

**THE STATE OF TEXAS COUNTY OF TARRANT**

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR RANCHO  
SERENA**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (this "Declaration") is made this 24th day of January, 1996, by TRIWEST ENTERPRISES, INC., a Texas Corporation (hereinafter referred to as "Declarant").

**W I T N E S S E T H:**

WHEREAS, Declarant is the owner of that certain real property referred to in Article II and described on Exhibit "A" of this Declaration, which property represents a residential community development known as "Rancho Serena." Declarant desires to provide for the preservation of values and amenities of such real property.

NOW, THEREFORE, Declarant hereby declares that the real property referred to in Article II and described on Exhibit "A," and such additions thereto as may hereafter be made pursuant to Article II hereof, is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, conditions, restrictions, easements, charges and liens (sometimes collectively referred to herein as "Covenants and Restrictions") hereinafter set forth.

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## Article I

### DEFINITIONS

The following words when used in this Declaration or any amendment or supplement hereto (unless the context shall otherwise clearly indicate or prohibit) shall have the following meanings:

(a) "Association" shall mean and refer to Rancho Serena Homeowners Association, Inc., a Texas non-profit corporation, which after its formation, but subject to the provisions of this Declaration, shall have the power, duty and responsibility of maintaining and administering the Common properties, and collecting the assessments and charges hereinafter prescribed; and have the right of administering and enforcing the Covenants and Restrictions.

(b) "Common Properties" shall mean and refer to any and all areas of land within the Property which are known, described or designated as parks, recreational areas, common green, common areas, recreational easements, recreational amenities such as swimming pools, tennis courts or parks, playground equipment, green belts or open spaces, private streets or security gates, on any recorded subdivision plat of the Property or pursuant to any easements granted to Declarant for green belt areas or intended for or devoted to the common use and enjoyment of the Members of the Association, also landscaped medians in public right-of-ways, and entry treatments together with any and all improvements that are now or may hereafter be constructed or installed thereon, and including all equipment, walls, fountains, fences, accessories and machinery used in the operation or maintenance of any of such Common Properties and any additions to or replacements of any of such Common Properties. The common areas now within Rancho Serena residential community generally consist of open spaces. Declarant proposes to hold record title to the Common Properties, consistent with the objectives envisioned herein and subject to the easement rights herein of the Members to use and enjoy the Common Properties, for an indefinite period of time and at a point in time (deemed appropriate and reasonable by the Declarant but prior to January 1, 2020) record title to the Common Properties will be formally transferred from the Declarant to the Association. Declarant reserves the right to effect redesigns or reconfigurations of the Common Properties and execute any open space declarations applicable to the Common Properties which may be permitted by law in order to reduce property taxes.

(c) "Declarant" shall mean and refer to Triwest Enterprises, Inc., and its successors and assigns (if any) of Triwest Enterprises, Inc. with respect to the voluntary disposition of all ( or substantially all) of the assets of Triwest Enterprises, Inc. and/or the disposition of all (or substantially all) of the right, title and interest in and to the Property prior to the completion of development thereon. No person or entity purchasing one or more Lots from Triwest Enterprises, Inc. in the ordinary course of business shall be considered as "Declarant."

(d) "Existing Property" shall mean and refer to the real property which is, and shall be, held, transferred, sold, conveyed and occupied subject to this Declaration pursuant to section 2.01 of Article II hereof.

(e) "Lot" shall mean and refer to any plot or tract of land shown upon any recorded subdivision map(s) or plat(s) of the Property; as amended from time to time, which is designated as a lot therein and which is or will be improved with a residential dwelling in conformity with the building restrictions herein se

forth. Although some portions of the Common Properties may be platted as a "lot" on the subdivision plat, these lots shall be excluded from the definition of "Lot" as used herein. "Adjoining Lot" shall mean and refer to a Lot which is adjacent to any other Lot as shown on any recorded plat of the Property. Any reference in Article IX hereof to the visibility of an item from any Adjoining Lot shall mean the visibility of such item from the ground level of the structure located on the Adjoining Lot and not the second story of a two-story dwelling located thereon.

(f) "Member" shall mean and refer to each Owner of a Lot.

(g) "Owner" shall mean and refer to each and every person or business entity who or which is a record owner of a fee or undivided fee interest in any Lot subject to these Covenants and Restrictions; however, the word "Owner" shall not include person(s) or entity(ies) who hold a bona fide lien or interest in a Lot as security for the performance of an obligation.

(h) "Property" shall mean and refer to all such existing properties, and any additions thereto, as are subject to this Declaration , or any amendment or supplement hereto, prepared and filed of record pursuant to the provisions of Article II hereof. Declarant presently envisions that additional properties adjacent to the Existing Property will be added to the scheme of this Declaration.

## Article II

### PROPERTY SUBJECT TO THIS DECLARATION:

#### ADDITIONS THERETO

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2.01 Existing Property. The Existing Property is located in the City of Keller, Tarrant County, State of Texas, and is more particularly described on Exhibit "A", attached hereto and incorporated herein by reference for all purposes.

2.02 Additions to Existing Property. Additional land(s) may become subject to this Declaration in any of the following manners:

(a) Declarant may add or annex additional real property to the scheme of this Declaration by filing of record a Supplementary Declaration of Covenants, Conditions and Restrictions which shall extend the scheme of the covenants, conditions and restrictions of this Declaration to such property, provided, however, that such supplementary declaration may contain such complementary additions and modifications of the Covenants and Restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the added properties and as are not inconsistent with the concept of this Declaration.

(b) In the event any person or entity other than Declarant desires to add or annex additional residential and/or common areas to the scheme of this Declaration, such proposed annexation must have the prior written consent and approval of the majority of the outstanding votes of the Association.

(c) Any additions made pursuant to paragraphs (a) and (b) of this Section 2.02, when made, shall automatically extend the jurisdiction, functions, duties and membership of the Association to the properties added.

(d) Declarant shall have the right and option (with the joinder, approval or, consent of such other associations) to cause the Association to merge or consolidate with any similar association then having jurisdiction over real property located (in whole or in part) within one-half (1/2) mile of any real property then subject to the jurisdiction of this Association. Upon a merger or consolidation of the Association with another association, its properties, rights and obligations may, by operation of law, be transferred to another surviving or consolidated association or, alternatively, the properties, 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 a merger. The surviving or consolidated association may administer the Covenants and Restrictions established by this Declaration within the Existing Property together with the covenants, conditions and restrictions established upon any other properties as one scheme.

2.03 Removal of Property. At any time prior to January 1, 2020, Declarant may remove portions of the Existing Property from the scheme of this Declaration by filing of record a Release of Restrictions describing the portion of the Existing Property which has been released.

## Article III

### MEMBERSHIP AND VOTING RIGHTS

3.01 Membership. Every Owner of a Lot shall automatically be and must remain a Member of the Association in good standing. The Board of Directors may declare that an Owner is not a Member in good standing because of past unpaid dues, fines, late charges, interest, legal fees, and/or any other assessments of any nature. The Board of Directors may temporarily suspend the voting rights of any Member who is not in good standing until the date when such past unpaid amounts are paid in full.

3.02 Voting Rights. The Association shall have three classes of voting membership:

CLASS A: Class A Members shall be all Members other than Class B and Class C Members. Class A Members shall be entitled to one (1) vote for each Lot in which they hold the interest required for membership. When more than one person holds such interest or interests in any Lot, all such persons shall be Members, and the vote for such Lot shall be exercised as they, among themselves, determine, but in no event shall more than one (1) vote be cast with respect to any such Lot.

