

CHICAGO TITLE

GF# CTN0001201902874 UR CFH

**ELECTRONICALLY RECORDED 201900351145
12/31/2019 12:58:56 PM CONDOMINIUM 1/75**

**DECLARATION
OF
2611 HONDO AVENUE CONDOMINIUMS**

Dallas, Dallas County, Texas

Declarant

**C&M URBAN DEVELOPERS III LLC
A Texas Limited Liability Company**

**DECLARATION OF
2611 HONDO AVENUE CONDOMINIUMS**

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE 1 – DEFINITIONS	1
ARTICLE 2 – NAMES, LOCATION, AND DESCRIPTION	5
2.1. PROPERTY NAME	5
2.2. ASSOCIATION NAME & TYPE	5
2.3. PROPERTY LOCATION	5
2.4. PROPERTY DESCRIPTION	5
2.5. SUBJECT TO GOVERNING DOCUMENTS	5
2.6. MERGER	5
ARTICLE 3 – UNITS AND LIMITED COMMON ELEMENTS	5
3.1. UNIT BOUNDARIES	5
3.2. INITIAL DESIGNATIONS OF LIMITED COMMON ELEMENTS	6
3.3. SUBSEQUENT ALLOCATION OF LIMITED COMMON ELEMENTS	7
3.4. REALLOCATION OF LIMITED COMMON ELEMENTS	7
ARTICLE 4 – ALLOCATED INTERESTS	7
4.1. ALLOCATION OF INTERESTS	7
4.2. COMMON ELEMENT INTERESTS	7
4.3. COMMON EXPENSE LIABILITIES	7
4.4. WEIGHTED VOTES	7
ARTICLE 5 – COVENANT FOR ASSESSMENTS	8
5.1. PURPOSE OF ASSESSMENTS	8
5.2. PERSONAL OBLIGATION.	8
5.3. TYPES OF ASSESSMENTS	8
5.4. REGULAR ASSESSMENTS	8
5.5. SPECIAL ASSESSMENTS	9
5.6. INDIVIDUAL ASSESSMENTS	10
5.7. DEFICIENCY ASSESSMENTS	10
5.8. CONTROL FOR ASSESSMENT INCREASES	10
5.9. RESERVE FUNDS	10
5.10. ASSOCIATION’S RIGHT TO BORROW MONEY	10
5.11. DUE DATE	11
5.12. HOA SALE FEES	11
ARTICLE 6 – ASSESSMENT LIEN	13
6.1. ASSESSMENT LIEN	13
6.2. SUPERIORITY OF ASSESSMENT LIEN	13
6.3. EFFECT OF MORTGAGEE’S FORECLOSURE	13
6.4. NOTICE AND RELEASE OF NOTICE	13
6.5. POWER OF SALE	13
6.6. FORECLOSURE OF LIEN	13

	<u>Page</u>
ARTICLE 7 – EFFECT OF NONPAYMENT OF ASSESSMENTS	14
7.1. INTEREST	14
7.2. LATE FEES	14
7.3. COLLECTION EXPENSES	14
7.4. ACCELERATION	14
7.5. SUSPENSION OF USE AND VOTE	14
7.6. MONEY JUDGMENT	14
7.7. NOTICE TO MORTGAGEE	14
7.8. APPLICATION OF PAYMENTS	14
ARTICLE 8 – MAINTENANCE AND REPAIR OBLIGATIONS	15
8.1. ASSOCIATION MAINTAINS	15
8.2. OWNER RESPONSIBILITY	15
8.3. DESIGNATION OF COMMON RESPONSIBILITY	16
8.4. COURTYARDS AND FENCED BACKYARDS	16
8.5. OWNER’S DEFAULT IN MAINTENANCE	17
8.6. OTHER OWNER OBLIGATIONS	17
8.7. SUMMARY OF MAINTENANCE RESPONSIBILITIES	17
ARTICLE 9 – PROPERTY EASEMENTS AND RIGHTS	17
9.1. GENERAL	17
9.2. RECORDED EASEMENTS AND LICENSES	17
9.3. OWNER’S EASEMENT OF ENJOYMENT	18
9.4. OWNER’S MAINTENANCE EASEMENT	18
9.5. OWNER’S INGRESS/EGRESS EASEMENT	18
9.6. OWNER’S ENCROACHMENT EASEMENT	18
9.7. ASSOCIATION’S ACCESS EASEMENT	18
9.8. UTILITY EASEMENT	18
9.9. MINERAL INTERESTS SECURITY	18
9.10. SECURITY	19
ARTICLE 10 – ARCHITECTURAL COVENANTS AND CONTROL	20
10.1. PURPOSE	20
10.2. PROHIBITION OF ALTERATION AND IMPROVEMENT	20
10.3. BOARD APPROVAL	20
10.4. APPROVAL DEEMED GRANTED	20
10.5. PRIOR APPROVAL	20
10.6. NO APPROVAL REQUIRED	21
ARTICLE 11 – LIMITATIONS ON LEASING	21
11.1. SUBJECT TO DOCUMENTATION	21
11.2. CONDITIONS OF LEASE	21
11.3. EVICTION OF TENANTS	21
11.4. DECLARANT EXEMPT	22
ARTICLE 12 – USE RESTRICTIONS	22
12.1. ASSOCIATION’S RIGHT TO PROMULGATE RULES	22
12.2. RULES AND REGULATIONS	22
12.3. RESIDENTIAL USE	23
12.4. OCCUPANCY OF UNITS	23
12.5. ANNOYANCE	23

	<u>Page</u>
12.6. ANIMAL RESTRICTIONS	23
12.7. APPEARANCE RESTRICTIONS	23
12.8. WINDOW RESTRICTIONS	23
12.9. SIGN RESTRICTIONS	23
12.10. GARAGE RESTRICTIONS	24
12.11. VEHICLE RESTRICTIONS	24
12.12. LANDSCAPING RESTRICTIONS	24
12.13. DRAINAGE RESTRICTIONS	24
12.14. STRUCTURAL INTEGRITY	24
12.15. SPECIFIC USES	24
12.16. TELEVISION	25
ARTICLE 13 – MORTGAGEE PROTECTION	26
13.1. INTRODUCTION	26
13.2. AMENDMENT	26
13.3. KNOWN MORTGAGEES	26
13.4. ELIGIBLE MORTGAGEES	26
13.5. NOTICE OF ACTIONS	26
13.6. LAWSUITS	27
13.7. AMENDMENTS OF A MATERIAL NATURE	27
13.8. TERMINATION	28
13.9. APPROVAL DEEMED GRANTED	28
13.10. INSPECTION OF BOOKS	28
13.11. FINANCIAL STATEMENTS	28
13.12. ATTENDANCE AT MEETINGS	29
13.13. MANAGEMENT CONTRACT	29
13.14. INSURANCE POLICIES	29
ARTICLE 14 – AMENDMENTS	30
14.1. CONSENTS REQUIRED	30
14.2. METHOD OF AMENDMENT	30
14.3. EFFECTIVE	30
14.4. DECLARANT PROVISIONS	30
ARTICLE 15 – INSURANCE	30
15.1. GENERAL PROVISIONS	30
15.2. CASUALTY OR HAZARD INSURANCE	31
15.3. LIABILITY INSURANCE	32
15.4. WORKER’S COMPENSATION	32
15.5. FIDELITY COVERAGE	32
15.6. DIRECTORS’ AND OFFICERS’ LIABILITY	32
15.7. MORTGAGEE REQUIRED POLICIES	33
15.8. OTHER POLICIES	33
15.9. OWNER’S RESPONSIBILITY FOR INSURANCE	33
ARTICLE 16 – RECONSTRUCTION OR REPAIR AFTER LOSS	33
16.1. SUBJECT TO ACT	33
16.2. RESTORATION FUNDS	33
16.3. COSTS AND PLANS	34
16.4. OWNER’S DUTY TO REPAIR	34
16.5. OWNER’S LIABILITY FOR INSURANCE DEDUCTIBLE	35

	<u>Page</u>
ARTICLE 17 – TERMINATION AND CONDEMNATION	35
17.1. ASSOCIATION AS TRUSTEE.....	35
17.2. TERMINATION	35
17.3. CONDEMNATION	35
ARTICLE 18 – ASSOCIATION OPERATIONS	36
18.1. INDEMNIFICATION	36
18.2. ASSOCIATION’S RIGHT TO ENFORCE GOVERNING DOCUMENTS	36
18.3. NOTICE AND HEARING	37
ARTICLE 19 – DISPUTE RESOLUTION.....	37
19.1. INTRODUCTION & DEFINITIONS	37
19.2. MANDATORY PROCEDURES	38
19.3. NOTICE.....	38
19.4. NEGOTIATION	38
19.5. MEDIATION	39
19.6. TERMINATION OF MEDIATION	39
19.7. ALLOCATION OF COSTS.....	39
19.8. ENFORCEMENT OF RESOLUTION	39
19.9. GENERAL PROVISIONS	39
19.10. LITIGATION APPROVAL & SETTLEMENT	39
ARTICLE 20 – GENERAL PROVISIONS	40
20.1. COMPLIANCE	40
20.2. CONSTRUCTION DEFECTS	40
20.3. NOTICE	40
20.4. SEVERABILITY	41
20.5. CAPTIONS	41
20.6. INTERPRETATION	41
20.7. DURATION	41
20.8. PREPARER	41
20.9. APPENDIXES	41
SIGNED AND ACKNOWLEDGED	42
APPENDIX A – LEGAL DESCRIPTION.....	A-1
APPENDIX B – PLAT AND PLANS	B-1
APPENDIX C – SCHEDULE OF ALLOCATED INTERESTS	C-1
APPENDIX D – ASSIGNMENT OF PARKING SPACES	D-1
APPENDIX E –DECLARANT REPRESENTATIONS & RESERVATIONS.....	E-1
E.1. DECLARANT’S REPRESENTATIONS.....	E-1
E.2. DEVELOPMENT PERIOD	E-1
E.3. STATUTORY DEVELOPMENT RIGHTS	E-1
E.4. EXERCISE OF DEVELOPMENT RIGHTS	E-2
E.5. DEVELOPMENT RIGHTS AND SPECIAL DECLARANT RIGHTS	E-2
E.6. DECLARANT CONTROL PERIOD.....	E-5

	<u>Page</u>
E.7. LIMITATIONS ON SPECIAL DECLARANT RIGHTS.....	E-5
E.8. WORKING CAPITAL FUND.....	E-5
E.9. GENERAL RESERVATION	E-5
E.10. EXPENSES OF DECLARANT	E-5
E.11. OBLIGATION FOR ASSESSMENTS	E-5
E.12. MANAGEMENT CONTRACT.....	E-6
E.13. SUCCESSOR DECLARANT	E-6
APPENDIX F – NOTICE OF HOA SALE FEES.....	F-1
APPENDIX G – INITIAL DESIGNATION OF AREAS OF COMMON RESPONSIBILITY	G-1
APPENDIX H – CONSENT TO DECLARATION	H-1

**DECLARATION
OF
2611 HONDO AVENUE CONDOMINIUMS**

C&M URBAN DEVELOPERS III LLC, a Texas limited liability company ("**Declarant**"), owns the real property described in Appendix A of this Declaration. By recording this Declaration, Declarant submits the property described in Appendix A to the provisions of the Uniform Condominium Act, Chapter 82 of the Texas Property Code, for the purpose of creating 2611 Hondo Avenue Condominiums.

Declarant **DECLARES** that the property described in Appendix A will be held, transferred, sold, conveyed, leased, occupied, used, insured, and encumbered subject to the terms, covenants, conditions, restrictions, and easements of this Declaration, including Declarant's representations and reservations in the attached Appendix E, which run with the real property and bind all parties having or acquiring any right, title, or interest in the property, their heirs, successors, and assigns, and inure to the benefit of each Owner of the property.

ARTICLE 1
DEFINITIONS

DEFINITIONS. Unless defined otherwise in this Declaration, words and phrases defined in Section 82.003 of the Act have the same meaning when used in this Declaration. The following words and phrases, whether or not capitalized, have specified meanings when used in the Governing Documents, unless a different meaning is apparent from the context in which the word or phrase is used.

1.1 "**Act**" means Chapter 82 of the Texas Property Code, the Uniform Condominium Act, as it may be amended from time to time.

1.2 "**Applicable Law**" means the statutes and public laws and ordinances in effect at the time a provision of the Governing Documents is applied and pertaining to the subject matter of the Governing Document provision. Statutes referenced in the Governing Documents by code number are "**Applicable Law**" on the date of the Governing Document and are not intended to apply if they cease to be applicable, or if they are replaced or superseded by one or more other statutes.

1.3 "**Areas of Common Responsibility**" means those portions of Units that are designated, from time to time, by the Association to be maintained, repaired, and replaced by the Association, as a common expense, as if the portions were Common Elements.

1.4. **"Assessment"** means any charge levied against a Unit or Owner by the Association, pursuant to the Governing Documents and the Act, including but not limited to Annual Assessments, Special Assessments, Individual Assessments, and Deficiency Assessments, as defined in Article 5 of this Declaration.

1.5. **"Association"** shall mean and refer to 2611 HONDO AVENUE ASSOCIATION, INC.

1.6. **"Board" or "Board of Directors"** means and refers to the Board of Directors of 2611 Hondo Avenue Association, Inc.

1.7. **"Building"** means the building of a Unit and all appurtenant improvements.

1.8. **"Bylaws"** means the bylaws of the Association, as they may be amended from time to time.

1.9. **"Common Elements"** means and includes all the property described on Appendix A, and all improvements located thereon, except the Units as described in Article 3. All **Common Elements** are **"General Common Elements"** except, if any, **"Limited Common Elements"** allocated by this Declaration for the exclusive use of one (1) or more but less than all of the Units.

1.10. **"Condominium Information Statement"** means the document prepared pursuant to Sections 82.152 and 82.153 of the Act.

1.11. **"Condominium Regime"** means the system of control, rule, and administration by 2611 Hondo Avenue Association, Inc., over the Property encumbered by the Declaration of 2611 Hondo Avenue Condominiums.

1.12. **"Declarant"** means C&M URBAN DEVELOPERS III LLC, a Texas limited liability company, which is developing the Property, or the successors and assigns of C&M URBAN DEVELOPERS III LLC, which acquire any portion of the Property for the purpose of development and which are designated as Successor Declarant by C&M URBAN DEVELOPERS III LLC, or by any such successor or assign, in a document recorded in the Official Public Records of Dallas County, Texas.

1.13. **"Declarant Control Period"** means that period of time, beginning the date this Declaration is recorded, during which Declarant controls the operation and management of the Association, pursuant to Appendix E of this Declaration and is controlled by Section 82.103 of the Act.

1.14. **"Declaration"** means this document, as it may be amended from time to time.

1.15. **"Development Period"** means the twenty-five (25)-year period beginning on the date this Declaration is recorded or for as long as Declaration owns a Unit, during which Declarant has certain rights as more particularly described in Appendix E, attached hereto, including rights related to development, construction, expansion, and marketing of the Property. The Development Period is for a term of years and does not require that Declarant own any portion of the Property.

Declarant may terminate the Development Period by recording a notice of termination in the Official Public Records of Dallas County, Texas.

**During the Development Period Appendix E has priority
over the main body of this Declaration.**

1.16. **“Development Rights”** means the rights reserved by Declarant under Appendix E of this Declaration to create Units, General Common Elements, and Limited Common Elements within the Property.

1.17. **“Director”** means a member of the Association’s Board of Directors.

1.18. **“Governing Documents”** means, singly or collectively as the case may be, this Declaration, the Plat, and Plans recorded pursuant to the Act, the Bylaws, the Association’s Certificate of Formation, and the Rules of the Association, as any of these may be amended from time to time. An appendix, exhibit, schedule, or certification accompanying a Document is part of that Document.

1.19. **“Majority”** means more than half. A reference to “a Majority of Owners” in any Governing Document or applicable law means “Owners of at least a Majority of the Units,” unless a different meaning is specified.

1.20. **“Member”** means a member of the Association, each member being an Owner of a Unit, unless the context indicates that member means a member of the Board or a member of a committee of the Association.

1.21. **“Mortgagee”** means a holder, insurer, or guarantor of a purchase money mortgage secured by a recorded senior or first deed of trust lien against a Unit.

1.22. **“Occupant”** means a residential occupant of a Unit, regardless of whether the person owns the Unit or not.

1.23. **“Officer”** means an Officer of the Association and shall include but shall not be limited to the offices of President (**“President”**), Vice President (**“Vice President”**), Secretary (**“Secretary”**), Treasurer (**“Treasurer”**), and such other Officers as the Board may designate.

1.24. **“Owner”** means a holder of recorded fee simple title to a Unit. Declarant is the initial Owner of all Units. Contract sellers and Mortgagees who acquire title to a Unit through a deed in lieu of foreclosure or through judicial or non-judicial 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. A reference in any Governing Document or applicable law to a percentage or share of Owners or Members means Owners of at least that percentage or share of the Units, unless a different meaning is specified.

1.25. **“Plat”** means all Plats, singly or collectively, recorded or to be recorded in the Official Public Records of Dallas County, Texas, and pertaining to the real property described in

Appendix A of this Declaration, including all dedications, limitations, restrictions, easements, notes, and reservations shown on the Plat, as it may be amended from time to time.

1.26. **“Property”** means all the land subject to this Declaration and all improvements, easements, rights, and appurtenances to the land. The name of the Property is 2611 HONDO AVENUE CONDOMINIUMS. The Property is located entirely in the City of Dallas, Dallas County, Texas. The Property is located on land described in Appendix A to this Declaration and includes every Unit and Common Area thereon.

1.27. **“Resident”** means an Occupant of a Unit, regardless of whether the person owns the Unit.

1.28. **“Rules”** means rules and regulations of the Association adopted in accordance with the Governing Documents or applicable law. The initial Rules are adopted by Declarant for the benefit of the Association.

1.29. **“Underwriting Lender”** means Federal Home Loan Mortgage Corporation (Freddie Mac), Federal Housing Administration (HUD/FHA), Federal National Mortgage Association (Fannie Mae), U. S. Department of Veteran Affairs (VA), or any state or federally insured lending institution, singly or collectively. The use of this term and these institutions may be neither construed as a limitation on an Owner’s financing options nor as a representation that the Property is approved by any institution.

1.30. **“Unit”** means the elements of an individual Condominium Unit which are not owned in common with the Owners of the other Condominium Units in the Property as shown on the Plat and Plans attached hereto as Appendix B, and each Unit shall include the air space assigned thereto. The boundaries of each such Unit shall be and are the interior surfaces of the perimeter walls, floors, ceilings, window frames, doors, door frames, and trim; and the space includes both the portions of the Building so described and the air space so encompassed, excepting the Common Elements. In interpreting deeds, mortgages, deeds of trust, and other instruments, the existing physical boundaries of the Unit reconstructed in substantial accordance with the original plans thereof shall be conclusively presumed to be its boundaries, regardless of settling, rising, or lateral movement of the Building and regardless of variances between boundaries shown on the Plat and those of the Building. The individual ownership of each Unit space herein defined shall further include the interior construction, attic, partitions, appliances, fixtures, and improvements which are intended to exclusively serve such Unit space, such as interior room walls, floor coverings or finish, closets, cabinets, shelving, individual bathroom and kitchen fixtures, plumbing and appliances, individual lighting and electrical fixtures, HVAC, and other separate items or chattels belonging exclusively to such Unit, any of which may be removed, replaced, disposed of, or otherwise treated without affecting the use or enjoyment of any other Unit space or ownership. None of the land in this Property on which any Unit space or porch space is located shall be separately owned, as all land in this Property shall constitute part of the “Common Elements” of the Property as herein defined.

