



**SUBDIVISION INFORMATION, INCLUDING  
RESALE CERTIFICATE FOR PROPERTY SUBJECT TO  
MANDATORY MEMBERSHIP IN A PROPERTY OWNERS' ASSOCIATION**

(Chapter 207, Texas Property Code)

Resale Certificate concerning the Property (including any common areas assigned to the Property) located at Prestonwood Polo & Country Club (Street Address), City of Oak Point, County of Denton, Texas, prepared by the property owners' association (Association).

- A. The Property  is  is not subject to a right of first refusal (other than a right of first refusal prohibited by statute) or other restraint contained in the restrictions or restrictive covenants that restricts the owner's right to transfer the owner's property.
- B. The current regular assessment for the Property is \$ 100 per month.
- C. A special assessment for the Property due after this resale certificate is delivered is \$ \_\_\_\_\_ payable as follows \_\_\_\_\_ for the following purpose: \_\_\_\_\_.
- D. The total of all amounts due and unpaid to the Association that are attributable to the Property is \$ 0.
- E. The capital expenditures approved by the Association for its current fiscal year are \$ 0.
- F. The amount of reserves for capital expenditures is \$ 0.
- G. Unsatisfied judgments against the Association total \$ 0.
- H. Other than lawsuits relating to unpaid ad valorem taxes of an individual member of the association, there  are  are not any suits pending in which the Association is a party. The style and cause number of each pending suit is: \_\_\_\_\_.
- I. The Association's board  has actual knowledge  has no actual knowledge of conditions on the Property in violation of the restrictions applying to the subdivision or the bylaws or rules of the Association. Known violations are \_\_\_\_\_.
- J. The association  has  has not received notice from any governmental authority regarding health or building code violations with respect to the Property or any common areas or common facilities owned or leased by the Association. A summary or copy of each notice is attached.
- K. The amount of any administrative transfer fee charged by the Association for a change of ownership of property in the subdivision is \$ 0. Describe all fees associated with the transfer of ownership (include a description of each fee, to whom each fee is payable and the amount of each fee). none

**Prestonwood Polo & Country Club**

Subdivision Information Concerning Prestonwood Polo & Country Club Page 2 of 2 2-10-2014  
Oak Point, TX 75068  
(Address of Property)

L. The Association's managing agent is Vaughn Miller, Manager, VCM Prestonwood Polo Development Ltd  
(Name of Agent)

25 Highland Park Village, Ste 100-464, Dallas, Tx 75205  
(Mailing Address)

214-390-3444  
(Telephone Number)

\_\_\_\_\_  
(Fax Number)

vaughn@vcmdevelopment.com  
(E-mail Address)

M. The restrictions  do  do not allow foreclosure of the Association's lien on the Property for failure to pay assessments.

REQUIRED ATTACHMENTS:

- |                          |   |
|--------------------------|---|
| 1. Restrictions          | 5. Current Operating Budget   |
| 2. Rules                 | 6. Certificate of Insurance concerning Property and Liability Insurance for Common Areas and Facilities |
| 3. Bylaws                |   |
| 4. Current Balance Sheet | 7. Any Governmental Notices of Health or Housing Code Violations  |

**NOTICE: This Subdivision Information may change at any time.**

**Prestonwood Polo & Country Club HOA**

Name of Association

**Vaughn E. Miller**  
Digitally signed by Vaughn E. Miller  
DN: cn=Vaughn E. Miller, o, ou,  
email=vaughn@vcmdevelopment.com,  
c=US  
Date: 2021.04.10 09:53:33 -05'00'

By: \_\_\_\_\_

Print Name: Vaughn Miller

Title: Manager

Date: 4/1/2021

Mailing Address: 25 Highland Park Village, Ste 100-464, Dallas, Tx 75205

E-mail: vaughn@vcmdevelopment.com

This form has been approved by the Texas Real Estate commission for use only with similarly approved or promulgated contract forms. No representation is made as to the legal validity or adequacy of any provision in any specific transaction. Texas Real Estate Commission, P.O. Box 12188, Austin, TX 78711-2188, 512-936-3000 (http://www.trec.texas.gov) TREC No. 37-5. This form replaces TREC No. 37-4.



\*VG-191-2017-22734\*

Denton County  
Juli Luke  
County Clerk

**Instrument Number:** 22734

Real Property Recordings  
DECLARATION

Recorded On: February 27, 2017 11:24 AM

Number of Pages: 42

**" Examined and Charged as Follows: "**

Total Recording: \$190.00

**\*\*\*\*\* THIS PAGE IS PART OF THE INSTRUMENT \*\*\*\*\***

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.

**File Information:**

Document Number: 22734  
Receipt Number: 20170227000278  
Recorded Date/Time: February 27, 2017 11:24 AM  
User: Connor B  
Station: Station 10

**Record and Return To:**

VCM PRESTONWOOD POLO DEVELOPMENT LTD  
25 HIGHLAND PARK VILLIAGE STE 100-464  
DALLAS TX 75205

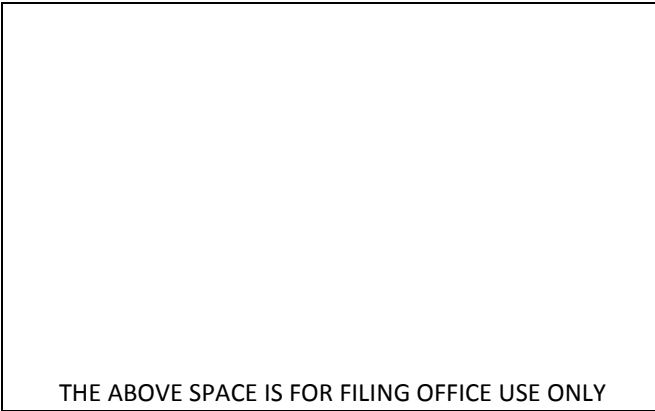


STATE OF TEXAS  
COUNTY OF DENTON

I hereby certify that this Instrument was FILED In the File Number sequence on the date/time printed hereon, and was duly RECORDED in the Official Records of Denton County, Texas.

Juli Luke  
County Clerk  
Denton County, TX

After recording, return to:  
VCM Prestonwood Polo Development Ltd  
25 Highland Park Village, Suite 100-464  
Dallas, TX 75205



THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR  
PRESTONWOOD POLO AND COUNTRY CLUB ADDITION

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR LOTS 1 THROUGH 22 OF THE PRESTONWOOD POLO AND COUNTRY CLUB ADDITION (SPECIFICALLY EXCLUDING LOT 23) (this "Declaration") is made and entered by VCM PRESTONWOOD POLO DEVELOPMENT LTD, a Texas Limited Partnership ("Declarant").

WHEREAS, Declarant is the owner of certain real property situated in the City of Oak Point, Denton County, Texas, as more particularly described on Exhibit A attached hereto and incorporated herein by reference for all purposes; and

WHEREAS, Declarant intends that the Property (as hereinafter defined) be developed as a high quality residential Subdivision (as hereinafter defined) and community and that such Property be subject to the covenants, conditions and restrictions set forth in this Declaration in order to establish a plan for the development, improvement and use of the Property with architectural, landscaping and maintenance controls; and

WHEREAS, Declarant intends to create the Prestonwood Polo Club Homeowners Association (as hereinafter defined) to have, exercise and perform on behalf of, and as agent for, the Owners (as hereinafter defined), the rights, duties and functions set forth in this Declaration, including but not limited to: (i) the maintenance of certain portions of the Property and improvements thereon; (ii) the assessing, collecting and disbursing of Assessments (as hereinafter defined) provided for herein; and (iii) the appointment of an Architectural Control Committee (as hereinafter defined) to enforce the protective covenants contained herein and to review and approve or disapprove Plans (as hereinafter defined) for improvements and modifications to improvements to be constructed on Lots (as hereinafter defined) within the Subdivision.

NOW, THEREFORE, Declarant adopts, establishes and imposes the following covenants, conditions, restrictions, easements, liens and charges upon the Property and declares that the Property and all portions thereof are and shall be held, transferred, assigned, sold, conveyed and occupied subject to all such covenants, conditions, restrictions, easements, liens and charges.

ARTICLE I  
DEFINITIONS

Unless otherwise defined in this Declaration, the following words when used in this Declaration (unless the context shall otherwise clearly indicate or prohibit) shall have the following meanings:

- (a) "Architectural Control Committee" shall have the meaning set for the in Section 7.01 hereof.
- (b) "Assessment" or "Assessments" shall have the meaning set forth in Section 5.01 hereof.

- (c) "Assessment Lien" shall have the meaning set forth in Section 5.08 hereof.
- (d) "Association" shall mean the association (which may be initially unincorporated) owned by or whose members consist primarily of the owners of the property covered by this Declaration and named the Prestonwood Polo Club Homeowner's Association.
- (e) "Association Documents" shall mean the Bylaws of the Association, as amended and modified from time to time, and the resolutions and certifications adopted by the Association from time to time.
- (f) "City" shall mean the City of Oak Point, Texas.
- (g) "Class A Members" shall have the meaning set forth in Section 4.04(a) hereof.
- (h) "Class B Control Period" shall mean the period commencing on the date this Declaration is filed in the Real Property Records of the County; and continuing until one hundred percent (100%) of all Lots planned or approved for the Property has been conveyed to Class A Members other than builders who purchase Lots for construction and sale.
- (i) "Class B Member" shall have the meaning set forth in Section 4.04(b) hereof.
- (j) "Common Amenities" shall mean the following:
  - (i) Any and all entry features, Subdivision signage and monuments, perimeter fencing, landscape areas and screening walls, and all landscape easements, other similar areas within the Subdivision whether or not shown on the Plat, whether within or surrounding or along the boundaries of the Property, including without limitation, the landscape features installed and screening walls constructed in the Entry Areas;
  - (ii) Any other property or improvements within or immediately surrounding the Subdivision for which the Association is or may hereafter become obligated to maintain, improve or preserve; and
  - (iii) Any and all other fixtures, structures or improvements installed by Declarant or the Association within the Subdivision, and all equipment, accessories, utilities and machinery used in the operation or maintenance of any such Common Amenities, and which are not expressly made the responsibility of the Lot Owner pursuant to the provisions of this Declaration.
- (k) "Common Expenses" shall have the meaning set forth in Section 5.02 hereof.
- (l) "Common Service" or "Common Services" shall mean such services provided from time to time by Declarant or the Association, or obtained by the Association on behalf of, and for the common benefit of, the Owners which have been approved by the Officers and/or by the Members at a meeting at which a Special Quorum is present as provided herein.
- (m) "County" shall mean Denton County, Texas.
- (n) "Declarant" shall mean VCM Prestonwood Polo Development Ltd, a Texas Limited Partnership, and its successors, and any assignee of Declarant to whom Declarant, by instrument recorded in the Real Property Records of the County, expressly assigns all of Declarant's rights and obligations as Declarant under this

Declaration. No Person purchasing one (1) or more Lots shall be considered "Declarant" hereunder, unless Declarant makes the express and specific assignment referenced in the immediately preceding sentence.

- (o) "Declaration" shall mean this Declaration of Covenants, Conditions and Restrictions for Prestonwood Polo and Country Club Addition, and all amendments and modifications hereto.
- (p) "Default Rate of Interest" shall mean the lesser of: (i) fifteen percent (15%) per annum; or (ii) the maximum allowable contract rate of interest under applicable law.
- (q) "Easement Areas" shall mean all easements as shown on the Plat within the Subdivision, or on adjacent property which may now or hereafter benefit or burden the Property and the Subdivision, including without limitation, the berm, wall and landscape maintenance easements, the wall maintenance easements, visibility, access and maintenance easements, utility easements, drainage easements and all other easements located within the Property and along, over and across various Lots as shown on the Plat, together with all future and proposed easements for the benefit of or burdening the Property and the Subdivision, whether within or outside the Subdivision boundaries, and as may be shown on the Plat or as may be subsequently granted, dedicated and/or conveyed.
- (r) "Entry Area" shall mean all of the areas at or near the points of entry into the Subdivision which may include Subdivision monuments, signage, landscaping or similar improvements, including without limitation, those areas as shown on the Plat along, near or adjacent to the Subdivision entrances from Martingale Trail, including any wall maintenance easements and visibility, access and maintenance easements and any Common Amenities which may be now or hereafter located in, on and adjacent to the Entry Areas.
- (s) "Lot" or "Lots" shall mean the buildable single-family residential lots as shown on the Plat, as amended from time to time, and designated as a "Lot" thereon and as shown on the Plat.
- (t) "Member" or "Members" shall mean each Owner of a Lot.
- (u) "Member in Good Standing" or "Members in Good Standing" shall have the meaning set forth in Section 4.03 hereof.
- (v) "Mortgagee" shall mean any holder of a lien upon or a mortgage of any interest in a Lot.
- (w) "Notice of Unpaid Assessments" shall have the meaning set forth in Section 5.08 hereof.
- (x) "Officers" shall mean the officers of the Association as elected by the Members in Good Standing pursuant to the provisions of Article IV hereof.
- (y) "Owner" or "Owners" shall mean each and every Person who is a record owner of a fee or undivided fee interest in any Lot; provided, however, "Owner" shall not include Persons who hold an interest in a Lot as security for the performance of an obligation.
- (z) "Per-Lot Regular Assessment Amount" shall have the meaning set forth in Section 5.02 hereof.
- (aa) "Person" or "Persons" shall mean any natural person, corporation, partnership, trust or other legal entity.
- (bb) "Plans" shall have the meaning set forth in Section 7.03(c) hereof.

- (cc) "Plat" shall mean the Final Plat of Prestonwood Polo and Country Club Addition, an Addition to the City of Oak Point, Denton County, Texas, and any and all amendments, modifications, revisions or replats to or of said plat, as described and shown on Exhibit A attached hereto and incorporated herein for all purposes.
- (dd) "Property" shall mean the real property situated in the City of Oak Point, Denton County, Texas, as more particularly described on Exhibit A attached hereto.
- (ee) "Regular Assessments" shall have the meaning set forth in Section 5.02 hereof.
- (ff) "Regular Quorum" shall have the meaning set forth in Section 4.05(c) hereof.
- (gg) "Special Member Assessments" shall have the meaning set forth in Section 5 .04 hereof.
- (hh) "Special Purpose Assessments" shall have the meaning set forth in Section 5.03 hereof.
- (ii) "Special Quorum" shall have the meaning set forth in Section 4.05(b) hereof.
- (jj) "Subdivision" shall mean the Property as shown on the Plat to be commonly known as "Prestonwood Polo Club Addition".
- (kk) "Violation Fine" shall have the meaning set forth in Section 10.11 hereof.
- (ll) "Polo Easement" and "Polo Easement Land" shall have the meaning set forth in Section 3.08 hereof regarding the property as more particularly described in Exhibit B attached hereto and incorporated herein by reference for all purposes.

ARTICLE II  
USE OF THE PROPERTY - PROTECTIVE COVENANTS

2.01 General. No use shall be permitted on the Property which is not allowed under applicable public codes, ordinances and other laws either already adopted or as may be adopted by the City or other controlling public authorities. Each Owner, occupant or other user of any portion of the Property, shall at all times comply with this Declaration and with any and all laws, ordinances, policies, rules, regulations and orders of all federal, state, county and municipal governments or their agencies having jurisdictional control over the Property, specifically including but not limited to, applicable zoning restrictions placed upon the Property as they exist from time to time. IN SOME INSTANCES GOVERNMENTAL REQUIREMENTS MAY BE MORE OR LESS RESTRICTIVE THAN THE PROVISIONS OF THIS DECLARATION. IN THE EVENT A CONFLICT EXISTS BETWEEN ANY SUCH GOVERNMENTAL REQUIREMENT AND ANY REQUIREMENT OF THIS DECLARATION, THE MOST RESTRICTIVE REQUIREMENT SHALL PREVAIL, EXCEPT IN CIRCUMSTANCES WHERE COMPLIANCE WITH A MORE RESTRICTIVE PROVISION OF THE DECLARATION WOULD RESULT IN A VIOLATION OF MANDATORY APPLICABLE GOVERNMENTAL REQUIREMENTS, IN WHICH EVENT THOSE GOVERNMENTAL REQUIREMENTS SHALL APPLY. COMPLIANCE WITH MANDATORY GOVERNMENTAL REQUIREMENTS WILL NOT RESULT IN THE BREACH OF THIS DECLARATION EVEN THOUGH SUCH COMPLIANCE MAY RESULT IN NON-COMPLIANCE WITH PROVISIONS OF THIS DECLARATION. WHERE A GOVERNMENTAL REQUIREMENT DOES NOT CLEARLY CONFLICT WITH THE PROVISIONS OF THIS DECLARATION BUT PERMITS ACTION THAT IS DIFFERENT FROM THAT REQUIRED BY THIS DECLARATION, THE PROVISIONS OF THIS DECLARATION SHALL PREVAIL AND CONTROL. All Lots shall be developed in accordance with this Declaration as this Declaration may be amended or modified from time to time as herein provided. The provisions of this Article set forth certain

requirements which, in addition to the other provisions of this Declaration, shall apply with respect to the development and use of the Property.

2.02 Residential Use. All Lots shall be used and occupied for single family residential purposes only. No building or structure shall be erected, altered, placed or permitted to remain on any Lot other than a private single-family detached residence unless approved in writing by the Architectural Control Committee and in conformance with the City of Oak Point Code of Ordinances.

2.03 Common Amenities; Common Properties. There are limited Common Amenities as described herein located on certain Lots and which are to be maintained by the Association as provided in this Declaration. Except for those provisions to the contrary contained herein with respect to said Common Amenities, each Owner shall be solely responsible for any and all improvements of any kind located on such Owner's Lot. There are presently no other community or common-use properties within or contemplated within the Subdivision.

2.04 Resubdivision/Zoning Changes. No Lot shall be subdivided; provided, however, that Declarant shall have, and reserves the right, at any time, and from time to time, upon the consent of the City, and with the joinder and consent of the directly affected Lot Owners, to replat the Property or amend the Plat to effect a resubdivision or reconfiguration of any Lots in the Property then owned by Declarant and the consenting Lot Owners. Owners of Lots not being replatted shall not unreasonably withhold or delay their joinder in or consent to such replat or amendments to the Plat as may be required by the City. The right to replat set forth in this Section shall be exercisable only by Declarant. No Owner shall initiate or support any proposed zoning change affecting the Property or any portion thereof without first obtaining the prior written consent of Declarant and/or its successors and assigns. NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY, DECLARANT AND/OR THE OWNER OF LOT 23, MAY REPLAT AND REZONE LOT 23 AT ANYTIME AND FOR ANY REASON WHATSOEVER, INCLUDING FOR THE DEVELOPMENT OF A COUNTRY CLUB AND/OR RELATED USES, FOR ANY COMMERCIAL USE, FOR ANY RESIDENTIAL AND/OR MULT-FAMILY USE, FOR ANY HOTEL AND/OR RESORT USE, OR FOR ANY OTHER USE IT SEES FIT OR DEEMS NECESSARY. THE ASSOCIATION AND THE OWNERS AGREE TO SUPPORT ANY SUCH REPLAT OR REZONING EFFORT. OWNERS OF LOTS NOT BEING REPLATTED SHALL NOT WITHHOLD OR DELAY THEIR JOINDER IN AND/OR CONSENT TO SUCH REPLAT OR AMENDMENTS TO THE PLAT AS MAY BE REQUIRED BY THE CITY. FURTHERMORE, IN THE EVENT ANY OWNER AND/OR THE ASSOCIATION OPPOSES SUCH AFOREMENTIONED REPLAT AND/OR REZONING EFFORT, AND/OR WITHHOLDS OR DELAYS THEIR JOINDER OR CONSET, THEN DECLARANT AND/OR THE OWNER OF LOT 23 MAY SEEK DAMAGES FROM THE ASSOCIATION AND/OR ANY OWNER FOR LOST REAL ESTATE VALUE OF LOT 23, AND ITS DEVELOPMENT COSTS AND EXPENSES RELATED TO SUCH REPLAT/REZONING, AND RECOVERY OT ITS ATTORNEYS FEES.

2.05 Combining Lots. Any Person owning two (2) or more adjoining Lots, after first obtaining Declarant's prior written consent, may consolidate such Lots into a single building location for the purpose of constructing one (1) residential structure thereon and such other improvements as are permitted herein; provided however, any such consolidation must comply with the rules, ordinances and regulations of the City. Notwithstanding any combination however, each Lot shall be treated separately and subject to assessments as provided herein. In the event of any such consolidation, the consolidated building lot shall be treated as a single Lot for purposes of applying the provisions of this Declaration. Combining portions of Lots into a single building lot is prohibited.

2.06 Minimum Floor Space; Maximum Stories. Each dwelling constructed on any Lot shall contain a minimum of two thousand five hundred (2,500) square feet of air-conditioned floor area, exclusive of all porches, garages or breezeways. No building or structure on any Lot shall exceed two (2) stories or thirty-five (35) feet in height.



2.07 Building Materials. The front exterior wall (excluding doors and windows), of each dwelling constructed or placed on a Lot shall have one hundred percent (100%) brick or brick veneer, or stone or stone veneer, or other material that is approved by the City and approved in writing by the Architectural Control Committee. The remaining exterior walls (excluding doors and windows), of each dwelling constructed or placed on a Lot shall have eighty percent (80%) brick or brick veneer, or stone or stone veneer, or other material that is approved by the City and approved in writing by the Architectural Control Committee, unless the wall is on a porch, patio, breezeway or courtyard. The exterior portion of any fireplace chimney shall be one hundred percent (100%) brick, stone, or other material that is approved by the City and approved in writing by the Architectural Control Committee. No material on the exterior of any building or other improvement except wood, hardboard or stucco, shall be stained or painted without the prior approval of the Architectural Control Committee.