CLASS B: Class B Members shall be any bona fide Owner who is engaged in the process of constructing a residential dwelling on any Lot for sale to consumers. Class B Members shall be non-voting members of the Association. The class membership shall cease, and each Class B Member shall become a Class A Member:

(i) when the total number of votes outstanding in the Class A membership equals the total number of votes outstanding in the Class C membership; or

(ii) on the tenth (10th) anniversary of the date hereof, whichever occurs first in time.

CLASS C: The Class C Member shall be Declarant. The Class C Member shall be entitled to six (6) votes for each Lot which it owns and for each Lot owned by all Class B Members.

Notwithstanding the aforementioned voting rights within the Association and consistent with the provisions of Section 12.02 hereinafter, until:

(a) Declarant no longer owns:

(i) record title to any Lot; and

(ii) a lien interest in any Lot; and

(iii) title to any adjoining acreage intended to be developed as an additional section or phase of Rancho Serena; or

(b) January 1, 2020

whichever occurs first in time, neither the Association nor the Members shall take any action or inaction with respect to any matter whatsoever without the consent and approval of the Declarant, which shall not be unreasonably withheld or delayed.

3.03 Quorum, Notice and Voting Requirements. The quorum, notice and voting requirements of and pertaining to the Association are set forth within the Articles of Incorporation and Bylaws of the Association, as same may be amended from time to time. Subject to the provisions of Section 3.02 above, any action by or on behalf of the Association may be taken with the assent given in writing and signed by Members who collectively hold or control more than sixty percent (60%) of the outstanding votes of the Association.

## Article IV

### GENERAL POWERS AND DUTIES OF BOARD OF DIRECTORS

4.01 Powers and Duties. The affairs of the Association shall be conducted by its Board of Directors (herein referred to as the "Board"). The Board shall be selected in accordance with the Articles of Incorporation and Bylaws of the Association. The Board, for the benefit of the Common Properties and the Owners, shall provide , and shall pay for out of the maintenance fund(s) provided for in Article VI below, the following:

(a) Care and preservation of the Common Properties and the furnishing and upkeep of any desired personal property for use in the Common Properties;

(b) Any private trash and garbage collection service and security arrangements;

(c) Taxes, insurance and utilities (including, without limitation, electricity, gas, water and sewer charges) which pertain to the Common Properties only;

(d) The services of a person or firm (including Declarant and any affiliates of Declarant) to manage the Association or any separate portion thereof, to the extent deemed advisable by the Board, and the services of such other personnel as the Board shall determine to be necessary or proper for the operation of the Association, whether such personnel are employed directly by the Board or by a manager designated by the Board;

(e) Legal and accounting services; and

(f) Any other materials, supplies, furniture, labor, services, maintenance, repairs, structural alteration, taxes or assessments which the Board is required to obtain or pay for pursuant to the terms of this Declaration or which in its opinion shall be necessary or proper for the operation or protection of the Association or for the enforcement of this Declaration.

The Board shall have the following additional rights, powers and duties:

(g) To execute all declarations of ownership for tax assessment purposes with regard to any of the Common Properties owned by the Association;

(h) To enter into agreements or contracts with insurance companies, taxing authorities and the holders of first mortgage liens on the individual Lots with respect to: (i) taxes on the Common Properties; (ii) insurance coverage (if any) on Common Properties, as they relate to the assessment, collection and disbursement process envisioned by Article V hereinabove; and (iii) utility installation, consumption and service matters;

(i) To borrow funds to pay costs of operation, secured by assignment or pledge of rights against delinquent Owners, if the Board sees fit or secured by such assets of the Association as deemed appropriate by the lender and the Association;

(j) To enter into contracts, maintain one or more bank accounts, and, generally, to have all the powers necessary or incidental to the operation and management of the Association:

(k) To protect or defend the Common Properties from loss or damage by suit or otherwise, to sue or defend in any court of law on behalf of the Association and to provide adequate reserves for repairs and replacements;

(l) To make reasonable rules and regulations for the operation of the Common Properties and to amend them from time to time;

(m) To make available to each Owner within ninety (90) days after the end of each year an annual report;

(n) Pursuant to Article VII herein, to adjust the amount, collect, and use any insurance proceeds to repair damage or replace lost property; and if proceeds are insufficient to repair damage or replace lost property, to assess the Members in proportionate amounts to cover the deficiency;

(o) To enforce the provisions of this Declaration and any rules made hereunder and to fine, enjoin and/or seek damages from any Owner for violation of such provisions or rules.

4.02 Board Powers, Exclusive. The Board shall have the exclusive right to contract for all goods, services, and insurance, and the exclusive right and obligation to perform the functions of the Board, except as otherwise provided herein. In the event or if for any reason the Board is not deemed authorized to act for and on behalf of the Association and the Members, then Declarant may exercise its power and authority under Section 12.02 hereof to act for and on behalf of the Association and the Member, and the Association shall reimburse Declarant for any and all reasonable expenses incurred in so acting.

4.03 Contracts With Owners. The Board, on behalf of the Association, shall have full power and authority to contract with any Owner (including, without limitation, Declarant) for the performance, on behalf of the Association, of services which the Board is otherwise required to perform pursuant to the terms hereof, such contracts to be upon such terms and conditions and for such consideration as the Board may deem proper, advisable and in the best interest of the Association.

4.04 Liability Limitations. Neither any Member, the Board, any Director, nor any Officer of the Association shall be personally liable for debts contracted for, or otherwise incurred by the Association, or for a tort of another Member, whether such other Member was acting on behalf of the Association or otherwise. Neither Declarant, the Association, its Directors, officers, agents, or employees shall be liable for any incidental or consequential damages for failure to inspect any premises, improvements or portion thereof or for failure to repair or maintain the same. Declarant, the Association or any other person, firm or corporation liable to make such repairs or maintenance shall not be liable for any personal injury or other incidental or consequential damages occasioned by any act or omission in the repair or maintenance of any premises, improvements or portion thereof.

4.05 Reserve Funds. The Board may establish reserve funds which may be maintained and accounted for separately from other funds maintained for annual operating expenses and may establish separate, irrevocable trust accounts in order to better demonstrate that the amounts deposited therein are capital contributions and not net income to the Association.

4.06 Restrictions on Contracts. Neither Declarant nor the Association may directly or indirectly enter into any management agreement or any other contract of behalf of the Association which extends beyond the date Class C memberships cease as provided in Section 3.02 of this Declaration. The Association may, however, following such date, enter into new management agreements or other contracts in accordance with this Declaration.

## Article V

### 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.

## Article VI

### COVENANTS FOR ASSESSMENTS

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6.01 Personal Obligation of Assessments. Each Owner of a Lot by acceptance of a deed, is deemed, as a part of the purchase money consideration for such deed and conveyance, to covenant and agree to pay to the Declarant and/or the Association (or to an independent entity or agency which may be designated by the Declarant and/or the Association to receive such monies):

(a) Regular assessments or charges for maintenance, reserves required by Keller zoning ordinances, taxes and insurance on portions of the Properties and the Common Properties (including, without limitation, those matters described within Section 4.01 hereof);

(b) Special group assessments for capital improvements or unusual or emergency matters, such assessments to be fixed, established and collected from time to time as hereinafter provided;

(c) Special individual assessments levied against individual Owners to reimburse the Association for extra costs for maintenance and repairs caused by the willful or negligent acts of the individual Owner and not caused by ordinary wear and tear; and

(d) Individual assessments and fines levied against individual Owners for violations of rules and regulations pertaining to the Association and/or the Common Properties; such assessments to be fixed, established and collected from time to time as hereinafter provided. The regular special individual assessments, together with such late charges, interest and costs thereof as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon each Lot against which each such assessment is made and shall also be the continuing lien upon each Lot against which each such assessment is made and shall also be the continuing personal obligation of the then-existing Owner of such Lot at the time which the assessment fell due.

