibited. No garage may be used as living quarters, and no garage apartment for rental purposes shall be permitted. However, Declarant or a builder approved by Declarant, in Declarant's sole discretion, shall have the right, in connection with construction and sales operations on the Property, to use a garage as a sales office.

7.2 NO COMMERCIAL USE. An Owner may maintain an office in a Residence for business purposes so long as: (a) the business does not involve any employee, customer, client, co-worker, or other party being present at the

Residence; and (b) there is no sign or other visible evidence of the business on the Lot. No other business or commercial activity of any kind shall be conducted on a Lot, whether for profit or non-profit. Private orchards and gardens shall not be deemed to be commercial or business activity. No hobby may be conducted on any Lot which attracts vehicular or pedestrian traffic to the Lot. Notwithstanding the foregoing, Declarant or a builder approved by Declarant, in Declarant's sole discretion, shall have the right to construct a model home on a Lot, and may, in connection with construction and sales operations on the Property, operate a sales office out of the model home.

7.3 LEASE RESTRICTIONS. A Residence may be leased for a period of no less than one (1) year. All leases must be in writing and a copy of the lease delivered to the Association within ten (10) days after its execution. All tenants shall be bound by the Restrictions, but the lease of a Residence shall not discharge the Owner from compliance with any of the obligations and duties of the Owner. All leases shall make reference to the Restrictions and Owners shall provide tenants with a copy of this Declaration. All leases shall be subject to this Declaration and the other documents of the Association, regardless of whether the lease makes specific reference to them or whether the Owner delivers this Declaration to the tenant.

7.4 NO MOBILE HOMES. Except as otherwise specifically set forth herein, no mobile home, trailer home, manufactured home, modular home (single or double wide), or pre-fabricated home of any kind, whether or not it has wheels or the wheels have been removed, shall be allowed on any Lot.

7.5 NO TEMPORARY STRUCTURES. Except for the benefit of Declarant or as otherwise allowed herein, no structure of a temporary character (whether trailer, tent, shack, etc.) shall be used on any Lot at any time for storage or as an office or residence, either temporarily or permanently. With prior ACC approval, a job site trailer may be placed on the Lot during construction of the Residence thereon.

7.6 NO SUBDIVIDING. No Lot may be subdivided by any Owner other than Declarant, and no Owner other than Declarant may sell or transfer less than 100% of any Lot (other than the sale or transfer of undivided interests).

7.7 PARKING. Vehicles shall not be parked overnight within any building set back. No tractor trailer rigs may be parked on any part of the Property. No travel trailer, motor home, camper, boat, aircraft, recreational vehicle, motorcycle, four-wheeler, tractor, or truck larger than one (1) ton, or similar vehicle or trailer shall at any time be parked overnight in front of any Residence or within any building setback area. No such vehicles or trailers that are stripped down, wrecked, junked, or inoperable shall be kept, parked, stored or maintained on any Lot unless in an enclosed structure or in a screened area which prevents the view thereof from any other Lot or Road. No more than two (2) vehicles bearing commercial insignia or names shall be parked on any Lot, and then only if the vehicle is utilized by the Owner as transportation to and from the Owner's place of employment. No vehicle of any size which transports flammable or explosive cargo may be kept on a Lot at any time other than the temporary parking of a properly licensed fuel truck that dispenses propane to an Owner's approved on-site propane tank. No dismantling or assembling of any such vehicle or trailer or any other machinery or equipment shall be permitted unless in an enclosed structure or in a screened area which prevents the view thereof from any other Lot or Road. The ACC shall have the absolute authority to determine from time to time whether a vehicle is operable and, if not, adequately screened from public view. Upon an adverse determination by the ACC, the vehicle shall be removed or otherwise brought into compliance with these Restrictions.

7.8 NO DRILLING OPERATIONS BY OWNER OTHER THAN DECLARANT. No Owner, other than Declarant, may authorize any oil or gas exploration or drilling, oil or gas development operations, oil refining, quarrying, or mineral operations of any kind on any Lot, nor may any Owner, other than Declarant, authorize oil or gas wells, storage tanks, tunnels, mineral excavation, or shafts on any Lot. No derrick or other structure designed for use in boring for oil or natural gas will be erected on any Lot by any Owner, other than Declarant. EACH MEMBER UNDERSTANDS AND AGREES THAT TO THE EXTENT THE MINERALS ASSOCIATED WITH THE PROPERTY HAVE BEEN RESERVED BY OTHERS, DECLARANT HAS NO CONTROL OVER THE LEASING ACTIVITIES OF THESE MINERAL OWNERS OR THE OIL AND GAS EXPLORATION OR PRODUCTION ACTIVITIES OF THEIR LESSEES. THERE MAY BE OIL AND GAS EXPLORATION OR PRODUCTION ON THE PROPERTY BY

OTHERS OVER WHOM NEITHER DECLARANT NOR ANY OWNER HAS CONTROL. Declarant may, in its sole discretion, convey any Lot or Lots to any mineral owner or mineral lessee for purposes of oil and gas drilling, exploration and production. To the extent there is any conflict between this section and any other section of the Declaration, this section shall control.

7.9 TRASH. No trash, garbage, debris, or other refuse may be burned, stored, disposed of, or allowed to remain upon any Lot or road, whether the Lot is vacant or otherwise. No Lot will be used or maintained as a dumping ground for rubbish, rocks, brush, grass clippings, garbage, or trash. Garbage and other waste will be kept in sealed, sanitary containers prior to disposal. Declarant or the Association may, but is not obligated to, contract with a garbage collection service for the pickup and dispose of all household garbage on the Property and, in such event, the cost thereof will be an expense of the Association, which shall be paid by the Owners through the assessments provided for in this Declaration. Rubbish, trash, garbage or other waste material to be disposed of shall be placed at all times in an appropriate varmint resistant receptacle. If receptacles are not provided by the garbage selection service with whom Declarant or an Owner contracts, then each Owner shall be responsible for purchasing and maintaining its own garbage receptacles. Each receptacle must be approved by Declarant or the Association. No such receptacle shall be placed for collection in a location visible from any road more than twenty-four (24) hours prior to the scheduled collection time or allowed to remain in a location visible from any road more than twenty-four 24 hours after the scheduled collection time.

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

7.11 ANIMALS. No animals (including exotic and dangerous animals such as poisonous snakes, large reptiles, lions, etc.) livestock, barnyard animals, chickens, or other poultry shall be raised, bred, or kept on any Lot; provided that dogs (other than pit bulls), cats, and other customarily domesticated household animals ("Permitted Animal") may be kept on a Lot if (i) such animals live primarily inside the Residence; (ii) are kept for domestic purposes only; (iii) are contained, at all times when outside of a Residence, either on a leash or inside a secured fenced area; (iv) they do not (regardless of whether they are inside or outside of the Residence) disturb or interfere with the peaceful enjoyment of other Lots by other Owners, which includes not only their noise levels of the animals but the prevention of disease, pests, and other harmful organisms that may be attracted to animals; and if (v) there are no more than (5) animals on any given Lot at any given time. No Owner shall allow a pet to run loose or become a nuisance to the other residents. Every Owner is responsible for the removal of his or her pet's waste from the Lot of any other Owner. All animals must be properly vaccinated and tagged for health, safety, and identification. No pets may be raised for sale or for consumption, and commercial kennels of any kind are expressly prohibited. All animals shall be kept in strict accordance with all Applicable Laws and ordinances, and in accordance with the Rules and Regulations which may be amended and supplemented to effectuate the intent of this provision, including the imposition of fines for or the removal of any animals that do not strictly comply with this section. In the event an Owner seeks to keep a service or other support animal identified under the Fair Housing Act on his or her Lot that does not qualify as a Permitted Animal as set forth above, the Owner must first seek permission before keeping such animal on his or her Lot (each, an "FHA Accommodation Request"). Notwithstanding anything else herein to the contrary, Declarant has no authority to grant or deny an FHA Accommodation Request even during the Declarant Control Period. In the event such a request arises during the Declarant Control Period or before the Owners have formed a non-profit corporation by filing a certificate of formation (or similar instrument) with the Texas Secretary of State as set forth in Section 9.1 below, the Owner submitting the FHA Accommodation Request shall submit the request and a copy of this provision to the Owners of every Lot in the Subdivision upon which a Residence has been built, and the Owners, by majority vote, must approve or deny the FHA Accommodation Request. In all other cases, the FHA Accommodation Request must be submitted to the Board of the non-profit corporation formed pursuant to Section 9.1 below. Any FHA Accommodation Request may be assessed using the materials published by the U.S. Department of Housing and

Urban Development, including FHEO Notice FHEO-2020-01 issued on January 29, 2020 entitled "Assessing a Person's Request to Have an Animal as a Reasonable Accommodation Under the Fair Housing Act" and other similar notices, handbooks, publications, or literature meant to guide the assessment of a FHA Accommodation Request. Even if an FHA Accommodation Request is approved, every animal located on any Lot must strictly comply with the restrictions set forth herein above, including without limitation the Rules and Regulations and the animal restrictions set forth in Section 7.11(i) thru (v) above, and every such animal is at all times subject to a fine or removal of the animal in the event of noncompliance.

7.12 LAWNS. All grass, weeds, and vegetation at each Residence shall be maintained at regular intervals as needed to maintain a neat and well-maintained appearance; however, maintained turf lawns shall not exceed one acre. All landscaping, including lawns and shrubs, shall utilize native plants or hybrids to the extent practicable. All swales and culverts shall be grassed and shall be regularly maintained as needed to maintain a neat appearance. It is the responsibility of each homeowner to establish vegetation on the entirety of each lot to prevent erosion.

7.13 SIGNS. Signs are not allowed on any Lot except as set forth herein. One sign per Lot will be allowed, not more than four square feet, advertising a Lot for sale or lease. Builder is permitted to use more signs and larger signs and to erect permanent signs at each entrance to the Property. Signs advertising contractors, subcontractors, or suppliers may be authorized by the Design Guidelines. Political signs may be erected upon a Lot by the Owner of the Lot advocating the election of one or more political candidates or the sponsorship of a political party, issue, or proposal provided that such signs shall not exceed four square feet, shall be erected no more than ninety (90) days in advance of the election to which they pertain, and are removed within five (5) days after the election. Declarant or the Association shall have the right to remove any sign that does not comply with the above, and in doing so shall not be subject to any liability in connection with such removal.

7.14 NO ADVERSE CONDITIONS. No Owner or occupant shall construct any improvements or perform any work that will impair any drainage, easement or right-of-way, or do any act or allow any condition to exist which will adversely affect the other Lots or their owners or residents.

7.15 INSURANCE. Each Owner must carry all risk casualty insurance for the full insurable value of the Residence on the Lot. Each Owner must use all insurance proceeds required to properly rebuild in case of a partial loss or damage or, in the case of complete damage, to either rebuild or clear all debris and return the Lot to substantially the natural state, as it existed prior to destruction. Reconstruction must be promptly commenced and diligently pursued to completion (and in any event must be completed within eighteen (18) months). No damaged buildings, including the foundation, shall be allowed to remain on any Lot unless they are to be promptly repaired or restored.

7.16 PROPERTY TAXES. Each Owner shall be responsible for the payment of all ad valorem and other property taxes owing on the Owner's Lot.

7.17 UNDERGROUND UTILITIES. All utility lines and other facilities installed by or for any Owner for electricity, water, cable, telephone, sewer, storm sewer, or other utilities must be installed underground; but this provision shall not apply to above-ground utilities existing on the date hereof and any replacement thereof by Declarant or those otherwise expressly authorized in writing by the ACC.

7.18 NO HUNTING/FIREARMS. No hunting or trapping (except the trapping of varmints) shall be allowed on any Lot. No firearms shall be discharged on any Lot, except for, provided by law, in defense of self, others, and properties.

7.19 FIRES. Only controlled fires, in compliance with all Applicable Laws, shall be allowed outdoors on any Lot. All fires must be supervised by an adult at all times, and each Owner bears the sole responsibility and risk of any such fires.

7.20 FIREWORKS. Unless prohibited by law, fireworks may be discharged on a Lot only on July 4th or December 31st of each year, and not later than 11:59 p.m. Otherwise, fireworks are prohibited. The use of fireworks must be supervised by an adult, and each Owner bears the sole responsibility and risk of the use of fireworks.

7.21 [intentionally deleted].

7.22 SEWAGE. Each Lot on which a residential house is constructed shall contain an underground aerobic-type septic treatment system, which system shall be subject to the approval of the ACC. Each Owner shall contract with an aerobic septic maintenance company to provide maintenance for Owner's system. Owner shall not install any sprinkler head or other mechanism that allows water to discharge from Owner's system in any location other than the locations specifically authorized by the Spray Easement Area identified in the Final Plat or as otherwise specifically authorized in Exhibit B.

7.23 SOILS. Developer makes no representations, and no Owner has or will rely on any such representation, regarding the soils of the Property. Developer advises each Owner to obtain independent geotechnical analysis on a lot-by-lot basis.

7.24 MAINTENANCE & EROSION CONTROL. Immediately upon the conveyance of any Lot by the Declarant, including the conveyance of a Lot to one of the Builders by the Declarant, the new owner of the Lot shall be solely responsible for maintaining and controlling erosion on the Lot that he/she/it owns, including maintenance and control of erosion during construction on the Lot and afterwards, and Developer shall not be in any way responsible for maintaining or controlling erosion on such Lot. The new owner shall also be responsible for installing culverts to allow for proper drainage in accordance with the Plat. Maintenance includes, without limitation, (i) mowing of grass on a regular basis, (ii) generally keeping the Lot in a neat, clean, and sanitary condition, and (iii) generally keeping in a neat, clean, and sanitary condition all streets abutting the Lot. Erosion control includes, without limitation, the continuation or implementation of erosion control measures which comply with all municipal, county, state, or federal regulations such as the regulations imposed by the U.S. Environmental Protection Agency and/or any federal or state agency or authority exercising a similar function.

7.25 TCEQ NOTICE TO HOMEOWNERS. Each Owner that purchases a Lot within the Subdivision understands and agrees that, during the construction of said Owner's home, Declarant and/or Builder had coverage under the Texas Pollutant Discharge Elimination System (TPDES) Construction General Permit No. TXR150000, or such other applicable permit(s). This permit authorizes the discharge of stormwater from construction sites. As stormwater flows over a construction site, it collects pollutants like sediment, debris, and chemicals, which it carries into creeks, rivers, lakes, etc. Said Owner further understands and agrees that the Property and/or the surrounding site may have not reached final stabilization. Final stabilization of a construction site helps prevent erosion and pollution from entering the water that many Texans use for drinking and recreation. Final stabilization occurs when: (i) all soil disturbing activities at the site are complete and (ii) a uniform (e.g., evenly distributed, without large bare areas) perennial vegetative cover with a density of 70% of the native background vegetative cover for the area is established on all unpaved areas and areas not covered by permanent structures, or equivalent permanent stabilization measures (such as the use of riprap, gabions, or geotextiles) are employed. Said Owner further understands that the Property and/or surrounding site has been temporarily stabilized using the following best management practices, among others: erosion controls, sediment controls, construction entrance stabilization, and vegetation protection. To protect water quality, said Owner agrees that it/he/she must achieve final stabilization of this property by removing any temporary controls listed above, and stabilizing Buyer's Property by adding landscape, xeriscape, or other best management practices to stop erosion from Owner's Property. Until said Owner reaches final stabilization, said Owner must obtain authorization under the CGP by developing a Stormwater Pollution Prevention Plan and, if said Owner owns a large site, submitting a Notice of Intent.

ARTICLE 8 -- CONSTRUCTION RELATED RESTRICTIONS

All construction related restrictions are contained in the Design Guidelines attached hereto and incorporated as fully set forth herein as Exhibit B.