ARTICLE 2
NAMES, LOCATION, AND DESCRIPTION

2.1. PROPERTY NAME. The name of the Property is 2611 HONDO AVENUE CONDOMINIUMS.

2.2. ASSOCIATION NAME & TYPE. The name of the Association is 2611 HONDO AVENUE ASSOCIATION, INC. The Association is or will be chartered as a Texas nonprofit corporation.

2.3. PROPERTY LOCATION. The Property is located entirely in the City of Dallas, Dallas County, Texas.

2.4. PROPERTY DESCRIPTION. The Property is located on land described in Appendix A to this Declaration and includes every Unit and all Common Elements thereon.

2.5. SUBJECT TO GOVERNING DOCUMENTS. The Property is held, transferred, sold, conveyed, leased, occupied, used, insured, and encumbered subject to the terms, covenants, conditions, restrictions, and easements of this Declaration and of the other Governing Documents, which run with the Property, bind all parties having or acquiring any right, title, or interest in the Property, their heirs, successors, and assigns, and inure to the benefit of each Owner.

2.6. MERGER. Merger or consolidation of the Association with another association must be evidenced by an amendment to this Declaration. The amendment must be approved by Owners representing at least two-thirds (2/3rds) of the total allocated votes. Upon merger or consolidation of the Association with another association, the property, rights, and obligations of another association may, by operation of law, be added to the properties, rights, and obligations of the Association as a surviving corporation pursuant to the merger. The surviving or consolidated association may administer the provisions of the Governing Documents within the Property, together with the covenants and restrictions established upon any other property under its jurisdiction. No merger or consolidation, however, will effect a revocation, change, or addition to the covenants established by this Declaration within the Property.

ARTICLE 3
UNITS AND LIMITED COMMON ELEMENTS

3.1. UNIT BOUNDARIES. The boundaries and the identifying number of each Unit are shown on the Plat and Plans attached as Appendix B. The boundaries are further described as follows:

3.1.1. Lower Horizontal Boundary. The upper surface of the concrete slab and piers foundation or the flooring, if on the second story, is the Unit's lower horizontal boundary.

3.1.2. Upper Horizontal Boundary. The outside of the drywall surface immediately under the paint or ceiling covering is the upper horizontal boundary.

3.1.3. Vertical Perimeter Boundaries – Party Walls. On party walls – walls between two (2) units – the Unit’s vertical boundaries are the planes defined by the midpoints of the party wall. The unit on each side of a party wall extends to the middle of the party wall.

3.1.4. What the Unit Includes. Each Unit includes the spaces and improvements within the above-described vertical and horizontal boundaries, including any garage. In other words, the Unit includes the portion of the Building in which the residence and garage are located. Each Unit also includes the following improvements and equipment serving the Unit exclusively, whether located inside or outside the Unit, whether or not attached to or contiguous with the Unit: space heaters or furnace, water heaters, air conditioners, utility meters, breaker boxes, electrical switches, wiring, pipes, ducts, conduits, smoke detectors, security systems, television cable, lighting fixtures, telephone and electrical receptacles, and any skylights.

3.1.5. Exclusions. Except as specifically included above, each Unit excludes the spaces and improvements lying outside of the vertical and horizontal boundaries. Each Unit also excludes any chute, pipe, flue, duct, wire, or conduit running through a Unit for the purpose of furnishing utility and similar services to other Units and Common Elements or both.

3.1.6. Inconsistency with Plans. If this definition is inconsistent with the Plats and Plans, then this definition will control.

3.1.7. Representations of Size. The space contained within the Unit’s vertical and horizontal boundaries is not related to the size of the Unit’s living areas. Similarly, the Units are initially marketed on the basis of a limited number of representational floor plans, each of which is marked with a rounded and estimated size of air-conditioned space, taken from pre-construction architectural drawings. Those marketing sizes bear no relation to the size of the space contained within the Unit’s vertical and horizontal boundaries.

3.2. INITIAL DESIGNATIONS OF LIMITED COMMON ELEMENTS. The following portions of the Common Elements are Limited Common Elements assigned to the Units as stated:

3.2.1. Shown on Plats and Plans. Portions of the Common Elements may be allocated as Limited Common Elements on the Plats and Plans, attached hereto as Appendix B, by use of “LCE” and the identifying number of the Unit to which the Limited Common Element is appurtenant, or by use of a comparable method of designation.

3.2.2. Appurtenant Areas. Only to the extent they are not part of the Unit, the front porches, which are obviously intended for the sole and exclusive use of the Unit to which the area is appurtenant are deemed Limited Common Elements, whether or not the area is so designated on Plats and Plans. If the boundaries of any courtyard or fenced yard change – with the board’s approval – the altered boundaries of the courtyard or fenced yard are the boundaries of the Limited Common Element.

3.2.3. Parking Spaces. Each Unit has an attached two (2)-car garage for parking vehicles, as shown on Appendix B and as designated on Appendix D. There is one (1) unassigned parking spaces designated for guest parking on the Plat as General Common Elements.

3.3. SUBSEQUENT ALLOCATION OF LIMITED COMMON ELEMENTS. A Common Element not allocated by this Declaration as a Limited Common Element may be so allocated only pursuant to the provisions of this Article. Declarant reserves the right, under Appendix E of this Declaration, to create Limited Common Elements within the Property.

3.4. REALLOCATION OF LIMITED COMMON ELEMENTS. A Limited Common Element may not be reallocated, except by amendment. An amendment of reallocation requires the approval of all Owners and Mortgagees of Units whose interests are to be allocated or reallocated. The parties executing the amendment will provide an executed copy of the amendment to the Association, which will record it, provided that the amendment complies with the provisions of this Declaration and the Act. The amendment must contain words of conveyance and must be recorded and indexed in the names of the parties and the Property. The amendment will specify to which Unit or Units the Limited Common Element is allocated. The parties executing the amendment are responsible for the preparation of the amendment and will reimburse the Association for its reasonable attorneys' fees in connection with review and recording of the amendment.

ARTICLE 4 ALLOCATED INTERESTS

4.1. ALLOCATION OF INTERESTS. The table showing the identifying number and allocated interests of each Unit is attached as Appendix C. The interests have been allocated in accordance with the formulas set out in this Article. The same formulas are to be used in reallocating interests if Units are added to the Property. The date on which the amendment creating additional Units is recorded in the county's real property records is the effective date for assigning allocated interests to those Units. The interests allocated to each Unit are calculated by the following formulas.

4.2. COMMON ELEMENT INTERESTS. The share of undivided interest in the Common Elements allocated to each Unit is uniform for all Units. Each Unit's fractional share is weighted, calculated by dividing the total air-conditioned space of each Unit by the total air-conditioned square footage of all the Units combined.

4.3. COMMON EXPENSE LIABILITIES. The share of liability for common expenses allocated to each Unit is uniform for all Units. Each Unit's fractional share is based on its undivided interest in the Common Elements or calculated by dividing its total square footage by the total square footage of all Units in the Property.

4.4. WEIGHTED VOTES. The total number of votes equals the total number of Units in the Property. The one (1) vote appurtenant to each Unit is uniform and is based on the percentage interest in the Common Elements appurtenant to each Unit.

ARTICLE 5
COVENANT FOR ASSESSMENTS

5.1. PURPOSE OF ASSESSMENTS. The Association will use Assessments for the general purposes of preserving and enhancing the Property, and promoting the recreation, common benefit, and enjoyment of Owners and Occupants, including but not limited to maintenance of real and personal property, management and operation of the Association, and any expense reasonably related to the purposes for which the Property was developed. If made in good faith, the Board's decision with respect to the use of Assessments is final.

5.2. PERSONAL OBLIGATION. An Owner is obligated to pay Assessments levied by the Board against the Owner or his Unit. Payments are made to the Association at its principal office or at any other place the Board directs. Payments must be made in full regardless of whether an Owner has a dispute with the Association, another Owner, or any other person or entity regarding any matter to which this Declaration pertains. No Owner may exempt himself from his Assessment liability by waiver of the use or enjoyment of the Common Elements or by abandonment of his Unit. An Owner's obligation is not subject to offset by the Owner. Payment of Assessments is both a continuing affirmative covenant personal to the Owner and a continuing covenant running with the Unit.

5.3. TYPES OF ASSESSMENTS. There are four (4) types of Assessments: Regular, Special, Individual, and Deficiency.

5.4. REGULAR ASSESSMENTS.

5.4.1. Purpose of Regular Assessments. Regular Assessments are used for common expenses related to the reoccurring, periodic, and anticipated responsibilities of the Association, including but not limited to:

- a. Maintenance, repair, and replacement, as necessary, of the Common Elements, and improvements, equipment, signage, and property owned by the Association.
- b. Maintenance, repair, and replacement, as necessary, of the Area of Common Responsibility.
- c. Utilities billed to the Association.
- d. Services billed to the Association and serving all Units, such as trash removal and pest control.
- e. Taxes on property owned by the Association and the Association's income taxes.
- f. Street lighting.

g. Management, legal, accounting, auditing, and professional fees for services to the Association.

h. Costs of operating the Association, such as telephone, postage, office supplies, printing, meeting expenses, and educational opportunities of benefit to the Association.

i. Insurance premiums and deductibles.

j. Contributions to the reserve funds.

k. Any other expense which the Association is required by law or the Governing Documents to pay, or which in the opinion of the Board is necessary or proper for maintenance of the Property, operation of the Association, or enforcement of the Governing Documents.

5.4.2. Annual Budget. The Board will prepare and approve an estimated annual budget for each fiscal year. The budget will take into account the estimated income and common expenses for the year, contributions to reserve funds, and a projection for uncollected receivables. The Board will make the budget or its summary available to an Owner of each Unit, although failure to receive a budget or summary does not affect an Owner's liability for Assessments. The Board will provide copies of the detailed budget to Owners who make written request and pay a reasonable copy charge.

5.4.3. Basis of Regular Assessments. Regular Assessments will be based on the annual budget, minus estimated income from sources other than Regular Assessments. Each Unit will be liable for its allocated share of the annual budget. If the Board does not approve an annual budget or fails to determine new Regular Assessments for any year, or delays in doing so, Owners will continue to pay the Regular Assessment as last determined.

5.4.4. Supplemental Increases. If during the course of a year the Board determines that Regular Assessments are insufficient to cover the estimated common expenses for the remainder of the year, the Board may increase Regular Assessments for the remainder of the fiscal year in an amount that covers the estimated deficiency.

5.5. SPECIAL ASSESSMENTS. In addition to Regular Assessments, the Board may levy one or more Special Assessments against all Units for the purpose of defraying, in whole or in part, common expenses not anticipated by the annual budget or reserve funds. For any of the following purposes, a Special Assessment must be approved by at least a majority of the votes in the Association:

a. Acquisition of real property.

b. Construction of additional improvements to the Property -- not repair or replacement of existing improvements.

c. Any expenditure that may reasonably be expected to significantly increase the Association's responsibility and financial obligation for operations, insurance, maintenance, repairs, or replacement.

5.6. INDIVIDUAL ASSESSMENTS. In addition to Regular and Special Assessments, the Board may levy an Individual Assessment against a Unit and its Owner. Individual Assessments may include, but are not limited to: interest, late charges, and collection costs on delinquent Assessments; reimbursement for costs incurred in bringing an Owner or his Unit into compliance with the Governing Documents; fines for violations of the Governing Documents; insurance deductibles; sub-metered utilities serving the Unit; reimbursement for damage or waste caused by willful or negligent acts; common expenses that benefit fewer than all of the Units, which may be assessed according to benefit received; and "pass through" expenses for services to Units provided through the Association and which are equitably paid by each Unit according to benefit received.

5.7. DEFICIENCY ASSESSMENTS. The Board may levy a Deficiency Assessment against all Units for the purpose of defraying, in whole or in part, the cost of repair or restoration if insurance proceeds or condemnation awards prove insufficient.

5.8. CONTROL FOR ASSESSMENT INCREASES. At least thirty (30) days prior to the effective date of a Special Assessment or increase in Regular Assessments, the Board will notify an Owner of each Unit of the amount of, the budgetary basis for, and the effective date of the Special or increased Regular Assessment. The Special Assessment or increase will automatically become effective unless Owners representing at least a majority of the votes in the Association disapprove the Special Assessment or increase by petition or at a meeting of the Association. In that event, the last-approved budget will continue in effect until a revised budget is approved.

5.9. RESERVE FUNDS. The Association will establish, maintain, and accumulate reserves for operations and for replacement and repair. The Association will budget for reserves and use its best efforts to fund reserves out of Regular Assessments.

5.9.1. Operations Reserves. The Association will maintain operations reserves at a level sufficient to cover the cost of operational or maintenance emergencies or contingencies, including the full amount of deductibles on insurance policies maintained by the Association.

5.9.2. Replacement and Repair Reserves. The Association will maintain replacement and repair reserves at a level that anticipates the scheduled replacement or major repair of components of the Common Elements and Area of Common Responsibility.

5.10. ASSOCIATION'S RIGHT TO BORROW MONEY. The Association is granted the right to borrow money, subject to the consent of Owners representing at least a majority of the votes in the Association and the ability of the Association to repay the borrowed funds from Assessments. To assist its ability to borrow, the Association is granted the right to encumber,

mortgage, pledge, or deed in trust any of its real or personal property, and the right to assign its right to future income, as security for money borrowed or debts incurred, provided that the rights of the lender in the pledged property are subordinate and inferior to the rights of the respective Owners' lender.

5.11. DUE DATE. Regular Assessments are due on the first calendar day of each month and are delinquent if not received by the Association on or before the first day of the month. Utility, Special, Individual, and Deficiency Assessments are due on the date stated in the notice of the assessment or, if no date is stated, within ten (10) days after notice of such assessment is given.

5.12. HOA SALE FEES. This Section addresses the expenses, fees, charges, and contributions (hereafter, collectively, the "**HOA Sale Fees**") that are charged by the Association or its manager, and that arise at the time of a home's sale or purchase. As used in this Section, "HOA Sale Fees" does not include a byer's prepaid and/or pro-rata assessments. HOA Sale Fees are not refundable by the Association or the Association's manager and may not be regarded as a prepayment of or credit against assessments. HOA Sale Fees generally fall into two (2) types of categories – budget enhancing fees, such as contributions to the reserve or operating funds of the Association, and administrative fees, such as fees for resale certificates, estoppel certificates, copies of Governing Documents, compliance inspections, ownership record changes, and priority processing.

5.12.1. Notice of HOA Sale Fees. The association will publicly record a Notice of HOA Sale Fees. The initial Notice is recorded with this Declaration as Appendix F. The Notice may be recorded independent of the Declaration and may be recorded as part of the Management Certificate. Notice of HOA Sale Fees is subject to the following:

a. Amendment of Notice: The Notice is not subject to the amendment requirements of this Declaration. After the Development Period, the Board without a vote of the Owners, may amend the Notice of HOA Sale Fees for the following two purposes: (1) to change a stated amount or formula for an HOA Sale fee; or (2) to conform the Notice of HOA Sale Fees with applicable law regarding HOA Sale Fees. Any other amendment of the Notice requires the approval of Owners of two-thirds (2/3rds) of the Unit Owners represented at a meeting of the Association at which a quorum is present, provided notice of the proposed amendment is given with the notice of meeting. During the Development Period, the Notice of HOA Sale Fees may be amended by the Declarant only.

b. Effective: To be effective, an amendment or restatement of the Notice of HOA Sale Fees must be in the form of a written instrument (1) referencing the name of the Property, the name of the Association, the recording date of this Declaration, and the recording data of the most recent previously recorded Notice of HOA Sale Fees, (2) signed and acknowledged by Declarant during the Development Period, and thereafter by an officer of the Association, certifying the requisite approval of Owner or Directors, and (3) recorded in the Real Property Records of Tarrant County, Texas.

c. **Applicability:** If the amended or restated Notice of HOA Sale Fees results in an overall reduction of HOA Sale Fees for a conveyance that is pending at the time of the amendment, the lower rate is effective immediately for any closing that occurs after the date the amendment is publicly recorded. If the amended or restated Notice of HOA Sale fees results in an overall increase of HOA Sale fees for the Unit being conveyed, the increased amount is not effective until the ninetieth (90th) day after the date on which the amended or restated Notice of HOA Sale Fees is publicly recorded.

d. **Distribution:** Within sixty (60) days after the amended or restated Notice of HOA Sale Fees is public recorded, a copy or report of, or electronic link to, the recorded amended Notice of HOA Sale Fees must be delivered or made available to the Owner of each Unit.

5.12.2. **Initial Buyer of a New Unit.** Every transfer of a Unit by Declarant is liable for the following HOA Sale Fees, if any, in effect at the time of purchase: (1) to the Association, a one (1)-time contribution in the amount of the equivalent of **two (2) months' Regular Assessments** for the Association's reserve funds; (2) to the Association, a one (1)-time contribution in the amount of **\$100.00** for the Association's operating funds; and (3) to the Association's manager, the customary HOA Sale Fees.

5.12.3. **Buyer of a Resale Unit.** Every transfer of a used Unit (a "resale") by an Owner other than the Declarant is liable for the following HOA Sale Fees, if any, in effect at the time of purchase: (1) to the Association, a one (1)-time contribution to the Association's reserve funds, in the amount of the equivalent of **one (1) month's Regular Assessments** for each Unit purchased, and (2) to the Association's manager, its customary HOA Sale Fees.

5.12.4. **Regular Monthly Assessments.** The HOA Sale Fees in 5.12.2. and 5.12.3 above do not address the home purchaser's obligation to the Association for the regularly occurring monthly assessments. The initial month's Regular Monthly Assessments may be prepaid and/or prorated for the first month's assessments, either the full or partial month, at closing. Subsequent to closing of a Unit, Regular Monthly Assessments are due and payable on the 1st day of each month.

5.12.5. **Manager's Fees.** HOA Sale Fees may be charged by the Association's manager, managing director, or managing agent (collectively, "**manager**"), pursuant to a contract between the Association and the manager, and provided there is no duplication of fees by type or amount with fees charged by the Association. This Article does not obligate the manager to levy HOA Sale Fees. The number, types, and amounts of HOA Sale Fees charged by a manager (1) must have the prior written approval of the Board; (2) are not subject to the Association's assessment lien; (3) should not exceed what is customary in amount, kind, and number for the local marketplace, and (4) are not payable by the Association unless the management contract so stipulates.

ARTICLE 6 ASSESSMENT LIEN

6.1. ASSESSMENT LIEN. Each Owner, by accepting an interest in or title to a Unit, whether or not it is so expressed in the instrument of conveyance, covenants and agrees to pay Assessments to the Association. Each Assessment is a charge on the Unit and is secured by a continuing lien on the Unit. Each Owner, and each prospective Owner, is placed on notice that his title may be subject to the continuing lien for Assessments attributable to a period prior to the date he purchased his Unit.

6.2. SUPERIORITY OF ASSESSMENT LIEN. The Assessment lien is superior to all other liens and encumbrances on a Unit, except only for (a) real property taxes and assessments levied by governmental and taxing authorities and (b) a purchase money vendor's lien or deed of trust lien recorded before the date on which the delinquent Assessment became due. The Assessment lien is superior to a lien for construction of improvements to the Unit or an assignment of the right to insurance proceeds on the Unit, regardless of when recorded or perfected.

6.3. EFFECT OF MORTGAGEE'S FORECLOSURE. A Mortgagee's foreclosure of its deed of trust lien extinguishes the Association's claim against the Unit for unpaid Assessments that became due before the sale but does not extinguish the Association's claim against the former Owner. At the Mortgagee's foreclosure sale the purchaser is liable for assessments coming due from and after the date of the sale and for the Owner's pro rata share of the pre-foreclosure deficiency as a common expense.