6.02 Creation of Lien. Declarant and the Association hereby reserve a vendor's lien against each Lot to secure the payment of any assessment which may be levied pursuant to the terms and provisions of Sections 6.05, 6.06, 9.11, and/or 12.06 hereof, and the expenses incurred in connection with the enforcement thereof, including, without limitation, interest at the maximum rate permitted by law, costs and reasonable attorney's fees. Such lien may be enforced by appropriate judicial proceedings and the amounts secured thereby shall be the obligation of and chargeable to Owner. Such lien shall be and is subordinate and inferior only to the following: (i) assessments, liens and charges in favor of the State of Texas and any political subdivision thereof for taxes past due and unpaid on the Lot; and (ii) amounts due under any first lien deed of trust duly recorded prior to the recordation of any assessment lien as provided in Section 6.03 of this Article VI.

6.03 Assessment Lien.

(a) All sums assessed but unpaid, including interest thereon at the maximum rate permitted by law from the date such assessments are due until said assessments are paid (subject to the provisions hereof limiting the interest contracted for, charged or received to the maximum permitted by applicable law) shall constitute a lien on the Lot superior to all other liens and encumbrances, except as provided in Section 6.02 of this Article VI. Declarant, or the Board or its duly appointed agent, may (but shall not be required to ) prepare a written notice setting forth the amount of such unpaid indebtedness, the name of Owner and a description of the Lot. Such notice shall be signed by Declarant or the Board or its duly appointed agent and may be recorded in the office of the County Clerk of Tarrant County, Texas. Such lien may be enforced by the foreclosure of it upon the lot by the Declarant or the Board or its dully appointed agent. In any such proceeding, the Owner shall be required to pay the costs, expenses and attorney's fees incurred in connection with filing the lien, and in the event of any foreclosure proceeding, all additional costs, expenses and attorney's fees incurred in connection with any such foreclosure proceeding. Declarant or the Board or its duly appointed agent shall have the power to bid on the Lot at foreclosure or other legal sale and to acquire and hold, lease, mortgage, convey or otherwise deal with the same. Any mortgagee holding a lien on the Lot may pay, but shall be required to pay, any unpaid assessments owing with respect to the Lot, but such payment shall not be deemed a waiver of Owner's default by either Declarant, the Board or such mortgagee.

(b) The amount of the assessments assessed against the Lot shall also be a personal obligation or indebtedness of the Owner thereof at the time the assessment is made. Suit to recover a money judgment for unpaid assessments shall be maintainable without foreclosing or waiving the lien securing same.

(c) Owner, by acceptance of the deed to the Property, hereby expressly vests in Declarant, the Board or its agents the right and power to bring all actions against Owner personally for the collection of such charges as a debt, and to enforce the aforesaid liens by all methods available for the enforcement of such liens, No Owner may waive or otherwise escape liability for the assessments provided herein by non-use of the Common Properties or by abandonment of his Lot.

(d) If any assessment remains unpaid at the expiration of thirty (30) calendar days from and after the due date established by the Declarant and/or the Board, a late charge may be assessed, if permitted by applicable law, against the non-paying Owner for each month that any portion of an assessment remains unpaid. The late charge shall be in the amount of Twenty-Five and No/100 Dollars (\$25.00) for all Class A Members and twelve and 50/100 Dollars (\$12.50) for all Class B and Class C Members. A reasonable service charge in an amount established by the Board may be charged for each check that is returned because of insufficient funds. The amounts of late charges and service charges may be adjusted, from time to time, by the Board consistent with any changes in the amounts or regular or special assessments; provided, however, that the amount of any late charges assessed against Class B Members shall be fifty percent (50%) of the amount of the late charge assessed against Class A Members.

6.04 Purpose of Assessments. The assessments levied by the association shall be used exclusively for the purposes of (i) promoting the health, recreation, safety and welfare of the residents of the property; (ii) improving and maintaining any private roads, security gates, walkways, jogging and bicycle trails, lakes, swimming pools, recreational areas, or other properties, services and facilities directly related to the use and enjoyment of the Common Properties; (iii) the payment of taxes on the Common Properties and insurance (if any) in connection with the Common Properties and the repair, replacement and additions thereto, (iv) the payment for electricity for street lights and exterior lights and the repair, replacement and additions of various items within the Common Properties, (v) trash and garbage

collection and security arrangements, as may be determined necessary and appropriate by the Association from time to time; (vi) paying the cost of labor, equipment (including the expense of leasing any equipment) and materials required for, and the management and supervision of, the Common Properties; (vii) carrying out the duties of the Board as set forth in Article IV hereof; (viii) carrying out the various matters set forth or envisioned herein or in any amendment or supplement hereto; and (ix) for any matter or thing designated by the City of Keller in connection with any zoning, subdivision, platting, building or development requirements.

#### 6.05 Basis and Amount of Regular Maintenance Assessments.

(a) Until and unless otherwise determined by the Declarant and/or the Board, the maximum regular assessment shall be Thirty-Three Dollars (\$33.00) per Lot per month.

(b) The Declarant and/or the Board may establish the maximum annual assessment for each Lot, provided that the maximum annual assessment may not be increased more than thirty percent (30%) above the maximum annual assessment or the previous year unless otherwise approved by the Members of the Association as provided in Section 3.03 of Article III.

(c) After consideration of current maintenance costs and the future needs of the Association, the Declarant and/or the Board shall fix the actual annual assessment at an amount equal to or less than the then-existing maximum annual assessment.

(d) The Declarant and/or the Board may establish a time-price differential schedule for the payment of the regular assessment in which the lowest amount is the actual regular base assessment.

6.06 Special Assessments for Capital Improvements. In addition to the regular assessments authorized by Section 6.03 hereof, the Association may levy in any fiscal year a special assessment, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Properties, including any necessary fixtures and personal property related thereto; provided that any such assessment shall have the affirmative approval of the Members of the Association.

6.07 Uniform Rate of Annual and Special Assessments. Both regular and special capital assessments must be fixed at a uniform rate for all Lots. Each Lot owned by a Class A Member shall be charged with one hundred percent (100%) of the established per Lot assessment, while each Lot owned by a Class B Member shall be charged with fifty percent (50%) of the established per Lot assessment. Lots owned by Declarant shall not be charged with any portion of any assessment.

6.08 Date of Commencement of Assessments: Due Dates. The Declarant and/or the Board may prescribe from time to time that the regular base assessments are to be collected on an annual, semi-annual, quarter or monthly basis, and accordingly, the Declarant and/or the Board shall prescribe the appropriate due dates and, if applicable, the time-price differential rates and due dates. All regular base assessments shall be collected in advance. The due date or dates (if it is to be paid in installments) of any other assessments or special assessment under Sections 6.05 and 6.06 hereof, shall be fixed in the respective resolution authorizing such assessment.

#### 6.09 Duties of the Board with Respect to Assessments.

(a) In the event of a revision to the amount or rate of the regular base assessment, or establishment of a special group or special individual assessment, the Declarant and/or the Board, shall fix the amount of the base assessment against each Lot, and the applicable due dates for each assessment, at least sixty (60) days in advance of such date or period, and the Board Shall, at that time, prepare a roster of the Lots and Assessments applicable thereto which shall be kept in the office of the Declarant and/or the Association.

(b) Written notice of the assessment shall thereupon be delivered or mailed to every Owner subject thereto.