ARTICLE 9 – MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

9.1 OWNERS' OPTION TO FORM THE ASSOCIATION AFTER DECLARANT CONTROL PERIOD. During the Declarant Control Period, Declarant shall serve as and be considered to be the Association as that term is used herein. After the Declarant Control Period, the Owners may decide to operate and manage the Property, including to implement and enforce the Restrictions, as a collective group of Owners without forming a non-profit organization as authorized herein below. In such event, the Owners shall serve as and be considered to be the Association as that term is used herein and shall make all decisions on behalf of the Association by majority vote unless a greater vote is required herein. If, after the Declarant Control Period, the Owners desire to form a non-profit organization for the purpose of operating and managing the Property, as well as implementing and enforcing the Restrictions, the Owners are hereby authorized to do so pursuant to the provisions of Sections 9.2 thru 9.11, Article 10, and Article 14 below. The existence and legitimacy of the Association are derived from this Declaration and the Bylaws of the Association, which shall be prepared by the Owners. The Association must be a nonprofit organization incorporated under the laws of Texas. The subsequent failure of the Association to maintain its corporate charter from time to time does not affect the existence or legitimacy of the Association. The Association is subject to the Texas Business Corporation Act ("TBOC"). Because provisions of this Declaration address issues covered by the TBOC, this Declaration is a "Governing Document" as defined by TBOC, and any such provision herein is a "Bylaw" as defined by TBOC. The Association is also subject to TBOC Chapter 22 – the Nonprofit Corporation Law.

9.2 NAME. A name is not the defining feature of the Association. Although the initial name of the Association is Cotten Creek Estates Homeowners' Association, Inc., the Association may operate under any name that is approved by the Board and (1) registered by the Board with the County Clerk of the County in which the Property is located as an assumed name, or (2) filed by the Association with the Secretary of State as the name of the filing entity. The Association may also change its name by amending the Governing Documents. Another legal entity with the same name as the Association or with a name based on the name of the Property is not the Association, which derives its authority from this Declaration.

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

9.4 MEMBERSHIP IN ASSOCIATION. Once the Association is formed under Section 9.1 above, ownership is automatic, mandatory, appurtenant to ownership of a Lot, and terminates when the member is divested of his ownership interest in the Lot to which it is tied and from which it may not be separated. The foregoing is not intended to include persons or entities that hold an interest in a Lot merely as security, unless such persons or entities acquire title to a Lot through judicial or non-judicial foreclosure, or deed in lieu of foreclosure. If a Lot is owned by more than one person, the co-owners share the membership and decided for themselves how it will be exercised. The Board may require satisfactory evidence of transfer of ownership before a purported owner is recognized by the Association as an Owner. Ownership of such Lot shall be the sole qualification for membership in the Association.

9.5 VOTING RIGHTS. All Owners shall be entitled to cast one vote per Lot. When more than one Owner holds an interest in any Lot, all such Owners shall be Members. The vote for such Lot shall be exercised as they may determine, but in no event shall more than one vote be cast with respect to any Lot. The one vote appurtenant to each

Lot is indivisible. All votes are uniform in weight, regardless of the value, size, or location of the Lot or its improvements. Cumulative voting is not allowed.

9.6 QUORUM OF MEETING OF OWNERS. Unless the Governing Documents or Applicable Law provide otherwise, any action requiring approval of the Owners may be approved (1) at a meeting by owners of at least a majority of the Lots that are represented at the meeting, provided notice of the meeting was given to an owner of each Lot, or (2) in writing by owners of at least a majority of all Lots, provided the opportunity to approve or disapprove was given to an owner of each Lot.

9.7 SUSPENSION OF VOTING RIGHTS. All voting rights of an Owner may be suspended by the Association during any period in which such Owner is delinquent in the payment of any duly established assessment or is otherwise in default and/or violation of these Restrictions, under the Bylaws of the Association, and/or the Rules and Regulations. An Owner whose voting rights have been suspended shall not be counted for purposes of reaching a quorum or majority.

9.8 REGISTRATION WITH THE ASSOCIATION. Such that the Association can properly determine voting rights and acquaint every Lot purchaser and every Owner with these Restrictions and the day-to-day matters of the Association, each Owner shall have an affirmative duty and obligation to originally provide, and thereafter revise and update, within fifteen (15) days after a material change has occurred, various items of information to the Association such as: (a) the full name and address of each Owner; (b) the business address, occupation and telephone number of each Owner; (c) the description and license plate number of each automobile owned or used by Owner and brought within the Property; (d) the name, address and telephone numbers of other local individuals who can be contacted (in the event the Owner cannot be located) in case of an emergency; and (e) such other information as may be reasonably requested from time to time by the Association. If any Owner fails, neglects, or refuses to so provide, revise and update such information, then the Association may, but is not required to, use whatever means it deems reasonable and appropriate to obtain such information, and the offending Owner shall become automatically jointly and severally liable to promptly reimburse the Association for all reasonable costs and expenses incurred in so doing.

9.9 DETERMINATION OF PERCENTAGES. A reference in a Governing Document or Applicable Law to a percentage or share of owners or Owners means owners of at least that percentage or share of the Lots, unless a different meaning is specified. For example, "a majority of owners" mean owners of at least a majority of the Lots. In a different context, to make a point, a representative of the Association who appears before a tribunal on behalf of the Association may properly refer to Owners of the Association as "citizens" and "voters" in the jurisdiction in which the Property is located, without evidence of citizenship or voter registrations to substantiate the reference. In that context, the actual number of individual owners may be used.

9.10 COMMUNICATIONS. Drafted in an era of rapidly changing communications technologies, this Declaration does not intend to limit the methods by which the Association, owners, and residents communicate with each other. Such communications may be by any method or methods that are available and customary. For example, if the Association is required by the Governing Documents or Applicable Law to make information available to owners of all Lots, that requirement may be satisfied by posting the information on the Association's website or by using electronic means of disseminating the information, unless Applicable Law requires a specific method of communication. It is foreseeable that meetings of the Association and voting on issues may eventually be conducted via technology that is not widely available on the date of this Declaration. As communication technologies change, the Association may adopt as its universal standard any technology that is reasonably believed to be used by owners of at least 85 percent of the Lots. Also, the Association may employ multiple methods of communicating with Owners.

9.11 BOOKS AND RECORDS. The Association will maintain copies of the Governing Documents and the Association's books, records, and financial statements. The Association will make its books and records available to Owners, on request, for inspection and copying pursuant to the requirements of Applicable Law.

ARTICLE 10 – MANAGEMENT OF THE ASSOCIATION

Once the Association is formed under Section 9.1 above, the following provisions shall apply:

10.1 **BOARD**. The Association is governed by a board of directors. The Board shall have the exclusive right to contract for all goods, services, and insurance, and the exclusive right and obligation to perform the functions of the Board, except as otherwise provided herein. Unless the Governing Documents expressly reserve a right, action, or decision to another party, such as the Owners or Declarant, the Board acts in all instances on behalf of the Association. Unless the context indicates otherwise, references in the Governing Documents to the “Association” may be construed to mean “the Association acting through its board of directors.” The board of directors may authorize or direct officers of the Association, who serve at the pleasure of the board, to implement its decisions.

10.2 **ACTION BY THE ASSOCIATION**. Unless otherwise specifically set forth herein, all actions required to be taken by the Association shall be taken by the Association through the actions of the Board, and all action which may be taken by the Association, within its discretion, may be taken through the action of the Board.

10.3 **MANAGERS**. The Board may delegate the performance of certain functions to one or more managers or managing agents for the Association. Notwithstanding a delegation of its functions, the Board is ultimately responsible to the members for governance of the Association.

10.4 **ARRANGEMENTS WITH OTHER ASSOCIATIONS**. The Association may participate in contractual arrangements with other property owners associations or with owners or operators of nearby property for products, services, or opportunities that the Association deems to be in the best interests of the Association’s members, such as to consolidate similar maintenance programs while providing consistency and economy of scale. Common funds of the Association may be used to pay the Association’s pro rata share of the contractual arrangements.

10.5 POWERS AND DUTIES OF BOARD.

- (a) By way of example and not by limitation, the Board shall have the right, power, and duty to provide, and shall payout on behalf of the Association, from the assessments provided for herein, the following:
 - (1) Any private trash and garbage collection service provided by the Association;
 - (2) Any security arrangements;
 - (3) The services of a person or firm (including Declarant and any affiliates of Declarant) to manage the Association or a separate portion thereof, to the extent deemed advisable by the Board, and the services of such other personnel as the Board shall determine to be necessary or proper for the operation of the Association, whether such personnel are employed directly by the Board or by a manager designed by the Board;
 - (4) Legal and accounting services; and
 - (5) Any other materials, supplies, furniture, labor, service, maintenance, repairs, structural alteration, taxes or assessments which the Board is required to obtain or pay for pursuant to the terms of this Declaration or which in its opinion shall be necessary or proper for the operation or protection of the Association or for the enforcement of this Declaration.
- (b) Without limiting the foregoing, the Board shall have the following additional rights, powers and duties:

- (1) To enter into agreements or contracts with insurance companies, taxing authorities, and the holders of first mortgage liens on the individual Lots with respect to utility installation, consumption, and service matters;
- (2) To borrow funds to pay costs of operation, secured by assignment or pledge of rights against delinquent Owners, if the Board sees fit or secured by such assets of the Association as deemed appropriate by the lender and the Association;
- (3) To enter into contracts, maintain one or more bank accounts, and, generally, to have all the powers necessary or incidental to the operation and management of the Association;
- (4) To sue or defend in any court of law on behalf of the Association and to provide adequate reserves for repairs and replacements;
- (5) To make available to each Owner within ninety (90) days after the end of each year an annual report;
- (6) To adjust the amount, collect, and use any insurance proceeds to repair damage or replace lost property; and if proceeds are insufficient to repair damage or replace lost property, to assess the Owners in proportionate amounts to cover the deficiency;
- (7) To enforce the provisions of this Declaration and any rules made hereunder and to fine, enjoin and/or seek damages from any Owner for violation of such provisions or rules.

10.6 RULES AND REGULATIONS. The Board may promulgate the Rules and Regulations. The Rules and Regulations, as promulgated and amended from time to time, are incorporated into this Declaration by this reference. A copy of the Rules and Regulations will be furnished to any Owner on request. The Rules and Regulations will supplement this Declaration and may make other and further provisions as to the activities of Owners or their Lots and within the Property. The Rules and Regulations may be amended from time to time by the Board. The Rules and Regulations may, at the discretion of Declarant or the Board, be incorporated into and made a part of the Design Guidelines.

10.7 INDEMNIFICATION. The Association shall indemnify each Board member, officer, director, committee chair, and committee member (for purposes of this Section, each a “Leader”) against expenses, including attorney’s fees, reasonably incurred by or imposed on the Leader in connection with an action, suit, or proceeding to which the Leader is a party by reason of being or having been a Leader. A Leader is not liable for a mistake of judgment, negligence, or otherwise. A Leader is liable for his willful misfeasance, malfeasance, misconduct, or bad faith and the Association shall have no duty to indemnify the Leader for such acts. This right to indemnification does not exclude any other rights to which present or former Leaders may be entitled. The Association may maintain general liability and directors and officer’s liability insurance to fund this obligation. Additionally, the Association may indemnify a person who is or was an employee, trustee, agent, or attorney of the Association, against any liability asserted against him and incurred by him in that capacity and arising out of that capacity. Additionally, the Association may indemnify a person who is or was an employee, trustee, agent, or attorney of the Association, against any liability asserted against him and incurred by him in that capacity and arising out of that capacity.

10.8 CONTRACTS WITH OWNERS. The Board, on behalf of the Association, shall have full power and authority to Contract with any Owner for the performance, on behalf of the Association, of services which the Board is otherwise required to perform pursuant to the terms hereof, such contracts to be upon such terms and conditions and for such consideration as the Board may deem proper, advisable, and in the best interest of the Association.

10.9 RESERVE FUNDS. The Board may establish reserve funds that may be maintained and accounted for separately from other funds maintained for annual operating expenses and may establish separate, irrevocable trust

accounts to better demonstrate that the amounts deposited therein are capital contributions and not net income to the Association.

ARTICLE 11 -- COVENANT FOR ASSESSMENT

Notwithstanding anything else herein to the contrary, no assessment shall be owed by any Owner unless and until a non-profit corporation has not been formed pursuant to Section 9.1 above, it being the intent that the Owners shall owe no assessment unless and until it becomes necessary or desirable for the Owners to incorporate an entity through which to manage and enforce these restrictions.

11.1 CREATION OF THE LIEN AND PERSONAL OBLIGATION OF ASSESSMENT. Each Owner, other than Declarant, by acceptance of the deed therefore, whether or not it shall be so expressed in the deed, hereby covenants and agrees to pay to the Association (once formed pursuant to Section 9.1 above), regular assessments and special assessments as provided for in this Declaration, and covenants to the enforcement of payment of the assessments and the lien of the Association as hereinafter provided. Such assessments shall be fixed, established, and collected from time to time as provided by the Association. The regular and special assessments, together with any interest thereon and costs of collection thereof, including reasonable attorney's fees, shall be a charge upon the Lot and a continuing lien upon the Lot against which each such assessment is made. Each such assessment, together with any interest and costs of collection thereof, including reasonable attorney's fees, shall also be a personal obligation of the Owner at the time when the assessment became due. Such personal obligation shall not pass to the Owner's successors in title unless expressly assumed by them, but shall pass as a lien upon the applicable Lot. No Lot shall be assessed until conveyed by Declarant to an Owner and only after the Owners have formed the Association pursuant to Section 9.1 above. The following real property, being otherwise subject to this Declaration, shall be exempted from all assessments, charges, and liens created herein: (a) all Lots and/or other real property owned by Declarant, (b) all property dedicated to and accepted by any public authority and devoted to public use; and (c) all property exempted from taxation by the laws of the State of Texas upon the terms and to the extent to such legal exemption.

11.2 PURPOSE OF ASSESSMENTS. The assessments levied by the Association shall be used for the purpose of promoting the recreation, health, safety, enjoyment and welfare of the residents in the Property, for the improvement and maintenance of any capital improvements owned or controlled by the Association, establishing and maintaining repair and replacement reserves as determined by the Association, and any other purpose reasonable, necessary, or incidental to such purposes as determined by the Association. The Association shall not be obligated to spend all monies collected in a year, and may carry forward, as surplus, any balances remaining. The Association shall not be obligated to apply such surplus to the reduction of the amount of the Annual Assessments in any later year, but may carry forward a surplus, as the Board deems desirable for the greater financial security of the Association.

11.3 ANNUAL ASSESSMENTS. The regular assessments shall be based upon the cash requirements, as the Association shall determine necessary to provide for the payment of all estimated expenses arising out of or connected with the purposes described above. The regular assessments may be due monthly, quarterly, or annually, as determined by the Board. Until and unless otherwise determined by the Association, the initial annual assessment shall be \$400.00 per Lot per year. The Annual Assessment may not be increased more than twenty-five percent (25%) above the maximum annual assessment of the previous year. The assessments described in this section shall be referred to as the "Annual Assessments." The Board shall prescribe the applicable due date(s) for each Annual Assessment and the Board shall prepare a roster of the Lots and assessments applicable thereto, which shall be kept in the office of the Association. Notwithstanding the foregoing, the annual assessment during the first year of ownership of any lot that was purchased directly from Declarant shall be 50% of the annual assessment set forth herein above, it being the intent of Declarant that any builder who purchases a lot from Declarant will receive a 50% reduction in assessments to allow the builder time to complete a residence on the lot and to sell the lot to a permanent homeowner.

11.4 SPECIAL ASSESSMENTS. The Association may levy, in addition to the Annual Assessments, one or more special assessments in any calendar year applicable to that year only: (a) applicable to all Owners, for the purpose of defraying in whole or in part the costs of construction, reconstruction, repair or replacement of a capital improvement,

including necessary fixtures and personal property related thereto, or for such other lawful purposes related to the use and maintenance of the Property as the Association may determine; (b) applicable only to a particular Owner(s), for the purpose of defraying the costs of reconstruction, repair or replacement of a capital improvement, including necessary fixtures and personal property related thereto, in the event a particular Owner (or Owners) has taken any action or has failed to take action which has resulted in damage to, or extraordinary wear and tear of, a capital improvement; and (c) applicable only to a particular Owner (or Owners), to reimburse the Association as otherwise provided for herein.

