

**Kaufman County  
Laura Hughes  
County Clerk**

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**STATE OF TEXAS  
COUNTY OF KAUFMAN**

I hereby certify that this instrument was filed on the date and time stamped hereon by me and was duly recorded in the Official Public Records of Kaufman County, Texas.

*Laura A. Hughes*

Laura Hughes, County Clerk

Recorded By: Beatriz Saucedo, Deputy

**ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL, OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.**

**Record and Return To:**

SILVER STAR TITLE, LLC DBA SENDERA TITLE  
1409 SUMMIT AVENUE  
FORT WORTH, TX 76102



**DECLARATION  
OF  
COVENANTS, CONDITIONS & RESTRICTIONS  
FOR  
POLO RIDGE**

**Kaufman County, Texas**

Declarant

**BDMR DEVELOPMENT, LLC**

**DECLARATION OF  
COVENANTS, CONDITIONS & RESTRICTIONS  
FOR  
POLO RIDGE**

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## DECLARATION OF COVENANTS, CONDITIONS & RESTRICTIONS FOR POLO RIDGE

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This Declaration of Covenants, Conditions & Restrictions ("**Declaration**") for Polo Ridge is made by BDMR DEVELOPMENT, LLC, a Texas limited liability company ("**Declarant**"), on the date signed below. Declarant owns the real property described in **Appendix A** of this Declaration, together with the improvements thereon.

Declarant desires to establish a general plan of development for the planned community to be known as Polo Ridge ("**Polo Ridge**"). Declarant also desires to provide a reasonable and flexible procedure by which Declarant may expand the Property to include additional real property, and to maintain certain development rights that are essential for the successful completion and marketing of the Property, as hereinafter defined.

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

Declarant DECLARES that the real property described in **Appendix A**, and any additional real property made subject to this Declaration by recording one or more amendments of or supplements to this Declaration, will be owned, 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 B**, which run with the real property and bind all parties having or acquiring any right, title, or interest in any part of the Property, their heirs, successors, and assigns, and inure to the benefit of each Owner of any part of the Property.

### ARTICLE 1 **DEFINITIONS**

The following words and phrases, whether or not capitalized, have specified meanings when used in the Documents, unless a different meaning is apparent from the context in which the word or phrase is used.

1.1. "**Additional Land**" means real property which may be added to the Property and subjected to this Declaration by Declarant and the owner of such property, as described in Section B.3.2 and **Appendix C** of this Declaration.

1.2. "**Applicable Law**" means the statutes and public laws and ordinances in effect at the time a provision of the Documents is applied, and pertaining to the subject matter of the Document provision, including, without limitation, any Applicable Zoning. Statutes and ordinances specifically referenced in the Documents are "Applicable Law" on the date of the Document, and are not intended to apply to the Property if they cease to be applicable by operation of law, or if they are replaced or superseded by one or more other statutes or ordinances.

1.3 **"Applicable Zoning"** means Ordinance No. 4766 (File No. Z0120-0126) passed and approved by the City of Mesquite, Texas on March 2, 2020, as may be modified, amended or supplemented from time to time, together with any other applicable zoning or use restrictions or ordinances promulgated by the City of Mesquite, Texas and applicable to the Properties, as modified and/or amended from time to time.

1.4 **"Approved Builder"** shall mean those contractors and subcontractors who the Declarant or the Architectural Reviewer has designated as "Approved" as contemplated by Section 5.5 of this Declaration, and who shall be permitted to construct, as a contractor or subcontractor, all or any portion of the improvements on any Lot.

1.5. **"Architectural Reviewer"** and/or **"reviewer"** means the entity having jurisdiction over a particular application for architectural approval. During the Development Period, the Reviewer is Declarant, Declarant's designee, or Declarant's delegatee. Thereafter, the board-appointed Architectural Control Committee is the Reviewer.

1.4. **"Assessment"** means any charge levied against a Lot or owner by the Association, pursuant to the Documents or State law, including but not limited to Annual Assessments, Special Assessments, Individual Assessments, and Deficiency Assessments, as defined in Article 8 of this Declaration.

1.5. **"Association"** means the association of owners of all Lots in the Property, initially organized as Polo Ridge Property Owners Association, Inc., a Texas nonprofit corporation, and serving as the "property owners' association" defined in Section 202.001(2) of the Texas Property Code. The failure of the Association to maintain its corporate charter from time to time does not affect the existence or legitimacy of the Association, which derives its authority from this Declaration and the bylaws.

1.6. **"Board"** means the board of directors of the Association.

1.7. **"Common Area" or "Common Areas"** means portions of the Property and improvements thereon that are owned and/or maintained by the Association, as described in Section 2.5 below.

1.8. **"Community Standard"** means the standard of conduct, maintenance, or other activity generally prevailing throughout the Subdivision and Property. Such standard is expected to evolve over time as development progresses and may be more specifically determined by the Declarant, the Board of Directors and the Architectural Reviewer. For as long as Declarant or any Builder owns a Lot or expiration of the Development Period (whichever is later), Declarant may establish or cause the Board to establish additional Rules or modify the Rules to be consistent with the Community Standard in order to ensure the Community Standard is upheld, and the Board must uphold the Community Standard and related Rules so established by Declarant even after the Declarant Control Period ends and so long as Declarant or any Builder owns a Lot in the Subdivision and the Development Period has not expired. Once neither Declarant nor any Builder owns a Lot in the Subdivision and the Development Period has expired, the Board may adjust the Community Standard and related Rules for the Subdivision. Notwithstanding the foregoing or anything to the contrary contained in this Declaration, at a minimum, the Community Standard shall be a standard representing a "first class level of quality" and the specific minimum standards set forth as follows:

1.8.1 Trash and recycling cans must be stored out of view except for pick-up days. No bulk trash may be left out more than 4-hours prior to scheduled bulk pickup. Owners may submit application for slabs on the side of the home but they must be screened with live screening tall enough to conceal the cans at time of planting or an L shaped wood fence stained to match the existing wood



fence, if applicable, and if not, stained with a light to medium brown stain. Containers may not be seen from the front or side of a Lot when stored on the side of the home.

1.8.2 Yards and flower beds must be always kept in good condition. Owners must keep lawns and flower beds weed free and aesthetically pleasing from the front and sides of an Owner's Lot.

1.8.3 Owners may install flower bed and tree ring borders; however, prior written permission from the Architectural Reviewer is required. Borders must be uniform (mortared borders preferred); no stacking of brick or stone haphazardly is permitted in construction of landscaping borders. Materials used for landscaping borders must match main residence on a Lot. The Architectural Reviewer reserves the right to determine what is aesthetically pleasing and acceptable and what is not.

1.8.4 Owners shall not allow any items such as, but not limited to, bikes, children's toys, BBQ grills, and other items to be in view when not in use. Items must be always stored out of public view and may not be stored on porches, driveways, or other exterior portions of an Owner's Lot (i.e. porches and driveways) that are not screened from public view behind the fence on such Owner's Lot.

1.8.5 Owners shall not do or allow to be done anything that will detract from the overall aesthetics of the home and Lot. The Architectural Reviewer has the right to determine what is considered detracting or lacking the aesthetic appeal and harmony the Declarant strives for during the Development Period

1.8.6 "First class level of quality" shall mean the quality standard for a majority of first class residential homeowner associations in the metropolitan market area in which the Property is located with comparable assessments and facilities, and taking into account the particular agricultural or other unique features of the Property in question.

1.9 "**Declarant**" means BDMR DEVELOPMENT, LLC, a Texas limited liability company, which is developing the Property, or the successors and assigns of BDMR DEVELOPMENT, LLC, which acquire any portion of the Property for the purpose of development and which are designated a Successor Declarant by BDMR DEVELOPMENT, LLC, or by any such successor and assign, in a recorded document.

1.9. "**Declarant Control Period**" means that period of time during which Declarant controls the operation and management of the Association, pursuant to **Appendix B** of this Declaration.

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

1.11. "**Design Guidelines**" means those certain initial design guidelines established for the Property by the Applicable Zoning, and any other design guidelines that may be established, modified and/or amended by majority written consent of the Architectural Reviewer from time to time, together with the architectural requirements and design guidelines as adopted by the City under the Applicable Zoning and, as modified, amended and/or supplemented from time to time (the "**City Design Guidelines**") to the extent applicable to the Property. The initial Design Guidelines for the Subdivision in addition to any City Design Guidelines are attached hereto as **Appendix C**.

1.12 "**Development Period**" means the 50-year period beginning the date this Declaration is recorded, during which Declarant has certain rights pursuant to **Appendix B** hereto, including rights relating to development, construction, expansion, and marketing of the Property and the Additional Land. The Development Period is for a term of years and does not require that Declarant own land described in **Appendix A**. Declarant may terminate the Development Period at any time by recording a notice of termination.

1.12. "**Documents**" means, singly or collectively as the case may be, this Declaration, the Plat, the bylaws, the Association's articles of incorporation, 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 a part of that Document.

1.13. "**Lot**" means a portion, tract, parcel, or platted Lot made subject to this Declaration and intended for independent ownership and improvement. In all instances, "Lot" refers to real property that is subject to this Declaration. As a defined term, "Lot" does not refer to Common Areas, even if platted and numbered as a Lot. Where the context indicates or requires, "Lot" includes all improvements thereon and any portion of a right-of-way that customarily is used exclusively by and in connection with the Lot. The Subdivision includes the following Lot types pursuant to Applicable Zoning: ETJ-1A ("**Acre Lots**"), ETJ-100 ("**100' Lots**"), ETJ-80 ("**80' Lots**"), and ETJ-60 ("**60' Lots**").

1.14. "**Majority**" means more than half.

1.15. "**Member**" means a member of the Association, each member being an owner of a Lot, unless the context indicates that member means a member of the Board or a member of a committee of the Association.

1.16. "**Neighborhood**" means a separately designated portion of the Property which is subject to additional restrictions and/or which may share the use and expense of a Neighborhood Common Area or other benefit or service that is not provided to all Lots in the Property, pursuant to Article 17 of this Declaration. A Neighborhood may include noncontiguous parcels of property. Nothing in this Declaration requires the creation of a Neighborhood.

1.17. "**Owner**" means a holder of recorded fee simple title to a Lot. Declarant is the initial owner of all Lots. Contract sellers and mortgagees who acquire title to a Lot through a deed in lieu of foreclosure or through judicial or nonjudicial 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.

1.18. "**Plat**" means all plats, singly and collectively, pertaining to land that is subject to this Declaration or pertaining to Polo Ridge, and recorded in the Real Property Records of every county in which any of the land is located, including all dedications, limitations, restrictions, easements, notes, and reservations shown on the Plat, as it may be amended from time to time.

1.19. "**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 Polo Ridge. The Property is located on land described in **Appendix A** to this Declaration, and includes every Lot and any Common Area thereon. The Property is in Kaufman County, Texas and , Texas.

1.20. "**Resident**" means an occupant of a dwelling, regardless of whether the person owns the Lot.

1.21. "**Rules**" means rules and regulations of the Association adopted in accordance with the Documents. The initial Rules may be adopted by Declarant for the benefit of the Association, the Board may modify existing Rules or adopt and new Rules for the Association in accordance with Section 6.3.

1.22. "**Single Family Lot**" means a Lot on which there is or will be constructed a detached single family dwelling.

1.23. "**Underwriting Lender**" means Federal Home Loan Mortgage Corporation (Freddie Mac), Federal Housing Administration (HUD/FHA), Federal National Mortgage Association (Fannie Mae), or U. S. Department of Veterans Affairs (VA), singly or collectively. The use of this term and these institutions may not be construed as a limitation on an owner's financing options nor as a representation that the Property is approved by any institution.

## **ARTICLE 2**

### **PROPERTY SUBJECT TO DOCUMENTS**

2.1. **PROPERTY.** The real property described in **Appendix A** is held, transferred, sold, conveyed, leased, occupied, used, insured, and encumbered subject to the terms, covenants, conditions, restrictions, liens, and easements of this Declaration, including Declarant's representations and reservations in the attached **Appendix B**, which run with the 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.

2.2. **ADDITIONAL PROPERTY.** Additional real property may be annexed to the Property and subjected to the Declaration and the jurisdiction of the Association on approval of owners representing at least two-thirds of the total allocated votes, or, during the Development Period, by Declarant as permitted in **Appendix B**. Annexation of additional property is accomplished by recording a declaration of annexation, including an amendment of **Appendix A**, in the public records of every county in which any part of the Property is located.

2.3. **PLAT DEDICATIONS, EASEMENTS & RESTRICTIONS.** In addition to the easements and restrictions contained in this Declaration, the Property is subject to the dedications, limitations, notes, easements, restrictions, and reservations shown or cited on the Plat, which is incorporated herein by reference. Each owner, by accepting an interest in or title to a Lot, whether or not it is so expressed in the instrument of conveyance, covenants and agrees to be bound by the Plat, and further agrees to maintain the surface area of any easement that crosses his Lot and for which the Association does not have express responsibility.

2.4. **NEIGHBORHOOD RESTRICTIONS.** In addition to this Declaration, any portion of the Property may become subject to Neighborhood Restrictions and/or the jurisdiction of a Neighborhood Association.

2.5. **COMMON AREA.** The Common Area of the Property consists of the following components on or adjacent to the Property, even if located on a Lot or a public right-of-way:

- a. Any area shown on the Plat as Common Area or an area to be maintained by the Association.
- b. The private streets, being all streets, alleys, and cul-de-sacs within the Property that are not publicly dedicated.
- c. Fixtures and improvements on or appurtenant to the private streets and which are intended for the use, operation, or maintenance of the private streets, including but not limited to curbs, street lamps, street name signs, and traffic signs.

- d. The formal entrances to the Property, including (if any) the signage, landscaping, electrical and water installations, planter boxes and fencing.
- e. Landscaping or grounds maintenance on public rights-of-way on or adjoining the Property, only to the extent the Association has a right or duty to maintain or regulate that portion of a right-of-way, or if a public entity fails to maintain an area to a standard desired by the Association.
- f. Any continuous screening wall installed by Declarant along major thoroughfares along or through the Property in connection with the original development, and replacements thereof, which may not be construed to apply to individual side or back yard fences on house Lots that abut major thoroughfares.
- g. Any modification, replacement, or addition to any of the above-described areas and improvements.
- h. Personal property owned by the Association, such as books and records, office equipment, and pool supplies and furniture.

2.6. **STREETS WITHIN PROPERTY.** Because streets, alleys, and cul de sacs within the Property (hereafter "**streets**") are capable of being converted from publicly dedicated to privately owned, and vice versa, this Section addresses both conditions. Private streets are part of the Common Area, which is governed by the Association. Public streets are part of the Common Area only to the extent they are not maintained or regulated by a governmental body. To the extent not prohibited by public law, the Association, acting through the Board, is specifically authorized to adopt, amend, repeal, and enforce rules, regulations, and procedures for use of the streets - whether public or private - including but not limited to:

- a. Identification of vehicles used by Owners and Residents and their and guests.
- b. Designation of speed limits and parking or no-parking areas.
- c. Removal or prohibition of vehicles that violate applicable rules and regulations.
- d. Fines for violations of applicable rules and regulations.

### **ARTICLE 3** **PROPERTY EASEMENTS AND RIGHTS**

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

3.2. **EASEMENT FOR ENTRY FEATURE & SCREENING WALL.** The Association is hereby granted a perpetual easement (the "**Maintenance Easement**") over each Lot that abuts or contains a portion of the Property's formal entrances or the Property's screening wall, fence, or berm for the purposes stated in this Section, regardless of whether or how the Plat shows the easement, entry features, or screening wall, fence, or berm. The purpose of the Maintenance Easement is to provide for the existence, repair, improvement, and replacement of the Property's formal entrances, and screening wall, fence, or berm, to be maintained by the Association as a Common Area. In exercising this Maintenance Easement, the Association may construct, maintain, improve, and replace improvements reasonably related to the screening or entrance of a residential subdivision, including: screening walls, fences and/or berms; planter beds, landscaping, and plant material; electrical and water meters and equipment, including light fixtures and sprinkler systems; and signage relating to the Property. The Owners of the Lots burdened with the Maintenance Easement will have

the continual use and enjoyment of their Lots for any purpose that does not interfere with and prevent the Association's exercise of the Maintenance Easement. In addition to the easement granted herein, the Association has the temporary right, from time to time, to use as much as the surface of a burdened Lot as may be reasonably necessary for the Association to perform its contemplated work on the Maintenance Easement. This easement is perpetual. The Maintenance Easement will terminate when the purpose of the easement ceases to exist, is abandoned by the Association, or becomes impossible to perform. The Association may assign this easement, or any portion thereof, to a governmental body that accepts the assignment. This Maintenance Easement applies only to the original screening walls installed by Declarant and replacements thereof, and does not apply or pertain to fences installed on individual Lots, even though the Lot abuts a major thoroughfare.

3.3. **MONUMENT EASEMENT.** The Association is granted a perpetual easement (the "**Monument Easement**") over each Lot that contains a standard street name monument ("**Monument Lot**") for the purpose of repairing, removing, and replacing the monument, as deemed necessary by the Association. In addition to the easement granted herein, the Association has the temporary right, from time to time, to use as much of the surface of the Monument Lot as may be reasonably necessary for the Association to perform its contemplated work on the Monument Easement. The owner of a Monument Lot may not remove, deface, cover, or screen the monument, or otherwise interfere with the intended use and purpose of the monument. This Section contemplates that street name monuments (1) may be located on Lot corners at street intersections, street ends, or street beginnings, (2) may not exceed 6 square feet of Lot area, and (3) may not exceed 8 feet in height. This Section applies to the extent street name monuments are not maintained by a governmental entity.

**NOTICE  
CERTAIN LOTS IN POLO RIDGE  
ARE SUBJECT TO EASEMENTS FOR SCREENING  
WALLS, FORMAL ENTRANCES, STREET SIGNS  
AND YARD MAINTENANCE.**

3.4. **OWNER'S EASEMENT OF ENJOYMENT.** Every Owner is granted a right and easement of enjoyment over the Common Areas and to use of improvements therein, subject to other rights and easements contained in the Documents. An Owner who does not occupy a Lot delegates this right of enjoyment to the Residents of his Lot. Notwithstanding the foregoing, if a portion of the Common Areas, such as a recreational area, is designed for private use, the Association may temporarily reserve the use of such area for certain persons and purposes.

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

3.6. **ASSOCIATION'S ACCESS EASEMENT.** The Association is granted an easement of access and entry to every Lot and Common Area to perform maintenance, to enforce architectural and use restrictions, to respond to emergencies, and to perform any other duty required by the Documents.

3.7. **ADJACENT LAND USES.** A number of privately owned facilities may be created within, adjacent to, or in the vicinity of Polo Ridge, such as a lake marina, retail businesses, a multifamily community, amenity center(s), equestrian center(s), and a golf course. Access to those facilities is strictly subject to the requirements, rules, and charges established by the owner of each such facility. Ownership or occupancy of

house Lots in Polo Ridge does not convey a right to use such privately owned facilities, which are not Common Areas of Polo Ridge. The owners of such facilities are not members of the Association or subject to assessment under this Declaration. However, they may be obligated to contribute to certain costs associated with the administration, insurance, maintenance, repair, and replacement of some or all Common Areas pursuant to a separate agreement with Declarant, if any such instrument is executed.

3.8. UTILITY EASEMENT. The Association may grant permits, licenses, and easements over Common Areas for utilities, roads, and other purposes necessary for the proper operation of the Property. A company or entity, public or private, including without limitation a municipal utility district, furnishing utility service to the Property, is granted an easement over the Property for ingress, egress, meter reading, maintenance, repair, or replacement of utility lines and equipment, and to do anything else necessary to properly maintain 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, internet service, and security.

3.9. INTENTIONALLY OMITTED

3.10. NOTICE OF ETJ. On the date of this Declaration, all of the Property is located outside the limits of a municipality, but within the extraterritorial jurisdiction (the "ETJ") of one or more cities, which means the Property may be subject to annexation by a city.

3.11. MINERAL RIGHTS. Some or all of the Property is or may be subject to one or more reservations of oil, gas, or mineral rights in favor of one or more previous owners of the Property, pursuant to one or more deeds recorded in the county's public records, including but not limited to rights to all oil, gas, or other minerals lying on, in, or under the Property and surface rights of ingress and egress. Declarant hereby reserves unto itself, its successors and assigns, all water rights and all outstanding oil, gas and other minerals in and under and that may be produced from the Property, waiving however, the right of ingress and egress for the purpose of mining, drilling, exploring, operating and developing said lands for oil, gas and other minerals and removing same therefrom. An instrument conveying or reserving a mineral interest recorded prior to this Declaration is a superior interest in the Property and is 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 or reservations that are publicly recorded and the attendant rights in favor of the owner of the mineral interest. However, to the extent any Owner becomes an owner of a mineral interest, such Owner hereby irrevocably waives in perpetuity on behalf of itself and its successors and assigns, any right such mineral interest owner or its successor and assigns has to use the surface of the Property for the exploration of oil, gas or other minerals, together with the right to use any portion of the surface of the Property for ingress or egress for such purposes.

3.12. NOTICE OF LIMITATION ON LIABILITY. The development of the Property occurs during a period when many local governments are trying to be absolved of liability for flood damage to private property. As a condition of plat approval, a governmental entity may require a plat note that not only disavows the entity's liability for flood damage, but affirmatively assigns the liability to the Association. Declarant does not intend or desire to impose such absolute liability on the nonprofit association of Lot Owners. Notwithstanding plat notes or public codes or ordinances now in existence or hereafter created, the Association cannot and should not be liable for acts of God or for property damage that is not the result of the Association's negligence or wilful misconduct. On behalf of the Association, Declarant hereby gives notice that the Association does not accept liabilities imposed by any governmental entity for which the Association cannot obtain insurance at a reasonable cost, or for which its members refuse to fund reserve accounts at levels sufficiently high to pay the damages for which the governmental entity may seek to make the

Association liable. This notice is not intended to create a liability for any governmental entity. Further, this notice may not be construed to create a duty for the Association to obtain insurance or to fund reserve accounts for damage from rising waters.

3.13. **SECURITY.** The Association may, but is not obligated to, maintain or support certain activities within the Property designed, either directly or indirectly, to improve safety in or on the Property. **Each Owner and Resident acknowledges and agrees, for himself and his guests, that Declarant, the Association, and their respective directors, officers, committees, agents, and employees are not providers, insurers, or guarantors of security within the Property and serve no law enforcement function.** Each Owner and Resident acknowledges and accepts his sole responsibility to provide security for his own person and property, and assumes all risks for loss or damage to same. Each Owner and Resident further acknowledges that Declarant, the Association, and their respective directors, officers, committees, agents, and employees have made no representations or warranties, nor has the Owner or Resident relied on any representation or warranty, express or implied, including any warranty of merchantability or fitness for any particular purpose, relative to any fire, burglar, and/or intrusion systems recommended or installed, or any security measures undertaken within the Property. Each Owner and Resident acknowledges and agrees that Declarant, the Association, and their respective directors, officers, 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. **The Association serves no law enforcement function and strongly encourages Owners to report any suspected or alleged violations of laws by any other Owner or occupant or guest on the Property to the appropriate law enforcement agency(ies).** The provisions of this Section 3.13 may not be modified or amended without the express written consent of Declarant.

3.14. **RISK.** Each Resident uses all Common Areas at his own risk. All Common Areas are unattended and unsupervised. Each Resident is solely responsible for his own safety and that of his guests. The Association disclaims any and all liability or responsibility for injury or death occurring from use of the Common Areas. Each Owner, Owners' immediate family, guests, agents, permittees, licensees and Residents is solely responsible for his/her own safety, and assumes all risk of loss in connection with the use of Common Areas and related amenities and improvements within the Subdivision. Neither the Association nor the Declarant, nor any managing agent engaged by the Association or Declarant, shall have any liability to any Owner or their family members or guests, or to any other person or entity, arising out of or in connection with the use, in any manner whatsoever, of the Common Area or any improvements comprising a part thereof from time to time, and the Association, Declarant and managing agent disclaims any and all liability or responsibility for injury or death occurring from use of the Common Areas. The provisions of this Section 3.14 may not be modified or amended without the express written consent of Declarant

3.15 **OBLIGATION OF DECLARANT.** Declarant has installed and constructed, or caused to be installed and constructed, or will install and construct, various improvements and infrastructure as determined by Declarant in such condition as required in order to obtain approval of the Plat. **DECLARANT SHALL HAVE NO FURTHER OBLIGATION WHATSOEVER TO CONSTRUCT ANY IMPROVEMENTS ON THE PROPERTY OR MAINTAIN ANY OF SAME, OR OTHERWISE FUND OR BE LIABLE FOR ANY MATTERS CONCERNING SUCH IMPROVEMENTS OR OTHERWISE RELATED TO THE PROPERTY. DECLARANT SHALL HAVE NO LIABILITY FOR AND IS HEREBY RELEASED FROM ALL CLAIMS, CAUSES OF ACTION, COSTS AND EXPENSES ARISING IN CONNECTION WITH SUCH IMPROVEMENTS AND INFRASTRUCTURE OR ANY DEFECTS THEREIN, EVEN IF DUE IN WHOLE OR IN PART TO THE NEGLIGENCE OF DECLARANT,** expressly including any liability with respect to soil conditions and any remediation effort conducted by or on behalf of Declarant made to mitigate soil conditions.

#### ARTICLE 4

## **ALLOCATION OF VOTES AND ASSESSMENT OBLIGATIONS**

4.1. **ALLOCATION OF INTERESTS.** The vote and assessment obligation of each Lot is allocated in accordance with the formulas set out in this Article. The same formulas are to be used in allocating votes and assessment obligations if Lots are added to the Property. The date on which the annexation amendment or supplemental declaration by which additional Lots become subject to this Declaration is recorded in the applicable county's Real Property Records is the effective date for assigning votes and assessment obligations to those Lots.

4.2. **VOTES.** Every Lot has at least one vote, as described below. If additional property is made subject to this Declaration, the total number of votes will be increased automatically by the number of additional Single Family Lots or quarter-acre tracts. All references to acreage in this Section refer to the gross area. The vote of each Single Family Lot and quarter acre is uniform and equal to the vote appurtenant to every other Lot, regardless of the value, size, or location of the Lot or the improvements thereon, except during the Declarant Control Period as permitted in Appendix B:

- a. Each 60' Lot, 80' Lot has one vote for each such Single-Family Lot only.
- b. Intentionally omitted.
- c. Each Acre Lot has two (2) votes for each such Single Family Lot only, which must be cast as a block and may not be divided for purposes of voting.
- d. Notwithstanding the foregoing, if part of the Property is developed with condominium units or attached Single Family housing, Declarant may amend this Declaration to provide for not more than one vote per individually owned and individually taxed condominium unit or townhome. A per-dwelling vote does not apply to a multi-family rental development on a Lot, for which votes are based on acreage.

4.3. **ASSESSMENTS.** The basis of liability for Common Expenses allocated to each Lot is based on the same formula for votes.

## **ARTICLE 5** **ARCHITECTURAL COVENANTS AND CONTROL**

5.1. **PURPOSE.** Because the Lots are part of a single, unified community, this Declaration creates rights to regulate the design, use, and appearance of the Lots and Common Areas in order to preserve and enhance the Property's value and architectural harmony. One purpose of this Article is to promote and ensure the level of taste, design, quality, and harmony by which the Property is developed and maintained. Another purpose is to prevent improvements and modifications that may be widely considered to be radical, curious, odd, bizarre, or peculiar in comparison to then existing improvements. A third purpose is to regulate the appearance of every aspect of proposed or existing improvements on a Lot, including but not limited to buildings, fences, landscaping, retaining walls, yard art, sidewalks and driveways, and further including replacements or modifications of original construction or installation. A fourth purpose is to provide for the adoption of the Architectural Reviewer of design guidelines to administer and guide the review and approval of the design, use and appearance of improvements constructed or to be constructed within the Property the initial design guidelines adopted by the Association are attached hereto as **Appendix D**, and may be hereafter modified or amended from time to time by the Architectural Reviewer. During the Development Period, a primary purpose of this Article is to reserve and preserve Declarant's right of architectural control.



5.2. ARCHITECTURAL CONTROL DURING THE DEVELOPMENT PERIOD. During the Development Period, neither the Association, the board of directors, nor a committee appointed by the Association or Board (no matter how the committee is named) may involve itself with the approval of new homes on vacant Lots.

5.2.1. Declarant's Rights Reserved. Each Owner, by accepting an interest in or title to a Lot, whether or not it is so expressed in the instrument of conveyance, covenants and agrees that Declarant has a substantial interest in ensuring that the improvements within the Property enhance Declarant's reputation as a community developer and do not impair Declarant's ability to market its property or the ability of Builders to sell homes in the Property. Accordingly, each Owner agrees that - during the Development Period - no improvements will be started or progressed on an Owner's Lot without the prior written approval of Declarant, which approval may be granted or withheld at Declarant's sole discretion except with respect to portions of the Property already subdivided, into single-family Lots, Declarant's approval shall not be withheld, delayed or conditioned for any reason whatsoever if the improvements thereon comply with the requirements of Section 6.20 hereof and the Design Guidelines set forth on Appendix D attached hereto and incorporated herein by this reference for all purposes applicable to Single-Family Lots (the "Single-Family Minimum Standards"). Save and except for portions of the Property that are subject solely to the Single-Family Minimum Standards for which the terms of this sentence are not applicable, in reviewing and acting on an application for approval, Declarant may act solely in its self-interest and owes no duty to any other person or any organization. Declarant may designate one or more persons from time to time to act on its behalf in reviewing and responding to applications.

5.2.2. Delegation by Declarant. During the Development Period, Declarant may from time to time, but is not obligated to, delegate all or a portion of its reserved rights under this Article to (1) an architectural control committee appointed by the Board, or (2) a committee comprised of architects, engineers, or other persons who may or may not be members of the Association. Any such delegation must be in writing and must specify the scope of delegated responsibilities. Any such delegation is at all times subject to the unilateral rights of Declarant (1) to revoke such delegation at any time and reassume jurisdiction over the matters previously delegated and (2) to veto any decision which Declarant in its sole discretion determines to be inappropriate or inadvisable for any reason.

5.2.3 Limits on Declarant's Liability. The Declarant has sole discretion with respect to taste, design, and all standards specified by this Article during the Development Period. The Declarant, and any delegate, officer, member, director, employee or other person or entity exercising Declarant's rights under this Article shall have no liability for its decisions made and in no event shall be responsible for: (1) errors in or omissions from the plans and specifications submitted, (2) supervising construction for the Owner's compliance with approved plans and specifications, or (3) the compliance of the Owner's plans and specifications with governmental codes and ordinances, state and federal laws.

5.2.4 Restrictions on Amendment. The provisions of this Section 5.2 may not be modified or amended during the Development Period without the express written consent of Declarant.

5.3. ARCHITECTURAL CONTROL BY ASSOCIATION. Unless and until such time as Declarant delegates all or a portion of its reserved rights to the Architectural Control Committee (the "ACC"), or the Development Period is terminated or expires, the Association has no jurisdiction over architectural matters.