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

6.10 Rights of City of Keller. Unless otherwise approved by seventy-five percent (75%) of the outstanding votes within each voting class, the Association shall not by act or omission, seek to abandon its obligations as established by this Declaration. However, in the even that:

(a) The Association dissolves and the Common Properties shall not be either (i) dedicated to and accepted by an appropriate municipal corporation, public agency, authority or utility to be devoted to purposes as nearly as practicable the same as those to which such Common Properties were required to be devoted by the Association, or (ii) conveyed to another organization or entity which assumes all obligations imposed hereunder upon the Association to maintain said Common Properties; or

(b) The Association, its successors or assigns, shall fail or refuse to adequately maintain the appearance and condition of the Common Properties which it is obligated to maintain hereunder; then, in either such event, the City of Keller, Texas, shall have the right, but not the obligation, to assume the duty of performing all such maintenance obligations of the Association at any time after such dissolution, upon giving written notice to the Owners, or at any time after the expiration of twenty-one (21) days after receipt by the Association, its successors or assigns, of written notice specifying in detail the nature and extent of the failure to maintain without such failure being remedied. Upon assuming such maintenance obligations, the City of Keller may collect, when the same becomes due, all assessments, annual or special, levied by the Association pursuant to the provisions hereof for the purposes of repairing, replacing, maintaining or caring for the Common Properties and drainage areas; and, if necessary, enforce the payment of delinquent assessments in the manner set forth herein. In the alternative, upon assuming such maintenance obligations, the City of Keller may levy an assessment upon each Lot on a pro rata basis for the cost of such maintenance, notwithstanding any other provisions contained in this Declaration, which assessment shall constitute a lien upon the Lot against which each assessment is made. During any period that the City of Keller assumes the obligation to maintain and care for the Common Properties, the Association shall have no obligation or authority with respect to such maintenance. The right and authority of the City of Keller to maintain the Common Properties shall

cease and terminate when the Association, its successors or assigns, shall present to the City of Keller reasonable evidence of its willingness and ability to resume maintenance of the Common Properties. In the event the City of Keller assumes the duty of performing the maintenance obligations of the Association as provided herein, then the City of Keller, its agents, representatives and employees, shall have right of access, ingress and egress to and over the Common Properties for the purposes of maintaining, improving and preserving the same, and in no event, and under no circumstances, shall the City of Keller be liable to the Association or any Owner or their respective heirs, devisees, personal representatives, successors and assigns for negligent acts or construction (excluding, however, malfeasance and gross negligence) relating in any manner to maintaining, improving and preserving the Common Properties.

6.11 Exempt Property. The following property otherwise subject to this Declaration shall be exempted from the assessments, charges and liens created herein:

- (a) All properties dedicated and accepted by the local public authority and devoted to public use; and
- (b) All Common Properties as defined in Article I hereof.
- (c) Any and all areas which may be reserved by the Declarant on the recorded plat(s) of the Property.

## Article VII

### INSURANCE: REPAIR AND RESTORATION: SECURITY ARRANGEMENTS

7.01 Right to Purchase Insurance. The Declarant and/or the Association shall have the right and option to purchase, carry and maintain in force, insurance covering any or all portions of the Common Properties, any improvements thereon or appurtenant thereto, for the interest of the Declarant and/or the Association and of all Members thereof, in such amounts and with such endorsements and coverage as shall be considered good sound insurance coverage for properties similar in construction, location, and use to the subject property. Such insurance may include, but need not be limited to:

- (a) Insurance against loss or damage by fire and hazards covered by a standard extended coverage endorsement in an amount which shall be equal to the maximum insurable replacement value, excluding foundation and excavation costs as determined annually by the insurance carrier;
- (b) Public liability and property damage insurance on a broad form basis;
- (c) Fidelity bond for all officers and employees of the Association having control over the receipt or disbursement of funds; and
- (d) Officers' and directors' liability insurance.

7.02 Insurance Proceeds. The Declarant and/or the Association and the Members shall use the net insurance proceeds to repair and replace any damage or destruction of property, real or personal, covered by such insurance. Any balance from the proceeds of insurance paid to the Declarant and/or the Association, as required in this Article VII, remaining after satisfactory completion of repair and replacement, shall be retained by the Association as part of a general reserve fund for repair and replacement of the Common Properties.

7.03 Insufficient Proceeds. If the insurance proceeds are insufficient to repair or replace any loss or damage, the Declarant and/or the Association may levy a special assessment as provided for in Article VI of this Declaration to cover the deficiency.

7.04 Other Insurance Matters. The Association will seek to carry public liability insurance generally covering bodily injury and property damage arising out of negligent acts by employees, Members or authorized representatives of the Association. The Association will not carry any insurance pertaining to, nor does it assume any liability or responsibility for, the real or personal property of the Owners (and their respective family members and guests).

Each Owner expressly understands, covenants and agrees with Declarant and the Association that:

- (a) neither Declarant nor the Association has any responsibility or liability of any kind or character whatsoever regarding or pertaining to the real and personal property of each Owner; and

(b) each Owner shall, from time to time and at various times, consult with reputable insurance industry representatives of each Owner's own selection to select, purchase, obtain and maintain appropriate insurance providing the amount, type and kind of insurance deemed satisfactory to each Owner covering his or her real and personal property.

## Article VIII

### USE OF COMMON PROPERTIES

The Common Properties may be used and enjoyed as follows:

8.01 Restrictive Actions by Members. No Member shall permit anything to be done on or in the Common Properties which would violate any applicable public law or zoning ordinance or which will result in the cancellation of or increase of any insurance carried by the Declarant and/or the Association, or which would be in violation of any law or any rule or regulation promulgated by the Board.

8.02 Damage to the Common Properties. Each Member shall be liable to the Declarant and/or the Association for any damage to any portion of the Common Properties caused by the negligence or willful misconduct of the Member or his family and guests.

8.03 Rules of the Board. All Members shall abide by any rules and regulations adopted by the Declarant and/or the Board. The Declarant and/or the Board shall have the power to enforce compliance with said rules and regulations by all appropriate legal and equitable remedies, and a Member determined to have violated said rules and regulations shall be liable to the Association for all damages and costs, including reasonable attorney's fees.

8.04 Use of Common Properties. Use of the Common Properties shall be limited to Members, their families and guests. With the exception of the regular business activities of Class B Members, the Declarant or the Association, no person or entity shall use any portion of the Common properties to:

- (a) solicit, promote or conduct business, political or propaganda matters;
- (b) distribute handbills, newsletters, flyers, circulars or other printed materials;

without the prior written consent of the Declarant and/or the Association (which consent may be withheld in its sole and absolute discretion).

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## Article IX

### CONSTRUCTION OF IMPROVEMENTS AND USE OF LOTS - PROTECTIVE COVENANTS

The Property (and each Lot situated therein) shall be occupied and used as follows:

9.01 Residential Use. All Lots (excluding, however, those platted lots on which certain Common Properties may be located) shall be used for residential purposes only. No building or structure shall be erected, altered, placed or permitted to remain on any Lot other than a single-family dwelling and a private garage for two (2) or more automobiles. No building or structure on any lot shall exceed two and one-half (2 1/2) stories in height.

9.02 Minimum Floor Space. Except as hereinafter specified, the total air-conditioned "living" Area of the main structure on each Lot shall contain a minimum square footage, exclusive of porches, garages and other out-buildings of 2,400 square feet. The minimum square footage of the ground floor, or main level "living" area requirement for any Lot on which a "story-and-a-half," house is built, shall be 1,500 square feet. The minimum square footage of the ground floor or main level "living" area requirement for any Lot on which a "two-story" house is built, shall be 1,300 square feet. However, the total floor area of "living" area in such residential structure (exclusive of garage, porches, out-buildings, patios, etc.) shall equal or exceed the required total minimum footage areas as set out above; all of which areas shall be completed and finished simultaneously with first construction of such a structure.