2.08 Driveways. Each Lot must be accessible to an adjoining street or alley by a concrete driveway unless other materials are approved in writing by the Architectural Control Committee. A driveway shall enter from, open onto, or provide access to or from the alley or the front or side street adjacent to the Lot.

2.09 Garages. Each single-family residential dwelling erected on any Lot shall provide attached, garage space for a minimum of two (2) automobiles. Each garage shall face and enter from the side of the Lot in the directions indicated below:

- (a) Garage on Lot 1 shall face either east or west at owner's option;
- (b) Garages on Lots 2, & 3 shall face east;
- (c) Garage on Lot 4 shall face east and be located on the north side of the house;
- (d) Garage on Lot 5 shall face east and be located on the south side of the house;
- (e) Garages on Lots 6, 7 & 8 shall face south;
- (f) Garages on Lots 9, 10, 11, 12, 13 & 14 shall face west;
- (g) Garages on Lots 15, 16, 17, 18, 19, 20, 21 & 22 shall face south.

No garage shall be modified or converted for use as living space or any use other than as a garage unless permitted by the City and approved in writing by the Architectural Control Committee. The interior of all garages shall be finished construction.

2.10 Drainage.

- (a) All of the Lots shall be graded so that no storm water drainage shall flow onto other Lots except that storm water drainage may flow to a neutral swale at the side property line at the side of the adjacent Lot provided that the swale shall drain to the street or alley property line or other location as shown on the approved drainage plans dated March 10, 2015 prepared by Civil Point Engineers and approved by City of Oak Point.
- (b) Neither Declarant nor Declarant's successors or assigns shall be liable for any loss of, or damage done to, any buildings, shrubbery, grass, flowers, fences, driveways or other improvements of any type or the contents thereof on any Lot caused by any water levels, rising waters or drainage waters.
- (c) All culverts and drainage ditches shall conform to the City of Oak Point Code of Ordinances, including but not limited to Article 3 .600, et al, titled "Culverts and Drainage Ditches," as subsequently amended.

2.11 Roofs. The use of various roofing materials within the Property shall be permitted including 3-tab composition roofs rated for a minimum twenty (20) year life; provided, however, no roofing material shall be installed without

first obtaining the prior written approval thereof by the Architectural Control Committee. The elevation roof pitch of any structure shall be a minimum of eight (8) feet by twelve (12) feet, unless otherwise approved in writing by the Architectural Control Committee. All roofs shall conform to the City of Oak Point Code of Ordinances.

2.12 Exterior Surfaces. All wood, hardboard or stucco used on the exterior of a house must be painted or stained in a compatible color approved by the Architectural Control Committee.

2.13 Building Lines/Setbacks; Retaining Walls.

- (a) All residences erected on any Lot shall face the street adjacent to the Lot as shown on the Plat or, with respect to corner Lots, as required in writing by the Architectural Control Committee. No portion of any such dwelling or residence shall be nearer to the front property line of said Lot than as designated on the Plat unless otherwise allowed by both the City and the Architectural Control Committee.
- (b) No structure or improvement of any kind (except for fences as provided in Section 2.14 hereof, and retaining walls as provided in Section 2.22 hereof) shall be nearer to the side property line or the rear property line of any Lot than as specified by the City for side and rear yard setbacks applicable to the Property unless otherwise allowed by both the City and the Architectural Control Committee. No structure or improvements of any kind whatsoever shall be located within any easement as shown on the Plat unless otherwise allowed by both the City and the Architectural Control Committee.
- (c) To the extent Declarant has installed any retaining walls on any Lot or along any Lot line, each Owner of an affected Lot shall be responsible for the maintenance and repair of the portion of any retaining wall (but not screening walls which are the responsibility of the Association as provided herein) adjacent to, or located on, such Owner's Lot.
- (d) When a retaining wall is deemed necessary along a mutual property line, the high-side Owner shall be responsible for constructing and paying for such retaining wall, unless the need for such retaining wall is attributable to the conduct of the low-side Owner, for instance, when the low-side Owner lowers the elevation of the Lot to install a rear driveway. All retaining walls shall be installed and maintained in accordance with the requirements of Section 2.22 hereof.

2.14 Fences. Perimeter wood fencing and wrought iron fencing has already been installed on the perimeter of the Lots and is part of the Common Amenities. Each Lot Owner is required to install and maintain its own interior lot fence on its side property lines at or prior to completion of its home. Such interior fence shall be 4' tall wrought iron to match the existing fence installed by Declarant. Prior to the construction of any other fences or walls, a written request must be submitted to the Architectural Control Committee, and the Architectural Control Committee, in its sole and exclusive discretion, shall approve or disapprove the construction of same.

2.15 Signs. No sign or signs of any kind or character, including: (i) any signs in the nature of a "protest" or complaint against Declarant or any homebuilder; (ii) that describe, malign or refer to the reputation, character or building practices of Declarant or any homebuilder; or (iii) discourage or otherwise impact or attempt to impact anyone's decision to acquire a Lot or residence in the Subdivision, shall be displayed to the streets or otherwise to the public view on any Lot, except that:

- (a) Any builder, during the applicable initial construction and sales period, may utilize one (1) professionally fabricated sign [of no more than two (2) faces and of size and containing such matters as Declarant and builder shall determine] per Lot for advertising and sales purposes;

- (b) A professionally fabricated "for sale" or "for rent" sign [of not more than three (3) square feet in size] may be utilized by the Owner of a Lot for the applicable sale or rent situation, provided that such sign first shall have been approved in writing by the Architectural Control Committee;
- (c) Development related signs owned or erected by Declarant (or any builder with Declarant's prior written consent) shall be permitted; and
- (d) 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 per Lot [one (1) in the front yard and one (1) in the back yard]; and (iii) of a size not in excess of two (2) square feet in size.

Declarant, any homebuilder, or their agents, shall have the right, without notice, to remove any sign, billboard or other advertising structure that does not comply with the above, and in so doing shall not be subject to any liability for trespass or any other liability in connection with such removal. Notwithstanding any provisions to the contrary, all signs must conform to the City of Oak Point Code of Ordinances.

2.16 Utilities. Each residence situated on a Lot shall be required to maintain a septic tank on the Lot and it must comply with the City of Oak Point Code of Ordinances. Additionally, each residence will stub a sanitary sewer lateral line to within 6 inches of its front property line so that it will be able to switch to public sanitary sewer service if it becomes available. Portable toilets will be allowed during building construction. The use of buried propane, butane, LP Gas or other gas tanks are permitted so long as such tanks are buried and the location and design shall have been approved in advance in writing by the Architectural Control Committee. Above ground portable gas grills are permitted. Except as to street lighting (if any) all utility service facilities (including but not limited to, water, sewer, gas, electricity and telephone) shall be buried underground (except meters, transformers, risers, service pedestals and other surface installations necessary to maintain or operate appropriate underground facilities). Electric utility transformers may be installed only in locations designated on the Plat for such purpose or otherwise approved in writing by the Architectural Control Committee, and all improvements on a Lot on which an electric transformer pad easement is located as shown on the Plat must be installed in compliance with all electric company guidelines for separations from pad-mounted transformers.

2.17 Temporary Structures. Subject to Section 2.29 hereof, no temporary structures of any kind shall be erected or placed upon any Lot without the prior written consent of the Architectural Control Committee.

2.18 Vehicles. All trucks one (1) ton and larger, motorcycles, boats, boat trailers, mobile homes, motor homes, camp mobiles, campers, motorized vehicles (other than passenger cars or automobiles) or trailers shall be stored or placed in such a manner that the vehicle is not visible from any street. Boats on trailers may be stored behind a fence provided that they cannot be viewed from the street and such fence is no closer than twenty-five (25) feet from the front building setback line. No vehicle of any kind may be parked or left on any portion of a Lot except in the garage or on the driveway.

2.19 Garbage; Weeds. No Lot shall be used or maintained as a dumping ground for rubbish, trash or garbage. All garbage shall be kept in Association-approved containers. Owner is responsible for disposing of all trash in a prompt and reasonable manner. If, at any time, and from time to time, an Owner shall fail to control weeds, grass or unsightly growth exceeding eight (8) inches in height, Declarant shall have the authority and right, and after Declarant no longer owns a Lot, the Association shall have the right, to go onto such Lot, or direct a third party service to go onto such Lot, for the purpose of mowing and cleaning such Lot and shall have the authority and right to assess and collect from the Owner of such Lot the reasonable costs incurred in connection with such mowing or cleaning.

2.20 Offensive Activities; Animals. 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; provided, however, that dogs, cats or other household pets may be permitted on any Lot so long as such complies with the City of Oak Point Code of Ordinances, Chapter 2, titled "Animal Control," and as subsequently amended. Those animals, which in the sole discretion of the Officers, constitute a nuisance to the occupants of other Lots, shall be removed upon request of the Officers. If the Owner fails to honor such request, the Association may, in the Officers' sole discretion, remove or otherwise provide for removal of the animal. Notwithstanding anything contained herein to the contrary, the Officers, in their sole discretion and without incurring any further duty or obligation to owners or other occupants 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. Animals shall be registered, licensed and inoculated as required by law, and must be properly tagged for identification. It is the Owner's responsibility to keep the front of their Lot clean and free of animal debris, and to pick up and properly dispose of their animal's waste wherever deposited.

2.21 Antennas, Aerials and Satellite Dishes.

- (a) Any antenna or satellite dish less than one meter in diameter shall be installed so as to not be visible from any street and shall be integrated with the dwelling and surrounding landscape. Each Lot may only have one (1) satellite dish or antenna.
- (b) Any broadcast television antennas and any other antennas and aerials shall be located inside the attic of the residence constructed on the Lot.
- (c) A satellite dish over one meter in diameter shall be permitted only if it is not visible from any street or the ground level of an adjoining Lot and does not extend above the height of the fence.
- (d) With respect to any antenna or satellite dish covered by Section 47 C.F.R. Part 1, Subpart S, Section 1.4000 (or any successor provision) promulgated under the Telecommunications Act of 1996, as amended from time to time, the provisions of Section 2.21 (a) and (b) shall be applicable only to the extent that the requirements hereof do not: (i) preclude reception of an acceptable quality signal; (ii) unreasonably delay or prevent installation, maintenance and use of the antenna or satellite dish; or (iii) unreasonably increase the cost of installation, maintenance and use of the antenna or satellite dish. (e) Notwithstanding any provisions to the contrary, all antennas, aerials, and satellite dishes must conform with the City of Oak Point Code of Ordinances.

2.22 Landscaping and Retaining Walls.

Declarant has installed the perimeter landscape for the Lots in accordance with the landscape drawings prepared by David McCaskill Design Group dated February 6, 2015 and is part of the Common Amenities.

- (a) Additional landscaping may be installed by Lot Owners so long as such landscaping shall have first been approved in writing by the Architectural Control Committee. Weather permitting, additional landscaping of a Lot must be completed within sixty (60) days after the date on which the residence thereon is ninety-five percent (95%) complete.
- (b) Retaining walls may be installed to achieve even grades for pools, driveways or house foundations or to prevent storm water drainage to flow onto other Lots as required by Section 2.10(a) hereof. Such retaining walls must be constructed of such materials and height, and in a manner and location, approved in writing by the Architectural Control Committee. All retaining walls visible from any street in front of a Lot, or, for

corner Lots, from the adjacent side street, shall be finished with landscape quality stone matching the stone used in retaining walls and other features in Entry Areas installed by Declarant when developing the Property.

2.23 Exterior Lighting. Upon being given notice by the Architectural Control Committee that any exterior lighting is objectionable, as determined by the Architectural Control Committee in its sole and exclusive discretion, the Owner of the Lot on which same is located shall immediately remove any such lighting or shield the same in such a way that it is no longer objectionable to the Architectural Control Committee.

2.24 Tennis Courts. Tennis courts shall not be permitted upon any Lot without the prior written approval of the Architectural Control Committee.

2.25 Gazebos Greenhouses and Storage Sheds. No gazebo, pool pavilion, cabana, trellises, greenhouse, playhouse, treehouse, storage shed or other similar structure may be erected or placed on a Lot without the prior written approval of the Architectural Control Committee. No such structure or improvement shall: (a) be exceed fifteen (15) feet in height; (b) exceed one hundred (100) square feet floor area; or (c) be visible from any public street or any of the Common Amenities. Any Owner desiring to construct such structure or improvement shall submit Plans (including without limitation, the color and construction materials to the Architectural Control Committee for approval in accordance with Section 7.03 hereof, and the approval or disapproval of the Architectural Control Committee shall be based on considerations set forth in Section 7.03 hereof, including without limitation, the merit of the structure, compatibility with the residence or dwelling and adjoining Lots, and conformity and harmony with existing structures and landscaping within the Subdivision. All structures must further comply with the City of Oak Point Code of Ordinances.

2.26 Pools and Pool Equipment. No above-ground pools are permitted. All pool service equipment shall be either screened with shrubbery or fenced and located in either: (a) a side yard between the front and rear boundaries of the dwelling; or (b) in the rear yard.

2.27 Mail Boxes. Curb-side mail boxes are required and shall be constructed of the brick or stucco to match the residence constructed on the Lot, and each mail box must be approved by the Architectural Control Committee and shall be constructed in compliance with the requirements and guidelines of the City and the United States Postal Service and placed adjacent to the existing curb cut entrance facing the front street for the Lots as follows:

- (a) East of the curb cut for Lots 1, 2, 10, 11, 12, 13 & 14;
- (b) South of the curb cut for Lots 1, 4, 15, 16, 17, 18, 19, 20, 21 & 22;
- (c) North of the curb cut for Lots 5, 6, 7 & 8;

2.28 Exterior Maintenance. Each Owner shall maintain the exterior appearance of the improvements on such Owner's Lot, shall keep all landscaping and sprinkler systems on such Owner's Lot in a neat, orderly and well-maintained condition.

2.29 Smoke and Fire Alarms. Each residence shall be equipped with a smoke and fire alarm, and each Owner shall continuously maintain such alarms.

2.30 Guest House. No guest house may be erected or placed on a Lot without the prior written approval of the Architectural Control Committee. No guest house shall exceed eight hundred (800) square feet in the floor area or be visible from any public street or any of the Common Amenities. Any Owner desiring to construct a guest house shall submit plans (including without limitation, the color and construction materials) to the Architectural Control Committee for approval in accordance with Section 7.03 hereof, and the approval or disapproval of the Architectural

Control Committee shall be based on considerations set forth in Section 7.03 hereof, including without limitation, the merit of the structure, compatibility with the residence or dwelling and adjoining Lots, and conformity and harmony with existing structures and landscaping within the Subdivision. All guest houses must further comply with the City of Oak Point Code of Ordinances.

2.31 Certain Declarant and Builder Uses. Notwithstanding anything herein to the contrary, Declarant and any homebuilder(s) authorized by Declarant may construct model homes and may conduct their sales and marketing programs for the Property from any model home, or other permanent or temporary sales buildings or trailers, and may conduct improvement work and activities on portions of the Property owned by them and do all things reasonably necessary or convenient as required to expeditiously commence, continue and complete such improvement work, including but not limited to , the provision of temporary buildings (including without limitation, trailers), temporary storage of construction materials and equipment and the installation of temporary signage of such types, in such sizes and at such locations on portions of the Property owned by them as they deem appropriate.

2.32 Construction Standards. Any builder constructing improvements on any Lot may conduct such builder's construction operations and activities and do all things reasonably necessary as required to expeditiously commence, continue and diligently complete construction of any such improvements. All construction activities, temporary structures, storage of materials and equipment, construction-related parking and temporary security fences shall be confined entirely on such Lot. Each Owner is responsible for, and shall cause, through appropriate contractual provisions, all costs of cleaning up any debris or waste improperly disposed of anywhere on the Property. Each Owner and such Owner's contractors shall use reasonable diligence to maintain an attractive, clean, nuisance-free environment during the period of construction. Each Owner of a Lot on which improvements are being constructed shall keep all streets reasonably cleared of mud and dirt left by construction vehicles for each Lot. Once commenced, all construction on a Lot shall be continued with due diligence and good faith until completion.

2.33 Repairs, Replacements and Modifications. The provisions of this Article shall apply to any and all repairs, replacements or modifications of any improvements placed upon any Lot and shall not be deemed or construed as being limited to initial or new construction. 2.34 Unlawful Activities. No Owner shall perform, fail to perform, or permit anything to be done or not done on such Owner's Lot which would violate any laws, statutes, ordinances or regulations of any character.

2.34 Unlawful Activities. No Owner shall perform, fail to perform, or permit anything to be done or not done on such Owner's Lot which would violate any laws, statutes, ordinances or regulations of any character.

### ARTICLE III COMMON AMENITIES AND EASEMENTS

3.01 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 by the City 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 Subdivision.

3.02 Responsibilities of the Association for Maintenance of the Common Amenities and Easement Areas; Maintenance Reserve Fund. The Association shall, and has the sole responsibility to, maintain the Common Amenities and any Easement Areas and associated improvements and Common Amenities thereon, or for future improvements and Common Amenities for the benefit of the Subdivision which are or may become necessary or desirable in the future on any Easement Areas, including any of the off-site Easement Areas outside the limits of the Subdivision. The Association's costs of maintaining the Common Amenities and such Easement Areas will be

collected from the Owners through Assessments as provided in Article V hereof. The Association shall not seek, by either act or omission, to abandon the Association's obligations as established by this Declaration to maintain the Common Amenities and/or any Easement Areas. In order to provide for extraordinary and unanticipated items regarding the maintenance obligations contained herein, the Association may establish a maintenance reserve fund for the maintenance of the Common Amenities and Easement Areas in an amount the Officers shall, in its sole and absolute discretion, determine to be sufficient.

3.03 Association's Easement for Maintenance. The Association shall have a maintenance easement on all Lots to the extent reasonably necessary for the purpose of maintaining the Common Amenities and for the removal of any obstruction that may be placed on any Easement Areas that would constitute interference with the Association's use of any such easement.

3.04 Utility Easements. Declarant and providers of utility services to the Subdivision shall have, and are hereby granted easements for installation, maintenance, repair, removal and operation of utilities and drainage facilities on, under and across the Easement Areas and for the removal of any obstruction that may be placed in such Easement Areas that would constitute interference with the use of any such easement, or with the use, maintenance, operation or installation of any such utility. The City or the utility company exercising such easement rights shall promptly repair any damage to landscaping, sprinkler systems or other improvements resulting therefrom; provided, however, neither the City nor any utility company shall have any obligation to repair any buildings, structures or similar improvements installed in any Easement Areas.

3.05 Other Easements. Declarant and the Association shall have an easement and full right of ingress and egress at all times over and upon the Property for the exercise of any and all rights and functions set out in this Declaration. Any such entry by Declarant and the Association upon a Lot shall be made with as minimum inconvenience as practical to the affected Owner.

3.06 Universal Elements. The Owner of each Lot (including Declarant so long as Declarant is the Owner of any Lot) is hereby granted an easement not to exceed two (2) feet in width over all adjoining Lots and common areas (if any) for the purpose of accommodating any encroachment or protrusion due to engineering errors, errors in original construction, surveying, settlement or shifting of any building, or any other cause. There shall be easements for the maintenance of said encroachments, protrusions, settling or shifting; provided, however, that in no event shall an easement for encroachment or protrusion be created in favor of any Owner or Owners as a result of any intentional or willful encroachment or protrusion by such Owner. In addition, the Owner of each Lot is hereby granted an easement for minor encroachments, not to exceed three (3) feet in width by overhanging roofs and eaves as originally constructed over each adjoining Lot and/or common areas (if any) and for the maintenance thereof. Each of the easements hereinabove referred to shall be deemed to be established upon the recordation of this Declaration and shall be appurtenant to each affected Lot and shall pass with each conveyance of said Lot.

3.07 City Easements and Indemnity. The City, and its lawful agents, shall have the right to remove any landscape systems, features or elements which are part of the Common Amenities, that cease to be maintained by the Association in accordance herewith, and the right to perform the responsibilities of the Association hereunder in the event the Association fails to perform its responsibilities hereunder, and to assess to the Association all costs incurred by the City in such event. The Association does hereby indemnify and hold the City, its officers, officials, employees and agents, harmless from any and all costs, expenses, suits or demands arising from or related to the City's performance of the Association responsibilities hereunder.

3.08 Polo Easement. Declarant has granted an exclusive and perpetual easement via a separate written agreement attached hereto as Exhibit B (the "Polo Easement") for the use and maintenance of the of the property described in the attached Exhibit B Polo Easement (hereinafter referred to as the "Polo Easement Land") to Prestonwood Polo

Club LLC including its successors and/or assigns (hereinafter referred to as “Prestonwood”). Such Polo Easement grants Prestonwood the exclusive use of the Polo Easement Land and for the purposes of playing polo and operating a polo club and/or related uses and activities. The Lot Owners and Association hereby acknowledge and agree as follows:

- (a) Prestonwood’s activities are a vital part of the success of the Property and its long-term value, and a reason why they chose to purchase and live on the Property.
- (b) To be supportive of Prestonwood and its activities as much as reasonably possible, as it is in their interests for Prestonwood to be successful and thrive.
- (c) Polo is a dangerous activity and involves RISKS that may cause SERIOUS INJURY AND IN SOME CASES DEATH because of the unpredictable nature and irrational behavior of horses, regardless of their training and past performance. Knowing these facts the Lot Owners and Association voluntarily assume the risk and danger of injury or death inherent in polo and horseback riding activities and the risk they incur by living near such activities.
- (d) They have no right of access to the Polo Easement Land without the permission of Prestonwood as more fully set forth in the Polo Easement.
- (e) To INDEMNIFY, SAVE AND HOLD HARMLESS Prestonwood, including its successors and assigns and/or any of its owners, officers, employees, agents, sponsors and sanctioning organizations, from any loss, liability, damage, or cost whatsoever arising out of or related to any loss, damage, or injury (including death) to any person or property related to such activities.
- (f) To RELEASE, DISCHARGE AND PROMISE NOT TO SUE Prestonwood, including its successors and assigns and/or any of its owners, officers, employees, agents, sponsors and sanctioning organizations, for any damage or cost they may incur arising out of or in any way connected with any event, use of a horse and any equipment or gear, or any acts or omissions of employees or agents.
- (g) In the event any Lot Owner or Owners and/or the Association files a lawsuit against Prestonwood, including its successors and assigns and/or any of its owners, officers, employees, agents, sponsors and sanctioning organizations, for any injury or damage, then such Lot Owner(s) and Association agree to pay all attorney's fees and costs incurred by Prestonwood in defending such an action.