On termination or expiration of the Development Period, or earlier if delegated in writing by Declarant, the Association, acting through the ACC will assume jurisdiction over architectural control.

5.3.1. **ACC.** The ACC will consist of at least 3 but not more than 7 persons appointed by the Board, pursuant to the bylaws of the Association. Members of the ACC serve at the pleasure of the Board and may be removed and replaced at the Board's discretion. Members of the ACC need not be Owners or Residents, and may but need not include architects, engineers, and design professionals whose compensation, if any, may be established from time to time by the Board. After the period of Declarant control, a person may not be appointed or elected to serve on the ACC if the person is (a) a current Board member, (b) a current Board member's spouse; or (3) a person residing in a current Board member's household.

5.3.2. **Limits on Liability.** The ACC has sole discretion with respect to taste, design, and all standards specified by this Article. The members of the ACC have no liability for the ACC's decisions made in good faith, and which are not arbitrary or capricious. The ACC is not responsible for: (1) errors in or omissions from the plans and specifications submitted to the ACC, (2) supervising construction for the Owner's compliance with approved plans and specifications, or (3) the compliance of the Owner's plans and specifications with governmental codes and ordinances, state and federal laws. By submitting any plan for approval, the submitting party expressly acknowledges that the ACC and/or the Architectural Reviewer are not engineers, architects, or builders for purposes of plan review, and that any approval or disapproval of any plans expressly excludes any opinion on the suitability of the plans on an engineering, architectural, or construction basis.

**BEFORE MAKING ANY IMPROVEMENT OR ALTERATION  
TO A LOT OR BUILDING, A BUILDER OR OWNER  
MUST APPLY FOR WRITTEN APPROVAL.**

5.4. **PROHIBITION OF CONSTRUCTION, ALTERATION & IMPROVEMENT.** Without the Reviewer's prior written approval, a person may not construct a building or make an addition, alteration, improvement, installation, modification, redecoration, or reconstruction of or to the Property, if it will be visible from a street, another Lot, or the Common Area. The Reviewer has the right but not the duty to evaluate every aspect of construction, landscaping, and property use that may adversely affect the general value or appearance of the Property. The review of plans pursuant to this Declaration may be subject to all review and approval procedures set forth in guidelines, restrictions and/or requirements of Applicable Zoning or otherwise established by the by the Architectural Reviewer in its review of plans pursuant hereto.

5.5 **APPROVED BUILDER LIST.** The Declarant, during the Development Period, and thereafter, the Architectural Control Committee may, from time to time, publish and promulgate an Approved Builder List which shall set forth the names, addresses and other pertinent information relating to the Approved Builders. The names of and the numbers of Approved Builders may change from time to time at the direction of the Declarant, during the Development Period, and thereafter, the Architectural Control Committee. In no event shall any Owner of a Lot engage any contractor or subcontractor, other than an Approved Builder, for the purposes of constructing an improvement on a Lot, other than minor repairs or replacements, without the prior written approval of the Declarant, during the Development Period, and thereafter, the Architectural Control Committee.

5.6. ARCHITECTURAL APPROVAL. To request architectural approval, an Owner must make written application and submit electronic copies (including AutoCAD files) of plan sets and specifications showing the nature, kind, shape, color, size, materials, and locations of the work to be performed. The application must clearly identify any requirement of this Declaration for which a variance is sought. The Reviewer will return one set of plans and specifications to the applicant marked with the Reviewer's response, such as "**Approved**," "**Denied**," or "**More Information Required**." The Reviewer will retain the other set of plans and specifications, together with the application, for the Reviewer's files. Verbal approval by a Reviewer, the Declarant, an Association director or officer, a member of the ACC, or the Association's manager does not constitute architectural approval by the appropriate Reviewer, which must be in writing. Written notice of the determination of the Architectural Reviewer shall be provided to an applying Owner via certified mail, hand delivery or electronic delivery to the contact address of such Owner registered with the Association. Denials of the Architectural Reviewer must describe the basis for denial in reasonable detail and changes, if any, in the application or improvements required as a condition to approval, and inform the Owner that the Owner may request a hearing under Section 209.00505(e) of the Texas Property Code on or before the 30th day after the date the notice was delivered by the Architectural Reviewer to the Owner. A determination of the Architectural Reviewer may be appealed to the Board of the Association in accordance with Section 209.00505 of the Texas Property Code, and the Board shall hold a hearing within 30 days after an Owner's request for a hearing. Notwithstanding the foregoing, or any other provisions of this Declaration, the Single-Family Minimum Standards shall apply to all single-family Lots and no modifications may be made to the Single-Family Minimum Standards without the prior written approval of Declarant, except that in the case of a builder desiring to build a garden home or zero-lot line home on a Lot, the Declarant may modify the setback requirements at the Declarant's sole discretion and the provisions of this sentence shall control in the event of a conflict or inconsistency between the provisions of this sentence and any other provisions of this Declaration.

5.6.1. Deemed Disapproval. If an Owner has not received the Reviewer's written approval or denial within 30 days after delivering his complete application to the Reviewer, the request shall be deemed to have been disapproved by the Reviewer.

5.6.2. No Approval Required. No approval is required to repaint exteriors in accordance with an ACC-approved color scheme, or to rebuild a building in accordance with originally approved plans and specifications. Nor is approval required for an Owner to remodel or repaint the interior of a building.

5.6.3. Building Permit. If the application is for work that requires a building permit from a governmental body, the Reviewer's approval is conditioned on the issuance of the appropriate permit. The Reviewer's approval of plans and specifications does not mean that they comply with the requirements of the governmental body. Alternatively, governmental approval does not ensure Reviewer approval.

5.6.4. Declarant Approved. Notwithstanding anything to the contrary in this Declaration, any improvement to the Property made or approved by Declarant during the Development Period is deemed to have been approved by the ACC. The provisions of this Section 6.5.6 may not be modified or amended during the Declarant Control Period without the express written consent of Declarant.

5.7. ARCHITECTURAL GUIDELINES. Declarant during the Development Period, and the Association thereafter, may publish architectural restrictions, guidelines, and standards, which may be revised from time to time to reflect changes in technology, style, and taste.

**ARTICLE 6**  
**CONSTRUCTION AND USE RESTRICTIONS**

6.1. **VARIANCE.** The use of the Property is subject to the restrictions contained in this Article, and subject to rules adopted pursuant to this Declaration. The Board or the Architectural Reviewer, as the case may be, may grant a variance or waiver of a restriction or rule on a case-by-case basis when unique circumstances dictate, and may limit or condition its grant. To be effective, a variance must be in writing. The grant of a variance does not effect a waiver or estoppel of the Association's right to deny a variance in other circumstances. Variances granted by the Architectural Reviewer in accordance with the terms of this Declaration are perpetual, and can not be revoked by any future Architectural Reviewer (which may include future members of the ACC, the Board or successors in interest to Declarant's rights hereunder).

6.2. **CONSTRUCTION.** All improvements on a Lot must (1) comply with any applicable ordinances and codes of governmental entities, (2) have a building permit issued by the applicable governmental entity, if the type of improvement requires a permit and if the Lot is located in a jurisdiction that issues permits, and (3) have the Architectural Reviewer's prior written approval. These 3 requirements are independent - one does not ensure or eliminate the need for another. The Lot Owner and/or Owner's contractor must comply with all 3 requirements. Notwithstanding the foregoing, in the event the jurisdiction that the applicable portion of the Property is located in does not require that a building permit be issued prior to the commencement of construction and/or does not require and/or provide for regular inspections during the construction process acceptable to Declarant, Declarant reserves the right to require all improvements being constructed on the Property to be inspected and approved by an inspector(s) designated by Declarant provided, however, Declarant may promulgate from time to time procedures for such inspections as Declarant deems appropriate to attempt to ensure the integrity of the building process and enhance the Property's overall reputation. These procedures are intended to help ensure that the improvements comply with the minimum building code standards similar to those of the surrounding communities. A reasonable charge may be made for such inspections and shall be paid to Declarant or the designated inspector by the Owner of the Lot but such charges shall be comparable to inspection charges in the surrounding communities. Notwithstanding the foregoing, with respect to any inspection procedures and costs therefor promulgated by Declarant with respect to portions of the Property that have already been subdivided, into single-family Lots, with respect to such Lots, the Owner thereof and Declarant shall be required to mutually agree upon the procedures for such inspections and the costs thereof which mutual agreement shall not be unreasonably withheld, delayed or conditioned by either party. Neither the Declarant nor the Association shall have any liability relating to or resulting from such inspections, as such inspections are not a warranty, guaranty or representation as to the condition or integrity of the construction or its compliance with any rules, regulations, laws, codes, ordinances or standards. The Lot Owner and/or builder is responsible for the integrity of the construction on its Lot or Lots and its compliance with all applicable rules, regulations, laws, codes, and standards.

6.3. **RULE-MAKING.** The Association, acting through its Board, is granted the right to adopt, amend, repeal, and enforce reasonable Rules, and penalties for infractions thereof, as limited by the terms of this Declaration and applicable law, regarding the occupancy, use, disposition, maintenance, appearance, and enjoyment of the Property. In addition to the restrictions contained in this Article, each Lot is owned and occupied subject to the right of the Board to establish Rules, and penalties for infractions thereof, governing:

- a. Use of Common Areas.
- b. Hazardous, illegal, or annoying materials or activities on the Property.
- c. The use of Property-wide services provided through the Association.
- d. The consumption of utilities billed to the Association.
- e. The use, maintenance, and appearance of exteriors of buildings and Lots.

- f. Landscaping and maintenance of yards and grounds.
- g. The occupancy and leasing of buildings, including dwellings.
- h. Animals.
- i. Vehicles.
- j. Disposition of trash and control of vermin, termites, and pests.
- k. Anything that interferes with maintenance of the Property, operation of the Association, administration of the Documents, or the quality of life for Residents.

6.4. **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 or for food. Customary domesticated household pets may be kept for personal companionship subject to rules adopted by the Board. The Board may adopt, amend, and repeal rules regulating the types, sizes, numbers, locations, and behavior of animals at the Property. If the rules fail to establish animal occupancy quotas, no more than 4 dogs and/or cats may be maintained on each Lot. Pets must be kept in a manner that does not disturb the peaceful enjoyment of Residents of other Lots. Pets must be maintained inside the building, and may be kept in a fenced yard only if they do not disturb Residents of other Lots or persons using other Lots or the Common Areas. Any animal that is being abused or neglected will be turned into the local authorities for immediate action. Those pets which are permitted to roam free, or, in the sole discretion of the Board and to the extent permitted under applicable law, constitute a nuisance to the occupants of other Lots may issue an order to an Owner that such pet be removed upon request of the Board; provided, in no event shall the Board or Association be required to remove any pet from the Subdivision. If an Owner has failed to remove its pet from the Subdivision pursuant to any order of removal issued by the Board within three (3) days after such order is delivered to an Owner, such Owner shall be subject to fines hereunder and the Board may proceed with efforts to immediately remove the pet that is the subject to the order from the Subdivision. Notwithstanding anything contained herein to the contrary, the Board in its sole discretion and without incurring any further duty or obligation to Owners or Residents within the Property, may decide to take no action and refer complaining parties to the appropriate municipal or governmental authorities for handling and final disposition. **IF ANY ANIMAL OR PET IS A NUISANCE IN THE SUBDIVISION, HOMEOWNERS ARE ENCOURAGED TO CONTACT THEIR LOCAL ANIMAL CONTROL AUTHORITY FOR ASSISTANCE.** The Association shall have no liability or obligation to ensure removal of a pet from the Subdivision that is a nuisance and cannot be held liable or responsible if any enforcement actions taken by the Association under this Section 6.4 are unsuccessful. Any Owner of a pet that attacks another person or animal within the Subdivision is subject to a \$1,000 fine per occurrence (each day of violation being deemed to be an occurrence), whether or not such Owner's pet inflicted harm on a person.

All Owners and Residents are responsible for the removal of his pet's wastes from the Property. Unless the Rules provide otherwise, a Resident must prevent his pet from relieving itself on the Common Areas or the Lot of another Owner. The Association may levy fines up to \$300.00 per occurrence for any Owner who violates this section and does not comply with the rules as set forth herein. The Association is only required to deliver notice of this fine under Section 6.4 to a violating Owner via certified mail prior to levying any fine or charges against such Owner under this Section 6.4, and such fine shall be due and payable immediately upon receipt of such certified mail notice.

An Owner is responsible for any property damage, injury, or disturbance caused or inflicted by an animal kept on the Lot. The Owner of a Lot on which an animal is kept is deemed to indemnify and to hold harmless the Board, the Association, and other Owners and Residents, from any loss, claim, or liability resulting from any action of the animal or arising by reason of keeping the animal on the Property. **EACH OWNER BY ACCEPTANCE OF TITLE TO ITS LOT HEREBY RELEASES AND WAIVES THE ASSOCIATION, DECLARANT, THE BOARD AND/OR ITS MANAGING AGENT AND THEIR RESPECTIVE MEMBERS,**

EMPLOYEES, DESIGNEES, ADMINISTRATORS, INSPECTORS, CONTRACTORS, AND AGENTS, AND AGREES TO INDEMNIFY AND DEFEND SAME AND HOLD THEM HARMLESS FROM AND AGAINST ANY CLAIMS, LIABILITIES, LOSS, DAMAGE, COSTS AND EXPENSES, INCLUDING BUT NOT LIMITED TO ATTORNEYS' FEES, IN CONNECTION WITH OR ARISING OUT OF ANY ACTIONS OR ATTACK BY OWNER'S PET OR BY ANY PET RESIDING ON AN OWNER'S LOT WITHIN THE SUBDIVISION. ALL BREEDS OF PETS THAT ARE DETERMINED TO BE AGGRESSIVE OR VICIOUS BREEDS BY THE BOARD OR ANY APPLICABLE GOVERNMENTAL AUTHORITY (INCLUDING SPECIFICALLY, WITHOUT LIMITATION, PIT BULLS OR ROTTWEILERS) ARE STRICTLY PROHIBITED WITHIN THE SUBDIVISION AND ARE DEEMED TO BE A NUISANCE AND SUBJECT TO REMOVAL PROVISIONS SET FORTH HEREIN.

6.5. ANNOYANCE. No Lot or Common Area may be used in any way that: (1) may reasonably be considered annoying to neighbors; (2) may be calculated to reduce the desirability of the Property as a residential neighborhood; (3) may endanger the health or safety of Residents of other Lots; (4) may result in the cancellation of insurance on the Property; or (5) violates any law. The Board has the sole authority to determine what constitutes an annoyance.

6.6. APPEARANCE. Both the Lot and the improvements thereon must be maintained in a manner so as not to be unsightly when viewed from the street or neighboring Lots. The Architectural Reviewer is the arbitrator of acceptable appearance standards.

6.7. CONTROVERSY. To encourage a harmonious community environment, no person may engage in picketing, public protests, or gang activity on any Lot, in Common Areas, or in public areas in or adjacent to the Property. Signs, photographs, pictures, slogans, symbols, words, graffiti, or decorations intended to create controversy, invite ridicule or hostility, or interfere with the exercise of lawful and permitted property uses are expressly prohibited anywhere on the Property, including but not limited to yard signs and vehicle displays.

6.8. DEBRIS. No Lot or other part of the Property may be used as a dumping ground. Waste materials incident to construction or repair of improvements on a Lot may be stored temporarily on the Lot during construction while work progresses and must be removed when construction or repair is complete.

6.9. DECLARANT PRIVILEGES. In connection with the development and marketing of the Property, Declarant has reserved a number of rights and privileges to use the Property in ways that are not available to other Owners and Residents, as provided in Appendix B of this Declaration. Declarant's exercise of a Development Period right that appears to violate a rule or a use restriction of this Article does not constitute waiver or abandonment of the restriction by the Association.

6.10. DRAINAGE. 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.

6.11. FIRES. Except for barbecue grills, no exterior fires on the Property are permitted.

6.12. GUNS, FIREARMS AND WEAPONS; FIREWORKS. Hunting and shooting are not permitted anywhere on or from the Property. No toys, weapons or firearms, including, without limitation, air rifles, BB guns, sling-shots or other item that is designed to cause harm to any person, animal or property may be used in a manner to cause such harm (whether intentionally or negligently or otherwise) to any person, animal or property. Violation of this restriction is subject to an immediate fine of up to \$1,000 per occurrence after the first notification (which may be given in writing or verbally, to the extent permitted under applicable law).

Fireworks are strictly prohibited. Use of fireworks in the Subdivision is subject to a monetary fine of \$1,000.00 for each violation. A sworn affidavit signed by a witness with legal capacity made under penalty of perjury attesting to the violation and specifying the date of approximate time of such violation which is received by the Association shall be sufficient evidence of such violation.

6.13. LANDSCAPING. No person may perform landscaping, planting, or gardening on the Common Area without the Board's prior written authorization.

6.14. MINING. The following are not permitted anywhere in, on, or under the Property: (1) oil, mineral or gas drilling, (2) oil, mineral or gas development operations, (3) oil or gas refining, quarrying or mining operation, (4) leases for oil, gas, or mineral exploration, (5) oil wells, tanks, tunnels, mineral excavations, shafts, derricks or other structure designed for boring or storage of oil, gas or minerals.

6.15. NOISE & ODOR. A Resident must exercise reasonable care to avoid making or permitting to be made loud, disturbing, or objectionable noises or noxious odors that are likely to disturb or annoy Residents of neighboring Lots. The Rules may prohibit the use of noise-producing security devices and windchimes. The Association shall provide an Owner with notice of its violation of this use restriction, and if an Owner receives more than one notice in any 12 month period, upon receipt of the second notice from the Association, the Owner shall be subject to fines hereunder. Notwithstanding anything contained herein to the contrary, the Board in its sole discretion and without incurring any further duty or obligation to Owners and Residents within the Property, may decide to take no action and refer complaining parties to the appropriate municipal or governmental authorities for handling and final disposition. IF ANY NOISE OR ODOR BECOMES IS A NUISANCE IN THE SUBDIVISION, RESIDENTS ARE ENCOURAGED TO CONTACT THEIR LOCAL LAW ENFORCEMENT OFFICIALS FOR ASSISTANCE. The Association shall have no liability or obligation to ensure the Subdivision or any Owner or Resident of a Residence therein is free from nuisance and cannot be held liable or responsible if any enforcement actions taken by the Association under this Section 6.15 are unsuccessful. EACH OWNER AND RESIDENT BY ACCEPTANCE OF TITLE TO ITS LOT HEREBY RELEASES AND WAIVES THE ASSOCIATION, DECLARANT, THE BOARD AND/OR ITS MANAGING AGENT AND THEIR RESPECTIVE MEMBERS, EMPLOYEES, DESIGNEES, ADMINISTRATORS, INSPECTORS, CONTRACTORS, AND AGENTS, AND AGREES TO INDEMNIFY AND DEFEND SAME AND HOLD THEM HARMLESS FROM AND AGAINST ANY CLAIMS, LIABILITIES, LOSS, DAMAGE, COSTS AND EXPENSES, INCLUDING BUT NOT LIMITED TO ATTORNEYS' FEES, IN CONNECTION WITH OR ARISING OUT OF ANY ACTIONS OR INACTIONS OF AN OWNER OR THE RESIDENTS OF SUCH OWNERS LOT THAT RESULTS IN NOISE OR ODORS THAT MAY BE A NUISANCE TO OTHERS WITHIN THE SUBDIVISION. Any Owner in violation of this Section 6.15 is subject to a \$1,000 fine per occurrence (each day of violation being deemed to be an occurrence).

6.16. SIGNS. Except for: (a) the signs permitted below for Single Family Lots and (b) signs or other advertisement items or objects erected or placed on portions of the Property that have already been subdivided into single-family Lots; no other sign or unsightly object may be erected, placed, or permitted to remain on the Property or to be visible from windows in a building without the Board's prior written approval or as otherwise expressly permitted by the Design Guidelines. The Board's approval may specify the location, nature, appearance, dimensions, number, and time period of a sign or object. The Association may effect the removal of any sign or object that violates this Section or which the Board deems inconsistent with the Property's standards without liability for trespass or any other liability connected with the removal.

6.17. TELEVISION. Each Owner and Resident of the Property will avoid doing or permitting anything to be done that may unreasonably interfere with the television, radio, telephonic, electronic, microwave, cable, or satellite reception on the Property. Antennas, satellite or microwave dishes, and

receiving or transmitting towers that are visible from a street or from another Lot are prohibited within the Property, except (1) reception-only antennas or satellite dishes designed to receive television broadcast signals, (2) antennas or satellite dishes that are one meter or less in diameter and designed to receive direct broadcast satellite service (DBS), or (3) antennas or satellite dishes that are one meter or less in diameter or diagonal measurement and designed to receive video programming services via multipoint distribution services (MDS) (collectively, the "Antenna") are permitted if located (a) inside the structure (such as in an attic or garage) so as not to be visible from outside the structure, (b) in a fenced yard, or (c) attached to or mounted on the rear wall of a structure below the eaves, and provided there are no more than 2 Antennas per Lot. If an Owner determines that an Antenna cannot be located in compliance with the above guidelines without precluding reception of an acceptable quality signal, the Owner may install the Antenna in the least conspicuous location on the Lot where an acceptable quality signal can be obtained. The Association may adopt reasonable rules for the location, appearance, camouflaging, installation, maintenance, and use of the Antennas to the extent permitted by public law.

6.18. TEMPORARY STRUCTURES. Except for "accessory sheds" as described above, improvements or structures of a temporary or mobile nature, such as tents, portable sheds, and mobile homes, may not be placed on a Lot if visible from a street or another Lot. However, an Owner or Owner's contractor may maintain a temporary structure (such as a portable toilet or construction trailer) on the Lot during construction of the building. Notwithstanding the foregoing, temporary buildings, structures and construction trailers may be erected or placed on portions of the Property that have already been subdivided into single-family Lots in connection with the development, construction and sale of such portions of the Property as single-family Lots.

6.19. VEHICLES. All vehicles on the Property, whether owned or operated by the Owners, lessees, Residents, or their respective invitees, families, and guests, are subject to this Section and Rules adopted by the Board. The Board may adopt, amend, and repeal rules regulating the types, sizes, numbers, conditions, uses, appearances, and locations of vehicles on the Property, and may adopt different rules for parts of the Property. Without prior written Board approval, the following types of vehicles and vehicular equipment - mobile or otherwise - may not be kept, parked, or stored anywhere on the Property if the vehicle is visible from a street or from another Lot: mobile homes, motor homes, buses, trailers, boats, aircraft, inoperable vehicles, commercial truck cabs, trucks with tonnage over one ton, vehicles which are not customary personal passenger vehicles, and any vehicle which the Board deems to be a nuisance, unsightly, or inappropriate. This restriction includes overnight parking on streets, driveways, and alleys. This restriction does not apply to vehicles and equipment temporarily on the Property in connection with the construction or maintenance of a dwelling. Vehicles that transport inflammatory or explosive cargo are prohibited from the Property at all times. The Association may effect the removal of any vehicle in violation of this Section or the Rules without liability to the Owner or operator of the vehicle.

6.20. SINGLE FAMILY LOT CONSTRUCTION RESTRICTIONS. Without the prior written approval of a variance by the Architectural Reviewer, improvements constructed on every Single Family Lot must have the minimum characteristics described below, which may be treated as the minimum requirements for improving and using a Single Family Lot. Subject to the limitation set forth in the foregoing sentence: (a) Declarant may impose additional or different construction restrictions on certain parts of the Property by recordation of an amendment or supplement of this Declaration and (b) the Architectural Reviewer may promulgate additional rules and restrictions, as well as interpretations, additions, and specifications of the restrictions contained in this Article. An Owner should review the Property's architectural restrictions, if any, before planning improvements, repairs, or replacements to his Single Family Lot and dwelling.



6.20.1. Houses. The principal improvement on a Single Family Lot must be one detached Single Family dwelling. The dwelling size, setbacks, and exterior materials must comply with the applicable ordinances, the Design Guidelines, and with any higher standards established by the Architectural Reviewer. Exterior lighting installed or located on any residence or dwelling or otherwise on a Lot must be white (other than seasonal holiday lighting expressly permitted under the terms of this Declaration or the Documents). No garish or unsightly color schemes will be permitted on any Single-Family Lot. The minimum depth of the front yard setback shall be fifteen (15) feet, the minimum depth of the side yard setback shall be five feet (5') and, the rear yard minimum setback requirement shall be twenty feet (20'), or as may be more strictly required by the Design Guidelines or Applicable Zoning. The Declarant may exempt garden homes, zero lot line homes and similar type products from the front, side and rear yard minimum setback requirements.

6.20.2. New Construction. The dwelling must be constructed on the Lot. A dwelling or addition constructed elsewhere may not be moved onto a Lot. The construction of a dwelling must be started promptly after the Architectural Reviewer approves the dwelling's plans and specification. At the start of construction - but not before - building material to be used in the construction may be stored on the Lot. Once started, the dwelling and all improvements on the Lot must be completed with due diligence.

6.20.3. Exterior Wall Materials. Exterior wall materials must be in compliance with the Design Guidelines or otherwise approved in writing by the Architectural Reviewer.

6.20.4. Roofs. Roofs must be covered with architectural dimensional shingles (Not 3 tab), Quality Metal or tile having a manufacturer's warranty of at least 20 years. The use of fiberglass shingles is permitted. The color of roofing shingles must be weatherwood or an equivalent earth tone color. The Architectural Reviewer may permit or require other weights, materials, and colors. All roofs shall have a minimum of 8:12 roof pitch. Additional roofing criteria may be established by the Architectural Reviewer in the Design Guidelines (or in the initial Design Guidelines attached hereto as Appendix D).

6.20.5. Garage & Driveway. Each dwelling must have an attached garage for at least two standard-size cars. If the Lot has alley access, the garage must be a rear or side entry using the alley for access. The driveway must be surfaced with concrete. Garage setbacks shall be in accordance with Applicable Zoning requirements, with a minimum of twenty percent (20%) of Lots having a twenty foot (20') minimum setback from the façade of the Residence on the same Lot. A maximum of Fifty percent (50%) of Lots may have J-swing garage entries. A maximum of twenty percent (20%) of Lots may have a two foot (2') setback from the front façade of the Residence on such Lot. A maximum of twenty percent (20%) of Lots may have a four foot (4') setback from the front façade of the Residence on such Lot. A maximum of twenty percent (20%) of Lots may have a six foot (6') setback from the front façade of the Residence on such Lot. The face of front entry garages may not (i) be extended more than ten (10) feet beyond the remainder of the front elevation of the primary living area of a house; or (ii) only Lots developed as ETJ-60 may be over 60% of the total frontage width of a house whether or not J-swing drives are used.

6.20.6. Landscaping. Landscaping must be installed on the front and side yards of the Lot within 90 days after the dwelling is ready for occupancy.

6.20.7. Accessories. Installation of all exterior items and surfaces, including address numbers, decorative hardware, external ornamentation, lights fixtures, and exterior paint and stain, is

subject to the Architectural Reviewer's prior approval, including approval of design, color, materials, and location.

6.20.8. Mailboxes. Mailboxes shall be cluster mailboxes consistent with requirements of the Design Guidelines or of a type and design as may be required by the Design Guidelines or otherwise approved by the Declarant, the Architectural Reviewer, and the U.S. Postal Service. If curbside boxes are permitted by postal authorities, the Architectural Reviewer may require a uniform size and style of mailbox and pedestal.

6.20.9. Fences & Walls. This Section is subject to the Architectural Reviewer's right to adopt additional or different specifications for construction or reconstruction of fences. No portion of any fence shall exceed six feet (6') in height, unless otherwise expressly permitted by the Declaration, the Design Guidelines or Applicable Zoning. Fences must be made of masonry, wood, or other Architectural Reviewer-approved material. Any portion of a fence that faces a street, alley, or Common Area must have a "finished side" appearance so that all structural members and posts will be on the side of the fence away from the street so that they are not visible from any public right-of-way. Retaining walls must be constructed entirely with Architectural Reviewer-approved materials, however railroad ties may not be used for a retaining wall visible from a street. Fences may not be constructed between a dwelling's front building line and the street and no wood fence or masonry wall shall be permitted to extend nearer to any street than the front of the Residence on a Lot. The use of chain link fencing or plastic fencing is prohibited, except during the construction process and then only with the prior written consent of the Declarant. Lot Type ETJ-1A that have boundary along the public right-of-way known as "FM 2757" may only use wrought-iron or powder coated tubular steel with a minimum height of six feet (6') and a maximum height of eight feet (8') between the building line of any structure on such Lot and FM 2757. No wood fencing shall be permitted across drainage or other public easements within Lot type ETJ-1A, but rather only wrought-iron or powder coated tubular steel shall be permitted.

Owners of Lots that share fencing or walls on common property lines shall be liable and responsible for the costs and expenses to maintain, repair or replace such fencing on the common boundary line based upon the total linear feet of fencing that is on the common boundary line shared between two Owners and the aggregate total linear feet of fencing being replaced. Any approval of the Declarant or ACC of fence design on an Owner's Lot to be placed, constructed or installed on a common boundary shared with one or more other Owners shall not be effective without the written consent and approval of the other Owner(s) sharing the common property line on which such fence is to be placed, constructed or installed. In the event of conflict or disagreement between Owners regarding fencing constructed or installed on a common boundary between two or more Owners, the Association has no liability or responsibility for resolving such conflict or disagreement and Owners.

6.20.10. Fences along Lake and Common Areas. All fences backing up to the Common Areas shall designed in a manner consistent with requirements of the Design Guidelines.

6.20.11. Fence Stain. Wood fences must be stained in accordance with the requirements of this Declaration or the Design Guidelines, or as otherwise approved in writing by the Architectural Reviewer-approved color. The Architectural Reviewer may require a uniform color of stain. Wood fences may not be painted.

6.20.12 Security Measures. Any security fencing installed on an Owner's Lot as a security measure under Section 202.023 of the Texas Property Code, as amended (a) shall be no higher than

six (6) feet from grade, (b) to the extent located within the front yard area of an Owner's Lot, must be open and constructed of ornamental metal or wrought iron materials that allow the front façade of the residence on such Owner's Lot to remain visible from the street through such fencing and be of a design approved by the Architectural Reviewer and also Declarant during the Development Period, (c) to the extent located within the front yard area of an Owner's Lot, shall not include or be constructed or installed with screening material, landscape screening, chain link, razor wire, electrification, or barbed wire, and (d) such fencing shall otherwise be constructed, installed and maintained in compliance with any and all governmental requirements, including permit requirements. No Owner shall place security cameras in any place other than the Owner's own Lot. The "front yard area" with respect to a Lot shall mean the area between the front façade of the residence on such Lot and the public street or right-of-way in front of such Lot.