11.5 THE EFFECT OF NON-PAYMENT OF ASSESSMENTS: REMEDIES OF THE ASSOCIATION. Each Owner shall be deemed to covenant and agree to pay to the Association the assessments provided for herein, and each agrees to the enforcement of the assessments in the manner herein specified. In the event the Association employs attorneys for collection of any assessment, whether by suit or otherwise, or to enforce compliance with or specific performance of the terms and conditions of this Declaration, each Owner against whom collection or enforcement or other action is taken agrees to pay reasonable attorney's fees and costs thereby incurred in addition to any other amounts due or any other relief or remedy obtained against said Owner. In the event of a default in payment of any such assessment when due, the assessment shall be deemed delinquent, and in addition to any other remedies herein or by law provided, the Association may enforce each such obligation in any manner provided by law or in equity, specifically including:

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

(b) ENFORCEMENT BY LIEN. There is, to the fullest extent permitted by law, hereby created and granted a lien, with the power of sale, on each Lot to secure payment to the Association of any and all assessments levied against all Owners of such Lots under these Restrictions and all damages owed by any Owner to the Association, however incurred, together with interest thereon at the highest legal rate from the date of delinquency, and all costs of collection which may be paid or incurred by the Association in connection therewith, including reasonable attorney's fees. At any time after the occurrence of any default in payment of any such assessment, the Association, or any authorized representative, may, but shall not be required to, make a written demand for payment to the defaulting Owner, on behalf of the Association. The demand shall state the date and the amount of the delinquency. Each default shall constitute a separate basis for a demand or claim of lien, but any number of defaults may be included within a single demand or claim of lien. If such delinquency is not paid after delivery of such demand, or even without such a written demand being made, the Board may elect to file a claim of lien on behalf of the Association against the defaulting Owner. Such a claim of lien shall be executed and acknowledged by any officer of the Association, and shall contain substantially the following information:

- (1) The name of the delinquent Owner;
- (2) The legal description and, if applicable, street address of the Lot against which the claim of lien is made;
- (3) The total amount claimed to be due and owing for the amount of the delinquency, interest thereon, collection costs, and reasonable attorney's fees; and
- (4) That the claim of lien is made by the Association pursuant to the Restrictions.

Notwithstanding the foregoing, it is expressly intended that the lien herein described shall immediately attach and become effective in favor of the Association as a lien upon any Lot against which an assessment is levied regardless of whether any demand is made or claim of lien filed. Such a lien shall have priority over all liens or claims created subsequent to the recordation of the claim of lien thereof, except only tax liens for real property taxes on any Lot assessments in favor of any municipal or other governmental assessing unit, and

the liens which are hereinafter specifically described below. To the extent permitted by law, any such lien may be foreclosed by judicial or non-judicial methods. A nonjudicial foreclosure sale must be conducted in accordance with the provisions applicable to the exercise of powers of sale as set forth in Texas Property Code § 51.002 or in any manner permitted or not prohibited by Applicable Law and must comply with prerequisites required by Applicable Law. In any foreclosure, Owner is required to pay the Association's costs and expenses for the proceedings, including reasonable attorneys' fees, subject to any limitations of Applicable Law. The Association has the power to bid on the Lot at the foreclosure sale and to acquire, hold, lease, mortgage, and convey same. The lien provided for herein shall be in favor of the Association and all other Lot Owners. The Association shall have the power to bid in at any foreclosure sale and to purchase, acquire, hold, lease, mortgage, and convey any Lot. If such foreclosure is by action in court, reasonable attorney's fees, court costs, title search fees, interest, and all other costs and expenses shall be allowed to the extent permitted by law. Each Owner, by becoming an Owner of a Lot, hereby expressly waives any objection to the enforcement and foreclosure of this lien in this manner.

11.6 SUBORDINATION OF THE LIEN TO MORTGAGES. The lien described herein shall be subordinate to any first deed of trust lien on the Property or a Lot which was recorded before the delinquent assessment became due and any deed of trust home equity lien or lien for improvements on a Lot which was recorded before the delinquent assessment became due.

11.7 CERTIFICATES. The Board shall upon demand at any time furnish to any Owner liable for said assessment, a certificate in writing signed by an officer of the Association, setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid. A reasonable charge may be made by the Board for the issuance of such certificate.

11.8 ALTERNATIVE PAYMENT SCHEDULE GUIDELINES. It is the policy of the Association that any agreement entered into by and between the Association and any Owner shall comply with Section 209.0062, Texas Property Code and the following terms and conditions:

(a) Upon the request of an Owner, the Board shall approve a plan whereby the Owner shall be authorized to enter into an "Alternative Payment Schedule Plan" ("Payment Plan"), and make partial payments of any regular assessment, special assessments, and/or any other amount owed to the Association over such period of time as may be agreed upon between the Association and the Owner, but in no event shall the Payment Plan be for a period of time of less than three months.

(b) Any Payment Plan entered into by the Association shall not extend more than 18 months from the date of the Owner's request for a payment plan.

(c) The association is not required to enter into a payment plan with an Owner who failed to honor the terms of a previous payment plan.

(d) The Payment Plan shall be in writing and shall be acknowledged before a notary public and capable of filing in the Official Public Records of Parker County, Texas. The Payment Plan shall be an enforceable contract and shall confirm the amounts due to the Association, including a breakdown of assessments, penalties, late fees, and interest, if applicable.

(e) During the existence of the Payment Plan, and provided that all payments are timely paid by the Owner, no additional "monetary penalties" shall be charged to the Owner. For the purpose of this Resolution, "monetary penalties" does not include reasonable costs association with administering the payment plan or interest. Should the Owner become delinquent in the payments under the Payment Plan, then the Payment Plan may be, at the discretion of the Association, filed in the Official Public Records of Parker County, Texas. For the purpose of this Resolution "delinquent" means that payment was not received by the Association on or before 5:00 o'clock p.m. Central Time on the date the payment is due.

(f) The Owner shall be responsible to pay a flat fee of \$50.00 for preparation of the Payment Plan, which shall be due upon the execution and return to the Association by the Owner with Owner's first payment under the Payment Plan. Should the Owner become delinquent in payment under the Payment Plan, then the Association shall send a letter to the Owner, by first class mail and certified mail, return receipt requested, giving notice of the delinquency and making demand for Owner to pay, in full, within thirty (30) days of the date of the letter, all amounts due under the Payment Plan. If the Owner has not paid all amounts due in such time, then the Association will, at its discretion, take further legal action to enforce its rights and seek judicial foreclosure of the maintenance fee lien provided by the deed restrictions.

ARTICLE 12 - ADMINISTRATION AND MANAGEMENT

12.1 GOVERNING DOCUMENTS. The administration of the Property shall be governed by these Restrictions, the Bylaws, and any Design Guidelines or the Rules and Regulations of the Association as promulgated and published from time to time.

12.2 EVIDENCE OF COMPLIANCE WITH DECLARATION. Records of Declarant or the Association with respect to compliance with this Declaration shall be conclusive evidence as to all matters shown by such records. A certificate of completion and compliance issued by Declarant or the secretary of the Association stating that the improvements to a Lot were made in accordance with this Declaration, or a certificate as to any matters relating to this Declaration issued by Declarant or the secretary of the Association, shall be conclusive evidence that shall justify and protect any title company insuring title to any portion of the Property and shall fully protect any purchaser or lender in connection therewith.

12.3 PERSONAL PROPERTY FOR COMMON USE. The Association may acquire and hold property, tangible and intangible, real and personal, in the name of the Association, for the use and benefit of all Owners and may dispose of the same by sale or otherwise. The beneficial interest in any such property shall be owned by the Owners, and their interest therein shall not be transferable; however, the interest of an Owner shall be deemed to be transferred upon the transfer of title to the Owner's Lot, including foreclosure.

ARTICLE 13 -- RIGHTS OF DECLARANT

During the Development Period, Declarant hereby specifically excepts, excludes, and reserves the following rights and interests in the Property:

13.1 AMENDMENTS. Declarant shall have the right to amend this Declaration and each amendment shall apply to all of the Property, whether owned by Declarant or not.

13.2 PLAT REVISION. Declarant reserves the right to replat the Property and revise the acreage and configuration of Lots owned by Declarant, to change any building lines or setback lines, or change the course or size of easements so long as Declarant holds legal title to the affected Lots.

13.3 SALES AND CONSTRUCTION ACTIVITIES. Declarant or Builder shall have the right to maintain sales and administrative offices, construction offices or trailers, model homes, and parking facilities, storage facilities, and signs on the Property and to conduct sales activities on the Property as long as Declarant or Builder owns at least one (1) Lot.

13.4 CONSTRUCTION WORK BY DECLARANT. Declarant shall have the right to construct and complete the construction of Roads and any common improvements on the Property. In connection therewith, Declarant reserves the right to use, occupy, and excavate the surface and subsurface of the ground for the erection, construction, and installation of said improvements including, but not limited to, the right to locate, install, maintain, and repair all utilities and utility lines, whether temporary or permanent, necessary for Declarant's construction, reconstruction,

maintenance, and operation. Declarant also reserves the right to extend the Roads located or to be located on the Property to other property. Declarant, in addition, reserves the right to convey to any county, water district, sanitary sewer district, or other municipal or quasi municipal corporation all sewer lines and mains, water lines and mains, and any other utilities constructed or to be constructed on the Property, together with suitable rights-of-way over said lands for the required maintenance, repair, replacement, and operation thereof. The foregoing rights reserved by Declarant do not impose on Declarant the obligation to construct or install any improvements of any kind.

13.5 DECLARANT REIMBURSEMENT. Out-of-pocket expenses of Declarant incurred on behalf of the Association shall be reimbursed to Declarant upon request. Without limiting the generality of the foregoing, the assessments levied by the Association may be used to reimburse Declarant for all out-of-pocket costs and expenses incurred by Declarant in organizing and conducting affairs on behalf of the Association, including, but not limited to, organization costs of the Association, creation and modification of the Declaration and any amendments thereto, legal and accounting fees, and other costs.

13.6 DEVELOPMENT OF PROPERTY. 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. Notwithstanding Applicable Laws that link a declarant's control of real property development with its control of the governing body, Declarant and this Declaration recognize the independent of those realms and functions. Declarant may terminate its reserved right to appoint officers and directors of the Association without affecting any of Declarant's other rights and reservations under this Declaration or Applicable Law.

13.7 INDEPENDENT OF RESERVATION PERIODS. This Declaration creates a number of periods of time for the exercise by Declarant of certain reserved rights, such as the Declarant Control Period and Development Period, for example. Each reservation period is independent of the others. Each reservation period is for a term of years or until a stated status is attained and does not require that Declarant own a Lot or any other land in the Property. No act, statement, or omission by the Association, a Builder, or any other party may effect a change or termination of any reservation period. Declarant, however, may unilaterally change any reservation period by amending this Declaration. To document the end of a reservation period, Declarant may (but is not required to) execute and publicly record a notice of termination of the period.

ARTICLE 14 - INSURANCE AND INDEMNIFICATION

Once the Association is formed under Section 9.1 above, the following provisions shall apply:

14.1 ASSOCIATION INSURANCE.

(a) The Association is vested with the authority to and shall obtain and maintain in full force and effect commercial general liability insurance and such other insurance, as it deems necessary or desirable. All such insurance shall be obtained from responsible companies duly authorized and licensed to do business in the State of Texas. To the extent possible, the insurance shall provide for a waiver of subrogation by the insurer as to claims against the Association, its directors, officers, employees, agents and Owners and provide that the policy of insurance shall not be terminated, canceled, or substantially modified without at least thirty (30) days prior written notice to the Board. Any insurance policy may contain such deductible provisions, as the Board deems consistent with good business practice. The cost and expense of all insurance obtained by the Association shall be paid out of Association funds.

(b) The Association will not carry any insurance pertaining to, nor does it assume any liability or responsibility for, the real or personal property of the Owners (and their respective family members and guests). Each Owner expressly understands, covenants and agrees with Declarant and the Association that neither Declarant nor the Association has any responsibility or liability of any kind or character whatsoever regarding or pertaining to the real and personal property of each Owner and each Owner shall, from time to time and at various times, consult with reputable insurance industry

representatives of each Owner's own selection to select, purchase, obtain and maintain appropriate insurance providing the amount, type and kind of insurance deemed satisfactory to each Owner covering his or her real and personal property. If a loss is due wholly or partly to an act or omission of an Owner or their invitees, the Owner shall reimburse the Association for the amount of the deductible that is attributable to the act or omission upon demand from the Association.

14.2 APPOINTMENT OF ASSOCIATION AS TRUSTEE. Each Owner irrevocably appoints the Association as his trustee to negotiate, receive, administer, and distribute the proceeds of any claim against an insurance policy maintained by the Association.

14.3 [Intentionally deleted]

14.4 [Intentionally deleted]

14.5 DIRECTORS & OFFICERS LIABILITY. The Association shall 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.

14.6 OTHER COVERAGES. The Association may maintain any insurance policies and bonds deemed by the board to be necessary or desirable for the benefit of the Association, including but not limited to worker's compensation insurance, fidelity coverage, and any insurance and bond requested and required by a national institutional underwriting lending for planned unit developments as long as the underwriting lender is a mortgagee or an owner.

14.7 INDEMNIFICATION. EACH BOARD MEMBER, OFFICER, DIRECTOR, ACC OR OTHER COMMITTEE MEMBER, OR AGENT OF THE ASSOCIATION SHALL BE INDEMNIFIED BY THE ASSOCIATION AGAINST ALL EXPENSES AND LIABILITIES, INCLUDING ATTORNEY'S FEES, REASONABLY INCURRED BY OR IMPOSED UPON HIM IN ANY PROCEEDING TO WHICH HE MAYBE A PARTY, OR IN WHICH HE MAY BECOME INVOLVED, BY REASON OF HIS BEING OR HAVING BEEN A BOARD MEMBER, OFFICER, DIRECTOR, COMMITTEE MEMBER, OR AGENT OF THE ASSOCIATION; PROVIDED, HOWEVER, THAT IN THE CASE OF ANY OTHER INDEMNIFIED PARTY, THIS INDEMNIFICATION SHALL BE APPLICABLE ONLY AS SET FORTH IN THE BYLAWS OF THE ASSOCIATION.

14.8 REQUIRED INSURANCE FOR THIRD PARTIES. To the extent Declarant has assumed or will assume any obligation to any third party for the maintenance of insurance coverage on or concerning any portion of the Property, including without limitation the maintenance of insurance coverage as a condition to obtaining certain encroachment agreements for the construction of roads and other infrastructure across existing pipelines, easements, or rights of ways, the Association shall assume all insurance obligations, and will continue to maintain any such required insurance coverage on behalf, of Declarant as if the Association had assumed said insurance obligations itself. This assumption obligation by the Association shall begin the end of the Declarant Control Period and shall continue for so long as the insurance obligation by Declarant exists. The Association shall indemnify and hold Declarant harmless from and against all claims, damages, costs, fees, or expenses that arise as a result of the Association's breach of this Section 14.8. Notwithstanding anything else herein to the contrary, this Section 14.8 may be amended only with written consent by Declarant.

ARTICLE 15 – OWNER ACKNOWLEDGMENTS

15.1. ADJACENT LAND USE. By acquiring an ownership interest in a Lot, each owner acknowledges that the uses, platting, and development of land within, adjacent to, or near the Property may change over time, and from time to time, and that such a change may affect the value of owner's Lot. Whether an Owner is consulted about a proposed

change to real property within the vicinity of the Owner's Lot is a function of local government, and not a function of the Association. Nothing in this Declaration or the other Governing Documents may be construed as a representation of any kind by the Association, Builders, or Declarant as to current or future uses, actual or permitted, of any land that is adjacent to or near the Property, regardless of what the Plat shows as potential uses of adjoining land. The Association, Builders, and Declarant cannot and do not guaranty scenic views, volumes of traffic on streets around and through the Property, availability of schools or shopping, or any other aspect of the Property that is affected by the uses or conditions of adjacent or nearby land, water, or air.

15.2 SITE INSPECTION. A prospective owner or resident must make his own inspection of the Property, its location, and adjoining land uses, and make inquiries of anything that concerns him. Although the Plat and this Declaration may contain a limited number of disclosures about the Property and its location of the date of the Declaration, neither the Association nor Declarant makes any representation that these are the only noteworthy features of the Property or its location.

15.3 NOTICE OF IMPRECISE TERMINOLOGY. Words, acronyms, labels, and legends used on a Plat to describe land uses are imprecise terms which may be modified by subsequent acts and decisions by public or quasi-public authorities without the formality of amending the Plat.

15.4 STREETS WITHIN PROPERTY. Because streets within the Property may be capable of being converted from publicly dedicated to privately owned, and vice versa, this Section addresses both conditions. Private streets, if any, are part of the common areas which are governed by the Association. Public streets are part of the common areas only to the extent a public or quasi-public body, such as the city/municipality, County, or a special district, authorize or delegate same to the Association.