ARTICLE IV  
PURPOSE, MEMBERSHIP AND  
VOTING RIGHTS IN THE ASSOCIATION

4.01 Organization and Purpose of the Association. Declarant has caused or shall cause the formation of the Association. The Association is initially an unincorporated association created for the purposes and vested with the powers prescribed by law and set forth in this Declaration. The Association shall have and exercise the rights, and shall perform the functions of, the Association for the benefit of, and as agent for the Owners as set forth in this Declaration.

4.02 Membership. Every Owner (including Declarant) shall automatically be and must remain a Member of the Association so long as such Person is an Owner. The membership of a Person in the Association shall terminate automatically whenever such Person ceases to be an Owner, except that such termination shall not release or relieve such Person from any liability or obligation arising under this Declaration during such Person's period of ownership.



Any transfer of title to a Lot shall operate automatically to transfer membership in the Association appurtenant to such Lot to the new Owner of such Lot.

4.03 Member in Good Standing. A Member shall be considered to be a "Member in Good Standing" (herein so called) and eligible to vote on Association related matters if such Member:

- (a) Has, at least ten (10) days prior to the taking of any vote by the Association, fully paid all Assessments or other charges levied by the Association, as such Assessments or charges are provided for hereunder;
- (b) Does not have a Notice of Unpaid Assessments filed by the Association against the Lot owned by such Owner; and
- (c) Has discharged all other obligations to the Association as may be required of Members hereunder or under the Association Documents.

The Officers shall have the right and authority, in the Officers' sole and absolute discretion, to waive the ten (10) day prior payment requirement in Section 4.03(a) hereof and require only that such payment be made at any time before such vote is taken if the Officers shall determine, in the Officers' sole and exclusive judgment, that extenuating circumstances exist which have prevented prior payment. Any Member not conforming with the provisions of this Section shall be declared by the Officers not to be a Member in Good Standing and any such Member shall not be entitled to vote on matters before the Association until such time as Member in Good Standing status is attained and so declared by the Officers.

4.04 Voting Rights. The Association shall have the following two (2) classes of voting membership:

- (a) CLASS A. "Class A Members" (herein so called) shall be all Members other than Declarant. Class A Members shall be entitled to one (1) vote for each Lot in which they hold the interest required for membership. If any Lot is owned by more than one (1) Owner, the number of votes attributable to such Lot still shall be one (1), and such one (1) vote may be cast only if all of the Owners owning such Lot, prior to the time of the vote in question, have delivered to the Association a written agreement as to how such vote is to be cast or a written designation of one (1) of such Owners to cast the vote attributable to such Lot. Any Owner who is not an individual must designate, upon request of the Officers, a representative to act for such Owner in Association matters and to cast the vote of such Owner, such designation to be made in writing to the Officers.
- (b) CLASS B. Declarant (and Declarant's successors and assigns in accordance with the terms hereof) shall be the sole "Class B Member" (herein so called). At all times during the Class B Control Period, the Class B Member shall have the sole right to appoint all persons to be Officers of the Association. Control of the Association shall be vested in the Class A Members only after the expiration of the Class B Control Period as described above. The Class B Member shall have one hundred (100) votes for each Lot it owns at all times during the Class B Control Period. After expiration of the Class B Control Period, the Class B Member shall be a Class A Member entitled to one (1) vote for each Lot it owns. The provisions in this Section 4.04(b) may not be modified or amended without the express written consent of Declarant or Declarant's transferee. Declarant's becoming a Class A Member, the end of the Class B Control Period or the end of the Class B membership shall not affect or negate the specific rights of Declarant provided elsewhere in this Declaration.

#### 4.05 Quorum, Notice and Voting Requirements.

- (a) Except as otherwise specifically provided in this Declaration, any action requiring the vote or approval of the Members or the Owners shall require the majority vote of the Members in Good Standing (both classes voting together), represented at a duly called meeting of the Members in person or by a legitimate proxy in form provided in the Association Documents or otherwise approved by the Officers, at which a "Regular Quorum" or a "Special Quorum" is present. Written notice of a meeting must be given to all Members not less than ten (10) days nor more than thirty (30) days in advance of any such meeting and shall set forth the purpose(s) of such meeting. No action may be taken at a meeting on any matter that is not described in the applicable meeting notice as being on the agenda for such meeting. Notwithstanding anything herein to the contrary, to the extent permitted by applicable law and in the Association Documents from time to time, any action may be taken by written consent of the Members in lieu of formal meetings.
- (b) The quorum (a "Special Quorum") required for any action referred to in Section 5.05(c) (Special Purpose Assessments) hereof or for the approval of any capital improvements or new Common Services shall be as follows:

Members in Good Standing, represented at a duly called meeting of the Members in person or by a legitimate proxy in form provided in the Association Documents or otherwise approved by the Officers, entitled to cast fifty-one percent (51%) of all of the votes of Members in Good Standing (both classes of Members taken together) shall constitute a Special Quorum. If the required Special Quorum is not present at such meeting, that meeting may be adjourned, and an additional meeting may be called, subject to the notice requirement set forth herein, with the required Special Quorum at such second (2nd) meeting being reduced to one-half (1/2) of the required Special Quorum at the preceding meeting; provided, however, that such second (2nd) meeting must be held not later than thirty (30) days after the first (1st) meeting. Further, if the reduced required Special Quorum is not present at such second (2<sup>nd</sup>) called meeting, the adjournment of the meeting shall be continued, and one (1) additional meeting may be called, subject to the notice requirement set forth herein; with Declarant alone constituting the required Special Quorum at such third (3<sup>rd</sup>) meeting; provided that such third (3<sup>rd</sup>) meeting must be held not later than forty-five (45) days

- (c) The quorum (a "Regular Quorum") required for any action other than the action referred to in Section 4.05(b) hereof shall be as follows:

Members in Good Standing, represented at a duly called meeting of the Members in person or by a legitimate proxy in form provided in the Association Documents or otherwise approved by the Officers, entitled to cast twenty percent (20%) of all of the votes of Members in Good Standing (both classes of Members taken together) shall constitute a Regular Quorum. If the required Regular Quorum is not present at such meeting, that meeting may be adjourned, and an additional meeting may be called, subject to the notice requirement set forth herein, with the required Regular Quorum at such second (2nd) meeting being reduced to one-half (1/2) of the required Regular Quorum at the preceding meeting; provided, however, that such second (2nd) meeting must be held not later than thirty (30) days after the first (1st) meeting. Further, if the reduced required Regular Quorum is not present at such second (2<sup>nd</sup>) called meeting, the adjournment of the meeting may called, subject to the notice requirement set forth herein, with Declarant alone constituting the required Regular Quorum at such third (3rd) meeting; provided that such third (3rd) meeting must be held not later than forty-five (45) days after the first (1<sup>st</sup>) meeting.

- (d) As an alternative to the procedure set forth in this Section, any action may be taken without a meeting upon obtaining the assent given in writing and signed by Members in Good Standing who hold more than: (i) fifty-one percent (51 %) of the outstanding votes eligible to be cast by Members in Good Standing (both classes of Members taken together) for actions referred to and requiring a Special Quorum as provided in

Section 4.05(b) hereof; or (ii) twenty percent (20%) of the outstanding votes eligible to be cast by Members in Good Standing (both classes of Members taken together) for actions referred to and requiring a Regular Quorum as provided in Section 4.05 (c) hereof.

- (e) Except as set forth in this Section 4.05, the notice, voting and quorum requirements for all action to be taken by the Association shall be as set forth in the Association Documents.

## ARTICLE V ASSESSMENTS

5.01 Covenants for Assessments. Each Owner, by acceptance of a deed or other conveyance or transfer of legal title to a Lot, whether or not it shall be so expressed in any such deed or other conveyance or transfer, shall be deemed to have covenanted and agreed to pay to the Association, or to an independent entity or agency which may be designated by the Association to receive such monies, the following assessments (collectively, the "Assessments"):

- (a) Regular Assessments as provided in Section 5.02 hereof;
- (b) Special Purpose Assessments as provided in Section 5.03 hereof; and
- (c) Special Member Assessments as provided in Section 5.04 hereof.

All Assessments shall remain the property of the Owner making payment of such Assessments but shall be controlled and expended by the Association on behalf of the Owners only for the specified purposes provided or approved pursuant to this Declaration. No profit, gain or other benefit is to be derived by the Association from the Assessments, but, instead, such funds shall be expended only as agent for the Owners. All services contemplated to be paid from Assessments shall be obtained by the Association on behalf of the Owners. Upon termination of the Association (and not before), all Assessments held at that time by the Association shall be allocated and returned to the Owners that paid such Assessments. No Assessments shall be levied against the Common Amenities or the Lots owned by Declarant; provided, however that Declarant shall pay the amounts, if any, Declarant expressly agrees to pay pursuant to Section 5.02 hereof.

5.02 Regular Assessments. "Regular Assessments" (herein so called) shall be determined, assessed and expended on a calendar year basis, which shall be the fiscal year of the Association. Regular Assessments shall be used exclusively for the following purposes (collectively, the "Common Expenses"): (a) maintaining, improving and/or operating the Common Amenities, subject to the limitations set forth in Section 6.01 hereof; (b) the payment of taxes and insurance (if any) in connection with the Common Amenities and the Common Services; (c) developing and maintaining replacement and working capital reserves for the Association (including without limitation, the maintenance reserve fund as provided for in Section 3.02 hereof); (d) providing the Common Services; (e) the payment of insurance premiums and costs as provided in Section 6.02 hereof, including without limitation, the premiums for officers', directors' and Architectural Control Committee Members' liability insurance, and the payment of any indemnity costs or costs of other functions of the Officers or the Association pursuant to this Declaration; (f) meeting and carrying out all contractual obligations of the Association, including without limitation, the Common Services obligation; and (g) carrying out the duties of the Officers and the Association as set forth in this Declaration.

Each year while this Declaration is in force, the Officers shall set the amount of the Regular Assessments to be levied for the next calendar year, taking into consideration: (i) the Common Expenses for the then current year, and anticipated increases in such expenses during such next calendar year; (ii) a contingency amount not exceeding ten percent (10%) of the anticipated expenditures for such next year; (iii) amounts needed for any reserve fund as

determined by the Officers; and (iv) the number of Lots subject to Assessments. The Regular Assessments for each calendar year shall be set by the Officers on or about the first (1st) day of December of the preceding year or as soon thereafter as such determination reasonably can be made by the Officers. Should any excess surplus (exclusive of amounts in any reserve fund) exist at the end of any calendar year, the Officers may, but shall not be obligated to, reduce the amount required for the next year's Regular Assessments by an amount equal to such surplus. The "Per-Lot Regular Assessment Amount" (herein so called) shall then be determined by the Officers such that the sum of the Per-Lot Regular Assessment Amounts payable for each Lot subject to Assessments equals the aggregate Regular Assessments required as set by the Officers.

The Per-Lot Regular Assessment Amount shall be payable for each Lot which has been conveyed by Declarant to any third party, including but not limited to, any Owner, builder or contractor. Regular Assessments shall commence, and the Per-Lot Regular Assessment (pro-rated for the remaining portion of the fiscal year of the Association) shall become payable immediately upon the conveyance of any Lot by Declarant (or reconveyance in the case of any Lot which is reacquired by Declarant). Notwithstanding anything herein to the contrary, no Regular Assessments shall be payable for Lots owned by Declarant (whether now owned or hereafter acquired or reacquired) during the 2017 calendar year, to the extent that the Regular Assessments are insufficient to cover actual expenses incurred by the Association for the purposes thereof, Declarant agrees to pay any excess actual expenses provided that the amount payable by Declarant shall in no event exceed the Per-Lot Regular Assessment Amount for each Lot which Declarant owns at the time of any such shortfall.

5.03 Special Purpose Assessments. Subject to the provisions of Section 5.05(d) hereof, the Officers may, from time to time, levy "Special Purpose Assessments" (herein so called) for the purpose of paying any capital improvements and other unanticipated expenses that normally would have been paid out of Regular Assessments but which were not included in that year's budget for Regular Assessments. Such Special Purpose Assessments shall be assessed on a per Lot basis in the same manner as the Regular Assessments are assessed as set forth in Section 5.02 hereof.

5.04 Special Member Assessments. The Officers may levy a "Special Member Assessment" (herein so called) on any Member, to the extent any directly related insurance proceeds (if any) paid to the Association are not sufficient to pay all such costs, for the purpose of:

- (a) Paying the cost of any damage or loss requiring maintenance, repairs or replacement of Common Amenities, which damage or loss has been determined by the Officers to have been caused, either directly or indirectly, by the act(s) of such Member, or such Member's agent, employee, occupant or visitor; and/or
- (b) Paying the maintenance costs, construction delay damages and Violation Fines or other amounts chargeable to any Owner as otherwise set forth herein.

5.05 Special Provisions Regarding Assessments.

- (a) Until and unless otherwise determined by the Officers, the annual Per-Lot Regular Assessment Amount shall be two hundred dollars and no/100s (\$200.00) per Lot per month.
- (b) If any Assessment remains unpaid at the expiration of fifteen (15) calendar days from and after the due date established by the Officers, a late charge, in an amount determined by the Officers to offset administrative costs of the Association resulting from such delinquency, shall be assessed against the non-paying Owner for each month, or portion thereof, that any portion of an Assessment remains unpaid. A service charge of TWENTY-FIVE AND NO/00 DOLLARS (\$25.00) or such other amount established by the Officers (but in no event exceeding the maximum lawful amount) shall 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 Officers, and shall in no event exceed the amounts permitted by applicable law.

- (c) Any Special Purpose Assessments for the purpose of paying the cost of the construction of a capital improvement or for the provision of Common Services shall require the affirmative approval of a Special Quorum of the Members as provided in Section 4.05(b) hereof.
- (d) Declarant shall establish an initial maintenance reserve account on or before the time of transfer of control of the Officers to the Class A Members, which initial maintenance reserve shall be an amount not less than Regular Assessments at the most recent per-Lot amount, which would accrue in two (2) months on all Lots within the Subdivision.

**5.06 Due Date of Assessments.** The Regular Assessments provided for herein shall be payable annually within thirty (30) days after an invoice is delivered by the Association to an Owner; provided, however, the Officers shall have the right to require payment of Regular Assessments at other intervals if the Officers deems appropriate in the Officers' sole and exclusive discretion but with payment thereof not required any earlier than thirty (30) days after delivery of any such invoice therefor. The due date of any Special Purpose Assessment or Special Member Assessment shall be fixed in the notice to the Owner or Owners providing for any such Assessment, but will not be sooner than thirty (30) days after such notice is delivered to the Owner or the Owners thereof. The initial Per-Lot Regular Assessment Amount as established by the Officers shall be payable, in whole or in part (as applicable), simultaneously with the sale and conveyance of each Lot by Declarant, and such applicable amount shall be prorated over the remainder of the calendar year from the date of such conveyance.

**5.07 Personal Obligation for Payment of Assessments.** The Assessments provided for herein shall be the personal obligation of the Owner or Owners of the Lot with respect to which such Assessment is made. The covenants for the payment of Assessments as provided in this Declaration touch and concern each Lot, are covenants running with the land and specifically bind the Owners and their heirs, successors, devisees, personal representatives and assigns. Except for Declarant as expressly provided herein, no Owner, for any reason, may exempt itself from liability for Assessments. In the event that any Assessment (or any part thereof) is not paid when due, the Owner or Owners of such Lot shall be obligated to pay interest on any such unpaid Assessment from such date at the Default Rate of Interest together with the charges made as authorized in Section 5.05(c) hereof and all costs and expenses of collection thereof, including but not limited to, reasonable attorneys' fees. The Officers shall have the right to reject any partial payment of any Assessment and demand full payment thereof, or the Officers may, in the Officers' sole and exclusive discretion, elect to accept any such partial payment on account only, without in so doing waiving any rights established hereunder with respect to any remaining balance due. The obligation of any Owner to pay an Assessment with respect to a Lot made for any period of time that an Owner owns the Lot shall remain such Owner's personal obligation (notwithstanding any future sale or conveyance of such Owner's Lot) and shall also pass to the purchaser(s) of such Lot. However, any lien against a Lot for any unpaid Assessments shall be unaffected by any sale of such Lot and shall continue in full force and effect. In the event of a sale of a Lot, it shall be the obligation of the then Owner of such Lot to disclose to any buyer, assignee, title company designated to handle such transaction, financing entity or any other party to such sale any unpaid Assessments, such notice to be given in writing to all parties to the intended transaction at least fifteen (15) days before the date at which such transaction is to be consummated. A copy of any such notice shall be sent to the Association at the same time. A former Owner shall not be liable for Assessments due with respect to a Lot which accrue for periods after such Person no longer is the Owner of such Lot and the notice required herein has been given.

**5.08 Assessment Lien and Foreclosure.** THE OBLIGATION TO PAY ASSESSMENTS IN THE MANNER PROVIDED FOR IN THIS ARTICLE, TOGETHER WITH INTEREST FROM SUCH DUE DATE AT THE DEFAULT RATE OF INTEREST, THE CHARGES MADE AS AUTHORIZED IN SECTION 5.05(c) HEREOF, ALL VIOLATION FINES AND THE COSTS OF COLLECTION, INCLUDING BUT NOT LIMITED TO,

REASONABLE ATTORNEYS' FEES, IS SECURED BY A CONTINUING CONTRACTUAL LIEN (THE "ASSESSMENT LIEN") AND CHARGE ON THE LOT COVERED BY SUCH ASSESSMENT, WHICH SHALL BIND SUCH LOT AND THE OWNERS THEREOF AND THEIR HEIRS , SUCCESSORS, DEVISEES, PERSONAL REPRESENTATIVES AND ASSIGNEES. The aforesaid continuing contractual Assessment Lien shall attach to the Lots as of the date of the recording of this Declaration in the Real Property Records of the County, and such Assessment Lien shall be superior to all other liens except as provided in Section 5.10 hereof. Such Assessment Lien shall not encumber or attach to the Common Amenities. The Association shall have the right to subordinate the aforesaid Assessment Lien to any other lien. The exercise of such right shall be entirely discretionary with the Officers. Except for a conveyance to a purchaser at a foreclosure sale pursuant to a lien to which the Assessment Lien is subordinate as provided herein or in Section 5.10 hereof, all Lots are conveyed to, and accepted and held by, the Owner thereof subject to the Assessment Lien provided for in this Section. To evidence any unpaid Assessments, the Association may prepare a written notice of unpaid Assessments (the "Notice of Unpaid Assessments") setting forth the amount of the unpaid indebtedness, the name of the Owner of and describing the affected Lot. Such notice shall be signed by one (1) of the officers of the Association and may, at the Officers' sole and exclusive discretion, be recorded in the Real Property Records of the County. The Association shall record an appropriate release of any recorded Notice of Unpaid Assessments when the amounts referenced therein have been paid. THE ASSESSMENT LIEN MAY BE ENFORCED BY FORECLOSURE OF THE ASSESSMENT LIEN UPON THE DEFAULTING OWNER'S LOT BY THE ASSOCIATION SUBSEQUENT TO THE RECORDING OF THE NOTICE OF UNPAID ASSESSMENTS EITHER BY JUDICIAL FORECLOSURE OR BY NONJUDICIAL FORECLOSURE THROUGH A PUBLIC SALE IN LIKE MANNER AS A MORTGAGE ON REAL PROPERTY IN ACCORDANCE WITH THE TEXAS PROPERTY CODE, AS SUCH MAY BE REVISED, AMENDED, SUPPLEMENTED OR REPLACED FROM TIME TO TIME. In addition, the Association may institute suit against the Owner personally to obtain a judgment for unpaid Assessments. Furthermore, the Association shall have such other rights and remedies as permitted or allowed by applicable law. In any foreclosure proceeding, whether judicial or nonjudicial, or in any suit or other action against, or pertaining to, the Owner, the Owner shall be required to pay all costs, expenses and reasonable attorneys' fees incurred by the Association. The Association shall have the right and power to buy the Lot at foreclosure or other legal sale and to acquire, hold, lease, mortgage, convey or otherwise deal with the same, subject to any statutory right of redemption.

5.09 Certificate. Upon request by an Owner, the Association shall furnish a certificate setting forth the unpaid Assessments owed by an Owner. Upon the written request of any Mortgagee holding a lien on a Lot, the Association shall report to any said Mortgagee any Assessments which are delinquent and unpaid at the time of the report.

5.10 Subordination of the Assessment Lien. The Assessment Lien provided for herein on a Lot shall be subordinate and inferior to the lien or liens granted by the Owner of such Lot to secure the repayment of a loan made for the purpose of providing purchase money funds for such Lot, funds used at any time to install or construct improvements on such Lot or funds used to pay ad valorem taxes on such Lot; provided, however, that such subordination shall apply only to Assessment Liens which have become due and payable prior to the foreclosure sale, whether public or private, of such Lot pursuant to the terms and conditions of any such mortgage or deed of trust lien. Such foreclosure sale shall not relieve such Lots from any Assessment Lien for Assessments thereafter becoming due.