6.20.13. Utilities. All utility lines and equipment must be located underground, except for: (1) elevated or surface lines or equipment required by a public utility or the city; (2) elevated or surface lines or equipment installed by Declarant as part of the development plan; and (3) surface equipment necessary to maintain, operate, or read underground facilities, such as meters, risers, service pedestals, and transformers. The Architectural Reviewer may require that utility meters, risers, pedestals, and transformers be visually screened from the street and neighboring Lots. Each Lot will use water and sewage systems provided by a utility district or a city. Individual water supply and sewage disposal systems are not permitted.

6.20.14. Air Conditioners. Air conditioning equipment may not be installed in the front yard of a dwelling. Window units are prohibited. The Architectural Reviewer may require that air-conditioning equipment and apparatus be visually screened from the street and neighboring Lots.

6.20.15. No Subdivision. No Single Family Lot may be subdivided. One or more Lots may be replatted with the approval of all Owners of the Lots directly affected by the replatting, and subject to the approval of the city. The parties executing the replat will provide a copy of the recorded replat to the Association. Replatting of Single Family Lots may not alter the number of votes and assessments allocated to the Single Family Lots as originally platted. If replatting reduces the number of Single Family Lots by combining Lots, the joined Lot will have the votes and assessments allocated to the Lots as originally platted.

6.21. SINGLE FAMILY LOT USE RESTRICTIONS.

6.21.1. Accessory Sheds. Without the prior written approval of the Architectural Reviewer, accessory structures - such as dog houses, gazebos, storage sheds, playhouses, and greenhouses - are prohibited (not allowed). To be approved by the Architectural Reviewer, an accessory structure must have the following features:

**GET ARCHITECTURAL APPROVAL BEFORE YOU SHOP FOR OR  
BEGIN CONSTRUCTION OF A STORAGE SHED.**

- a. Only one per Lot.
- b. Designed for outdoor use.
- c. Less than 6 feet in height at the ridge line of the roof.
- d. Less than 100 square feet of floor space (e.g. 10' x 10').

- e. Visually harmonious with the house or fence to which it is most visually related or physically attached, including matching major materials such as siding and roofing, dominant colors, construction details, and pitch of roof.
- f. Constructed using similar building and roofing materials as used on the primary Residence on such Lot.
- g. Screened by a fence or acceptable landscape material so it is not visible to a person standing on the surface of an adjoining Lot or street.
- h. Not located in front yards or in unfenced portions of side yards facing streets.

If an accessory structure is installed in violation of this Section, the Architectural Reviewer reserves the right to determine that the accessory structure is unattractive or inappropriate or otherwise unsuitable for the Property, and may require the Owner to screen it or to remove it.

6.21.2. Clotheslines. A Resident may not hang, shake, or otherwise display linens, clothing, towels, rugs, shoes, mops, bedding, or other similar items in a yard, on a fence, or from windows and doors. Outside clotheslines and drying racks are prohibited.

6.21.3. Driveways. The driveway portion of a Lot may not be used for any purpose that interferes with its ongoing use as a route of vehicular access to the garage. Without the Board's prior approval, a driveway may not be used: (1) for storage purposes, including storage of boats, trailers, motor homes, and inoperable vehicles; or (2) for repair or restoration of vehicles. The driveway must be surfaced with concrete.

6.21.4. Garages. Each dwelling must have an attached garage for at least two standard-size cars. Without the Board's prior written approval, the original garage area of a Lot may not be enclosed or used for any purpose that prohibits the parking of two standard-size operable vehicles therein. Garage doors are to be kept closed at all times except when a vehicle is entering or leaving. If the Lot has alley access, the garage must be a rear or side entry for using the alley for access.

6.21.5. Leasing of Homes. An Owner may lease the dwelling on his Lot, provided, however, in no event may more than ten (10%) percent of the Residences in the Subdivision be leased to non-Owners. Whether or not it is so stated in a lease, every lease is subject to the Documents. An Owner is responsible for providing his tenant with copies of the Documents and notifying him of changes thereto. Failure by the tenant or his invitees to comply with the Documents, federal or state law, or local ordinance is deemed to be a default under the applicable 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. The Owner of a leased Lot is liable to the Association for any expenses incurred by the Association in connection with enforcement of the 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 Documents against the Owner's tenant. The Association has the right to request each Owner leasing a Residence or Lot in the Subdivision subject to this Declaration provide the Association with the following regarding the lease or tenant thereunder:

(a) The contact information, including name, mailing address, phone number, and e-mail address of each person who will reside on the Owner's Residence or Lot under the terms of such lease; and

(b) The commencement date and term of such lease.

6.21.6. Occupancy. Other than the completed principal dwelling, no thing or structure on a Lot may be occupied as a residence at any time by any person. This provision applies, without limitation, to the garage, mobile homes, campers, and storage sheds.

6.21.7. Residential Use. The use of a house Lot 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 a dwelling for personal business or professional pursuits provided that: (1) the uses are incidental to the use of the dwelling as a residence; (2) the uses conform to applicable governmental ordinances; (3) there is no external evidence of the uses; (4) the uses do not entail visits to the Lot by employees or the public in quantities that materially increase the number of vehicles parked on the street; and (5) the uses do not interfere with Residents' use and enjoyment of neighboring Lots. A house Lot may not be used as a cemetery or burial ground.

6.21.8. Screening. The Architectural Reviewer may require that the following items must be screened from the view of the public and neighboring Lots and dwellings, if any of these items exists on the Lot: (1) air conditioning equipment; (2) satellite reception equipment; (3) yard maintenance equipment; (4) wood piles and compost piles; (5) accessory structures that do not have prior approval of the Architectural Reviewer; (6) garbage cans and refuse containers; (7) anything determined by the Board to be unsightly or inappropriate for a residential subdivision. Screening may be achieved with fencing or with plant material, such as trees and bushes, or any combination of these. If plant material is used, a reasonable period of time is permitted for the plants to reach maturity as an effective screen. As used in this Section, "screened from view" refers to the view of a person in a passenger vehicle driving on a street or alley, or the view of a person of average height standing in the middle of a yard of an adjoining Lot.

6.21.9. Signs. Subject to the sign restrictions in a preceding section, signs placed on Lots within the Subdivision shall comply with the Design Guidelines and any other Applicable Laws.

6.21.10. Window Treatments. All window treatments within the dwelling that are visible from the street or another dwelling must be maintained in good condition and must not detract from the appearance of the Property. Aluminum foil, newsprint, and bedsheets are not suitable window treatments. The Architectural Reviewer may require an Owner to change or remove a window treatment that the Architectural Reviewer determines to be inappropriate or unattractive. The Architectural Reviewer may prohibit the use of certain colors or materials for window treatments.

6.22. USE OF ASSOCIATION AND SUBDIVISION NAME. The use of the name of the Association or the Subdivision, or any variation thereof, in any capacity without the express written consent of the Declarant during the Declarant Control Period, and thereafter the Board, is strictly prohibited. Additionally, the use of any logo adopted by the Association or the Subdivision, or use of any photographs of the entryway signage or other Subdivision signs or monuments or Common Areas without the express written consent of the Declarant during the Declarant Control Period, and thereafter the Board, is strictly prohibited.

6.23. DRONES AND UNMANNED AIRCRAFT. Any Owner operating or using a drone or unmanned aircraft within the Property and related airspace must register such drone or unmanned aircraft with the Federal Aviation Administration ("FAA"), to the extent required under applicable FAA rules and regulations, and mark such done or unmanned aircraft prominently with the serial number or registration number on the drone or unmanned aircraft for identification purposes. BY ACCEPTANCE OF TITLE TO ANY PORTION OF THE PROPERTY, EACH OWNER ACKNOWLEDGES THAT USE OF A DRONE OR UNMANNED AIRCRAFT TO TAKE IMAGES OF PRIVATE PROPERTY OR PERSONS WITHOUT CONSENT MAY BE A VIOLATION OF TEXAS LAW AND CLASS C MISDEMEANOR SUBJECT TO LEGAL ACTION AND FINES UP TO \$10,000. IT IS YOUR RESPONSIBILITY TO KNOW AND COMPLY WITH ALL LAWS APPLICABLE TO YOUR DRONE AND/OR UNMANNED AIRCRAFT USE.

6.24. LIGHTNING RODS. An Owner may not construct a lightning rod and related systems ("Lightning Rod") on a Residence except in compliance with the following: (a) the Lightning Rod must meet standards of the National Fire Protection Association ("NFPA") equal to or greater than NFPA's lightning Protection Standard NFPA 780, Underwriters Laboratories ("UL") UL 96A, and Lightning Protection Institute ("LPI") LPI-175, (b) any Lightening Rod must be installed by a contractor licensed in the State in which the Residence is located, and (c) any part of the Lightning Rod that becomes non-functional must be immediately repaired, replaced, or removed from the Residence by the Owner at such Owner's costs and expense. Each Owner acknowledges and agrees that an Owner is solely liable and responsible for the safety, upkeep, and use of the Lightning Rods. Furthermore, each Owner acknowledges that the installation of a Lightning Rod on a Residence may void or adversely warranties on such Owner's Residence, including without limitation, any roof warranties. EACH OWNER BY ACCEPTANCE OF TITLE TO ITS LOT HEREBY RELEASES AND WAIVES THE ASSOCIATION, DECLARANT, THE BOARD AND/OR ITS MANAGING AGENT AND THEIR RESPECTIVE MEMBERS, EMPLOYEES, DESIGNEES, ADMINISTRATORS, INSPECTORS, CONTRACTORS, AND AGENTS, AND AGREES TO INDEMNIFY AND DEFEND SAME AND HOLD THEM HARMLESS FROM AND AGAINST ANY CLAIMS, LIABILITIES, LOSS, DAMAGE, COSTS AND EXPENSES, INCLUDING BUT NOT LIMITED TO ATTORNEYS' FEES, IN CONNECTION WITH OR ARISING OUT OF THE INSTALLATION, OPERATION, LOCATION, REPAIR, MAINTENANCE, AND/OR REMOVAL OF ANY LIGHTNING ROD OR RELATED SYSTEMS ON AN OWNER'S RESIDENCE

## **ARTICLE 7**

### **ASSOCIATION AND MEMBERSHIP RIGHTS**

7.1. BOARD. Unless the Documents expressly reserve a right, action, or decision to the Owners, Declarant, or another party, the Board acts in all instances on behalf of the Association. Unless the context indicates otherwise, references in the Documents to the "Association" may be construed to mean "the Association acting through its Board of Directors."

7.2. THE ASSOCIATION. The duties and powers of the Association are those set forth in the Documents, together with the general and implied powers of a property owners association and a nonprofit corporation organized under the laws of the State of Texas. Generally, the Association may do any and all things that are lawful and necessary, proper, or desirable in operating for the peace, health, comfort, and general benefit of its members, subject only to the limitations on the exercise of such powers as stated in the Documents. The Association comes into existence on the earlier of (1) issuance of its corporate charter or (2) the initial levy of assessments against the Lots and Owners. The Association will continue to exist at least as long as the Declaration is effective against the Property, regardless of whether its corporate charter lapses from time to time.

7.3. **GOVERNANCE.** The Association will be governed by a board of directors elected by the Members. Unless the Association's bylaws or articles of incorporation provide otherwise, the Board will consist of at least 3 persons elected at the annual meeting of the Association, or at a special meeting called for that purpose. The Association will be administered in accordance with the bylaws of the Association. Unless the Documents provide otherwise, any action requiring approval of the members may be approved in writing by Owners representing at least a Majority of the total allocated votes, or at a meeting of Owners by Owners representing at least a Majority of the votes that are represented at the meeting.

7.4. **MEMBERSHIP.** Each Owner is a member of the Association, ownership of a Lot being the sole qualification for membership. Membership is appurtenant to and may not be separated from ownership of the Lot. The Board may require satisfactory evidence of transfer of ownership of a Lot before a purported Owner is entitled to vote at meetings of the Association. If a Lot is owned by more than one person or entity, each co-Owner is a member of the Association and may exercise the membership rights appurtenant to the Lot. A Member who sells his Lot under a contract for deed may delegate his membership rights to the contract purchaser, provided a written assignment is delivered to the Board. However, the contract seller remains liable for all assessments attributable to his Lot until fee title to the Lot is transferred.

7.5. **VOTING.** Cumulative voting is not allowed. Votes may be cast by written proxy, according to the requirements of the Association's bylaws. The vote or votes appurtenant to a Lot are not divisible. If only one of the multiple co-Owners of a Lot is present at a meeting of the Association, that person may cast the vote allocated to the Lot. If more than one of the co-Owners is present, the Lot's vote or votes may be cast with the co-Owners' unanimous agreement. Co-Owners are in unanimous agreement if one of the co-Owners casts the vote and no other co-Owner makes prompt protest to the person presiding over the meeting. Any co-Owner of a Lot may vote by ballot or proxy, and may register protest to the casting of a vote by ballot or proxy by the other co-Owners. If the person presiding over the meeting or balloting receives evidence that the co-Owners disagree on how the appurtenant vote will be cast, the vote will not be counted.

7.6. **BOOKS & RECORDS.** The Association will maintain copies of the Documents and the Association's books, records, and financial statements. Books and records of the Association will be made available for inspection and copying pursuant to Article 1396-2.23.B. of the Texas Nonprofit Corporation Act.

7.7. **INDEMNIFICATION.** The Association indemnifies every officer, director, and committee Member of the Association, and the Architectural Reviewer, ACC and other officer, agent or representative of the Association (for purposes of this Section, individually referred to as a "**Leader**" and collectively referred to as the "**Leaders**") against expenses, including attorney's fees, reasonably incurred by or imposed on the Leader in connection with an action, suit, or proceeding, threatened or initiated (or settlement of same if approved by the Board), 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. A Leader has no personal liability on any contract or other commitment made in good faith on behalf of the Association (except to the extent the Leader is a member of the Association and has the member's pro rata obligation). **THE ASSOCIATION, AS A COMMON EXPENSE OF THE ASSOCIATION, SHALL INDEMNIFY AND HOLD HARMLESS THE LEADERS FROM ANY AND ALL EXPENSES, LOSS OR LIABILITY TO OTHERS, INCLUDING ATTORNEY'S FEES, REASONABLY INCURRED BY OR IMPOSED ON ANY 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 HEREUNDER OR ON ACCOUNT OF ANY CONTRACT OR COMMITMENT ENTERED INTO BY ANY LEADER IN ITS CAPACITY HEREUNDER (TO THE EXTENT NOT COVERED BY INSURANCE PROCEEDS) AGAINST EXPENSES. IN ADDITION, EACH LEADER SHALL BE INDEMNIFIED AND HELD HARMLESS BY THE ASSOCIATION, AS A COMMON EXPENSE OF THE ASSOCIATION, FROM ANY**

EXPENSE, LOSS OR LIABILITY TO OTHERS (TO THE EXTENT NOT COVERED BY INSURANCE PROCEEDS) BY REASONS OF HAVING SERVED AS A LEADER AND AGAINST ALL EXPENSES, LOSSES AND LIABILITIES, INCLUDING, BUT NOT LIMITED TO, COURT COSTS AND REASONABLE ATTORNEYS' FEES, INCURRED BY OR IMPOSED UPON SUCH LEADER IN CONNECTION WITH ANY PROCEEDING TO WHICH SUCH LEADER MAY BE A PARTY OR HAVE BECOME INVOLVED BY REASON OF BEING A LEADER AT THE TIME ANY SUCH EXPENSES, LOSSES OR LIABILITIES ARE INCURRED SUBJECT TO ANY PROVISIONS REGARDING INDEMNITY CONTAINED IN THE DOCUMENTS, EXCEPT IN CASES WHEREIN THE EXPENSES, LOSSES AND LIABILITIES ARISE FROM A PROCEEDING IN WHICH SUCH LEADER IS ADJUDICATED GUILTY OF WILLFUL MISFEASANCE OR MALFEASANCE, MISCONDUCT OR BAD FAITH IN THE PERFORMANCE OF SUCH PERSON'S DUTIES OR INTENTIONAL WRONGFUL ACTS OR ANY ACT EXPRESSLY SPECIFIED IN THE DOCUMENTS AS AN ACT FOR WHICH ANY LIMITATION OF LIABILITY SET FORTH IN THE DOCUMENTS IS NOT APPLICABLE; PROVIDED, HOWEVER, THIS INDEMNITY DOES COVER LIABILITIES RESULTING FROM SUCH LEADER'S NEGLIGENCE. AN LEADER IS NOT LIABLE FOR A MISTAKE OF JUDGMENT, NEGLIGENT OR OTHERWISE. A LEADER IS LIABLE FOR HIS OR HER 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. ANY RIGHT TO INDEMNIFICATION PROVIDED HEREIN SHALL NOT BE EXCLUSIVE OF ANY OTHER RIGHTS TO WHICH A LEADER, OR FORMER LEADER, MAY BE ENTITLED. THE ASSOCIATION MAY MAINTAIN GENERAL LIABILITY AND DIRECTORS' AND OFFICERS' LIABILITY INSURANCE TO FUND THIS OBLIGATION. ADDITIONALLY, THE ASSOCIATION MAY INDEMNIFY A PERSON WHO IS OR WAS AN EMPLOYEE, TRUSTEE, AGENT, OR ATTORNEY OF THE ASSOCIATION, AGAINST ANY LIABILITY ASSERTED AGAINST HIM AND INCURRED BY HIM IN THAT CAPACITY AND ARISING OUT OF THAT CAPACITY. This right to indemnification does not exclude any other rights to which present or former Leaders may be entitled. The Association will maintain adequate general liability and directors and officers liability insurance to fund this obligation, to the extent such insurance is reasonably available. The provisions of this Section 7.7 may not be modified or amended without the express written consent of Declarant.

7.8. OBLIGATIONS OF OWNERS. Without limiting the obligations of Owners under the Documents, each Owner has the following obligations:

7.8.1. Information. Within 30 days after acquiring an interest in a Lot, within 30 days after the Owner has notice of a change in any information required by this Subsection, and on request by the Association from time to time, an Owner will provide the Association with the following information: (1) a copy of the recorded deed by which Owner has title to the Lot; (2) the Owner's address, phone number, and driver's license number, if any; (3) any mortgagee's name, address, and loan number; (4) the name and phone number of any Resident other than the Owner; (5) the name, address, and phone number of Owner's managing agent, if any.

7.8.2. Pay Assessments. Each Owner will pay assessments properly levied by the Association against the Owner or his Lot, and will pay regular assessments without demand by the Association.

7.8.3. Comply. Each Owner will comply with the Documents as amended from time to time.

7.8.4. Reimburse. Each Owner will pay for damage to the Property caused by the negligence or willful misconduct of the Owner, a Resident of the Owner's Lot, or the Owner or Resident's family, guests, employees, contractors, agents, or invitees.



7.8.5. Liability. Each Owner is liable to the Association for violations of the Documents by the Owner, a Resident of the Owner's Lot, or the Owner or Resident's family, guests, employees, agents, or invitees, and for costs incurred by the Association to obtain compliance, including attorney's fees whether or not suit is filed.

7.9. TRANSFER-RELATED FEES. A number of independent fees may be charged in relation to the transfer of title to a Lot, including but not limited to fees for resale certificates, estoppel certificates, copies of Documents, compliance inspections, ownership record changes, and priority processing, provided the fees are customary in amount, kind, and number for the local marketplace. Transfer-related fees are not refundable and may not be regarded as a prepayment of or credit against regular or special assessments. Transfer-related fees do not apply to the following transfers unless a party to the transfer requests the corresponding documentation: (1) foreclosure of a deed of trust lien, tax lien, or the Association's assessment lien; (2) transfer to, from, or by the Association; (3) voluntary transfer by an Owner to one or more co-Owners, or to the Owner's spouse, child, or parent. Transfer-related fees may be charged by the Association or by the Association's managing agent, provided there is no duplication of fees. Transfer-related fees charged by or paid to a managing agent must have the prior written approval of the Association, are not subject to the Association's assessment lien, and are not payable by the Association. This Section does not obligate the Board or the manager to levy transfer-related fees. The Association or its agents may, and probably will, charge a reasonable and necessary fee in connection with preparation of the resale certificate not to exceed \$375.00 to cover its administrative costs or otherwise to assemble, copy and deliver the resale certificate, and may charge a reasonable and necessary fee in connection with preparation of any update to the resale certificate not to exceed \$75.00, which fee(s), as applicable, must be paid upon the earlier of (i) delivery of the resale certificate to an Owner, or (ii) the Owner's closing of the sale or transfer of his/her Residence or Lot. Declarant is exempt from any and all resale certificate fees. Resale certificates shall be delivered by the Association or managing agent in any event within five (5) days after the second request delivered by an Owner to the Association via certified mail, return receipt requested, or via hand delivery with evidence of receipt by the Association.

7.10 OBLIGATION OF BUILDERS. Without limiting the obligations of Builder under this Document, each Builder agrees to comply with the obligations of the builders of single family dwellings on Lots within the Property regarding the marketing of telecommunication services by Southwestern Bell Telephone, L.P. pursuant to that certain Contract for Marketing Services For Single Family Units in SWBT entered into by Declarant. In the event that any Builder fails to so comply, each Builder shall pay Declarant as an individual assessment \$150.00 per Lot owned by such Builder within the Property.

7.11 RIGHT OF ACTION BY ASSOCIATION. . Notwithstanding anything contained in the Documents, the Association shall not have the power to institute, defend, intervene in, settle or compromise litigation, arbitration, or administrative proceedings: (1) in the name of or on behalf of or against any Owner (whether one or more); or (2) pertaining to a Claim, as defined in Section 16.1.1 below, relating to the design or construction of improvements on a Lot (whether one or more), including Residences. Notwithstanding anything contained in the Documents, this Section 7.11 may not be amended or modified without Declarant's written and acknowledged consent, and Members entitled to cast at least one hundred percent (100%) of the total number of votes of the Association, which must be part of the recorded amendment instrument.

## **ARTICLE 8**

### **COVENANT FOR ASSESSMENTS**

8.1. PURPOSE OF ASSESSMENTS. The Association will use assessments for the general purposes of preserving and enhancing the Property, and for the common benefit of Owners and Residents,

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. The purposes for which Assessments may be used to fund the costs and expenses of the Association (the "Common Expenses") in performing or satisfying any right, duty or obligation of the Association hereunder or under any of the Documents, including, without limitation, maintaining, operating, managing, repairing, replacing or improving the Common Area or any improvements thereon; mowing grass and maintaining grades and signs; paying legal fees and expenses incurred in enforcing this Declaration; paying expenses incurred in collecting and administering Assessments; paying insurance premiums for liability and fidelity coverage for the ACC, the Board and the Association; paying operational and administrative expenses of the Association; and satisfying any indemnity obligation under the Documents. If made in good faith, the Board's decision with respect to the use of assessments is final.

8.2. **PERSONAL OBLIGATION.** An Owner is obligated to pay assessments levied by the Board against the Owner or his Lot. An Owner makes payment 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 Area or by abandonment of his Lot. An Owner's obligation is not subject to offset by the Owner, nor is it contingent on the Association's performance of the Association's duties. Payment of assessments is both a continuing affirmative covenant personal to the Owner and a continuing covenant running with the Lot.

**IF YOU OWN A POLO RIDGE LOT, YOU MUST  
PAY ASSESSMENTS TO THE ASSOCIATION.**

8.3. **CONTROL FOR ASSESSMENT INCREASES.** This Section of the Declaration may not be amended without the approval of Owners representing at least two-thirds of the total allocated votes, and written consent of Declarant during the Development Period. In addition to other rights granted to Owners by this Declaration, Owners have the following powers and controls over the Association's budget:

8.3.1. **Increases during Development Period.** During the Development Period, Declarant may increase any assessments, including regular assessments, special assessments and/or any deficiency assessments, without consent or approval of any Owners or Members of the Association.

8.3.2. **Increases after expiration of the Development Period.** From and after the expiration of the Development Period, Assessments may be increased by the Owners as follows:

8.3.2.1. **Veto Increased Dues.** At least 30 days prior to the effective date of an increase in regular assessments, the Board will notify an Owner of each Lot of the amount of, the budgetary basis for, and the effective date of the increase. The increase will automatically become effective unless Owners representing at least a majority of the total allocated votes disapprove the 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.

8.3.2.2. **Veto Special Assessment.** At least 30 days prior to the effective date of a special assessment, the Board will notify an Owner of each Lot of the amount of, the budgetary basis for, and the effective date of the special assessment. The special assessment will automatically

become effective unless Owners representing at least a majority of the total allocated votes disapprove the special assessment by petition or at a meeting of the Association.

8.4. TYPES OF ASSESSMENTS. There are 4 types of assessments: Regular, Special, Individual, and Deficiency.

8.4.1. Regular Assessments. Regular assessments shall initially be **Nine Hundred and No/100 Dollars (\$900.00)** annually per Lot and are based on the annual budget, subject to annual increases in accordance with the terms of this Declaration. Each Lot is liable for the regular assessments levied by the Association against such Lot. 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. If during the course of a year the Declarant or the Board (as the case may be) determines that regular assessments are insufficient to cover the estimated Common Expenses for the remainder of the year, the Declarant during the Development Period and the Board thereafter may increase regular assessments for the remainder of the fiscal year in an amount that covers the estimated deficiency. 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 Area in accordance with this Declaration, the Documents and the Community Standard.
- b. Utilities billed to the Association in accordance with this Declaration, the Documents and the Community Standard.
- c. Services billed to the Association and serving all Lots.
- d. Taxes on property owned by the Association and the Association's income taxes.
- e. Management, legal, accounting, auditing, and professional fees for services to the Association.
- f. Costs of operating the Association, such as telephone, postage, office supplies, printing, meeting expenses, and educational opportunities of benefit to the Association.
- g. Premiums and deductibles on insurance policies and bonds deemed by the Board to be necessary or desirable for the benefit of the Association, including fidelity bonds and directors and officers liability insurance.
- h. Contributions to the reserve funds.
- i. Any other expense which the Association is required by law or the Documents to pay, or which in the opinion of the Board is necessary or proper for the operation and maintenance of the Property or for enforcement of the Documents.

8.4.2. Special Assessments. In addition to regular assessments, and subject to the Owners' control for assessment increases, the Declarant during the Development Period and thereafter the Board may levy one or more special assessments against all Lots for the purpose of defraying, in

whole or in part, Common Expenses not anticipated by the annual budget or reserve funds. Special assessments levied by Declarant during the Development Period do not require the approval of the Owners. Special Assessments levied by the Board after the expiration of the Development Period do not require approval of the Owners, except that special assessments for the following purposes must be approved (1) if at a meeting of the Association, by Owners representing at least a majority of the votes present at the meeting, or (2) if by petition or in writing, by Owners representing at least a majority of the total allocated votes:

- a. Acquisition of real property, other than the purchase of a Lot at the sale foreclosing the Association's lien against the Lot.
- b. Construction of additional improvements within the Property, but not replacement of original 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.

8.4.3. Individual Assessments. In addition to regular and special assessments, the Declarant during the Development Period or at any time the Board may levy an individual assessment against a Lot 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 Lot into compliance with the Documents or the Community Standard; fines for violations of the Documents; insurance deductibles; transfer-related fees and resale certificate fees; fees for estoppel letters and project documents; reimbursement for damage or waste caused by willful or negligent acts; Common Expenses that benefit fewer than all of the Lots, which may be assessed according to benefit received; fees or charges levied against the Association on a per-Lot basis; and "pass through" expenses for services to Lots provided through the Association and which are equitably paid by each Lot according to benefit received.

8.4.4. Deficiency Assessments. The Declarant during the Development Period and thereafter the Board may levy a deficiency assessment against all Lots for the purpose of defraying, in whole or in part, (i) the cost of repair or restoration if insurance proceeds or condemnation awards prove insufficient, and/or (ii) a shortfall between assessments collected by the Association and the expenses of the Association.

The provisions of this Section 8.4 may not be modified or amended without the express written consent of Declarant.

8.5. BASIS & RATE OF ASSESSMENTS. The basis for calculating each Lot's liability for Common Expenses is provided in Article 4 of this Declaration. Notwithstanding anything that may be contained in this Declaration to the contrary, a Lot that is owned by Declarant during the Development Period is eligible for the assessment exemption in Appendix B. Also, as provided in Section B.2.4. of Appendix B, during the Declarant Control Period only, Declarant has the right but not the duty to reduce or waive the assessment obligation of a Builder, provided the agreement is in writing. Any Builder acquiring a Lot shall pay the minimum of one (1) full year's Assessments at the time of Lot Purchase.

8.6. ANNUAL BUDGET. The Board will prepare and approve an estimated annual budget for each fiscal year at an open meeting of the Board held in accordance with requirements under Section 209.0051 of the Texas Property Code and the Bylaws. The budget will take into account the estimated income and 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 Lot, 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.

8.7. DUE DATE. The Board may levy regular assessments on any periodic basis - annually, semi-annually, quarterly, or monthly. Regular assessments are due on the first day of the period for which levied. Special and individual assessments are due on the date stated in the notice of assessment or, if no date is stated, within 10 days after notice of the assessment is given. Assessments are delinquent if not received by the Association on or before the due date. The Association shall notify each Owner of the Regular Assessments for the ensuing year by December 31st of the preceding year, but failure to give such notice shall not relieve any Owner from its obligation to pay Assessments. Any Assessment not paid within ten (10) days of the date due shall be delinquent and shall thereafter be subject to interest at the rate of twelve percent (12%) per annum or the maximum rate permitted by Applicable Law, whichever is less, at the discretion of the Board, (the "Default Interest Rate") as well as late and collection fees. As to any partial year, Assessments on any Lot shall be appropriately prorated

8.8. RESERVE FUNDS. The Association may establish, maintain, and accumulate reserves for operations and for replacement and repair. The Association must budget for reserves and may fund reserves out of regular assessments.

.8.1. Operations Reserves. The Association will endeavor to maintain operations reserves at a level determined by the Board to be 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. Operation reserves may be funded from Assessments collected by the Association.

8.8.2. Replacement & Repair Reserves. From and after the Declarant Control Period, the Association will maintain replacement and repair reserves at a level that anticipates the scheduled replacement or major repair of components of the Common Area. During the Declarant Control Period, the Association will have no obligation to maintain replacement and repair reserves.

8.9. 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 present at a meeting of 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 Owners hereunder.

8.10. LIMITATIONS OF INTEREST. The Association, and its officers, directors, managers, and attorneys, intend to conform strictly to the applicable usury laws of the State of Texas. Notwithstanding anything to the contrary in the Documents or any other document or agreement executed or made in connection with the Association's collection of assessments, the Association will not in any event be entitled to receive or collect, as interest, a sum greater than the maximum amount permitted by applicable law. If from any circumstances whatsoever, the Association ever receives, collects, or applies as interest a sum in

excess of the maximum rate permitted by law, the excess amount will be applied to the reduction of unpaid special and regular assessments, or reimbursed to the Owner if those assessments are paid in full.

**ARTICLE 9**  
**ASSESSMENT LIEN**

9.1. **ASSESSMENT LIEN.** Each Owner, by accepting an interest in or title to a Lot, whether or not it is so expressed in the instrument of conveyance, covenants and agrees to pay assessments to the Association. Each assessment is a charge on the Lot and is secured by a continuing lien on the Lot. 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 Lot.