6.4. NOTICE AND RELEASE OF NOTICE. To evidence the Assessment lien, the Board may, but is not required to, cause a written notice of the lien to be recorded in the county's real property records. After the debt for which the notice was recorded has been cured, the Association may record a release of the notice. The Association may require reimbursement of its costs of preparing and recording the notices before granting the release.

6.5. POWER OF SALE. By accepting an interest in or title to a Unit, each Owner grants to the Association a private power of non-judicial sale in connection with the Association's Assessment lien. The Board may appoint, from time to time, an Officer, agent, trustee, substitute trustee, or attorney to exercise the power of sale on behalf of the Association. The appointment must be in writing and may be in the form of a resolution recorded in the minutes of a Board meeting.

6.6. FORECLOSURE OF LIEN. The Assessment lien may be enforced by judicial or non-judicial foreclosure. A non-judicial foreclosure must be conducted in accordance with the provisions applicable to the exercise of powers of sale as set forth in Section 51.002 of the Texas Property Code, or in any manner permitted by law. In any foreclosure, the Owner is required to pay the Association's costs and expenses for the proceedings, including reasonable attorneys' fees. The Association has the power to bid on the Unit at foreclosure sale and to acquire, hold, lease, mortgage, and convey same.

ARTICLE 7
EFFECT OF NONPAYMENT OF ASSESSMENTS

An Assessment is delinquent if the Association does not receive payment in full by the Assessment's due date. The Board is responsible for taking action to collect delinquent Assessments. Neither the Board nor the Association, however, is liable to an Owner or other person for its failure or inability to collect or attempt to collect an Assessment. The following remedies are in addition to and not in substitution for all other rights and remedies that the Association has.

7.1. INTEREST. Delinquent Assessments are subject to interest from the due date until paid, at a rate to be determined by the Board from time to time, not to exceed the lesser of eighteen percent (18%) or the maximum permitted by law. If the Board fails to establish a rate, the rate is ten percent (10%) per annum. Interest is an Individual Assessment.

7.2. LATE FEES. Delinquent Assessments are subject to reasonable late fees, at a rate to be determined by the Board from time to time. Late fees are an Individual Assessment.

7.3. COLLECTION EXPENSES. The Owner of a Unit against which Assessments are delinquent is liable to the Association for reimbursement of reasonable costs incurred by the Association to collect the delinquent Assessments, including attorney's fees and processing fees charged by the manager. Collection costs are an Individual Assessment.

7.4. ACCELERATION. If an Owner defaults in paying an Assessment that is payable in installments, the Board may accelerate the remaining installments on ten (10) days' written notice to the defaulting Owner. The entire unpaid balance of the Assessment becomes due on the date stated in the notice.

7.5. SUSPENSION OF USE AND VOTE. If an Owner's account has been delinquent for at least thirty (30) days, the Board may suspend the right of Owners and Occupants to use Common Elements and common services during the period of delinquency. The Board may not suspend an Owner or Occupant's right of access to the Unit. The board may suspend the right to vote appurtenant to the Unit. Suspension does not constitute a waiver or discharge of the Owner's obligation to pay assessments.

7.6. MONEY JUDGMENT. The Association may file suit seeking a money judgment against an Owner delinquent in the payment of Assessments, without foreclosing or waiving the Association lien for Assessments.

7.7. NOTICE TO MORTGAGEE. The Board may notify and communicate with any holder of a lien against a Unit regarding the Owner's default in payment of Assessments.

7.8. APPLICATION OF PAYMENTS. The Board may refuse to accept partial payment, i.e., less than the full amount due and payable. The Board may also refuse to accept payments to which the payer attaches conditions or directions contrary to the Board's policy for applying payments. The Association's endorsement and deposit of a payment does not constitute

acceptance. Instead, acceptance by the Association occurs when the Association posts the payment to the Unit account. If the Association does not accept the payment at that time, it will promptly refund the payment to the payer.

ARTICLE 8 MAINTENANCE AND REPAIR OBLIGATIONS

8.1. ASSOCIATION MAINTAINS. The Association's maintenance obligations will be discharged when and how the Board deems appropriate. The Association maintains, repairs, and replaces, as a Common Expense, the portions of the Property listed below, regardless of whether the portions are Units or Common Elements. The Association also maintains, as a Common Expense, any component of a Unit delegated to the Association by this Declaration.

8.1.1. All General Common Elements, including, but not limited to, sidewalks, private driveways, landscaping, mailboxes, and unassigned parking spaces.

8.1.2. All Limited Common Elements, except as designated herein for Owner responsibility.

8.1.3. Any exterior light fixtures served by the Association's electrical meter.

8.1.4. The outermost exterior materials of the Building, including gutters, foundations, and painting.

8.1.5. Any common off-street parking areas.

8.1.6. Porches, fenced yards, courtyards, and entryways, except for routine cleaning and cosmetic maintenance and repair and sidewalks.

8.1.7. The exterior of all garage doors.

8.1.8. The Areas of Common Responsibility.

8.2. OWNER RESPONSIBILITY. Every Owner has the following responsibilities and obligations for the maintenance, repair, and replacement of the Property.

8.2.1. To maintain, repair, and replace his Unit.

8.2.2. The routine cleaning and cosmetic maintenance and repair of any porch, fenced yard, or courtyard being part of his Unit or the Limited Common Element's assigned to his Unit.

8.2.3. To keep the Limited Common Elements appurtenant to his Unit in a neat, clean, odorless, orderly, and attractive condition.

8.2.4. To maintain, repair, and replace all portions of the Property for which he is responsible under this Declaration or by agreement with the Association, including wall studs, stucco, if any, and siding material.

8.2.5. Locks and latches on exterior gates.

8.2.6. To not do any work or to fail to do any work, which, in the reasonable opinion of the board, would materially jeopardize the soundness and safety of the Property, reduce the value thereof, or impair any easement or hereditament thereto.

8.2.7. To be responsible for his own willful or negligent acts and those of his or the Occupant's family, guests, agents, employees, or contractors when those acts necessitate maintenance, repair, or replacement to the Common Elements, the Area of Common Responsibility, or the property of another Owner.

8.3. DESIGNATION OF COMMON RESPONSIBILITY. The Association has the right, but not the duty, to designate Areas of Common Responsibility to be maintained, repaired, and replaced by the Association as a common expense. Additions, deletions, or changes in designation must be approved by Owners representing at least a majority of the votes in the Association; published and distributed to an Owner of each Unit; and reflected in the Association's annual budget and reserve funds. Any designation applies to every Unit having the designated feature. Unless Owners representing a majority of the votes in the Association decide otherwise, the cost of maintaining the Areas of Common Responsibility will be added to the annual budget and assessed against all Units as a Regular Assessment. The Association will maintain at all times a dated list of the Areas of Common Responsibility for distribution to Owners and prospective purchasers. The Initial Designation of the Areas of Common Responsibility is attached hereto as Appendix G.

BEFORE ACQUIRING AN OWNERSHIP INTEREST IN A UNIT, EACH PROSPECTIVE PURCHASER IS STRONGLY ENCOURAGED to contact the Association to obtain and review the most recent designation of Areas of Common Responsibility, which is subject to change from time to time.

8.4. COURTYARDS AND FENCED BACKYARDS. Other than as set forth herein for owner responsibility, the maintenance, repair, and replacement of courtyards and fences, which are part of a Unit or the Unit's Limited Common Elements are the responsibility of the Association. Notwithstanding anything to the contrary in the Governing Documents pertaining to the Project, the Association is not liable to an Owner if the Association's repair of Common Elements necessitates repairs to or removal or destruction of components of the Unit's courtyard and fence. Furthermore, the Association is not responsible for any maintenance, repair, or upkeep of any special features or additions to such Limited Common Elements if such special features or additions are unique to the Unit in question. Owner, at the Owner's sole expense, will repair or restore the courtyard and fence portion of his Unit after the Association completes repair or maintenance of Common Elements. This provision is warranted by the possibility that courtyards

and fences may be individualized with unusual or costly materials, by the manner in which they impede the Association's access to Common Elements, and by the difficulty of scheduling work in areas that are to be accessed through a Unit.

8.5. OWNER'S DEFAULT IN MAINTENANCE. If the Board determines that an Owner has failed to properly discharge his obligation to maintain, repair, and replace items for which the Owner is responsible, the Board may give the Owner written notice of the Association's intent to provide the necessary maintenance at Owner's expense. The notice must state, with reasonable particularity, the maintenance deemed necessary and a reasonable period of time in which to complete the work. If the Owner fails or refuses to timely perform the maintenance, the Association may do so at Owner's expense, which is an individual assessment against the Owner and his Unit. In case of emergency, however, the Board's responsibility to give the Owner written notice may be waived and the Board may take any action it deems necessary to protect persons or property, the cost of the action being the Owner's expense.

8.6. OTHER OWNER OBLIGATIONS. An Owner shall be obligated to repair and replace promptly any broken or cracked windows, doors, garage doors, and garage door mechanical equipment (except the Board shall have the option to allow the Association to cover repair and maintenance of the outer surface of the garage door) or glass attached to his Unit, subject to the Association's right to control the exterior finish and color of the doors. Pipe leaks which are due to breaks, faulty connections, freeze damage, overflows, nails, or protrusions into pipes or protrusions into pipes or appliances which exclusively serve the Owner's Unit and which are the maintenance responsibility of the Owner shall be promptly repaired by the Owner. Such Owner shall be responsible for any damages and cost of repairs to other Units or Common Areas due to such leaks only if such Owner or Owner's family, guests, tenants, agents, or contractors are negligent or otherwise at fault in causing the leak. Notwithstanding anything to the contrary contained in this section, an Owner when exercising his right and responsibility of repair, maintenance, replacement, or remodeling shall never alter in any manner whatsoever, the exterior appearance of his Condominium Unit.

8.7. SUMMARY OF MAINTENANCE RESPONSIBILITY. Attached as Appendix G is a summary of the maintenance responsibilities pertinent to the Property. In the event of a conflict between this Article 8 and Appendix G, then Appendix G shall control.

ARTICLE 9 PROPERTY EASEMENTS AND RIGHTS

9.1. GENERAL. In addition to other easements and rights established by the Governing Documents, the Property is subject to the easements and rights contained in this Article.

9.2. RECORDED EASEMENTS AND LICENSES. Title to the condominium and each Unit is subject to all easements, restrictions, liens, leases, and encumbrances recorded against the Property. A description of any recorded easements restrictions, and encumbrances will be found in Schedule B of the Owner's Title Policy and also will be available through the sales office.

9.3. OWNER'S EASEMENT OF ENJOYMENT. Every Owner is granted a right and easement of enjoyment over the General Common Elements and to use of improvements therein, subject to other rights and easements contained in the Governing Documents. An Owner may delegate this right of enjoyment to the Occupants of his Unit.

9.4. OWNER'S MAINTENANCE EASEMENT. Every Owner is granted an easement over adjoining Units and Common Elements for the maintenance or reconstruction of his Unit, subject to the consent of the Owner of the adjoining Unit, or the Association in the case of Common Elements, and provided the easement does not damage or materially interfere with the use of the adjoining Unit or Common Element. Requests for entry to an adjoining Unit or Common Element will be made in advance for a time reasonably convenient for the adjoining Owner, who may not unreasonably withhold consent. If an Owner damages an adjoining Unit or Common Element in exercising this easement, the Owner is obligated to restore the damaged property to its original condition, at his expense, within a reasonable period of time.

9.5. OWNER'S INGRESS/EGRESS EASEMENT. Every Owner is granted a perpetual easement over the Property, as may be reasonably required, for unrestricted ingress to and egress from his Unit or the appurtenant Limited Common Elements.

9.6. OWNER'S ENCROACHMENT EASEMENT. Every Owner is granted an easement for the existence and continuance of any encroachment by his Unit on any adjoining Unit or Common Element now existing or which may come into existence hereafter, as a result of construction, repair, shifting, settlement, or movement of any portion of a Building, or as a result of condemnation or eminent domain proceedings, so that the encroachment may remain undisturbed so long as the improvement stands.

9.7. ASSOCIATION'S ACCESS EASEMENT. The Association is granted an easement of access and entry into every Unit and Common Element to perform maintenance, to enforce architectural and use restrictions, to respond to emergencies, and to perform any other duties required by the Governing Documents.

9.8. UTILITY EASEMENT. The Association may grant permits, licenses, and easements over the Common Elements for utilities, roads, and other purposes necessary for the proper operation of the Property. A company or entity, public or private, furnishing utility service to the Property, is granted an easement over the Property for ingress, egress, meter reading, installation, maintenance, repair, or replacement of utility lines and equipment, and to do anything else necessary to properly maintain and furnish utility service to the Property; provided, however, this easement may not be exercised without prior notice to the Board. Utilities may include, but are not limited to, water, sewer, trash removal, electricity, gas, telephone, master or cable television, and security.

9.9. MINERAL INTERESTS. Because of the era in which this Declaration is written, there is renewed interest in oil and gas exploration, therefore the following provisions will apply:

9.9.1. Mineral Interests Reserved. On the date of this Declaration, it is expected that all mineral interests will have been reserved by a prior owner of the Property or conveyed pursuant to one (1) or more deeds or other instruments recorded in the Real

Property Records of Dallas County, Texas, including but not limited to rights of ingress and egress. Because the instruments conveying or reserving mineral interests 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 rights and/or reservations referenced in this Article and the attendant rights in favor of the owner or owners of the mineral interests.

9.9.2. Mineral Reservation by Declarant. In the event (1) a mineral interest for any part of the Property has not been reserved or conveyed prior to the Declaration's conveyance of the Property, or (2) a reservation or conveyance of mineral interests is determined 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 in and under and that may be produced from the Property, to have and to hold forever.

9.9.3. 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 acting through the Board, as its 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.

<p>READERS, PLEASE PAY PARTICULAR ATTENTION TO THE NEXT PROVISION TITLED "SECURITY".</p>

9.10. SECURITY. The Association may, but is not obligated to, maintain or support certain activities within the Property designed, either directly or indirectly, to improve safety in or on the Property. Each Owner and Occupant acknowledges and agrees, for himself and his guests, that Declarant, the Association, and its Directors, Officers, committees, agents, and employees are not providers, insurers, or guarantors of security within the Property. Each Owner and Occupant 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 Occupant further acknowledges that Declarant, the Association, and its Directors, Officers, committees, agents, and employees have made no representations or warranties, nor has the Owner or Occupant relied on any representation or 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 Occupant acknowledges and agrees that Declarant, the Association, and its Directors, Officers, 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, specifically exterior lighting.

ARTICLE 10
ARCHITECTURAL COVENANTS AND CONTROL

10.1. PURPOSE. Because the Units are part of a single, unified community, the Association has the right and responsibility to regulate the exterior design, use, and appearance of the Units and Common Elements in order to preserve and enhance the Property's value and architectural harmony.

10.2. PROHIBITION OF ALTERATION AND IMPROVEMENT. A person may not make any addition, alteration, or improvement to the Property, or do anything that affects the appearance, use, or structural integrity of the Property, without the prior written consent of the Board. Prohibited acts include, but are not limited to the following:

- a. Installation of an exterior antenna, microwave or satellite dish, except as permitted by law, receiving or transmitting tower, ornamental iron or burglar bars, storm window or door, exterior lighting, storage shed, basketball goal, tree house, free standing mailbox, trash can enclosure, roof deck or any patio cover or enclosure, chimney, skylight, or exterior holiday decorations. Satellite dish placement is subject to Board approval.
- b. Installation of equipment that may create a noise annoyance, such as noise-producing security devices and exterior pumps.
- c. Installation of walls, screens, fences, gates, or carports.
- d. Enclosure of garage.
- e. Installation of impermeable decking or other improvement that may interfere with established drainage patterns.

10.3. BOARD APPROVAL. An Owner may not start or maintain construction, alteration, addition, installation, modification, redecoration, or reconstruction of any component of the Property without the Board's prior approval. To request Board approval, an Owner must make written application, including plans and specifications showing the nature, kind, shape, color, size, materials, and locations of the work to be performed. The Board will retain the application, including plans and specifications, for the Association's files.

10.4. APPROVAL DEEMED GRANTED. If an Owner has not received the Board's written approval or denial within ninety-one (91) days after delivering his application to the Board, the Owner may presume that his request has been deemed granted by the Board. The Owner may then proceed with the improvement, provided he adheres to the plans and specifications, which accompanied his application, and provided he initiates and completes the improvement in a timely manner.

10.5. PRIOR APPROVAL. Notwithstanding the foregoing, no permission or approval is required for work that strictly complies with guidelines, plans, specifications, or policies previously developed and approved for all Units by the Board and still in effect at the time work

is initiated. Written approval for specified improvements or alterations on certain Units or Limited Common Elements does not constitute approval for all Units and Limited Common Elements.

10.6. NO APPROVAL REQUIRED. No approval is required to repaint exteriors in accordance with a Board-approved color scheme, or to rebuild a Unit in accordance with originally approved plans and specifications. Nor is approval required for an Owner to remodel or repaint the interior of a Unit, provided the work does not impair the structural soundness of the Building.

ARTICLE 11 LIMITATIONS ON LEASING

11.1. SUBJECT TO DOCUMENTATION. All leasehold tenants are subject to the Declaration.

11.2. CONDITIONS OF LEASE. In addition to the prior Section's limitation on leasing, (a) no Unit may be rented for transient or hotel purposes or for a period less than six (6) months; (b) no Unit may be subdivided for rental purposes, and not less than an entire unit may be leased; (c) all leases must be in writing and must be made subject to the Governing Documents; (d) an Owner is responsible for providing his tenant with copies of the Governing Documents and notifying him of changes thereto; and (e) each tenant is subject to and must comply with all provisions of the Governing Documents, Federal and State laws, and local ordinances.

11.3. EVICITION OF TENANTS. Every lease agreement on a Unit, whether written or oral, express or implied, is subject to and is deemed to include the following provisions:

11.3.1. Violation Constitutes Default. Failure by the tenant or his invitees to comply with the Governing Documents, federal or State law, or local ordinance is deemed to be a default under the lease. When the Association notifies an Owner of his tenant's violation, the Owner will promptly obtain his tenant's compliance or exercise his rights as a landlord for tenant's breach of lease. If the tenant's violation continues or is repeated, and if the Owner is unable, unwilling, or unavailable to obtain his tenant's compliance, then the Association has the power and right to pursue the remedies of a landlord under the lease or State law for the default, including eviction of the tenant, subject to the terms of this Section.

11.3.2. Association as Attorney-in-Fact. Notwithstanding the absence of an express provision in the lease agreement for enforcement of the Governing Documents by the Association, each Owner appoints the Association as his attorney in fact, with full authority to act in his place in all respects, solely for the purpose of enforcing the Governing Documents against his tenants, including but not limited to the authority to institute forcible detainer proceedings against his tenant on his behalf, provided the Association gives the Owner at least ten (10) days' notice, by certified mail, of its intent to so enforce the Governing Documents.

11.3.3. Association Not Liable for Damages. The Owner of a leased Unit is liable to the Association for any expenses incurred by the Association in connection with

enforcement of the Governing Documents against his tenant. The Association is not liable to the Owner for any damages, including lost rents, suffered by the Owner in relation to the Association's enforcement of the Governing Documents against the Owner's tenant.

11.4. DECLARANT EXEMPT. During the Development Period, Declarant or its successors and assigns are exempt from the effect of this Article.