9.03 Garages. Each single-family residential dwelling erected on any Lot shall provide garage space for a minimum of (2) conventional automobiles. All garages shall be rear, side or front entry; provided, however, they meet the following requirements. Any garage which is nearer to the front property line than sixty (60) feet shall be attached to the main structure by at least a covered walkway, breezeway, or covered patio, and it shall be constructed with a side or rear entry. On corner lots where the garage is nearer to the front or side street property line than sixty (60) feet, it shall provide a rear or side entry only, wherein the garage door does not face either the front or side yard street. Garages that are greater than sixty (60) feet from the property line may have a front, rear or side entry, However, in the event a front entry is used, the garage plan must have written approval of the Architectural Control Committee ("Committee"). No carport shall be visible from a street.

(a) With regard to Lot 1, Block 3, the driveway of the lot shall enter along the south property line, No driveway shall enter any lot directly from Rapp Road or Shady Grove Road. The driveway on Lot 13, Block 3, shall enter along the east property line.

9.04 Roofs. All roofs shall be constructed of slate, tile, composition shingles or other material first approved by and/or a 25 year warranty, the Committee. The color of such roofing materials must be of a gray weatherwood color or be approved by the Committee and otherwise be in compliance in all respects with applicable City of Keller ordinances. The roof pitch elevation of any structure shall be a minimum of eight (8) feet by twelve (12) feet minimum. Any pitch less than eight (8) by twelve (12)

feet must have prior approval of the Committee. However, in no event shall a roof have less than six (6) by twelve (12) pitch.

9.05 Building Lines. All residences or dwellings erected or placed on any Lot shall face the road or street adjacent to the Lot as shown on the recorded plat of the Property or as prescribed in the deed from Declarant conveying the Lot. No portion of such dwelling or residence shall be nearer to the front property line of said Lot than the Building line as designated on the recorded plat of the Property.

9.06 Fences. No chain link fences or other wire type fences shall be erected or located on any Lot so as to be visible from the front, side or rear of the Lot. No fence, wall or hedge shall be erected, placed or altered on any Lot nearer to any street than the minimum building setback line indicated on the recorded plat of the Property. No fence, wall or hedge wall exceed eight (8) feet in height unless otherwise specifically required by the City of Keller. Wood fencing approved by the Committee will be allowed to extend from the outer perimeter of a home to the side property line. Approval will be subject to thorough consideration of the effect such proposed fencing might have on adjoining Lots and/or dwellings. In addition, such wood fencing must be recessed from the front building line of the dwelling a minimum distance of ten (10) feet. Any fencing located from the front of the Lot to the back of the Lot (perpendicular to the front property line) may be of wood material; provided, however, that all such wood fencing, regardless of location, shall (i) be composed of cedar, redwood or spruce, (ii) have slats measuring between four (4) and eight (8) inches wide which are installed vertically only (not horizontally or diagonally) and (iii) not be painted or stained (except with a clear stain) on any surface which faces a street, alley or adjoining Lot unless otherwise approved by the Committee. All service and sanitation facilities must be enclosed within fences, walls or landscaping so as not to be visible from any residential street, (iv) any fence which faces a street such as side yards between the house and the property line on interior lots or corner lots with fences facing two streets (front yard and side yard), the good side of the fence shall face the street (i.e. no stringers or posts shall be visible from any residential street).

Given the great variety of potential fencing and screening configurations and materials, it is understood that the fencing restrictions contained in this Section 9.06 may not be exhaustive; therefore, no fence or wall shall be erected, placed or altered on any Lot without the prior approval of the Committee.

9.07 Signs. No sign or signs shall be displayed to the public view on any Lot, except that: (1) any builder, during the applicable initial construction and sales period, may utilize one professional sign per Lot for advertising and sales purposes, provided that such sign must be approved as to size and number (including, without limitation, any directional signs) by the Committee; (2) thereafter, a dignified "for sale" or "for rent" sign (of not more than twelve (12) square feet in size) may be utilized by the Owner of the respective Lot for the applicable sale or rent situation; (3) development-related signs owned or erected by Declarant shall be permitted; and (4) signs displaying the name of a security company shall be permitted, provided that such signs are (i) ground mounted, (ii) limited to two (2) in number (one in the front yard and one in the back yard); (iii) of a reasonable size; and (iv) subject to the prior written approval of the Committee. Signs which are temporary in nature, (i.e. "garage sale" signs) shall only be permitted for a specified period of time upon approval by the Committee of a written request by the individual Lot Owner describing the nature of the sign and the time period for which it will be displayed. In addition to the foregoing, all off-site signs shall be subject to the size, content and number approved by the Committee. No "Open House" or signs with similar messages shall be permitted during any period of time when sales people are not located within the home(s) shown to be open.

Nothing contained in this Section 9.07 shall be applicable to signs placed by Declarant in, on or around the Property.

9.08 Easements; Utilities. All streets, alleys and easements shown on the recorded plat of the Property have been reserved for the purposes indicated. No Owner may erect any structure of any type whatsoever in these easement areas, nor may an Owner use the surface of an easement area for any private uses. With respect to these easement areas, as well as any other areas described within recorded easement documents, and the Common Properties, any and all bona fide public utility service companies shall have the right of access, ingress, egress, regress and use of the surface estate for the installation and maintenance of utility facilities.

Except as to special street lighting or other aerial facilities which may be required by the City of Keller or may be required by the franchise of any utility company, no aerial utility facilities of any type (except meters, risers, service pedestals and other surface installations necessary to maintain or operate appropriate underground facilities) shall be erected or installed within the Property, whether upon Lots, easements, streets, or rights-of way of any type, either by the utility company or any other person or entity, (including but not limited to any person owning or acquiring any part of the Property) and all utility service facilities (including but not limited to water, sewer, gas, electricity and telephone) shall be buried underground, under recreational easements, Common Properties, streets or utility easement areas for the purpose of serving any structure located on any part of the Property.

9.09 Temporary Structures. No temporary structure of any kind shall be erected or placed upon any Lot. Temporary structures shall include, but not be limited to, any garage, servant's house or other improvement erected more than one hundred twenty (120) days prior to the completion of the main portion of the single-family dwelling. However, any Class B Member may maintain temporary sales or construction offices, provided such sales or construction offices are removed within sixty (60) days after completion of sales or construction, as the case may be.

9.10 Vehicles. Any truck, boat, boat trailer, animal trailer, trailer, mobile home, motor home, campmobile, camper or any motorized vehicle other than a conventional automobile, shall be stored, placed or parked within the garage of the appropriate Owner or so as to be completely hidden from view. All vehicles belonging to owners or guests of owners, must be parked overnight in the owner's driveway or garage. In no case may the vehicles of owners, or guests of owners, be parked overnight on the streets of the subdivision or within the improved yard of the owners. Trucks with tonnage in excess of three-quarters (3/4) ton shall not be permitted to park overnight on the streets, driveways or otherwise within the Property. No vehicle of any size which transports inflammatory explosive cargo may be parked or stored within the Property at any time.

9.11 Garbage; Weeds. No Lot shall be used or maintained as a dumping ground for rubbish, trash or garbage. All garbage shall be kept in city approved containers. All garbage containers shall be placed on the street in front of their dwelling on the day of collection and shall otherwise be in compliance with applicable ordinances of the City of Keller.

If after ten (10) days prior written notice an Owner shall fail to: (i) control weeds, grass and/or other unsightly growth; or (ii) remove trash, rubble, building and construction debris; or (iii) exercise reasonable care or conduct to prevent or remedy an unclean, untidy or unsightly condition, then Declarant or the Board shall have the authority and right to go onto said Lot for the purpose of mowing and cleaning

said Lot and shall have the authority and right to assess and collect from the Owner of such Lot a reasonable sum not to exceed Five Hundred Dollars (\$500.00) for mowing or cleaning said Lot on each respective occasion of such mowing or cleaning. The assessments, together with interest (at the highest permitted lawful rate per annum) thereon and any costs of collection thereof, shall be a charge on the Lot and shall be a continuing lien upon the Lot against which such assessment is made. Each such assessment, together with interest thereon and costs of collection thereof, shall also be the continuing personal obligation of the Owner of such Lot at the time when the assessment occurred. The lien securing any such assessment shall be subordinate and inferior to the lien of any mortgage and any renewals or extensions thereof existing Prior to the assessment date.