9.2. **SUPERIORITY OF ASSESSMENT LIEN.** The assessment lien is superior to all other liens and encumbrances on a Lot, except only for (1) real property taxes and assessments levied by governmental and taxing authorities, (2) a deed of trust or vendor's lien recorded before this Declaration, (3) a recorded deed of trust lien securing a loan for construction of the original dwelling, and (4) a first or senior 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 subordinate and inferior to a recorded deed of trust lien that secures a first or senior purchase money mortgage, an FHA-insured mortgage, or a VA-guaranteed mortgage.

9.3. **EFFECT OF MORTGAGEE'S FORECLOSURE.** Foreclosure of a superior lien extinguishes the Association's claim against the Lot for unpaid assessments that became due before the sale, but does not extinguish the Association's claim against the former Owner. The purchaser at the foreclosure sale of a superior lien 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 an Association expense.

9.4. **NOTICE AND RELEASE OF NOTICE.** The Association's lien for assessments is created by recordation of this Declaration, which constitutes record notice and perfection of the lien. No other recordation of a lien or notice of lien is required. However, the Association, at its option, may cause a notice of the lien to be recorded in the Real Property Records of the county in which the Lot is located. If the debt is cured after a notice has been recorded, the Association will record a release of the notice at the expense of the curing Owner.

9.5. **POWER OF SALE.** By accepting an interest in or title to a Lot, each Owner grants to the Association a private power of nonjudicial sale in connection with the Association's assessment lien. The Board may appoint, from time to time, any person, including an officer, agent, trustee, substitute trustee, or attorney, to exercise the Association's lien rights on behalf of the Association, including the power of sale. The appointment must be in writing and may be in the form of a resolution recorded in the minutes of a Board meeting.

**Yes, the HOA *can* foreclose!**  
If you fail to pay assessments to the Association, you may lose title to your home  
if the Association forecloses its assessment lien against your lot.

9.6. **FORECLOSURE OF LIEN.** The assessment lien may be enforced by judicial or nonjudicial foreclosure. A foreclosure must comply with the requirements of Chapter 209 of the Texas Property Code. A nonjudicial 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, subject to applicable provisions of the bylaws and the requirements of Chapter 209 of the Texas Property Code. The Association has the power to bid on the Lot at foreclosure sale and to acquire, hold, lease, mortgage, and convey same. The Association may not foreclose the assessment lien if the debt consists solely of fines and/or a claim for reimbursement of attorney's fees incurred by the Association.

**ARTICLE 10**  
**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 Association, acting through the Board, is responsible for taking action to collect delinquent assessments. The Association's exercise of its remedies is subject to applicable laws, such as Chapter 209 of the Texas Property Code, and pertinent provisions of the bylaws. From time to time, the Association may delegate some or all of the collection procedures and remedies, as the Board in its sole discretion deems appropriate, to the Association's manager, an attorney, or a debt collector. 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 which the Association has.

10.1. 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 18 percent or the maximum permitted by law. If the Board fails to establish a rate, the rate is 10 percent per annum.

10.2. LATE FEES. Delinquent assessments are subject to reasonable late fees, at a rate to be determined by the Board from time to time.

10.3. COSTS OF COLLECTION. The Owner of a Lot 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 attorneys' fees and processing fees charged by the manager. The Declarant, during the Development Period, the Association through its Board, or the Association's managing agent may report delinquent Owners to a credit reporting agency only if:

- (a) The delinquency is not the subject of a pending dispute between the Owner and the Association; and
- (b) at least thirty (30) business days before reporting to a credit reporting service, the Association sends, via certified mail, hand delivery, electronic delivery, or by other delivery means acceptable between the delinquent Owner and the Association, a detailed report of all delinquent charges owed; and
- (c) the delinquent Owner has been given the opportunity to enter into a payment plan.

The Association may not charge a fee for the reporting of an Owner to any credit reporting agency of the delinquent payment history of assessments, fines, and fees of such Owner to a credit reporting service.

10.4. ACCELERATION. If an Owner defaults in paying an assessment that is payable in installments, the Association may accelerate the remaining installments on 10 days' written notice to the defaulting Owner. The entire unpaid balance of the assessment becomes due on the date stated in the notice.

10.5. **SUSPENSION OF USE AND VOTE.** If an Owner's account has been delinquent for at least 30 days, the Association may (subject to prior notice of suspension delivered to such Owner via certified mail) suspend the right of Owners and Residents to use Common Areas and common services during the period of delinquency and subject to prior notice of such suspension delivered to such Owner and/or Residents via certified mail. The Association may also suspend the right to vote appurtenant to the Lot to the extent permitted under applicable law. Suspension does not constitute a waiver or discharge of the Owner's obligation to pay assessments. **Notwithstanding the foregoing or anything to the contrary contained herein, for as long as required under the Texas Residential Property Owners Protection Act, as amended from time to time (Texas Property Code, Section 209.001 et seq.), nothing contained in this Section shall prohibit a Member's vote from being exercised by such Member to elect directors of the Board on matters that affect such Member's rights or responsibilities with respect to the Lot owned by it, at any meeting of or action taken by the Members of the Association at any meeting.**

10.6. **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's lien for assessments.

10.7. **NOTICE TO MORTGAGEE.** The Association may notify and communicate with the holder of any lien against a Lot regarding the Owner's default in payment of assessments.

10.8. **FORECLOSURE OF ASSESSMENT LIEN.** As provided by this Declaration, the Association may foreclose its lien against the Lot by judicial or nonjudicial means.

10.9. **APPLICATION OF PAYMENTS.** The Board may adopt and amend policies regarding the application of payments. The Association may refuse to accept partial payment, i.e., less than the full amount due and payable. The Association 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 policy may provide that endorsement and deposit of a payment does not constitute acceptance by the Association, and that acceptance occurs when the Association posts the payment to the Lot's account.



**ARTICLE 11**  
**ENFORCING THE DOCUMENTS**

11.1. **NOTICE AND HEARING.** Before the Association may exercise many of its remedies for a violation of the Documents or damage to the Property, the Association must give an Owner written notice and an opportunity for a hearing, according to the requirements and procedures in the bylaws and in Chapter 209 of the Texas Property Code. Notices are also required before an Owner is liable to the Association for certain charges, including reimbursement of attorneys fees incurred by the Association. Only one (1) notice with an opportunity of at least ten (10) days to cure such failure shall be required for most violations (no second or additional notices shall be required) except prior notice is not required with respect to entry onto a Lot by the Association to cure violations that are an emergency or hazardous in nature or pose a threat or nuisance to the Association or another Owner and no cure period shall be required for (1) any violations that are uncurable, or (2) a violation for which an Owner has been previously given notice of and the opportunity to cure in the preceding six (6) months. Uncurable violations include shooting fireworks, an act constituting a threat to health or safety; a noise violation that is not ongoing; property damage, including the removal or alteration of landscape; and holding a garage sale or other event prohibited by a dedicatory instrument. Examples of curable violations include a parking violation; a maintenance violation; the failure to construct improvements or modifications in accordance with approved plans and specifications; and an ongoing noise violation such as a barking dog. No notice to an Owner shall be required (A) if a suit is filed by the Association against an Owner seeking temporary restraining order or temporary injunctive relief, or if the Association files a suit against an Owner including foreclosure as a cause of action, or (B) with regard to a temporary suspension of a person's right to use Common Areas if the temporary suspension is the result of a violation that occurred in a Common Area and involved a significant and immediate risk of harm to others in the Subdivision. Not later than ten (10) days before the Association holds a hearing under Chapter 209 of the Texas Property Code, the Association shall provide to an Owner a packet containing all documents, photographs, and communications relating to the matter the Association intends to introduce at the hearing; failing which the Owner is entitled to a fifteen (15) day postponement of the hearing. During the hearing, the Association (through a member of the Board of designated representative) shall first present the Association's case against the Owner. An Owner or its designated representative is then entitled to present the Owner's information and issues relevant to the appeal or dispute.

**STATE LAW APPLIES**  
**to many of the Association's enforcement rights and remedies. Please**  
**consult Chapter 209 of the Texas Property Code.**

11.2. **REMEDIES.** The remedies provided in this Article for breach of the Documents are cumulative and not exclusive. In addition to other rights and remedies provided by the Documents and by law, the Association has the following right to enforce the Documents, subject to applicable notice and hearing requirements:

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

11.2.2. **Fine.** The Association may levy reasonable charges, as an individual assessment, against an Owner and his Lot if the Owner or Resident, or the Owner or Resident's family, guests, employees, agents, or contractors violate a provision of the 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 Documents. The Association must notice an Owner via certified mail prior to levying any fine or charges against such Owner.

11.2.3. Suspension. The Association may suspend the right of Owners and Residents to use Common Areas for any period during which the Owner or Resident, or the Owner or Resident's family, guests, employees, agents, or contractors violate the Documents. A suspension does not constitute a waiver or discharge of the Owner's obligations under the Documents. The Association must notice an Owner via certified mail prior to suspending an Owners or rights to use Common Areas.

11.2.4. Self-Help. The Association has the right to enter any part of the Property, including Lots, to abate or remove, using force as may reasonably be necessary, any erection, thing, animal, person, vehicle, or condition that violates the 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 Lot and Owner as an individual assessment. Unless an emergency situation is deemed to exist in the good faith opinion of the Board, the Board will give the violating Owner 72-Hours' notice of its intent to exercise self-help.

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

11.3. BOARD DISCRETION. The Board may use its sole discretion in determining whether to pursue a violation of the Documents, provided the Board does not act in an arbitrary or capricious manner. In evaluating a particular violation, the Board may determine that under the particular circumstances (1) the Association's position is not sufficiently strong to justify taking any or further action; (2) the provision being enforced is or may be construed as inconsistent with applicable law; (3) although a technical violation may exist, it is not of such a material nature as to be objectionable to a reasonable person or to justify expending the Association's resources; or (4) that enforcement is not in the Association's best interests, based on hardship, expense, or other reasonable criteria.

11.4. NO WAIVER. The Association and every Owner has the right to enforce all restrictions, conditions, covenants, liens, and charges now or hereafter imposed by the Documents. Failure by the Association or by any Owner to enforce a provision of the Documents is not a waiver of the right to do so thereafter. If the Association does waive the right to enforce a provision, that waiver does not impair the Association's right to enforce any other part of the Documents at any future time. No officer, director, or member of the Association is liable to any Owner for the failure to enforce any of the Documents at any time.

11.5. RECOVERY OF COSTS. The costs of curing or abating a violation are at the expense of the Owner or other person responsible for the violation. If legal assistance is obtained to enforce any provision of the Documents, or in any legal proceeding (whether or not suit is brought) for damages or for the enforcement of the Documents or the restraint of violations of the Documents, the prevailing party is entitled to recover from the non-prevailing party all reasonable and necessary costs incurred by it in such action, including without limitation reasonable attorneys' fees, court costs, expert witness fees, consultant fees, and paralegal fees.

**ARTICLE 12**  
**MAINTENANCE AND REPAIR OBLIGATIONS**

12.1. 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 on Lots or Common Areas. Maintenance shall be in a manner consistent with the Community Standard and the Documents.

- a. The Common Areas.
- b. Any real and personal property owned by the Association but which is not a Common Area, such as a house Lot owned by the Association.
- c. Any area, item, easement, or service - the maintenance of which is assigned to the Association by this Declaration or by the Plat.

12.2. OWNER RESPONSIBILITY. Every Owner has the following responsibilities and obligations for the maintenance, repair, and replacement of the Property in compliance with the Documents and in accordance with the Community Standard:

12.2.1. House Maintenance. Each Owner, at the Owner's expense, must maintain all improvements on the Lot, including but not limited to the dwelling, fences, sidewalks, and driveways. Maintenance includes preventative maintenance, repair as needed, and replacement as needed. Each Owner is expected to maintain his Lot's improvements at a level, to a standard, and with an appearance that is in compliance with the Documents and commensurate with the Community Standard. Specifically, each Owner must repair and replace worn, rotten, deteriorated, and unattractive materials, and must regularly repaint all painted surfaces.

12.2.2. Yard Maintenance. Each Owner, at the Owner's expense, must maintain the yards on his Lot at a level, to a standard, and with an appearance that is in compliance with the Documents and commensurate with the Community Standard. Specifically, each Owner must:

- a. Maintain an attractive ground cover or lawn on all yards visible from a street.
- b. Edge the street curbs at regular intervals.
- c. Mow the lawns and grounds at regular intervals.
- d. Prevent lawn weeds or grass from exceeding 6 inches in height.
- e. Not plant vegetable gardens that are visible from a street.
- f. Maintain an attractive appearance for shrubs and trees visible from a street or alley.

12.2.3. Avoid Damage. An Owner may 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 of the Property, adversely affect the appearance of the Property, or impair any easement relating to the Property.

12.2.4. Responsible for Damage. An Owner is responsible for his own willful or negligent acts and those of his or the Resident's family, guests, agents, employees, or contractors when those acts necessitate maintenance, repair, or replacement to the Common Areas or the property of another Owner.

12.3. **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 Lot. In case of an 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.

**ARTICLE 13**  
**INSURANCE**

13.1. **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. The cost of insurance coverages and bonds maintained by the Association is an expense of the Association. 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 Association must be the named insured on all policies obtained by the Association. Each Owner irrevocably appoints the Association, acting through its Board, as his trustee to negotiate, receive, administer, and distribute the proceeds of any claim against an insurance policy maintained by the Association. Additionally:

13.1.1. **Notice of Cancellation or Modification.** Each insurance policy maintained by the Association should contain a provision requiring the insurer to give at least 10 days' prior written notice to the Board before the policy may be canceled, terminated, materially modified, or allowed to expire, by either the insurer or the insured.

13.1.2. **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 Resident or their invitees, the Owner must reimburse the Association for the amount of the deductible that is attributable to the act or omission.

13.2. **PROPERTY.** To the extent it is reasonably available, the Association will obtain blanket all-risk insurance for insurable Common Area improvements. If blanket all-risk insurance is not reasonably available, then the Association will obtain an insurance policy providing fire and extended coverage. Also, the Association will insure the improvements on any Lot owned by the Association.

The Association does NOT insure the individual houses or their contents.

13.3. **GENERAL LIABILITY.** The Association will maintain a commercial general liability insurance policy over the Common Areas - expressly excluding the liability of each Owner and Resident within his Lot -for bodily injury and property damage resulting from the operation, maintenance, or use of the Common Areas. 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.

13.4. DIRECTORS & OFFICERS LIABILITY. To the extent it is reasonably available, the Association will 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.

13.5. OTHER COVERAGES. The Association may maintain any insurance policies and bonds deemed by the Board to be necessary or desirable for the benefit of the Association, including but not limited to worker's compensation insurance, fidelity coverage, and any insurance and bond requested and required by an Underwriting Lender for planned unit developments as long as an Underwriting Lender is a mortgagee or an Owner.

13.6. OWNER'S RESPONSIBILITY FOR INSURANCE. Each Owner will obtain and maintain fire and extended coverage on all the improvements on his Lot, in an amount sufficient to cover 100 percent of the replacement cost of any repair or reconstruction in event of damage or destruction from any insured hazard. Further, each Owner will obtain and maintain general liability insurance on his Lot. Each Owner will provide the Association with proof or a certificate of insurance on request by the Association from time to time. If an Owner fails to maintain required insurance, or to provide the Association with proof of same, the Board may obtain insurance on behalf of the Owner who will be obligated for the cost as an individual assessment. The Board may establish additional minimum insurance requirements, including types and minimum amounts of coverage, to be individually obtained and maintained by Owners if the insurance is deemed necessary or desirable by the Board to reduce potential risks to the Association or other Owners. Each Owner and Resident is solely responsible for insuring his personal property in his dwelling and on the Lot, including furnishings, vehicles, and stored items.

#### **ARTICLE 14** **MORTGAGEE PROTECTION**

14.1. INTRODUCTION. This Article establishes certain standards for the benefit of Mortgagees, as defined below. Also, if the FHA Financing Requirements are attached to this declaration as an appendix, those requirements are incorporated herein by reference. If a Mortgagee requests from the Association compliance with the guidelines of an Underwriting Lender, the Board, without approval of Owners or mortgagees, may amend this Article and other provisions of the Documents, as necessary, to meet the requirements of the Underwriting Lender. This Article is supplemental to, not a substitution for, any other provision of the Documents. In case of conflict, this Article controls. As used in this Article, a "**Mortgagee**" is a holder, insurer, or guarantor of a purchase money mortgage secured by a recorded senior or first deed of trust lien against a Lot. Some sections of this Article apply to all known Mortgagees. Other sections apply to "**Eligible Mortgagees**," as defined below.

14.1.1. Known Mortgagees. An Owner who mortgages his Lot will notify the Association, giving the complete name and address of his mortgagee and the loan number. An Owner will also provide that information on request by the Association from time to time. The Association's obligations to mortgagees under the 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 liens on Lots. The Association may rely on the information provided by Owners and mortgagees.

14.1.2. Eligible Mortgagees. "**Eligible Mortgagee**" means a mortgagee that submits to the Association a written notice containing its name and address, the loan number, the identifying number and street address of the mortgaged Lot, and the types of actions for which the Eligible Mortgagee

requests timely notice. A single notice per Lot will be valid so long as the Eligible Mortgagee holds a mortgage on the Lot. The Board will maintain this information. A representative of an Eligible Mortgagee may attend and address any meeting which an Owner may attend.

14.2. MORTGAGEE RIGHTS.

14.2.1. Termination. An action to terminate the legal status of the Property after substantial destruction or condemnation must be approved by at least 51 percent of Eligible Mortgagees, in addition to the required consents of Owners. An action to terminate the legal status for reasons other than substantial destruction or condemnation must be approved by at least two-thirds of Eligible Mortgagees. The approval of an Eligible Mortgagee is implied when the Eligible Mortgagee fails to respond within 30 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.

14.2.2. Inspection of Books. Mortgagees may inspect the Association's books and records, including the Documents, by appointment, during normal business hours.

14.2.3. Financial Statements. If a Mortgagee so requests, the Association will give the Mortgagee an audited statement for the preceding fiscal year within 120 days after the Association's fiscal year-end. A Mortgagee may have an audited statement prepared at its own expense.

14.2.4. Right of First Refusal. Any right of first refusal imposed by the Association with respect to a lease, sale, or transfer of a Lot does not apply to a lease, sale, or transfer by a Mortgagee, including transfer by deed in lieu of foreclosure or foreclosure of a deed of trust lien.

14.3. INSURANCE POLICIES. If an Underwriting Lender is a Mortgagee or an Owner, at the request of the Underwriting Lender the Association will comply with the Underwriting Lender's insurance requirements to the extent the requirements are reasonable and available, and do not conflict with other insurance requirements of this Declaration.

**ARTICLE 15**  
**AMENDMENTS**

15.1. CONSENTS REQUIRED. As permitted by this Declaration, certain amendments of this Declaration may be executed by Declarant alone, or by the Board alone. Otherwise, amendments to this Declaration must be approved by Owners of at least a majority of the Lots and by Owners representing at least a majority of the total allocated votes.

15.2. METHOD OF AMENDMENT. For an amendment that requires the approval of Owners, 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 Lot the substance if not exact wording of the proposed amendment, a description of the effect of the proposed amendment, and an opportunity to vote for or against the proposed amendment. In any event, this Declaration may be amended by written instrument recorded in the Real Property Records approved by affirmative vote of Members holding at least sixty-seven percent (67%) of all votes of Members of the Association taken at a meeting of Members duly called at which quorum is present (or by written consent of Members holding at least sixty-seven percent (67%) of all votes of Members in lieu of a vote of Members); provided such amendment is additionally approved in writing by Declarant during the Development Period.

15.3. **EFFECTIVE.** To be effective, an amendment must be in the form of a written instrument (1) referencing the name of the Property, the name of the Association, and the recording data of this Declaration and any amendments hereto; (2) signed and acknowledged by an officer of the Association, certifying the requisite approval of Owners and, if required, Eligible Mortgagees; and (3) recorded in the Real Property Records of every county in which the Property is located.

15.4. **DECLARANT PROVISIONS.** No amendment may affect Declarant's rights under this Declaration without Declarant's written and acknowledged consent, which must be part of the recorded amendment instrument. Further, and without regard to whether or not the Declarant has been released from obligations and duties to the Association, during the Development Period or so long as the Declarant holds record title to at least one (1) Lot and holds same for sale in the ordinary course of business, neither the Association nor its Board, nor any member of the Association nor Owner shall take any action that will impair or adversely affect the rights of the Declarant or cause the Declarant to suffer any financial, legal or other detriment, including but not limited to, any direct or indirect interference with the sale of Lots. In the event there is a breach of this Section, it is acknowledged that any monetary award which may be available would be an insufficient remedy and therefore, in addition to all other remedies, the Declarant shall be entitled to injunctive relief restraining the Association, its Board or any member of the Association from further breach of this Section. This Section may not be amended without Declarant's written and acknowledged consent.

15.5. **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 a majority of the total allocated votes. Upon a 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 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.

15.6. **TERMINATION.** Termination of the terms of this Declaration and the status of the Property as a planned unit development are according to the following provisions. In the event of substantially total damage, destruction, or public condemnation of the Property, an amendment to terminate must be approved by Owners of at least two-thirds of the Lots and by Owners representing at least two-thirds of the total allocated votes. In the event of public condemnation of the entire Property, an amendment to terminate may be executed by the Board without a vote of Owners. In all other circumstances, an amendment to terminate must be approved by Owners of at least 80 percent of the Lots and by Owners representing at least 80 percent of the total allocated votes.

15.7. **CONDEMNATION.** In any proceeding, negotiation, settlement, or agreement concerning condemnation of the Common Area, the Association will be the exclusive representative of the Owners. The Association may use condemnation proceeds to repair and replace any damage or destruction of the Common Area, real or personal, caused by the condemnation. Any condemnation proceeds remaining after completion, or waiver, of the repair and replacement will be deposited in the Association's reserve funds.

**ARTICLE 16**  
**DISPUTE RESOLUTION**

16.1. **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:

16.1.1. "**Claim**" means any claim, grievance, or dispute between Parties involving the Properties, 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 Documents.
- b. Claims relating to the rights and/or duties of Declarant as Declarant under the Documents.
- c. Claims relating to the design, construction, or maintenance of the Property.

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

16.1.3. "**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 provisions 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 to toll the statute of limitations as to the Claim for the period reasonably necessary to comply with this Article.

16.1.4. "**Respondent**" means the Party against whom the Claimant has a Claim.

16.2. **MANDATORY PROCEDURES.** Claimant may not file suit in any court or initiate any proceeding before any administrative tribunal or court seeking redress or resolution of its Claim until Claimant has complied with the procedures of this Article. A Claimant, whether Owner or the Association, may not consolidate any Claims or bring a Claim on behalf of any class; provided however, a Respondent may join or add additional parties to a Claim as may be allegedly responsible in whole or in any part for matters which are the subject of such Claims.



16.3. 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 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.

16.4. NEGOTIATION. Claimant and Respondent will make every reasonable effort to meet in person to resolve the Claim by good faith negotiation. Within 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.

16.5. MEDIATION. If the parties negotiate but do not resolve the Claim through negotiation within 120 days from the date of the Notice (or within such other period as may be agreed on by the parties), Claimant will have 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 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.

16.6. TERMINATION OF MEDIATION. If the Parties do not settle the Claim within 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.

16.7. 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.

16.8. ENFORCEMENT OF RESOLUTION. Any settlement of the Claim through negotiation or mediation will be documented 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, attorneys fees and court costs.

16.9. 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.

16.10. LITIGATION APPROVAL & SETTLEMENT. In addition to and notwithstanding the above alternate dispute resolution procedures, the Association may not initiate any judicial or administrative proceeding without the prior approval of Owners representing at least a majority of the total allocated votes, 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 counterclaims in a proceedings 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. Also, the Association may not initiate any judicial or administrative proceeding against Declarant without the approval of Owners representing at least a majority of the total allocated votes. The Board, on behalf of the Association and without the consent of Owners, is hereby authorized to negotiate settlement of litigation, and may execute any document related thereto, such as settlement agreements and waiver or release of claims. This Section may not be amended without the approval of Owners of at least 75 percent of the Lots.

## **ARTICLE 17** **NEIGHBORHOODS**

17.1. **PURPOSE.** At the time this Declaration is recorded, Declarant does not plan to create sub-associations within the Property. However, Declarant recognizes that the creation of Neighborhoods is sometimes desirable in large, planned communities to impose certain restrictions or standards on designated parts of the Property, or when Owners of a portion of the larger development want benefits or services that are not shared by Owners in other parts of the Property. The purpose of this Article is to provide a framework for the future creation and operation of any Neighborhood within the Property.

17.2. **DEFINITIONS.** As used in this Article and in any Neighborhood Restrictions, the following terms are defined as follows:

17.2.1. **"Neighborhood Assessments"** means assessments levied against Lots in a particular Neighborhood or Neighborhoods to fund Neighborhood Expenses, pursuant to Neighborhood Restrictions.

17.2.2. **"Neighborhood Association"** means a property owners association, if any, created by the Neighborhood Restrictions, if any, having jurisdiction over the Neighborhood concurrent with (but subject to) the jurisdiction of the Association. Nothing in this Declaration requires the creation of any Neighborhood Association. A Neighborhood may be created without a Neighborhood Association.

17.2.3. **"Neighborhood Common Area"** means a parcel of land and/or an improvement in or adjacent to the Neighborhood, the use of which is reserved exclusively or primarily for Residents of the Neighborhood, such as a gated entrance to Neighborhood streets or a recreational amenity that is developed for Neighborhood use only.

17.2.4. **"Neighborhood Declarant"** means a person or entity that (1) acquires Lots within a Neighborhood for development or sale, (2) is designated as the Neighborhood Declarant in writing by Declarant, and (3) consents in writing to assume the Neighborhood Declarant duties and obligations with respect to the Lots acquired. There may be only one Neighborhood Declarant per Neighborhood, and a Neighborhood may be created without a Neighborhood Declarant.

17.2.5. **"Neighborhood Expenses"** means the actual and estimated expenses which the Association or the Neighborhood Association incurs or expects to incur for the benefit of the Lots within the Neighborhood, which may include a reasonable reserve for repair and replacement of Neighborhood Common Areas, and reasonable administrative charges as may be authorized by this Declaration or the Neighborhood Restrictions.

17.2.6. **"Neighborhood Restrictions"** means covenants, conditions, and restrictions to which only those Lots in the Neighborhood become subject when the Neighborhood Restrictions are recorded in every county in which any portion of the Neighborhood is located. Neighborhood Restrictions may be in the form of an appendix, exhibit, amendment, or supplement of or to this Declaration, or in the form of a declaration of condominium or similar instrument. During the Development Period, Neighborhood Restrictions must have Declarant's prior review and written consent, and any attempted recordation of an instrument without Declarant's written consent is void and of no force and effect unless subsequently approved by recorded consent signed by Declarant.

17.3. **CREATING THE NEIGHBORHOOD.** Any portion of the Property may be designated as a **"Neighborhood"** pursuant to this Article. If a Neighborhood is created, the Owner of every Lot in the Neighborhood is subject to the additional restrictions, any additional assessment obligation, and any additional association membership. A Neighborhood may be created by either of the following 2 methods:

17.3.1. **By Declarant.** During the Development Period, Declarant may unilaterally create one or more Neighborhoods by subjecting a portion of the Property to Neighborhood Restrictions that are recorded with or after the annexation of the subject property, and which are signed by Declarant and the property Owner, if other than Declarant.

17.3.2. **By Association.** After the Development Period, the Association may create one or more Neighborhoods if requested in writing by Owners of at least two-thirds of the Lots in the petitioning Neighborhood. Neighborhood Restrictions that have been approved by Owners of at least two-thirds of the Lots in the Neighborhood may be executed by any 2 officers of the Association, who must certify that the necessary consents were obtained. The Neighborhood Restrictions must be recorded in every county in which any portion of the Neighborhood is located, and become effective 90 days after recording. The Association must deliver a copy of the file-marked or recorded Neighborhood Restrictions to an Owner of every Lot in the Neighborhood within 90 days after the recording date. During the Development Period, the Neighborhood Restrictions must also be approved and executed by Declarant to be effective.

## **ARTICLE 18** **GENERAL PROVISIONS**

18.1. **COMPLIANCE.** The Owners hereby covenant and agree that the administration of the Association will be in accordance with the provisions of the Documents and 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.

18.2. **HIGHER AUTHORITY.** The Documents are subordinate to federal and state law, and local ordinances. Generally, the terms of the Documents are enforceable to the extent they do not violate or conflict with local, state, or federal law or ordinance.

18.3. **NOTICES.** All demands or other notices required to be sent to an Owner or Resident by the terms of this Declaration may 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 Lot, and the Owner is deemed to have been given notice whether or not he actually receives it.

18.4. Intentionally Omitted.

18.5. LIBERAL CONSTRUCTION. The terms and provision of each Document are to be liberally construed to give effect to the purposes and intent of the Document. All doubts regarding a provision, including restrictions on the use or lienability of property, will be resolved in favor of the operation of the Association and its enforcement of the Documents, regardless which party seeks enforcement.

18.6. 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.

18.7. CAPTIONS. In all Documents, 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. Boxed notices are inserted to alert the reader to certain provisions and are not to be construed as defining or modifying the text.

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

- A - Description of Subject Land
- B - Declarant's Representations and Reservations
- C - Description of Additional Land Subject to Annexation
- D - Design Guidelines
- E - Consent to Declaration by Lienholder
- F - Single-Family Use Restricted Area

18.9. INTERPRETATION. Whenever used in the 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.

18.10. 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 initially for seventy-five (75) years from the date this Declaration is recorded, and shall automatically renew without any action from the Association for successive ten (10) year periods to the extent permitted by law.

18.11. ADDITIONAL RESTRICTIONS. The portion of the Property described on Appendix F attached hereto and incorporated herein by this reference for all purposes is hereby restricted to Single Family uses (excluding mobile homes and manufactured housing) provided, however, Declarant is specifically permitted to place mobile homes on such portion of the Property on a temporary basis solely in connection with MUD elections. No portion of the Property shall be used as a marina except areas which are specifically designated by Declarant for such use.

**SIGNED AND ACKNOWLEDGED**

SIGNED on this \_\_\_\_ day of \_\_\_\_\_, 2022.

**BDMR DEVELOPMENT, LLC,**  
a Texas limited liability company

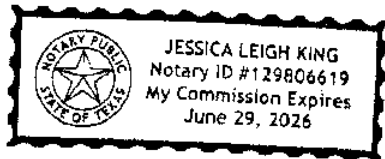
By: **MMM Ventures, LLC,**  
a Texas limited liability company  
Its Manager

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

By: *Mehrdad Moayed*  
Name: Mehrdad Moayed  
Its: Manager

THE STATE OF TEXAS :  
:  
COUNTY OF DALLAS :

This instrument was acknowledged before me on the 11<sup>th</sup> day of January, 2022<sup>3</sup> by Mehrdad Moayed, the Manager of 2M Ventures, LLC, a Delaware limited liability company, the Manager of MMM Ventures, LLC, a Texas limited liability company, the Manager of BDMR DEVELOPMENT, LLC, a Texas limited liability company, on behalf of the such limited liability company(ies) and in the capacity herein stated.