15.4.1 PUBLIC STREETS. As to public streets, the Association is specifically authorized (1) to accept from a public or quasi-public body any delegation of street-related duties and (2) to act as attorney in fact for the owners in executing instruments required by Applicable Law to impose, modify, enforce, or remove restrictions or traffic devices (such as speed bumps) on public streets in the Property.

15.4.2 PRIVATE STREETS. Only if and when the Property has private streets, the Association is specifically authorized to adopt, amend, repeal, and enforce rules, regulations, and procedures for use of the Property's private streets, such as, without limitation, (1) establishing and enforcing speed limits, (2) location, use, and appearance of traffic control devices, such as signs and speed bumps, (3) designation of parking or no-parking areas, (4) limitations or prohibitions on curbside parking, (5) removal or prohibition of vehicles that violate applicable rules and regulations, (6) fines for violations of applicable rules and regulations, and (7) programs for controlling access through entrance and emergency access gates, if any.

15.5 [intentionally deleted]

15.6 MINERAL INTERESTS. In the era in which this Declaration is written, there is renewed interest in oil and gas exploration.

15.6.1 MINERAL INTERESTS RESERVED. On the date of this Declaration, it is expected that all mineral interests and water rights will have been reserved by a prior owner of the Property or conveyed pursuant to one or more deeds or other instruments recorded in the Real Property Records of the County Clerk of the County in which the Property is located, including but not limited to rights to all oil, gas, or other minerals and water lying on, in, or under the Property and surface rights of ingress and egress. Because the instruments conveying or reserving mineral interests and water rights were recorded prior to this Declaration, those interests in the Property are superior and are not affected by any provision to the contrary in this Declaration. By accepting title to or interest in a Lot, every Owner acknowledges the existence of the mineral and water rights and/or reservations referenced in this Section and the attendant rights in favor of the owner or owners of the mineral interests.

15.6.2 MINERAL RESERVATION BY DECLARANT. In the event (1) a mineral interest or water right for any part of the Property has not been reserved or conveyed prior to Declarant's conveyance of the Property, or (2) a reservation or conveyance of mineral interests and water rights is determine to be invalid or to have terminated, Declarant hereby reserves for itself all right, title, and interest in and to the oil, gas, and other minerals and water in, on, and under and that may be produced from the Property, to have and to hold forever.

15.6.3 ASSOCIATION AS TRUSTEE. By accepting title to or interest in a Lot, each owner acknowledges that any oil, gas, mineral, water, or other natural element in, on, under, or over any part of the Property that has not previously been reserved or conveyed is owned by the Association for the collective and undivided benefit of all owners of the Property. In support of that purpose, each Owner, by accepting title to or interest in a Lot, irrevocably appoints the Association as his trustee to negotiate, receive, administer, and distribute the proceeds of any interest in oil, gas, mineral, water, or other natural element in, on, under, or over the owner's Lot and that may be produced from the owner's Lot for the collective and undivided benefit of all owners of the Property.

15.7 NOTICE OF LIMITATION ON LIABILITY. THE DEVELOPMENT OF THE PROPERTY OCCURS DURING A PERIOD WHEN MANY LOCAL GOVERNMENTS ARE TRYING TO BE ABSOLVED OF LIABILITY FOR FLOOD DAMAGE TO PRIVATE PROPERTY. AS A CONDITION OF PLAT APPROVAL, A GOVERNMENTAL ENTITY MAY REQUIRE A PLAT NOTE THAT NOT ONLY DISAVOWS THE ENTITY'S LIABILITY FOR FLOOD DAMAGE, BUT CONVEYANCE IS REQUIRED BY THE DISTRICT OR ENTITY, OR IF THE BOARD DEEMS SUCH A CONVEYANCE TO BE IN THE BEST INTEREST OF THE ASSOCIATION.

ARTICLE 16 -- GENERAL PROVISIONS

16.1 TERM OF RESTRICTIONS. Unless amended as provided herein, the provisions of this Declaration run with and bind the Property and will remain in effect perpetually to the extent permitted by Law.

16.2 AMENDMENT BY DECLARANT. So long as Declarant owns at least one (1) Lot, the Declaration and the Restrictions may be amended or revoked only by Declarant, and no other Owner shall have a vote regarding amendment or revocation. Nor may this Declaration or any other Government Document be amended to increase the liabilities or responsibilities of Declarant without Declarant's written and acknowledged consent, which must be part of the recorded amended instrument.

16.3 AMENDMENT BY BOARD. The Board may not unilaterally amend the Declaration, Restrictions, or Governing Documents, except for the following limited purposes, which must be clearly identified in the instrument of amendment, and then only to the extent necessary to achieve the permitted goal, and only with the unanimous written consent of all directors, there being no vacancy on the Board:

- (a) To qualify the Property or the Association for mortgage underwriting, tax exemption, insurance coverage, or any public or quasi-public program or benefit, if doing so is in the best interests of the Association and its members.
- (b) To correct an obvious error that affects the validity or enforceability of the document, if doing so is in the best interests of the Association and its members.
- (c) To comply with a requirement of Applicable Law that requires a specific provision to be included in or removed from a document.

16.4 AMENDMENT BY OWNERS. Except for certain amendments of this Declaration that may be executed by Declarant alone, or by the Board alone, amendments to this Declaration must be approved with the consent of seventy-five percent (75%) of the Owners, with each Lot being entitled to one (1) vote. Cumulative voting will not be permitted. For an amendment of this Declaration that requires the approval of the Owners, the consents may be solicited by any method selected by the Board from time-to-time pursuant to the Bylaws and Applicable Law, provided

the method gives an Owner the exact wording of the proposed amendment, a description of the effect of the proposed amendment, and an opportunity to vote for or against the proposed amendment. To be effective, an amendment approved by the requisite number of Owners or directors must be in the form of a written instrument (a) referencing the name of the Property, the name of the Association, and the recording data of this Declaration and any amendments hereto; (b) signed and acknowledged by an officer of the Association, certifying the requisite approval of Owners or directors, and (c) recorded in the Real Property Records of Parker County, Texas. An amendment to terminate the Declaration and Restrictions must be approved by Owners of at least eighty (80) percent of the Lots.

(a) AMENDMENT BY LAW. If the Board determines that the significance of the provision that is changed by operation of law should be brought to the attention of the Owners and the public, the Board, without a vote of the Owners, may issue a Notice of Change that references the provision of a Governing Document and how it was affected by Applicable Law. The Notice may be recorded in the Real Property records and does not constitute an amendment of the Governing Document. If such a Notice is issued, the Association will notify Owners of its existence and will make it available to Owners as a record of the Association. This provision may not be construed to give the Board unilateral amendment Powers, nor to prevent an amendment of a Governing Document to achieve the same purpose.

16.5 COMPLAINTS BY DECLARANT. If Declarant believes any Owner is in violation of this Declaration, it may so notify such Owner in writing, explaining the reasons for such complaint. If the Owner fails to remedy the alleged violation in ten (10) days after delivery of such notice, then Declarant shall have the right (but not the obligation or duty) to institute appropriate legal action, at law or in equity, including, but not limited to, obtaining a temporary restraining order and subsequent injunction, to enforce this Declaration, and may recover the damages owed by such Owner pursuant to the section below, any other damages incurred by Declarant, and Declarant's reasonable expenses, including attorney's fees. Without limiting the foregoing, Declarant may take such other action as it deems necessary to cure the Owner's violation and the cost expended by Declarant in doing so shall be a charge and lien upon the subject Lot.

16.6 COMPLAINTS BY OWNER. If any Owner believes any other Owner is in violation of this Declaration, he or she may so notify such Owner in writing, explaining the reasons for such complaint. If the Owner fails to remedy the alleged violation in ten (10) days after delivery of such notice, then the Owner shall have the right (but not the obligation or duty) to institute appropriate legal action, at law or in equity, including, but not limited to, obtaining a temporary restraining order and subsequent injunction, to enforce this Declaration, and may recover the damages owed by such Owner pursuant to the section below, any other damages incurred by the Owner seeking to enforce the Declaration, and the Owner's reasonable expenses, including attorney's fees.

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

16.8 PER DAY DAMAGES FOR VIOLATIONS. Any Owner in breach or violation of the Restrictions shall incur a penalty of \$100 per day per breach or violation until the breach or violation is remedied or cured. Such sum shall be payable to Declarant or the Association, as applicable, as damages.

16.9 WAIVER OF ENFORCEMENT. Waiver of enforcement of any provision of this Declaration shall be limited to that particular provision which is waived, in writing, as to a particular matter as it relates to a particular Lot, and shall not be construed to be a waiver of any other provision of this Declaration. A variance granted by Declarant or the Association is not a waiver. Failure to enforce a provision is not a waiver.

16.10 EFFECT OF ORDINANCES. Police, fire, and other public safety ordinances of any governmental corporation or unit having jurisdiction over any portion of the Property shall govern where more restrictive than this Declaration.

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

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

16.13 DISPUTE RESOLUTION BETWEEN OWNERS. Each Owner agrees that if any dispute arises between any Owner, Declarant, the Association, or the ACC as to any matter arising out of or related to this Declaration, then before proceeding with any legal action the parties shall, with reasonable promptness, arrange a mutually agreeable time for a face-to-face meeting between fully authorized representatives to seek to resolve the dispute in a mutually acceptable manner. If the negotiations fail to resolve the dispute, then said parties shall agree to promptly submit the dispute to mediation in Parker County, Texas before a single attorney mediator practicing law in Parker County, Texas (or any surrounding county) mutually agreeable to the disputing parties. If mediation is unsuccessful, then, upon demand by either party, the parties shall submit to binding arbitration all disputes between or among them arising out of or relating to this Agreement. Any arbitration proceeding will proceed in a location in Parker County, Texas (or any surrounding county) selected by the American Arbitration Association (“AAA”); (ii) be governed by the Federal Arbitration Act (Title 9 of the United States Code), notwithstanding any conflicting choice of law provision in any of the documents between the parties; and (iii) be conducted by the AAA, or such other administrator as the parties shall mutually agree upon, in accordance with the AAA’s commercial dispute resolution procedures (the commercial dispute resolution procedures to be referred to as the “Rules”). If there is any inconsistency between the terms hereof and the Rules, the terms and procedures set forth herein shall control. Any party who fails or refuses to submit to arbitration following a proper demand by any other party shall bear all costs and expenses incurred by such other party in compelling arbitration of any dispute. The arbitrator will determine whether or not an issue is arbitrable and will give effect to the statutes of limitation in determining any claim. In any arbitration proceeding the arbitrator will decide (by documents only or with a hearing at the arbitrator’s discretion) any prehearing motions which are similar to motions to dismiss for failure to state a claim or motions for summary adjudication. The arbitrator shall resolve all disputes in accordance with the substantive law of Texas and may grant any remedy or relief that a court of such state could order or grant within the scope hereof and such ancillary relief as is necessary to make effective any award. The arbitrator shall also have the power to award recovery of all costs and fees, to impose sanctions and to take such other action, as the arbitrator deems necessary to the same extent a judge could pursuant to the Texas Rules of Civil Procedure or other Applicable Law. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction. The institution and maintenance of an action for judicial relief by Declarant or the Association or pursuit of a provisional or ancillary remedy by Declarant or the Association shall not constitute a waiver of the right to submit the controversy or claim to arbitration if any other party contests such action for judicial relief. The arbitrator shall award all costs and expenses of the arbitration proceeding to the prevailing party. Notwithstanding the foregoing, this section shall not preclude Declarant or the Association from exercising its rights to seek, in an appropriate court of law, an injunction or temporary restraining order otherwise designed to enforce against any Owner any such compliance with, and prohibit any further violation(s) of this Declaration.

16.14 ANNEXATION. Declarant, in its sole discretion during the Declarant Control Period, may at any time subject additional land to this Declaration and the Restrictions by filing an amendment or supplement to this Declaration covering the additional land and declaring it to be subject hereto. The Association, upon an affirmative vote of two-thirds of the Lots in the Property, may at any time subject additional land to this Declaration and the Restrictions by filing an amendment or supplement to this Declaration covering the additional land and declaring it to be subject hereto. Unless the additional land is an easement interest or a common area, the land covered by the amendment to this Declaration shall be deemed to be a Lot or Lots, as described in the amendment or supplement,

and part of the Property and each Owner of the additional land shall be deemed an Owner, and entitled to membership in the Association, in accordance with the terms of this Declaration.

16.15 POWER OF ATTORNEY. Each Owner hereby makes, constitutes, and appoints Declarant as his/her true and lawful attorney-in-fact to do the following:

- (a) To exercise, do, or perform any act, right, power, duty or obligation whatsoever in connection with, arising out of, or relating to any matter whatsoever involving this Declaration, the Association, the Board, and/or the Property.
- (b) To sign, execute, acknowledge, deliver, and record any and all instruments which modify, amend, change, enlarge, contract, or abandon the terms within this Declaration, or any part hereof, with such clause(s), recital(s), covenant(s), agreement(s) and restriction(s) as Declarant shall deem necessary, proper, and expedient under the circumstances and conditions as may be then existing; and
- (c) To sign, execute, acknowledge, deliver, and record any and all instruments, which modify, amend, change, enlarge, contract, or abandon the subdivision Plat(s) of the Property, or any part thereof with any easements and rights-of-way to be therein contained as Declarant shall deem necessary, proper, and expedient under the conditions as may then be existing.

The rights, powers, and authority of said attorney-in-fact to exercise any and all of the rights and powers herein granted shall commence and be in full force upon recordation of this Declaration and shall remain in full force and effect thereafter until the fifteenth (15th) anniversary of the recordation of this Declaration.

16.16 GENDER AND GRAMMAR. The singular wherever used herein shall be construed to mean the plural when applicable and the necessary grammatical changes required to make the provisions hereof apply either to corporations or individuals, men or women, in all cases shall be assumed though fully expressed in each case.

16.17 NOTICES. Any notice required to be given to any Owner under the provisions of this Declaration shall be deemed to have been properly delivered when deposited in the United States mail, postage prepaid, certified mail, return receipt requested, addressed to the Owner at the Lot or such other address and Owner has registered with the ACC.

16.18 LIBERAL INTERPRETATION. The terms and provisions of each Governing Document are to be liberally construed to give effect to the purposes and intent of the Governing Document. All doubts regarding a provision in any Governing Document or Applicable Law, including restrictions on the use or alienability of property, will be resolved in the following order of preferences, regardless which party seeks enforcement: first to give effect to Declarant's intent to protect Declarant's interests in the Property; second to give effect to Declarant's intent to direct the expansion, build-out, and sell-out of the Property; third to give effect to Declarant's intent to control governance of the Association for the maximum permitted period; then in favor of the operation of the Association and its enforcement of the Governing Documents for the benefit of owners collectively; and finally to protect the rights of individual Owners.

16.19 RESERVATION OF RIGHTS. Declarant hereby reserves for itself each and every right, reservation, privilege, and exception available or permissible under Applicable Law for declarants and developers of residential subdivisions, if and to the full extent that such right, privilege, or exception is beneficial to or protective of Declarant or Builders. If the benefit or protection of Applicable Law is predicated on an express provision being in this Declaration or other Governing Document, such provision is hereby incorporated by reference unless Declarant executes an instrument to disavow such benefit or protection.

16.20 INCORPORATED DOCUMENTS. The following documents are attached hereto and incorporated as if fully set forth herein:

Exhibit A – Final Plat of Cotten Creek Estates

Exhibit B – Design Guidelines

ARTICLE 17 – POLICY REGARDING DISPLAY OF CERTAIN RELIGIOUS ITEMS

17.1 DISPLAY OF CERTAIN RELIGIOUS ITEMS PERMITTED. An Owner or resident is permitted to display or affix to the entry of the Owner's or resident's dwelling one or more religious items, the display of which is motivated by the Owner's or resident's sincere religious belief. This policy outlines the standards that shall apply with respect to the display or affixing of certain religious items on the entry to the Owner's dwelling.

(a) GENERAL GUIDELINES. Religious items may be displayed or affixed to an owner or resident's entry door or door frame of the Owner or resident's dwelling; provided, however, that individually or in combination with each other, the total size of the display is no greater than twenty-five square inches (5"x5"= 25 square inches).

(b) PROHIBITIONS. No religious item may be displayed or affixed to an Owner's dwelling that: (i) threatens the public health or safety; (ii) violates applicable law; or (iii) contains language, graphics, or any display that is patently offensive. No religious item may be displayed or affixed in any location other than the entry door or door frame and in no event may extend past the outer edge of the door frame of the owner's residence. Nothing in this policy may be construed in any manner to authorize an Owner to use a material or color for an entry door or door frame of the Owner's Residence or make an alteration not the entry door or door frame that is not otherwise permitted pursuant to the Governing Documents.