## ARTICLE VI GENERAL POWERS AND DUTIES OF THE OFFICERS

6.01 Powers and Duties. The affairs of the Association shall be conducted by the Officers. The Officers shall be selected in accordance with the Association Documents. The Officers, for the benefit of the Owners, shall provide, and shall pay for (if applicable), from Assessments, the following if and to the extent such have been or are hereafter

provided by or contracted for by the Association or the Officers as the Officers determines in the Officers' sole and exclusive discretion:

- (a) Operation, care, maintenance, repair and preservation of the Common Amenities and Easement Areas, and the furnishing and upkeep of any desired personal property for use in the Common Amenities and Easement Areas;
- (b) The Common Services;
- (c) Any private trash and garbage collection service and security arrangements;
- (d) Taxes, insurance and utilities, if any, which pertain to the Common Amenities or are otherwise provided for herein which the Officers may obtain in its sole discretion;
- (e) The services of a Person or Persons to manage the Association or any separate portion thereof, to the extent deemed advisable by the Officers, and the services of such other personnel as the Officers shall determine to be necessary or proper for the operation of the Association, whether such personnel are employed directly by the Association or by a manager designated by the Officers;
- (f) Legal, accounting and other professional services on behalf of the Association;
- (g) Any other materials, supplies, furniture, labor, services, maintenance, repairs, structural alteration, taxes or assessments which the Officers is required to obtain or pay for pursuant to the terms of this Declaration or which in the Officers' sole and exclusive opinion shall be necessary or proper for the operation or protection of the Association or for the enforcement of this Declaration; and
- (h) The collection (as a part of the Regular Assessments) and payment of any assessments owed by an Owner or the Association under any other recorded deed restrictions, if any.

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

- (i) To execute all declarations of ownership for tax assessment purposes with regard to any of the Common Amenities owned by the Association;
- (j) To borrow funds to pay costs of operation secured by assignment or pledge of rights against delinquent Owners, if the Officers sees fit;
- (k) To perform any of the Officers' duties under this Declaration by contracting with third parties, to enter into other contracts, to maintain one (1) or more bank accounts and, generally, to have all the powers necessary or incidental to the operation, functions and management of the Association;
- (l) To protect or defend the Common Amenities 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;
- (m) To make reasonable rules and regulations for the operation and use of the Common Amenities and the Common Services and to amend them from time to time;
- (n) To own fee simple title, or an easement interest, in the Common Amenities;

- (o) Commencing at time deemed appropriate by the Officers, to make available to each Owner within ninety (90) days after the end of the year an annual report of the Association;
- (p) To adjust the amount, collection and use of any insurance proceeds;
- (q) To enforce the provisions of this Declaration and any rules and regulations made hereunder and, in the sole and exclusive discretion of the Officers, to enjoin and seek damages from any Owner for violation of any such provisions or rules and regulations;
- (r) To appoint members of the Architectural Control Committee as described in, and subject to the provisions of, Article VII hereof; and
- (s) To perform such other duties and functions as are necessary to carry out the rights and obligations of the Officers and the Association under this Declaration.

6.02 Insurance. The Association shall have the right and option to purchase, carry and maintain in force insurance covering any or all portions of the Common Amenities, Easement Areas, any improvements thereon or appurtenances thereto and the Common Services for the interest of 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 Common Amenities and Easement Areas and for services similar to the Common Services. Such insurance may include, but need not be limited to, the following:

- (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 and disbursement of funds; and
- (d) Officers', directors' and Architectural Control Committee members' liability insurance. 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 Association 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 Amenities. If the insurance proceeds are insufficient to repair or replace any such loss or damage, the Association may levy Special Purpose Assessment(s) or Special Member Assessment(s) (if applicable) to cover any such deficiency.

6.03 Affiliated Contracts. The Officers, acting on behalf of the Association, shall have the full power and authority to contract with any Owner, including without limitation, Declarant, for the performance of services which the Association is obligated or authorized to obtain, such contracts to be at competitive rates then prevailing for such services and upon such other terms and conditions, and for such consideration as the Officers may deem advisable in the Officers' sole and exclusive discretion and in the best interest of the Association provided that the level of service received is consistent with that available from third parties.



6.04 Liability Limitations. Neither Declarant nor any Member, director, officer or representative of the Association or the Officers or the Architectural Control Committee shall be personally liable for the debts, obligations or liabilities of the Association. The directors and officers of the Association shall not be liable for any mistake of judgment, whether negligent or otherwise, except for their own individual willful misfeasance or malfeasance, misconduct, bad faith, intentional wrongful acts or as otherwise expressly provided in the Association Documents.

Declarant and such directors, officers and Architectural Control Committee members shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association, and the Association, as a Common Expense of the Association, shall indemnify and hold Declarant, such directors, officers and members of the Architectural Control Committee harmless from any and all expenses, loss or liability to others on account of any such contract or commitment (to the extent not covered by insurance proceeds). In addition, each director and each officer of the Association and each member of the Architectural Control Committee 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 such director, officer or Architectural Control Committee member and against all expenses, losses and liabilities, including but not limited to, court costs and reasonable attorneys' fees, incurred by or imposed upon such director, officer or Architectural Control Committee member in connection with any proceeding to which such Person may be a party or may have become involved by reason of being such director, officer or Architectural Control Committee member at the time any such expenses, losses or liabilities are incurred subject to any provisions regarding indemnity contained in the Association Documents, except in cases wherein the expenses, losses and liabilities arise from a proceeding in which such director, officer or Architectural Control Committee member 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 Association Documents as an act for which any limitation of liability set forth in the Association Documents is not applicable; provided, however, this indemnity does cover liabilities resulting from such director's, officer's or Architectural Control Committee member's own negligence. Any right to indemnification provided herein shall not be exclusive of any other rights to which a director, officer or Architectural Control Committee member, or former director, officer or Architectural Control Committee member, may be entitled. The Association shall have the right to purchase and maintain, as a Common Expense, directors', officers', and Architectural Control Committee members', insurance on behalf of any Person who is or was a director or officer of the Association or an Architectural Control Committee member against any liability asserted against any such Person and incurred by any such Person in such capacity, or arising out of such Person's status as such.

## ARTICLE VII

### 7.01 Architectural Control Committee.

- (a) Declarant shall appoint an initial Architectural Control Committee (herein so called) to consist of not more than three (3) persons. Declarant shall have the sole and exclusive right to appoint, remove and replace members of the Architectural Control Committee at all times during the Class B Control Period; provided, however, that Declarant shall thereafter solely retain all rights to perform the functions of the Architectural Control Committee set forth in this Declaration in connection with and with respect to all matters regarding or in connection with the review and approval of Plans (and any modifications thereto) for construction of new residences on Lots sold by Declarant within the Subdivision. After the Class B Control Period the Architectural Control Committee members shall be appointed, removed and replaced by the Officers as provided herein. Members of the Architectural Control Committee shall hold their positions until death or resignation, or until removed or their successors are appointed by Declarant (at all times during the Class B Control Period), and thereafter, by the Officers at a duly called meeting for such purpose.
- (b) For administrative convenience, Declarant shall have the right, but not the obligation, at any time and from time to time, to assign to one (1) or more builders within the Subdivision the right to perform the functions

of the Architectural Control Committee set forth in this Declaration in connection with, and for the limited scope of, the review of Plans for construction of new residences Lots purchased by such builder or builders. In connection with their exercise of the duties and functioning as a review committee, such parties shall be bound by and shall have the same rights and restrictions as are applicable to the Architectural Control Committee as set forth in this Declaration; subject, however to the further limitations, if any, contained and set forth in the document whereby Declarant assigns such rights to any such builder.

7.02 Purpose of the Architectural Control Committee. A function of the Architectural Control Committee is to review and approve or disapprove Plans for improvements proposed to be constructed or modified on Lots and otherwise perform the duties set forth in this Declaration. NO IMPROVEMENTS SHALL BE ERECTED, CONSTRUCTED, PLACED, ALTERED, REMODELED, DEMOLISHED OR PERMITTED TO REMAIN ON A LOT UNTIL PLANS, IN SUCH FORM AND DETAIL AS THE ARCHITECTURAL CONTROL COMMITTEE MAY DEEM NECESSARY, SHALL HAVE BEEN SUBMITTED TO THE ARCHITECTURAL CONTROL COMMITTEE AND APPROVED BY IT IN WRITING. The vote of a majority of the members of the Architectural Control Committee shall be considered as the act of the Architectural Control Committee. The process of reviewing and approving Plans and specifications is one which of necessity requires that the Architectural Control Committee is called upon from time to time to make subjective judgments on items for which specific standards or guidelines are not expressly set forth in this Declaration. The Architectural Control Committee is given full power and authority to make any such subjective judgments and to interpret the intent and provisions of this Declaration in such manner and with such results as the Architectural Control Committee, in its sole and exclusive discretion, may deem appropriate, and in the absence of final adjudication by court of competent jurisdiction that the Architectural Control Committee has abused its discretion, such action by the Architectural Control Committee shall be final and conclusive. Unless expressly stated otherwise herein, the Architectural Control Committee shall have the right to grant variances from the requirements of this Declaration as it, in its sole and exclusive judgment, deems appropriate. The Architectural Control Committee shall have the sole and exclusive discretion to determine whether Plans submitted to it for approval are acceptable, and the Architectural Control Committee or Declarant shall be entitled and empowered to enjoin or remove any construction undertaken pursuant plans that have not been approved in writing by the Architectural Control Committee.

7.03 Plans.

- (a) The Architectural Control Committee shall have the right to disapprove any submitted Plans that are incomplete, or that are not consistent or not in compliance with this Declaration. By way of example, but not limitation, the Architectural Control Committee may base its approval or disapproval on, among other things:
  - (i) harmony of external design with improvements on other Lots;
  - (ii) relation of topography, grade and finish ground elevations to that of adjoining Lots and drainage functions;
  - (iii) screening of mechanical and other installations;
  - (iv) extent and quality of landscaped areas; and
  - (v) compliance with the purpose and general plan, intent and provisions of this Declaration.
- (b) The Architectural Control Committee shall be available on a reasonable basis to meet with an Owner answer questions concerning proposed improvements and their compliance with this Declaration;

- (c) An Owner desiring to construct or install any improvements on such Owner's Lot must submit Plans (herein so called) to the Architectural Control Committee, in duplicate (two original sets), and a PDF version via email, for such improvements that contain sufficient detail and information to show the following:
- (i) the general plan for the residence or other improvements showing exterior shape, elevations, height, exterior materials, window locations and roofing of all exterior surfaces.
  - (ii) cover matters specifically requiring Architectural Control Committee approval as provided in this Declaration; and
  - (iii) such other information as may be required by the Architectural Control Committee.
- (d) Approval of the Plans shall be based upon a determination by the Architectural Control Committee as to whether or not in its judgment, such Plans adequately meet the requirements created by this Declaration. Approval of any Plans with regard to certain improvements shall not be deemed a waiver of the Architectural Control Committee's right, in its sole and exclusive discretion, to disapprove similar Plans, or any of the features or elements included therein, for any other improvements or to refrain from granting similar variances.
- (e) The Architectural Control Committee shall, within thirty (30) days after receipt of each required submission of Plans, advise the party submitting the same, in writing, at an address specified by such party at the time of submission, of the approval or disapproval of the submitted Plans hereinafter provided. In the event the Architectural Control Committee fails to advise the submitting party by written notice within thirty (30) days of either the approval or disapproval of the Plans, the applicant may thereafter give the Architectural Control Committee written notice of such failure to respond, stating that, unless the Architectural Control Committee responds within fifteen (15) days of receipt of such notice, approval shall be deemed granted. However, no Plans, whether expressly approved or deemed approved pursuant to the foregoing, shall be inconsistent with this Declaration unless a variance has been granted in writing pursuant to Section 7.03 hereof. If any submission of Plans is not complete or does not include all data required by this Declaration, the Architectural Control Committee, within a reasonable period of time, shall notify the Owner of such deficiencies, and such Plans shall not be considered to have been submitted until such deficiencies have been corrected. If, and at such time as the Plans meet the approval of the Architectural Control Committee, one (1) set of Plans will be retained by the Architectural Control Committee and the other set of Plans will be marked "Approved" and returned to the Owner or such Owner's designated representative, accompanied by a statement of complete approval or approval based on certain conditions. If the Plans are found not to be in compliance with this Declaration, one (1) set of such Plans shall be returned marked "Disapproved", accompanied by a statement of the items found not to comply with this Declaration or not to be acceptable to the Architectural Control Committee. Any modification or change to the approved Plans must again be submitted to the Architectural Control Committee for its inspection, review and approval or disapproval.
- (f) An Owner may prepare detailed plans and specifications that do not vary from or modify the Plans that have been approved by the Architectural Control Committee. Improvements may be constructed or installed on a Lot only in conformance with such approved Plans. If work is not commenced within six (6) months from the date of Architectural Control Committee approval of the Plans (barring weather or other factors out of Owner's control), then the approval given by the Architectural Control Committee pursuant to this Article shall be deemed revoked by the Architectural Control Committee, unless the Architectural Control Committee extends in writing the time for commencing such work.

- (g) Upon submission of a written narrative request for same, the Architectural Control Committee may, from time to time, in its sole and exclusive discretion, by written approval only, permit Owners to construct, erect or install improvements which are in variance from this Declaration. In any case, however, such variances shall be in basic conformity with and shall blend effectively with, the general architectural style and design of the Subdivision. Each request for a variance submitted hereunder shall be reviewed separately and apart from other such requests. The grant of a variance to any Owner shall not constitute a waiver of the Architectural Control Committee's right to strictly enforce this Declaration against any other Owner with regard to the same matter, or against the same Owner for any other matter. Each such written request must identify and set forth in narrative detail the specific restriction or standard from which a variance is sought and describe in complete detail the exact nature of the variance sought. Any grant of a variance by the Architectural Control 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. The failure of the Architectural Control Committee to act on a variance request within any particular period of time shall not constitute the granting or approval of any such variance request.
- (h) The Architectural Control may from time to time publish, promulgate and amend architectural standards bulletins.

7.04 Inspections. The Architectural Control Committee, designees, shall have the right during reasonable business hours to enter upon and inspect Lot or improvements then under construction to determine whether or not the Plans therefor have been approved by the Architectural Control Committee. If the Architectural Control Committee shall determine that such Plans have not been approved or that the Plans which have been so approved are not being substantially complied with, the Architectural Control Committee may, in its sole and exclusive discretion, give the Owner of such Lot written notice to such effect, and, thereafter, Declarant or the Architectural Control Committee, on behalf of the Association, shall be entitled to enjoin further construction and to require the removal or correction of any work in place that does not comply with the approved Plans. If any improvements shall be altered or replaced on any Lot otherwise than in substantial conformity with the approved Plans therefor, such action shall be deemed to have been undertaken without requisite approval of the Architectural Control Committee and to be in violation of this Declaration; and Declarant or the Architectural Control Committee, on behalf of the Association, shall be entitled to take action as permitted under this Declaration with respect thereto.

7.05 Interior Alterations. An Owner may make improvements and alterations within the interior of such Owner's residence without first obtaining Architectural Control Committee approval, provided such interior improvements and interior alterations do not change the exterior entrance of any improvements, including without limitation, changes in window locations, window design or window materials.

7.06 Changes. No construction or installation of improvements on a lot that is inconsistent with, in addition to, or materially different from, any previously approved Plans shall be commenced or permitted until the Plans reflecting any and all such changes or additions have been submitted to, and approved by, the Architectural Control Committee in accordance with this Article; provided, however, no such approval is required for changes within the interior of any building that do not in any way change the exterior appearance.

7.07 Limitation on Liability. Declarant, the Association, the Officers (or any of its members) and the Architectural Control Committee (or any of its members), shall not, individually or in combination, be liable in damages (or otherwise) to any Owner for an act or occurrence, or any failure to act, relating to this Declaration, including any claims by any Owner regarding or arising out of any subjective decisions, mistakes in judgment, negligence or nonfeasance arising out of, or in connection with, the approval or disapproval or failure to approve or to disapprove any Plans submitted, or for otherwise acting in good faith in such capacities. Declarant and the Architectural Control

Committee (or any of its members) shall not, individually or in combination, be liable in damages (or otherwise) in connection with any construction, design engineering or defect associated with any improvement (or otherwise) constructed on the Property. APPROVAL OF PLANS BY THE ARCHITECTURAL CONTROL COMMITTEE DOES NOT CONSTITUTE ANY WARRANTY OR REPRESENTATION OF ANY KIND OR CHARACTER THAT SUCH PLANS COMPLY WITH GOVERNMENTAL REQUIREMENTS OR GOOD AND PRUDENT DESIGN, ENGINEERING OR CONSTRUCTION PRACTICES. IT IS THE SOLE AND EXCLUSIVE RESPONSIBILITY OF THE OWNER TO DETERMINE AND SEE THAT OWNER'S PLANS AND SPECIFICATIONS COMPLY WITH ALL SUCH REQUIREMENTS AND PRACTICES. The Architectural Control Committee shall have the right, but never the obligation, to perform the functions set forth in this Declaration.

## VIII GENERAL PROVISIONS

8.01 Binding Effect and Duration. The covenants and restrictions of this Declaration shall run with and bind the Property, shall be binding on all Owners and shall inure to the benefit of and be enforceable by Declarant, the Association, the legal representatives thereof, and their successors and assigns, and shall be and remain in effect for a period of fifty (50) years from and after the date of the recording of this Declaration, after which time this Declaration shall automatically be extended for three (3) successive periods often (10) years each, unless after such fifty (50) years an instrument executed and duly acknowledged by Owners owning, in the aggregate, at least seventy-five percent (75%) of the Lots has been recorded in the Real Property Records of the County, abolishing this Declaration.

8.02 Interpretation. In all cases, the provisions set forth or provided for in this Declaration shall be construed together and given that interpretation or construction which, in the sole and exclusive opinion of the Officers, will best effect the general plan of development as reflected in this Declaration. The Officers shall have the right, power and authority to determine all questions arising under or in connection with this Declaration and to construe and interpret the provisions thereof, and any determination, construction or interpretation made by the Officers, in the absence of an adjudication by a court of competent jurisdiction that any such action was an abuse of discretion, shall be binding on the Owners. The provisions of this Declaration shall be given full force and effect notwithstanding the existence of any zoning ordinance or building codes which are less restrictive. The effective date of this Declaration shall be the date of its filing for record in the office of the county clerk of the County. The captions of each Article and Section hereof as to the contents of each Article and Section are inserted only for convenience and are in no way to be construed as defining, limiting, extending or otherwise modifying or adding to the particular Article or Section to which they refer. The singular wherever used herein shall be construed to mean the plural when applicable and vice versa, and the use herein of any gender shall mean any other gender when applicable. Any and all exhibits referred to herein and attached hereto are made a part hereof by reference. This Declaration shall be construed under, and in accordance with, the laws of the State of Texas.

8.03 No Warranty of Enforceability. While Declarant has no reason to believe that any of the restrictive covenants or other terms or provisions contained in this Declaration are or may be invalid or unenforceable for any reason or to any extent, Declarant makes no warranty or representation as to the present or future validity or enforceability of any such restrictive covenant. Any Owner acquiring a Lot in the Development in reliance on one or more of such restrictive covenants, terms or provisions shall assume all risks of the validity or enforceability thereof and, by acquiring the Lot, agrees to hold Declarant, the Association and their legal counsel and other professional advisors harmless therefrom. Declarant shall not be responsible for the acts or omissions of any individual, entity or other Owners.

#### 8.04 Amendments.

- (a) Until the expiration of the Class B Control Period, Declarant may unilaterally modify and amend this Declaration for any purpose. For so long as Declarant owns one (1) Lot within the Property for development and sale, Declarant may unilaterally amend this Declaration without the joinder or vote of any other party if such amendment is necessary: (i) to bring any provisions of this Declaration into compliance with any applicable governmental statute, rule, regulation or judicial determination; (ii) to enable any reputable title insurance company to issue title insurance coverage on the Lots; (iii) to enable any institutional or governmental lender, purchaser, insurer, or guarantor of mortgage loans, including for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to purchase, insure, or guarantee mortgage loans on the Lots; (iv) to satisfy the requirements of any local, state or federal governmental agency; or (v) to correct or clarify errors, omissions, mistakes or ambiguities contained herein as determined in Declarant's sole judgment. No amendment pursuant to this paragraph, however, shall adversely affect the title to any Lot unless the Owner shall consent in writing.
- (b) Except as otherwise specifically provided above and elsewhere in this Declaration, this Declaration may be amended or terminated only by the affirmative vote or written consent, or any combination thereof, of Members (both classes taken together) representing fifty-one percent (51%) of the total Class A votes and Class B votes in the Association, and the consent of Declarant [so long as Declarant owns at least one ( 1) Lot or any property which hereafter may become subject to this Declaration in accordance with Article IV].
- (c) Any and all amendments to or terminations of this Declaration shall be recorded in the Real Property Records of the County. And no such termination or amendment shall be effective until a document setting forth the amendment or termination has been duly executed and acknowledged Declarant, if required and as applicable, and by Members holding the required votes, or by the Secretary (herein so called) of the Association certifying the required affirmative vote of the Members as required hereinabove, and such document has been recorded in the Real Property Records of the County.

8.05 Enforcement. Declarant, the Association and the Owners shall have the right, but not the obligation, to enforce the covenants and restrictions set out in this Declaration. Enforcement may be made by any proceedings at law or in equity against any Person violating or attempting to violate any part of this Declaration, as such may be amended or modified, to restrain or enjoin violations thereof, to recover damages or to seek such other relief available pursuant to applicable law. Damages shall not be deemed adequate compensation for any breach or violation of any provision of this Declaration, and Declarant, the Association and each Owner shall be entitled to relief by way of injunction, as well as any other remedy either at law or in equity. With respect to any litigation hereunder, the prevailing party shall be entitled to recover reasonable attorneys' fees and court costs from the non-prevailing party. The rights, powers and remedies provided in this Declaration shall be cumulative and not restrictive of any other remedies at law or in equity, and the exercise by a Person of any particular right, power or remedy shall not be deemed an election of remedies or to preclude such Person's resort to other rights, powers or remedies available to any such Person.