*Jessica King*  
Notary Public, The State of Texas

**APPENDIX A**  
**DESCRIPTION OF SUBJECT LAND**

**THAT CERTAIN** tract or parcel of land situated in the Andrew Nail Survey, Abstract No. 355, Kaufman County, Texas, and being part of that tract of land described in a Deed to BDMR Development, LLC, as recorded in Volume 4174, Page 548 of the Official Public Records of Kaufman County, Texas, and being more particularly described as follows:

**BEGINNING** at a 1/2 inch iron rod with red stamped "USA INC" set in the Southwesterly line of F.M. Highway No. 2757 (a variable width right-of-way), said point being the most Northerly Northeast corner of a tract of land described in a Deed to Kathlena Kelly Sanders, as recorded in Volume 1348, Page 252 of the Deed Records of Kaufman County, Texas;

**THENCE** in a Southeasterly direction, along the Southwesterly line of said F.M. Highway No. 2757, and along a non-tangent curve to the left having a central angle of 05 degrees 05 minutes 39 seconds, a radius of 5,779.58 feet, a chord bearing of South 49 degrees 06 minutes 43 seconds East, a chord distance of 513.69 feet, an arc length 513.86 feet to a concrete monument found for corner;

**THENCE** along the Southwesterly line of said F.M. Highway No. 2757 as follows:

South 51 degrees 26 minutes 10 seconds East for a distance of 215.11 feet to a concrete monument found for corner;

South 42 degrees 33 minutes 08 seconds East for a distance of 309.76 feet to a concrete monument found for corner;

South 50 degrees 17 minutes 44 seconds East for a distance of 254.13 feet to a concrete monument found for corner;

South 62 degrees 56 minutes 42 seconds East for a distance of 125.71 feet to a point for corner;

South 47 degrees 24 minutes 43 seconds East for a distance of 306.97 feet to a concrete monument found for corner;

South 53 degrees 47 minutes 02 seconds East for a distance of 101.75 feet to a concrete monument found for corner;

South 45 degrees 42 minutes 34 seconds East for a distance of 2,153.21 feet to a concrete monument found for corner;

South 45 degrees 08 minutes 12 seconds East for a distance of 1,645.37 feet to a 1/2 inch iron rod with red cap stamped "USA INC" set for corner;

**THENCE** departing the Southwesterly line of said F.M. Highway No. 2757 and crossing said BDMR Development, LLC, tract the following courses and distances:

South 44 degrees 46 minute 58 seconds West a distance of 620.00 feet to a 1/2 inch iron rod with red cap stamped "USA INC" set for corner;

South 45 degrees 13 minutes 02 seconds East a distance of 69.90 feet to a 1/2 inch iron rod with red cap stamped "USA INC" set for corner;

South 44 degrees 46 minutes 58 seconds West a distance of 455.70 feet to a 1/2 inch iron rod with red cap stamped "USA INC" set for corner;

North 45 degrees 13 minutes 02 seconds West a distance of 5.90 feet to a 1/2 inch iron rod with red cap stamped "USA INC" set for corner;

South 44 degrees 46 minutes 58 seconds West a distance 145.00 feet to a 1/2 inch iron rod with red cap stamped "USA INC" set for corner;

North 45 degrees 13 minutes 06 seconds West a distance of 222.46 feet to a 1/2 inch iron rod with red cap stamped "USA INC" set for corner, said point being at the beginning of a non-tangent curve to the left whose chord bears North 26 degrees 20 minutes 52 seconds West, a chord distance of 1,704.95 feet;

In a Northwesterly direction along said curve to the left having a central angle of 36 degrees 07 minutes 48 seconds, a radius of 2,749.08 feet, an arc length of 1,733.53 feet to a 1/2 inch iron rod with red cap stamped "USA INC" set for corner;

North 67 degrees 18 minutes 06 seconds West a distance of 204.55 feet to a 1/2 inch iron rod with red cap stamped "USA INC" set for corner;

North 45 degrees 47 minutes 24 seconds West a distance of 486.85 feet to a 1/2 inch iron rod with red cap stamped "USA INC" set for corner;

North 24 degrees 16 minutes 41 seconds West a distance of 334.55 feet to a 1/2 inch iron rod with red cap stamped "USA INC" set for corner;

North 66 degrees 26 minutes 08 seconds East a distance 119.73 feet to a 1/2 inch iron rod with red cap stamped "USA INC" set for corner, said point being at the beginning of a non-tangent curve to the left whose chord bears North 36 degrees 19 minutes 01 seconds West a chord distance of 81.60 feet;

In a Northwesterly direction along said curve to the left having a central angle of 18 degrees 47 minutes 06 seconds, a radius of 250.00 feet, an arc length of 81.96 feet to a 1/2 inch iron rod with red cap stamped "USA INC" set for corner;

North 45 degrees 42 minutes 34 seconds West a distance of 269.19 feet to a 1/2 inch iron rod with red cap stamped "USA INC" set for corner, said point being at the beginning of a tangent curve to the right whose chord bears North 34 degrees 02 minutes 50 seconds West a chord distance of 105.11 feet;

In a Northwesterly direction along said curve to the right having a central angle of 23 degrees 19 minutes 28 seconds, a radius of 260.00 feet, an arc length of 105.84 feet to a 1/2 inch iron rod with red cap stamped "USA INC" set for corner;

South 67 degrees 36 minutes 54 seconds West a distance of 160.47 feet to a 1/2 inch iron rod with red cap stamped "USA INC" set for corner;

South 17 degrees 06 minutes 09 seconds West a distance of 450.82 feet to a 1/2 inch iron rod with red cap stamped "USA INC" set for corner;

North 45 degrees 38 minutes 08 seconds West a distance of 320.67 feet to a 1/2 inch iron rod with red cap stamped "USA INC" set for corner;

South 56 degrees 38 minutes 39 seconds West a distance of 264.22 feet to a 1/2 inch iron rod with red cap stamped "USA INC" set for corner;

North 88 degrees 23 minutes 26 seconds West a distance of 872.91 feet to a 1/2 inch iron rod with red cap stamped "USA INC" set for corner;

North 66 degrees 39 minutes 33 seconds West a distance of 445.49 feet to a 1/2 inch iron rod with red cap stamped "USA INC" set for corner;

North 74 degrees 40 minutes 31 seconds West a distance of 626.89 feet to a 1/2 inch iron rod with red cap stamped "USA INC" set for corner;

South 85 degrees 37 minutes 35 seconds West a distance of 114.82 feet to a 1/2 inch iron rod with red cap stamped "USA INC" set for corner, said point being in the common Extraterritorial Jurisdiction Line of the City of Seagoville and the City of Mesquite;

**THENCE** North 00 degrees 12 minutes 38 seconds West following said Extraterritorial Jurisdiction Line a distance of 591.99 feet to a 1/2 inch iron rod with red cap stamped "USA INC" set for corner, said point being in the Southerly line of a tract of land described in Deed to George Brain Holy a recorded in Volume 1131, Page 813 of the Deed Records, Kaufman County, Texas;

**THENCE** North 44 degrees 58 minutes 09 seconds East following the southwesterly line of said Holy tract for a distance of 265.55 feet to a 5/8 inch iron rod found for corner;

**THENCE** North 40 degrees 51 minutes 56 seconds West following the Northeasterly line of said Holy tract a distance 289.04 feet to a 1/2 inch iron rod with red cap stamped "USA INC" set for corner in said Extraterritorial Jurisdiction Line;

**THENCE** North 00 degrees 12 minutes 38 seconds West following along said Extraterritorial Jurisdiction Line for a distance 286.79 feet to a 1/2 inch iron rod with red cap stamped "USA INC" set for corner in the Southwesterly line of a tract of land described in Deed to D.P. Newton, et tux as recorded in Volume 616, Page 566 of the Deed Records of Kaufman County, Texas;

**THENCE** South 73 degrees 12 minutes 11 seconds East along the Southwesterly line of said Newton tract a distance of 542.80 feet to a wooden monument found for corner;

**THENCE** South 43 degrees 24 minutes 06 seconds East along the Southwesterly line of said Newton tract, for a distance of 194.48 feet to a 3/8" inch iron rod found for corner at the most Southerly corner of same;

**THENCE** North 44 degrees 07 minutes 55 seconds East along the Southeasterly line of said Newton tract, passing a 3/8" iron rod found for the most Southerly Northeast corner of same and the most Southerly corner of the above cited Kathlena Kelly Sanders tract at a distance of 494.03 feet, and continuing along the Southeasterly line of said Sanders tract for a total distance of 683.75 feet to a 1/2" inch iron pipe found for corner at the most Southerly Northeast corner of said Sanders tract;

**THENCE** North 45 degrees 19 minutes 26 seconds West along the Northeasterly line of said Sanders tract, for a distance of 297.17 feet to a 5/8 inch iron rod found;



**THENCE** North 44 degrees 08 minutes 38 seconds East along the Southeasterly line of said Sanders tract, for a distance of 464.46 feet to the **POINT OF BEGINNING**, and containing 6,856,344 square feet or 157.55 acres of land.

**APPENDIX B**  
**DECLARANT REPRESENTATIONS & RESERVATIONS**

**B.1. GENERAL PROVISIONS.**

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

B.1.2. **General Reservation & Construction.** Notwithstanding other provisions of the Documents to the contrary, nothing contained therein may be construed to, nor may any mortgagee, other Owner, or the Association, or any other party or entity prevent or interfere with the rights contained in this Appendix which Declarant hereby reserves exclusively unto itself and its successors and assigns. In case of conflict between this Appendix and any other Document, including, but not limited to the Declaration, this Appendix controls. This Appendix, **Appendix D** and the following Sections of the Declaration: (i) 3.11, (ii) 5.2.1, (iii) 5.5, (iv) 5.6, (v) 5.7, (vi) 6.2, (vii) 6.14, (viii) 6.16, (ix) 6.18, (x) 6.20, and (xi) 7.9, may not be amended or modified without the unanimous prior written consent of Declarant, which consent may be withheld at the sole and unfettered discretion of Declarant and such Builders. The terms and provisions of this Appendix must be construed liberally to give effect to Declarant's intent to protect Declarant's interests in the Property and to protect the portion of the Property that such Builders acquire.

B.1.3. **Purpose of Development and Declarant Control Periods.** This Appendix gives Declarant certain rights during the Development Period and the Declarant Control Period to ensure a complete and orderly buildout and sellout of the Property, which is ultimately for the benefit and protection of Owners and mortgagees. Declarant may not use its control of the Association and the Property for an advantage over the Owners by way of retention of any residual rights or interests in the Association or through the creation of any contractual agreements which the Association may not terminate without cause with 90 days' notice.

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

- a. **"Builder"** means a person or entity which purchases, or contracts to purchase, a Lot, or portions of the Property for the future development of Lots, for the purpose of constructing a dwelling for resale or under contract to an Owner other than Declarant.
- b. **"Declarant Control Period"** means that period of time during which Declarant controls the operation of the Association. The duration of the Declarant Control Period will be from the date this Declaration is recorded for a maximum period not to exceed the earliest of:
  - (1) 50 years from date this Declaration is recorded.
  - (2) When, in Declarant's sole opinion, the Association is viable, self-supporting, and operational, as evidenced by a written statement signed by Declarant

and recorded in the Real Property Records of Kaufman County, Texas and, if applicable, Texas.

B.1.5. Builders. Declarant or Declarant's affiliates does intend to construct dwellings on Lots on portions of the Property to which Declarant retains title. Declarant also intends to sell the portions of the Property for the development of Lots to one or more Builders to improve the Lots with dwellings to be sold and occupied. From time to time, Declarant may invite a Builder to share in the exercise of any, some, or all of its easements and rights, without any formality other than the consent of Declarant and the applicable Builder. Notwithstanding such sharing, a Builder will not become a Successor Declarant, or assume the duties and liabilities of Declarant under this Declaration unless Builder and Declarant join in an instrument that assigns and transfers Declarant rights and duties under this Declaration, signed and acknowledged by both Declarant and Builder, and recorded in the county's Real Property Records.

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

B.2.1. Officers & Directors. During the Declarant Control Period, Declarant may appoint, remove, and replace any officer or director of the Association, none of whom need be members or Owners, and each of whom is indemnified by the Association as a "Leader."

B.2.2. Weighted Votes. During the Declarant Control Period, the vote appurtenant to each Lot or planned Lot owned by Declarant is weighted 5,000 times that of the vote appurtenant to a Lot owned by another Owner. In other words, during the Declarant Control Period, Declarant may cast the equivalent of 5,000 votes for each vote appurtenant to each Lot or planned Lot owned by Declarant on any issue before the Association. On termination of the Declarant Control Period and thereafter, the weight of the vote appurtenant to Declarant's Lots (including planned Lots) will be uniform with all other votes.

B.2.3. Budget Funding. During the Declarant Control Period, to the extent that the amount of regular assessments required to be paid to the Association are insufficient to cover actual expenses incurred by the Association for the purposes thereof, Declarant may, at its sole discretion, either levy a special assessment to fund such deficit or loan to the Association an amount equal to any excess actual expenses, which amount, together with interest at a floating rate per annum equal to the highest prime rate published by *The Wall Street Journal* plus two percent (2%), shall be repaid by the Association to Declarant upon demand.

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

B.2.5. Builder Assessments. During the Declarant Control Period only, Declarant has the right but not the duty to reduce or waive the assessment obligation of a Builder, provided the agreement is in writing. Absent any reduction, waiver or exemption granted by Declarant in writing for the benefit of a Builder, each Builder shall pay and be liable for a minimum of one (1) full calendar year's Assessments at the time of Builder's acquisition of a Lot. Absent such an exemption, and following the Builder's acquisition of a Lot and payment of one (1) full calendar year's Assessments at the time of Builder's acquisition of a Lot, any Builder who owns a Lot is liable for all Assessments and other fees charged by the Association in the same manner as any Owner.

B.2.6. Builder Transfer Fees. During the Declarant Control Period only, Declarant has the right but not the duty to exempt a Builder from any or all liabilities for transfer-related fees charged by the Association or its manager, provided the agreement is in writing.

B.2.7. Commencement of Assessments. During the initial development of the Property, Declarant may elect to postpone the Association's initial levy of regular assessments until a certain number of Lots are sold. During the Declarant Control Period, Declarant will determine when the Association first levies regular assessments against the Lots.

B.2.8. Expenses of Declarant. Expenses related to the completion and marketing of the Property will be paid by Declarant and are not expenses of the Association.

B.2.9. Budget Control and Termination of Association Contracts. During the Declarant Control Period, the right of Owners to veto assessment increases or special assessments is not effective and may not be exercised. During the Declarant Control Period, any contracts entered into by the Association may not be terminated without the prior written consent of Declarant.

B.2.10. Organizational Meeting. Within 60 days after the end of the Declarant Control Period, or sooner at the Declarant's option, Declarant will call an organizational meeting of the Members of the Association for the purpose of electing, by vote of the Owners, directors to the board. Written notice of the organizational meeting must be given to an Owner of each Lot at least 10 days but not more than 60 days before the meeting. For the organizational meeting, Owners of 10 percent of the Lots constitute a quorum. The directors elected at the organizational meeting will serve as the Board until the next annual meeting of the Association or a special meeting of the Association called for the purpose of electing directors, at which time the staggering of terms will begin.

B.2.11. Common Areas. At or prior to termination of the Declarant Control Period, Declarant will convey title to the Common Areas to the Association by one or more deeds - with or without warranty. At the time of conveyance, the Common Areas will be free of encumbrance except for the property taxes accruing for the year of conveyance. Declarant's conveyance of title is a ministerial task that does not require and is not subject to acceptance by the Association or the Owners.

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

B.3.1. Platting. If the Property includes unplatted parcels, they may be platted in whole or in part, and in phases. The right to plat belongs to the Owner of the unplatted parcel, provided, however, that a plat that creates Common Areas or obligations for the Association must also be approved by Declarant which approval shall not be unreasonably withheld, delayed or conditioned. Declarant's right to have the Property platted, or to approve such plats, is for a term of years and does not require that Declarant own land described in Appendix A at the time or times Declarant exercises its right of platting.

B.3.2. Expansion. The Property is subject to expansion. During the Development Period, Declarant may - but is not required to - annex any or all of the Additional Land described in Appendix C of this Declaration. Declarant annexes real property by subjecting it to the Declaration and the jurisdiction of the Association by recording a supplement or an amendment of this Declaration, executed by Declarant, in the Real Property Records of Kaufman County, Texas, and - if the land is located in - in the Real Property Records of Kaufman County, Texas. The supplement or amendment of annexation must include a description of the additional real property or a reference to the recorded

Plat that describes the additional real property. Declarant's right to annex land is for a term of years and does not require that Declarant own land described in **Appendix A** at the time or times Declarant exercises its right of annexation.

**B.3.3. Withdrawal.** During the Development Period, Declarant may withdraw from the Property any portion of the real property still owned by Declarant (1) that is not platted with house Lots, (2) that is platted as a phase of Polo Ridge, provided the Owner of every Lot in the property to be withdrawn consents in writing to the withdrawal, or (3) this is dedicated to the public, pursuant to the next subsection.

**B.3.4. Public Services** During the Development Period, Declarant may designate and/or dedicate sites within the Property for school, parks, drainage, conservation, fire, police, postal, water, or sewer facilities, (ii) Declarant may make such designation and/or dedication on behalf of the Association, which may not object. Further, Declarant may withdraw such sites from the Property, if it is appropriate to do so. To exercise this right as to land that is not a Common Area of the Property or not owned by Declarant, Declarant must have the prior written consent of the land Owner which consent may be withheld at the sole discretion of the applicable land Owner.

**B.3.5. Changes in Development Plan.** Declarant may modify the initial development plan to respond to perceived or actual changes and opportunities in the marketplace. Subject to approval by (i) a governmental entity, if applicable, and (ii) the Owner of the land or Lots to which the change would directly apply (if other than Declarant) which approval may be withheld at the Owner's sole and unfettered discretion, Declarant may (1) change the sizes, dimensions, and configurations of Lots and streets; (2) change the minimum dwelling size; (3) change the building setback requirements; and (4) eliminate or modify any other feature of the Property.

**B.3.6. Use of Name "Polo Ridge".** During the Development Period, no person may use the name "Polo Ridge" or any derivative thereof in any printed or promotional material without Declarant's prior written consent, except that Owners may use the term solely to specify that particular property is located in Polo Ridge.

**B.3.7. Builder Dwelling Plans.** Declarant may require its approval (which may not be unreasonably withheld, delayed or conditioned) of all plans and specifications for the construction of dwellings on the Lots. Without Declarant's prior written approval, a Builder may not use a sales office or model in the Property to market houses, Lots, or other products located outside the Property. A Builder may submit proposed plans that the Builder intends to use for more than one house. Provided such plans are approved by Declarant, which approval shall not be unreasonably withheld, delayed or conditions, the Builder shall not be required to resubmit such plans for approval each time it uses such plans to build a home on a Lot, provided the home being built is substantially similar to the plans previously approved by Declarant. Builders are encouraged to submit plans for approval in this manner.

**B.3.8. Architectural Control.** During the Development Period, Declarant has absolute rights of architectural control, as provided in Article 5 of this Declaration, which may not be amended without the prior written consent of Declarant provided, however, notwithstanding the foregoing, with respect to portions of the Property has already been subdivided into single-family Lots, Declarant's approval shall not be withheld, delayed or conditioned for any reason whatsoever if the improvements thereon comply with the Single-Family Minimum Standards.

**B.3.9. Amendment.** Except as may be otherwise limited or restricted including, but not limited to the restrictions set forth in Section B.1.2. of this Appendix, during the Development Period, Declarant may amend this Declaration and the other Documents, without consent of other Owners or any mortgagee, for any purpose to the extent permitted by applicable law, including, without limitation, the following purposes:

- a. To add real property to the Property that is owned by Declarant or other party who consents thereto.
- b. To withdraw real property from the Property that is owned by Declarant.
- c. To create Lots, easements, and Common Areas within the Property on those portions of the Property then owned by Declarant.
- d. To subdivide, combine, or reconfigure Lots which are owned by Declarant.
- e. To convert Lots owned by Declarant into Common Areas.
- f. To create Neighborhoods on portions of the Property owned by Declarant and to amend Article 17 of this Declaration subject to the limitations and restrictions set forth herein.
- g. To modify the use restrictions of Article 6 of this Declaration except with respect to the following: (i) the portion of the Property described on **Appendix F** attached to the Declaration and (ii) portions of the Property that have already been subdivided, into single-family Lots.
- h. To modify the construction specifications of Article 6 of this Declaration except with respect to: (i) the portion of the Property described on **Appendix F** to the Declaration and (ii) portions of the Property that have already been subdivided, into single-family Lots.
- i. To merge the Association with another property owners association.
- j. To comply with requirements of an underwriting lender.
- k. To resolve conflicts, clarify ambiguities, and to correct misstatements, errors, or omissions in the Documents.
- l. To enable any reputable title insurance company to issue title insurance coverage on the Lots.
- m. To enable an institutional or governmental lender to make or purchase mortgage loans on the Lots.
- n. To change the name or entity of Declarant.
- o. To change the name of the addition in which the Property is located.
- p. To change the name of the Association.
- q. For any other purpose, provided the amendment has no material adverse effect on any right of any Owner.

**B.3.10. Amendment with FHAVA Approval.** During the Development Period, the following actions require the prior written approval of the U.S. Department of Housing and Urban Development ("**HUD/FHA**") or the U. S. Department of Veterans Affairs ("**VA**") so long as HUD/FHA insures or VA guarantees a mortgage on a Lot: (1) annexation of additional property to the Property, except for annexation by Declarant pursuant to a plan of development previously approved by HUD/FHA or VA; (2) merger or consolidation with another property owners association; (3) mortgaging of Common Area; (4) dedication of Common Area to a public entity; (5) amendment of this Declaration, or (6) dissolution or amendment of the articles of incorporation. Also, HUD/FHA or VA may veto amendments of the Bylaws. The approval of HUD/FHA or VA, as the case may be, is implied when it fails to respond within 30 days after receiving written request for approval of a proposed action, provided the request was delivered by certified or registered mail, return receipt requested.

B.3.11. Completion. During the Development Period, Declarant has (1) the right to complete or make improvements indicated on the Plat provided; (2) the right to sell or lease any Lot owned by Declarant; and (3) an easement and right to erect, construct, and maintain on and in the Common Area and Lots owned or leased by Declarant whatever Declarant determines to be necessary or advisable in connection with the construction, completion, management, maintenance, leasing, and marketing of the Property.

B.3.12. Easement to Inspect & Right to Correct. During the Development Period, Declarant reserves for itself the right, but not the duty, to inspect, monitor, test, redesign, correct, and relocate any structure, improvement, or condition that may exist on any portion of the Property owned by Declarant, including the Lots owned by Declarant, excluding however: (i) the portion of the Property described on Appendix F to the Declaration and (ii) portions of the Property that have already been subdivided, into single-family Lots, for a perpetual nonexclusive easement of access throughout the Property to the extent reasonably necessary to exercise this right. Declarant will promptly repair, at its sole expense, any damage resulting from the exercise of this right. By way of illustration but not limitation, relocation of a screening wall located on a Lot may be warranted by a change of circumstance, imprecise siting of the original wall, or desire to comply more fully with public codes and ordinances. This Section may not be construed to create a duty for Declarant or the Association.

B.3.13. Promotion. During the Development Period, Declarant reserves for itself an easement and right to place or install signs, banners, flags, display lighting, potted plants, exterior decorative items, seasonal decorations, temporary window treatments, and seasonal landscaping on the Property, including items and locations that are prohibited to other Owners and Residents, for purposes of promoting, identifying, and marketing the Property and/or Declarant's houses, Lots, developments, or other products located outside the Property. Declarant reserves an easement and right to maintain, relocate, replace, or remove the same from time to time within the Property. Declarant also reserves the right to sponsor marketing events - such as open houses, MLS tours, and brokers parties - at the Property to promote the sale of Lots. During the Development Period, Declarant also reserves (1) the right to permit Builders to place signs and promotional materials on the Property and (2) the right to exempt Builders from the sign restriction in this Declaration. Notwithstanding the foregoing, with respect to the following (the "Carve Out Property"): (i) the portion of the Property described on Appendix F to the Declaration and (ii) portions of the Property that have already been subdivided, into single-family Lots, Declarant must obtain the prior written consent of the Owners of the Carve Out Property prior to the exercise of any rights under this Section B.3.13. which consent may be withheld at the sole discretion of the Owner or Owners of the Carve Out Property.

***DIFFERENT RULES***

The developer has rights and privileges to use the property in ways that are not available to other owners and residents.

B.3.14. Offices. During the Development Period, Declarant reserves for itself the right to use dwellings owned or leased by Declarant as models, storage areas, and offices for the marketing, management, maintenance, customer service, construction, and leasing of the Property and/or Declarant's developments or other products located outside the Property. Also, Declarant reserves for itself the easement and right to make structural changes and alterations on and to Lots and dwellings owned or leased used by Declarant as models, storage areas, and offices, as may be necessary to adapt them to the uses permitted herein.

B.3.15. Access. During the Development Period, Declarant has an easement and right of ingress and egress in and through the Property for purposes of constructing, maintaining, managing, and marketing the Property and the Additional Land, and for discharging Declarant's obligations under this Declaration. Declarant also has the right to provide a reasonable means of access for the home buying public through any existing or future gate that restricts vehicular access to the Property or to the Additional Land in connection with the active marketing of Lots and homes by Declarant or Builders, including the right to require that the gate be kept open during certain hours and/or on certain days. This provision may not be construed as an obligation or intent to gate the Property. Declarant must obtain the prior written consent of the Owners of the Carve Out Property prior to the exercise of any rights under this Section B.3.15. which consent may be withheld at the sole discretion of the Owner or Owners of the Carve Out Property.

B.3.16. Utility Easements. During the Development Period, Declarant may grant permits, licenses, and easements over, in, on, under, and through the Property owned by Declarant for utilities, roads, and other purposes necessary for the proper development and operation of the Property. Declarant reserves the right to make changes in and additions to the easements on any Lot, as shown on the Plat, to more efficiently or economically install utilities or other improvements. Utilities may include, but are not limited to, water, sewer, trash removal, electricity, gas, telephone, television, cable, internet service, and security. To exercise this right as to land that is not a Common Area of the Property or not owned by Declarant, Declarant must have the prior written consent of the land Owner which consent may be withheld at the sole discretion of the applicable land Owner.

B.3.17. Assessments. For the duration of the Development Period after the Declarant Control Period, Lots owned by Declarant are not subject to assessment until the earlier of: (1) 120 days after a completed dwelling on the Lot is ready for occupancy, as evidenced by a certificate of occupancy issued by a city, or (2) the date title to a Lot transfers to an Owner other than Declarant. After the Development Period, Declarant is liable for assessments on each Lot owned in the same manner as any Owner.

B.3.18. Transfer Fees. During the Development Period, Declarant may not be required to pay transfer-related and resale certificate fees.

B.3.19. Neighborhood Declarant. From time to time, Declarant may invite a Neighborhood Declarant to share in the exercise of any, some, or all of Declarant's easements and rights, without any formality other than the consent of the Neighborhood Declarant which consent may be withheld at the Neighborhood Declarant's sole discretion. Notwithstanding such sharing, the Neighborhood Declarant will not become a Successor Declarant, or assume the duties and liabilities of Declarant under this Declaration unless the Neighborhood Declarant and Declarant join in an instrument that assigns and transfers Declarant rights and duties under this Declaration, signed and acknowledged by both Declarant and Neighborhood Declarant, and recorded in the county's Real Property Records.

B.4. THOROUGHFARE EASEMENT. Although Declarant is interested in the condition and appearance of all Lots in the Property, the front yards on both sides of the Property's primary thoroughfares are of particular concern because of their heightened visibility to potential purchasers of the Property. Therefore, on recording this Declaration, Declarant creates the Thoroughfare Easement defined below, which will attach to and burden the Thoroughfare Lots when the Thoroughfare Street is named and designated by an amendment or supplement of this Declaration. The purpose of this easement is to permit, but not require, Declarant to control the condition and attractiveness of yards that are visible from a Thoroughfare Street, which is a main roadway into the Property.



B.4.1. Definitions. As used in this Section, the following terms have specified meanings:

- a. **"Thoroughfare Street"** means the street or streets named in and so designated by an amendment or supplement of this Declaration.
- b. **"Thoroughfare Lots"** means all Lots along, abutting, or adjoining the Thoroughfare Street, including Lots that do not front on the Thoroughfare Street.
- c. **"Yard Area"** means the limited portion of each Thoroughfare Lot that is subject to the Thoroughfare Easement, being that portion of the Lot surface that is (1) exterior to the dwelling, (2) not within a fenced yard, and (3) visible from the Thoroughfare Street. In other words, front yards and unfenced side yards along the Thoroughfare Street.
- d. **"Yard Improvements"** means all items, materials, and plants in the Yard Area, including but not limited to fences, retaining walls, planter boxes, plant beds, mailboxes, yard lamps, decorative yard items, trees, shrubs, flowers, ground covers, lawns, other plant material, and yard irrigation systems. All Yard Improvements are owned by the Thoroughfare Lot Owner.
- e. **"Thoroughfare Easement"** means an easement of maintenance, access, and entry over the Yard Areas of the Thoroughfare Lots to ensure the attractiveness of the Yard Areas from the Thoroughfare Street. Declarant hereby reserves a right and easement of access and entry to the Yard Area of each Thoroughfare Lot to exercise the discretionary rights created by this easement. Nothing in this Section may be construed to obligate Declarant to install any improvement on any Lot in the Property.

B.4.2. Owner's Duties. The Owner of each Thoroughfare Lot, at the Owner's expense, must continually maintain the Yard Area and Yard Improvements in a neat, groomed, healthy, and attractive condition, and to a standard that is commensurate with the neighborhood as determined by the Declarant. The Owner must regularly water lawns and plant material, mow and edge lawns, trim shrubs, and remove litter. As needed, the Owner will treat plant diseases and infestations, and replace dead plant material. Also, the Owner of a Thoroughfare Lot may not install or construct substantial Yard Improvements without the prior written consent of Declarant. Notwithstanding the foregoing, the provisions of this Section B.4.2. are not applicable to the Carve Out Property.

B.4.3. Neighborhood Standards. For purposes of this Section, Declarant is the arbiter of the standards of maintenance and appearance for the Yard Areas. Declarant may have higher standards for the Yard Areas of Thoroughfare Lots than for the yard areas of other Lots in the Property. However, the standard for Thoroughfare Lots will be uniform for all Thoroughfare Lots. Notwithstanding the foregoing, the provisions of this Section B.4.3. are not applicable to the Carve Out Property.