ARTICLE 12 USE RESTRICTIONS

12.1. ASSOCIATION'S RIGHT TO PROMULGATE RULES. The Association, acting through its Board, is granted 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.

12.2. RULES AND REGULATIONS. In addition to the restrictions contained in this Article, each Unit is owned and occupied subject to the right of the Board to establish Rules, and penalties for infractions thereof, governing:

- a. The types, sizes, numbers, conditions, uses, and locations of motorized and recreational vehicles on the Property.
- b. The use of a private street and driveways within the Property, including speed limits and parking restrictions.
- c. The disposal of trash, including types and locations of containers.
- d. Hazardous, illegal or annoying materials or activities in and upon the Property.
- e. The use and maintenance of a private security system for the Property.
- f. The occupancy and leasing of Units.
- g. The wasteful consumption of utilities billed to the Association.
- h. The use, maintenance, and appearance of windows, garage, porches, driveways, and courtyard, fenced yard, and private entrances visible from the street or other Units.
- i. The types, sizes, numbers, locations, and behavior of animals at the Property.
- j. Anything that interferes with maintenance of the Property, operation of the Association, administration of the Governing Documents, or the quality of life for Occupants.

12.3. RESIDENTIAL USE. The use of a Unit is limited exclusively to residential purposes or any other use permitted by this Declaration. This residential restriction does not, however, prohibit a resident from using the Unit for personal business or professional pursuits provided that:

- a. the uses are incidental to the use of the Unit as a dwelling,
- b. the uses conform to all applicable governmental ordinances,
- c. there is no external evidence of the uses, and
- d. the uses do not entail visits to the Unit by the public.

12.4. OCCUPANCY OF UNITS. The Board may adopt rules regarding the occupancy of Units for business office and professional purposes. If the Rules fail to establish occupancy standards, no more than five (5) persons may occupy a Unit on a regular basis and no lease shall be for less than six (6) months or be used for hotel or transient purposes. A person may not occupy a Unit if the person constitutes a direct threat to the health or safety of other persons, or if the person's occupancy would result in substantial physical damage to the property of others.

12.5. ANNOYANCE. No Unit or Limited Common Element may be used in any way that: (a) may reasonably be considered annoying to neighbors; (b) may be calculated to reduce the desirability of the Property as a professional business establishment; (c) may endanger the health or safety of Owners or Occupants; (d) may result in the cancellation of insurance on the Building, or (e) will violate any law. The Board has the sole authority to determine what constitutes an annoyance.

12.6. ANIMAL RESTRICTIONS. No animal, bird, fish, reptile, or insect of any kind may be kept, maintained, raised, or bred anywhere on the Property for any commercial purpose. Household pets may be kept subject to the Rules. A household pet means a house dog, a house cat, a small caged bird, or aquarium fish. If the Rules fail to establish animal occupancy quotas, no more than two (2) dogs or cats, or one (1) dog and one (1) cat, may be maintained in each Unit. Permission to maintain other types or additional numbers of household pets must be obtained in writing from the Board.

12.7. APPEARANCE RESTRICTIONS. Both the exterior and interior of the Units, must be maintained in a manner so as not to be unsightly when viewed from the street or neighboring Units. The Board will be the arbitrator of acceptable appearance standards.

12.8. WINDOW RESTRICTIONS. All window treatments within the Unit, that are visible from the street or another Unit, must be white in color or stained wood unless authorized in writing by the Board.

12.9. SIGN RESTRICTIONS. For sale or for lease signs may be placed in front of each Unit facing a city street. An additional sign may be placed at the end of the Building with a rider saying "interior unit".

12.10. GARAGE RESTRICTIONS. The original garage area of a Unit may not be enclosed or used for any purpose that would prohibit the parking of operable vehicles therein, without the Board's written authorization. The garage of each Unit **MUST** be actively used by the Unit's residents for parking vehicles. Any automatic garage door opener is to be maintained by its Owner. Garage doors are to be kept closed at all times except when a vehicle is entering or exiting or an Owner is inside the garage.

12.11. VEHICLE RESTRICTIONS. All vehicles on the Property, whether owned or operated by the Occupants or their families and guests, are subject to the following restrictions:

12.11.1. Types. No large commercial-type vehicle, mobile home, motor home, camper, bus, trailer, boat, aircraft, inoperable vehicle, or any other similar vehicle or any vehicular equipment, mobile or otherwise, which the Board deems to be a nuisance, unsightly, or inappropriate may be kept, parked, or stored anywhere on the Property unless used for daily transportation and, in that event, subject to Board approval. If a Resident's vehicle is too wide, too tall, or too long to fit into the Unit's attached garage, the Association may require that the vehicle be parked off-site. This is a caution to drivers of oversized vehicles.

12.11.2. Repairs. Repairs or restorations of vehicles are prohibited on driveways or the private street; however, car washing is approved in the area immediately outside the Owner's garage door subject to the provisions of Subsection 12.11.3 below, unless subsequently disallowed by the Board.

12.11.3. Obstruction. No vehicle may obstruct the flow of traffic, constitute a nuisance, or otherwise create a safety hazard on the private street.

12.11.4. Removal. The Association may effect the removal of any vehicle in violation of this Section or Rules regulating vehicles.

12.12. LANDSCAPING RESTRICTIONS. No person may perform landscaping, planting, or gardening anywhere upon the Property, except within fenced or enclosed Limited Common Areas, without the Board's prior written authorization.

12.13. DRAINAGE RESTRICTIONS. No person may interfere with the established drainage pattern over any part of the Property unless an adequate alternative provision for proper drainage has been approved by the Board.

12.14. STRUCTURAL INTEGRITY. No person may directly or indirectly impair the structural soundness or integrity of the Building or another Unit, nor do any work that will impair an easement or hereditament.

12.15. SPECIFIC USES. Except for ingress and egress, the front yards, sidewalks, and driveways on the Property may not be used for any purpose that has not been authorized in writing by the Board.

12.16. TELEVISION. Each Resident of the Property will avoid doing or permitting anything to be done that may unreasonably interfere with the television, radio, telephone, electronic, microwave, cable, or satellite reception on the Property. Without the prior written consent of the Architectural Reviewer, no person may install an antenna, microwave, or satellite dish, receiving or transmitting tower on the Common Elements or the exterior of any Building if it would be visible from a street or alley. Notwithstanding the foregoing and to the extent required by public law, the following items (hereinafter “**Antenna/Dish**”) may be installed subject to this Section: (1) reception-only tv antennas, (2) direct broadcast satellites (DBS) that are one (1) meter or less in diameter, and (3) multipoint distribution service (MDS) antennas that are one (1) meter or less in diameter.

12.16.1. Definitions. As used in this Section, “**Antenna/Dish Unit**” means the Unit served by a satellite dish or antenna, or the Unit that is obviously intended to be served by a satellite dish or antenna, regardless of whether the service is operational. “**Antenna/Dish Owner**” means the Owner of a Unit served by a satellite dish or antenna, regardless of whether the Unit Owner purchases, uses, or has actual knowledge of the satellite dish or antenna.

12.16.2. Location. Without the prior written approval of the Association, an Antenna/Dish may not be placed on any exterior surface of the Building, provided, however, an Antenna/Dish may be placed or installed on the surface of the roof if the Antenna/Dish is not visible from the ground or from a street.

12.16.3. Screening. An Antenna/Dish placed on the Unit roof must comply with PD Note 6 of the PD Ordinance, which requires screening of roof-mounted equipment.

12.16.4. Owner Responsibility. The installation of an Antenna/Dish on the exterior of a Building automatically subjects the Antenna/Dish Unit and its Owner to this Section, regardless of who installs the Antenna/Dish and regardless of whether the Antenna/Dish Owner has actual notice of the installation. The Antenna/Dish Owner is solely responsible for (1) the cost of maintaining, repairing, replacing, and removing, as necessary, the Antenna Dish, and (2) the cost of repairing Common Elements or other Units if such repairs are necessitated by the Antenna/Dish or its installation, maintenance, repair, or replacement irrespective of whether the repairs are undertaken by the Antenna/Dish Owner or the Association. If required by the Association, the Antenna Dish Owner will remove the Antenna/Dish, as necessary, to permit the Association to maintain, repair, or replace Common Elements as the Association, in its sole discretion, deems necessary or desirable.

12.16.5. Association Controls. To the extent permitted by public law, the Association may adopt and amend reasonable standards for the color, appearance, location, method of installation, maintenance, camouflaging, screening, and use of Antenna/Dishes. The location and installation of an Antenna/Dish on the Common Elements must have the prior written approval of the Association, unless the location and installation comply with the most current standards that have been adopted and published by the Association.

12.16.6. Interference. An Antenna/Dish or the use of an Antenna/Dish may not interfere with satellite or broadcast reception to other Units or the Common Elements, or otherwise be a nuisance to Residents of other Units or to the Association. The Board of Directors may determine what constitutes a nuisance to the Association.

12.16.7. Risk. Any Antenna/Dish on the Property exists at the sole risk of the Owner and/or Occupant of the Antenna/Dish Unit. The Association does not insure the Antenna/Dish and is not liable to the Antenna/Dish Owner or any other person for any loss or damage to the Antenna/Dish from any cause. The Antenna/Dish Owner will defend and indemnify the Association, its Directors, Officers, and Members, individual and collectively, against issues due to any and all claims for damages or lawsuits, by anyone, arising from his Antenna/Dish.

ARTICLE 13 MORTGAGEE PROTECTION

13.1. INTRODUCTION. This Article is supplemental to, not a substitution for, any other provision of the Governing Documents. In case of conflict, this Article controls. Some sections of this Article apply to "Mortgagees," as defined in Article I. Other sections apply to "Eligible Mortgagees," as defined below.

13.2. AMENDMENT. This Article establishes certain standards for the benefit of Underwriting Lenders and is written to comply with their requirements and guidelines in effect at the time of drafting. If an Underwriting Lender subsequently changes its requirements, the Board, without approval of Owners or Mortgagees, may amend this Article and other provisions of the Governing Documents, as necessary, to meet the requirements of the Underwriting Lender.

13.3. KNOWN MORTGAGEES. An Owner who mortgages his Unit will notify the Association, giving the complete name and address of his Mortgagee and the loan number. The Association's obligations to Mortgagees under the Governing Documents extend only to those Mortgagees known to the Association. All actions and approvals required by Mortgagees will be conclusively satisfied by the Mortgagees known to the Association, without regard to other holders of mortgages on Units. The Association may rely on the information provided by Owners and Mortgagees.

13.4. ELEGIBLE MORTGAGEES. "**Eligible Mortgagee**" means any holder, insurer, or guarantor of a first purchase money mortgage secured by a deed of trust against a Unit.

13.5. NOTICE OF ACTIONS. The Association will use its best efforts to send timely written notice to Eligible Mortgagees of the following actions:

a. Any condemnation or casualty loss that affects a material portion of the Property or the mortgaged Unit.

b. Any sixty (60)-day delinquency in the payment of assessments or charges owed by the Owner of the mortgaged Unit.

c. A lapse, cancellation, or material modification of any insurance policy maintained by the Association.

d. Any proposed action that requires the consent of a specified percentage of Eligible Mortgagees.

e. Any proposed amendment of a material nature, as provided in this Article.

f. Any proposed termination of the condominium status of the Property.

13.6. LAWSUITS.

13.6.1. Association Approval. Special assessments for the cost of a lawsuit or other legal action by the Association may not be levied, except with the approval of seventy-five percent (75%) of the weighted votes in the Association and by at least seventy-five percent (75%) of Eligible Mortgagees.

13.6.2. Association Standing. The Association does not have standing to bring a lawsuit against the Declarant on behalf of an Owner of a Unit for construction defects. Any such action will be brought solely by the Unit Owner or Owners, individually.

13.7. AMENDMENTS OF A MATERIAL NATURE. A Document amendment of a material nature must be approved by Owners representing at least sixty-seven percent (67%) of the weighted votes in the Association, and by at least fifty-one percent (51%) of Eligible Mortgagees. This approval requirement does not apply to amendments effected by the exercise of a Development Right. A change to any of the provisions governing the following would be considered material:

a. Voting rights.

b. Increases in assessments that raise the previously assessed amount by more than twenty-five percent (25%), assessment liens, or the priority of assessment liens.

c. Reductions in reserves for maintenance, repair, and replacement of Common Elements.

d. Responsibility for maintenance and repairs.

e. Reallocation of interests in the General or Limited Common Elements, or rights to their use; except that when Limited Common Elements are reallocated by agreement between Owners, only those Owners and only the Eligible Mortgagees holding mortgages against those Units need approve the action.

f. Redefinitions of boundaries of Units, except that when boundaries of only adjoining Units are involved, or a Unit is being subdivided, then only those Owners and the Eligible Mortgagees holding mortgages against the Unit or Units need approve the action.

- g. Convertibility of Units into Common Elements or Common Elements into Units.
- h. Expansion or contraction of the Property, or the addition, annexation, or withdrawal of property to or from the Property.
- i. Hazard or fidelity insurance requirements.
- j. Imposition of any restrictions on the leasing of Units.
- k. Imposition of any restrictions on Owners' right to sell or transfer their Units.
- l. If the Property consists of fifty (50) Units or more, a decision by the Association to establish self-management when professional management had been required previously by the Governing Documents or an Eligible Mortgagee.
- m. Restoration or repair of the Property, in a manner other than that specified in the Governing Documents, after hazard damage or partial condemnation.
- n. Any provision that expressly benefits mortgage holders, insurers, or guarantors, including this Section 13.7.

13.8. TERMINATION. An action to terminate the legal status of the Property as a condominium after substantial destruction or condemnation must be approved by Owners representing at least sixty-seven percent (67%) of the weighted votes in the Association, and by at least fifty-one percent (51%) of Eligible Mortgagees. An action to terminate the legal status for reasons other than substantial destruction or condemnation must be approved by at least sixty-seven percent (67%) of Eligible Mortgagees.

13.9. APPROVAL DEEMED GRANTED. The approval of an Eligible Mortgagee is deemed granted when the Eligible Mortgagee fails to respond with a written response of approval or objection within sixty (60) days after receiving the Association's written request for approval of a proposed amendment, provided the Association's request was delivered by certified or registered mail, return receipt requested.

13.10. INSPECTION OF BOOKS. The Association will maintain current copies of the Governing Documents and the Association's books, records, and financial statements. Mortgagees may inspect the Governing Documents and records, by appointment, during normal business hours.

13.11. FINANCIAL STATEMENTS. If the Property consists of fifty (50) Units or more, and if a Mortgagee submits a written request, the Association will give the Mortgagee an audited statement for the preceding fiscal year within one hundred and twenty (120) days after the Association's fiscal year-end. A Mortgagee may have an audited statement prepared at its own expense.

13.12. ATTENDANCE AT MEETINGS. A representative of an Eligible Mortgagee may attend and address any meeting, which an Owner may attend.

13.13. MANAGEMENT CONTRACT. If professional management of the Association is required by this Article, the contract for professional management may not exceed more than ninety (90) days' notice to terminate the contract, nor payment of a termination penalty.

13.14. INSURANCE POLICIES.

13.14.1. Notice of Cancellation. Insurance policies maintained by the Association should require the insurer to notify in writing each Mortgagee named in the mortgage clause at least ten (10) days before the insurer cancels or substantially changes the Association's coverage. Additionally, the Association will use its best efforts to send timely written notice to Eligible Mortgagees of a lapse, cancellation, or material modification of any insurance policy maintained by the Association.

13.14.2. Insurance Carrier. The Association's hazard insurance policy must be written by an insurance carrier that meets or exceeds the requirements, from time to time, of an Underwriting Lender. The initial requirements are those in the most current Fannie Mae's Selling Guide, Section 701.01, Part VI, which are incorporated herein by reference.

13.14.3. Policy Deductible. The deductible on the Association's hazard insurance policy must not exceed the maximum limits permitted by an Underwriting Lender. The initial deductible requirements for hazard insurance policies are those in the most current Fannie Mae's Selling Guide, Section 701.03, Part VI, which requires a maximum deductible in an amount that is the lesser of \$10,000 or one percent (1%) of the policy face amount. Funds to cover the deductible should be included in the Association's operating reserve account.

13.14.4. Full Replacement Cost. The Association's hazard insurance policy should cover one hundred percent (100%) of the insurable replacement cost of the insurable improvements, as required by an Underwriting Lender. The initial amount requirements are those in the most current Fannie Mae's Selling Guide, Section 701.03, Part VI, which permits use of a guaranteed replacement cost endorsement, or a replacement cost endorsement, together with an agreed amount endorsement in case of coinsurance.

13.14.5. Endorsements. The Association will obtain endorsements to its hazard insurance policy as required by an Underwriting Lender. The initial endorsement requirements are those in the most current Fannie Mae's Selling Guide, Section 701.03, Part VI, which requires an inflation guard endorsement, if available; building ordinance or law endorsement; and steam boiler and machinery coverage endorsement, if applicable.

13.14.6. Liability Coverage. The amount of the Association's liability insurance should be at least that required by an Underwriting Lender. The initial endorsement requirements are those in the most current Fannie Mae's Selling Guide,

Section 703, Part VI, which requires a minimum of \$1 million for bodily injury and property damage per single occurrence.

ARTICLE 14 AMENDMENTS

14.1. CONSENTS REQUIRED. As permitted by the Act or by this Declaration, certain amendments of this Declaration may be executed by Declarant alone, or by certain Owners alone, or by the Board alone. Otherwise, amendments to this Declaration must be approved by Owners representing at least sixty-seven percent (67%) of the weighted votes in the Association.

14.2. METHOD OF AMENDMENT. This Declaration may be amended by any method selected by the Board from time to time, pursuant to the bylaws, provided the method gives an Owner of each Unit the substance if not exact wording of the proposed amendment, a description in layman's terms of the effect of the proposed amendment, and an opportunity to vote for or against the proposed amendment. For amendments requiring the consent of Eligible Mortgagees, the Association will send each Eligible Mortgagee a detailed description, if not exact wording, of any proposed amendment.

14.3. EFFECTIVE. To be effective, an amendment must be in the form of a written instrument (i) referencing the name of the Property, the name of the Association, and the recording data of this Declaration and any amendments hereto; (ii) signed and acknowledged by an Officer of the Association, certifying the requisite approval of Owners and, if required, Eligible Mortgagees; and (iii) recorded in the real property records of every county in which the Property is located.

14.4. DECLARANT PROVISIONS. No amendment may affect Declarant's rights under this Declaration or the Act without Declarant's written and acknowledged consent, which must be part of the recorded amendment instrument. Although Declarant certifies that, to Declarant's knowledge, Appendix E contains all the information required by the Act, Declarant nonetheless reserves the right to amend Appendix E, in whole or in part, to correct any technical errors or deficiencies. Because Appendix E of this Declaration is destined to become obsolete, beginning no later than two (2) years after any development right to add new Units was last exercised, the Board may restate, rerecord, or publish this Declaration without Appendix E, provided the other appendixes are not re-lettered. The automatic expiration and subsequent deletion of Appendix E does not constitute an amendment of this Declaration. This section may not be amended without Declarant's written and acknowledged consent.

ARTICLE 15 INSURANCE

15.1. GENERAL PROVISIONS. All insurance affecting the Property is governed by the provisions of this Article, with which the Board will make every reasonable effort to comply, including the following:

15.1.1. Common Expense. The cost of insurance coverages and bonds maintained by the Association is a common expense.

15.1.2. Insurer. Insurance policies and bonds obtained and maintained by the Association must be issued by responsible insurance companies authorized to do business in the State of Texas. The hazard insurance policy must be written by a company that complies with the Subsection 13.14.2. of this Declaration.