9.12 Construction Completion Time. Each residence constructed on each Lot and any other improvements thereto shall be commenced and completed with due diligence promptly after approval by the Committee of the plans and specifications prepared in connection with such construction. All exterior construction of the primary residential structure, garage, porches, and any other appurtenances or appendages of every kind and character on any Lot and all interior construction shall be completed not later than nine (9) months following the commencement of construction. For the purposes hereof, the term "commencement of construction" shall be deemed to mean the date on which the foundation forms are set. In the event that a residence is partially or totally damaged by fire or other causes, the Owner of such residence must either rebuild the residence or completely clear the Lot. In the event the Owner desires to rebuild, the construction or restoration of the damaged residence, or portion thereof, must commence within one hundred twenty (120) days after the occurrence causing the damage. No construction or restoration shall commence, however, until plans and specifications have been submitted to the Committee (and are subsequently approved) as required in Article X(b) hereof. In the event the Owner does not desire to rebuild, the Owner must clear away all remaining debris and restore the Lot to the condition in which it existed prior to the initial construction of the damaged residence. At any time after eighteen (18) months shall have passed after and Owner acquires title to a Lot, Declarant following its conveyance of such Lot shall have the right to repurchase such Lot unless the construction of a residence thereon meeting the standards of these restrictions shall have been commenced and diligently pursued with reasonable diligence. The price for such repurchase shall be the same price for which the Declarant sold such Lot (exclusive of any interest) to Owner and the closing shall occur twenty (20) days after Declarant gives to Owner written notice of Declarant's election to repurchase. The deed from Owner to Declarant shall only be subject to the same exceptions to title as contained in the deed from Declarant to Owner. In the event Owner fails to complete construction of a house on such lot within nine (9) months after an Owner acquires title to a Lot, Declarant may impose a fine for such violation which shall not exceed One Hundred Dollars (\$100.00) per day until such house is substantially completed. the fine, together with interest at the highest lawful rate per annum and any costs of collection including attorney's fees, shall be a continuing lien upon the lot against which such fine is made.

9.13 Offensive Activities: Pets. No noxious or offensive activity shall be conducted on any Lot nor shall anything be done thereon which is or may become an annoyance or nuisance within the Property or any portion thereof. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot, except that dogs, cats or other household pets may be kept; provided that they are not kept, bred or maintained for commercial purposes and further provided that all Owners shall comply with the applicable ordinances of the City of Keller. In addition, not more than four (4) household pets may be kept on any Lot and any litters of household pets which would cause the total number of pets on any Lot to exceed four (4) must be sold or otherwise disposed of within six months from the birth of any such litter so that the total number of pets shall not exceed (4) after such six (6) month period.

9.14 Exterior Surfaces. The total exterior surface of all residential dwellings shall be constructed of not less than eighty percent (80%) brick, brick veneer, stone or stone veneer, stucco or similar masonry product on the first story, or any combination thereof approved by the Committee. The second story may have less than 80% of the above named materials as long as the materials are in compliance with the City of Keller building codes and are first approved by the Committee in writing. All chimneys shall be 100% brick, stucco or stone or other material approved by the Committee. All exterior surfaces, especially any painted or stained wood surfaces (including, without limitation, garage doors) must be maintained in good condition. Installation of all types of exterior items and surfaces such as address numbers or external ornamentation, lights, mail chutes, exterior paint or stain, shall be subject to the prior written approval of the Committee. The installation of solar panels on any roof or other portion of a residence which is visible from any street, alley or adjoining Lot is expressly prohibited. All windows which are visible from any residential street shall be covered with draperies or blinds within thirty (30) days after the date on which the main structure is occupied. All tin foil and newspaper window covers are expressly prohibited.

9.15 Antennas and Aerials. All television antennas and other antennas and aerials shall be located inside the attic or under the roof so as to be completely hidden from view. Satellite dishes shall not be permitted unless specifically approved in writing by the Committee. If the approval is given by the Committee, the dish shall be screened from view from all public streets, unless otherwise approved by the Committee. Screening shall include eight (8) foot fences (if the Committee determines they are necessary), shrubs and trees. A rendering shall be submitted by the Owner to the Committee showing the proposed location of the dish and the screening around it. The Committee would want to see brochures describing the color, material and height. No towers shall be permitted.

9.16 Landscaping. Each residence shall be landscaped on the front and side yards within ninety (90) days after the date on which the carpet has been installed in the residence. The landscaping of the front and side yards of each Lot shall be principally grass sod. The Committee may allow hydromulch to be used as a substitute for sod if the Owner provides written assurance to the Committee that the hydromulch treatment will be repeated until the Committee is satisfied that an even growth of grass has been established. In the event the Committee is not satisfied, and written notice is provided to the Owner, then the Owner agrees to sod part or all of the front and side yards as directed by the Committee within thirty (30) days of written notice from the Committee. In addition, each Owner, at a minimum, shall install an adequate underground sprinkling system in the front and side yards of the Lot. The Owner shall keep the yard sufficiently watered to insure adequate growth of the grass. At least four (4) three-inch (3") diameter oak trees or other trees approved by the committee in writing, shall be planted in the front yard area at the completion of construction of the residence. At least two (2) of the four (4) trees shall be planted in the parkway between the street and sidewalk. These trees must be at least two inches (2") in diameter. This requirement will be waived by the Committee if adequate existing trees are retained.

9.17 Retaining Walls. Retaining walls shall not be constructed of wood tie walls unless they are not visible from the street and are approved by the Committee in writing. Retaining walls which are more than twenty-four inches (24") tall as measured from the top of the concrete footing, shall be constructed using a formed concrete wall composed of reinforced concrete and/or concrete or haydite block, or interlocking concrete stone or split faced concrete stone. Haydite or concrete block walls shall be reinforced and filled with concrete. A brick or stone facing must be used in front of the concrete wall.

No concrete retaining walls will be built without using a brick or stone face. On retaining walls more than forty-eight inches (48") tall as measured from the bottom of the concrete footing, the design of the structure must be approved by the City of Keller. On retaining walls less than twenty-four inches (24") measured from the top of the concrete footing, a concrete formed wall is not necessary; however, brick or stone materials must be used. All retaining walls shall have weep holes placed at a maximum of ten foot (10') center of the base of the wall to allow for proper drainage. The weep holes shall be constructed using at least one and one-half inch (1-1/2") PVC pipe.

9.18 Basketball Goals. Basketball goals, backboards and nets shall only be permitted if they are approved in writing by the Committee with regard to their location and material.

9.19 Gazebos, Greenhouses, Storage Sheds, Clotheslines, Etc. No gazebo, greenhouse, storage shed, children's playhouses, tree houses, clothesline or other similar structure shall be erected, constructed or placed upon any Lot without prior written approval by the Committee.

9.20 Mail boxes. All mail boxes shall be of a design approved in writing by the Committee and shall comply with all applicable laws and ordinances and shall be constructed of the same masonry material as the front of the home in front of which it is located. Each mail box shall have a minimum of nine inch (9") by fifteen inch (15") white cast stone address insert with black numbers installed on the front of the mail box.

9.20 Pool Equipment. No pool may be erected, constructed or installed without the prior written consent of the Committee. Above-ground pools are expressly prohibited. All Pool service equipment shall be fenced and located in either (a) a side yard between the front and rear boundaries of the dwelling; or (b) in the rear yard; and shall not be visible from any residential street or alley or any Adjoining Lot. Before a pool is installed, it shall be inspected by the City of Keller, Texas ("City") and/or Declarant as to whether it conforms to the drainage plans for the City. It shall not impede drainage.