B.4.4. Duration of Easement. This easement terminates automatically at the end of the Development Period. Declarant may terminate this easement earlier by recording a notice of termination in the Real Property Records of Kaufman County, Texas.

B.5. WORKING CAPITAL FUND. Unless otherwise agreed to in writing by Declarant, Declarant may (but is not required to) establish a working capital fund for the Association by requiring purchasers of

Lots to make a one-time contribution to this fund. The amount of the contribution will be equal to the Lot's then current annual assessment, but no less than Five Hundred and No/100 Dollars (\$500.00), and will be collected on the closing of the sale of the Lot to an Owner other than Declarant, a Successor Declarant, or a Declarant-affiliate. Declarant during the Development Period, and thereafter the Board of the Association, may increase the working capital fund contribution by up to forty-five percent (45%) in excess of the prior calendar years' working capital fund contribution without consent or approval of the Owners or Members of the Association. Builders who buy Lots from Declarant are not exempt. Contributions to the fund are not advance payments of regular assessments and are not refundable to the contributor by the Association or by Declarant. This may not be construed to prevent a selling Owner from negotiating reimbursement of the contribution from a purchaser. Declarant will transfer the balance of the working capital fund to the Association on or before termination of the Declarant Control Period. Funds may be used for any operating, administrative and/or maintenance needs of the Association, including, without limitation, funding for the Association's operating needs during the Declarant Control Period in the event of a deficit in the Association's operating budget.

B.6. 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 in writing, signed and acknowledged by Declarant and Successor Declarant, and recorded in the Real Property Records of every county in which any part of the Property is located. 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 B]*

**APPENDIX C**  
**DESCRIPTION OF ADDITIONAL LAND SUBJECT TO ANNEXATION**

POLO RIDGE

During the Development Period, Declarant may annex any real property: (1) any portion of which is contiguous with, adjacent to, or within 1,000 feet of any real property that is subject to this Declaration, (2) in any addition or subdivision platted as a phase or section of Polo Ridge, or (3) located in a planned development district created for the property subject to this Declaration, and may specifically annex any or all of the below-described parcels of land, in whole or in part, and without limitation as to the number of annexations:

## APPENDIX D

### DESIGN GUIDELINES

#### PART ONE:

**SECTION 1.1 FLAGS AND FLAGPOLES. ALL FLAGS, REGARDLESS OF SIZE OR PLACEMENT, AND FLAGPOLES MUST HAVE THE PRIOR WRITTEN CONSENT OF THE ARCHITECTURAL REVIEWER/ACC. NO DISPLAY OR INSTALLATION OF A FLAG OR FLAGPOLE IS ALLOWED WITHOUT WRITTEN CONSENT. THE ASSOCIATION THOROUGH ITS BOARD AND/OR THE ACC RESERVES THE RIGHT TO REMOVE ANY UNAUTHORIZED FLAG WITHOUT NOTICE OR CONSENT OF THE OWNER.**

- 1.1.1 The only flags which may be displayed are: (i) the flag of the United States of America; (ii) the flag of the State of Texas; and (iii) an official or replica flag of any branch of the United States armed forces. No other types of flags, pennants, banners, kits or similar types of displays are permitted on a Lot if the display is visible from a Street or Common Area.
- 1.1.2 The flag of the United States must be displayed in accordance with 4 U.S.C. Sections 5-10.
- 1.1.3 The flag of the State of Texas must be displayed in accordance with Chapter 3100 of the Texas Government Code.
- 1.1.4 Any freestanding flagpole, or flagpole attached to a residence, shall be constructed of permanent, long-lasting materials. The materials used for the flagpole shall be harmonious with the residence, and must have a silver finish with a gold or silver ball at the top. The flagpole must not exceed three (3) inches in diameter. Limitations as to size and placement may be exercised when setbacks and limited yard space are a factor.
- 1.1.5 The display of a flag, or the location and construction of the supporting flagpole, shall comply with Applicable Zoning, easements, and setbacks of record.
- 1.1.6 A displayed flag, and the flagpole on which it is flown, shall be maintained in good condition at all times. Any flag that is deteriorated must be replaced or removed. Any flagpole that is structurally unsafe or deteriorated shall be repaired, replaced, or removed.
- 1.1.7 Only one flagpole will be allowed per Lot. No such limitation applies in Common Areas. A flagpole can either be securely attached to the face of the residence (no other structure) or be a freestanding flagpole. A flagpole attached to the residence may not exceed 4 feet in length. A freestanding flagpole may not exceed twenty (20) feet in height. Any freestanding flagpole must be located in either the front yard or backyard of a Lot, and there must be a distance of at least five (5) feet between the flagpole and the property line.
- 1.1.8 Any flag flown or displayed on a freestanding flagpole may be no smaller than 3'x5' and no larger than 4'x6'.
- 1.1.9 Any flag flown or displayed on a flagpole attached to the residence may be no larger than 3'x5'.
- 1.1.10 Any freestanding flagpole must be equipped to minimize halyard noise. The preferred method is through the use of an internal halyard system. Alternatively, swivel snap hooks must be covered or "Quiet Halyard" flag snaps installed. Neighbor complaints of noisy halyards are a basis to have flagpole removed until Owner resolves the noise complaint.
- 1.1.11 The illumination of a flag is allowed so long as it does not create a disturbance to other residents in the community. Solar powered, pole mounted light fixtures are preferred as opposed to ground mounted light fixtures. Compliance with all municipal requirements for

electrical ground mounted installations must be certified by Owner. Flag illumination may not shine into another residence. Neighbor complaints regarding flag illumination are a basis to prohibit further illumination until Owner resolves complaint.

- 1.1.12 Flagpoles shall not be installed in any Common Area or property maintained by the Association except by Declarant developing the initial improvements within such Common Area.
- 1.1.13 All freestanding flagpole installations must receive prior written approval from the Declarant, the ACC or other reviewing authority established under the Declaration.

**SECTION 1.2 GUTTERING, RAIN BARRELS OR RAINWATER HARVESTING SYTEMS. SPECIFIC APPROVAL IN WRITING FROM THE ARCHITECTURAL REVIEWER/ACC IS REQUIRED.**

- 1.2.1 Preferred that all residences be fully guttered with copper, galvanized steel, aluminum or painted if exposed to the Street or any Common Area. This requirement applies regardless of whether rain barrels or rain water harvesting systems are installed on the Lot.
- 1.2.2 Rain barrels or rain water harvesting systems and related system components (collectively, "Rain Barrels") may only be installed after receiving the written approval of the Declarant, the ACC or other reviewing authority established under the Declaration.
- 1.2.3 Rain barrels may not be installed upon or within the Common Areas, except by Declarant installing the initial improvements within such Common Area, or with written approval of the Declarant or ACC.
- 1.2.4 Under no circumstances shall rain barrels be installed or located in or on any area within a Lot that is in-between the front of the Owner's residence and an adjoining or adjacent street.
- 1.2.5 The rain barrel must be of color that is consistent with the color scheme of the Owner's residence and may not contain or display any language or other content that is not typically displayed on such rain barrels as manufactured.
- 1.2.6 Rain barrels may be located in the back-yard of Lot so long as such rain barrel(s) may not be seen from a street, another Lot or any Common Area.
- 1.2.7 In the event the installation of Rain Barrels in the back-yard of an Owner's property in compliance with paragraph 1.2.6 above is impossible, the Declarant, the ACC or other reviewing authority established under the Declaration may impose limitations or further requirements regarding the size, number and screening of Rain Barrels with the objective of screening the Rain Barrels from public view to the greatest extent possible. **The owner must have sufficient area on their Lot to accommodate the Rain Barrels.**
- 1.2.8 Rain Barrels must be properly maintained at all times or removed by the Owner.
- 1.2.9 Rain Barrels must be enclosed or covered.
- 1.2.10 Rain Barrels which are not properly maintained, become unsightly or could serve as a breeding pool for mosquitoes must be removed by the Owner from the Lot, at such Owner's sole cost and expense.

**SECTION 1.3 CERTAIN RELIGIOUS DISPLAYS**

- 1.3.1 By statute, an Owner is allowed to display or affix the Owner's Lot or occupant's residence one or more religious items, the display of which is motivated by the Owner's or occupant's sincere religious belief. Such display is limited according to the provisions contained herein.

- 1.3.2 If displaying or affixing of a religious item on the Owner's Lot or occupant's residence violates any of the following covenants, the Association may remove the item displayed:
- (1) threatens the public health or safety;
  - (2) violates a law other than a law prohibiting the display of religious speech;
  - (3) contains language, graphics, or any display that is patently offensive to a passerby for reasons other than its religious content;
  - (4) is installed on property:
    - (A) owned or maintained by the Association; or
    - (B) owned in common by members of the Association;
  - (5) violates any applicable building line, right-of-way, setback or easement; or
  - (6) is attached to a traffic control device, street lamp, fire hydrant, or utility sign, pole, or fixture.
- 1.3.3 No owner or resident is authorized to use a material or color for an entry door or door frame of the Owner's or occupant's residence or make an alteration to the entry door or door frame that is not authorized by the Declaration or otherwise expressly approved by the Declarant, the ACC or other reviewing authority established under the Declaration.

#### SECTION 1.4 SOLAR PANELS

- 1.4.1 **Solar energy devices, including any related equipment or system components (collectively, "Solar Panels") may only be installed after receiving the written approval of the Declarant, the ACC or other reviewing authority established under the Declaration. Owners desiring to install solar panels will be held 100% responsible for any damage or compromise to the roof or structure. The Association will not be responsible for any costs of repairs associated with the installation or use of solar panels.**
- 1.4.2 Solar Panels may not be installed upon or within Common Areas or any area which is maintained by the Association, except by Declarant developing the initial improvements within such Common Area, or with written approval of the Declarant or ACC.
- 1.4.3 Solar Panels may only be installed on designated locations on the roof of a residence, on any structure allowed under any subdivision or Association dedicatory instrument, or within any fenced rear-yard or fenced-in patio of an Owner's Lot, but only as allowed by the Declarant, the ACC or other reviewing authority established under the Declaration. **Solar Panels may not be installed on the front elevation of the residence.**
- 1.4.4 If located on the roof of a residence, Solar Panels shall:
- (1) not extend higher than or beyond the roofline;
  - (2) conform to the slope of the roof;
  - (3) have a top edge that is parallel to the roofline; and
  - (4) have a frame, support bracket, or wiring that is black or painted to match the color of the roof tiles or shingles of the roof. Piping must be painted to match the surface to which it is attached, i.e. the soffit and wall. Panels must blend with the color of the roof to the greatest extent possible.
- 1.4.5 If located in the fenced rear-yard or patio, Solar Panels **shall not** be taller than the fence line or visible from any adjacent Lot, Common Area or Street.
- 1.4.6 The Declarant, the ACC or other reviewing authority established under the Declaration may deny a request for the installation of Solar Panels if it determines that the placement of the Solar Panels, as proposed by the Owner, will create an interference with the use and

enjoyment of any adjacent Lot or Common Area.

- 1.4.7 Owners are hereby placed on notice that the installation of Solar Panels may void or adversely affect roof warranties. Any installation of Solar Panels which voids material warranties is not permitted and will be cause for the Solar Panels to be removed by the Owner.
- 1.4.8 Solar Panels must be properly maintained at all times or removed by the Owner.
- 1.4.9 Solar Panels which become non-functioning or inoperable must be removed by the Owner.

#### **SECTION 1.5 CERTAIN ROOFING MATERIALS**

- 1.5.1 Roofing shingles covered by this Section are exclusively those designed primarily to: (i) be wind and hail resistant; (ii) provide heating and cooling efficiencies greater than those provided by customary composite shingles; or (iii) provide solar generation capabilities (collectively, "Roofing Shingles").
- 1.5.2 Roofing Shingles allowed under these Guidelines shall:
  - (1) resemble the shingles used or otherwise authorized for use in the Property;
  - (2) be more durable than and are of equal or superior quality to the shingles used or otherwise authorized for use in the Property; and
  - (3) match the aesthetics of other roofs throughout the Subdivision and surrounding properties.
- 1.5.3 Unless the Area of Common Responsibility should change, the Association is responsible for a portion of the maintenance and repairs to the Residence roof. An Owner shall not make any repairs or improvements without requesting permission. Any alteration performed by an Owner without prior written approval will result in the Owner being one hundred percent (100%) responsible for any repair or maintenance that result. The responsible party shall be responsible for accrediting, certifying and demonstrating to the Declarant, the ACC or other reviewing authority established under the Declaration that the proposed installation is in full compliance with paragraphs 1.5.1 and 1.5.2 above.
- 1.5.4 Roofing Shingles shall be installed only after receiving the written approval of the Declarant, the ACC or other reviewing authority established under the Declaration.
- 1.5.5 Owners are hereby placed on notice that the installation of Roofing Shingles may void or adversely affect other warranties.

1.5.6 Roof Materials. A minimum of 8:12 roof pitch is required. Some other roof pitches may be allowed but, shall require the prior written approval of the Architectural Reviewer. Roofs must be covered with architectural dimensional shingles (Not 3 tab), Quality Metal or tile having a manufacturer's warranty of at least 20 years. The use of fiberglass shingles is permitted. The color of roofing shingles must be weatherwood or an equivalent earth tone color. Other colors shall require the prior written consent of the Architectural Reviewer prior to use. Other roofing material shall not be used without the express written approval of the Architectural Reviewer. All roofing materials must be fireproof and conform to City requirements, and are subject to approval of the Architectural Reviewer. Roof materials shall in any event be in compliance with the Design Guidelines and the Declaration. Dormers above roof structure and roofing materials may be finished with an approved exterior grade siding material.

#### **SECTION 1.6 SIGNAGE**

1.6.1 No sign or signs of any kind or character shall be displayed to the Streets or otherwise to the public view on any Lot or Common Area, except for the Declarant's signs or Builders' signs approved by the

Declarant for such Declarant's Property, and except that:

(A) Any Builder, during the applicable initial construction and sales period, may utilize two (2) professionally fabricated signs (of not more than six [6] square feet in size) per Lot for advertising and sales purposes, and two (2) professionally fabricated signs (of not more than thirty-two [32] square feet in size) in the Property advertising a model home or advertising the Subdivision, provided that such signs shall first have been approved in writing by the Architectural Reviewer;

(B) A professionally fabricated "for sale" or "for rent" or "for lease" sign (of not more than six [6] square feet in size) may be utilized by the Owner of a Lot for the applicable sale or rent situation, ONLY providing that such sign first shall have been approved in writing by the Architectural Reviewer and provided further that no "for rent" or "for Lease" signs shall be permitted to be place on a Lot in the two (2) year period immediately following the first sale of a residence to an end-use homebuyer;

(C) Development related signs owned or erected by Declarant (or any Builder with Declarant's prior written consent) shall be permitted;

(D) Signs displaying the name of a security company shall be permitted, provided that such signs are (i) ground mounted, (ii) limited to one (1) in number per Lot, and (iii) of a size not in excess of two (2) square feet in size;

(E) Each Owner may display flags on or at a residence in conformity with Section 1.1 of these Design Guidelines, and otherwise a manner otherwise consistent with the covenants, conditions and restrictions contained in the Declaration. Owners should keep in mind the close proximity of other Owners and/or businesses. Some flags may not be conducive to the aesthetic harmony of the neighborhood, street or block upon which the Residence is located. The Architectural Reviewer reserves the right to request the prompt removal of flags and should the Owner not comply, the Architectural Reviewer reserves the right to remove the flag. Such removal shall not constitute trespassing and the Architectural Reviewer or the Association shall not be responsible for the return of or replacement of flag in the event of damage or loss;

(F) Each residence may display up to two (2) spirit signs or other signs in support of athletic events and/or teams during the applicable sport season which are not otherwise consistent with the covenants, conditions and restrictions contained in the Declaration; and

(G) Seasonal decorations (including lights, lawn ornamentation, flags and banners) may not be displayed without the express written consent of the Architectural Reviewer. You may not individualize the outside of your Residence without permission. If approved, use may not exceed four (4) weeks during the applicable season and provided that such decoration is in any event consistent with the covenants, conditions and restrictions contained in this Declaration and do not constitute or cause disharmony among the Owners or businesses surrounding the Residence and must be removed within ten (10) days following the applicable season or holiday; and

(H) One (1) sign for each candidate and/or ballot item on advertising such political candidate(s) or ballot item(s) for an election shall be permitted in accordance with Section 259.002 of the Texas Election Code, provided that:

(i) such signs may not be displayed (A) prior to the date which is ninety (90) days before the date of the election to which the sign relates, and (B) after the date which is ten (10) days after that election date;

(ii) such signs must be ground-mounted; and

(iii) such signs shall in no event (A) contain roofing material, siding, paving materials, flora, one or more balloons or lights, or any other similar building, landscaping, or



nonstandard decorative component, (B) be attached in any way to plant material, a traffic control device, a light, a trailer, a vehicle, or any other existing structure or object, (C) include the painting of architectural surfaces, (D) threaten the public health or safety, (E) be larger than four feet (4') by six feet (6'), (F) violate a law, (G) contain language, graphics, or any display that would be offensive to the ordinary person, or (H) be accompanied by music or other sounds or by streamers or is otherwise distracting to motorists.

**PART TWO:**  
**SECTION 2.1 DESIGN AND CONSTRUCTION MATERIALS**

2.1.1 Residence Minimum Home Size and Height. The minimum square footage of air conditioned living space of a residence shall be 2,200 square feet for 60' Lots, 2,500 square feet for 80' Lots and 100' Lots, and 3,200square feet for Acre Lots and otherwise conform to the applicable city requirements, Applicable Zoning, and the Plat. The maximum building height of a residence shall be thirty-five feet (35') or 2-½ stories.

2.1.2 Minimum Lot Dimensions, Lot Area, Set Back and Yard Restrictions. Unless a stricter standard is required by the Declaration or under Applicable Zoning, the minimum dimensions and setbacks for each type of Lot within the Subdivision is as follows:

<b>Lot Type</b>	<b>Minimum Requirements</b>
ETJ-1A (One Acre Lots)	i. Lot width min – 150'x200' ii. Front Setback – 50' iii. Exterior Side setback – 30' iv. Interior Side Setback – 15' v. Rear setback – 50'
ETJ-100	i. Lot width min – 100'x120' ii. Front Setback – 30' iii. Exterior Side setback – 30' iv. Interior Side Setback – 10' v. Rear setback – 25'
ETJ-80	i. Lot width min – 80'x110' ii. Front Setback – 25' iii. Exterior Side setback – 15' iv. Interior Side Setback – 5' v. Rear setback – 25'
ETJ-60	i. Lot width min – 60'x110' ii. Front Setback – 25' iii. Exterior Side setback – 10' iv. Interior Side Setback – 5' v. Rear setback – 25'

All setbacks shall in any event comply with the Plat and all applicable City ordinances and restrictions. Builder shall be responsible for compliance with the minimum set back and all front and rear yard restrictions.

2.1.3 Exterior Materials. The exterior walls (excluding doors and windows) of each residence

constructed or placed on a Lot shall have the minimum City required coverage or a minimum of 80% masonry (minus windows and doors), and must otherwise be in compliance with this Declaration and these Design Guidelines; provided, however for Lot types ETJ-60, ETJ-80, ETJ-100 and ETJ-125 that back up to the public rights-of-way known as "FM 2757" or "Kelly Road," the rear façade of a Residence on such Lots shall consist of 100% architectural-faced, unitized masonry, excluding hardiplank or hard board materials (minus windows and doors). Generally, at least eighty percent (80%) of the dwelling's total exterior area, minus windows and doors, must be masonry or masonry veneer, such as brick, stone, stucco (other than stucco board, which is prohibited), or other cementitious product (but not more than 20% HardiPlank or hardboard siding outside of trim)<sup>1</sup>. A builder on Lots ETJ-60 may request a reduction in the requirements of this Section when submitting elevations and façade materials to the Architectural Reviewer, subject to further approvals required by from the City. No material on the exterior of any building or other improvement except approved hardboard or stucco (other than stucco board, which is prohibited), shall be stained or painted without the prior written approval of the Architectural Reviewer. No materials other than the following may be used in the exterior construction of a residence constructed on a Lot (excluding roofing materials, window frames and exterior fixtures): brick, brick veneer, stone, cast stone, and up to twenty percent (20%) stucco (other than stucco board, which is prohibited), exclusive of windows, doors, dormers and gables over the entrance of an extended garage or any wall area above a first floor roof where the exterior masonry veneer cannot directly bear upon the foundation (for example wall area above a shed roof or an attached garage) notwithstanding, the interior courtyard and alley facing wall areas may include hardiplank as an acceptable form of masonry material; provided, however, no hardi-plank or hardboard façade may face the public roadways or streets adjacent to a Lot (including side streets). All wood, hardboard or stucco used on the exterior of a residence must be painted or stained in a color compatible with the exterior design and materials used in the exterior construction of such residence, and as approved by the Architectural Reviewer.

Materials other than those listed above may be appropriate for architectural trim and accent applications only including but not limited to: cornices and decorative brackets, frieze panels, decorative lintels, shutters, and porch or balcony railings and is subject to the approval of the Architectural Reviewer, and

2.1.3.1 All chimney and fireplace flues, if applicable, shall be enclosed and finished and portions located above the roof structure and roofing materials shall be finished as required by the Design Guidelines or applicable ordinances of the City, provided that in any event such exterior portions of the chimney visible from the adjacent Street or Common Area (at grade level) shall be finished with one hundred percent (100%) masonry materials matching that of the primary structure. Exposed pre-fabricated metal flue piping is prohibited. Chimney flues not visible from the street may be enclosed by materials approved by the building code for exterior exposure and in compliance with the flue manufacturer's recommendations.

2.1.3.2 Front Door Requirements. All doors on the front facade of a residence shall be constructed of wood, iron, glass, and/or architectural fiberglass.

2.1.3.3 Garage Requirements: All Garages must incorporate wood clad (or equivalent) garage doors or wood composite doors and contain at least two (2) of the following enhancements:

- (a) Two single garage doors (in lieu of double doors);
- (b) decorative windows;
- (c) Decorative hardware;
- (d) Garage door recessed a minimum of twelve inches (12") from the garage face; and/or
- (e) Cast stone surround.

## SECTION 2.2 LANDSCAPING:

Upon completion of each residence, the following landscape elements shall be installed prior to occupancy of the residence. **No synthetic or fake sod, plants, flowers or trees are allowed:**

2.2.1 Sod/Irrigation: The front yard of each Lot shall have full sod installed with the exception of any paved areas of the Lot. All Lots must have underground irrigation systems installed providing coverage for all non-paved areas of the Lot in accordance with City requirements, and specifically include, without limitation, irrigation of Trees or Street Trees located within any public right-of-way adjacent to the Lot. Drip irrigation systems or an acceptable alternative must be installed in the front planter beds and tree wells as applicable by city ordinances. Some hardscape landscaping which may include the use of river rock shall be allowed in certain beds or areas where the regular and healthy growth of plants or trees will be difficult due to lack of sun or soil depth. The Association shall be responsible for the regular maintenance and upkeep of the front lawn areas of each unit.

2.2.2 Trees: At least two (2) minimum three inch (3") caliper trees shall be planted within each Lot within the property for which a building permit has been issued. The Association shall maintain all landscaping required by the City within Common Areas of the Subdivision. Trees located on corner Lots which may impede line of sight must maintain a canopy a minimum of nine (9) feet above grade. The Owner of a Lot shall be liable and responsible for the maintenance and upkeep of trees on such Owner's Lot. Trees shall be planted in locations approved by the City or authorized designee of the City or as stipulated by Declarant or Architectural Reviewer.

2.2.3 Shrubbery and Planting Beds: Each Lot shall have the minimum number of shrubs as required by applicable City ordinance in a mulched planting bed; edging to separate the sod and bed is preferred but, not mandatory.

2.2.4 Initial Installations and Maintenance. Upon completion of any residence within the Property and prior to the final inspection, the Builder must comply with any landscaping regulations, if applicable, according to the specifications outlined in these Design Guidelines and/or City ordinances (exceptions as to timing may be granted at the sole discretion of the Declarant and/or the Association due to inclement weather). All the trees in the Common Areas are the responsibility of the Association to maintain at the sole discretion of the Association. The minimum clearance of any overhanging vegetation over any sidewalk shall be nine (9) feet. Landscaping must be installed on the front and side yards of the Lot within ninety (90) days after the dwelling is ready for occupancy.

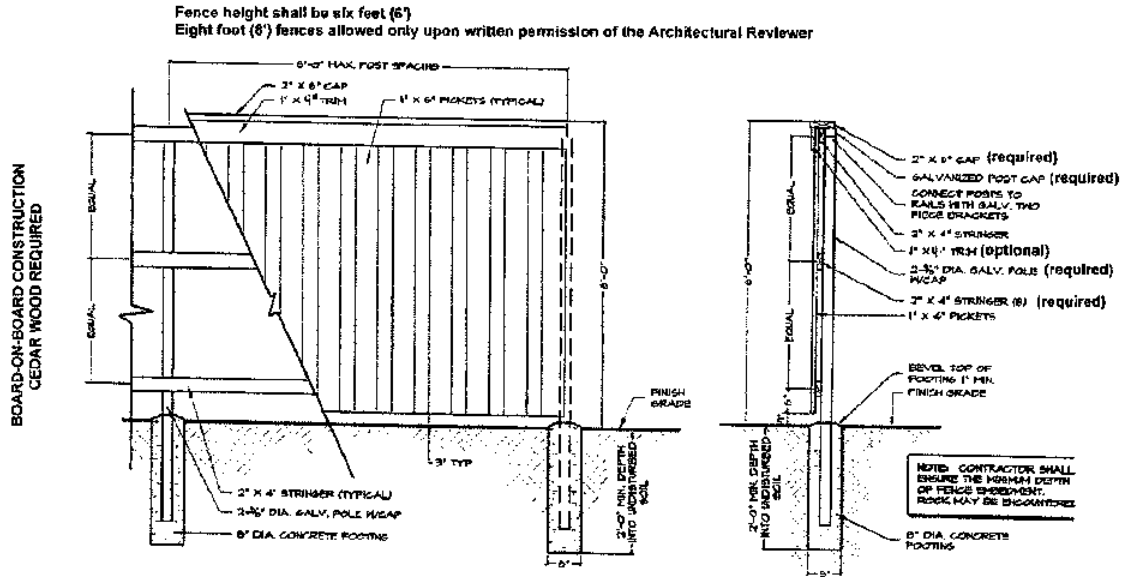
2.2.5 Landscape borders. • Landscape borders and tree rings must be a continuous mortared wall consisting of a masonry material matching the front of the Residence on a Lot. Variances to this rule are given on case-by-case basis at the sole discretion of the Architectural Reviewer.

## **SECTION 2.3 FENCES:**

2.3.1 Wooden Fencing: Front fencing of the Residences with wood fencing within the front yard area is not allowed. **Fencing may be optional at the sole discretion of the Declarant.** All wooden fencing shall be stained and preserved required by the Declaration. Fences must be kept in good repair at all times. Broken fences and/or pickets must be repaired. Fallen fence panels must be repaired. All Lots must be fully fenced on all sides. Wood fences visible from the street are required to include top cap or trim. Leans in fences of more than five inches (5") must be repaired. Fences with faded or fading stain must be re-stained to maintain consistency of color and aesthetic appearance at all times.

2.3.2 Fences Facing Street (front or side): All fencing on such Lots that are facing a street, unless otherwise required or permitted under Applicable Zoning, the Declaration or these Design Guidelines, shall be ornamental metal/wrought iron painted black or combination of ornamental metal/wrought iron and masonry where masonry columns (or masonry material matching the primary Townhome improvement) are located between 12 and 16 feet apart, which fencing shall meet the requirements of the City. The maximum fence height is six feet (6'). Refer to Exhibit Attachment 2.3.2 below for a diagram.

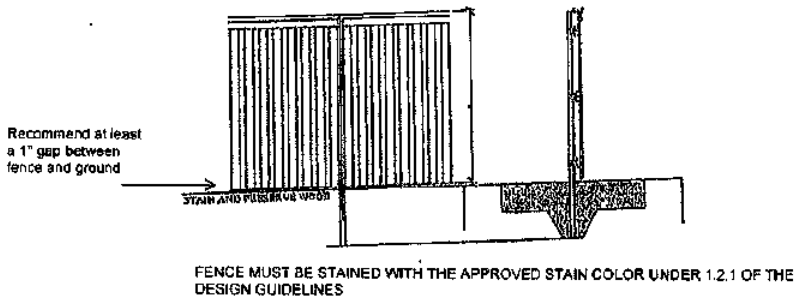
*[Exhibit Attachment 2.3.2 follows]*



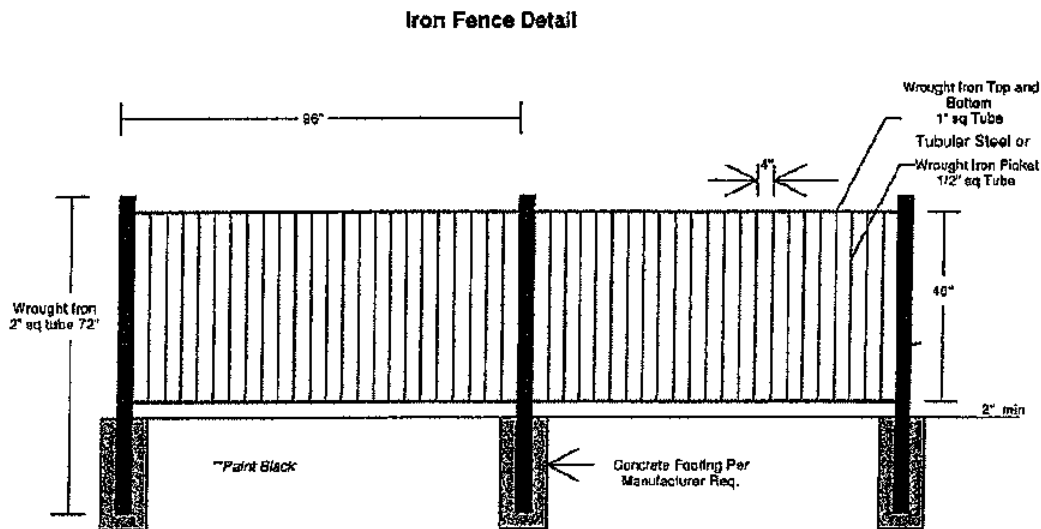
Any variation from the requirements stated in the Design Guidelines and/or this exhibit 1.2.1.1 shall require the prior written approval of the Architectural Reviewer

**2.3.3 Standard Side and Rear Yard Fences:** Side and rear yard fences not facing the street or Common Area shall be no less than six feet (6') in height from grade, and shall be constructed of cedar with steel posts. Posts must not be visible on any fence facing the street. Fence shall be board-on-board, planks shall be at least 5/8" thick and maintain at least one inch (1") gap between the ground and wood to prevent rotting or decay. Vertical posts spacing should be no more than eight feet (8') on center or less and set in concrete post footings of a minimum of 24" deep for six foot (6') high fences. No top cap or trim for side and rear yard fences not visible from the street are required. All portions of the fence that are viewable from any street shall be stained with the color specified above at Section 2.3.1. Refer to Exhibit Attachment 2.3.3 below for a diagram.