15.1.3. Insured. The Association must be the named insured on all policies obtained by the Association. The loss payee clause should show the Association as trustee for each Owner and Mortgagee.

15.1.4. Subrogation. Policies of casualty and general liability insurance maintained by the Association must provide that the insurer waives its rights to subrogation under the policy against an Owner.

15.1.5. Association as Trustee. Each Owner irrevocably appoints the Association, acting through its board, as his trustee to negotiate, receive, administer, and distribute the proceeds of any claim against an insurance policy maintained by the Association.

15.1.6. Notice of Cancellation or Modification. Each insurance policy maintained by the Association should contain a provision requiring the insurer to give prior written notice, as provided by the Act, to the Board before the policy may be canceled, terminated, materially modified, or allowed to expire, by either the insurer or the insured. To the extent required by Subsection 13.14.1. of this Declaration, the Board will give to Eligible Mortgagees, and the insurer will give to Mortgagees, prior notices of cancellation, termination, expiration, or material modification.

15.1.7. Deductibles. An insurance policy obtained by the Association may contain a reasonable deductible, which will be paid by the party who would be liable for the loss or repair in the absence of insurance. If a loss is due wholly or partly to an act or omission of an Owner or Occupant or their invitees, the Owner must reimburse the Association for the amount of the deductible that is attributable to the act or omission. The Association's hazard insurance policy must be written with deductibles that meet or exceed the requirements of Subsection 13.14.3. of this Declaration.

15.1.8. Mortgage Clause. The Association's policies should contain the standard mortgage clause naming either the Mortgagee or its servicer followed by "its successors and assigns."

15.1.9. Prejudice. The insurance will not be prejudiced by the act or omission of any Owner or Occupant who is not under the Association's control.

15.2. CASUALTY OR HAZARD INSURANCE. The Association will obtain blanket all-risk insurance, if reasonably available, for all improvements insurable by the Association. If blanket all-risk insurance is not reasonably available, then at a minimum, the Association will obtain an insurance policy providing fire and extended coverage. This insurance must be in an

amount sufficient to cover one hundred percent (100%) of the replacement cost of any repair or reconstruction in event of damage or destruction from any insured hazard.

15.2.1. Common Property Insured. The Association will insure (a) General Common Elements; (b) Limited Common Elements; and (c) property owned by the Association including, if any, records, furniture, fixtures, equipment, and supplies.

15.2.2. Units Insured by Association. In addition to insuring the Common Elements against casualty loss, the Association shall/may maintain casualty insurance on the Units, either as originally constructed or including betterments and improvements installed by Owners. In insuring Units, the Association may be guided by types of policies customarily available for similar types of properties. If substantial portions of Units are designated as Areas of Common Responsibility, then the Association shall maintain casualty insurance on the Units. The Initial Designation attached hereto as Appendix G warrants insurance of Units by the Association.

15.2.3. Endorsements. To the extent reasonably available, the Association will obtain endorsements to its hazard insurance policy as required by Subsection 13.14.5. of this Declaration.

15.3. LIABILITY INSURANCE. The Association will maintain a commercial general liability insurance policy over the Common Elements -- expressly excluding the liability of each Owner and Occupant within his Unit -- for bodily injury and property damage resulting from the operation, maintenance, or use of the Common Elements. The amount of coverage should be at least that required by Subsection 13.14.6. of this Declaration. If the policy does not contain a severability of interest provision, it should contain an endorsement to preclude the insurer's denial of an Owner's claim because of negligent acts of the association or other Owners.

15.4. WORKER'S COMPENSATION. The Association may maintain worker's compensation insurance if and to the extent necessary to meet the requirements of state law or if the Board so chooses.

15.5. FIDELITY COVERAGE. To the extent reasonably available, the Association will maintain blanket fidelity coverage for any person who handles or is responsible for funds held or administered by the Association, whether or not the person is paid for his services. The policy should be for an amount that exceeds the greater of (a) the estimated maximum funds, including reserve funds that will be in the Association's custody at any time the policy is in force; or (b) an amount equal to three (3) months of Regular Assessments on all Units. A management agent that handles Association funds should be covered for its own fidelity insurance policy with the same coverages.

15.6. DIRECTORS' AND OFFICERS' LIABILITY. The Association may maintain Directors' and Officers' 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.

15.7. MORTGAGEE REQUIRED POLICIES. Unless coverage is not available or has been waived in writing, the Association will maintain any insurance and bond required by an Underwriting Lender for condominium developments as long as an Underwriting Lender is a Mortgagee or an Owner.

15.8. OTHER POLICIES. The Association may maintain any insurance policies and bonds deemed by the Board to be necessary or desirable for the benefit of the Association.

15.9. OWNER'S RESPONSIBILITY FOR INSURANCE.

15.9.1. Insurance by Owners. Notwithstanding the foregoing, the Board may establish minimum insurance requirements, including types and minimum amounts of coverage, to be individually obtained and maintained by Owners if the insurance is deemed necessary or desirable by the Board to reduce potential risks to the Association or other Owners. If an Owner fails to maintain required insurance, the Board may obtain it on behalf of the Owner who will be obligated for the cost as an Individual Assessment.

15.9.2. Owners' Responsibilities. If the Association insures the Unit, the Owner, if requested, will give the Board written notification of structural changes, additions, betterments, or improvements to his Unit, and any other information the Board may require to maintain adequate levels of insurance coverage. Each Owner will comply with reasonable requests by the Board for periodic inspection of the Unit for purposes of insurance appraisal. If the Association does not insure the Unit, then the Owner must insure the Unit at the Owner's expense. Each Owner, at his expense, will maintain any insurance coverages required of Owners by the Association pursuant to this Article. Each Owner, at his expense, is entitled to obtain additional insurance coverage of his real property, improvements, and betterments thereto, or personal property.

15.9.3. Association Does Not Insure. The Association does not insure an Owner or Occupant's personal property. Each Owner and Occupant is solely responsible for insuring his personal property in his Unit and on the Property, including furnishings, vehicles, and stored items. **The Association strongly recommends that each Owner and Occupant purchase and maintain insurance on his personal belongings.**

ARTICLE 16
RECONSTRUCTION OR REPAIR AFTER LOSS

16.1. SUBJECT TO ACT. The Association's response to damage or destruction of the Property will be governed by Section 82.111(i) of the Act. The following provisions apply to the extent the Act is silent.

16.2. RESTORATION FUNDS. For purposes of this Article, Restoration Funds include insurance proceeds, condemnation awards, Deficiency Assessments, Individual Assessments, and other funds received on account of or arising out of injury or damage to the Property. All funds paid to the Association for purposes of repair or restoration will be deposited in a financial institution in which accounts are insured by a federal agency. Withdrawal of Restoration Funds requires the signatures of at least two (2) Directors or that of an agent duly authorized by the Board.

16.2.1. Sufficient Proceeds. If Restoration Funds obtained from insurance proceeds or condemnation awards are sufficient to repair or restore the damaged or destroyed Property, the Association, as trustee for the Owners, will promptly apply the funds to the repair or restoration.

16.2.2. Insufficient Proceeds. If Restoration Funds are not sufficient to pay the estimated or actual costs of restoration as determined by the Board, the Board may levy a Deficiency Assessment against the Owners to fund the difference.

16.2.3. Surplus Funds. If the Association has a surplus of Restoration Funds after payment of all costs of repair and restoration, the surplus will be applied as follows. If Deficiency Assessments were a source of Restoration Funds, the surplus will be paid to Owners in proportion to their contributions resulting from the Deficiency Assessment levied against them; provided that no Owner may receive a sum greater than that actually contributed by him, and further provided that any delinquent Assessments owed by the Owner to the Association will first be deducted from the surplus. Any surplus remaining after the disbursement described in the foregoing subsection will be common funds of the Association to be used as directed by the Board.

16.3. COSTS AND PLANS.

16.3.1. Cost Estimates. Promptly after the loss, the Board will obtain reliable and detailed estimates of the cost of restoring the damaged Property. Costs may include premiums for bonds and fees for the services of professionals, as the Board deems necessary, to assist in estimating and supervising the repair.

16.3.2. Plans and Specifications. Common Elements will be repaired and restored substantially as they existed immediately prior to the damage or destruction. Units will be repaired and restored substantially in accordance with original construction plans and specifications, unless the Association insures betterments and improvements made by Owners, in which case the Units will be repaired and restored substantially as they existed immediately prior to the damage or destruction. Alternate plans and specifications for repair and restoration of either Common Elements or Units must be approved by Owners representing at least sixty-seven percent (67%) of the weighted votes in the Association.

16.4. OWNER'S DUTY TO REPAIR.

16.4.1. Uninsured Loss. Within sixty (60) days after the date of damage, the Owner will begin repair or reconstruction of any portion of his Unit not covered by the Association's blanket insurance policy, subject to the right of the Association to supervise, approve, or disapprove repair or restoration work.

16.4.2. Insured Loss. If the loss to a Unit is covered by the Association's insurance policy, the Owner will begin or facilitate repair or restoration of damage when funds are available to the Association, subject to the right of the Association to perform, supervise, approve, or disapprove the repair or restoration work.

16.4.3. Failure to Repair. If an Owner fails to repair or restore damage as required by this Section, the Association may effect the necessary repairs and levy an Individual Assessment against the Owner and Unit for the cost thereof, after giving the Owner reasonable notice of the Association's intent to do so.

16.5. OWNER'S LIABILITY FOR INSURANCE DEDUCTIBLE. If repair or restoration of Common Elements or Units is required as a result of an insured loss, the Board may levy an Individual Assessment, in the amount of the insurance deductible, against the Owner or Owners who would be responsible for the cost of the repair or reconstruction in the absence of insurance.

ARTICLE 17 TERMINATION AND CONDEMNATION

17.1. ASSOCIATION AS TRUSTEE. Each Owner hereby irrevocably appoints the Association, acting through its Board, as trustee to deal with the Property in the event of damage, destruction, obsolescence, condemnation, or termination of all or any part of the Property. As trustee, the Association will have full and complete authority, right, and power to do all things reasonable and necessary to effect the provisions of this Declaration and the Act, including, without limitation, the right to receive, administer, and distribute funds, awards, and insurance proceeds; to effect the sale of the Property as permitted by this Declaration or by the Act; and to make, execute, and deliver any contract, deed, or other instrument with respect to the interest of an Owner.

17.2. TERMINATION. Termination of the terms of this Declaration and the condominium status of the Property will be governed by Section 82.068 of the Act, subject to the following provisions:

17.2.1. Substantial Taking. In the event of substantially total damage, destruction, or condemnation of the Property, an amendment to terminate must be approved by Owners representing at least sixty-seven percent (67%) of the weighted votes in the Association and by certain Mortgagees pursuant to Article 13 of this Declaration.

17.2.2. Total Taking. In the event of condemnation of the entire Property, an amendment to terminate may be executed by the Board without a vote of Owners or Mortgagees.

17.2.3. Other Circumstances. In all other circumstances, an amendment to terminate must be approved by Owners representing at least eighty percent (80%) of the weighted votes in the Association and by certain Mortgagees pursuant to Article 13 of this Declaration.

17.3. CONDEMNATION. The Association's response to condemnation through eminent domain of any part of the Property will be governed by Section 82.007 of the Act. On behalf of Owners, but without their consent, the Board may execute an amendment of this

Declaration to reallocate allocated interests following condemnation and to describe the altered parameters of the Property. If the Association replaces or restores Common Elements taken by condemnation by obtaining other land or constructing additional improvements, the Board may, to the extent permitted by law, execute an amendment without the prior consent of Owners to describe the altered parameters of the Property and any corresponding change of facilities or improvements.

ARTICLE 18 ASSOCIATION OPERATIONS

18.1. INDEMNIFICATION. The Association indemnifies every Officer, Director, the Declarant and Officers and Directors appointed by it, and each committee member (for purposes of this Section, "Leaders") 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, negligent or otherwise. A Leader is liable for his willful misfeasance, malfeasance, misconduct, or bad faith. This right to indemnification does not exclude any other rights to which present or former Leaders may be entitled. As a common expense, the Association will maintain adequate general liability and Directors and Officers liability insurance to fund this obligation, if it is reasonably available.

18.2. ASSOCIATION'S RIGHT TO ENFORCE GOVERNING DOCUMENTS. The remedies provided in this Section for breach of the Governing Documents are cumulative and not exclusive. In addition to other rights and remedies provided by the Governing Documents and by law, the Association has the following right to enforce the Governing Documents:

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

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

18.2.3. Suspension. The Association may suspend the right of Owners and Occupants to use Common Elements (except rights of ingress and egress) for any period during which the Owner or Occupant, or the Owner or Occupant's family, guests, employees, agents, or contractors violate the Governing Documents. A suspension does not constitute a waiver or discharge of the Owner's obligations under the Governing Documents.

18.2.4. Self-Help. The Association has the right to enter a Common Element or Unit to abate or remove, using force as may reasonably be necessary, any erection, thing, animal, person, vehicle, or condition that violates the Governing

Documents. In exercising this right, the Board is not trespassing and is not liable for damages related to the abatement. The Board may levy its costs of abatement against the Unit and Owner as an Individual Assessment. Unless an emergency situation exists in the good faith opinion of the Board, the Board will give the violating Owner fifteen (15) days' notice of its intent to exercise self-help. Notwithstanding the foregoing, the Association may not alter or demolish an item of construction in a Unit without judicial proceedings.

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

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

ARTICLE 19 DISPUTE RESOLUTION

19.1. INTRODUCTION & DEFINITIONS. The Association, the Owners, Declarant, all persons subject to this Declaration, and any person not otherwise subject to this Declaration who agrees to submit to this Article (collectively, the "**Parties**") agree to encourage the amicable resolution of disputes involving the Property and to avoid the emotional and financial costs of litigation if at all possible. Accordingly, each Party hereby covenants and agrees that this Article applies to all claims as hereafter defined. As used in this Article only, the following words, when capitalized, have the following specified meanings:

19.1.1. "**Claim**" means any claim, grievance, or dispute between Parties involving the Property, except Exempt Claims as defined below, and including without limitation:

- a. Claims arising out of or relating to the interpretation, application, or enforcement of the Governing Documents.
- b. Claims relating to the rights and/or duties of Declarant as Declarant under the Governing Documents.

c. Claims relating to the design, construction, or maintenance of the Property.

19.1.2. “**Claimant**” means any Party having a Claim against any other Party.

19.1.3. “**Exempt Claims**” means the following claims or actions, which are exempt from this Article:

a. The Association’s claim for assessments, and any action by the Association to collect assessments.

b. An action by a Party to obtain a temporary restraining order or equivalent emergency equitable relief, and such other ancillary relief as the court deems necessary to maintain the status quo and preserve the Party’s ability to enforce the provision of this Declaration.

c. Enforcement of the easements, architectural control, maintenance, and use restrictions of this Declaration.

d. A suit to which an applicable statute of limitations would expire within the notice period of this Article, unless a Party against whom the Claim is made agrees in writing to toll the statute of limitations as to the Claim for the period reasonably necessary to comply with this Article.

19.1.4. “**Respondent**” means the Party against whom the Claimant has a Claim.

19.2. **MANDATORY PROCEDURES.** **Claimant may not file suit in any court or initiate any proceeding before any administrative tribunal seeking redress or resolution of its Claim until Claimant has complied with the procedures of this Article.**

19.3. **NOTICE.** Claimant must notify Respondent in writing of the Claim (the “**Notice**”), stating plainly and concisely: (1) the nature of the Claim, including date, time, location, persons involved, and Respondent’s role in the Claim; (2) the basis of the Claim (i.e., the provision of the Governing Documents or other authority out of which the Claim arises); (3) what Claimant wants Respondent to do or not do to resolve the Claim; and (4) that the Notice is given pursuant to this Section.

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

19.5. MEDIATION. If the Parties negotiate but do not resolve the Claim through negotiation within one hundred twenty (120) days from the date of the Notice (or within such other period as may be agreed on by the Parties), Claimant will have thirty (30) additional days within which to submit the Claim to mediation under the auspices of a mediation center or individual mediator on which the Parties mutually agree. The mediator must have at least five (5) years of experience serving as a mediator and must have technical knowledge or expertise appropriate to the subject matter of the Claim. If claimant does not submit the Claim to mediation within the 30-day period, Claimant is deemed to have waived the Claim, and Respondent is released and discharged from any and all liability to Claimant on account of the Claim.

19.6. TERMINATION OF MEDIATION. If the Parties do not settle the Claim within thirty (30) days after submission to mediation or within a time deemed reasonable by the mediator, the mediator will issue a notice of termination of the mediation proceedings indicating that the Parties are at an impasse and the date that mediation was terminated. Thereafter, Claimant may file suit or initiate administrative proceedings on the Claim, as appropriate.

19.7. ALLOCATION OF COSTS. Except as otherwise provided in this Section, each Party bears all of its own costs incurred prior to and during the proceedings described in the Notice, Negotiation, and Mediation sections above, including its attorneys' fees. Respondent and Claimant will equally divide all expenses and fees charged by the mediator.

19.8. ENFORCEMENT OF RESOLUTION. Any settlement of the claim through negotiation or mediation will be documents in writing and signed by the Parties. If any Party thereafter fails to abide by the terms of the agreement, then the other Party may file suit or initiate administrative proceedings to enforce the agreement without the need to again comply with the procedures set forth in this Article. In that event, the Party taking action to enforce the agreement is entitled to recover from the non-complying Party all costs incurred in enforcing the agreement, including, without limitation, reasonable attorney's fees and court costs.

19.9. GENERAL PROVISIONS. A release or discharge of Respondent from liability to Claimant on account of the Claim does not release Respondent from liability to persons who are not party to claimant's Claim. A Party having an Exempt Claim may submit it to the procedures of this Article.

19.10. LITIGATION APPROVAL & SETTLEMENT. To encourage the use of alternate dispute resolution and discourage the use of costly and uncertain litigation, the initiation of any judicial or administrative proceeding by the Association is subject to the following conditions in addition to and notwithstanding the above alternate dispute resolution procedures. Each Owner, by accepting an interest in or title to a Lot, whether or not it is so express in the instrument of conveyance, covenants and agrees to be bound by this Section. This Section may not be amended without the approval of Owners of at least sixty-seven percent (67%) of the Units.

19.10.1. Owner Approval. The Association may not initiate any judicial or administrative proceeding without the prior approval of Owners of at least a majority of the Units, except that no such approval is required (1) to enforce provisions of this Declaration,

including collection of assessments; (2) to challenge condemnation proceedings; (3) to enforce a contract against a contractor, vendor, or supplier of goods or services to the Association; (4) to defend claims filed against the Association or to assert counter claims in a proceeding instituted against the Association; or (5) to obtain a temporary restraining order or equivalent emergency equitable relief when circumstances do not provide sufficient time to obtain the prior consents of Owners in order to preserve the status quo.

19.10.2. Higher Approval of Certain Suits. Also, the Association may not initiate any judicial or administrative proceeding against Declarant, Association Officers and Directors, or the managing agent of the Association without the approval of Owners representing at least sixty-seven percent (67%) of the Units.

19.10.3. Funding Litigation. Except in the case of a temporary restraining order or equivalent emergency equitable relief when circumstances do not provide sufficient time to levy a special assessment, the Association must levy a special assessment to fund the estimated costs of litigation prior to initiating a judicial or administrative proceeding. The Association may not use its annual operating income or reserve funds or savings to fund litigation, unless the Association's annual budget or a savings account was established and funded from its inception as a litigation reserve fund.

19.10.4. Settlement. The Board, on behalf of the Association and without the consent of Owners, is hereby authorized to negotiate settlement of litigation, and may execute and document related thereto, such as settlement agreement and waiver or release of claims.