(c) REMOVAL. The Association may remove any item which is in violation of the terms and conditions of this section.

(d) COVENANTS IN CONFLICT WITH STATUTES. To the extent that any provision of the Association's Restrictions restrict or prohibit an Owner from displaying or affixing a religious item in violation of the controlling provisions Texas Property Code § 202.018, the Association shall have no authority to enforce such provisions and the provisions of this policy shall hereafter control.

ARTICLE 18 – EMAIL REGISTRATION POLICY

Declarant hereby adopts this policy to establish a means by which members of the Association might register and maintain their email addresses for the purpose of receiving certain required communications from the Association. Should the Association maintain a community website capable of allowing Owners to register and maintain an email address with the Association then the Owner is responsible for registering and updating whenever necessary such email address so that the Owner can receive email notifications of certain required communications from the Association. Should the Association not maintain a community website, and then the Association shall provide each Owner with an Official Email Registration Form so that the Owner might provide to the Association an email address for the purpose of receiving email notifications of certain required communications from the Association. It shall be the Owner's responsibility to complete and submit the form to the Association, as well as updating the Association with changes to their email address whenever necessary.

ARTICLE 19 – RAINWATER HARVESTING SYSTEM POLICY

19.1 RAINWATER HARVESTING SYSTEM POLICY. Texas statutes presently render null and void any restriction in the Declarations which prohibits the installation of rain barrels or a rainwater harvesting system on a residential lot. Declarant has adopted this policy in lieu of any express prohibition against rain barrels or rainwater harvesting systems, or any provision regulation such matters which conflict with Texas law, as set forth in the Restrictions.

19.2 ACC APPROVAL REQUIRED. Approval by the ACC is required prior to installing rain barrels or a rainwater harvesting system on a Lot (“Rainwater Harvesting System”). The ACC is not responsible for (a) errors in or omissions from the application submitted to the ACC for approval; (b) supervising installation or construction to confirm compliance with an approved application; or (c) the compliance of an approved application with governmental codes and ordinances and state and federal laws.

19.3 PROCEDURES AND REQUIREMENTS.

(a) APPROVAL APPLICATION. To obtain ACC approval of a rainwater Harvesting System, the Owner shall provide the ACC with the following information: (i) the proposed installation location of the Rainwater Harvesting System; and (ii) a description of the Rainwater Harvesting System, including the color, dimensions, manufacturer, and photograph or other accurate depiction (“Rain System Application”). A Rain System Application may only be submitted by an Owner unless the Owner’s tenant provides written confirmation at the time of submission that the Owner consents to the Rain System Application.

(b) APPROVAL PROCESS. The decision of the ACC will be made within a reasonable time, or within the time period otherwise required by the Restrictions. A Rain System Application submitted to install a Rainwater Harvesting System on property owned by the Association will not be approved. A proposal to install a Rainwater Harvesting System on property owned by the Association must be approved in advance and in writing by the Board and the Board need not adhere to this policy when considering any such request. Each Owner is advised that if the Rain System Application is approved by the ACC, installation of the Rainwater Harvesting System must: (i) strictly comply with the Rain System Application; (ii) commence within thirty (30) days of approval; and (iii) be diligently prosecuted to completion. IF the Owner fails to cause the Rain System Application to be installed in accordance with the approved Rain System Application, the ACC may require the Owner to: (i) modify the Rain System Application to accurately reflect the Rain System Device installed on the Lot; or (ii) remove the Rain System Device and reinstall the device in accordance with the approved Rain System Application. Failure to install a rain System Device in accordance with the approved Rain System Application or an Owner’s failure to comply with the post-approval requirements constitutes a violation of this policy and may subject the Owner to fines and penalties. Any requirement imposed by the ACC to resubmit a Rain System Application or remove and relocate a rain System Device in accordance with the approved Rain System Application shall be at the Owner’s sole cost and expense.

(c) APPROVAL CONDITIONS. Unless otherwise approved in advance and in writing by the ACC, each Rain System Application and each Rain System Device to be installed in accordance therewith must comply with the following:

- (i) The Rain System Device must be consistent with the color scheme of the residence constructed on the Owner’s lot, as reasonably determined by the ACC.
- (ii) The Rain System Device does not include any language or other content that is not typically displayed on such a device.
- (iii) The Rain System Device is in no event located between the front of the residence constructed on the Owner’s lot and any adjoining or adjacent street.

(iv) There is sufficient area on the Owner's lot to install the Rain System Device, as reasonably determined by the ACC.

(v) If the Rain System Device will be installed on or within the side yard of a lot, or would otherwise be visible from a street, common area, or another Owner's property, the ACC may regulate the size, type, shielding of, and materials used in the construction of the Rain System Device. See below for additional guidance.

(d) GUIDELINES FOR CERTAIN RAIN SYSTEM DEVICES. If the Rain System Device will be installed on or within the side yard of a lot, or would otherwise be visible from a street, common area, or another Owner's property, the ACC may regulate the size, type, shielding of, and materials used in the construction of the Rain System Device. Accordingly, when submitting a Rain Device Application, the application should describe methods proposed by the Owner to shield the Rain System Device from the view of any street, common area, or another Owner's property. When reviewing a Rain System Application for a Rain System Device that will be installed on or within the side yard of a lot, or would otherwise be visible from a street, common area, or another Owner's property, any additional regulations imposed by the ACC to regulate the size, type, shielding of, and materials used in the construction of the Rain System Device may not prohibit the economic installation of the Rain System Device, as reasonably determined by the ACC.

ARTICLE 20 - FLAG DISPLAY AND FLAGPOLE INSTALLATION POLICY

Note: Texas statutes presently render null and void any restriction that restricts or prohibits the display of certain flags or the installation of certain flagpoles on a residential lot in violation of the controlling provisions of Texas Property Code § 202.011 or any federal or other applicable state law. Declarant has adopted this policy in lieu of any express prohibition against certain flags and flagpoles, or any provision regulating such matters which conflict with Texas law, as set forth in the Restrictions.

20.1 ARCHITECTURAL REVIEW APPROVAL.

(a) APPROVAL REQUIRED. Approval by the ACC is required prior to installing a flagpole no more than five feet (5') in length affixed to the front of a residence near the principal entry or affixed to the rear of a residence ("Mounted Flagpole"). A Mounted Flag or Mounted Flagpole need to be approved in advance by the ACC. The ACC is not responsible for: (i) errors in or omissions in the application submitted to the ACC for approval; (ii) supervising installation or construction to confirm compliance with an approved application; or (iii) the compliance of an approved application with governmental codes and ordinances, state and federal laws.

(b) APPROVAL REQUIRED. Approval by the ACC is required prior to installing vertical freestanding flagpoles installed in the front or back yard area of any residential lot ("Freestanding Flagpole"). The ACC is not responsible for: (i) errors in or omissions in the application submitted to the ACC for approval; (ii) supervising installation or construction to confirm compliance with an approved application; or (iii) the compliance of an approved application with governmental codes and ordinances, state and federal laws.

20.2 PROCEDURES AND REQUIREMENTS

(a) APPROVAL APPLICATION. To obtain ACC approval of any Freestanding Flagpole, the Owner shall provide the ACC with the following information: (a) the location of the flagpole to be installed on the Property; (b) the type of flagpole to be installed; (c) the dimensions of the flagpole; and (d) the proposed materials of the flagpole ("Flagpole Application"). A Flagpole Application may only be submitted

by an Owner UNLESS the Owner's tenant provides written confirmation at the time of submission that the Owner consents to the Flagpole Application.

(b) APPROVAL PROCESS. The decision of the ACC will be made within a reasonable time, or within the time period otherwise required herein, which govern the review and approval of improvements. A Flagpole Application submitted to install a Freestanding Flagpole on property owned by the Association or property owned in common by members of the Association will not be approved. Any proposal to install a Freestanding Flagpole on property owned by the Association or property owned in common by members of the Association must be approved in advance and in writing by the Board, and the Board need not adhere to this policy when considering any such request.

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

20.3. INSTALLATION, DISPLAY, AND APPROVAL CONDITIONS. Unless otherwise approved in advance and in writing by the ACC, Permitted Flags, Permitted Flagpoles and Freestanding Flagpoles, installed in accordance with the Flagpole Application, must comply with the following:

(a) No more than one (1) Freestanding Flagpole or no more than two (2) Mounted Flagpoles are permitted per residential lot, on which only Mounted Flags may be displayed;

(b) Any Mounted Flagpole must be no longer than five feet (5') in length and any Freestanding Flagpole must be no more than twenty feet (20') in height;

(c) Any Mounted Flag displayed on any flagpole may not be more than three feet in height by five feet in width (3'x5');

(d) With the exception of flags displayed on common area owned and/or maintained by the Association and any lot which is being used for marketing purposes by a builder, the flag of the United States of America must be displayed in accordance with 4 U.S.C. §§ 5-10 and the flag of the State of Texas must be displayed in accordance with Chapter 3100 of the Texas Government Code;

(e) The display of a flag, or the location and construction of the flagpole must comply with all applicable zoning ordinances, easements and setbacks of record;

(f) Any flagpole must be constructed of permanent, long-lasting materials, with a finish appropriate to the materials used in the construction of the flagpole and harmonious with the dwelling;

(g) A flag or a flagpole must be maintained in good condition and any deteriorated flag or deteriorated or structurally unsafe flagpole must be repaired, replaced, or removed;

(h) Any flag may be illuminated by no more than one (1) halogen landscaping light of low beam intensity which shall not be aimed towards or directly affect any neighboring property; and

(i) Any external halyard of a flagpole must be secured so as to reduce or eliminate noise from flapping against the metal of the flagpole.

ARTICLE 21 - SOLAR DEVICE & ENERGY EFFICIENT ROOFING POLICY

Note: Texas statutes presently render null and void any restriction that prohibits the installation of solar devices or energy efficient roofing on a residential lot. Declarant has adopted this policy, subject to applicable law, in lieu of any express prohibition against solar devices or energy efficient roofing, or any provision regulating such matters which conflicts with Texas law.

21.1 DEFINITIONS AND GENERAL PROVISIONS.

(a) **SOLAR ENERGY DEVICE DEFINED.** A “Solar Energy Device” means a system or series of mechanisms designed primarily to provide heating or cooling or to produce electrical or mechanical power by collecting and transferring solar-generated energy. The term includes a mechanical or chemical device that has the ability to store solar-generated energy for Use in heating or cooling or in the production of power.

(b) **ENERGY EFFICIENCY ROOFING DEFINED.** As used in this Policy, “Energy Efficiency Roofing” means shingles that are designed primarily to: (a) be wind and hail resistant; (b) provide heating and cooling efficiencies greater than those provided by customary composite shingles; or (c) provide solar generation capabilities.

(c) **ARCHITECTURAL REVIEW APPROVAL REQUIRED.** Approval by the ACC is required prior to installing a Solar Energy Device or Energy Efficient Roofing. The ACC is not responsible for: (i) errors in or omissions in the application submitted to the ACC for approval; (ii) supervising the installation or construction to confirm compliance with an approved application; or (iii) the compliance of approved application with governmental codes and ordinances, state and federal laws.

21.2 **SOLAR ENERGY DEVICE PROCEDURES AND REQUIREMENTS.** During the Development Period, the ACC need not adhere to the terms and provisions of this Solar Device Policy and may approve, deny, or further restrict the installation of any Solar Device.

(a) **APPROVAL APPLICATION.** To obtain ACC approval of a Solar Energy Device, the Owner shall provide the ACC with the following information: (i) the proposed installation location of the Solar Energy Device; and (ii) a description of the Solar Energy Device, including the dimensions, manufacturer, and photograph or other accurate depiction (“Solar Application”). A Solar Application may only be submitted by an Owner unless the Owner’s tenant provides written confirmation at the time of submission that the Owner consents to the Solar Application.

(b) **APPROVAL PROCESS.** The decision of the ACC will be made within a reasonable time, or within the time period otherwise required by the Restrictions. The ACC will approve a Solar Energy Device if the Solar Application complies with this Section UNLESS the ACC makes a written determination that placement of the Solar Energy Device, despite compliance with this Section will create a condition that substantially interferes with the use and enjoyment of the property within the community by causing unreasonable discomfort or annoyance to persons of ordinary sensibilities. The ACC right to make a written determination in accordance with the foregoing sentence is negated if all Owners of property immediately adjacent to the Owner/applicant provide written approval of the proposed placement. Notwithstanding the foregoing provision, a Solar Application submitted to install a Solar Energy Device on property owned or maintained by the Association or property owned in common by members of the Association will not be approved despite

compliance with this Section. Any proposal to install a Solar Energy Device on property owned or maintained by the Association or property owned in common by members of the Association must be approved in advance and in writing by the Board, and the Board need not adhere to this policy when considering any such request. Each Owner is advised that if the Solar Application is approved by the ACC, installation of the Solar Energy Device must (i) strictly comply with the Solar Application; (ii) commence within thirty (30) days of approval; and (iii) be diligently prosecuted to completion. If the Owner fails to cause the Solar Energy Device to be installed in accordance with the approved Solar Application, the ACC may require the Owner to: (i) modify the Solar Application to accurately reflect the Solar Energy Device installed on the property; or (ii) remove the Solar Energy Device and reinstall the device in accordance with the approved Solar Application. Failure to install a Solar Energy Device in accordance with the approved Solar Application or an Owner's failure to comply with the post-approval requirements constitutes a violation of this policy and may subject the Owner to fines and penalties. Any requirement imposed by the ACC to resubmit a Solar Application or remove and relocate a Solar Energy Device in accordance with the approved Solar Application shall be at the Owners sole cost and expense.

21.3. APPROVAL CONDITIONS. Unless otherwise approved in advance and in writing by the ACC, each Solar Application and each Solar Energy Device to be installed in accordance therewith must comply with the following:

(a) The Solar Energy Device must be located on the roof of the residence located on the Owner's lot, entirely within a fenced area of the Owner's lot, or entirely within a fenced patio located on the Owner's lot. If the Solar Energy Device will be located on the roof of the residence, the ACC may designate the location for placement unless the location proposed by the Owner increases the estimated annual energy production of the Solar Energy Device, as determined by using a publicly available modeling tool provided by the National Renewable Energy Laboratory, by more than 10 percent above the energy production of the Solar Energy Device if installed in the location designated by the ACC. If the Owner desires to contest the alternate location proposed by the ACC, the Owner should submit information to the ACC which demonstrates that the Owner's proposed location meets the foregoing criteria. If the Solar Energy Device will be located in the fenced area of the Owner's lot or patio, no portion of the Solar Energy Device may extend above the fence line.

(b) If the Solar Energy Device is mounted on the roof of the principal residence located on the Owner's lot, then: (i) the Solar Energy Device may not extend higher than or beyond the roofline; (ii) the Solar Energy Device must conform to the slope of the roof and the top edge of the Solar Device must be parallel to the roofline; (iii) the frame, support brackets, or visible piping or wiring associated with the Solar Energy Device must be silver, bronze or black.

21.4 ENERGY EFFICIENT ROOFING. The ACC will not prohibit an Owner from installing Energy Efficient Roofing provided that the Energy Efficient Roofing shingles: (i) resemble the shingles used or otherwise authorized for use within the community; (ii) are more durable than, and are of equal or superior quality to, the shingles used or otherwise authorized for use within the community; and (iii) match the aesthetics of adjacent property. An Owner who desires to install Energy Efficient Roofing will be required to comply with the architectural review and approval procedures set forth in the Covenant. In conjunction with any such approval process, the Owner should submit information which will enable the ACC to confirm the criteria set forth in the previous paragraph.

ARTICLE 22 - ASSESSMENT COLLECTION POLICY

22.1 DELINQUENCIES, LATE CHARGES & INTEREST.

(a) DUE DATE. An Owner will timely and fully pay Assessments. Regular Assessments are assessed annually and are due and payable on the first calendar day of the month at the beginning of the fiscal year, or in such other manner as the Board may designate in its sole and absolute discretion.

(b) DELINQUENT. Any Assessment that is not fully paid when due is delinquent. When the account of an Owner becomes delinquent, it remains delinquent until paid in full -including collection costs, interest, and late fees.