9.22 Utility Meters and Air-Conditioning Compressors. All utility meters, equipment, air-conditioning compressors, evaporative coolers and similar items must be located in areas designated by the Committee and must be screened from view as required by the Committee. No window unit air-conditioning systems shall be permitted on any home.

9.23 Drying of Clothes. The drying of clothes in public view is prohibited. The owners and occupants of any Lots at the intersections of streets or adjacent to parks, playgrounds, open spaces or other facilities where the rear yard is visible to public view shall construct a drying yard or other suitable enclosure to screen from public view the equipment which is incident to normal residences, such as clothes drying equipment, yard equipment and storage piles.

## Article X

### ARCHITECTURAL CONTROL

#### 10.01

(a) Architectural control shall be supervised by an Architectural Control Committee, hereinafter called the "Committee". The Committee shall be individual(s) selected and approved by Declarant, which Committee and its successors are hereby vested with the full right and authority to act as such under the provisions of this Declaration. A majority of the Committee may designate a representative to act for it. In the event of the death or resignation of any member of the Committee, the Declarant shall have full authority to designate a successor. Neither the members of the Committee nor its designated representative shall be entitled to any compensation for services performed pursuant to this covenant. The Committee shall not be liable in damages to anyone submitting plans to it for approval or to any Owner or occupant of the Property by reason of error or mistake in judgment, negligence, or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve any such plans. No approval by the Committee shall constitute or be deemed to constitute any representation or warranty of the adequacy or fitness of any improvements approved by the Committee nor shall the Committee have any liability regarding such adequacy or fitness.

(b) No building permit for construction of improvements on any Lot and no building, structure, fence, wall or improvement of any kind or nature shall be erected, placed or altered on any Lot until all plans and specifications requested by the Committee and a plot plan have been submitted to and approved in writing by the Committee as to:

(i) quality of workmanship and materials; adequacy of site dimensions; proper facing of main elevation with respect to nearby streets;

(ii) conformity and harmony of the external design, color, type and appearance of exterior surfaces and landscaping;

(iii) location with respect to topography and finished grade elevation and effect of location and use on neighboring Lots and improvements situated thereon and any drainage arrangement;

(iv) the other standards set forth within this Declaration (and any amendments hereto) or as may be set forth within bulletins promulgated by the Committee, or matters in which the Committee has been vested with the authority to render a final interpretation and decision; and

(v) the plot plan shall show, among other things, the location of the home to be constructed on the Lot, the applicable lot lines, building lines, driveway, retaining walls, fences and drainage.

(c) Final plans and specifications requested by the Committee (including all such detail as the Committee shall require) shall be submitted to the Committee for approval or disapproval. At such time as the plans and specifications meet the approval of the Committee, one complete set of plans and specifications will be retained by the Committee and a letter of complete approval or approval based on certain conditions and specifications will be sent to the Owner. If found not to be in compliance with these

Covenants and Restrictions, a letter statement of items found not to comply with these Covenants and Restrictions will be sent to the Builder. Any modifications or changes to the approved set of plans and specifications must again be submitted to the Committee for its inspection and approval. The approval or disapproval of the Committee, as required herein, shall be narrative and in writing. If the Committee, or its respective designated representative, fails to approve or disapprove such plans and specifications within thirty (30) days after the date of submission, then approval shall be presumed. Further provided, however, that nothing in this paragraph shall affect in any way the method for seeking or granting variances, as described in the following paragraph, nor shall a failure of the Committee to act on a variance request within any particular period of time constitute the granting or approval of any such variance request.

(d) Upon submission of a written narrative request for same, the Committee may, from time to time, in its sole discretion, permit Owners to construct, erect, or install improvements which are in variance from the Covenants or Restrictions which are provided in this Declaration or which may be promulgated in the future. No member of the Committee shall be liable to any Owner or other person claiming by, through, or on behalf of any Owner, for any claims, causes of action, or damages arising out of the granting or denial of, or other action or failure to act upon, any variance request by any Owner or any person acting for or on behalf of any Owner. Each request for a variance submitted hereunder shall be reviewed separately and apart from other such requests and the grant of a variance to any Owner shall not constitute a waiver of the Committee's right to strictly enforce these Covenants and Restrictions against any other Owner. Each such written request must identify and set forth in narrative detail the specific restriction or standard from which a variance is sought and described in complete detail the exact nature of the variance sought. Any grant of a variance by the Committee must be in writing and must identify in narrative detail both the standard from which a variance is being sought and the specific variance being granted. Any variance granted by the Committee shall be considered a rule made under this Declaration.

(e) The Committee may from time to time publish and promulgate architectural standards bulletins which shall be fair, reasonable and uniformly applied and shall carry forward the spirit and intention of these Covenants and Restrictions. Such bulletins shall supplement these Covenants and Restrictions and are incorporated herein by reference. Although the Committee shall have unbridled discretion with respect to taste, design and any absolute standards specified herein, the Committee shall be responsive to technological advances or general changes in architectural designs and related conditions in future years and use its best efforts to balance the equities between matters of taste and design (on the one hand) and use of private property (on the other hand).

## Article XI

### EASEMENTS

11.01 Utility Easements. Easements for installation, maintenance, repair and removal of utilities and drainage facilities over, under and across the Property are reserved as set forth in Section 9.08 above. Full rights of ingress and egress shall be had by Declarant and any bona fide utility company at all times over the easement areas for the installation, operation, maintenance, repair or removal of any utility together with the right to remove any obstruction that may be placed in such easement that would constitute interference with the use of such easement, or with the use, maintenance, operation or installation of such utility.

11.02 Ingress, Egress and Maintenance by the Association. Full rights of ingress and egress shall be had by the Association at all times over and upon the landscape easements and Common Properties for the purpose of maintaining the Common Properties as set forth herein. The Association shall also have the right on ingress and egress and at all times over and upon the Property to maintain any landscaping easements located on Lots, including but not limited to, Lots at the entryways or perimeter areas of the Property. All homeowners, in particular those whose lots have maintenance easements on them, agree not to remove, alter, change, add to, take from or vary any landscaping, fencing, brick work, sprinkling system, monuments, fountain or electrical systems within the landscaping easement, open space or perimeter areas without prior consent of the Committee. In the event they do any of the above stated items, they will be liable for the replacement and/or repair costs in rectifying the problem. Said costs may become a lien against their property in the event of non-payment.

11.03 Police Power Easement. With respect to the Common Properties and streets, easements and rights-of-way within the Property, the City of Keller and all other governmental agencies and authorities shall have full rights of ingress, egress, regress and access for personnel and emergency vehicles for maintenance, police and fire protection, drainage and other lawful police powers designed to promote the health, safety and general welfare of the residents within the Property.

## Article XII

### GENERAL PROVISIONS

12.01 Registration with the Association. Each and every Owner shall have an affirmative duty and obligation to originally provide within fifteen (15) days after such Owner acquires one or more Lots and thereafter revise and update, within fifteen (15) days after a material change has occurred, various items of information to the Association such as: (a) the full name and address of the Owner; (b) the full name of each individual family member who resides within the residential dwelling of the Owner; (c) the business address, occupation and telephone numbers of each Owner; (d) the description and license plate number of each automobile owned or used by Owner and brought within the Property; (e) the name, address and telephone numbers of other local individuals who can be contacted (in the event the Owners cannot be located) in case of an emergency; and (f) such other information as may be reasonably requested from time to time by the Association.