ARTICLE 20 GENERAL PROVISIONS

20.1. COMPLIANCE. The Owners hereby covenant and agree that the administration of the Association will be in accordance with the provisions of the Governing Documents and all applicable laws, regulations, and ordinances, as same may be amended from time to time, of any governmental or quasi-governmental entity having jurisdiction over the Association or Property.

20.2. CONSTRUCTION DEFECTS. During the warranty period, any construction defects discovered by an Owner will be disclosed to the Declarant within ten (10) days of discovery in order for the Declarant to take the necessary steps to quickly correct any such defects. In the event a settlement between the Declarant and a Unit Owner is reached, either through court action or contractual agreement, the terms of the settlement will be disclosed and the actual cost of correcting the defects will be itemized and reported in writing to any prospective purchaser of the affected Unit and/or of any other Unit in the Property.

20.3. NOTICE. All demands or other notices required to be sent to an Owner or Occupant by the terms of this Declaration will be sent by ordinary or certified mail, postage prepaid, to the party's last known address as it appears on the records of the Association at the time of mailing. If an Owner fails to give the Association an address for mailing notices, all notices may be sent to the Owner's Unit, and the Owner is deemed to have been given notice whether or not he actually receives it.

20.4. SEVERABILITY. Invalidation of any provision of this Declaration by judgment or court order does not affect any other provision, which remains in full force and effect. The effect of a general statement is not limited by the enumeration of specific matters similar to the general.

20.5. CAPTIONS. The captions of articles and sections are inserted only for convenience and are in no way to be construed as defining or modifying the text to which they refer.

20.6. INTERPRETATION. Whenever used in the Governing Documents, unless the context provides otherwise, a reference to a gender includes all genders. Similarly, a reference to the singular includes the plural, the plural the singular, where the same would be appropriate.

20.7. DURATION. Unless terminated or amended by Owners as permitted herein, the provisions of this Declaration run with and bind the Property and will remain in effect perpetually to the extent permitted by law.

20.8. PREPARER. This Declaration was prepared in the law office of Martin C. Cude, Jr., Attorney and Counselor, 2178 Kessler Court, Dallas, Texas 75208-2948.

20.9. APPENDIXES. The following appendixes are attached to this Declaration and are incorporated herein by reference:

- A – Legal Description of Subject Land
- B – Plats and Plans
- C – Schedule of Allocated Interests
- D – Assignment of Parking Spaces
- E – Declarant Representations & Reservations
- F – Notice of HOA Sale Fees
- G – Initial Designation of Area of Common Responsibility
- H – Consent to Declaration

SIGNED AND ACKNOWLEDGED

SIGNED on this 5 day of SEPTEMBER, 2019.

C&M URBAN DEVELOPERS III LLC
A Texas limited liability company

By:

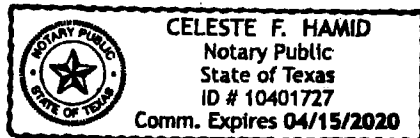

Umair Meghani, Manager

THE STATE OF TEXAS

COUNTY OF DALLAS

§
§
§

This instrument was acknowledged before me on this 5 day of September, 2019, by Umair Meghani, Manager of C&M URBAN DEVELOPERS III LLC, a Texas limited liability company, on behalf of the limited liability company.



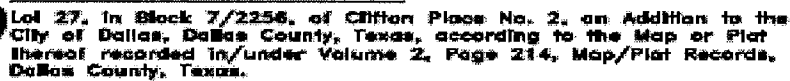

Notary Public in and for
The State of Texas

APPENDIX A
LEGAL DESCRIPTION OF SUBJECT LAND
TO DECLARATION
OF
2611 HONDO AVENUE CONDOMINIUMS

Lot 27, Block 7/2256 of Clifton Place No. 2, an Addition to the City of Dallas, Dallas County, Texas, according to Map or Plat thereof recorded in/under Volume 2, Page 214, Map/Plat Records, Dallas County, Texas.

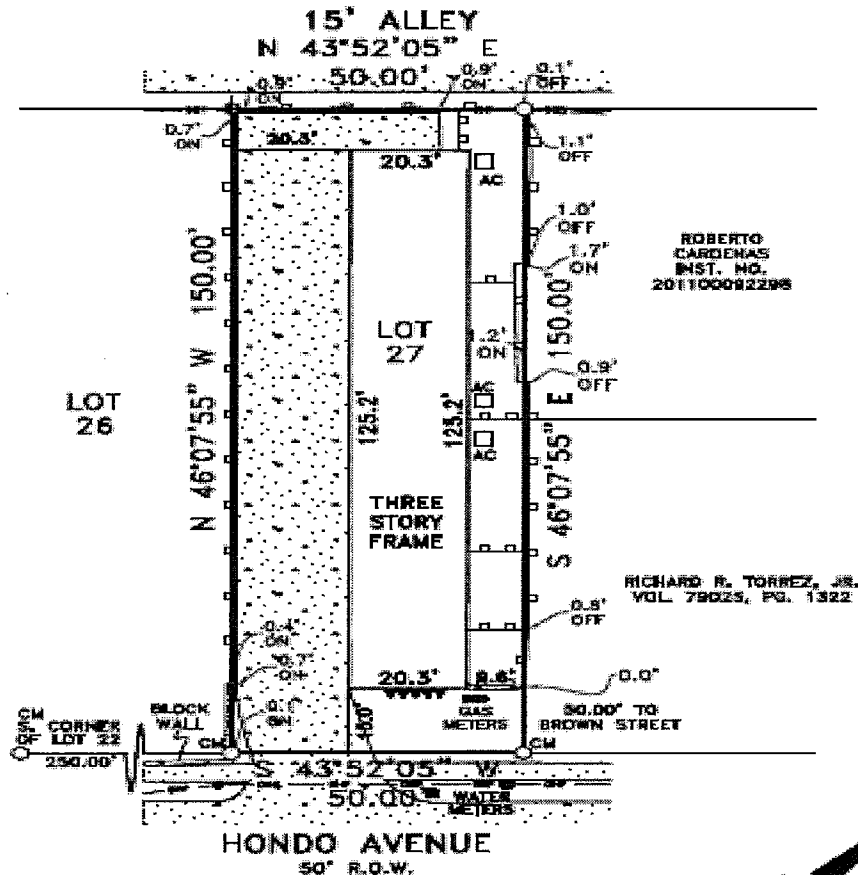
APPENDIX B
PLAT AND PLANS
TO DECLARATION
OF
2611 HONDO AVENUE CONDOMINIUMS

(Plat and Plans follow on next page(s).)



LEGEND

- 1/2" ROD FOUND
 ○ 1/2" WOOD SET
 ○ 1/2" PIPE FOUND
 ○ 1/2" FENCE/SET
 ○ 5/8" ROD FOUND
 + POINT FOR CORNER
 □ FENCE POST FOR CORNER
 CM CONTROLLING MONUMENT
 AC AIR CONDITIONER
 PE GAS EQUIPMENT
 TR TRANSFORMER PAD
 ■ COLUMN
 ● POWER POLE
 ▲ UNDERGROUND ELECTRIC
 ▲ OVERHEAD ELECTRIC
 —CHP—
 OVERHEAD CUSTODY POWER
 —O—
 OVERHEAD ELECTRIC SERVICE
 —□—
 CHAIN LINK
 WOOD FENCE 8" WIDE TYPICAL
 —H—
 IRON FENCE
 —X—
 BARBED WIRE
 —□—
 DOUBLE SIDED WOOD FENCE
 ▲
 EDGE OF ASPHALT
 ▲
 EDGE OF GRAVEL
 CONCRETE
 CONCRETE
 CONCRETE



11/20/2014 10:25:59

NOTE: This survey is made in conjunction with the information provided by the client. CAG Surveying, Inc. has not researched the land title records for the existence of easements, restrictive covenants or other encumbrances.

CM'S SHOWN HEREON ARE THE BASES FOR
DIRECTIONAL CONTROL.

NOTE: BEARINGS SHOWN ARE BASED
ON MAG. S. TEXAS NORTH CENTRAL ZONE

1601年

NOTE: EASEMENTS AND BUILDING LINES ARE BY RECORDED PLAT UNLESS OTHERWISE NOTED.

FLOODING NOTE: According to the F.I.R.M. No. 45113CD340J, this property does lie in Zone X and does not lie within the 100 year flood zone.

This survey is made in conjunction with the information provided by the client. Use of this survey by any other parties and/or for other purposes shall be at user's own risk and any loss resulting from errors shall rest on the responsibility of the user. This is not a title insurance policy and does not constitute an accurate survey on the ground of the subject property. The plan herein is a correct and accurate representation of the property lines and dimensions as so indicated, location and type of buildings are as shown and EXCEPT AS SHOWN, there are no visible and apparent encroachments or projections on the ground.

Drawn By: BG

Sealing 1" x 30"

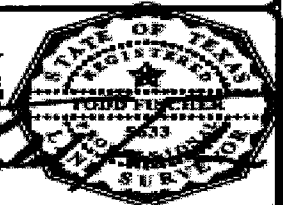
Date: 8/8/19

CF No.

Job No. 1915521



12000 Shiloh Road, Ste. 200
Dallas, TX 75244
P 214.342.0400
F 214.342.2200
Firm No. 10025800
www.cbsgolf.com



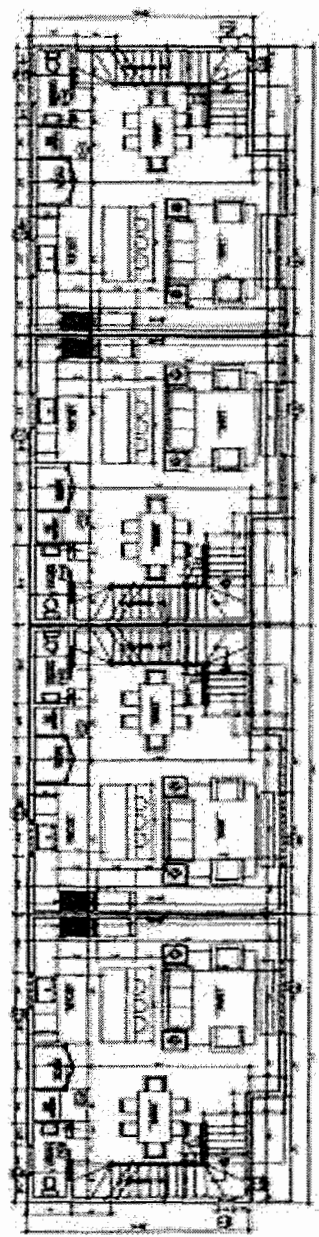
Project No. 4011
Project Name: 2611 Hondo Avenue
Project Location: 2611 Hondo Avenue, Unit 100
Project Description: 100% Construction Documents
Project Status: 100% Construction Documents
Project Date: 10/1/2011
Project Owner: 2611 Hondo Avenue, Unit 100
Project Architect: 2611 Hondo Avenue, Unit 100
Project Engineer: 2611 Hondo Avenue, Unit 100
Project Designer: 2611 Hondo Avenue, Unit 100
Project Contractor: 2611 Hondo Avenue, Unit 100
Project Subcontractor: 2611 Hondo Avenue, Unit 100
Project Supplier: 2611 Hondo Avenue, Unit 100
Project Manufacturer: 2611 Hondo Avenue, Unit 100
Project Installer: 2611 Hondo Avenue, Unit 100
Project Maintainer: 2611 Hondo Avenue, Unit 100
Project Operator: 2611 Hondo Avenue, Unit 100
Project User: 2611 Hondo Avenue, Unit 100
Project Owner: 2611 Hondo Avenue, Unit 100
Project Architect: 2611 Hondo Avenue, Unit 100
Project Engineer: 2611 Hondo Avenue, Unit 100
Project Designer: 2611 Hondo Avenue, Unit 100
Project Contractor: 2611 Hondo Avenue, Unit 100
Project Subcontractor: 2611 Hondo Avenue, Unit 100
Project Supplier: 2611 Hondo Avenue, Unit 100
Project Manufacturer: 2611 Hondo Avenue, Unit 100
Project Installer: 2611 Hondo Avenue, Unit 100
Project Maintainer: 2611 Hondo Avenue, Unit 100
Project Operator: 2611 Hondo Avenue, Unit 100
Project User: 2611 Hondo Avenue, Unit 100

2
UL 311
NIB

1.00
1.01
1.02
1.03
1.04
1.05
1.06
1.07
1.08
1.09
1.10
1.11
1.12
1.13
1.14
1.15
1.16
1.17
1.18
1.19
1.20
1.21
1.22
1.23
1.24
1.25
1.26
1.27
1.28
1.29
1.30
1.31
1.32
1.33
1.34
1.35
1.36
1.37
1.38
1.39
1.40
1.41
1.42
1.43
1.44
1.45
1.46
1.47
1.48
1.49
1.50
1.51
1.52
1.53
1.54
1.55
1.56
1.57
1.58
1.59
1.60
1.61
1.62
1.63
1.64
1.65
1.66
1.67
1.68
1.69
1.70
1.71
1.72
1.73
1.74
1.75
1.76
1.77
1.78
1.79
1.80
1.81
1.82
1.83
1.84
1.85
1.86
1.87
1.88
1.89
1.90
1.91
1.92
1.93
1.94
1.95
1.96
1.97
1.98
1.99
2.00
2.01
2.02
2.03
2.04
2.05
2.06
2.07
2.08
2.09
2.10
2.11
2.12
2.13
2.14
2.15
2.16
2.17
2.18
2.19
2.20
2.21
2.22
2.23
2.24
2.25
2.26
2.27
2.28
2.29
2.30
2.31
2.32
2.33
2.34
2.35
2.36
2.37
2.38
2.39
2.40
2.41
2.42
2.43
2.44
2.45
2.46
2.47
2.48
2.49
2.50
2.51
2.52
2.53
2.54
2.55
2.56
2.57
2.58
2.59
2.60
2.61
2.62
2.63
2.64
2.65
2.66
2.67
2.68
2.69
2.70
2.71
2.72
2.73
2.74
2.75
2.76
2.77
2.78
2.79
2.80
2.81
2.82
2.83
2.84
2.85
2.86
2.87
2.88
2.89
2.90
2.91
2.92
2.93
2.94
2.95
2.96
2.97
2.98
2.99
3.00
3.01
3.02
3.03
3.04
3.05
3.06
3.07
3.08
3.09
3.10
3.11
3.12
3.13
3.14
3.15
3.16
3.17
3.18
3.19
3.20
3.21
3.22
3.23
3.24
3.25
3.26
3.27
3.28
3.29
3.30
3.31
3.32
3.33
3.34
3.35
3.36
3.37
3.38
3.39
3.40
3.41
3.42
3.43
3.44
3.45
3.46
3.47
3.48
3.49
3.50
3.51
3.52
3.53
3.54
3.55
3.56
3.57
3.58
3.59
3.60
3.61
3.62
3.63
3.64
3.65
3.66
3.67
3.68
3.69
3.70
3.71
3.72
3.73
3.74
3.75
3.76
3.77
3.78
3.79
3.80
3.81
3.82
3.83
3.84
3.85
3.86
3.87
3.88
3.89
3.90
3.91
3.92
3.93
3.94
3.95
3.96
3.97
3.98
3.99
4.00
4.01
4.02
4.03
4.04
4.05
4.06
4.07
4.08
4.09
4.10
4.11
4.12
4.13
4.14
4.15
4.16
4.17
4.18
4.19
4.20
4.21
4.22
4.23
4.24
4.25
4.26
4.27
4.28
4.29
4.30
4.31
4.32
4.33
4.34
4.35
4.36
4.37
4.38
4.39
4.40
4.41
4.42
4.43
4.44
4.45
4.46
4.47
4.48
4.49
4.50
4.51
4.52
4.53
4.54
4.55
4.56
4.57
4.58
4.59
4.60
4.61
4.62
4.63
4.64
4.65
4.66
4.67
4.68
4.69
4.70
4.71
4.72
4.73
4.74
4.75
4.76
4.77
4.78
4.79
4.80
4.81
4.82
4.83
4.84
4.85
4.86
4.87
4.88
4.89
4.90
4.91
4.92
4.93
4.94
4.95
4.96
4.97
4.98
4.99
5.00
5.01
5.02
5.03
5.04
5.05
5.06
5.07
5.08
5.09
5.10
5.11
5.12
5.13
5.14
5.15
5.16
5.17
5.18
5.19
5.20
5.21
5.22
5.23
5.24
5.25
5.26
5.27
5.28
5.29
5.30
5.31
5.32
5.33
5.34
5.35
5.36
5.37
5.38
5.39
5.40
5.41
5.42
5.43
5.44
5.45
5.46
5.47
5.48
5.49
5.50
5.51
5.52
5.53
5.54
5.55
5.56
5.57
5.58
5.59
5.60
5.61
5.62
5.63
5.64
5.65
5.66
5.67
5.68
5.69
5.70
5.71
5.72
5.73
5.74
5.75
5.76
5.77
5.78
5.79
5.80
5.81
5.82
5.83
5.84
5.85
5.86
5.87
5.88
5.89
5.90
5.91
5.92
5.93
5.94
5.95
5.96
5.97
5.98
5.99
6.00
6.01
6.02
6.03
6.04
6.05
6.06
6.07
6.08
6.09
6.10
6.11
6.12
6.13
6.14
6.15
6.16
6.17
6.18
6.19
6.20
6.21
6.22
6.23
6.24
6.25
6.26
6.27
6.28
6.29
6.30
6.31
6.32
6.33
6.34
6.35
6.36
6.37
6.38
6.39
6.40
6.41
6.42
6.43
6.44
6.45
6.46
6.47
6.48
6.49
6.50
6.51
6.52
6.53
6.54
6.55
6.56
6.57
6.58
6.59
6.60
6.61
6.62
6.63
6.64
6.65
6.66
6.67
6.68
6.69
6.70
6.71
6.72
6.73
6.74
6.75
6.76
6.77
6.78
6.79
6.80
6.81
6.82
6.83
6.84
6.85
6.86
6.87
6.88
6.89
6.90
6.91
6.92
6.93
6.94
6.95
6.96
6.97
6.98
6.99
7.00
7.01
7.02
7.03
7.04
7.05
7.06
7.07
7.08
7.09
7.10
7.11
7.12
7.13
7.14
7.15
7.16
7.17
7.18
7.19
7.20
7.21
7.22
7.23
7.24
7.25
7.26
7.27
7.28
7.29
7.30
7.31
7.32
7.33
7.34
7.35
7.36
7.37
7.38
7.39
7.40
7.41
7.42
7.43
7.44
7.45
7.46
7.47
7.48
7.49
7.50
7.51
7.52
7.53
7.54
7.55
7.56
7.57
7.58
7.59
7.60
7.61
7.62
7.63
7.64
7.65
7.66
7.67
7.68
7.69
7.70
7.71
7.72
7.73
7.74
7.75
7.76
7.77
7.78
7.79
7.80
7.81
7.82
7.83
7.84
7.85
7.86
7.87
7.88
7.89
7.90
7.91
7.92
7.93
7.94
7.95
7.96
7.97
7.98
7.99
8.00
8.01
8.02
8.03
8.04
8.05
8.06
8.07
8.08
8.09
8.10
8.11
8.12
8.13
8.14
8.15
8.16
8.17
8.18
8.19
8.20
8.21
8.22
8.23
8.24
8.25
8.26
8.27
8.28
8.29
8.30
8.31
8.32
8.33
8.34
8.35
8.36
8.37
8.38
8.39
8.40
8.41
8.42
8.43
8.44
8.45
8.46
8.47
8.48
8.49
8.50
8.51
8.52
8.53
8.54
8.55
8.56
8.57
8.58
8.59
8.60
8.61
8.62
8.63
8.64
8.65
8.66
8.67
8.68
8.69
8.70
8.71
8.72
8.73
8.74
8.75
8.76
8.77
8.78
8.79
8.80
8.81
8.82
8.83
8.84
8.85
8.86
8.87
8.88
8.89
8.90
8.91
8.92
8.93
8.94
8.95
8.96
8.97
8.98
8.99
9.00
9.01
9.02
9.03
9.04
9.05
9.06
9.07
9.08
9.09
9.10
9.11
9.12
9.13
9.14
9.15
9.16
9.17
9.18
9.19
9.20
9.21
9.22
9.23
9.24
9.25
9.26
9.27
9.28
9.29
9.30
9.31
9.32
9.33
9.34
9.35
9.36
9.37
9.38
9.39
9.40
9.41
9.42
9.43
9.44
9.45
9.46
9.47
9.48
9.49
9.50
9.51
9.52
9.53
9.54
9.55
9.56
9.57
9.58
9.59
9.60
9.61
9.62
9.63
9.64
9.65
9.66
9.67
9.68
9.69
9.70
9.71
9.72
9.73
9.74
9.75
9.76
9.77
9.78
9.79
9.80
9.81
9.82
9.83
9.84
9.85
9.86
9.87
9.88
9.89
9.90
9.91
9.92
9.93
9.94
9.95
9.96
9.97
9.98
9.99
10.00
10.01
10.02
10.03
10.04
10.05
10.06
10.07
10.08
10.09
10.10
10.11
10.12
10.13
10.14
10.15
10.16
10.17
10.18
10.19
10.20
10.21
10.22
10.23
10.24
10.25
10.26
10.27
10.28
10.29
10.30
10.31
10.32
10.33
10.34
10.35
10.36
10.37
10.38
10.39
10.40
10.41
10.42
10.43
10.44
10.45
10.46
10.47
10.48
10.49
10.50
10.51
10.52
10.53
10.54
10.55
10.56