(c) LATE FEES AND INTEREST. If the Association does not receive full payment of an Assessment by 5:00 p.m. on the due date established by the Board, the Association may levy a late fee per month and/or interest at the highest rate allowed by applicable usury laws then in effect or what is specified in the Restrictions on the amount of the Assessment from the late date therefore (or if there is no such highest rate, then at the rate of 1 and 1/2% per month) until paid in full.

(d) LIABILITY FOR COLLECTION COSTS. The defaulting Owner is liable to the Association for the cost of title reports, assessment liens, credit reports, certified mail, long distance calls, court costs, filing fees, and other reasonable costs and attorney's fees incurred by the Association in collecting the delinquency.

(e) INSUFFICIENT FUNDS. The Association or managing agent may levy a reasonable fee for any check returned to the Association marked "not sufficient funds" or the equivalent.

(f) WAIVER. Properly levied collection costs, late fees, and interest may only be waived by a majority of the Board.

22.2 INSTALLMENTS & ACCELERATION. If an Assessment, other than an Annual Assessment, is payable in installments, and if an Owner defaults in the payment of any installment, the Association may declare the entire Assessment in default and accelerate the due date on all remaining installments of the Assessment. An Assessment other than an Annual Assessment, payable in installments may be accelerated only after the Association gives the Owner at least fifteen (15) days prior notice of the default and the Association's intent to accelerate the unpaid balance if the default is not timely cured. Following acceleration of the indebtedness, the Association has no duty to reinstate the installment program upon partial payment by the Owner.

22.3 PAYMENTS.

(a) APPLICATION OF PAYMENTS. After the Association notifies the Owner of a delinquency and the Owner's liability for late fees or interest, and collection costs, any payment received by the Association shall be applied in the following order, starting with the oldest charge in each category, until that category is fully paid, regardless of the amount of payment, notations on checks, and the date the obligations arose: first to delinquent assessments, then to current assessments, then to attorney fees and costs associated with delinquent assessments, then to other attorney's fees, then to fines, then to any other amount.

(b) PAYMENT PLANS. The Association shall offer a payment plan to a delinquent Owner with a minimum term of at least three (3) months and a maximum term of eighteen (18) months from the date the payment plan is requested for which the Owner may be charged reasonable administrative costs and interest. The Association will determine the actual terms of each payment plan offered to an Owner. An Owner is not entitled to a payment plan if the Owner has defaulted on a previous payment plan in the last two (2) years. If an Owner is in default at the time the Owner submits a payment, the Association is not required to follow the application of payments schedule set forth in Paragraph 3-A.

(c) NOTICE OF PAYMENT. If the Association receives full payment of the delinquency after recording a notice of lien, the Association will cause a release of notice of lien to be publicly recorded. The Association may require the Owner to prepay the cost of preparing and recording the release.

(d) CORRECTION OF CREDIT REPORT. If the Association receives full payment of the delinquency after reporting the defaulting Owner to a credit reporting service, the Association will report receipt of payment to the credit reporting service.

22.4 LIABILITY FOR COLLECTION COSTS. The defaulting Owner may be liable to the Association for the cost of the reports, credit reports, assessment lien, certified mail, long distance calls, filing fees, and other reasonable costs and attorney's fees incurred in the collection of the delinquency.

22.5 COLLECTION PROCEDURES.

i. DELEGATION OF COLLECTION PROCEDURES. From time to time, the Association may delegate some or all of the collection procedures, as the Board in its sole discretion deems appropriate, to the Association's managing agent an attorney, or a debt collector.

ii. DELINQUENCY NOTICES. If the Association has not received full payment of an Assessment by the due date, the Association may send written notice of nonpayment to the defaulting Owner, by hand delivery, first class mail, and/or by certified mail, stating the amount delinquent. The Association's delinquency-related correspondence may state that if full payment is not timely received, the Association may pursue any or all of the Association's remedies, at the sole cost and expense of the defaulting Owner.

iii. VERIFICATION OF OWNER INFORMATION. The Association may obtain a title report to determine the names of the Owners.

iv. NOTIFICATION OF CREDIT BUREAU. The Association may report the defaulting Owner to one or more credit reporting services.

v. COLLECTION BY ATTORNEY. If the Owner's account remains delinquent the Association may refer the delinquent account to the Association's attorney for collection. In the event an account is referred to the Association's attorney, the Owner will be liable to the Association for its legal fees and expenses. Upon referral of a delinquent account to the Association's attorney, the Association's attorney will provide the following notices and take the following actions unless otherwise directed by the Board:

- (1) INITIAL NOTICE: Preparation of the Initial Notice of Demand for Payment Letter. If the account is not paid in full within 30 days (unless such notice has previously been provided by the Association), then
- (2) LIEN NOTICE. Preparation of the Lien Notice of Demand for Payment Letter and record a Notice of Unpaid Assessment Lien (unless such notice has previously been provided by the Association). If the account is not paid in full within 30 days, then
- (3) FINAL NOTICE: Preparation of the Final Notice of Demand for Payment Letter and Intent to Foreclose and Notice of Intent to Foreclose. If the account is not paid in full within 30 days, then
- (4) FORECLOSURE OF LIEN: Only upon specific approval by a majority of the Board.

vi. NOTICE OF LIEN. The Association's attorney may cause a notice of the Association's Assessment lien against the Owner's home to be publicly recorded. In that event, a copy of the notice will be sent to the defaulting Owner, and may also be sent to the Owner's mortgagee.

vii. CANCELLATION OF DEBT. If the Board deems the debt to be uncollectible, the Board may elect to cancel the debt on the books of the Association, in which case the Association may report the full amount of the forgiven indebtedness to the Internal Revenue Service as income to the defaulting Owner.

22.6 GENERAL PROVISIONS.

(a) INDEPENDENT JUDGMENT. Notwithstanding the contents of this detailed policy, the officers, directors, manager, and attorney of the Association may exercise their independent, collective, and respective judgment in applying this policy.

(b) OTHER RIGHTS. This policy is in addition to and does not detract from the rights of the Association to collect Assessments under the Association's Restrictions and the laws of the State of Texas.

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

(d) NOTICES. Unless the Restrictions, applicable law, or this policy provide otherwise, any notice or other written communication given to an Owner pursuant to this policy will be deemed, delivered to the Owner upon depositing same with the U.S. Postal Service, addressed to the Owner at the most recent address shown on the Association's records, or on personal delivery to the Owner. If the Association's records show that an Owner's property is owned by two (2) or more persons, notice to one co-Owner is deemed notice to all co-Owners. Similarly, notice to one resident is deemed notice to all residents. Written communications to the Association, pursuant to this policy, will be deemed given on actual receipt by the Association's president, secretary, managing agent, or attorney.

(e) AMENDMENT OF POLICY. This policy may be amended from time to time by the Board and/or Declarant.

ARTICLE 23 - RECORDS INSPECTION, COPYING AND RETENTION POLICY

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

23.1 WRITTEN FORM. The Association shall maintain its records in written form or in another form capable of conversion into written form within a reasonable time.

23.2 REQUEST IN WRITING; PAY ESTIMATED COSTS IN ADVANCE. An Owner (or an individual identified as an Owner's agent, attorney, or certified public accountant, provided the designation is in writing and delivered to the Association) may submit a written request via certified mail to the Association's mailing address or authorized representative listed in the management certificate to access the Association's records. The written request must include sufficient detail describing the books and records requested and whether the Owner desires to inspect or copy the records. Upon receipt of a written request, the Association may estimate the costs associated with responding to each request, which costs may not exceed the costs allowed pursuant to Texas Administrative Code § 70.3, as may be

amended from time to time (a current copy of which is attached hereto). Before providing the requested records, the Association will require that the Owner remit such estimated amount to the Association. The Association will provide a final invoice to the Owner on or before the 30th business day after the records are provided by the Association. If the final invoice includes additional amounts due from the requesting party, the additional amounts, if not reimbursed to the Association before the 30th business day after the date the invoice is sent to the Owner, may be added to the Owner's account as an assessment. If the estimated costs exceeded the final invoice amount the Owner is entitled to a refund, and the refund shall be issued to the Owner not later than the 30th business day after the date the final invoice is sent to the Owner.

23.3 PERIOD OF INSPECTION. Within ten (10) business days from receipt of the written request, the Association must either: (1) provide the copies to the Owner; (2) provide available inspection dates; or (3) provide written notice that the Association cannot produce the documents within the ten (10) days along with either: (i) another date within an additional fifteen (15) days on which the records may either be inspected or by which the copies will be sent to the Owner; or (ii) after a diligent search, the requested records are missing and cannot be located.

23.4 RECORDS RETENTION. The Association shall keep the following records for at least the time periods stated below:

(a) PERMANENT: The Articles of incorporation or the Certificate of Formation, the Bylaws and the Restrictions, any and all other governing documents, guidelines, rules, regulations and policies and all amendments thereto recorded in the property records to be effective against any Owner of the Association.

(b) FOUR (4) YEARS: Contracts with a term of more than one (1) year between the Association and a third party. The four (4) year retention term begins upon expiration of the contract term.

(c) FIVE (5) YEARS. Account records of each Owner. Account records include debit and credit entries associated with amounts due and payable by the Owner to the Association and written or electronic records related to the Owner and produced by the Association in the ordinary course of business.

(d) SEVEN (7) YEARS: Minutes of all meetings of the Board and the Owners. Financial books and records produced in the ordinary course of business, tax returns, and audits of the Association.

(e) GENERAL RETENTION INSTRUCTIONS: "Permanent" means records which are not to be destroyed. Except for contracts with a term of one (1) year or more, a retention period starts on the last day of the year in which the record is created and ends on the last day of the year of the retention period. For example, if a record is created on June 14, 2012, and the retention period is five (5) years, the retention period begins on December 31, 2012 and ends on December 31, 2017. If the retention period for a record has elapsed and the record will be destroyed, the record should be shredded or otherwise safely and completely destroyed. Electronic files should be destroyed to ensure that data cannot be reconstructed from the storage mechanism on which the record resides.

23.5. CONFIDENTIAL RECORDS. As determined in the discretion of the Board, certain Association records may be kept confidential such as personnel files, Owner account or other personal information (except addresses) unless the Owner requesting the records provides a court order or written authorization from the person whose records are sought.

23.6 ATTORNEY FILES. Attorney's files and records relating to the Association (excluding invoices requested by an Owner pursuant to Texas Property Code § 209.008(d)), are not records of the Association and are not: (a) subject to inspection by the Owner; or (b) subject to production in a legal proceeding. If a document in an attorney's files and records relating to the Association would be responsive to a legally authorized request to inspect or copy Association documents, the document shall be produced by using the copy from the attorney's files and records if the Association has not maintained a separate copy of the document. The Association is not required under any

circumstance to produce a document for inspection or copying that constitutes attorney work product or that is privileged as an attorney-client communication.

23.7 PRESENCE OF BOARD MEMBER OR MANAGER; NO REMOVAL. At the discretion of the Board or the Association's manager, certain records may only be inspected in the presence of a Board member or employee of the Association's manager. No original records may be removed from the office without the express written consent of the Board.

ARTICLE 24 – POLICY RELATING TO SECURITY DEVICES

Note: Texas statutes presently render null and void any restriction that prohibits the building or installation of security measures, including but not limited to security cameras, motion detectors, or perimeter fences ("Security Devices"). Declarant has adopted this policy, subject to applicable law, in lieu of any express prohibition against Security Devices, or any provision regulating such matters which conflicts with Texas law.

24.1 ACC APPROVAL REQUIRED. Approval by the ACC is required prior to the installation of any fence in the front yard of any Lot, including a fence that would sit on any portion of the Lot between the front elevation of the Residence and the street (hereinafter referred to as a "Security Fence"). The ACC is not responsible for (a) errors in or omissions from the application submitted to the ACC for approval; (b) supervising installation or construction to confirm compliance with an approved application; or (c) the compliance of an approved application with governmental codes and ordinances and state and federal laws.

24.2 PROCEDURES AND REQUIREMENTS.

(a) APPROVAL APPLICATION. To obtain ACC approval of a Security Fence, the Owner shall provide the ACC with the following information: (i) the proposed installation location of the Security Fence; and (ii) a description of the Security Fence, including the color, dimensions, materials, manufacturer, and a photograph or other accurate depiction of the proposed Security Fence ("Security Fence Application"). A Security Fence Application may only be submitted by an Owner unless the Owner's tenant provides written confirmation at the time of submission that the Owner consents to the Security Fence Application.

(b) APPROVAL PROCESS. The decision of the ACC will be made within a reasonable time, or within the time period otherwise required by the Restrictions. A Security Fence Application submitted to install a Security Fence on property owned by the Association will not be approved. A proposal to install a Security Fence on property owned by the Association must be approved in advance and in writing by the Board and the Board need not adhere to this policy when considering any such request. Each Owner is advised that if the Security Fence Application is approved by the ACC, installation of the Security Fence must: (i) strictly comply with the Security Fence Application; (ii) commence within thirty (30) days of approval; and (iii) be diligently prosecuted to completion. If the Owner fails to cause the Security Fence to be installed in accordance with the approved Security Fence Application, the ACC may require the Owner to: (i) modify the Security Fence Application to accurately reflect the Security Fence installed on the Lot; or (ii) remove the Security Fence and reinstall the device in accordance with the approved Security Fence Application. Failure to install a Security Fence in accordance with the approved Security Fence Application or an Owner's failure to comply with the post-approval requirements constitutes a violation of this policy and may subject the Owner to fines and penalties. Any requirement imposed by the ACC to resubmit a Security Fence Application or remove and relocate a Security Fence in accordance with the approved Security Fence Application shall be at the Owner's sole cost and expense.

(c) APPROVAL CONDITIONS. Unless otherwise approved in advance and in writing by the ACC, each Security Fence Application and each Security Fence to be installed in accordance therewith must comply with the following:

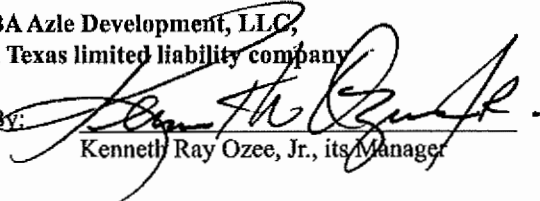
- i. The Security Fence must be made entirely of masonry and must be consistent with the color scheme of the applicant's Residence as well as the Residences in the immediately surrounding area;
- ii. The Security Fence must be at least 14 inches wide, no shorter than 6 feet high, and no higher than 7 feet high, it shall be designed by a structural engineer who certifies to the applicant and the Association that the fence will be structurally sound and will not collapse, and applicant must agree to provide post-construction engineer certification that the Security Fence was built according to his or her plans within 30 days of construction;
- iii. The exterior of the Security Fence must be at least 6 inches inside of the applicant's boundary line or building setback line, as applicable, which is confirmed with a pre-construction survey performed within 60 days of submitting the Security Fence Application as well as staking by the surveyor to identify the exact location of the Security Fence on the ground, and the applicant must agree to provide an as-built survey to confirm the as-built location of the Security Fence within 30 days of construction;
- iv. The Security Fence must extend around the entire perimeter of the Lot (in other words if an applicant desires a Security Fence in the front yard, he or she must construct an identical fence in the back yard);
- v. The portion of the Security Fence that faces any street shall be screened with irrigated landscape that is sufficient, in the Association's sole discretion, to cause the Security Fence to blend in with the rest of the Subdivision and become consistent with the overall design and style of the Subdivision;
- vi. The Security Fence must have only one gate that is across the driveway at the building line on the street, which must be at least 6 feet tall by 12 feet wide; made of wrought iron such that the applicant's Residence remains visible from the street; and must be affixed with a motor such that it automatically opens and closes upon prompting by at least an electronic key pad device installed on the exterior of Security Fence (the Association must be provided with the access code to the Security Fence at all times); and
- vii. Unless specifically modified in this section, the Security Fence shall comply with all of the setbacks, restrictions, and specifications contained in the Plat and this Declaration, including without limitation Exhibit B.

24.3 Security CAMERAS AND OTHER DEVICES. No security camera, motion detector, or similar device shall be installed on property that is not owned by the Owner installing such security devices. No security camera, motion detector, or similar device shall be installed on the outside of a Security Fence without prior approval of the ACC, and any such approval will be conditioned upon the applicant showing that the security device will be sufficiently concealed so as not to be easily seen by other Lot Owners or those passing by.