8.06 No Waiver or Obligation to Enforce. No delay or failure on the part of Declarant, the Association or any Owner to invoke any available right, power or remedy with respect to a breach of this Declaration shall be held to be a waiver by that party (or estop that party from asserting) any right, power or remedy available to such party upon the recurrence or continuance of said breach or the occurrence of a different breach. Neither Declarant, the Association or the Owners, shall be under any obligation to take any action to enforce the terms of this Declaration. The failure by Declarant, the Association or any Owner to enforce any provision of this Declaration shall in no event subject Declarant, the Association or any Owner to any claims, liability, cost or expense; it being the express intent of this Declaration to provide Declarant, the Association or any Owner with the right (such right to be exercised at its sole

and absolute discretion), but not the obligation to enforce the terms of this Declaration for the benefit of any Owner(s) of any Lot(s) in the Development.

8.07 Liens/Validity and Severability. Violation of or failure to comply with this Declaration shall not affect the validity of any mortgage, lien or other similar security instrument which may then be existing on any Lot. Invalidation of any one (1) or more of the provisions of this Declaration, or any portions thereof, by a judgment or court order shall not affect any of the other provisions or covenants herein contained, which such other provisions and covenants shall remain in full force and effect.

8.08 Notices. Any notice required to be given to Declarant, the Association or any Owner under the provisions of this Declaration shall be deemed to have been properly delivered when actually delivered by hand-delivery or three (3) days after any such notice has been deposited in the United States Mail, postage prepaid, certified or registered mail, return receipt requested, addressed: (a) for notice to an Owner to the address of the Owner as shown on the records of the Association at the time of such mailing; and (b) for notice to Declarant or the Association to:

25 Highland Park Village, Suite 100-464  
Dallas, Tx 75205  
Email: vaughn@vcmdevelopment.com

or at such other address specified by Declarant or the Association from time to time.

8.09 Mortgagees. No default by an Owner of a Lot under any provision of this Declaration shall affect any existing lien or mortgage on that Lot. A Mortgagee shall not be liable for Assessments made with respect to a Lot during any period in which its only interest in the Lot is that of a Mortgagee.

8.10 Approvals. No approval by Declarant, the Association or the Architectural Control Committee pursuant to the provisions hereof shall be effective unless in writing, except as otherwise expressly provided herein.

8.11 Imposition of Violation Fines. In the event that any Person fails to cure (or fails to commence and proceed with diligence to complete the work necessary to cure) any violation of this Declaration within ten (10) days after receipt of written notice from the Officers designating the particular violation, the Officers shall have the power and authority to impose upon that Person a fine for any such violation (herein referred to as a "Violation Fine") not to exceed FIVE HUNDRED AND NO/1 00 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 Default Rate of interest and any costs of collection, including but not limited to, reasonable attorneys' fees, shall be part of any such Violation Fine. Violation Fines shall be Special Member Assessments.

8.12 Residential Construction Liability Act. Without waiving any rights under law or equity, all Owners acknowledge, covenant and agree that residential construction defect claims regarding any residence against Declarant or any homebuilder in Texas are controlled by the Texas Residential Construction Liability Act (Tex. Prop. Code Section 27.001 et seq., as amended) which preempts the Texas Deceptive Trade Practices Act (Tex. Bus. & Com. Code Section 17.41 et seq., as amended) and any other law.

8.13 Notice and Hearing.

- (a) Prior to the imposition of any Violation Fine or the levying of any Special Member Assessment on an Owner, the Association will give notice to the Owner in compliance with Section 209.006 of the Texas

Property Code (the "Property Code"), as the same may be hereafter amended. Such notice shall be as follows:

- (i) Notice will be delivered by certified mail return receipt requested.
  - (ii) The notice must describe the violation or property damage that is the basis for the Violation Fine or Special Member Assessment, and state any amount due the Association from the Owner.
  - (iii) The notice must inform the Owner that the Owner is entitled to a reasonable time to cure the violation and avoid the Violation Fine or Special Member Assessment and that the Owner may request a hearing under this Section 8.13 and Section 209.007 of the Property Code on or before the thirtieth (30th) day after the Owner receives the notice.
- (b) In compliance with Section 209.007 of the Property Code, if the Owner submits a written request for a hearing, the Association shall hold a hearing not later than the thirtieth (30th) day after the date the Officers receives the Owner's request, and shall notify the Owner of the date, time and place of the hearing not later than the tenth (10th) day before the date of the hearing. The Officers or the Owner may request a postponement, and, if requested, a postponement shall be granted for a period of not more than ten (10) days. Additional postponements may be granted by agreement of the parties. If the hearing is to be held before a committee appointed by the Officers, the notice described in Section 8.13(a) hereof shall state that the Owner has the right to appeal the committee's decision to the Officers by written notice to the Officers.

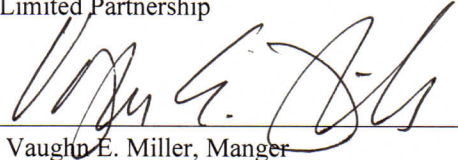
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EXECUTED as of February 8, 2017

DECLARANT:

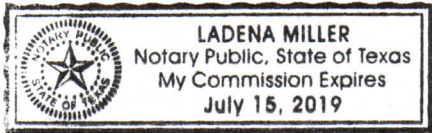
VCM PRESTONWOOD POLO DEVELOPMENT LTD,  
a Texas Limited Partnership

By: 

Vaughn E. Miller, Manger  
VCM Prestonwood Polo Development GP LLC,  
Its General Partner

THE STATE OF TEXAS §  
§  
COUNTY OF DENTON §

This instrument was acknowledged before me on the 8<sup>th</sup> day of February 8, 2017, by Vaughn E. Miller, Manager of VCM Prestonwood Polo Development GP LLC, General Partner of VCM Prestonwood Polo Development Ltd, a Texas Limited Partnership, known to me to be the person who executed this agreement in the capacity and for the purposes therein stated.





Notary Public, State of Texas

Ladena Miller

Printed Name of Notary Public

EXHIBIT A  
PROPERTY DESCRIPTION

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS APPLIES TO LOTS 1 THROUGH 22 (AND SPECIFICALLY EXCLUDES LOT 23) BLOCK A OF THE PRESTONWOOD POLO AND COUNTRY CLUB ADDITION, IN THE CITY OF OAK POINT, DENTON COUNTY, TEXAS, AS SHOWN ON THE ATTACHED SURVEY PLAT FILED 12/2/2016 IN THE PLAT RECORDS OF DENTON COUNTY DOC NUMBER: 2016-2235. THE LEGAL DESCRIPTION OF LOTS 1 THROUGH 23 IS AS FOLLOWS:

**WHEREAS VCM PRESTONWOOD POLO DEVELOPMENT , LTD.**, is the owner of all that certain lot, tract or parcel of land situated in the George W. Daniels Survey, Abstract Number 331, Denton County, Texas, and being all of Lots 15 and 16 of Hunter's Ridge Addition, an addition to the City of Oak Point according to the plat thereof recorded in Cabinet M, Page 322, Plat Records, Denton County, Texas, the subject tract being more particularly described as follows;

**BEGINNING** at a capped iron rod found stamped "Wallace" at the intersection of the South line of a 60 foot right-of-way dedication per said Addition and the East right-of-way line of Yacht Club Road for the Northwest corner of the herein described tract and the Northwest corner of said Lot 15;

**THENCE** North 89 degrees 36 minutes 07 seconds East with the North line thereof and the South line of said 60 foot dedication, a distance of 100.17 feet to a capped iron rod found stamped "2437" at the beginning of a curve to the left having a radius of 730.00 feet and a chord bearing and distance of North 77 degrees 47 minutes 49 seconds East, 297.76 feet;

**THENCE** Northeasterly, with the arc of said curve, the South line of said dedication and the North line of said Lot 15, an arc distance of 299.87 feet to a capped iron rod found at the beginning of a curve to the right having a radius of 670.00 feet and a chord bearing and distance of North 78 degrees 17 minutes 15 seconds East, 284.61 feet;

**THENCE** Northeasterly, with the arc of said curve, the South line of said dedication and the North line of said Lot 15, an arc distance of 286.79 feet to a capped iron rod found stamped "2437" for a corner on said line;

**THENCE** South 89 degrees 26 minutes 28 seconds East with the South line of said dedication and the North line of said Lot 15, along or near a fence, a distance of 1950.61 feet to a capped iron rod found stamped "Wallace" for the Northeast corner thereof, the Northeast corner of the herein described tract and the Northwest corner of Lot 11 in said Addition;

**THENCE** South 00 degrees 24 minutes 31 seconds East with the West line thereof and the East line of said Lot 15, along or near a fence, a distance of 226.62 feet to a capped iron rod found for an angle point on the East line thereof, the Southwest corner of said Lot 11 and the Northwest corner of a tract of land described in a deed to Kevin A. Mocarow, as recorded in County Clerk File Number 1998-36585, Real Property Records, Denton County, Texas;

**THENCE** South 00 degrees 17 minutes 08 seconds East with the West line thereof and the East line of said Lot 15, along or near a fence, at a distance of 574.46 feet passing the Southeast corner thereof and the Northeast corner of said Lot 16, continuing along said course and the East line thereof, a total distance of 1345.24 feet to a capped iron rod found stamped "Wallace" for the Southeast corner of said Lot 16, the Southeast corner of the herein described tract and the Northeast corner of Lot 18 in said Addition;

**THENCE** North 89 degrees 26 minutes 25 seconds West with the North line thereof and the South line of said Lot 16, a distance of 813.72 feet to a point for an inner ell corner on the South line thereof and a corner on the North line of said Lot 18;

**THENCE** South 00 degrees 26 minutes 19 seconds East, a distance of 88.64 feet to a point at a fence corner post for an inner ell corner on the North line of said Lot 18 and a corner on the South line of said Lot 16;

**THENCE** North 89 degrees 26 minutes 34 seconds West with the South line thereof and the North line of said Lot 18, along or near a fence, a distance of 1803.92 feet to a capped iron rod found stamped "Wallace" for the Northwest corner thereof, the Southwest corner of said Lot 16, the Southwest corner of the herein described tract and being on the East right-of-way line of said Yacht Club Road;

**THENCE** North 00 degrees 26 minutes 41 seconds West with the East line thereof and the West line of said Lot 16, at a distance of 859.44 feet passing the Northwest corner thereof and the Southwest corner of said Lot 15, continuing along said course and the West line thereof, a total distance of 1532.64 feet to the PLACE OF BEGINNING and enclosing 97.08 acres of land more or less.

Filed for Record  
 In the County Records of  
 Denton County, Texas  
 On 10/27/2016 2:37:04 PM  
 PRESTONWOOD POLO AND  
 COUNTRY CLUB ADDITION  
 Number of Pages: 2  
 Surveyor's License No.  
 00817231020000079  
 By: J.A.

**FINAL PLAT**  
**PRESTONWOOD POLO AND**  
**COUNTRY CLUB ADDITION**  
**LOTS 1-23, BLOCK A,**  
 BEING 88.03 ACERS OUT OF THE GEORGE W. DANIELS  
 SURVEY, ABSTRACT NUMBER 331, IN THE CITY OF DAK  
 POINT, DENTON COUNTY, TEXAS, AND THE REPLAT  
 OF THE SURVEY OF THE GEORGE W. DANIELS SURVEY, ABSTRACT NO. 331,  
 ADDITION TO THE CITY OF DAK POINT, AS  
 RECORDED IN CAB. M. PG. 332,  
 PLAT RECORDS, DENTON COUNTY, TEXAS

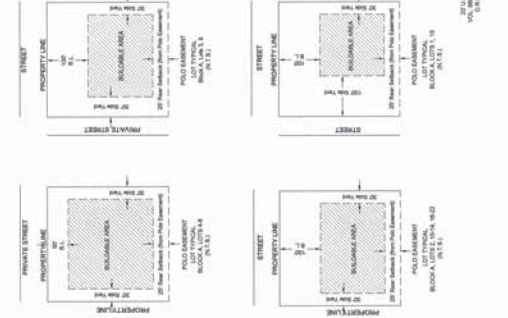
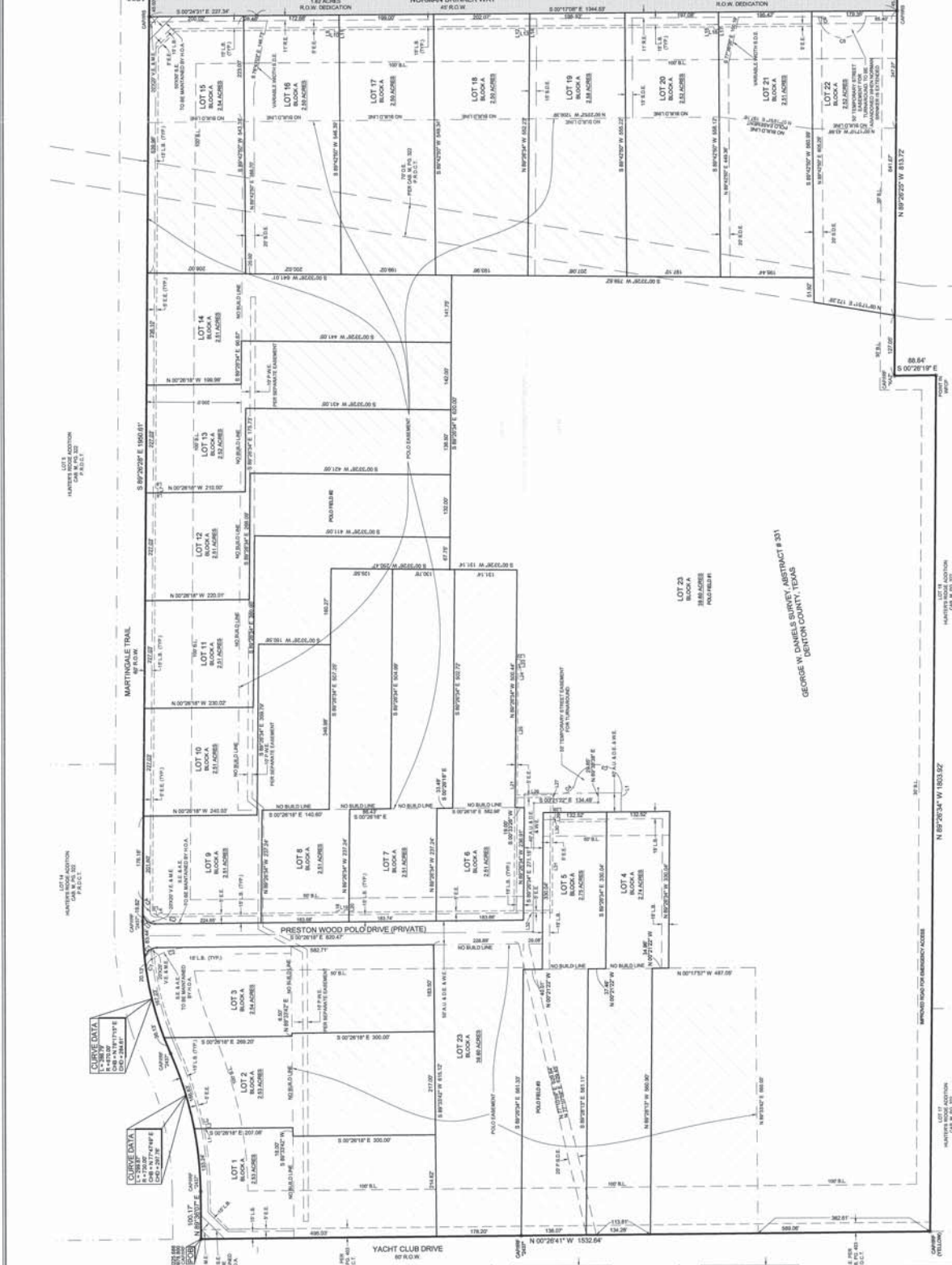
1720 WESTMINSTER  
 DENTON, TX 76205  
 JOB NUMBER: 11000046P  
 DRAWN BY: TK  
 DATE: 7-29-2016  
 SURVEYOR:  
 KENNETH A. ZOLLINGER  
 www.kazsurveying.com



**ENGINEER:**  
 CIVIL ENGINEERS, INC.  
 2115 HIGHLAND PARK VALLEY, SUITE 400  
 DALLAS, TX 75201  
 (972) 584-1190  
 (972) 584-8723

**OWNER:**  
 VOF PRESTONWOOD POLO DEVELOPMENT, LTD.  
 25 HIGHLAND PARK VALLEY, SUITE 103  
 DALLAS, TX 75201  
 PHONE: (416) 300-3448  
 CONTACT: MADON BELLER

**SURVEYOR:**  
 KAZ SURVEYING, INC.  
 1720 WESTMINSTER STREET  
 DENTON, TX 76205  
 PHONE: (840) 380-3448  
 (840) 380-3448  
 1720 WESTMINSTER STREET  
 DENTON, TX 76205



**LEGEND**

- STREET - CENTERLINE
- PROPERTY LINE - DASHED LINE
- EASEMENT - SOLID LINE WITH HATCHING
- UTILITY LINE - SOLID LINE WITH HATCHING
- ADJACENT PROPERTY - SOLID LINE WITH HATCHING
- ADJACENT LOT - SOLID LINE WITH HATCHING
- ADJACENT BLOCK - SOLID LINE WITH HATCHING
- ADJACENT SURVEY - SOLID LINE WITH HATCHING
- ADJACENT COUNTY - SOLID LINE WITH HATCHING
- ADJACENT STATE - SOLID LINE WITH HATCHING
- ADJACENT FEDERAL - SOLID LINE WITH HATCHING
- ADJACENT NATIONAL - SOLID LINE WITH HATCHING
- ADJACENT INTERNATIONAL - SOLID LINE WITH HATCHING
- ADJACENT TERRITORY - SOLID LINE WITH HATCHING
- ADJACENT DISTRICT - SOLID LINE WITH HATCHING
- ADJACENT COUNTY - SOLID LINE WITH HATCHING
- ADJACENT STATE - SOLID LINE WITH HATCHING
- ADJACENT FEDERAL - SOLID LINE WITH HATCHING
- ADJACENT NATIONAL - SOLID LINE WITH HATCHING
- ADJACENT INTERNATIONAL - SOLID LINE WITH HATCHING
- ADJACENT TERRITORY - SOLID LINE WITH HATCHING
- ADJACENT DISTRICT - SOLID LINE WITH HATCHING

EXHIBIT B  
POLO EASEMENT



TERM: This EASEMENT, right-of-way, rights, other privileges and access rights granted herein, as well as the covenants made herein, shall be appurtenant to the land and run perpetually, unless expressly abandoned by GRANTEE and each of GRANTEE's licensees, permittees and/or successors and assigns, if any. In the event that GRANTEE goes out of business and ceases to operate for a period of 12 consecutive months, then GRANTOR may, at its option, take over this Easement with thirty (30) days prior written notice to GRANTEE; in such event GRANTOR may assign this Easement to another party, including the Prestonwood Polo Club Homeowners Association, at which time GRANTEE loses this EASEMENT and all rights and privileges of associated with it.

OWNERSHIP: GRANTOR agrees that all improvements, lines, facilities, equipment, and all other necessary or desirable appurtenances, facilities, appliances and equipment installed upon the Polo Easement Land shall at all times remain the property of the GRANTEE and are removable at the option of the GRANTEE at anytime without notice, regardless of the extent to which such items are attached or affiliated to the Polo Easement Land or any improvements thereon, or the extent to which removal of such items may damage such items or the Polo Easement Land or improvements located thereon.

LIABILITY: GRANTEE and its assigns shall not be liable for any damages arising out of GRANTEE's use of the Polo Land Easement.

AUTHORITY: GRANTOR represents and warrants to GRANTEE that GRANTOR has the full right, power, and authority to execute and deliver this Easement and Right-of-Way, and that this Easement and Right-of-Way does not violate the terms or provisions of any other agreement to which GRANTOR is a party (including from any mortgage) or to which the EASEMENT PROPERTY is subject, that each person signing this Easement and Right-of-Way on behalf of GRANTOR is authorized to do so.

INURE: This instrument, and the terms and conditions contained herein, shall inure to the benefit of and be binding upon GRANTEE and GRANTOR, and their respective heirs, personal and legal representatives, successors, and assigns and shall be covenants running with the land for the benefit of GRANTEE and in perpetuity. When the context requires, singular nouns and pronouns include the plural. When appropriate, the term "GRANTEE" includes the employees, authorized agents, licensees and permittees of GRANTEE. GRANTEE shall have the right to assign this instrument, and the rights and privileges hereunder in favor of GRANTEE, in whole or in part.

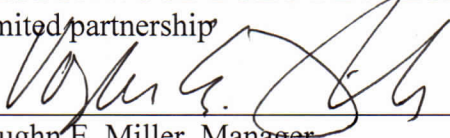
DEFEND: GRANTOR warrants and shall forever defend the EASEMENT to GRANTEE against anyone lawfully claiming or to claim the EASEMENT or any part thereof, subject to those matters set forth in instruments recorded in the Real Property Records of Denton County, Texas, to the extent such matters are in full force and effect and actually affect the EASEMENT PROPERTY.

ADJACENT PROPERTY: GRANTEE shall no right of access to property adjacent to the Polo Easement Land without the prior approval of the property owner(s) of such property.

IN WITNESS WHEREOF, GRANTOR has executed this EASEMENT on the date set forth in the acknowledgment below, to be effective as of the day and year first above written.

