

# PROPERTY RIGHTS IN THE COMMON PROPERTY

5.01 Members' Easements of Enjoyment. Subject to the provisions of Section 5.03 of this Article, every Member and every tenant of every Member, who resides on a Lot, and each individual who resides with either of them, on such Lot shall have a right and easement of use, recreation and enjoyment in and to the Common Properties and such easement shall be appurtenant to and shall pass with the title of every Lot, provided, however, such easement shall not give such person the right to make alterations, additions of improvements to the Common Properties.

5.02 Title to the Common Properties. Declarant will hold record title to the Common Properties for an indefinite period of time subject to the easements set forth in Section 5.01 hereof. Declarant shall have the right and option (without the joinder and consent of any person or entity, save and except any consent, joinder or approval required by the City of Keller) to encumber, mortgage, design, redesign, reconfigure, alter, improve, landscape and maintain the Common Properties, provided that Declarant fully and timely complies with any and all requirements of the City of Keller. At some point in time (deemed reasonable and appropriate by the Declarant but prior to January 1, 2020), the Declarant will convey title to the Common Properties to the Association for the purposes herein envisioned. Declarant reserves the right to execute any open space declarations applicable to the Common Properties which may be permitted by law in order to reduce property taxes.

5.03 Extent of Members' Easements. The rights and easements of use, recreation and enjoyment created hereby shall be subject to the following:

- (a) The right of Declarant or the Association to prescribe reasonable regulations and policies governing, and to charge fees and or deposits related to, the use, operation and maintenance of the Common Properties;
- (b) Liens on mortgages placed against all or any portion of the Common Properties with respect to monies borrowed by Declarant to develop and improve the Property or by the Association to improve or maintain the Common Properties;

(c) The right of the Association to enter into and execute contracts with any party (including, without limitation, Declarant) for the purpose of providing maintenance or such other materials or services consistent with the purposes of the Association;

(d) The right of Declarant or the Association to take such steps as are reasonably necessary to protect the Common properties against foreclosure;

(e) The right of Declarant or the Association to suspend the voting rights of any Member and to suspend the right of any individual to use or enjoy any of the Common Properties for any period during which any assessment (including without limitation "fines") against a Lot resided upon by such individual remains unpaid, and for any period deemed reasonable by the Association for an infraction of the then-existing rules and regulations;

(f) The right of Declarant and/or the Association to dedicate or transfer all or any part of the Common Properties to any municipal corporation, public agency, authority, or utility company for such purposes and upon such conditions as may be agreed upon by Declarant and the Members having a majority of the outstanding eligible votes of the Association;

(g) The right of Declarant and/or the Association to convey, sell or lease all or part of the Common Properties upon such terms and conditions as may be agreed upon by Declarant and the Members having a majority of the outstanding eligible votes of the Association; and

(h) The right of the Declarant or the Association to enter into and execute contracts with the owner-operations for the purpose of extending cable or utility service on, over or under the Common Properties to ultimately provide service to one or more of the Lots.