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DECLARANT:

**BA Azle Development, LLC,
a Texas limited liability company**

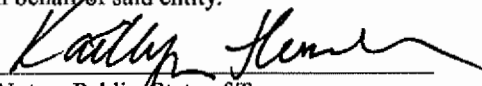
By: 

Kenneth Ray Ozee, Jr., its Manager

ACKNOWLEDGEMENT

STATE OF TEXAS §
COUNTY OF PARKER §

This instrument was acknowledged before me on this the 8th day of May, 2026, by Kenneth Ray Ozee, Jr., as Manager of BA Azle Development, LLC, on behalf of said entity.


Notary Public, State of Texas

RETURN TO:

BA Azle Development, LLC
Attn: Kenneth Ray Ozee, Jr.
P.O. Box 1326
Aledo, Texas 76008

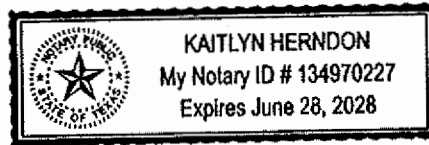


EXHIBIT A –

PROPERTY DESCRIPTION

STATE OF TEXAS

COUNTY OF PARKER

§
§
§

WHEREAS, BA AZLE DEVELOPMENT, LLC., BEING THE OWNERS OF A 118.22 ACRE TRACT OF LAND SITUATED IN THE R.N. DOBIE SURVEY, ABSTRACT NO. 362, AND THE L.M. RODERMEL SURVEY, ABSTRACT NO. 1108 IN PARKER COUNTY, TEXAS, AND BEING THAT CERTAIN TRACT OF LAND DESCRIBED BY DEED TO BA AZLE DEVELOPMENT, LLC, A TEXAS LIMITED LIABILITY COMPANY, AS RECORDED UNDER CLERKS FILE NO. 202424928, 202422965, 202423796, 202422965 and 202422951, REAL RECORDS, PARKER COUNTY, TEXAS (R.R.P.C.T.), AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A METAL FENCE POST AT THE MOST NORTHERLY NORTHEAST CORNER OF SAID CLERKS FILE NO. 202422965 AND THE NORTHWEST CORNER OF SAID CLERKS FILE NO. 202423796, AND BEING IN THE SOUTH LINE OF TRACT 9, HARVEY ESTATES, RECORDED IN CABINET A, SLIDE 106, PLAT RECORDS, PARKER COUNTY, TEXAS, SAID POST BEING BY DEED CALL, SOUTH, 415.58 FEET AND S 87°23'00" W, 281.55 FEET FROM THE NORTHEAST CORNER OF SAID R.N. DOBIE SURVEY;

THENCE N 86°51'45" E, WITH THE NORTH LINE OF SAID CLERKS FILE NO. 202423796, AND WITH THE SOUTH LINE OF SAID TRACT 9, A DISTANCE OF 332.14 FEET TO A METAL FENCE POST AT THE NORTHEAST CORNER OF SAID CLERKS FILE NO. 202423796 AND THE SOUTHEAST CORNER OF SAID TRACT 9 AND BEING IN THE WEST LINE OF THAT CERTAIN TRACT OF LAND DESCRIBED IN DEED TO SORRELLS LAND DEVELOPMENT, LLC, RECORDED IN CLERKS FILE NO. 202133601, REAL RECORDS, PARKER COUNTY, TEXAS;

THENCE S 00°15'50" E, WITH THE EAST LINE OF SAID CLERKS FILE NO. 202423796 AND THE EAST LINE OF SAID CLERKS FILE NO. 202422965, AND WITH THE WEST LINE OF SAID CLERKS FILE NO. 202133601 AND WITH THE WEST LINE OF THAT CERTAIN TRACT OF LAND DESCRIBED IN DEED TO LARRY COTTEN, RECORDED IN VOLUME 2829, PAGE 1185, REAL RECORDS, PARKER COUNTY, TEXAS, A DISTANCE OF 1320.71 TO A METAL FENCE POST, SAID POST BEING FOR THE SOUTHEAST CORNER OF SAID CLERKS FILE NO. 202422965 AND THE NORTHWEST CORNER OF SAID CLERKS FILE NO. 202424928;

THENCE S 89°57'08" E, WITH THE NORTH LINE OF SAID CLERKS FILE NO. 202424928, A DISTANCE OF 312.78 FEET TO A P.K. NAIL SET IN CHURCH ROAD AND BEING FOR THE NORTHEAST CORNER OF SAID CLERKS FILE NO. 202424928;

THENCE S 00°17'10" E, WITH SAID CHURCH ROAD, A DISTANCE OF 25.00 FEET TO A P.K. NAIL SET IN SAID CHURCH ROAD AND BEING FOR THE SOUTHEAST CORNER OF SAID CLERKS FILE NO. 202424928 AND THE MOST EASTERLY NORTHEAST CORNER OF SAID CLERKS FILE NO. 202422951;

THENCE S 05°27'49" E, WITH SAID CHURCH ROAD, A DISTANCE OF 51.64 FEET;

THENCE S 02°05'59" W, WITH SAID CHURCH ROAD, A DISTANCE OF 180.07 FEET;

THENCE S 12°41'58" W, WITH SAID CHURCH ROAD, A DISTANCE OF 135.02 FEET;

THENCE N 86°39'17" W, LEAVING SAID CHURCH ROAD, A DISTANCE OF 132.34 TO A POINT IN CREEK AND BEING FOR THE MOST NORTHERLY NORTHWEST CORNER OF THAT CERTAIN TRACT OF LAND DESCRIBED IN DEED TO PIGOTT, RECORDED IN CLERKS FILE NO. 201315147, REAL RECORDS, PARKER COUNTY, TEXAS;

THENCE WITH SAID CLERKS FILE NO. 201315147 AND WITH SAID CREEK, THE FOLLOWING CALLS:

S 02°58'37" W A DISTANCE OF 382.34 FEET;
S 07°58'01" E A DISTANCE OF 97.35 FEET;
S 36°23'40" E A DISTANCE OF 59.84 FEET;
S 10°40'54" E A DISTANCE OF 36.41 FEET AND BEING IN THE NORTH LINE OF SAID CLERKS FILE NO. 201315147, REAL RECORDS, PARKER COUNTY, TEXAS;

THENCE S 75°46'46" W, LEAVING SAID CREEK, AND WITH THE NORTH LINE OF SAID CLERKS FILE NO. 201315147, A DISTANCE OF 474.40 FEET TO A TREE;

THENCE S 40°18'09" W, WITH THE NORTH LINE OF SAID CLERKS FILE NO. 201315147, A DISTANCE OF 174.56 FEET TO A POINT IN A CREEK AND BEING FOR THE SOUTHWEST CORNER OF SAID CLERKS FILE NO. 201315147 AND BEING IN THE NORTH LINE OF THAT CERTAIN TRACT OF LAND DESCRIBED IN DEED TO BULLARD, RECORDED IN VOLUME 1674, PAGE 1124, REAL RECORDS, PARKER COUNTY, TEXAS;

THENCE WITH SAID CREEK, THE FOLLOWING CALLS:

N 85°05'37" W, WITH THE NORTH LINE OF SAID VOLUME 1674, PAGE 1124, A DISTANCE OF 93.77 FEET;
N 58°50'39" W, WITH THE NORTH LINE OF SAID VOLUME 1674, PAGE 1124 AND THE NORTH LINE OF THAT CERTAIN TRACT OF LAND DESCRIBED IN DEED TO AISPURO, RECORDED IN CLERKS FILE NO. 201512466, A DISTANCE OF 215.57 FEET;
N 41°39'25" W, WITH THE NORTH LINE OF SAID CLERKS FILE NO. 201512466, A DISTANCE OF 68.51 FEET;
N 63°07'32" W, WITH THE NORTH LINE OF SAID CLERKS FILE NO. 201512466, A DISTANCE OF 35.88 FEET;
S 65°08'21" W, WITH THE NORTH LINE OF SAID CLERKS FILE NO. 201512466, A DISTANCE OF 34.11 FEET;
S 44°29'06" W, WITH THE NORTH LINE OF SAID CLERKS FILE NO. 201512466, A DISTANCE OF 146.07 FEET;
S 64°40'18" W, WITH THE NORTH LINE OF SAID CLERKS FILE NO. 201512466, A DISTANCE OF 36.37 FEET;
N 79°57'52" W, WITH THE NORTH LINE OF SAID CLERKS FILE NO. 201512466, A DISTANCE OF 45.93 FEET;
N 62°37'27" W, WITH THE NORTH LINE OF SAID CLERKS FILE NO. 201512466, A DISTANCE OF 216.45 FEET;
N 75°51'19" W, WITH THE NORTH LINE OF SAID CLERKS FILE NO. 201512466, A DISTANCE OF 87.98 FEET;
N 47°28'11" W, WITH THE NORTH LINE OF SAID CLERKS FILE NO. 201512466, A DISTANCE OF 72.38 FEET;
N 42°46'57" W, WITH THE NORTH LINE OF SAID CLERKS FILE NO. 201512466, A DISTANCE OF 61.13 FEET;
S 39°58'06" W, WITH THE NORTH LINE OF SAID CLERKS FILE NO. 201512466, A DISTANCE OF 12.80 FEET;
N 03°09'12" W, WITH THE NORTH LINE OF SAID CLERKS FILE NO. 201512466, A DISTANCE OF 221.73 FEET;
N 52°09'19" W, WITH THE NORTH LINE OF SAID CLERKS FILE NO. 201512466, A DISTANCE OF 265.00 FEET;
N 24°16'14" W, WITH THE NORTH LINE OF SAID CLERKS FILE NO. 201512466, A DISTANCE OF 275.76 FEET;

THENCE N 75°51'27" W, WITH THE NORTH LINE OF SAID CLERKS FILE NO. 201512466 AND THE NORTH LINE OF THAT CERTAIN TRACT OF LAND DESCRIBED IN DEED TO VALDEZ, RECORDED IN VOLUME 1705, PAGE 658, REAL RECORDS, PARKER COUNTY, TEXAS, A DISTANCE OF 197.30 FEET TO A POINT IN CREEK;

THENCE S 46°49'05" W, WITH THE NORTH LINE OF SAID VOLUME 1705, PAGE 658, A DISTANCE OF 149.41 FEET TO A POINT IN CREEK;

THENCE N 17°17'20" W, WITH THE NORTH LINE OF SAID VOLUME 1705, PAGE 658 AND WITH THE EAST LINE OF STEELE CREEK ESTATES, RECORDED IN CABINET B, SLIDE 233, PLAT RECORDS, PARKER COUNTY, TEXAS, AND THE EAST LINE OF THAT CERTAIN TRACT OF LAND DESCRIBED IN DEED TO YEAGER, RECORDED IN VOLUME 1915, PAGE 181, REAL RECORDS, PARKER COUNTY, TEXAS AND WITH THE EAST LINE OF THAT CERTAIN TRACT OF LAND DESCRIBED IN DEED TO STROUD, RECORDED IN CLERKS FILE NO. 201517849, REAL RECORDS, PARKER COUNTY, TEXAS, A DISTANCE OF 2326.53 FEET TO A METAL FENCE POST AT AN EASTERLY CORNER OF SAID CLERKS FILE NO. 201517849 AND BEING FOR THE SOUTHWEST CORNER OF THAT CERTAIN TRACT OF LAND DESCRIBED IN DEED TO SCOTT, RECORDED IN VOLUME 2122, PAGE 438, REAL RECORDS, PARKER COUNTY, TEXAS;

THENCE N 73°50'04" E, WITH THE SOUTH LINE OF SAID VOLUME 2122, PAGE 438, A DISTANCE OF 727.05 FEET TO A WOOD FENCE POST IN THE WEST LINE OF THAT CERTAIN TRACT OF LAND DESCRIBED IN DEED TO COTTEN, RECORDED IN VOLUME 1738, PAGE 371, REAL RECORDS, PARKER COUNTY, TEXAS;

THENCE S 27°05'37" E, WITH THE WEST LINE OF SAID VOLUME 1738, PAGE 371 AND THE WEST LINE OF THAT CERTAIN TRACT OF LAND DESCRIBED IN DEED TO PESSIA, RECORDED IN CLERKS FILE NO. 202015424, REAL RECORDS, PARKER COUNTY, TEXAS, A DISTANCE OF 316.13 FEET TO A $\frac{1}{2}$ " IRON FOUND;

THENCE S 06°28'15" E, WITH THE WEST LINE OF SAID CLERKS FILE NO. 202015424, A DISTANCE OF 377.94 FEET TO A METAL FENCE POST AT THE SOUTHWEST CORNER OF SAID CLERKS FILE NO. 202015424;

THENCE N 86°53'30" E, WITH THE SOUTH LINE OF SAID CLERKS FILE NO. 202015424, A DISTANCE OF 685.73 FEET TO A $\frac{1}{2}$ " IRON FOUND AT THE SOUTHEAST CORNER OF SAID CLERKS FILE NO. 202015424 AND BEING IN THE WEST LINE OF HARVEY TRAIL;

THENCE S 03°34'43" W, WITH THE WEST LINE OF SAID HARVEY TRAIL A DISTANCE OF 200.27 FEET TO A WOOD FENCE POST IN THE NORTH LINE OF THAT CERTAIN TRACT OF LAND DESCRIBED IN DEED TO BARNEY, RECORDED IN CLERKS FILE NO. 202100511, REAL RECORDS, PARKER COUNTY, TEXAS;

THENCE S 86°51'31" W, WITH THE NORTH LINE OF SAID CLERKS FILE NO. 202100511, 164.40 FEET TO A METAL FENCE POST AT THE NORTHWEST CORNER OF SAID CLERKS FILE NO. 202100511;

THENCE S 06°03'59" E, WITH THE WEST LINE OF SAID CLERKS FILE NO. 202100511, A DISTANCE OF 547.35 FEET TO A CAPPED IRON SET AT THE SOUTHWEST CORNER OF SAID CLERKS FILE NO. 202100511;

THENCE N 89°10'57" E, WITH THE SOUTH LINE OF SAID CLERKS FILE NO. 202100511, A DISTANCE OF 596.21 FEET TO A $\frac{1}{2}$ " IRON FOUND AT THE SOUTHEAST CORNER OF SAID CLERKS FILE NO. 202100511;

THENCE N 00°11'38" W, WITH THE EAST LINE OF SAID CLERKS FILE NO. 202100511, A DISTANCE OF 571.37 FEET TO A METAL FENCE POST AT THE NORTHEAST CORNER OF SAID CLERKS FILE NO. 202100511 AND BEING IN THE SOUTH LINE OF SAID TRACT 9, HARVEY ESTATES;

THENCE N 86°53'50" E, WITH THE SOUTH LINE OF SAID TRACT 9, HARVEY ESTATES, A DISTANCE OF 279.69 FEET TO THE POINT OF BEGINNING AND CONTAINING 118.22 ACRES OF LAND.