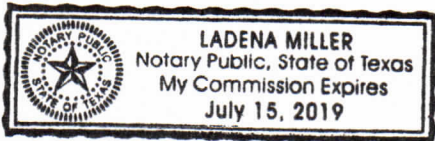
**GRANTOR:**

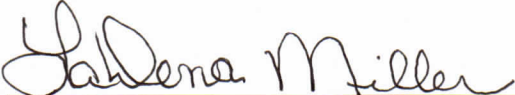
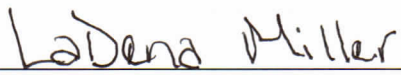
**VCM PRESTONWOOD POLO DEVELOPMENT LTD.,**  
a Texas limited partnership

  
By: Vaughn E. Miller, Manager  
VCM PRESTONWOOD POLO GP LLC,  
Its General Partner

THE STATE OF TEXAS    §  
                                      §  
COUNTY OF DALLAS    §

This instrument was acknowledged before me on the 8<sup>th</sup> day of February 8, 2017, by Vaughn E. Miller, Manager of VCM Prestonwood Polo Development GP LLC, General Partner of VCM Prestonwood Polo Development Ltd, a Texas Limited Partnership, known to me to be the person who executed this agreement in the capacity and for the purposes therein stated.



  
Notary Public, State of Texas  
  
Printed Name of Notary Public

**EXHIBIT "A"**  
**POLO EASEMENT LAND**

All that certain lot, tract or parcel of land situated in the George W. Daniels Survey, Abstract Number 331, Denton County, Texas, and part of Lots 1, 2, 3, 4, 5, and 23, Block A, Prestonwood Polo Club Addition, an addition to the City of Oak Point according to the plat thereof recorded in Instrument number 2016-2235, Plat Records, Denton County, Texas, being more fully described as follows;

COMMENCING at a capped iron rod found stamped "Wallace" at the intersection of the South line of a 60 foot right-of-way dedication per said Addition and the East right-of-way line of Yacht Club Road for the Northwest corner of said Lot 1;

THENCE along said East line, South 00 degrees 26 minutes 41 seconds East, 195.03 feet to the POINT OF BEGINNING of the herein described tract;

THENCE North 89 degrees 33 minutes 42 seconds East, 615.15 feet to a point for corner in the West line of Prestonwood Polo Drive;

THENCE along said West line, South 00 degrees 26 minutes 18 seconds East, 488.88 feet to a point for corner; THENCE North 89 degrees 26 minutes 34 seconds West, 53.82 feet to a point for corner;

THENCE South 00 degrees 17 minutes 57 seconds East, 487 .05 feet to a point for corner;

THENCE South 89 degrees 33 minutes 42 seconds West, 560.04 feet to a point in the East line of said Yacht Club Drive;

THENCE along said East line, North 00 degrees 26 minutes 41 seconds West, 975.00 feet to the PLACE OF BEGINNING and containing 13.16 acres of land more or less;

All that certain lot, tract or parcel of land situated in the George W. Daniels Survey, Abstract Number 331, Denton County, Texas, and being part of Lots 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, and 22, Block A, Prestonwood Polo Club Addition, an addition to the City of Oak Point according to the plat thereof recorded in Instrument number 2016-2235, Plat Records, Denton County, Texas, and being more fully described as follows;

BEGINNING at the Northwest corner of said Lot 15, Block A and also being in the South line of Martingale Trail;

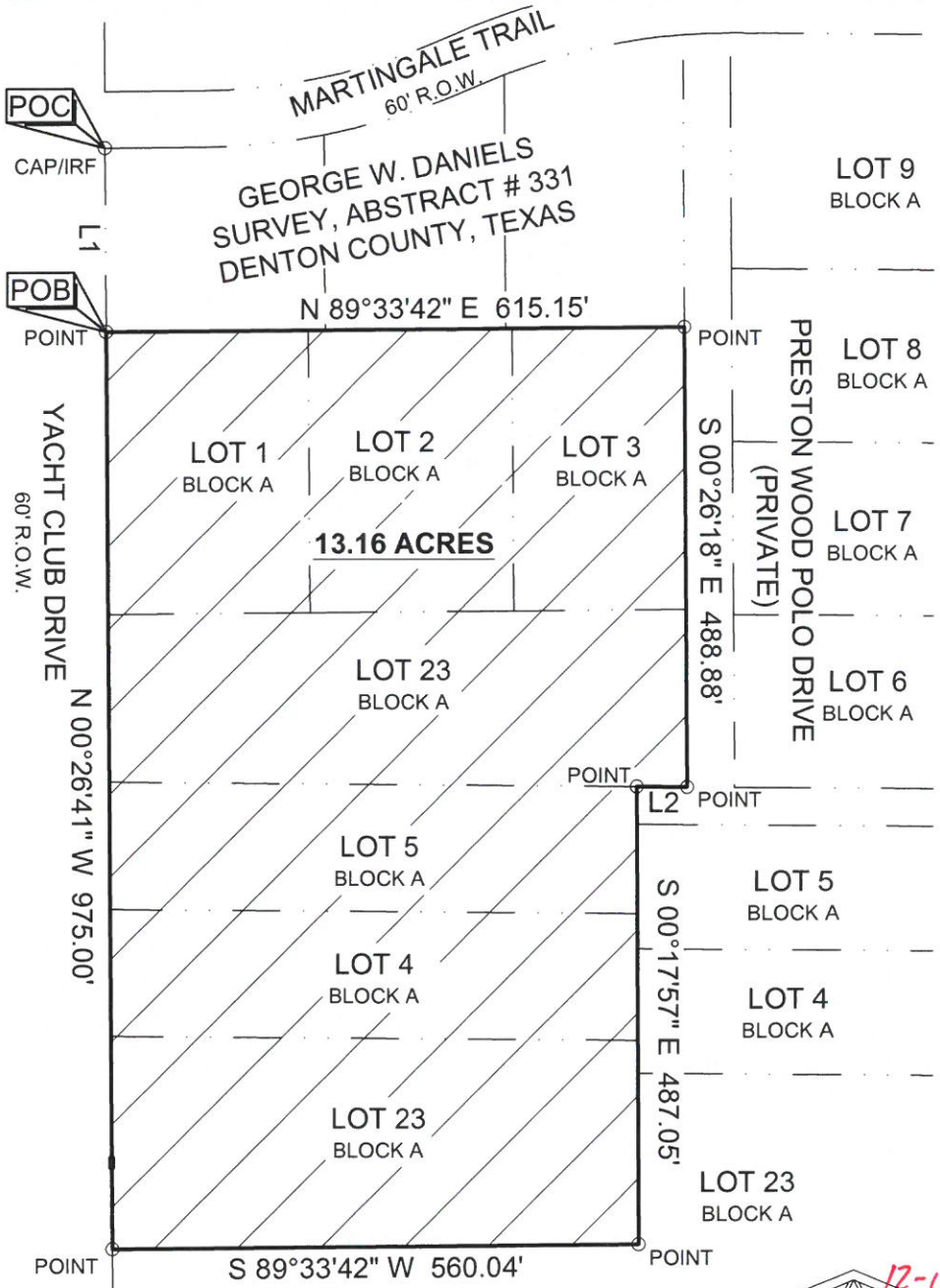
THENCE continuing along said South line, South 89 degrees 26 minutes 28 seconds East, 316.97 feet to a point for corner; THENCE South 00 degrees 23 minutes 52 seconds East, 1200.39 feet to a point for corner;

THENCE South 07 degrees 19 minutes 57 seconds West, 197.16 feet to a point for corner;

THENCE South 00 degrees 17 minutes 10 seconds East, 175.73 feet to a point for corner;



THENCE North 89 degrees 26 minutes 10 seconds West, 394.40 feet to a point for comer;  
THENCE North 09 degrees 15 minutes 26 seconds East, 173.03 feet to a point for comer;  
THENCE South 89 degrees 26 minutes 34 seconds East, 51.92 feet to a point for comer;  
THENCE North 00 degrees 33 minutes 26 seconds East, 759.62 feet to a point for comer;  
THENCE North 89 degrees 26 minutes 34 seconds West, 620.00 feet to a point for comer;  
THENCE South 00 degrees 33 minutes 26 seconds West, 141.00 feet to a point for comer;  
THENCE North 89 degrees 26 minutes 34 seconds West, 500.44 feet to a point for comer;  
THENCE North 00 degrees 26 minutes 18 seconds West, 582.98 feet to a point for comer;  
THENCE South 89 degrees 23 minutes 06 seconds East, 1130.57 feet to a point for comer;  
THENCE North 00 degrees 33 minutes 26 seconds East, 200.26 feet to the PLACE OF  
BEGINNING and containing 25.03 acres of land more or less;



LINE	BEARING	DISTANCE
L1	S 00°26'41" E	195.03'
L2	N 89°26'34" W	53.82'



**LEGEND**

R.O.W. = RIGHT OF WAY  
 POC = POINT OF COMMENCING  
 POB = POINT OF BEGINNING

**KAZ SURVEYING**

TX FIRM REGISTRATION # 10002100

1720 WESTMINSTER  
 DENTON, TX 76205  
 (940)382-3446

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JOB NUMBER: 110608-24A

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DRAWN BY: MMF

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DATE: 12-15-2016

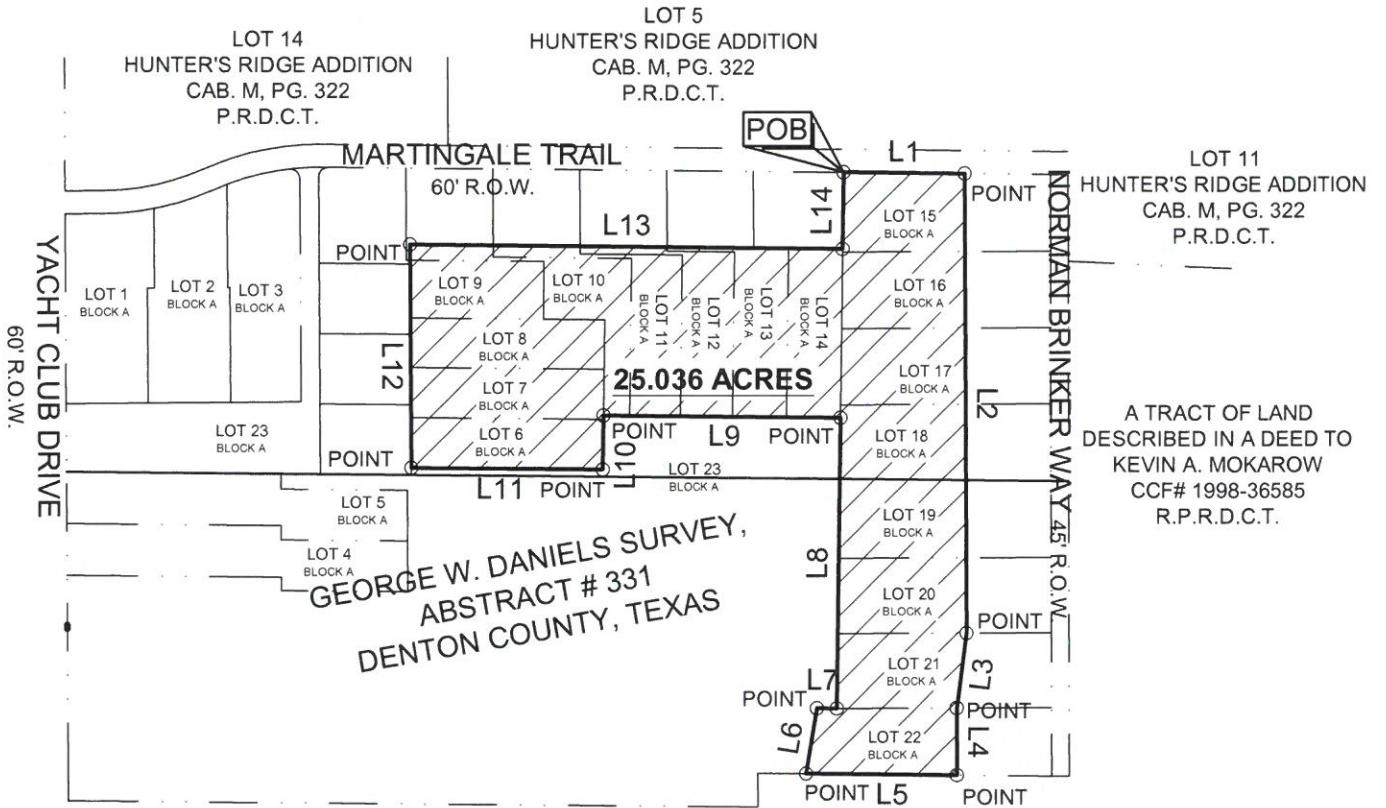
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R.P.L.S.

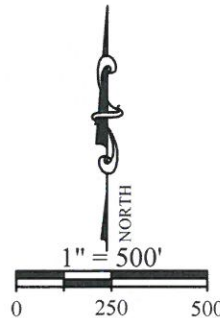
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KENNETH A. ZOLLINGER

CURVE	ARC LENGTH	RADIUS	DELTA ANGLE	CHORD BEARING	CHORD LENGTH
C1	299.87'	730.00'	23°32'09"	N 77°47'49" E	297.76'
C2	306.62'	675.97'	25°59'23"	N 79°04'52" E	304.00'



LINE	BEARING	DISTANCE
L1	S 89°26'28" E	316.97'
L2	S 00°23'52" E	1200.39'
L3	S 07°19'57" W	197.16'
L4	S 00°17'10" E	175.73'
L5	N 89°26'10" W	394.40'
L6	N 09°15'26" E	173.03'
L7	S 89°26'34" E	51.92'
L8	N 00°33'26" E	759.62'
L9	N 89°26'34" W	620.00'
L10	S 00°33'26" W	141.00'
L11	N 89°26'34" W	500.44'
L12	N 00°26'18" W	582.98'
L13	S 89°23'06" E	1130.57'
L14	N 00°33'26" E	200.26'



**LEGEND**

R.O.W. = RIGHT OF WAY  
 POC = POINT OF COMMENCING  
 POB = POINT OF BEGINNING



TX FIRM REGISTRATION # 10002100

1720 WESTMINSTER  
 DENTON, TX 76205  
 (940)382-3446

JOB NUMBER: 110608-24B

DRAWN BY: MMF

DATE: 12-13-2016

R.P.L.S.

KENNETH A. ZOLLINGER

Declaration. No Person purchasing one (1) or more Lots shall be considered "Declarant" hereunder, unless Declarant makes the express and specific assignment referenced in the immediately preceding sentence.

- (o) "Declaration" shall mean this Declaration of Covenants, Conditions and Restrictions for Prestonwood Polo and Country Club Addition, and all amendments and modifications hereto.
- (p) "Default Rate of Interest" shall mean the lesser of: (i) fifteen percent (15%) per annum; or (ii) the maximum allowable contract rate of interest under applicable law.
- (q) "Easement Areas" shall mean all easements as shown on the Plat within the Subdivision, or on adjacent property which may now or hereafter benefit or burden the Property and the Subdivision, including without limitation, the berm, wall and landscape maintenance easements, the wall maintenance easements, visibility, access and maintenance easements, utility easements, drainage easements and all other easements located within the Property and along, over and across various Lots as shown on the Plat, together with all future and proposed easements for the benefit of or burdening the Property and the Subdivision, whether within or outside the Subdivision boundaries, and as may be shown on the Plat or as may be subsequently granted, dedicated and/or conveyed.
- (r) "Entry Area" shall mean all of the areas at or near the points of entry into the Subdivision which may include Subdivision monuments, signage, landscaping or similar improvements, including without limitation, those areas as shown on the Plat along, near or adjacent to the Subdivision entrances from Martingale Trail, including any wall maintenance easements and visibility, access and maintenance easements and any Common Amenities which may be now or hereafter located in, on and adjacent to the Entry Areas.
- (s) "Lot" or "Lots" shall mean the buildable single-family residential lots as shown on the Plat, as amended from time to time, and designated as a "Lot" thereon and as shown on the Plat.
- (t) "Member" or "Members" shall mean each Owner of a Lot.
- (u) "Member in Good Standing" or "Members in Good Standing" shall have the meaning set forth in Section 4.03 hereof.
- (v) "Mortgagee" shall mean any holder of a lien upon or a mortgage of any interest in a Lot.
- (w) "Notice of Unpaid Assessments" shall have the meaning set forth in Section 5.08 hereof.
- (x) "Officers" shall mean the officers of the Association as elected by the Members in Good Standing pursuant to the provisions of Article IV hereof.
- (y) "Owner" or "Owners" shall mean each and every Person who is a record owner of a fee or undivided fee interest in any Lot; provided, however, "Owner" shall not include Persons who hold an interest in a Lot as security for the performance of an obligation.
- (z) "Per-Lot Regular Assessment Amount" shall have the meaning set forth in Section 5.02 hereof.
- (aa) "Person" or "Persons" shall mean any natural person, corporation, partnership, trust or other legal entity.
- (bb) "Plans" shall have the meaning set forth in Section 7.03(c) hereof.

- (cc) "Plat" shall mean the Final Plat of Prestonwood Polo and Country Club Addition, an Addition to the City of Oak Point, Denton County, Texas, and any and all amendments, modifications, revisions or replats to or of said plat, as described and shown on Exhibit A attached hereto and incorporated herein for all purposes.
- (dd) "Property" shall mean the real property situated in the City of Oak Point, Denton County, Texas, as more particularly described on Exhibit A attached hereto.
- (ee) "Regular Assessments" shall have the meaning set forth in Section 5.02 hereof.
- (ff) "Regular Quorum" shall have the meaning set forth in Section 4.05(c) hereof.
- (gg) "Special Member Assessments" shall have the meaning set forth in Section 5 .04 hereof.
- (hh) "Special Purpose Assessments" shall have the meaning set forth in Section 5.03 hereof.
- (ii) "Special Quorum" shall have the meaning set forth in Section 4.05(b) hereof.
- (jj) "Subdivision" shall mean the Property as shown on the Plat to be commonly known as "Prestonwood Polo Club Addition".
- (kk) "Violation Fine" shall have the meaning set forth in Section 10.11 hereof.
- (ll) "Polo Easement" and "Polo Easement Land" shall have the meaning set forth in Section 3.08 hereof regarding the property as more particularly described in Exhibit B attached hereto and incorporated herein by reference for all purposes.

ARTICLE II  
USE OF THE PROPERTY - PROTECTIVE COVENANTS

2.01 General. No use shall be permitted on the Property which is not allowed under applicable public codes, ordinances and other laws either already adopted or as may be adopted by the City or other controlling public authorities. Each Owner, occupant or other user of any portion of the Property, shall at all times comply with this Declaration and with any and all laws, ordinances, policies, rules, regulations and orders of all federal, state, county and municipal governments or their agencies having jurisdictional control over the Property, specifically including but not limited to, applicable zoning restrictions placed upon the Property as they exist from time to time. IN SOME INSTANCES GOVERNMENTAL REQUIREMENTS MAY BE MORE OR LESS RESTRICTIVE THAN THE PROVISIONS OF THIS DECLARATION. IN THE EVENT A CONFLICT EXISTS BETWEEN ANY SUCH GOVERNMENTAL REQUIREMENT AND ANY REQUIREMENT OF THIS DECLARATION, THE MOST RESTRICTIVE REQUIREMENT SHALL PREVAIL, EXCEPT IN CIRCUMSTANCES WHERE COMPLIANCE WITH A MORE RESTRICTIVE PROVISION OF THE DECLARATION WOULD RESULT IN A VIOLATION OF MANDATORY APPLICABLE GOVERNMENTAL REQUIREMENTS, IN WHICH EVENT THOSE GOVERNMENTAL REQUIREMENTS SHALL APPLY. COMPLIANCE WITH MANDATORY GOVERNMENTAL REQUIREMENTS WILL NOT RESULT IN THE BREACH OF THIS DECLARATION EVEN THOUGH SUCH COMPLIANCE MAY RESULT IN NON-COMPLIANCE WITH PROVISIONS OF THIS DECLARATION. WHERE A GOVERNMENTAL REQUIREMENT DOES NOT CLEARLY CONFLICT WITH THE PROVISIONS OF THIS DECLARATION BUT PERMITS ACTION THAT IS DIFFERENT FROM THAT REQUIRED BY THIS DECLARATION, THE PROVISIONS OF THIS DECLARATION SHALL PREVAIL AND CONTROL. All Lots shall be developed in accordance with this Declaration as this Declaration may be amended or modified from time to time as herein provided. The provisions of this Article set forth certain

requirements which, in addition to the other provisions of this Declaration, shall apply with respect to the development and use of the Property.

2.02 Residential Use. All Lots shall be used and occupied for single family residential purposes only. No building or structure shall be erected, altered, placed or permitted to remain on any Lot other than a private single-family detached residence unless approved in writing by the Architectural Control Committee and in conformance with the City of Oak Point Code of Ordinances.

2.03 Common Amenities; Common Properties. There are limited Common Amenities as described herein located on certain Lots and which are to be maintained by the Association as provided in this Declaration. Except for those provisions to the contrary contained herein with respect to said Common Amenities, each Owner shall be solely responsible for any and all improvements of any kind located on such Owner's Lot. There are presently no other community or common-use properties within or contemplated within the Subdivision.