POSTS MUST BE STEEL AND ALL POSTS MUST BE MOUNTED ON THE INSIDE. TOP RAIL REQUIRED



2.3.4 Fences Adjacent to Common Areas: All fencing on such Lots that are facing a Common Areas or Open Spaces shall be either cedar board on board with steel posts stained with a light neutral stain consistently applied in a color selected by Architectural Reviewer, or ornamental metal, tubular steel, or wrought iron painted black or combination of ornamental metal, tubular steel, wrought iron and masonry where masonry columns (or masonry material matching the primary Residence improvement) are located between 12 and 16 feet apart, which fencing shall meet the requirements of the City. The maximum fence height is six feet (6'), except as otherwise expressly permitted by the terms of the Declaration. Refer to Exhibit Attachment 2.3.4 below for a diagram. All fences along a Common Area or Open Space boundary shall be consistent; no variation of design shall be permitted. Fence areas shall be unobstructed by screening or other materials unless specifically approved by the Association. Any fence or portion thereof that faces a public street shall be constructed so that all structural members and posts will be on the side of the fence away from the street so that they are not visible from any public right-of-way.



2.3.5 Pool Enclosures. The design and appearance of any "swimming pool enclosure" (as defined below) that is visible from the Street or Common Area adjacent to the Lot on which such swimming pool enclosure is located must be six feet (6') or less in height, black in color, and consist of transparent mesh set in metal frames, unless otherwise approved in writing by the Architectural Reviewer. In no event shall the Architectural Reviewer prohibit or restrict an Owner from installing on such Owner's Lot a swimming pool enclosure that conforms to applicable state or local safety requirements. A "swimming pool enclosure" means and refers to a fence that (1) surrounds a water feature, including a swimming pool or spa located on a Lot; (2) consists of transparent mesh or clear panels set in metal frames; (3) is not more than six feet (6') in height; and (4) is designed to not be climbable.

## SECTION 2.4 OTHER REQUIREMENTS

2.4.1 All Lots, Common Areas, residences and/or other structures developed, constructed and/or installed within the Property shall conform to the requirements set forth in the Declaration and Design Guidelines established by the Association and any City Ordinance to the extent the foregoing or any other restrictions set forth in this Declaration are not more restrictive. Building elevations shall be developed in general conformance with the architectural style set forth in the building elevations approved by the City and Architectural Reviewer.

2.4.2 A masonry wall six feet (6') to eight feet (8') in height, constructed of brick and concrete, shall

be constructed between the alley adjacent to rear property line of Lots and any arterial street included on the City of Mesquite's Thoroughfare Plan (the "Perimeter Screening Wall"). The Perimeter Screening Wall is and related landscape improvements are included in and part of the Common Area to be maintained by the Association.

2.4.3. No front elevation of a residence, including its mirror image, shall be repeated any more often than once every eight (8) Lots, and in no case more often than twice within any block within the Subdivision. Prior to obtaining the first building permit for a residence, a Builder shall submit a palette of proposed elevations and façade materials to the Architectural Reviewer for review and approval, and which elevations and materials may be further subject to review and approval by the City and/or the Planning and Zoning Commission of the City.

2.4.4. At least two (2) facade articulation techniques are required on each residence on a Lot to add architectural variety and interest to a residence. The following features shall be acceptable techniques of exterior articulation.

(A) A base course or plinth course; banding, moldings, or stringcourses; quoins; oriels; cornices; arches; brackets; keystones; dormers; louvers as part of the exterior wall construction. (Quoins and banding shall wrap around the corners of the structure for at least two feet.)

(B) Balconies;

(C) Shutters;

(D) Bay windows;

(E) Masonry chimney(s);

(F) Double-entry door(s);

(G) Covered Entry(ies);

(H) Horizontal banding continuing the length of the wall that faces a street, or other similar highly visible areas.

(I) The use of both stone and brick on the front elevations with a minimum of ten percent coverage of one of the elements.

(J) Front porch of at least 40 square feet.

(K) The installation of at least two (2) coach lights.

(L) Other techniques for building articulation can be substituted if administratively approved by the administrative official.

(M) Divided light windows in front is an acceptable technique for building façade articulation

## **SECTION 2.5 MAILBOXES**

2.5.1 Mailboxes shall be cluster mailboxes of a type and design as may be approved by the Declarant, the Architectural Reviewer, and the U.S. Postal Service. Mailboxes shall be standardized for all Single-Family Lots. All design, placement, and construction must be in accordance with any applicable guidelines and/or requirements of the City and/or United States Postal Service.

APPENDIX E

CONSENT TO DECLARATION  
BY LIENHOLDER

POLO RIDGE

The undersigned, being the beneficiary under that certain Deed of Trust, Security Agreement and Fixture Financing Statement dated as of June 21, 2019, executed by BDMR DEVELOPMENT, LLC (the "Borrower") and recorded on June 24, 2019, in Document Number 2019-0014515, and Volume 6050, Page 407, in the Official Public Records of Kaufman County, Texas, together with any modifications, supplements, restatements or amendments thereto, hereby consents to the foregoing Declaration of Covenants, Conditions and Restrictions for Polo Ridge, as may be amended and modified pursuant to the terms thereof from time to time (as amended and modified, the "Declaration") to be applicable to the Land, in accordance with the terms thereof, and furthermore subordinates its lien rights and interests in and to the Land to the terms, provisions, covenants, conditions and restrictions under the Declaration so that foreclosure of its lien will not extinguish the terms, provisions, covenants, conditions and restrictions under the Declaration.

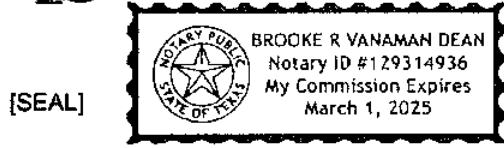
FIRST UNITED BANK AND TRUST COMPANY  
an Oklahoma banking corporation

By: [Signature]  
Name: Brandon Brewer  
Title: SVP

STATE OF Texas §  
COUNTY OF Collin §  
§

BEFORE ME, the undersigned authority, on this day personally appeared Brandon Brewer the SVP of First United Bank and Trust Company, an Oklahoma banking corporation, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that s/he executed the same for the purposes and consideration therein expressed, and as the act and deed of said banking corporation, and in the capacity therein stated.

2023 GIVEN UNDER MY HAND AND SEAL OF OFFICE, on this 11<sup>th</sup> day of Jan.



[Signature]  
Notary Public, State of Texas

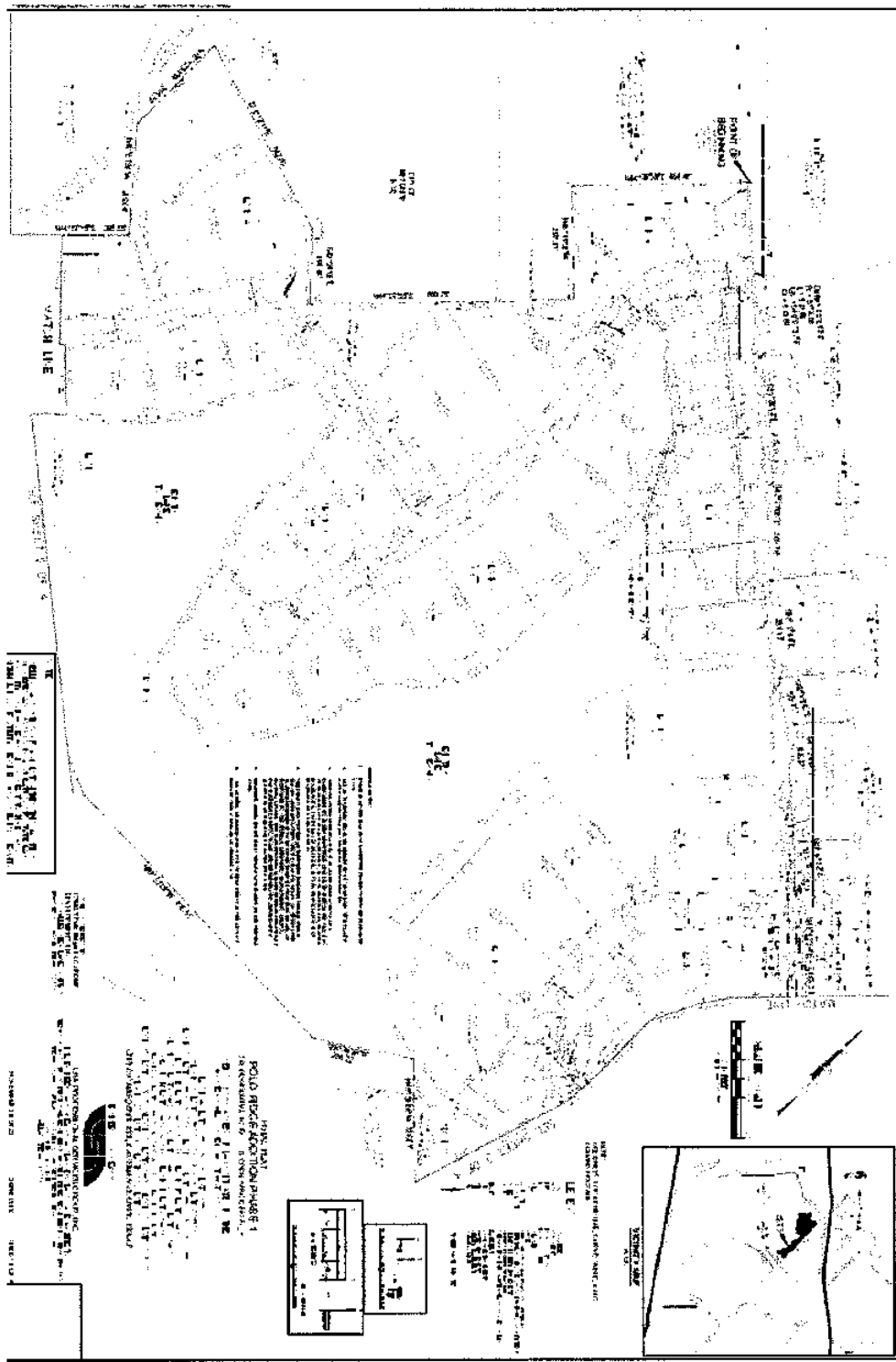
**APPENDIX F**

**DESCRIPTION/DEPICTION OF SINGLE FAMILY RESTRICTED PROPERTY**

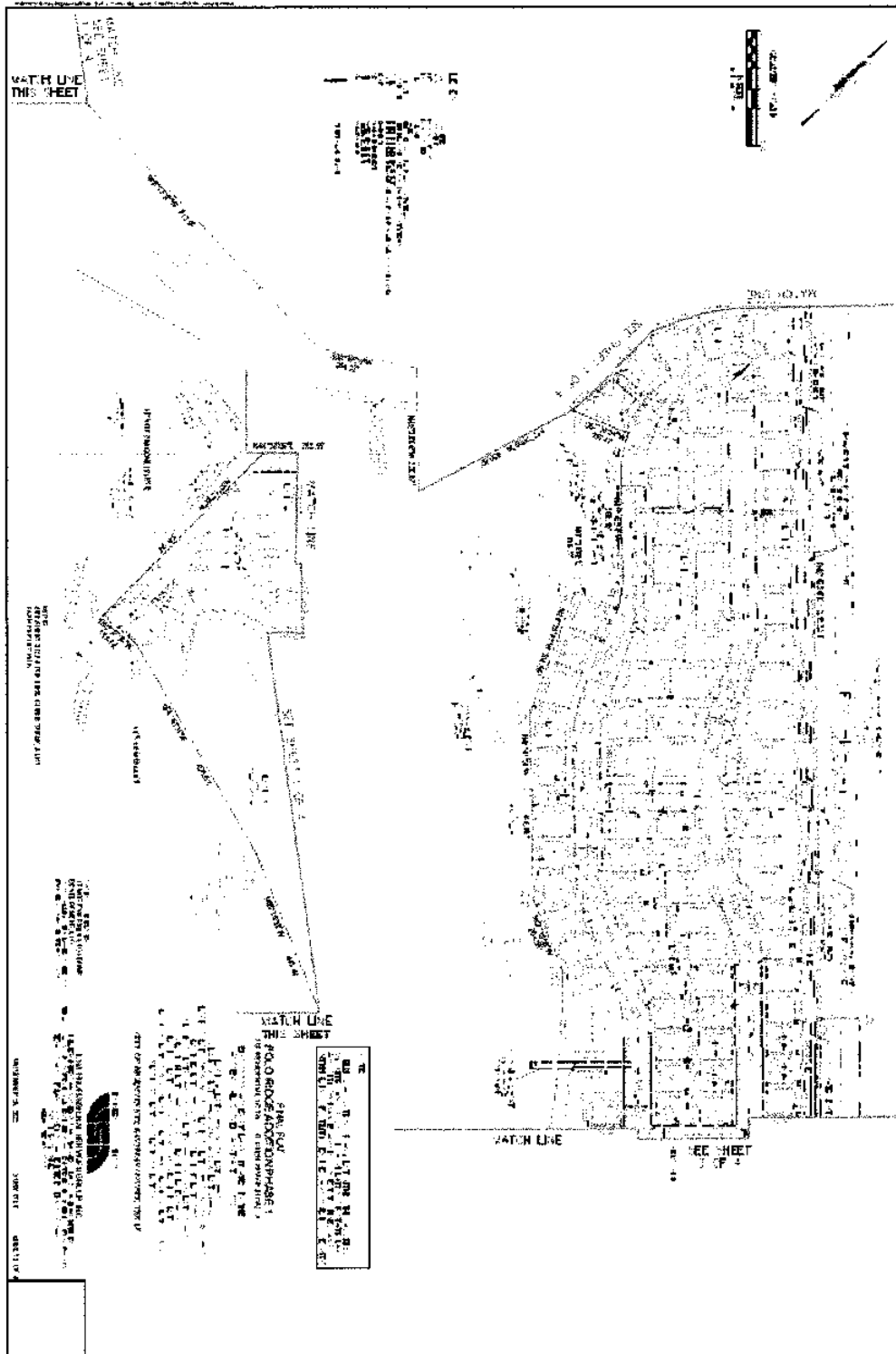
The 200 Residential Lots reflected on the Final Plat of Polo Ridge Phase 1 following:

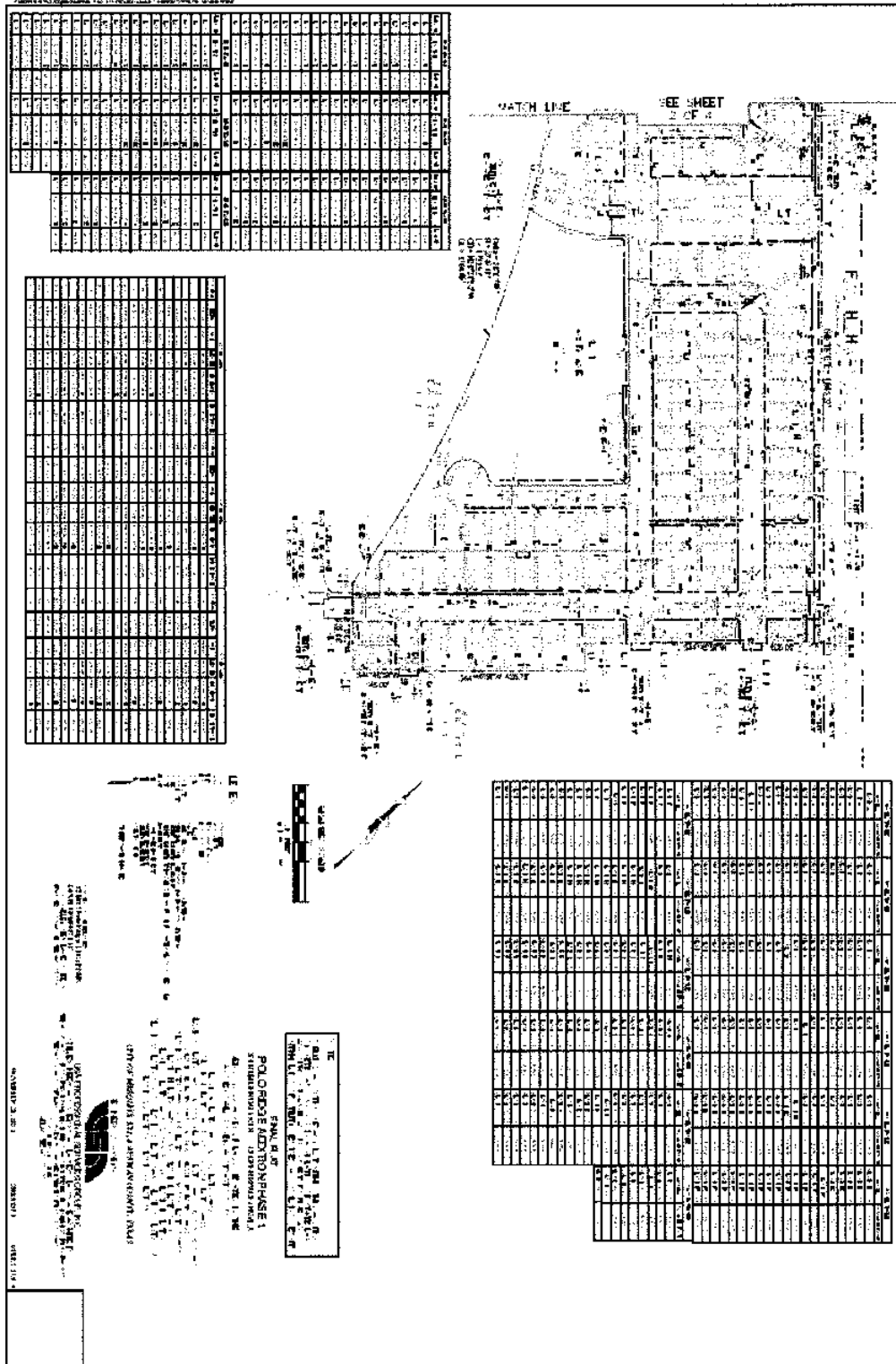
*[Polo Ridge Phase 1 follows]*





APPENDIX F TO DECLARATION OF POLO RIDGE  
DESCRIPTION/DEPICTION OF SINGLE FAMILY RESTRICTED PROPERTY





APPENDIX F TO DECLARATION OF POLO RIDGE  
DESCRIPTION/DEPICTION OF SINGLE FAMILY RESTRICTED PROPERTY



**APPENDIX G**

**CONSENT OF DIRECTORS IN LIEU OF MEETING**

**BYLAWS**

**POLICIES**

**CONSENT OF DIRECTORS IN LIEU OF  
ORGANIZATIONAL MEETING  
OF  
POLO RIDGE PROPERTY OWNERS ASSOCIATION, INC.**

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

**1. DIRECTORS**

RESOLVED, that each of the undersigned, being all of the directors of the Association, as named in its Certificate of Formation filed with the Secretary of State of the State of Texas on December 9, 2022, does hereby accept appointment to such office and does hereby agree to serve as a director of the Association until the first annual meeting of the members and until said director's successor or successors have been duly elected and qualified or until his or her earlier death, resignation, retirement, disqualification or removal from office.

**2. BYLAWS**

RESOLVED, that the form of bylaws attached hereto as Exhibit A, are approved and adopted as the Bylaws of the Association, and the Secretary of the Association is instructed to insert the original thereof in the minute book of the Association.

**3. OFFICERS**

RESOLVED, that each of the following-named persons be and they hereby are elected as officers of the Association for the office or offices set forth below opposite his or her name, and to hold any such office to which elected until the first annual meeting of the Board of Directors of the Association and until his or her successor should be chosen and qualified in his or her stead, or until his or her earlier death, resignation, retirement, disqualification or removal from office:

Mehrdad Moayed	-	President
Brock Babb	-	Vice President
Trevor Kollinger	-	Secretary/Treasurer

**4. REGISTERED OFFICE; REGISTERED AGENT**

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

**5. BOOKS AND RECORDS**

RESOLVED, that the Secretary of the Association be and hereby is authorized and directed to procure all necessary books and records of the Association. The Board hereby adopts the Records Production and Copying Policy attached hereto as Exhibit B, and authorizes the secretary to execute same and cause such policy to be recorded in the applicable county public records.

**6. ORGANIZATIONAL EXPENSES**

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

**7. CORPORATE SEAL**

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

**8. DEPOSITORY RESOLUTIONS**

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

- Mehrdad Moayedi, President
- Brock Babb, Vice President
- Trevor Kollinger, Secretary/Treasurer
- Ron Corcoran, Essex Association Management
- Anna Corcoran, Essex Association Management

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

### **9. ALTERNATIVE PAYMENT PLAN POLICY**

The Board hereby adopts the Alternative Payment Schedule Guidelines for Certain Assessments attached hereto as Exhibit C, and authorizes the secretary to execute same and cause such policy to be recorded in the applicable county public records.

### **10. ADDITIONAL POLICIES**

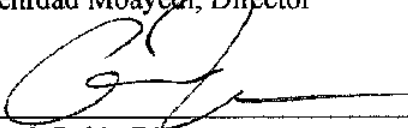
The Board hereby adopts the Security Measures Policy attached hereto as Exhibit D, and authorizes the secretary to execute same and cause such policy to be recorded in the applicable county public records. The Board hereby adopts the Pandemic Policy attached hereto as Exhibit E, and authorizes the secretary to execute same and cause such policy to be recorded in the applicable county public records.

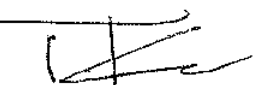
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IN WITNESS WHEREOF, the undersigned have executed this instrument as of and effective the 9<sup>th</sup> day of December, 2022.

  
\_\_\_\_\_  
Mehrdad Moayedi, Director

  
\_\_\_\_\_  
Brock Babb, Director

  
\_\_\_\_\_  
Trevor Kollinger, Director

**EXHIBIT A**

**BYLAWS**

**INCLUDES THE FOLLOWING POLICIES**

**EXHIBIT B – RECORDS PRODUCTION, COPYING & RETENTION POLICY**

**EXHIBIT C – ALTERNATIVE PAYMENT PLAN POLICY**

**EXHIBIT D – SECURITY MEASURES POLICY**

**EXHIBIT E – PANDEMIC POLICY**

**EXHIBIT F – E-MAIL REGISTRATION POLICY**

**EXHIBIT G – GENERATOR POLICY**

**BYLAWS  
OF  
POLO RIDGE PROPERTY OWNERS ASSOCIATION, INC.**

**ARTICLE I  
INTRODUCTION**

The name of the corporation is **Polo Ridge Property Owners Association, Inc.**, a Texas non-profit corporation, hereinafter referred to as the "Association". The principal office of the Association shall be located in Kaufman County, Texas, but meetings of Members and Directors may be held at such places within the State of Texas, as may be designated by the Board of Directors.

The Association is organized to be a nonprofit corporation.

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

**ARTICLE II  
DEFINITIONS**

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

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

**Section 2.2. Association.** "Association" shall mean and refer to Polo Ridge Property Owners Association, Inc., a Texas non-profit corporation.

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

**Section 2.4. Association Restrictions.** "Association Restrictions" shall mean the Declaration of Covenants, Conditions and Restrictions for Polo Ridge, as the same may be amended from time to time, together with the Certificate, Bylaws, and Association Rules from time to time in effect.

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

**Section 2.6. Board.** “Board” shall mean the Board of Directors of the Association. During the period of Declarant control, Declarant shall have the sole right to appoint and remove Directors of the Board.

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

**Section 2.8. Certificate.** “Certificate” shall mean the Certificate of Formation for Polo Ridge Property Owners Association, Inc., a Texas non-profit corporation, filed in the office of the Secretary of State of the State of Texas, as the same may from time to time be amended.

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

**Section 2.10. Declaration.** “Declaration” shall mean the “Declaration of Covenants, Conditions and Restrictions for Polo Ridge”, recorded in the Official Public Records of Kaufman County, Texas, as the same may be amended from time to time.

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

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

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

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

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

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

Unless otherwise defined in these Bylaws or the context otherwise requires, each term used in these Bylaws with its initial letter capitalized which has been specifically defined in the Declaration and not otherwise specifically defined in this Article II shall have the same meaning herein as given to such term in the Declaration.

### **ARTICLE III MEETING OF MEMBERS**

**Section 3.1. Annual Meetings.** The first annual meeting of the Members shall be held on such date as selected by the Board of Directors which is on or before the earlier of (i) the date which is one hundred twenty (120) days after seventy-five percent (75%) of the Lots have been sold to non-Declarant Owners, or (ii) ten (10) years from the date on which the Declaration is recorded in the Official Public Records of Kaufman County, Texas, and each subsequent regular annual meeting of the Members shall be held on such date as selected by the Board of Directors who shall, whenever possible, hold the annual meeting in the same month each year thereafter unless a different date is selected by the Board of Directors. The annual meeting shall not be held on a Saturday, Sunday, or legal holiday.

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

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

**Section 3.4. Notice of Meetings.** At the direction of the Board, written notice of meetings of the Association will be given to the Members at least ten (10) days but not more than sixty (60) days prior to the meeting. Notices of meetings will state the date, time, and place the meeting is to be held. Notices will identify the type of meeting as annual or special, and will state the particular purpose of a special meeting. Notices may also set forth any other items of information deemed appropriate by the Board.

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

**Section 3.6. Quorum.** The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, ten percent (10%) of the total votes of the membership shall constitute a quorum for any action, except as otherwise provided in the Certificate, the Declaration, or these Bylaws. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be five percent (5%) of all the votes of all Members. No such subsequent meeting shall be held more than thirty (30) days following the preceding meeting. If the required quorum is not present or represented at any meeting, the Members entitled to vote at the meeting shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented.

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

**Section 3.8. Conduct of Meetings.** The president, or any person designated by the Board, presides over meetings of the Association. The secretary keeps, or causes to be kept, the minutes of the meeting which should record all resolutions adopted and all transactions occurring at the meeting, as well as a record of any votes taken at the meeting. The person presiding over the meeting may appoint a parliamentarian. Votes should be tallied by tellers appointed by the person presiding over the meeting.

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

- Determine votes present by roll call or check-in procedure
- Announcement of quorum
- Proof of notice of meeting
- Approval of minutes of preceding meeting
- Reports of Officers (if any)
- Election of Directors (when required)
- Unfinished or old business
- New business

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

**Section 3.11. Action without Meeting.** Subject to Board approval, any action which may be taken by a vote of the Members at a meeting of the Association may also be taken without a meeting by written consents. The Board may permit Members to vote by any method

allowed by the Texas Business Organization Code, which may include hand delivery, United States Mail, facsimile, e-mail, or any combination of these. Written consents by Members representing at least a majority of votes in the Association, or such higher percentage as may be required by the Documents, constitutes approval by written consent. This Section may not be used to avoid the requirement of an annual meeting and does not apply to the election of Directors.

**Section 3.12. Telephone Meetings.** Members of the Association may participate in and hold meetings of the Association by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in the meeting constitutes presence in person at the meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

#### **ARTICLE IV BOARD OF DIRECTORS**

**Section 4.1. Authority; Number of Directors.**

(a) The affairs of the Association shall be governed by a Board of Directors. The number of Directors shall be fixed by the Board of Directors from time to time. The initial Directors shall be three (3) in number and shall be those Directors named in the Certificate of Formation. The initial Directors shall serve until their successors are elected and qualified. The Board, at an open meeting or by unanimous written consent, may increase the number of directors to five (5) directors. Any increase or decrease in the number of members on the Board of Directors of the Association shall be at (or if by written consent of the Directors, immediately prior to) an annual meeting of the Board of Directors or a special meeting of the Board of Directors called for purposes of election of new directors to fill vacant director positions on the Board of Directors. **Except as is provided in the Declaration and in Sections 4.1(b) and 4.1(c) below, Declarant shall have the absolute right to appoint and remove members of the Board of Directors during for as long as Declarant owns any Lot affected by the Declaration.**

(b) From and after the first annual meeting of Members and until the date (the "Transition Date") which is the earlier of (i) one hundred-twenty (120) days after seventy-five (75%) of the Lots have been sold to non-Declarant Owners, or (ii) ten (10) years from the date on which the Declaration is recorded in the Official Public Records of Kaufman County, Texas, the Board of Directors shall consist of three (3) persons and up to five (5) persons appointed by Declarant who need not be Members of the Association. On and after the Transition Date, the Board of Directors shall include two (2) persons (and up to 3-persons if a five member Board) appointed by Declarant and one (1) person (and up to 2-persons if a five member Board) elected by a majority vote of Class A Members ("Non-Declarant Director") at such meeting at which quorum is present, which Non-Declarant Member shall serve for a period which is the shorter of one (1) year, or until the next annual meeting of the Members at which the Non-Declarant Member (or replacement thereof) shall be elected. The Non-Declarant Director shall be elected at the first annual meeting (or special meeting called for such purpose by the President of the

Association) of Members held on or after the Transition Date. On and after the date on which the last Lot is sold to a non-Declarant Owner (the "Declarant Turnover Date"), the President of the Association will call a meeting of the Members of the Association where the Members will elect one (1) Director for a three (3) year term, and two (2) Directors for a two (2) year term, and any remaining Directors for one (1) year terms. The member obtaining the most votes will serve the three (3) year term and the two (2) members obtaining the next most votes will serve a term of two (2) years and remaining members (if any) shall serve one (1) year terms. Upon expiration of the term of a Director elected by Members at the first meeting of the Members after the Declarant Turnover Date pursuant to this Section 4.1(b), his or her successors shall serve a term of two (2) years. A Director takes office upon the adjournment of the meeting or balloting at which he is elected or appointed and, absent death, ineligibility, resignation, or removal, will hold office until his successor is elected or appointed. The Board of Directors shall have the power and authority when it is deemed in the best interest of the Association to change or alter the terms of office of directors on the Board or increase the number of Directors to serve on the Board, which shall be done by Board resolution notwithstanding, terms must remain staggered for the purpose of continuity.

(c) Each Director, other than Directors appointed by Declarant, shall be a Member and resident, or in the case of corporate or partnership ownership of a Lot, a duly authorized agent or representative of the corporate or partnership Owner. The corporate, or partnership Owner shall be designated as the Director in all correspondence or other documentation setting forth the names of the Directors.

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

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

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

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

**Section 4.4. Removal of Directors for Cause.** If a Director breaches such Director's duties hereunder or violates the terms of the Declaration, the Certificate, the Association Rules or these Bylaws, or if a Director lacks capacity to carry out its duties and responsibilities as a Director hereunder, such Director may be removed by Declarant unless Declarant no longer has the right to appoint and remove Directors in accordance with Section 4.1 of these Bylaws, and then by a majority vote of the remaining Directors after Declarant's right to appoint and remove Directors has expired. No Director shall have any voting rights nor may such Director participate in any meeting of the Board of Directors at any time that such Director is delinquent in the payment of any Assessments or other charges owed to the Association. Any Director that is



ninety (90) days delinquent in the payment of Assessments or other charges more than three (3) consecutive times shall be removed as a Director.