1

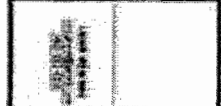
2ND FLOOR PLAN



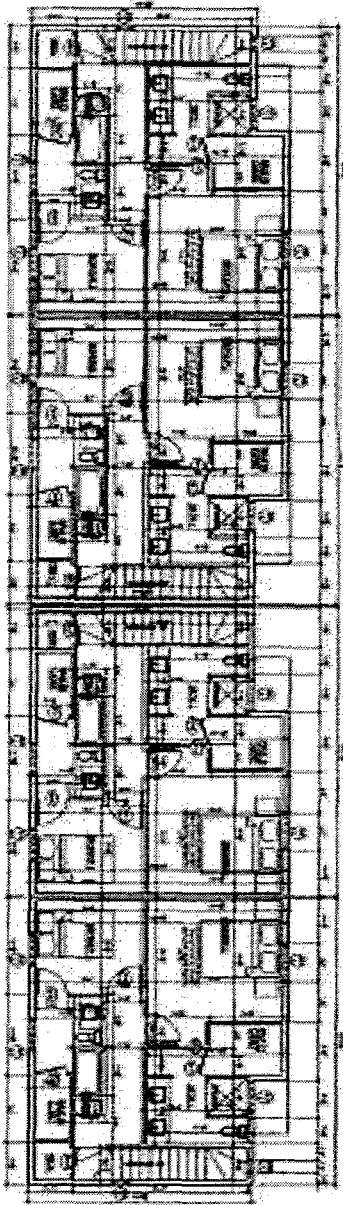
A-1.01

FLOOR PLAN

2ND FLOOR

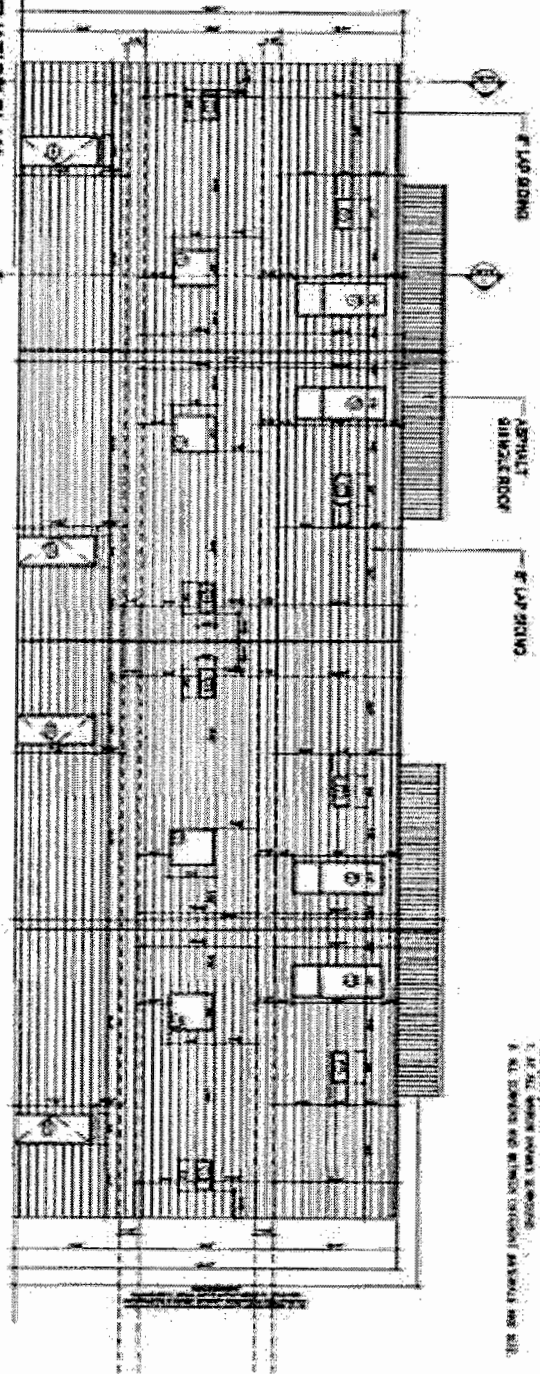


1
3RD FLOOR PLAN



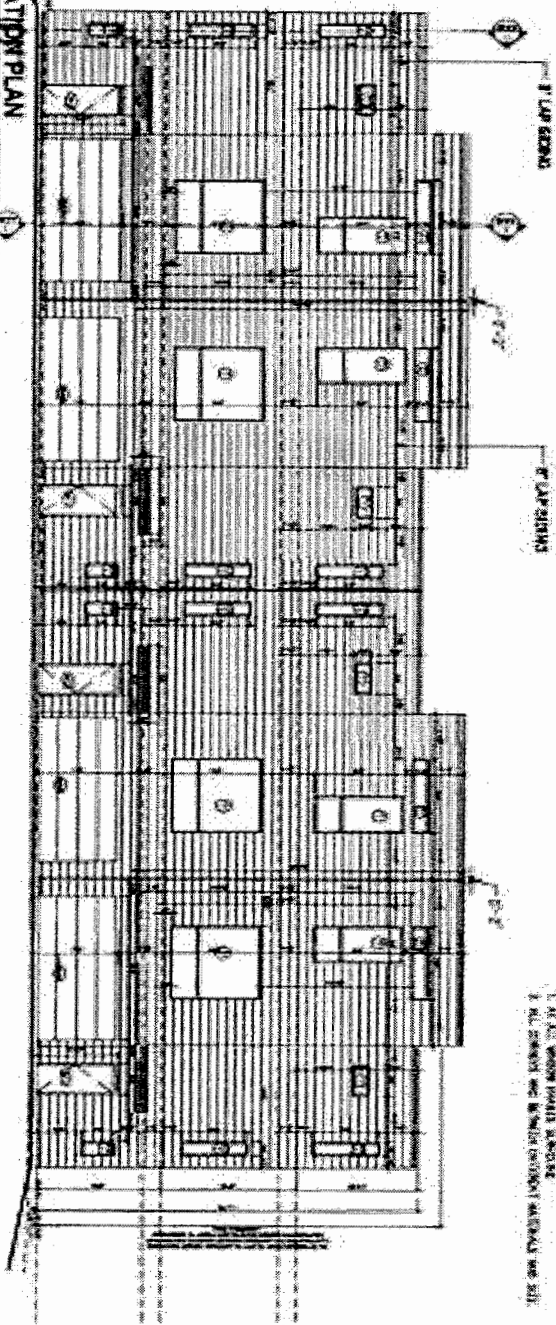
<p>A-1.02</p>	<p>FLOOR PLAN</p>	<p>ADDITIONAL NOTES</p>				
---------------	-------------------	-----------------------------	--	--	--	--

2
REAR ELEVATION PLAN
3/10/10



THESE ELEVATIONS
1. ARE FOR THE BUILDING EXTERIOR
2. ALL DIMENSIONS ARE IN FEET AND INCHES
3. ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE NOTED

1
FRONT ELEVATION PLAN
3/10/10



THESE ELEVATIONS
1. ARE FOR THE BUILDING EXTERIOR
2. ALL DIMENSIONS ARE IN FEET AND INCHES
3. ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE NOTED

DATE: 3/10/10
BY: [Signature]
TITLE: [Signature]

DATE: 3/10/10
BY: [Signature]
TITLE: [Signature]

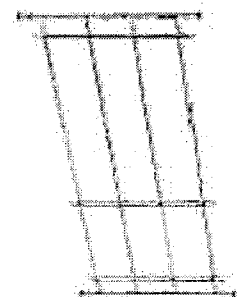
DATE: 3/10/10
BY: [Signature]
TITLE: [Signature]

DATE: 3/10/10
BY: [Signature]
TITLE: [Signature]

DATE: 3/10/10
BY: [Signature]
TITLE: [Signature]

DATE: 3/10/10
BY: [Signature]
TITLE: [Signature]

DATE: 3/10/10
BY: [Signature]
TITLE: [Signature]



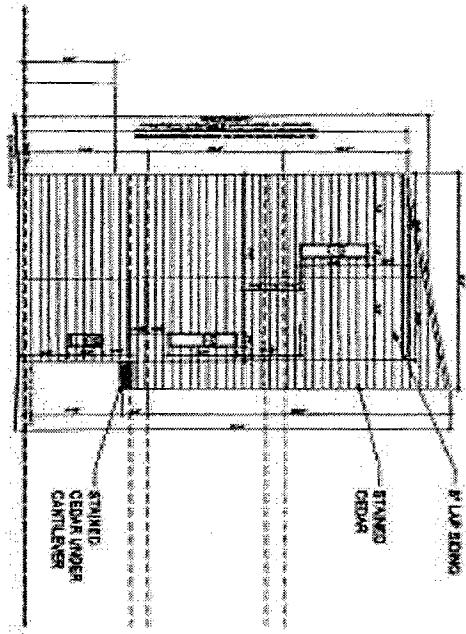
The standard Knap Window Guard is constructed and designed in the U.S.A. and complies with the ASTM F2000-13 Standard for Window Fall Protection Devices with Emergency Escape Release Mechanisms.

R312.2 Window Fall Protection
Windows for protection shall be provided in accordance with Section R312.1 and R312.2. R312.1 Window Size
In dwelling units, where the top of the sill of an operable window opening is located less than 36 inches (914 mm) above the finished floor and greater than 72 inches (1829 mm) above the finished grade or other surface below the exterior of the building, the operable window shall comply with one of the following:

1. Operable windows with openings that will not allow a 6-inch (152 mm) sphere to pass through the opening when the opening is in its largest unopen position.
2. Operable windows that are provided with window fall protection devices that comply with ASTM F 2000.
3. Operable windows that are provided with window opening control devices that comply with Section R312.2.2.

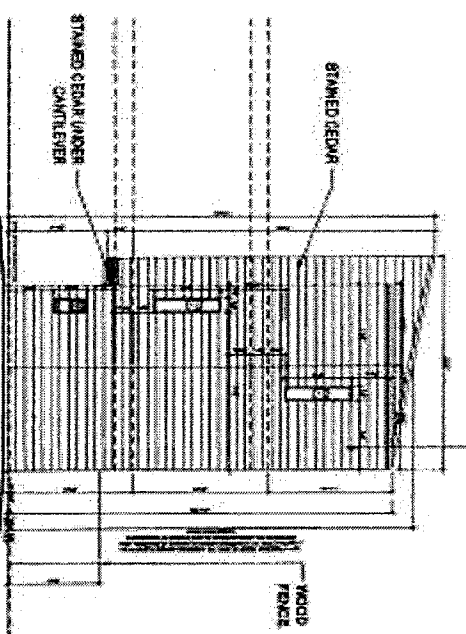
R312.2.2 Window Opening Control Devices.

THE PLAN
1. ALL WINDOW FRAMES SHOWN
2. ALL CORNERS AND SILLIES SHOWN UNLESS NOTED



4 SIDE-2 ELEVATION PLAN

THE PLAN
1. ALL WINDOW FRAMES SHOWN
2. ALL CORNERS AND SILLIES SHOWN UNLESS NOTED



3 SIDE-1 ELEVATION PLAN

1. ALL WINDOW FRAMES SHOWN
2. ALL CORNERS AND SILLIES SHOWN UNLESS NOTED

1. ALL WINDOW FRAMES SHOWN
2. ALL CORNERS AND SILLIES SHOWN UNLESS NOTED

1. ALL WINDOW FRAMES SHOWN
2. ALL CORNERS AND SILLIES SHOWN UNLESS NOTED

1. ALL WINDOW FRAMES SHOWN
2. ALL CORNERS AND SILLIES SHOWN UNLESS NOTED

1. ALL WINDOW FRAMES SHOWN
2. ALL CORNERS AND SILLIES SHOWN UNLESS NOTED

1. ALL WINDOW FRAMES SHOWN
2. ALL CORNERS AND SILLIES SHOWN UNLESS NOTED

APPENDIX C

SCHEDULE OF ALLOCATED INTERESTS

TO DECLARATION

OF

2611 HONDO AVENUE CONDOMINIUMS

UNIT ADDRESS	COMMON ELEMENT OWNERSHIP	LIABILITY FOR COMMON EXPENSES	VOTE WEIGHT	WEIGHTED VOTE
Unit 101	25 %	25 %	25 %	1
Unit 102	25 %	25 %	25 %	1
Unit 103	25 %	25 %	25 %	1
Unit 104	25 %	25 %	25 %	1
Four (4) Units	100.00 %	100.00 %	100.00 %	Four (4) Votes

APPENDIX D
ASSIGNMENT OF PARKING SPACES
TO DECLARATION
OF
2611 HONDO AVENUE CONDOMINIUMS

Each Unit has an attached two (2)-car garage for parking vehicles. There is one (1) uncovered parking space for guest parking.

APPENDIX E

DECLARANT REPRESENTATIONS & RESERVATIONS

TO DECLARATION

OF

2611 HONDO AVENUE CONDOMINIUMS

E.1. DECLARANT'S REPRESENTATIONS. Declarant makes the following representations regarding certain characteristics of the Property.

1. Phasing. The Property will be developed in one (1) phase and when created, the Property will consist of four (4) Units in one (1) Building.
2. Withdrawal. The Property described in the initial Appendix A is not subject to a right of withdrawal of real property by Declarant.
3. Leasehold. No part of the Property is a leasehold condominium, as defined by the Act.
4. Inclusionary Zoning. As of the date this declaration is signed, the area in which the Property is located is not subject to inclusionary zoning restrictions.
6. Flood Zone. As of the date this declaration is signed, the Property is not located in a flood zone.

E.2. DEVELOPMENT PERIOD. Development Period means the twenty-five (25)-year period beginning on the date this Declaration is recorded or for as long as Declarant owns a Unit, during which Declarant has certain rights as more particularly described in this Appendix E, including rights related to development, construction, expansion, and marketing of the Property. The Development Period is for a term of years and does not require that Declarant own any portion of the Property. Declarant may terminate the Development Period by recording a notice of termination in the Official Public Records of Dallas County, Texas.

E.3. STATUTORY DEVELOPMENT RIGHTS. Declarant reserves the following Development Rights:

- a. The right by amendment to add real property to the Property.
- b. The right by amendment to create Units, Common Elements, and Limited Common Elements within the Property.

c. The right by amendment to subdivide Units or convert Units into Common Elements.

d. The right by amendment to withdraw from the Property any portion of the real property marked on the Plat and Plans as "Development Rights Reserved."

E.4. EXERCISE OF DEVELOPMENT RIGHTS. Regarding portions of the real property shown on the Plat and Plans as "Development Rights Reserved," Declarant makes no assurances as to whether Declarant will exercise its Development Rights, the order in which portions will be developed, or whether all portions will be developed. The exercise of Development Rights as to some portions will not obligate Declarant to exercise them as to other portions.

E.5. DEVELOPMENT RIGHTS AND SPECIAL DECLARANT RIGHTS. Declarant has reserved certain development rights. Many of these rights expire upon expiration of the Development Period as defined in E.6. below. The "**Development Period**", as specifically defined in the Declaration, means the twenty-five (25)-year period beginning on the date this Declaration is recorded in the Official Public Records of Dallas County, Texas, or for as long as Declarant owns a Unit, unless such period is earlier terminated by Declarant recordation of a notice of termination in the Official Public Records of Dallas County, Texas. Certain additional rights expire upon expiration of the Declarant Control Period. The Declarant Control Period is controlled by Section 82.103 of the Act and expires on the earlier to occur of: (i) within one hundred and twenty (120) days after seventy-five percent (75%) of all Units which may be created by Declarant have been conveyed to Owners other than Declarant; or (ii) when, in the sole opinion of Declarant, the Condominium Association to be established pursuant to the Declaration is viable, self-supporting, and operational.