PLAT OF COTTEN CREEK ESTATES

[To Follow]

DISTANCE	LINE TABLE	
	LINE	BEARING
1.0	20.57	N 80° 17' 13" W
1.1	45.20	N 60° 27' 49" E
1.2	51.64	N 62° 27' 49" E
1.3	180.07	N 62° 55' 59" E
1.4	155.02	N 71° 21' 21" E
1.5	132.34	N 68° 31' 17" E
1.6	37.25	N 67° 58' 21" E
1.7	59.84	N 56° 25' 40" E
1.8	56.41	N 60° 40' 54" E
1.9	174.56	N 40° 59' 59" E
2.0	93.77	N 40° 55' 32" E
2.1	75.74	N 54° 54' 42" E
2.2	15.88	N 63° 31' 32" E
2.3	54.11	N 65° 58' 32" E
2.4	146.07	N 44° 28' 06" E
2.5	36.27	N 84° 40' 19" E
2.6	45.82	N 72° 11' 04" E
2.7	87.88	N 75° 17' 18" E
2.8	12.59	N 47° 08' 11" E
2.9	81.13	N 46° 46' 57" E
3.0	12.80	N 39° 58' 06" E
3.1	148.41	N 48° 46' 05" E
3.2	152.95	N 89° 41' 00" E
3.3	82.12	N 60° 15' 49" E
3.4	19.29	N 60° 27' 49" E
3.5	12.47	N 61° 41' 04" E
3.6	17.75	N 82° 41' 58" E
3.7	0.70	N 82° 41' 58" E
3.8	18.67	N 82° 41' 58" E
3.9	51.14	N 75° 17' 18" E
4.0	50.59	N 82° 41' 58" E
4.1	94.56	N 72° 40' 42" E
4.2	126.08	N 68° 31' 17" E
4.3	117.21	N 68° 31' 17" E
4.4	117.23	N 44° 28' 06" E
4.5	29.32	N 61° 42' 49" E
4.6	104.58	N 61° 42' 49" E
4.7	33.10	N 43° 31' 10" E
4.8	146.87	N 45° 21' 10" E
4.9	21.70	N 45° 21' 10" E
5.0	84.21	N 89° 41' 00" E
5.1	121.01	N 60° 28' 17" E
5.2	84.81	N 60° 28' 17" E
5.3	24.22	N 60° 28' 17" E
5.4	111.28	N 68° 34' 58" E
5.5	30.24	N 68° 34' 58" E
5.6	30.00	N 61° 42' 49" E
5.7	53.10	N 60° 15' 49" E
5.8	36.24	N 67° 58' 21" E
5.9	53.15	N 60° 25' 49" E
6.0	72.09	N 63° 34' 43" E
6.1	30.21	N 62° 54' 43" E
6.2	30.21	N 62° 54' 43" E
6.3	87.81	N 63° 34' 43" E
6.4	75.10	N 61° 42' 49" E
6.5	80.89	N 61° 42' 49" E
6.6	62.21	N 60° 25' 49" E
6.7	70.24	N 67° 58' 21" E
6.8	141.68	N 63° 31' 32" E
6.9	13.89	N 60° 09' 24" E
7.0	150.56	N 62° 58' 32" E
7.1	30.45	N 62° 58' 32" E
7.2	134.26	N 56° 25' 40" E
7.3	187.41	N 72° 54' 32" E

EXHIBIT B – DESIGN GUIDELINES

Declarant has used its best efforts to promote and ensure a high level of taste, design, quality, harmony, and conformity throughout the Property, consistent with the standards specified herein and in the Restrictions, provided, however, that Declarant shall have sole discretion with respect to taste, design, and all standards specified herein so long as Declarant owns a Lot. In this regard, Declarant promulgates the following construction related restrictions and other design guidelines:

1. **PLANNED DEVELOPMENT.** Cotten Creek Estates will include a total of 83 Residential Lots and 2 HOA Lots. Lots are to be approximately 1 acre in size and will contain an approximate 70-foot by 70-foot building pad site. Declarant will provide a final plat, construction plans, CCRs, and cluster mailboxes.
2. **APPROVED BUILDERS.** No Owner, builder, or general contractor shall construct a Residence on a Lot without first obtaining the written approval of the proposed builder from the ACC, with such decision to lie in the sole and absolute discretion of the ACC.
3. **MINIMUM CONSTRUCTION REQUIREMENTS.** Each residence shall have a minimum, contiguous, interior living (air conditioned) area square footage of 2,700 square feet, exclusive of garages, porches, or patios. The footprint for 2-story houses must be at least 2,500 square feet, exclusive of garages, porches, or patios. At least seventy percent (70%) of the exterior of each Residence, exclusive of glass and doors, shall be in masonry, brick, brick veneer, cementitious siding, stone, or stone veneer materials approved by the ACC. Hardi Board, LP SmartSide, and other similar materials shall be considered “masonry” when calculating the 70% masonry requirement. All exterior construction shall be of new materials and shall be natural or ACC-approved natural-appearing materials. No Residence or other structure shall exceed two (2) stories in height, excluding basements, unless approved by the ACC or the maximum height permitted by the applicable municipality.
4. **GARAGES.** Each Residence shall have an attached garage that is capable of housing at least two (2) standard-size vehicles, which shall not face the same direction as the front elevation of the residence. The interior garage space shall be finished out with sheetrock and paint. If Owner desires an attached, single-car garage in addition to a two-car garage, the single-car garage must be set back behind the front elevation of the Residence. Garage doors shall be closed at all times except to allow the entry and exit of vehicles and persons and except when the garage is being cleaned or items are being stored in the garage. No carport is permitted on any Lot. All garages shall correspond in style, architecture, and exterior building materials with the Residence to which it is appurtenant.
5. **ROOFING.** Except as otherwise permitted by law, all roofs shall be constructed of concrete tile, clay tile, Hardie slate, standing seam metal roof (allowed only if composed of either copper, “paint grip galvanized” unpainted or microzinc (pre-painted or factory painted metal roofing is not allowed) and composition roofs which meet or exceed at least a minimum thirty (30) year warranty, 30 lb. felt, laminated shingle or equivalent. Three tab shingles are not permitted. Wood shake shingles are not permitted. All roofs must be approved in writing by Declarant and/or the ACC for color and material. Minimum roof pitch on all houses will be 4:12, provided a lesser pitch may be approved for a tile or slate roof provided the design and Lot lend themselves to such slope. All vents and roof stacks penetrating the roof shall be painted the same color as, and blended to, the roof.
6. **ACCESSORY IMPROVEMENTS.** The term “accessory structure” means a building that is immediately accessory to the Residence and includes without limitation a detached garage, maid’s quarters, guest house, cabana, shop, or storage shed. An accessory structure may be allowed provided that it (i) is approved by the ACC, including the color which shall be in harmony with such other buildings and existing structures on or adjacent to the Lot as decided in the sole discretion of the ACC, and (ii) complies with the following restrictions, unless otherwise approved in advance by the ACC:
 - (a) there shall be no more than one (1) accessory structure on any Lot;

- (b) All accessory structures shall have a plate height not to exceed 12.5 feet (to provide garage door access for RV storage) and shall have a total structure height not to exceed the height of the Residence;
 - (c) No accessory structure shall exceed 1,500 total square feet;
 - (d) All accessory structures must be constructed at least twenty-five (25) feet behind the rear plane of the Residence and at least ten (10) feet off of the rear and side property lines;
 - (e) All accessory structures must be constructed with no less than a 3/12 roof pitch;
 - (f) All accessory structures must be 25% masonry from base to top, on all sides, matching the masonry used on the Residence. The remaining 75% must match the other exterior siding of the Residence; and
 - (g) The size and color of any accessory structure shall be in harmony with existing structures on or adjacent to the Lot where same is constructed, which shall be determined at the sole discretion of the ACC.
7. RECREATIONAL IMPROVEMENTS. Basketball goals, batting cages, tennis courts, swimming pools, or any other similar sporting or recreational equipment or improvement shall be placed behind the Residence unless otherwise approved by the ACC. Above-ground swimming pools shall not be permitted. All children's play equipment, including, but not limited to, sand boxes and wading pools shall be kept in good repair and shall not be placed so as to be visible from a public right-of-way.
8. MINIMUM SETBACK. No improvements of any kind (other than approved fences) may be constructed closer than 30 feet to any road or closer than 10 feet to any adjacent property or boundary line; provided, however, that for any corner lot that has a road on two sides of the lot, the 30-foot-road setback requirement stated above shall apply only to the front of the Residence and there shall be a 10-foot-road setback applicable to the side of the Residence such that no Residence shall be constructed closer than 30 feet to the road to which the Residence faces; closer than 10 feet to any road on the side of the Residence; or closer than 10 feet to any adjacent property or boundary line. In cases where rugged terrain is encountered, thus necessitating or making highly desirable the use of such space, a variance to this restriction may be granted by written approval of the ACC, within its sole discretion.
9. STORAGE OF BUILDING MATERIALS. No building materials of any kind may be stored on any Lot for longer than one week prior to the commencement of work for which the materials were purchased unless they are stored in an enclosed building or located such that they cannot be viewed from any other Lot, unless otherwise approved by ACC
10. CONSTRUCTION CLEAN-UP. From time to time during construction as required to maintain a neat and orderly appearance, and upon completion of construction, the Owner of the Lot will be responsible for the removal of any trash or debris that may have been thrown, placed, or discarded on any part of the Lot or on any other Lot if the trash or debris originated at the Owner's Lot.
11. COMPLETION OF CONSTRUCTION. To promote the marketing of Cotten Creek Estates and to maintain the aesthetics of the development, once construction of a Residence is commenced on a Lot it shall be diligently continued to completion. No Residence shall remain incomplete for more than twelve (12) months after construction has commenced, except due to a casualty loss in which case construction shall be completed as soon as possible thereafter. An Owner who breaches this section shall pay to Declarant, as liquidated damages; the sum of \$100 per day for each day construction remains incomplete beyond this twelve (12) months, in addition to any other damages owed by such Owner to the Association.

12. AIR CONDITIONING. No air conditioning apparatus shall be used, placed, or maintained on any Residence except on the ground of the side or back of the Residence. No air conditioning apparatus shall be installed at or on the front of a Residence.
13. LIGHTING. In general, exterior lighting used in connection with the occupancy of a Residence shall be kept to the minimum required for safety and security. Landscape lighting is allowed. No mercury vapor or neon lights shall be used to illuminate the outside areas of a Lot. No exterior lighting of any sort shall be installed or maintained on a Lot where the light source is offensive or a nuisance to other Owners or Lots as determined by the ACC. Lighting for tennis courts is permitted with the approval of the ACC.
14. SOUND DEVICES. No exterior horns, whistles, bells, or other unusual sound devices (except reasonable security devices) audible from any adjoining Lot shall be placed or used upon any Lot.
15. FENCES. Unless a fence constitutes a Security Device under Article 24 of the Declaration, in which case Article 24 shall control, the following provisions apply to all fencing:
 - (a) No fence, wall, or hedge shall be erected or placed in a flood zone—it is the Owner's responsibility for obtaining the location of all flood zones prior to construction of any fence, wall, or hedge.
 - (b) No fence, wall, or hedge shall be erected, placed, or altered on any Lot without the ACC's prior written approval.
 - (c) Any fence or wall shall comply with the applicable municipality's requirements.
 - (d) Unless otherwise approved by Declarant, all fences and walls facing a public right of way shall not extend nearer to the front street than ten (10) feet behind the front of the Residence;
 - (e) All fences shall not be less than six (6) feet nor more than eight (8) feet in height, as measured from existing ground level.
 - (f) The use of chain link, barbed wire, unfinished concrete block, and similarly undesirable fencing designs, materials, and colors, as determined in the sole discretion of the ACC, is prohibited.
 - (g) Fences may be constructed of either wrought iron or wood. If a wooden privacy fence is built on a Lot, it must be constructed to one of the following specifications:
 - Must be constructed of Japanese Cedar or better;
 - Must be board on board design with 2x6 top cap and 1x4 trim;
 - Must use galvanized 2 3/8" round post;
 - Must have slats between three and one-half (3 ½) inches and six (6) inches which are installed vertically on (not horizontally or diagonally);
 - Must have a uniform height grade slats should be an even (same) height;
 - Must be installed with the smooth surface side facing the street ("good side out") on side Lot lines and comer lots, such that no vertical fence posts or horizontal supports are visible from the street on the side of such comer Lots; and
 - Must be stained with Ready Seal "Pecan" wood stain and sealer, with a minimum of two applications, or comparable, with approval. Stain date must be registered with the Association and wood fences must be re-stained at least once every three (3) years.

Each Owner is responsible for maintaining the fence on the Owner's Lot, regardless of whether such fence is the perimeter fence to Cotten Creek Estates. No fence or gate may be erected across or into any Road. Each Owner shall maintain in a safe and neat manner all fences on the Owner's Lot. To facilitate the use of all easements described herein, fences erected across any utility easement shall contain either: (1) a twelve foot (12') wide gate or (2) two (2) six foot (6') wide gates or (3) a twelve foot (12') section of fence that is susceptible to reasonably easy removal (without damage to the balance of the fence) and replacement.

16. LOT ENTRIES AND DRIVEWAYS. Each Lot must be accessible to the adjoining public right-of-way by a driveway suitable for such purposes and approved as to design, materials, and location by the ACC prior to any residence being occupied or used. To the extent the ACC approves use of a circular driveway, any lot having such circular driveway shall be subject to the following additional parking restriction: vehicles shall not be parked in the same spot on the circular driveway for more than 1 week.
17. DRAINAGE/IMPOUNDMENT OF SURFACE WATER. The existing creeks, ponds, and drainage channels traversing along or across portions of the Property will remain as open channels at all times and will be maintained by the Owners of the Lot or Lots that are traversed by or adjacent to the drainage courses along or across said Lots. Each Owner shall keep the natural drainage channels traversing or adjacent to his Lot clean and free of debris, silt or any substance which would result in unsanitary conditions or any obstruction of the natural flow of water. No party may dam any creek or seasonal creek. No party may impound water without ACC approval or in any setback or in a manner which would violate any Applicable Law or could affect the safety or do harm to life and property downstream should the impoundment break. A small pond may be allowed if approved by the ACC.
18. ANTENNA. No microwave dishes, radio, citizen band, ham radio or otherwise, or television axial wires or antennas shall be maintained on any portion of any Lot except direct broadcast satellite (DBS) antennae no more than 18" in diameter, multichannel multipoint distribution system (MMDS) antennae no more than 18" in diameter, or television broadcast antennae, all of which Owner shall screen from view as much as possible without impairing the installation, maintenance or use. All matters set forth in this provision require the express approval, in advance, of the ACC, which shall be exercised in conformity with the rules of the Federal Communications Commission. **EACH OWNER WAIVES ALL RIGHTS, FEDERAL OR OTHER, FOR OPERATING OR MAINTAINING HAM RADIO ANTENNAS WITHIN THE PROPERTY UNLESS THE HAM RADIO ANTENNA IS NOT VISIBLE FROM THE STREET OR ANOTHER LOT.**
19. BUILDING CODES. All construction will comply with the Building Code, any other applicable local building codes or fire codes, and any other Applicable Laws, ordinances or regulations of any governmental body or agency.
20. STORAGE TANKS. Propane and other storage tanks shall be located behind the Owner's Residence and shall be screened from public view with stone, stucco, or shrubbery as required by the ACC. If shrubbery is used for screening purposes, the shrubbery, at the time it is planted, must be of adequate size to screen the propane or storage tanks.
21. MAILBOXES AND STREET ADDRESSES. No mailbox shall be installed without ACC approval. The street address of the Lot shall appear on the front of the house.
22. SUBDIVISION. No Lot shall be subdivided into smaller lots. Unless otherwise approved by the ACC, none of the Lots shall be platted into larger Lots.
23. CHIMNEYS. The exterior of chimneys shall be of masonry material, Hardi Board, or LP SmartSide and shall be subject to applicable ordinance.

24. SIDEWALKS. All sidewalks shall, at a minimum, conform to the applicable municipality's specifications and regulations. Declarant and/or the ACC may, in their absolute and sole discretion, impose more restrictive standards than those required by the applicable municipality regarding placement and width.
25. SIGNS. No sign(s) shall be displayed to the public view on any Lot or public right-of-way, except that Owner (a) may place on each of Owner's Lot during the initial construction of the Residence a Builder's for sale sign, model home sign, and/or a Builder's temporary construction address sign and (b) a standard and/or customary "for sale" sign, as determined standard and/or customary in the ACC's absolute and sole discretion, when selling a completed Residence. Nothing herein shall preclude the display of signs otherwise permitted at law.
26. LANDSCAPING. The entire front yard of each lot and at least 10' around each structure on each lot shall be landscaped with sod prior to Owner occupying any portion of the Lot. There must be at least 20 three-gallon shrubs/plants prior to Owner occupying any portion of the Lot. All other types of trees, other than oak which are approved, will be subject to the prior approval of the ACC. The removal of any tree shall require prior written approval by the ACC. The landscaping of each Lot shall be principally grass sod unless otherwise approved in writing by the ACC. The owner shall keep the yard sufficiently watered to ensure adequate growth of the grass. The yard shall contain an underground water sprinkling system for the purpose of producing sufficient water to preserve and maintain the landscape in a healthy and attractive condition. Each homeowner is responsible for establishing and maintaining grass, vegetation, on the entirety of the lot.
27. FLAG POLES. Except as otherwise permitted by law, no flag poles shall be installed without the prior approval of the ACC.
28. EXTERIOR HOME COLORS. Exterior home colors must be approved by the ACC. The ACC shall promulgate a swatch of acceptable home colors. Preferred color finishes include subdued earth or natural tones. For both new construction and changes to existing Residences, proposed masonry products and paint swatches must be submitted to the ACC for approval.
29. SOLAR DEVICES. Except as otherwise permitted at law, all solar devices must be approved by Declarant.