**Section 4.5. Vacancies on Board of Directors.** At such time as Declarant's right to appoint and remove Directors has expired or been terminated, if the office of any elected Director shall become vacant by reason of death, resignation, retirement, disqualification, removal from office or otherwise, the remaining Directors, at a special meeting duly called for this purpose, shall choose a successor who shall fill the unexpired term of the directorship being vacated. If there is a deadlock in the voting for a successor by the remaining Directors, the one Director with the longest continuous term on the Board shall select the successor. At the expiration of the term of his position on the Board of Directors, the successor Director shall be re-elected or his successor shall be elected in accordance with these Bylaws.

**Section 4.6. Removal of Directors by Members.** Subject to the right of Declarant to nominate and appoint Directors as set forth in Section 4.1 of these Bylaws, an elected Director may be removed, with or without cause, by a majority vote of the Members at any special meeting of the Members of which notice has been properly given as provided in these Bylaws; provided the same notice of this special meeting has also been given to the entire Board of Directors, including the individual Director whose removal is to be considered at such special meeting.

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

## ARTICLE V MEETINGS OF DIRECTORS

**Section 5.1. Regular Meetings.** Regular meetings of the Board shall be held annually or such other frequency as determined by the Board, without notice, at such place and hour as may be fixed from time to time by resolution of the Board.

**Section 5.2. Special Meetings.** Special meetings of the Board shall be held when called by the President of the Association, or by any two Directors, after not less than three (3) days' notice to each Director.

**Section 5.3. Quorum.** A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board of Directors.

**Section 5.4. Telephone Meetings.** Members of the Board or any committee of the Association may participate in and hold meetings of the Board or committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in such meeting constitutes presence in person at the meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

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

**Section 5.7. Open Board Meetings.** The Board shall hold open board meetings in accordance with Section 209.0051 of the Texas Property Code. Regular and special board meetings must be open to Owners, subject to the right of the Board to adjourn a Board meeting and reconvene in closed executive session to consider actions involving personnel, pending or threatened litigation, contract negotiations, enforcement actions, confidential communications with the Association's attorney, matters involving the invasion of privacy of individual owners, or matters that are to remain confidential by request of the affected parties and agreement of the Board. Decisions made in executive session must be summarized orally and placed in the minutes and include general explanation of expenditures approved in executive sessions. Members shall be given notice of the date, time, hour, place and general subject matter of a regular or special meeting of the Board, which notice shall be either (i) mailed to each Owner no later than the 10th day or earlier than the 60th day before the date of the meeting, or (ii) posting notice of such meeting at least 144 hours before the start of a regular Board meeting and at least 72 hours before the start of a special board meeting (A) in a conspicuous manner reasonably designed to provide notice to Members in a place located within Common Areas or on the Association's website maintained by the Association or its managing agent, and (b) sending notice via electronic mail to each Owner that has registered an e-mail with the Association. Except as provided by this Section 5.7, a Board may take action outside of a meeting, including voting by electronic or telephonic means, without prior notice to Owners required hereunder, if each Board member is given a reasonable opportunity to express the Board member's opinion to all other Board members and to vote. Any action taken without notice to Owners under this Section 5.7 must be summarized orally, including an explanation of any known actual or estimated expenditures approved at the meeting, and documented in the minutes of the next regular or special Board meeting. The Board may not, unless done in an open meeting for which prior notice was given to owners as noted in this Section 5.7 and required under Section 209.0051 of the Texas Property Code, consider or vote on any of the following: (1) fines; (2) damage assessments; (3) initiation of foreclosure actions; (4) initiation of enforcement actions, excluding temporary restraining orders or violations involving a threat to health or safety; (5) increases in assessments; (6) levying of special assessments; (7) appeals from a denial of architectural control approval; (8) a suspension of a right of a particular Owner before the owner has an opportunity to attend a Board meeting to present the Owner's position, including any

defense, on the issue; (9) lending or borrowing money; (10) the adoption or amendment of a dedicatory instrument; (11) the approval of an annual budget or the approval of an amendment of an annual budget; (12) the sale or purchase of real property; (13) the filling of a vacancy on the Board; (14) the construction of capital improvements other than the repair, replacement, or enhancement of existing capital improvements; or (15) the election of an officer. Furthermore, during the Development Period, open Board meetings shall be required if the meeting is conducted for the purpose of (A) adopting or amending the governing documents, including declarations, bylaws, rules, and regulations of the Association; (B) increasing the amount of Regular Assessments of the Association or adopting or increasing a Special Assessment; (C) electing non-Declarant Board members of the Association or establishing a process by which those Board members are elected; or (D) changing the voting rights of Members of the Association.

## ARTICLE VI POWERS AND DUTIES OF THE BOARD

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

- (a) adopt and publish the Association Rules, including regulations governing the use of the Association Property and facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;
- (b) to the maximum extent permitted under applicable law, suspend the voting rights of a Member and right of a Member to use of the Association Property during any period in which such Member shall be in default in the payment of any Assessment levied by the Association, or after notice and hearing, for any period during which an infraction of the Association Rules by such Member exists;
- (c) exercise for the Association all powers, duties and authority vested in or related to the Association and not reserved to the membership by other provisions of the Association Restrictions;
- (d) to enter into any contract or agreement with a municipal agency or utility company to provide electric utility service to all or any portion of the Property;
- (e) declare the office of a member of the Board to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board;
- (f) employ such employees as they deem necessary, and to prescribe their duties;
- (g) as more fully provided in the Declaration, to:
  - (1) fix the amount of the Assessments against each Lot in advance of each annual assessment period and any other assessments provided by the Declaration; and

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

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

(i) procure and maintain adequate liability and hazard insurance on property owned by the Association, which policies of insurance shall name the Declarant during the Development Period, and any managing agent of the Association as "additional insured;"

(j) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(k) enter into contracts for services required to perform the duties of the Association and solicit bids or proposals for any contract for services in excess of \$50,000 using bid process established by the Association; and

(l) exercise such other and further powers or duties as provided in the Declaration or by law.

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

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

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

**ARTICLE VII  
OFFICERS AND THEIR DUTIES**

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

**Section 7.2. Election of Officers.** The election of officers shall take place at the first meeting of the Board following each annual meeting of the Members.

**Section 7.3. Term.** The officers of the Association shall be elected annually by the Board and each shall hold office for one (1) year unless he resigns sooner, or shall be removed or otherwise disqualified to serve.

**Section 7.4. Special Appointments.** The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

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

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

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

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

(a) **President.** The President, or any person designated by the Board, presides over meetings of the Association; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments such as promissory notes.

(b) **Vice President.** The Vice President or Vice Presidents (including, without limitation, Executive Vice Presidents and Senior Vice Presidents), if any, shall generally assist the President and shall have such powers and perform such duties and services as shall from time to time be prescribed or delegated by the President or the Board.

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

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

(e) **Treasurer.** The Treasurer shall oversee the receipts and deposits in appropriate bank accounts all monies of the Association and shall oversee the disbursement of such funds as directed by resolution of the Board; shall sign, at the direction of the Board, promissory notes of the Association; cause to be kept proper books of account in appropriate form such that they could be audited by a public accountant whenever ordered by the Board or the membership; and shall cause to be prepared an annual budget and a statement of income and expenditures to be

presented to the membership at its regular meeting, and cause to be delivered a copy of each to the Members.

**ARTICLE VIII  
OTHER COMMITTEES OF THE BOARD OF DIRECTORS**

The Board may, by resolution adopted by affirmative vote of a majority of the number of Directors fixed by these Bylaws, designate two or more Directors (with such alternates, if any, as may be deemed desirable) to constitute another committee or committees for any purpose; provided, that any such other committee or committees shall have and may exercise only the power of recommending action to the Board of Directors and of carrying out and implementing any instructions or any policies, plans, programs and rules theretofore approved, authorized and adopted by the Board. Notwithstanding the foregoing or anything to the contrary contained herein, during the Development Period, the Architectural Reviewer for plans and specifications for new homes to be constructed on vacant Lots or modifications to any home on a Lot is the Declarant or its delegates in accordance with Section 6.2 and Appendix B of the Declaration, as amended from time to time.

**ARTICLE IX  
BOOKS AND RECORDS**

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

**ARTICLE X  
ASSESSMENTS**

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

**ARTICLE XI  
CORPORATE SEAL**

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

**ARTICLE XII  
DECLARANT PROVISIONS**

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

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

### **ARTICLE XIII AMENDMENTS**

**Section 13.1.** These Bylaws may be amended, (i) on or before the Declarant Turnover Date, by unilateral vote or written consent of Declarant, and thereafter (ii) by a majority vote or written consent of a majority of the Directors on the Board of Directors of the Association.

**Section 13.2.** In the case of any conflict between the Certificate and these Bylaws, the Certificate shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

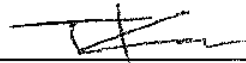
### **ARTICLE XIV INDEMNIFICATION OF DIRECTORS AND OFFICERS**

THE ASSOCIATION SHALL INDEMNIFY EVERY DIRECTOR AND OFFICER OF THE ASSOCIATION AGAINST, AND REIMBURSE AND ADVANCE TO EVERY DIRECTOR AND OFFICER FOR, ALL LIABILITIES, COSTS AND EXPENSES' INCURRED IN CONNECTION WITH SUCH DIRECTORSHIP OR OFFICE AND ANY ACTIONS TAKEN OR OMITTED IN SUCH CAPACITY TO THE GREATEST EXTENT PERMITTED UNDER THE TEXAS BUSINESS ORGANIZATION CODE AND ALL OTHER APPLICABLE LAWS AT THE TIME OF SUCH INDEMNIFICATION, REIMBURSEMENT OR ADVANCE PAYMENT; PROVIDED, HOWEVER, NO DIRECTOR OR OFFICER SHALL BE INDEMNIFIED FOR: (A) A BREACH OF DUTY OF LOYALTY TO THE ASSOCIATION OR ITS MEMBERS; (B) AN ACT OR OMISSION NOT IN GOOD FAITH OR THAT INVOLVES INTENTIONAL MISCONDUCT OR A KNOWING VIOLATION OF THE LAW; (C) A TRANSACTION FROM WHICH SUCH DIRECTOR OR OFFICER RECEIVED AN IMPROPER BENEFIT, WHETHER OR NOT THE BENEFIT RESULTED FROM AN ACTION TAKEN WITHIN THE SCOPE OF DIRECTORSHIP OR OFFICE; OR (D) AN ACT OR OMISSION FOR WHICH THE LIABILITY OF SUCH DIRECTOR OR OFFICER IS EXPRESSLY PROVIDED FOR BY STATUTE.

### **ARTICLE XV MISCELLANEOUS**

The fiscal year of the Association shall begin on the first day of January and end on the 31<sup>st</sup> day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

I, the undersigned, being the Secretary of Polo Ridge Property Owners Association, Inc. does hereby certify that the foregoing are the Bylaws of said non-profit corporation, as adopted by the Association's Board of Directors pursuant to a Unanimous Consent of Directors in Lieu of Organizational Meeting of the Corporation dated to be effective as of December 9, 2022.



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Trevor Kollinger, Secretary



**EXHIBIT B**

**Records Production and Copying Policy**

[See Attached]

**POLO RIDGE PROPERTY OWNERS ASSOCIATION, INC.**

**Records Production, Copying and Retention Policy**

**WHEREAS**, the Board of Directors (the "Board") of the Polo Ridge Property Owners Association, Inc. (the "Association") wishes to adopt reasonable guidelines to establish Records Production, Copying, and Retention Policy for the Association; and

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

**WHEREAS**, the Board intends to file these guidelines in the real property records of each county in which the subdivision is located, in compliance with Section 209.005 of the Texas Property Code; and

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

1. Association Records shall be reasonably available to every owner. The Association shall make available the current version of the Associations' Documents filed in the county deed records available on an Internet website maintained by the Association or managing agent on behalf of the Association, and available to Members. An owner may also provide access to Records to any other person (such as an attorney, CPA, or agent) they designate in writing as their proxy for this purpose. To ensure a written proxy is from the owner, the owner must include a copy of his/her photo ID or have the proxy notarized.
2. An owner, or their proxy as described in section 1, must submit a written request for access to or copies of Records. The letter must:
  - a. be sent by certified mail to the Association's address as reflected in its most recent Management Certificate filed in the County public records; and
  - b. contain sufficient detail to identify the specific Records being requested; and
  - c. indicate whether the owner or proxy would like to inspect the Records before possibly obtaining copies or if the specified Records should be forwarded. If forwarded, the letter must indicate the format, delivery method and address:
    - i. format: electronic files, compact disk, or paper copies
    - ii. delivery method: email, certified mail, or pick-up
3. Within ten (10) business days of receipt of the request specified in section 2 above, the Association shall provide:
  - a. the requested Records if copies were requested and any required advance payment had been made; or
  - b. a written notice that the Records are available and offer dates and times when the Records may be inspected by the owner or their proxy during normal business hours at the office of the Association; or
  - c. a written notice that the requested Records are available for delivery once a payment of the cost to produce the records is made and stating the cost thereof; or
  - d. a written notice that a request for delivery does not contain sufficient information to specify the Records desired, the format, the delivery method, and the delivery address; or

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

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

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

notice under section 2 and/or fees under section 4.

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

This is to certify that the foregoing Records Production and Copying Policy was adopted by the Board of Directors, in accordance with Section 209.005 of the Texas Property Code, and supersedes any policy regarding records production which may have previously been in effect.

### **Record Retention Schedule**

The Record Retention Schedule is organized as follows:

#### **SECTION TOPIC**

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

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

#### **A. ACCOUNTING AND FINANCE**

<b>Record Type</b>	<b>Length of time to be kept on record</b>
Accounts Payable & Accounts Receivable ledgers and schedules	7 years
Annual Audit Reports and Financial Statements	7 years
Annual Audit Records, including work papers and other documents that relate to the audit	7 years after completion of audit

Bank Statements and Canceled Checks Employee Expense Reports	7 years
General Ledger	7 years
Notes Receivable ledgers and schedules Investment Records	Permanent

**B. CONTRACTS**

<b>Record Type</b>	<b>Length of time to be kept on record</b>
Contracts and related correspondence (including any proposal that resulted in the contact and all other supportive documentation)	4 years after the expiration or termination of the contract

**C. ASSOCIATION RECORDS**

<b>Record Type</b>	<b>Length of time to be kept on record</b>
Corporate records (unless otherwise specifically addressed in this policy), governing documents, dedicatory instruments, minute books, signed minutes of meeting of the Board or Committees, corporate seals, annual/corporate reports, licenses and permits	Permanent
Account records of Owners	5 years

**D. ELECTRONIC DOCUMENTS**

<b>Record Type</b>	<b>Length of time to be kept on record</b>
<p>Electronic Mail: Not all e-mail needs to be retained and is considered Association property or shall be subject to review, dependent upon the subject matter and/or ownership of the e-mail or system from which the communication originated</p> <ul style="list-style-type: none"> <li>• Board and/or staff shall stive to keep all insignificant e-mails to a minimum. Significant e-mails are those related to business and Association related issues. E-mails that contain personal information on a Manager or communication between a Manager and his or her Supervisor regarding Management related topics shall not be required to be produced.</li> </ul>	12 months maximum

- The Corporation's business-related emails should be downloaded to a service center or user directory on the server, as determined by the Board.
- Should not store or transfer the Corporation's related e-mails onto non-work-related computers except as necessary or appropriate for the Corporation's purposes.
- Do not send confidential/proprietary information to outside sources including any communication considered confidential/proprietary by the Managing Agent without prior written consent.

**Electronic Documents:** Retention depends on the subject matter and follows D above

### **E. ASSOCIATION PAYROLL DOCUMENTS**

<b>Record Type</b>	<b>Length of time to be kept on record</b>
Employee Deduction Authorizations	4 years after employees' termination
Payroll Deductions and Payroll Registers	7 years after termination
W-2 and W-4 forms	7 years after termination
Garnishments, Assignments, Attachments	7 years after termination
Timecards/sheets	2 years
Unclaimed wage records	6 years

**F. PERSONNEL RECORDS**

<b>Record Type</b>	<b>Length of time to be kept on record</b>
Commissions/Bonuses/Incentives/Awards	7 years
EEO – I/EEO-2 Employer Information Reports	7 years from separation
Employee earnings records	1 copy kept permanently
Employee handbooks, personnel records of all types	6 years from separation
Job descriptions	3 years
Employee contracts or agreements	7 years from separation
Employment records – all non-hired applicants	2 years or 4 years if an offer of employment was made
Employee records – correspondence with employment agencies and/or advertisements for job openings	3 years from separation or from date of posting
Personnel count records	3 years
Forms I-9	3 years after date of hire or 1 year after separation of employment

**G. PROPERTY RECORDS**

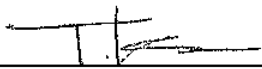
<b>Record Type</b>	<b>Length of time to be kept on record</b>
Correspondence, property deeds, assessments, licenses, rights-of-way, property insurance policies	Permanent

**F. TAX RECORDS**

<b>Record Type</b>	<b>Length of time to be kept on record</b>
Tax exemption documents and related correspondence	Permanent

IRS rulings	Permanent
Tax bills, receipts, statements	7 years
Tax returns, income, franchise, and property	Permanent
Tax workpaper packages – originals	7 years
Annual information returns – Federal and State	Permanent
IRS or other government audit records	Permanent
All other tax records	7 years

Polo Ridge Property Owners Association, Inc., a  
Texas non-profit corporation

Name:  \_\_\_\_\_

Trevor Kollinger, Secretary



**EXHIBIT C**

**Alternative Payment Plan Policy**

[See Attached]

**POLO RIDGE PROPERTY OWNERS ASSOCIATION, INC.**

**Alternative Payment Schedule Guidelines for Certain Assessments**

**WHEREAS**, the Board of Directors (the “Board”) of Polo Ridge Property Owners Association, Inc. (the “Association”) wishes to adopt reasonable guidelines to establish an alternative payment schedule by which an owner may make partial payments to the Association for delinquent regular or special assessments or any other amount owed to the Association; and

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

**WHEREAS**, the Board intends to file these guidelines in the real property records of each county in which the subdivision is located, in compliance with Section 209.0062 of the Texas Property Code; and

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

1. Upon the request of a delinquent owner, the Association shall enter into an alternative payment schedule with such owner, subject to the following guidelines:
  - a. An Alternative Payment Schedule is only available to owners who have delinquent regular assessments, special assessments or any other amount owed to the Association.
  - b. An Alternative Payment Schedule will not be made available in the following cases: (1) to owners who have failed to honor the terms of a previous Alternative Payment Schedule during the two years following the owner’s default of such previous Alternative Payment Schedule; (2) to owners who have failed to request an Alternative Payment Schedule prior to the 45 day deadline to cure the delinquency as set forth in the Association’s letter sent pursuant to Tex. Prop. Code § 209.0064(b); and/or (3) to owners who have entered into an Alternative Payment Schedule within the previous 12 months. Notwithstanding the foregoing, the Board has discretion to allow any owner to enter into an Alternative Payment Schedule.
  - c. During the course of an Alternative Payment Schedule, additional monetary penalties shall not be charged against an owner so long as the owner timely performs all obligations under the Alternative Payment Schedule and does not default. However, the Association may charge reasonable costs for administering the Alternative Payment Schedule (“Administrative Costs”) and, if interest is allowed under the Declaration, then interest will continue to accrue during the term of the Alternative Payment Schedule. The Association may provide an estimate of the amount of interest that will accrue during the term of the Alternative Payment Schedule.

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

5. While an owner is in default under an Alternative Payment Schedule, the owner's payments need not be applied to the owner's debt in the order of priority set forth in Tex. Prop. Code § 209.0063(a). But, in applying a payment made while the owner is in default, a fine assessed by the Association may not be given priority over any other amount owed to the Association.
  6. The failure by the Association to exercise any rights or options shall not constitute a waiver thereof or the waiver of the right to exercise such right or option in the future.
- i. All other terms of an Alternative Payment Schedule are at the discretion of the Board of Directors.

This is to certify that the foregoing Alternative Payment Schedule Guidelines for Certain Assessments was adopted by the Board of Directors, in accordance with Section 209.0062 of the Texas Property Code.

Polo Ridge Property Owners Association, Inc.,  
a Texas non-profit corporation

Name:   
Trevor Kollinger, Secretary

**EXHIBIT D**

**Security Measures Policy**

[See Attached]

**POLO RIDGE PROPERTY OWNERS ASSOCIATION, INC.**

**Security Measures Policy**

**WHEREAS**, the Board of Directors (the "Board") of Polo Ridge Property Owners Association, Inc. (the "Association") wishes to adopt reasonable guidelines to establish Security Measures Policy for the Association; and

**WHEREAS**, the Board wishes to adopt these reasonable guidelines in compliance with Section 202.023 of the Texas Property Code ("Section 202.023") regarding Owner rights to building or installing security measures on such Owner's Lot ("Security Measures"); and

**WHEREAS**, the Board intends to file these guidelines in the real property records of each county in which the subdivision is located, in compliance with Section 202.006 of the Texas Property Code; and

**NOW, THEREFORE, IT IS RESOLVED** that the following guidelines for Security Measures are established by the Board:


An Owner may build or install on such Owner's Lot Security Measures, including but not limited to a security camera, motion detector, or perimeter fence, provided that such Security Measures:

1. Do not require placement or installation of a security camera by an Owner on any property other than the Lot owned by such Owner; and
2. Any security fencing installed by an Owner on its Lot must comply with the Design Guidelines then adopted by the Architectural Reviewer or Architectural Control Committee of the Association and otherwise comply with the requirements and restrictions set forth in the Declaration.

*[signature page and acknowledgement follows]*

This is to certify that the foregoing Security Measures Policy was adopted by the Board of Directors, in accordance with Section 202.006 of the Texas Property Code, and supersedes any policy regarding security measures which may have previously been in effect.

Polo Ridge Property Owners Association, Inc.,  
a Texas non-profit corporation

Name:   
Trevor Kollinger, Secretary

Security Measures Policy

**EXHIBIT E**

**Pandemic Policy**

[See Attached]



**POLO RIDGE PROPERTY OWNERS ASSOCIATION, INC.**

**Pandemic Policy**

**WHEREAS**, the Board of Directors (the "Board") of Polo Ridge Property Owners Association, Inc. (the "Association") wishes to adopt reasonable guidelines to establish a Pandemic Policy for the Association; and

**WHEREAS**, the Board wishes to adopt these reasonable guidelines in compliance with Section 148.003 of the Texas Civil Practice and Remedies Code of the Texas Property Code ("Section 148.003") regarding liability of the Association under Section 148.003 ("Pandemic Liability"); and

**WHEREAS**, the Board intends to file this instrument in the real property records of each county in which the subdivision is located, in compliance with Section 202.006 of the Texas Property Code; and

**NOW, THEREFORE, IT IS RESOLVED** that the following policy is established by the Board:

In no event shall the Association or any board member, committee member or officer thereof be liable under Section 148.003 for any Pandemic Liability. With respect to the use of Common Areas and/or or any Areas of Common Responsibility owned or maintained by the Association, each Owner for themselves, members of their household, and his or her guests or invitees hereby waives and releases the Association for, from and against any liability for injury or death caused by or in connection with exposure of any individual to a pandemic disease during a pandemic emergency. Furthermore, each Resident and Owner for themselves, members of their household, and his or her guests or invitees acknowledges and agrees by recordation hereof as follows:


1. The Association has provided sufficient warning to each individual Resident and Owner, members of their household, and his or her guests or invitees that exposure of an individual to a disease during a pandemic emergency is likely.
2. The Association has no control over conditions related to a pandemic emergency, has no basis of knowledge as to whether any individual would be more likely than not to come into contact with the pandemic disease under any circumstances, and has no obligation, opportunity or ability to remediate conditions or warn any individual of a condition before the individual comes into contact with a condition related to pandemic disease.
3. The Association has no liability or responsibility to comply with any government-promulgated standards, guidance or protocols intended to lower the likelihood of exposure to the disease during a pandemic emergency, and each Resident, Owner, members of their households, and their respective guests or invitees have a reasonable opportunity and ability to implement or comply with any and all government-promulgated standards, guidance or protocols intended to lower the likelihood of exposure to the disease during a pandemic emergency with respect to such Resident's, Owner's, household member's, guest's or invitee's use of any Common Areas and/or Areas of Common Responsibility.
4. All Common Areas and Areas of Common Responsibility owned or maintained by the Association are entered into and/or used by a Resident, an Owner, members of their households, and their respective guests or invitees at their own risk. The Association disclaims any and all liability or responsibility for injury or death related to the pandemic disease or

otherwise occurring from entry or use of the Common Areas and/or Areas of Common Responsibility.

*[signature page and acknowledgement follows]*

This is to certify that the foregoing Pandemic Policy was adopted by the Board of Directors, in accordance with Section 202.006 of the Texas Property Code, and supersedes any policy regarding pandemics which may have previously been in effect.

Polo Ridge Property Owners Association, Inc.,  
a Texas non-profit corporation

Name:   
Trevor Kollinger, Secretary

Pandemic Policy

**EXHIBIT F**

**E-mail Registration Policy**

**POLO RIDGE OWNERS ASSOCIATION, INC.**

**E-MAIL REGISTRATION POLICY**

**WHEREAS**, the Board of Directors (the "Board") of Polo Ridge Owners Association, Inc. (the "Association") wishes to adopt reasonable guidelines to establish an E-mail Registration Policy for the Association which shall be effective upon recording; and

**WHEREAS**, the Board wishes to adopt these reasonable guidelines regarding the Association's rights and intent to use e-mail and other electronic forms of communication for the purpose of noticing Members of the Association; and

**WHEREAS**, the Board intends to file these guidelines in the real property records of each county in which the subdivision is located, in compliance with Section 209.005 of the Texas Property Code; and

**WHEREAS**, this policy may be amended at any time and from time to time by the Declarant or the Board of Directors by Resolution to comport with industry standards, to amend or revise provisions of the policy as may be deemed necessary and in the best interest of the Association. Notwithstanding, should any ambiguity or conflict occur regarding the intent of this Policy at any time, all Members are herein advised the interpretation shall always be in **FAVOR OF THE ASSOCIATION**. Any amendment or revision shall be made available to each homeowner and a copy placed on the Association's website if applicable.

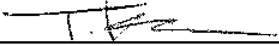
**NOW, THEREFORE, IT IS RESOLVED** that the following guidelines for E-mail Registration Policy are adopted and established as follows:

Terms used but not defined in this policy will have the meaning subscribed to such terms in that certain Declaration of Covenants, Conditions and Restrictions for Polo Ridge, if applicable and shall be recorded in each county in which the Subdivision is located and in compliance with Section 209.005 of the Texas State Property Code and as may be supplemented and/or amended from time to time:

1. **Purpose.** The purpose of this Email Registration. Policy is to facilitate proper notice of Board, Annual, Special, and other meetings of the Board and/or Members pursuant to Section 209.0051(e) of the Texas Property Code and additionally, to facilitate the announcement of other Association business or community events as they may occur.
2. **Email Registration.** Should the owner wish to receive all email notifications, it is the owner's sole responsibility to register his/her email address with the Association and to continue to keep the registered email address updated and current. To register an email address, the owner must provide their name, address, phone number and email address through the method provided on the Association's website, if any, or contact the managing agent of record and provide any information in writing.
3. **Failure to Register.** Under the Texas Property Code, an Association is required to notice Owners using only one (1) contact method. An owner may not receive email notification or communication of meetings should the owner fail to register his/her email address with the Association or the managing agent. Correspondence to the Association and/or managing agent must be in a form of writing. Written notice or e-mail notice sent from the Owner's e-mail address will be considered appropriate means of notification. No verbal requests for changes will be accepted. Property management companies overseeing rentals may not make changes to an Owner's address or other information without a signed authorization form received from the Owner.

4. ***Amendment.*** The Association may, from time to time, by Resolution of the Board, and as a stand-alone policy modify, amend, or supplement this Policy or any other rules regarding email registration and the way the Association chooses to notice Owners about meetings. This policy shall include all meeting types.

Polo Ridge Owners Association, Inc.,  
a Texas non-profit corporation

By:   
Trevor Kollinger, Secretary

**EXHIBIT G**

**Generator Policy**

**POLO RIDGE OWNERS ASSOCIATION, INC.**

**GENERATOR POLICY**

**WHEREAS**, the Board of Directors (the "Board") of Polo Ridge Owners Association, Inc. (the "Association") wishes to adopt reasonable guidelines to establish a Generator Policy for the Association; and

**WHEREAS**, the Board wishes to adopt these reasonable guidelines regarding Generator installation and use; and

**WHEREAS**, the Board intends to file these guidelines with the Bylaws of the Association notwithstanding, the Policy may be amended at any time and from time to time as a stand-alone policy in the real property records of each county in which the subdivision is located, in compliance with Section 209.005 of the Texas Property Code; and

**WHEREAS**, this policy may be amended at any time and from time to time by the Declarant during the Declarant Control Period and thereafter by the Board of Directors by Resolution as a stand-alone policy to comport with industry standards, to amend or revise provisions of the policy as may be deemed necessary and in the best interest of the Association.

**NOW, THEREFORE, IT IS RESOLVED** that the following guidelines for use of Generators are established by the Board:

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

**A. ARCHITECTURAL REVIEW APPROVAL REQUIRED**

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

**B. GENERATOR PROCEDURES AND REQUIREMENTS**

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

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

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

ii. The Owner must use a licensed contractor(s) to install all electrical, plumbing,



and fuel line connections and all electrical connections must be installed in accordance with all applicable governmental health, safety, electrical, and building codes.

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

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

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

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

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

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

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

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

xi. No Owner shall locate a Generator on property owned by the Association.

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

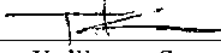
3. Process. Any proposal to install a Generator on property owned by The Association or property owned in common by members of the Association must be approved in advance and in writing by the Board, and the Board need not adhere to the requirements set forth in this Generator Policy when considering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

4. Approval. Each Owner is advised that if the Generator Application is approved by the ACC, installation of the Generator must: (i) strictly comply with the Generator Application; (ii) commence within thirty (30) days of approval; and (iii) be diligently prosecuted to completion. If the owner fails to cause the Generator to be installed in accordance with the approved Generator Application, the ACC may require the Owner to: (a) modify the

**Generator Application to accurately reflect the Generator installed on the Property; or (b) remove the Generator and reinstall the Generator in accordance with the approved Generator Application.**

**Failure to install the Generator in accordance with the approved Generator Application or an Owner's failure to comply with the post-approval requirements constitutes a violation of the Declaration and may subject the Owner to fines and penalties up to \$1,000.00. Any requirement imposed by the ACC to resubmit a Generator Application or remove and relocate a Generator in accordance with the approved Generator Application shall be at the Owner's sole cost and expense.**

**Polo Ridge Owners Association, Inc., a Texas non-profit corporation**

By:   
Trevor Kollinger, Secretary