The following list includes a summary of the rights reserved by Declarant until expiration of the Development Period or the Declarant Control Period, as applicable. Please refer to this Appendix E to the Declaration for a complete description of such rights:

a. Annexation. During the Development Period, Declarant may annex additional property into the regime, and subject such property to the Declaration and the jurisdiction of the Association in accordance with E.3 set out above.

b. Creation of Units. When created, the Property will contain one (1) Building and four (4) Units.

c. Changes in the Development Plan. Declarant reserves the right, at any time and from time to time, without requesting or receiving the assent of any Owner or any Mortgagee, to resubdivide, amend the subdivision plat covering the Property, modify, alter, or otherwise change the legal or other status or configuration of the additional phases, or the Property to grant easements and to otherwise take such action as may be deemed necessary by the Declarant to satisfactorily expand the Property. Each Owner by taking title to a Unit expressly waives the right to object to any action by Declarant to rezone, replat, or otherwise alter the entitlement status of the additional phases. Declarant may also plat, resubdivide, or rezone the Property or any portion thereof or the land comprising the additional phases as necessary to entitle the additional phases in order for it or any portion thereof to be owned,

held and/or developed separate and apart from the Property. Declarant expressly reserves an easement over, across, and through the Common Elements for the purpose of ingress and egress to and from, and to facilitate in any manner required by Declarant the construction and sale of the addition Units to be annexed. Declarant also expressly reserves, for the benefit of all present and future Owners of all or any portion of the additional phases, an easement over, across, and through the Common Elements, including without limitation, the Property, for the purpose of ingress and egress, extension of utilities or any other purposes necessary to use and develop the additional phases as a Property separate and apart from the Property such as a different condominium Property or a single family subdivision, if so desired by such Owners or the Declarant. Each Owner hereby appoints Declarant as its attorney-in-fact for the purpose of effecting the provisions of this Section E.5 and the power hereby granted to the Declarant shall be, and is, a power coupled with an interest and irrevocable.

d. Architectural Control. During the Development Period, Declarant has the absolute right to review and approve all improvements constructed within the Regime.

e. Transfer Fees. During the Development Period, Declarant will not pay transfer-related and resale certificate fees.

f. Amend HOA Sale Fees. During the Development Period, Declarant has the absolute right to amend the Notice of HOA Sale Fees.

g. Website and Property Name. During the Development Period, Declarant has the unilateral right to approve or disapprove uses of any website purporting to serve the Property or the Association, all information available on or through the Property website, if any, and all uses of the property name by the Association.

h. Fines and Penalties. During the Development Period, neither Declarant nor Units owned by Declarant are liable to the Association for late fees, fines, administrative charges, or any other charge that may be considered a penalty.

i. Statutory Development Rights. As permitted by the Texas Uniform Condominium Act, Declarant has reserved the right: (i) to add real property to the Regime; (ii) to create Units, General Common Elements and Limited Common Elements within the Regime; (iii) to subdivide Units or convert Units into Common Elements; and (iv) to withdraw from the Regime any portion of the real property marked on the Plat and Plans as "Development Rights Reserved" or "Subject to Development Rights", provided that no Unit in the portion to be withdrawn has been conveyed to an Owner other than Declarant.

j. Amendment. During the Development Period, Declarant may amend the Declaration, without consent of other Owners or any mortgagee, for the following limited purposes: (i) to meet the requirements, standards, or recommended guidelines to enable an institutional or governmental lender to make or purchase mortgage loans on the Units; (ii) to correct any defects in the execution of this Declaration or the other Governing Documents; (iii) to add real property to the Regime; (iv) to create Units, General Common Elements, and Limited Common Elements within the Regime; (v) to subdivide, combine, or reconfigure Units or convert Units into Common Elements; (vi) to withdraw from the Regime any portion

of the real property marked on the Plat and Plans as "Development Rights Reserved" or "Subject to Development Rights; (vii) to resolve conflicts, clarify ambiguities, and to correct misstatements, errors, or omissions in the Governing Documents; (viii) to change the name or entity of Declarant, and (ix) for any other purpose, provided the amendment has no material adverse effect on any right of any Owner.

k. Additional Rights. As permitted by the Texas Condominium Act, Declarant has reserved the following rights: (i) the right to complete or make improvements indicated on the Plat and Plans; (ii) the right to exercise any Development Right permitted by the Act and the Declaration; (iii) the right to make the Regime part of a larger condominium or planned community; (iv) the right to use Units owned or leased by Declarant as models, storage areas, and offices for the marketing, management, maintenance, customer service, construction, and leasing of the Regime; (v) for purposes of promoting, identifying, and marketing the Regime, Declarant has reserved an easement and right to place or install signs, banners, flags, display lighting, potted plants, exterior decorative items, seasonal decorations, temporary window treatments, and seasonal landscaping on the Regime, including items and locations that are prohibited to other Owners and residents. Declarant reserves an easement and right to maintain, relocate, replace, or remove the same from time to time within the Property.

l. Easement Rights. Declarant has reserved an easement and right of ingress and egress in and through the Common Elements and Units owned or leased by Declarant for purposes of constructing, maintaining, managing, and marketing the Regime, and for discharging Declarant's obligations under the Texas Uniform Condominium Act and the Declaration.

m. Additional Easements and Rights. Declarant has reserved the following easements and rights, exercisable at Declarant's sole discretion, for the duration of the Development Period: (i) an easement and right to erect, construct, and maintain on and in the Common Elements and Units owned or leased by Declarant whatever Declarant determines to be necessary or advisable in connection with the construction, completion, management, maintenance, and marketing of the Regime; (ii) the rights to sell or lease any Unit owned by Declarant; (iii) the right of entry and access to all Units to perform warranty-related work, if any, for the benefit of the Unit being entered, adjoining Units, or Common Elements; (iv) an easement and right to make structural changes and alterations on Common Elements and Units used by Declarant as models and offices, as may be necessary to adapt them to the uses permitted herein; (v) an easement over the entire Property, including the Units, to inspect the Common Elements and all improvements thereon and related thereto to evaluate the maintenance and condition of the Common Element improvements; and (vi) the right to provide a reasonable means of access for the home-buying public through the gated entrance in connection with the active marketing of Units by Declarant, including the right to require that the gates be kept open during certain hours or on certain days.

n. Appointment of Association Directors and Officers. During the Declarant Control Period, the right to appoint or remove any Declarant-appointed Officer or Director of the Condominium Association.

E.6. DECLARANT CONTROL PERIOD. For the benefit and protection of Owners and Mortgagees, and for the purpose of ensuring a complete and orderly buildout and sellout of the Property, Declarant will retain control of the Association, subject to the following:

1. Transition of Control. Declarant will comply with Section 82.103 of the Act regarding transition of control from Declarant to Owners by phased elections of Directors.

2. Termination. The duration of the Declarant Control Period will be from the date this Declaration is recorded for a maximum period not to exceed the earlier of (a) within one hundred and twenty (120) days after the conveyance of seventy-five percent [75%] of the Units that may be created to Owners other than Declarant; or (b) when, in the sole opinion of Declarant, the Association is viable, self-supporting, and operational.

E.7. LIMITATIONS ON SPECIAL DECLARANT RIGHTS. Unless terminated earlier by an amendment to this Declaration executed by Declarant, any Special Declarant Right may be exercised by Declarant so long as Declarant holds a Development Right to create additional Units or Common Elements or Declarant owns a Unit, or twenty-five (25) years, whichever ceases last. Earlier termination of certain rights may occur by statute.

E.8. WORKING CAPITAL FUND. Original purchasers of Units will establish a working capital fund for the Association in an amount that is at least equal to two (2) months of Regular Assessments for their respective Units. Each Unit's contribution to this fund will be collected when the sale of the Unit closes. Contributions to the fund are not advance payments of Regular Assessments and are not refundable. Not later than termination of the Declarant Control Period, the fully funded working capital fund will be transferred to the Association for deposit to a segregated fund. Declarant may not use the fund to defray Declarant's expenses, reserve contributions, or construction costs, or to cover the Association's budget deficits during the Declarant Control Period. If Declarant has unsold Units on termination of the Declarant Control Period, Declarant may reimburse itself for any pre-paid contributions from monies collected at the Unit's closing.

E.9. GENERAL RESERVATION. Notwithstanding other provisions of the Governing Documents to the contrary, nothing contained therein may be construed to, nor may any Mortgagee, other Owner, or the Association, prevent or interfere with the rights contained in this Article which Declarant hereby reserves exclusively unto itself, its agents, employees, and contractors.

E.10. EXPENSES OF DECLARANT. Expenses related to the completion and marketing of the Property will be paid by Declarant and are not common expenses of the Association.

E.11. OBLIGATION FOR ASSESSMENTS. During the Declarant Control Period, the Declarant shall be responsible for the difference between the cost of maintenance and Assessments received from the other Unit Owners and shall not be limited to the regular monthly Assessments for Units owned by Declarant until the end of the Declarant Control Period or until Declarant, at its option chooses to make regular monthly payments, whichever occurs first. Should Declarant elect not to make regular monthly Assessments, Declarant shall provide any additional funds

necessary to pay actual cash outlays required to fund current operating expenses of the Association. Declarant shall fund all reserve accounts on the same basis as other Owners. After the Declarant Control Period is terminated or earlier at Declarant's option, Declarant shall pay the regular monthly Assessment for each Unit or Units it owns.

E.12. MANAGEMENT CONTRACT. If Declarant enters into a professional management contract on behalf of the Association during the Declarant Control Period, the Association has the right to terminate the contract without cause or penalty at any time after a Board elected by the Owners takes office.

E.13. SUCCESSOR DECLARANT. Declarant may designate one or more Successor Declarants for specified designated purposes and/or for specified portions of the Property, or for all purposes and all of the Property. To be effective, the designation must be writing, signed, and acknowledged by Declarant and Successor Declarant, and Recorded. Declarant (or Successor Declarant) may subject the designation of Successor Declarant to limitations and reservations. Unless the designation of Successor Declarant provides otherwise, a Successor Declarant has the rights of Declarant under this Section and may designate further Successor Declarants.

(End of Appendix E)

APPENDIX F

NOTICE OF HOA SALE FEES

TO DECLARATION

OF

2611 HONDO AVENUE CONDOMINIUMS

THE COST OF BUYING AND SELLING 2611 HONDO AVENUE CONDOMINIUMS

GENERAL. This Notice addresses certain fees and expenses that may be charged by 2611 Hondo Avenue Association, Inc., or by its managing agent, at the time of a Unit's sale or purchase other than (not including) the home buyer's prepaid and/or pro-rata assessments. The HOA Sale Fees described in this Notice are not refundable by the Association or its manager, and may not be regarded as a prepayment of or credit against assessments. HOA Sale Fees generally fall into two (2) types of categories – budget enhancing fees, such as contributions to the reserve or operating funds of the Association, and administrative fees, such as fees for resale certificates, estoppel certificates, copies of Governing Documents, compliance inspections, ownership record changes, and priority processing.

WHO PAYS? HOA Sale Fees may be paid by either the seller or the buyer, per their negotiations, and are typically collected at closing. If the HOA Sale Fees are not collected at closing, the buyer remains liable to the Association or to the manager, as applicable, for the fee until the fee is received. HOA Sales Fees may not be avoided by effecting the transfer without the services of a title company.

WAIVER. The Association and its manager may waive some or all HOA Sale Fees on a transfer by transfer basis, without waiving the right to charge such fees on future transfers.

EXCLUSION. The following transfers are not subject to or liable for HOA Sale Fees: (1) foreclosure of a mortgagee's deed of trust lien, a tax lien, or the Association's assessment lien; (2) conveyance by a mortgagee who acquires title by foreclosure or deed in lieu of foreclosure; (3) transfer to, from, or by the Association; (4) voluntary transfer by an Owner to one (1) or more co-owners, or to the Owner's spouse, child, or parent; (5) a transfer by a fiduciary in the course of administering a decedent's estate, guardianship, conservatorship, or trust; (6) a conveyance pursuant to a court's order, including a transfer by a bankruptcy trustee; or (7) a disposition by a government or governmental agency.

THE INITIAL BUYER OF A NEW UNIT. Every transfer of a Unit by Declarant is liable for the following HOA Sale Fees, if any, in effect at the time of purchase: (1) to the Association, a one (1)-time contribution in the amount of the equivalent of **two (2) month's Regular Assessments** for the Association's reserve funds; (2) to the Association, a one (1)-time

contribution in the amount of **\$100.00** for the Association's operating funds; and (3) to the Association's manager, its customary HOA Sale Fees.

THE BUYER OF A RESALE UNIT. Every transfer of a used Unit (a "resale") by an Owner other than the Declarant is liable for the following HOA Sale fees, if any, in effect at the time of purchase: (1) to the Association, a one (1)-time contribution to the Association's reserve funds, in the amount of the equivalent of **one (1) month's Regular Assessments** for each Unit purchased; and (2) to the Association's manager, its customary HOA Sale Fees.

REMINDER

The HOA Sale Fees discussed in this Appendix do not address the homebuyer's obligation to the Association for regularly occurring assessments, which may be prepaid and/or prorated at closing.

APPENDIX G

INITIAL DESIGNATION OF THE AREAS OF COMMON RESPONSIBILITY

TO DECLARATION

OF

2611 HONDO AVENUE CONDOMINIUMS

2611 Hondo Avenue Condominiums is a condominium community. That means that the General Common Elements, as defined in the Declaration, includes, among other things, the Building structures including the roof(s), foundation(s), and land property. Owners are not allowed to make any changes to the General Common Elements or Limited Common Elements without prior, written approval.

COMPONENTS OF PROPERTY	AREAS OF COMMON RESPONSIBILITY	OWNER RESPONSIBILITY
Attics.	None.	All aspects.
Building foundation(s), balcony and patio slabs, and A/C slabs.	All aspects, including tolerance for minor cracks that are inevitable results of the natural movement of soil (expansion and contraction, shrinkage during the curing of the concrete, and settling of the Building.	None. Owner has the responsibility to report issues to the Association in a timely manner.
Cable for television or internet—any technology distribution.	Standards for location and appearance of cable and/or conduit.	All other aspects.
Common Area and green area grounds irrigation system (sprinkler) and landscaping.	All aspects.	None, except those noted for Owner.
Concrete driveways & sidewalks, and main entry.	All structural aspects.	Routine cleaning & tolerance for minor cracks that are inevitable results of the natural expansion & contraction of soil, shrinkage during the curing of the concrete, and settling.
Displays of Unit numbers or letters on exterior doors or Building surfaces and mail boxes.	All aspects.	None.

COMPONENTS OF PROPERTY	AREAS OF COMMON RESPONSIBILITY	OWNER RESPONSIBILITY
Electrical distribution systems.	All aspects of Common Area systems.	All aspects of fuse boxes, lines, fixtures, and appliances within a Unit. All aspects of electrical components of HVAC; even if located outside the Unit. Damage to the Unit, another Unit, or Common Elements from a cause initially within the Unit.
Exterior of Unit doors.	Periodic paint or stain on exterior of doors, only.	All other aspects of the garage door, and all aspects of other doors, including replacement of door(s), glass panes, hardware, locks, peepholes, thresholds, weather stripping, and doorbells.
Exterior light fixtures on Building.	All aspects.	None.
Exterior vertical walls of Building, other exterior features of Building not specifically listed in chart.	Outermost materials only, such as siding, stucco, and brick, and any coatings or surface treatments on the material, such as paint, stain, or sealant.	All other aspects, including interior wall cavities and insulation.
Fences and gates around Units' private yards.	All aspects.	None.
Garages.	Roof and exterior vertical walls, as described above.	All aspects, except those noted for Association. Includes routine interior cleaning, interior wall and ceiling materials, garage door, pedestrian doors, automatic garage door opener, remote controls, interior light fixture, interior electrical outlets.
Grounds—inside private fenced yards.	None.	All aspects.
Grounds—outside private fenced yards.	All aspects.	None. If individual landscaping is desired, Owner must submit a "Modification Request" form with a complete description and drawing of proposed modifications for Board approval prior to installation. All modifications and their repairs, replacement, and maintenance are at the expense of the Unit Owner.
Gutter and downspouts.	All aspects.	None. Owner may not make any alterations without Board approval for a "Modification Request" has been approved.

COMPONENTS OF PROPERTY	AREAS OF COMMON RESPONSIBILITY	OWNER RESPONSIBILITY
Heating and cooling systems and water heaters.	None.	All aspects.
Interiors of Units, including improvements, fixtures, partition walls & floors within Unit.	None.	All aspects.
Insulation & weather stripping.	None.	All aspects.
Intrusion alarms on doors/windows, smoke/heat detectors, monitoring equipment.	None.	All aspects.
Plumbing, faucets, and sewer lines.	All aspects, except those noted for Owner.	All aspects of lines, pipes, faucets, and appliances within a Unit. Damage to the Unit, another Unit, or Common Elements from a cause initially within the Unit.
Retaining walls, if any,	All aspects.	None.
Roof(s).	All aspects, including decking, felts, shingles, and metal flashing.	None. Any roof deck is the sole responsibility of Owner.
Roof-mounted attachments.	None.	All aspects
Sheetrock in Units (walls and ceilings) & treatments on walls.	None.	All aspects.
Skylights and solar tubes, if any.	None.	All aspects. Board approval of "Modification Request" required for installation of approved solar tubes and skylights.
Surface water drainage systems.	All aspects, including collection drains and drain systems.	None. Prohibited from changing the drainage system.
Television antennas & satellite dishes.	Standards for location and appearance of exterior-mounted devices.	All other aspects.
Water, sewer, gas and/or electrical lines & systems.	All aspects, except for lines and systems within the Units.	All aspects of lines and systems within the Unit.
Windows.	Periodic exterior caulking in connection with exterior staining or painting.	All other aspects, including window frames, window sill flashings, window seals and sealants, screens, window locks, glass panes, glazing, interior caulking.

NOTE 1: This chart is for guidance only. Please reference the Declaration for complete information.

- NOTE 2: The components listed in the first column are applicable only if they exist, and may not be construed to create a requirement to have such a component. A skylight is an example of a component that may or may not be on the Building.
- NOTE 3: If damage is attributable to owner's negligence, then owner shall be responsible for reimbursing the Association.
- NOTE 4: If an Owner fails or refuses to perform necessary maintenance, repair, or replacement, the Association may perform the work after giving required notices to the Owner, and the Owner will be liable to the Association for the expense of such maintenance, repair or replacement.
- NOTE 5: All aspects means and includes maintenance, repair, and replacements, as needed and determined by the Board of Directors.
- NOTE 6: Owner is responsible for all aspects in interior maintenance.
- NOTE 7: "LCE" means Limited Common Elements

APPENDIX H
TO DECLARATION
OF
2611 HONDO AVENUE CONDOMINIUMS

**CONSENT TO DECLARATION
BY HAPPY STATE BANK**

HAPPY STATE BANK is a national banking association whose address is One Hanover Park, Suite 350, Addison, Texas 75001.

HAPPY STATE BANK holds a promissory note signed by C&M URBAN DEVELOPERS III LLC. The promissory note is secured by a deed of trust lien against real property that includes the property described in Appendix A of this Declaration. The deed of trust was recorded on March 27, 2017, in the Official Public Records of Dallas County, Texas under Document No. 201700085863.

By signing this instrument, HAPPY STATE BANK consents to the recording of the Declaration of 2611 Hondo Avenue Condominiums.

SIGNED on the _____ day of _____, 2019.

HAPPY STATE BANK

By: _____

Printed Name: Ken Maynard

Title: _____

THE STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on the _____ day of _____,
2019, by Ken Maynard, _____ of HAPPY STATE BANK, national
banking association, on behalf of the bank.

Notary Public in and for
The State of Texas

APPENDIX H
TO DECLARATION
OF
2611 HONDO AVENUE CONDOMINIUMS

**CONSENT TO DECLARATION
BY HAPPY STATE BANK**

HAPPY STATE BANK is a national banking association whose address is One Hanover Park, Suite 350, Addison, Texas 75001.

HAPPY STATE BANK holds a promissory note signed by C&M URBAN DEVELOPERS III LLC. The promissory note is secured by a deed of trust lien against real property that includes the property described in Appendix A of this Declaration. The deed of trust was recorded on March 27, 2017, in the Official Public Records of Dallas County, Texas under Document No. 201700085863.

By signing this instrument, HAPPY STATE BANK consents to the recording of the Declaration of 2611 Hondo Avenue Condominiums.

SIGNED on the 30th day of December, 2019.

HAPPY STATE BANK

By: Ken Maynard

Printed Name: Ken Maynard

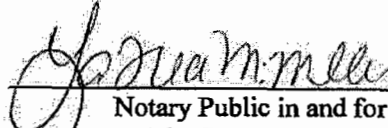
Title: Senior Vice President

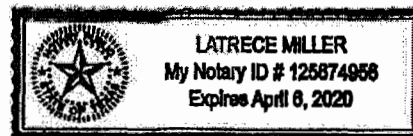
THE STATE OF TEXAS

COUNTY OF DALLAS

§
§
§

This instrument was acknowledged before me on the 30 day of December, 2019, by Ken Maynard, Senior Vice President of HAPPY STATE BANK, national banking association, on behalf of the bank.


Notary Public in and for
The State of Texas



Filed and Recorded
Official Public Records
John F. Warren, County Clerk
Dallas County, TEXAS
12/31/2019 12:58:56 PM
\$322.00
201900351145