2.04 Resubdivision/Zoning Changes. No Lot shall be subdivided; provided, however, that Declarant shall have, and reserves the right, at any time, and from time to time, upon the consent of the City, and with the joinder and consent of the directly affected Lot Owners, to replat the Property or amend the Plat to effect a resubdivision or reconfiguration of any Lots in the Property then owned by Declarant and the consenting Lot Owners. Owners of Lots not being replatted shall not unreasonably withhold or delay their joinder in or consent to such replat or amendments to the Plat as may be required by the City. The right to replat set forth in this Section shall be exercisable only by Declarant. No Owner shall initiate or support any proposed zoning change affecting the Property or any portion thereof without first obtaining the prior written consent of Declarant and/or its successors and assigns. NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY, DECLARANT AND/OR THE OWNER OF LOT 23, MAY REPLAT AND REZONE LOT 23 AT ANYTIME AND FOR ANY REASON WHATSOEVER, INCLUDING FOR THE DEVELOPMENT OF A COUNTRY CLUB AND/OR RELATED USES, FOR ANY COMMERCIAL USE, FOR ANY RESIDENTIAL AND/OR MULT-FAMILY USE, FOR ANY HOTEL AND/OR RESORT USE, OR FOR ANY OTHER USE IT SEES FIT OR DEEMS NECESSARY. THE ASSOCIATION AND THE OWNERS AGREE TO SUPPORT ANY SUCH REPLAT OR REZONING EFFORT. OWNERS OF LOTS NOT BEING REPLATTED SHALL NOT WITHHOLD OR DELAY THEIR JOINDER IN AND/OR CONSENT TO SUCH REPLAT OR AMENDMENTS TO THE PLAT AS MAY BE REQUIRED BY THE CITY. FURTHERMORE, IN THE EVENT ANY OWNER AND/OR THE ASSOCIATION OPPOSES SUCH AFOREMENTIONED REPLAT AND/OR REZONING EFFORT, AND/OR WITHHOLDS OR DELAYS THEIR JOINDER OR CONSENT, THEN DECLARANT AND/OR THE OWNER OF LOT 23 MAY SEEK DAMAGES FROM THE ASSOCIATION AND/OR ANY OWNER FOR LOST REAL ESTATE VALUE OF LOT 23, AND ITS DEVELOPMENT COSTS AND EXPENSES RELATED TO SUCH REPLAT/REZONING, AND RECOVERY OF ITS ATTORNEYS FEES.

2.05 Combining Lots. Any Person owning two (2) or more adjoining Lots, after first obtaining Declarant's prior written consent, may consolidate such Lots into a single building location for the purpose of constructing one (1) residential structure thereon and such other improvements as are permitted herein; provided however, any such consolidation must comply with the rules, ordinances and regulations of the City. Notwithstanding any combination however, each Lot shall be treated separately and subject to assessments as provided herein. In the event of any such consolidation, the consolidated building lot shall be treated as a single Lot for purposes of applying the provisions of this Declaration. Combining portions of Lots into a single building lot is prohibited.

2.06 Minimum Floor Space; Maximum Stories. Each dwelling constructed on any Lot shall contain a minimum of two thousand five hundred (2,500) square feet of air-conditioned floor area, exclusive of all porches, garages or breezeways. No building or structure on any Lot shall exceed two (2) stories or thirty-five (35) feet in height.

2.07 Building Materials. The front exterior wall (excluding doors and windows), of each dwelling constructed or placed on a Lot shall have one hundred percent (100%) brick or brick veneer, or stone or stone veneer, or other material that is approved by the City and approved in writing by the Architectural Control Committee. The remaining exterior walls (excluding doors and windows), of each dwelling constructed or placed on a Lot shall have eighty percent (80%) brick or brick veneer, or stone or stone veneer, or other material that is approved by the City and approved in writing by the Architectural Control Committee, unless the wall is on a porch, patio, breezeway or courtyard. The exterior portion of any fireplace chimney shall be one hundred percent (100%) brick, stone, or other material that is approved by the City and approved in writing by the Architectural Control Committee. No material on the exterior of any building or other improvement except wood, hardboard or stucco, shall be stained or painted without the prior approval of the Architectural Control Committee.

2.08 Driveways. Each Lot must be accessible to an adjoining street or alley by a concrete driveway unless other materials are approved in writing by the Architectural Control Committee. A driveway shall enter from, open onto, or provide access to or from the alley or the front or side street adjacent to the Lot.

2.09 Garages. Each single-family residential dwelling erected on any Lot shall provide attached, garage space for a minimum of two (2) automobiles. Each garage shall face and enter from the side of the Lot in the directions indicated below:

- (a) Garage on Lot 1 shall face either east or west at owner's option;
- (b) Garages on Lots 2, & 3 shall face east;
- (c) Garage on Lot 4 shall face east and be located on the north side of the house;
- (d) Garage on Lot 5 shall face east and be located on the south side of the house;
- (e) Garages on Lots 6, 7 & 8 shall face south;
- (f) Garages on Lots 9, 10, 11, 12, 13 & 14 shall face west;
- (g) Garages on Lots 15, 16, 17, 18, 19, 20, 21 & 22 shall face south.

No garage shall be modified or converted for use as living space or any use other than as a garage unless permitted by the City and approved in writing by the Architectural Control Committee. The interior of all garages shall be finished construction.

2.10 Drainage.

- (a) All of the Lots shall be graded so that no storm water drainage shall flow onto other Lots except that storm water drainage may flow to a neutral swale at the side property line at the side of the adjacent Lot provided that the swale shall drain to the street or alley property line or other location as shown on the approved drainage plans dated March 10, 2015 prepared by Civil Point Engineers and approved by City of Oak Point.
- (b) Neither Declarant nor Declarant's successors or assigns shall be liable for any loss of, or damage done to, any buildings, shrubbery, grass, flowers, fences, driveways or other improvements of any type or the contents thereof on any Lot caused by any water levels, rising waters or drainage waters.
- (c) All culverts and drainage ditches shall conform to the City of Oak Point Code of Ordinances, including but not limited to Article 3 .600, et al, titled "Culverts and Drainage Ditches," as subsequently amended.

2.11 Roofs. The use of various roofing materials within the Property shall be permitted including 3-tab composition roofs rated for a minimum twenty (20) year life; provided, however, no roofing material shall be installed without

first obtaining the prior written approval thereof by the Architectural Control Committee. The elevation roof pitch of any structure shall be a minimum of eight (8) feet by twelve (12) feet, unless otherwise approved in writing by the Architectural Control Committee. All roofs shall conform to the City of Oak Point Code of Ordinances.

2.12 Exterior Surfaces. All wood, hardboard or stucco used on the exterior of a house must be painted or stained in a compatible color approved by the Architectural Control Committee.

2.13 Building Lines/Setbacks; Retaining Walls.

- (a) All residences erected on any Lot shall face the street adjacent to the Lot as shown on the Plat or, with respect to corner Lots, as required in writing by the Architectural Control Committee. No portion of any such dwelling or residence shall be nearer to the front property line of said Lot than as designated on the Plat unless otherwise allowed by both the City and the Architectural Control Committee.
- (b) No structure or improvement of any kind (except for fences as provided in Section 2.14 hereof, and retaining walls as provided in Section 2.22 hereof) shall be nearer to the side property line or the rear property line of any Lot than as specified by the City for side and rear yard setbacks applicable to the Property unless otherwise allowed by both the City and the Architectural Control Committee. No structure or improvements of any kind whatsoever shall be located within any easement as shown on the Plat unless otherwise allowed by both the City and the Architectural Control Committee.
- (c) To the extent Declarant has installed any retaining walls on any Lot or along any Lot line, each Owner of an affected Lot shall be responsible for the maintenance and repair of the portion of any retaining wall (but not screening walls which are the responsibility of the Association as provided herein) adjacent to, or located on, such Owner's Lot.
- (d) When a retaining wall is deemed necessary along a mutual property line, the high-side Owner shall be responsible for constructing and paying for such retaining wall, unless the need for such retaining wall is attributable to the conduct of the low-side Owner, for instance, when the low-side Owner lowers the elevation of the Lot to install a rear driveway. All retaining walls shall be installed and maintained in accordance with the requirements of Section 2.22 hereof.

2.14 Fences. Perimeter wood fencing and wrought iron fencing has already been installed on the perimeter of the Lots and is part of the Common Amenities. Each Lot Owner is required to install and maintain its own interior lot fence on its side property lines at or prior to completion of its home. Such interior fence shall be 4' tall wrought iron to match the existing fence installed by Declarant. Prior to the construction of any other fences or walls, a written request must be submitted to the Architectural Control Committee, and the Architectural Control Committee, in its sole and exclusive discretion, shall approve or disapprove the construction of same.

2.15 Signs. No sign or signs of any kind or character, including: (i) any signs in the nature of a "protest" or complaint against Declarant or any homebuilder; (ii) that describe, malign or refer to the reputation, character or building practices of Declarant or any homebuilder; or (iii) discourage or otherwise impact or attempt to impact anyone's decision to acquire a Lot or residence in the Subdivision, shall be displayed to the streets or otherwise to the public view on any Lot, except that:

- (a) Any builder, during the applicable initial construction and sales period, may utilize one (1) professionally fabricated sign [of no more than two (2) faces and of size and containing such matters as Declarant and builder shall determine] per Lot for advertising and sales purposes;



- (b) A professionally fabricated "for sale" or "for rent" sign [of not more than three (3) square feet in size] may be utilized by the Owner of a Lot for the applicable sale or rent situation, provided that such sign first shall have been approved in writing by the Architectural Control Committee;
- (c) Development related signs owned or erected by Declarant (or any builder with Declarant's prior written consent) shall be permitted; and
- (d) 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 per Lot [one (1) in the front yard and one (1) in the back yard]; and (iii) of a size not in excess of two (2) square feet in size.

Declarant, any homebuilder, or their agents, shall have the right, without notice, to remove any sign, billboard or other advertising structure that does not comply with the above, and in so doing shall not be subject to any liability for trespass or any other liability in connection with such removal. Notwithstanding any provisions to the contrary, all signs must conform to the City of Oak Point Code of Ordinances.

2.16 Utilities. Each residence situated on a Lot shall be required to maintain a septic tank on the Lot and it must comply with the City of Oak Point Code of Ordinances. Additionally, each residence will stub a sanitary sewer lateral line to within 6 inches of its front property line so that it will be able to switch to public sanitary sewer service if it becomes available. Portable toilets will be allowed during building construction. The use of buried propane, butane, LP Gas or other gas tanks are permitted so long as such tanks are buried and the location and design shall have been approved in advance in writing by the Architectural Control Committee. Above ground portable gas grills are permitted. Except as to street lighting (if any) all utility service facilities (including but not limited to, water, sewer, gas, electricity and telephone) shall be buried underground (except meters, transformers, risers, service pedestals and other surface installations necessary to maintain or operate appropriate underground facilities). Electric utility transformers may be installed only in locations designated on the Plat for such purpose or otherwise approved in writing by the Architectural Control Committee, and all improvements on a Lot on which an electric transformer pad easement is located as shown on the Plat must be installed in compliance with all electric company guidelines for separations from pad-mounted transformers.

2.17 Temporary Structures. Subject to Section 2.29 hereof, no temporary structures of any kind shall be erected or placed upon any Lot without the prior written consent of the Architectural Control Committee.

2.18 Vehicles. All trucks one (1) ton and larger, motorcycles, boats, boat trailers, mobile homes, motor homes, camp mobiles, campers, motorized vehicles (other than passenger cars or automobiles) or trailers shall be stored or placed in such a manner that the vehicle is not visible from any street. Boats on trailers may be stored behind a fence provided that they cannot be viewed from the street and such fence is no closer than twenty-five (25) feet from the front building setback line. No vehicle of any kind may be parked or left on any portion of a Lot except in the garage or on the driveway.

2.19 Garbage; Weeds. No Lot shall be used or maintained as a dumping ground for rubbish, trash or garbage. All garbage shall be kept in Association-approved containers. Owner is responsible for disposing of all trash in a prompt and reasonable manner. If, at any time, and from time to time, an Owner shall fail to control weeds, grass or unsightly growth exceeding eight (8) inches in height, Declarant shall have the authority and right, and after Declarant no longer owns a Lot, the Association shall have the right, to go onto such Lot, or direct a third party service to go onto such Lot, for the purpose of mowing and cleaning such Lot and shall have the authority and right to assess and collect from the Owner of such Lot the reasonable costs incurred in connection with such mowing or cleaning.

2.20 Offensive Activities; Animals. 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; provided, however, that dogs, cats or other household pets may be permitted on any Lot so long as such complies with the City of Oak Point Code of Ordinances, Chapter 2, titled "Animal Control," and as subsequently amended. Those animals, which in the sole discretion of the Officers, constitute a nuisance to the occupants of other Lots, shall be removed upon request of the Officers. If the Owner fails to honor such request, the Association may, in the Officers' sole discretion, remove or otherwise provide for removal of the animal. Notwithstanding anything contained herein to the contrary, the Officers, in their sole discretion and without incurring any further duty or obligation to owners or other occupants 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. Animals shall be registered, licensed and inoculated as required by law, and must be properly tagged for identification. It is the Owner's responsibility to keep the front of their Lot clean and free of animal debris, and to pick up and properly dispose of their animal's waste wherever deposited.

2.21 Antennas, Aerials and Satellite Dishes.

- (a) Any antenna or satellite dish less than one meter in diameter shall be installed so as to not be visible from any street and shall be integrated with the dwelling and surrounding landscape. Each Lot may only have one (1) satellite dish or antenna.
- (b) Any broadcast television antennas and any other antennas and aerials shall be located inside the attic of the residence constructed on the Lot.
- (c) A satellite dish over one meter in diameter shall be permitted only if it is not visible from any street or the ground level of an adjoining Lot and does not extend above the height of the fence.
- (d) With respect to any antenna or satellite dish covered by Section 47 C.F.R. Part 1, Subpart S, Section 1.4000 (or any successor provision) promulgated under the Telecommunications Act of 1996, as amended from time to time, the provisions of Section 2.21 (a) and (b) shall be applicable only to the extent that the requirements hereof do not: (i) preclude reception of an acceptable quality signal; (ii) unreasonably delay or prevent installation, maintenance and use of the antenna or satellite dish; or (iii) unreasonably increase the cost of installation, maintenance and use of the antenna or satellite dish. (e) Notwithstanding any provisions to the contrary, all antennas, aerials, and satellite dishes must conform with the City of Oak Point Code of Ordinances.

2.22 Landscaping and Retaining Walls.

Declarant has installed the perimeter landscape for the Lots in accordance with the landscape drawings prepared by David McCaskill Design Group dated February 6, 2015 and is part of the Common Amenities.

- (a) Additional landscaping may be installed by Lot Owners so long as such landscaping shall have first been approved in writing by the Architectural Control Committee. Weather permitting, additional landscaping of a Lot must be completed within sixty (60) days after the date on which the residence thereon is ninety-five percent (95%) complete.
- (b) Retaining walls may be installed to achieve even grades for pools, driveways or house foundations or to prevent storm water drainage to flow onto other Lots as required by Section 2.10(a) hereof. Such retaining walls must be constructed of such materials and height, and in a manner and location, approved in writing by the Architectural Control Committee. All retaining walls visible from any street in front of a Lot, or, for

corner Lots, from the adjacent side street, shall be finished with landscape quality stone matching the stone used in retaining walls and other features in Entry Areas installed by Declarant when developing the Property.

2.23 Exterior Lighting. Upon being given notice by the Architectural Control Committee that any exterior lighting is objectionable, as determined by the Architectural Control Committee in its sole and exclusive discretion, the Owner of the Lot on which same is located shall immediately remove any such lighting or shield the same in such a way that it is no longer objectionable to the Architectural Control Committee.

2.24 Tennis Courts. Tennis courts shall not be permitted upon any Lot without the prior written approval of the Architectural Control Committee.

2.25 Gazebos Greenhouses and Storage Sheds. No gazebo, pool pavilion, cabana, trellises, greenhouse, playhouse, treehouse, storage shed or other similar structure may be erected or placed on a Lot without the prior written approval of the Architectural Control Committee. No such structure or improvement shall: (a) be exceed fifteen (15) feet in height; (b) exceed one hundred (100) square feet floor area; or (c) be visible from any public street or any of the Common Amenities. Any Owner desiring to construct such structure or improvement shall submit Plans (including without limitation, the color and construction materials to the Architectural Control Committee for approval in accordance with Section 7.03 hereof, and the approval or disapproval of the Architectural Control Committee shall be based on considerations set forth in Section 7.03 hereof, including without limitation, the merit of the structure, compatibility with the residence or dwelling and adjoining Lots, and conformity and harmony with existing structures and landscaping within the Subdivision. All structures must further comply with the City of Oak Point Code of Ordinances.

2.26 Pools and Pool Equipment. No above-ground pools are permitted. All pool service equipment shall be either screened with shrubbery or fenced and located in either: (a) a side yard between the front and rear boundaries of the dwelling; or (b) in the rear yard.

2.27 Mail Boxes. Curb-side mail boxes are required and shall be constructed of the brick or stucco to match the residence constructed on the Lot, and each mail box must be approved by the Architectural Control Committee and shall be constructed in compliance with the requirements and guidelines of the City and the United States Postal Service and placed adjacent to the existing curb cut entrance facing the front street for the Lots as follows:

- (a) East of the curb cut for Lots 1, 2, 10, 11, 12, 13 & 14;
- (b) South of the curb cut for Lots 1, 4, 15, 16, 17, 18, 19, 20, 21 & 22;
- (c) North of the curb cut for Lots 5, 6, 7 & 8;

2.28 Exterior Maintenance. Each Owner shall maintain the exterior appearance of the improvements on such Owner's Lot, shall keep all landscaping and sprinkler systems on such Owner's Lot in a neat, orderly and well-maintained condition.

2.29 Smoke and Fire Alarms. Each residence shall be equipped with a smoke and fire alarm, and each Owner shall continuously maintain such alarms.

2.30 Guest House. No guest house may be erected or placed on a Lot without the prior written approval of the Architectural Control Committee. No guest house shall exceed eight hundred (800) square feet in the floor area or be visible from any public street or any of the Common Amenities. Any Owner desiring to construct a guest house shall submit plans (including without limitation, the color and construction materials) to the Architectural Control Committee for approval in accordance with Section 7.03 hereof, and the approval or disapproval of the Architectural

Control Committee shall be based on considerations set forth in Section 7.03 hereof, including without limitation, the merit of the structure, compatibility with the residence or dwelling and adjoining Lots, and conformity and harmony with existing structures and landscaping within the Subdivision. All guest houses must further comply with the City of Oak Point Code of Ordinances.

2.31 Certain Declarant and Builder Uses. Notwithstanding anything herein to the contrary, Declarant and any homebuilder(s) authorized by Declarant may construct model homes and may conduct their sales and marketing programs for the Property from any model home, or other permanent or temporary sales buildings or trailers, and may conduct improvement work and activities on portions of the Property owned by them and do all things reasonably necessary or convenient as required to expeditiously commence, continue and complete such improvement work, including but not limited to , the provision of temporary buildings (including without limitation, trailers), temporary storage of construction materials and equipment and the installation of temporary signage of such types, in such sizes and at such locations on portions of the Property owned by them as they deem appropriate.

2.32 Construction Standards. Any builder constructing improvements on any Lot may conduct such builder's construction operations and activities and do all things reasonably necessary as required to expeditiously commence, continue and diligently complete construction of any such improvements. All construction activities, temporary structures, storage of materials and equipment, construction-related parking and temporary security fences shall be confined entirely on such Lot. Each Owner is responsible for, and shall cause, through appropriate contractual provisions, all costs of cleaning up any debris or waste improperly disposed of anywhere on the Property. Each Owner and such Owner's contractors shall use reasonable diligence to maintain an attractive, clean, nuisance-free environment during the period of construction. Each Owner of a Lot on which improvements are being constructed shall keep all streets reasonably cleared of mud and dirt left by construction vehicles for each Lot. Once commenced, all construction on a Lot shall be continued with due diligence and good faith until completion.

2.33 Repairs, Replacements and Modifications. The provisions of this Article shall apply to any and all repairs, replacements or modifications of any improvements placed upon any Lot and shall not be deemed or construed as being limited to initial or new construction. 2.34 Unlawful Activities. No Owner shall perform, fail to perform, or permit anything to be done or not done on such Owner's Lot which would violate any laws, statutes, ordinances or regulations of any character.

2.34 Unlawful Activities. No Owner shall perform, fail to perform, or permit anything to be done or not done on such Owner's Lot which would violate any laws, statutes, ordinances or regulations of any character.

### ARTICLE III COMMON AMENITIES AND EASEMENTS

3.01 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 by the City 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 Subdivision.

3.02 Responsibilities of the Association for Maintenance of the Common Amenities and Easement Areas; Maintenance Reserve Fund. The Association shall, and has the sole responsibility to, maintain the Common Amenities and any Easement Areas and associated improvements and Common Amenities thereon, or for future improvements and Common Amenities for the benefit of the Subdivision which are or may become necessary or desirable in the future on any Easement Areas, including any of the off-site Easement Areas outside the limits of the Subdivision. The Association's costs of maintaining the Common Amenities and such Easement Areas will be

collected from the Owners through Assessments as provided in Article V hereof. The Association shall not seek, by either act or omission, to abandon the Association's obligations as established by this Declaration to maintain the Common Amenities and/or any Easement Areas. In order to provide for extraordinary and unanticipated items regarding the maintenance obligations contained herein, the Association may establish a maintenance reserve fund for the maintenance of the Common Amenities and Easement Areas in an amount the Officers shall, in its sole and absolute discretion, determine to be sufficient.

3.03 Association's Easement for Maintenance. The Association shall have a maintenance easement on all Lots to the extent reasonably necessary for the purpose of maintaining the Common Amenities and for the removal of any obstruction that may be placed on any Easement Areas that would constitute interference with the Association's use of any such easement.

3.04 Utility Easements. Declarant and providers of utility services to the Subdivision shall have, and are hereby granted easements for installation, maintenance, repair, removal and operation of utilities and drainage facilities on, under and across the Easement Areas and for the removal of any obstruction that may be placed in such Easement Areas that would constitute interference with the use of any such easement, or with the use, maintenance, operation or installation of any such utility. The City or the utility company exercising such easement rights shall promptly repair any damage to landscaping, sprinkler systems or other improvements resulting therefrom; provided, however, neither the City nor any utility company shall have any obligation to repair any buildings, structures or similar improvements installed in any Easement Areas.

3.05 Other Easements. Declarant and the Association shall have an easement and full right of ingress and egress at all times over and upon the Property for the exercise of any and all rights and functions set out in this Declaration. Any such entry by Declarant and the Association upon a Lot shall be made with as minimum inconvenience as practical to the affected Owner.