12.02 Power of Attorney. Each and every Owner hereby makes, constitutes and appoints Declarant as his/her true and lawful attorney-in-fact, coupled with an interest and irrevocable, for him/her and in his/her name, place and stead and for his/her use and benefit, to do the following:

(a) to exercise, do or perform any act, right, power, duty or obligation whatsoever in connection with, arising out of, or relating to any matter whatsoever involving this Declaration, the Association, the Board, and/or the Property;

(b) to sign, execute, acknowledge, deliver and record any and all instruments which modify, amend, change, enlarge, contract or abandon the terms within this Declaration, or any part hereof, with such clause(s) , recital(s), covenant(s), agreement(s) and restriction(s) as Declarant shall deem necessary, proper and expedient under the circumstances and conditions as may be then existing; and

(c) to sign, execute, acknowledge, deliver and record any and all instruments which modify, amend, change, enlarge, contract or abandon the subdivision plat(s) of the Property, or any part thereof, with any easements and rights-of-way to be therein contained as the Declarant shall deem necessary, proper and expedient under the conditions as may then be existing.

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

12.03 Duration. The Covenants and Restrictions of this Declaration shall run with and bind the land subject to this Declaration and shall inure to the benefit of and be enforceable by Declarant, the Association and/or the Owners subject to this Declaration, their respective legal representatives, heirs, successors, and assigns, for a term ending January 1, 2050, after which time said covenants shall be automatically extended for two (2) successive periods of ten (10) years each unless an instrument signed by not less than seventy-five percent (75%) of the then Owners has been recorded, agreeing to abolish the Covenants and Restrictions in whole or in part; provided, however, that no such agreements to abolish shall be effective unless made and recorded thirty (30) days in advance of the effective date

of such change; and unless written notice of the proposed agreement to abolish is sent to every Owner at least ninety (90) days in advance of any action taken.

12.04 Amendments. Except as provided in Section 12.03 of this Article XII, the Covenants and Restrictions of this Declaration may be amended and/or changed in whole or in part, only with the consent of Declarant and seventy-five percent (75%) of the voting members, evidenced by a document in writing bearing each of their signatures, and duly recorded in the land records of Tarrant County, Texas; or by a resolution passed by the majority of the Board evidencing the consent of seventy-five percent (75%) of the voting members and authorizing the President of the Association to execute such document.

12.05 Enforcement. Enforcement of these Covenants and Restrictions shall be by a proceeding initiated by Declarant, any Owner, or the Board or by the City of Keller, against any person or persons violating or attempting to violate any Covenant or Restriction contained herein, either to restrain or enjoin violation or to recover damages for the violation, or both, or to enforce any lien created by this instrument. Notwithstanding any provision to the contrary in this Declaration, Declarant shall not have any duty, obligation, or responsibility to enforce any of these Covenants and Restrictions. Failure by any party to enforce any Covenant or Restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. With respect to any litigation hereunder, the prevailing party shall be entitled to recover reasonable attorney's fees from the nonprevailing party. Further, and with respect to any litigation brought against the Declarant, the Board or any of their members or representatives arising out of any action, failure to act, or performance or non-performance of duties imposed hereby, by the Declarant, the Board or their members or representatives, the Declarant, the Board and/or their members or representatives so sued shall be entitled to recover their reasonable attorney's fees from the person or entity bringing such action against it or them, unless the Declarant, the Board or their members or representatives shall specifically be adjudicated liable to such claimant.

12.06 Imposition of Violation Fines. In the event that any person fails to cure (or fails to commence and proceed with diligence to completion) the work necessary to cure any violation of the Covenants and Restrictions contained herein within ten (10) days after receipt of written notice from the Board designating the particular violation, the Declarant and/or the Board shall have the power and authority to impose upon that person a reasonable fine for such violation (the "Violation Fine") not to exceed Five Hundred Dollars (\$500.00). If, after the imposition of the Violation Fine, the violation has not been cured or the person has still not commenced the work necessary to cure such violation, the Declarant and/or the Board shall have the power and authority, upon ten (10) days written notice, to impose another Violation Fine which shall also not exceed Five Hundred Dollars (\$500.00). There shall be no limit to the number or the aggregate amount of violation Fines which may be levied against a person for the same violation. The Violation Fines, together with Interest at the highest lawful rate per annum and any costs of collection, including attorneys' fees, shall be a continuing lien upon the Lot against which such Violation Fine is made.

12.07 Severability. If any one of these Covenants or Restrictions is held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining Covenants and Restrictions shall not be affected thereby.

12.08 Headings. The headings contained in this Declarations are for reference purposes only and shall not in any way affect the meaning or interpretation of this Declaration.

12.09 Notices to Owners. Any notice required to be given to any Owner under the provisions of this Declaration shall be deemed to have been properly delivered when deposited in the United States mails, postage prepaid, certified mail, return receipt requested, addressed to the last known address of the person who appears as an Owner on the records of the Declarant and/or Association at the time of such mailing.

12.10 Proposals of Declarant. The proposals of Declarant, as set forth in various provisions hereinabove, to develop additional parcels of property for residential purposes and/or expand the Common Properties (not only geographically but also in terms of the types of amenities available for use) and items of a related nature are mere proposals and expressions of the existing good faith intentions and plans of Declarant and shall not be deemed or construed as promises, solicitations, inducements, contractual commitments or material representations by Declarant upon which any person or entity can or should rely.

12.11 Disputes. Matters of dispute or disagreement between Owners with respect to interpretation or application of the provisions excluding Article IX and issues concerning "substantial completion" of this Declaration or the Association Bylaws, shall be determined by the Declarant and/or the Board. Matters pertaining to Articles IX and issues concerning "substantial completion" shall be determined by the Committee. These respective determinations (absent arbitrary and capricious conduct or gross negligence) shall be final and binding upon all Owners.

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Article XIII

DRAINAGE

13.01 Drainage Plan. Each Owner acknowledges and covenants to honor and provide such easements for drainage and waterflow as are shown on the recorded plat of the Property or required by any master drainage plan enacted by the City of Keller, Texas.

(a) Each Owner agrees to maintain the integrity of the drainage design of his Lot by not filling or altering drainage swales that are constructed on the Lot as required by the City of Keller, Texas, or the provisions of the recorded plat.

(b) Each Owner agrees not to construct fences which impede or deflect the flow of water across his Lot. The fence must provide at least four inches (4") of unobstructed drainage space in such areas.

(c) Each Owner agrees not to impede or deflect the flow of water in drainage areas by planting excessive landscaping in such areas.

(d) Each Owner agrees to cause any sidewalks, driveways and/or slabs constructed in drainage areas to conform to the drainage requirements of the City of Keller, Texas, and the recorded plat of the Property.

(e) Each Owner agrees to cause swimming pools or decks constructed in drainage areas to conform with the drainage requirements of the City of Keller, Texas, and the recorded plat of the Property.

13.02 Enforcement. Failure to comply with the provisions of the master drainage plan or the recorded plat shall constitute a violation of these restrictions and shall be subject to all the remedies provided for herein.

IN WITNESS WHEREOF, Declarant has caused this instrument to be executed as of the day, month and year first above written.

TRIWEST ENTERPRISES, INC. a Texas corporation

By: Douglas H. Gilliland, President

STATE OF TEXAS/COUNTY OF TARRANT

This instrument was acknowledged before me on the 24<sup>th</sup> day of January, 1996, Douglas H. Gilliland, President of Triwest Enterprises, Inc., a Texas corporation, on behalf of said corporation.

Marty Shipley  
Notary Public in and for  
The State of Texas

EXHIBIT "A"

The Existing Property, Rancho Serena, located in the City of Keller, Tarrant County, State of Texas, is described below by Block and Lot, and the final plat recorded and filed in Volume 12242, Page 1701, Tarrant County Plat Records, Tarrant County, Texas.

<b>BLOCK</b>	<b>LOT</b>
1	2
1	3
1	4
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