3.06 Universal Elements. The Owner of each Lot (including Declarant so long as Declarant is the Owner of any Lot) is hereby granted an easement not to exceed two (2) feet in width over all adjoining Lots and common areas (if any) for the purpose of accommodating any encroachment or protrusion due to engineering errors, errors in original construction, surveying, settlement or shifting of any building, or any other cause. There shall be easements for the maintenance of said encroachments, protrusions, settling or shifting; provided, however, that in no event shall an easement for encroachment or protrusion be created in favor of any Owner or Owners as a result of any intentional or willful encroachment or protrusion by such Owner. In addition, the Owner of each Lot is hereby granted an easement for minor encroachments, not to exceed three (3) feet in width by overhanging roofs and eaves as originally constructed over each adjoining Lot and/or common areas (if any) and for the maintenance thereof. Each of the easements hereinabove referred to shall be deemed to be established upon the recordation of this Declaration and shall be appurtenant to each affected Lot and shall pass with each conveyance of said Lot.

3.07 City Easements and Indemnity. The City, and its lawful agents, shall have the right to remove any landscape systems, features or elements which are part of the Common Amenities, that cease to be maintained by the Association in accordance herewith, and the right to perform the responsibilities of the Association hereunder in the event the Association fails to perform its responsibilities hereunder, and to assess to the Association all costs incurred by the City in such event. The Association does hereby indemnify and hold the City, its officers, officials, employees and agents, harmless from any and all costs, expenses, suits or demands arising from or related to the City's performance of the Association responsibilities hereunder.

3.08 Polo Easement. Declarant has granted an exclusive and perpetual easement via a separate written agreement attached hereto as Exhibit B (the "Polo Easement") for the use and maintenance of the of the property described in the attached Exhibit B Polo Easement (hereinafter referred to as the "Polo Easement Land") to Prestonwood Polo

Club LLC including its successors and/or assigns (hereinafter referred to as “Prestonwood”). Such Polo Easement grants Prestonwood the exclusive use of the Polo Easement Land and for the purposes of playing polo and operating a polo club and/or related uses and activities. The Lot Owners and Association hereby acknowledge and agree as follows:

- (a) Prestonwood’s activities are a vital part of the success of the Property and its long-term value, and a reason why they chose to purchase and live on the Property.
- (b) To be supportive of Prestonwood and its activities as much as reasonably possible, as it is in their interests for Prestonwood to be successful and thrive.
- (c) Polo is a dangerous activity and involves RISKS that may cause SERIOUS INJURY AND IN SOME CASES DEATH because of the unpredictable nature and irrational behavior of horses, regardless of their training and past performance. Knowing these facts the Lot Owners and Association voluntarily assume the risk and danger of injury or death inherent in polo and horseback riding activities and the risk they incur by living near such activities.
- (d) They have no right of access to the Polo Easement Land without the permission of Prestonwood as more fully set forth in the Polo Easement.
- (e) To INDEMNIFY, SAVE AND HOLD HARMLESS Prestonwood, including its successors and assigns and/or any of its owners, officers, employees, agents, sponsors and sanctioning organizations, from any loss, liability, damage, or cost whatsoever arising out of or related to any loss, damage, or injury (including death) to any person or property related to such activities.
- (f) To RELEASE, DISCHARGE AND PROMISE NOT TO SUE Prestonwood, including its successors and assigns and/or any of its owners, officers, employees, agents, sponsors and sanctioning organizations, for any damage or cost they may incur arising out of or in any way connected with any event, use of a horse and any equipment or gear, or any acts or omissions of employees or agents.
- (g) In the event any Lot Owner or Owners and/or the Association files a lawsuit against Prestonwood, including its successors and assigns and/or any of its owners, officers, employees, agents, sponsors and sanctioning organizations, for any injury or damage, then such Lot Owner(s) and Association agree to pay all attorney's fees and costs incurred by Prestonwood in defending such an action.

ARTICLE IV  
PURPOSE, MEMBERSHIP AND  
VOTING RIGHTS IN THE ASSOCIATION

4.01 Organization and Purpose of the Association. Declarant has caused or shall cause the formation of the Association. The Association is initially an unincorporated association created for the purposes and vested with the powers prescribed by law and set forth in this Declaration. The Association shall have and exercise the rights, and shall perform the functions of, the Association for the benefit of, and as agent for the Owners as set forth in this Declaration.

4.02 Membership. Every Owner (including Declarant) shall automatically be and must remain a Member of the Association so long as such Person is an Owner. The membership of a Person in the Association shall terminate automatically whenever such Person ceases to be an Owner, except that such termination shall not release or relieve such Person from any liability or obligation arising under this Declaration during such Person's period of ownership.

Any transfer of title to a Lot shall operate automatically to transfer membership in the Association appurtenant to such Lot to the new Owner of such Lot.

4.03 Member in Good Standing. A Member shall be considered to be a "Member in Good Standing" (herein so called) and eligible to vote on Association related matters if such Member:

- (a) Has, at least ten (10) days prior to the taking of any vote by the Association, fully paid all Assessments or other charges levied by the Association, as such Assessments or charges are provided for hereunder;
- (b) Does not have a Notice of Unpaid Assessments filed by the Association against the Lot owned by such Owner; and
- (c) Has discharged all other obligations to the Association as may be required of Members hereunder or under the Association Documents.

The Officers shall have the right and authority, in the Officers' sole and absolute discretion, to waive the ten (10) day prior payment requirement in Section 4.03(a) hereof and require only that such payment be made at any time before such vote is taken if the Officers shall determine, in the Officers' sole and exclusive judgment, that extenuating circumstances exist which have prevented prior payment. Any Member not conforming with the provisions of this Section shall be declared by the Officers not to be a Member in Good Standing and any such Member shall not be entitled to vote on matters before the Association until such time as Member in Good Standing status is attained and so declared by the Officers.

4.04 Voting Rights. The Association shall have the following two (2) classes of voting membership:

- (a) CLASS A. "Class A Members" (herein so called) shall be all Members other than Declarant. Class A Members shall be entitled to one (1) vote for each Lot in which they hold the interest required for membership. If any Lot is owned by more than one (1) Owner, the number of votes attributable to such Lot still shall be one (1), and such one (1) vote may be cast only if all of the Owners owning such Lot, prior to the time of the vote in question, have delivered to the Association a written agreement as to how such vote is to be cast or a written designation of one (1) of such Owners to cast the vote attributable to such Lot. Any Owner who is not an individual must designate, upon request of the Officers, a representative to act for such Owner in Association matters and to cast the vote of such Owner, such designation to be made in writing to the Officers.
- (b) CLASS B. Declarant (and Declarant's successors and assigns in accordance with the terms hereof) shall be the sole "Class B Member" (herein so called). At all times during the Class B Control Period, the Class B Member shall have the sole right to appoint all persons to be Officers of the Association. Control of the Association shall be vested in the Class A Members only after the expiration of the Class B Control Period as described above. The Class B Member shall have one hundred (100) votes for each Lot it owns at all times during the Class B Control Period. After expiration of the Class B Control Period, the Class B Member shall be a Class A Member entitled to one (1) vote for each Lot it owns. The provisions in this Section 4.04(b) may not be modified or amended without the express written consent of Declarant or Declarant's transferee. Declarant's becoming a Class A Member, the end of the Class B Control Period or the end of the Class B membership shall not affect or negate the specific rights of Declarant provided elsewhere in this Declaration.

#### 4.05 Quorum, Notice and Voting Requirements.

- (a) Except as otherwise specifically provided in this Declaration, any action requiring the vote or approval of the Members or the Owners shall require the majority vote of the Members in Good Standing (both classes voting together), represented at a duly called meeting of the Members in person or by a legitimate proxy in form provided in the Association Documents or otherwise approved by the Officers, at which a "Regular Quorum" or a "Special Quorum" is present. Written notice of a meeting must be given to all Members not less than ten (10) days nor more than thirty (30) days in advance of any such meeting and shall set forth the purpose(s) of such meeting. No action may be taken at a meeting on any matter that is not described in the applicable meeting notice as being on the agenda for such meeting. Notwithstanding anything herein to the contrary, to the extent permitted by applicable law and in the Association Documents from time to time, any action may be taken by written consent of the Members in lieu of formal meetings.
- (b) The quorum (a "Special Quorum") required for any action referred to in Section 5.05(c) (Special Purpose Assessments) hereof or for the approval of any capital improvements or new Common Services shall be as follows:

Members in Good Standing, represented at a duly called meeting of the Members in person or by a legitimate proxy in form provided in the Association Documents or otherwise approved by the Officers, entitled to cast fifty-one percent (51%) of all of the votes of Members in Good Standing (both classes of Members taken together) shall constitute a Special Quorum. If the required Special Quorum is not present at such meeting, that meeting may be adjourned, and an additional meeting may be called, subject to the notice requirement set forth herein, with the required Special Quorum at such second (2nd) meeting being reduced to one-half (1/2) of the required Special Quorum at the preceding meeting; provided, however, that such second (2nd) meeting must be held not later than thirty (30) days after the first (1st) meeting. Further, if the reduced required Special Quorum is not present at such second (2<sup>nd</sup>) called meeting, the adjournment of the meeting shall be continued, and one (1) additional meeting may be called, subject to the notice requirement set forth herein; with Declarant alone constituting the required Special Quorum at such third (3<sup>rd</sup>) meeting; provided that such third (3<sup>rd</sup>) meeting must be held not later than forty-five (45) days

- (c) The quorum (a "Regular Quorum") required for any action other than the action referred to in Section 4.05(b) hereof shall be as follows:

Members in Good Standing, represented at a duly called meeting of the Members in person or by a legitimate proxy in form provided in the Association Documents or otherwise approved by the Officers, entitled to cast twenty percent (20%) of all of the votes of Members in Good Standing (both classes of Members taken together) shall constitute a Regular Quorum. If the required Regular Quorum is not present at such meeting, that meeting may be adjourned, and an additional meeting may be called, subject to the notice requirement set forth herein, with the required Regular Quorum at such second (2nd) meeting being reduced to one-half (1/2) of the required Regular Quorum at the preceding meeting; provided, however, that such second (2nd) meeting must be held not later than thirty (30) days after the first (1st) meeting. Further, if the reduced required Regular Quorum is not present at such second (2<sup>nd</sup>) called meeting, the adjournment of the meeting may called, subject to the notice requirement set forth herein, with Declarant alone constituting the required Regular Quorum at such third (3rd) meeting; provided that such third (3rd) meeting must be held not later than forty-five (45) days after the first (1<sup>st</sup>) meeting.

- (d) As an alternative to the procedure set forth in this Section, any action may be taken without a meeting upon obtaining the assent given in writing and signed by Members in Good Standing who hold more than: (i) fifty-one percent (51 %) of the outstanding votes eligible to be cast by Members in Good Standing (both classes of Members taken together) for actions referred to and requiring a Special Quorum as provided in



Section 4.05(b) hereof; or (ii) twenty percent (20%) of the outstanding votes eligible to be cast by Members in Good Standing (both classes of Members taken together) for actions referred to and requiring a Regular Quorum as provided in Section 4.05 (c) hereof.

- (e) Except as set forth in this Section 4.05, the notice, voting and quorum requirements for all action to be taken by the Association shall be as set forth in the Association Documents.

## ARTICLE V ASSESSMENTS

5.01 Covenants for Assessments. Each Owner, by acceptance of a deed or other conveyance or transfer of legal title to a Lot, whether or not it shall be so expressed in any such deed or other conveyance or transfer, shall be deemed to have covenanted and agreed to pay to the Association, or to an independent entity or agency which may be designated by the Association to receive such monies, the following assessments (collectively, the "Assessments"):

- (a) Regular Assessments as provided in Section 5.02 hereof;
- (b) Special Purpose Assessments as provided in Section 5.03 hereof; and
- (c) Special Member Assessments as provided in Section 5.04 hereof.

All Assessments shall remain the property of the Owner making payment of such Assessments but shall be controlled and expended by the Association on behalf of the Owners only for the specified purposes provided or approved pursuant to this Declaration. No profit, gain or other benefit is to be derived by the Association from the Assessments, but, instead, such funds shall be expended only as agent for the Owners. All services contemplated to be paid from Assessments shall be obtained by the Association on behalf of the Owners. Upon termination of the Association (and not before), all Assessments held at that time by the Association shall be allocated and returned to the Owners that paid such Assessments. No Assessments shall be levied against the Common Amenities or the Lots owned by Declarant; provided, however that Declarant shall pay the amounts, if any, Declarant expressly agrees to pay pursuant to Section 5.02 hereof.

5.02 Regular Assessments. "Regular Assessments" (herein so called) shall be determined, assessed and expended on a calendar year basis, which shall be the fiscal year of the Association. Regular Assessments shall be used exclusively for the following purposes (collectively, the "Common Expenses"): (a) maintaining, improving and/or operating the Common Amenities, subject to the limitations set forth in Section 6.01 hereof; (b) the payment of taxes and insurance (if any) in connection with the Common Amenities and the Common Services; (c) developing and maintaining replacement and working capital reserves for the Association (including without limitation, the maintenance reserve fund as provided for in Section 3.02 hereof); (d) providing the Common Services; (e) the payment of insurance premiums and costs as provided in Section 6.02 hereof, including without limitation, the premiums for officers', directors' and Architectural Control Committee Members' liability insurance, and the payment of any indemnity costs or costs of other functions of the Officers or the Association pursuant to this Declaration; (f) meeting and carrying out all contractual obligations of the Association, including without limitation, the Common Services obligation; and (g) carrying out the duties of the Officers and the Association as set forth in this Declaration.

Each year while this Declaration is in force, the Officers shall set the amount of the Regular Assessments to be levied for the next calendar year, taking into consideration: (i) the Common Expenses for the then current year, and anticipated increases in such expenses during such next calendar year; (ii) a contingency amount not exceeding ten percent (10%) of the anticipated expenditures for such next year; (iii) amounts needed for any reserve fund as

determined by the Officers; and (iv) the number of Lots subject to Assessments. The Regular Assessments for each calendar year shall be set by the Officers on or about the first (1st) day of December of the preceding year or as soon thereafter as such determination reasonably can be made by the Officers. Should any excess surplus (exclusive of amounts in any reserve fund) exist at the end of any calendar year, the Officers may, but shall not be obligated to, reduce the amount required for the next year's Regular Assessments by an amount equal to such surplus. The "Per-Lot Regular Assessment Amount" (herein so called) shall then be determined by the Officers such that the sum of the Per-Lot Regular Assessment Amounts payable for each Lot subject to Assessments equals the aggregate Regular Assessments required as set by the Officers.

The Per-Lot Regular Assessment Amount shall be payable for each Lot which has been conveyed by Declarant to any third party, including but not limited to, any Owner, builder or contractor. Regular Assessments shall commence, and the Per-Lot Regular Assessment (pro-rated for the remaining portion of the fiscal year of the Association) shall become payable immediately upon the conveyance of any Lot by Declarant (or reconveyance in the case of any Lot which is reacquired by Declarant). Notwithstanding anything herein to the contrary, no Regular Assessments shall be payable for Lots owned by Declarant (whether now owned or hereafter acquired or reacquired) during the 2017 calendar year, to the extent that the Regular Assessments are insufficient to cover actual expenses incurred by the Association for the purposes thereof, Declarant agrees to pay any excess actual expenses provided that the amount payable by Declarant shall in no event exceed the Per-Lot Regular Assessment Amount for each Lot which Declarant owns at the time of any such shortfall.

5.03 Special Purpose Assessments. Subject to the provisions of Section 5.05(d) hereof, the Officers may, from time to time, levy "Special Purpose Assessments" (herein so called) for the purpose of paying any capital improvements and other unanticipated expenses that normally would have been paid out of Regular Assessments but which were not included in that year's budget for Regular Assessments. Such Special Purpose Assessments shall be assessed on a per Lot basis in the same manner as the Regular Assessments are assessed as set forth in Section 5.02 hereof.

5.04 Special Member Assessments. The Officers may levy a "Special Member Assessment" (herein so called) on any Member, to the extent any directly related insurance proceeds (if any) paid to the Association are not sufficient to pay all such costs, for the purpose of:

- (a) Paying the cost of any damage or loss requiring maintenance, repairs or replacement of Common Amenities, which damage or loss has been determined by the Officers to have been caused, either directly or indirectly, by the act(s) of such Member, or such Member's agent, employee, occupant or visitor; and/or
- (b) Paying the maintenance costs, construction delay damages and Violation Fines or other amounts chargeable to any Owner as otherwise set forth herein.

5.05 Special Provisions Regarding Assessments.

- (a) Until and unless otherwise determined by the Officers, the annual Per-Lot Regular Assessment Amount shall be two hundred dollars and no/100s (\$200.00) per Lot per month.
- (b) If any Assessment remains unpaid at the expiration of fifteen (15) calendar days from and after the due date established by the Officers, a late charge, in an amount determined by the Officers to offset administrative costs of the Association resulting from such delinquency, shall be assessed against the non-paying Owner for each month, or portion thereof, that any portion of an Assessment remains unpaid. A service charge of TWENTY-FIVE AND NO/00 DOLLARS (\$25.00) or such other amount established by the Officers (but in no event exceeding the maximum lawful amount) shall 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 Officers, and shall in no event exceed the amounts permitted by applicable law.

- (c) Any Special Purpose Assessments for the purpose of paying the cost of the construction of a capital improvement or for the provision of Common Services shall require the affirmative approval of a Special Quorum of the Members as provided in Section 4.05(b) hereof.
- (d) Declarant shall establish an initial maintenance reserve account on or before the time of transfer of control of the Officers to the Class A Members, which initial maintenance reserve shall be an amount not less than Regular Assessments at the most recent per-Lot amount, which would accrue in two (2) months on all Lots within the Subdivision.

5.06 Due Date of Assessments. The Regular Assessments provided for herein shall be payable annually within thirty (30) days after an invoice is delivered by the Association to an Owner; provided, however, the Officers shall have the right to require payment of Regular Assessments at other intervals if the Officers deems appropriate in the Officers' sole and exclusive discretion but with payment thereof not required any earlier than thirty (30) days after delivery of any such invoice therefor. The due date of any Special Purpose Assessment or Special Member Assessment shall be fixed in the notice to the Owner or Owners providing for any such Assessment, but will not be sooner than thirty (30) days after such notice is delivered to the Owner or the Owners thereof. The initial Per-Lot Regular Assessment Amount as established by the Officers shall be payable, in whole or in part (as applicable), simultaneously with the sale and conveyance of each Lot by Declarant, and such applicable amount shall be prorated over the remainder of the calendar year from the date of such conveyance.

5.07 Personal Obligation for Payment of Assessments. The Assessments provided for herein shall be the personal obligation of the Owner or Owners of the Lot with respect to which such Assessment is made. The covenants for the payment of Assessments as provided in this Declaration touch and concern each Lot, are covenants running with the land and specifically bind the Owners and their heirs, successors, devisees, personal representatives and assigns. Except for Declarant as expressly provided herein, no Owner, for any reason, may exempt itself from liability for Assessments. In the event that any Assessment (or any part thereof) is not paid when due, the Owner or Owners of such Lot shall be obligated to pay interest on any such unpaid Assessment from such date at the Default Rate of Interest together with the charges made as authorized in Section 5.05(c) hereof and all costs and expenses of collection thereof, including but not limited to, reasonable attorneys' fees. The Officers shall have the right to reject any partial payment of any Assessment and demand full payment thereof, or the Officers may, in the Officers' sole and exclusive discretion, elect to accept any such partial payment on account only, without in so doing waiving any rights established hereunder with respect to any remaining balance due. The obligation of any Owner to pay an Assessment with respect to a Lot made for any period of time that an Owner owns the Lot shall remain such Owner's personal obligation (notwithstanding any future sale or conveyance of such Owner's Lot) and shall also pass to the purchaser(s) of such Lot. However, any lien against a Lot for any unpaid Assessments shall be unaffected by any sale of such Lot and shall continue in full force and effect. In the event of a sale of a Lot, it shall be the obligation of the then Owner of such Lot to disclose to any buyer, assignee, title company designated to handle such transaction, financing entity or any other party to such sale any unpaid Assessments, such notice to be given in writing to all parties to the intended transaction at least fifteen (15) days before the date at which such transaction is to be consummated. A copy of any such notice shall be sent to the Association at the same time. A former Owner shall not be liable for Assessments due with respect to a Lot which accrue for periods after such Person no longer is the Owner of such Lot and the notice required herein has been given.

5.08 Assessment Lien and Foreclosure. THE OBLIGATION TO PAY ASSESSMENTS IN THE MANNER PROVIDED FOR IN THIS ARTICLE, TOGETHER WITH INTEREST FROM SUCH DUE DATE AT THE DEFAULT RATE OF INTEREST, THE CHARGES MADE AS AUTHORIZED IN SECTION 5.05(c) HEREOF, ALL VIOLATION FINES AND THE COSTS OF COLLECTION, INCLUDING BUT NOT LIMITED TO,

REASONABLE ATTORNEYS' FEES, IS SECURED BY A CONTINUING CONTRACTUAL LIEN (THE "ASSESSMENT LIEN") AND CHARGE ON THE LOT COVERED BY SUCH ASSESSMENT, WHICH SHALL BIND SUCH LOT AND THE OWNERS THEREOF AND THEIR HEIRS , SUCCESSORS, DEVISEES, PERSONAL REPRESENTATIVES AND ASSIGNEES. The aforesaid continuing contractual Assessment Lien shall attach to the Lots as of the date of the recording of this Declaration in the Real Property Records of the County, and such Assessment Lien shall be superior to all other liens except as provided in Section 5.10 hereof. Such Assessment Lien shall not encumber or attach to the Common Amenities. The Association shall have the right to subordinate the aforesaid Assessment Lien to any other lien. The exercise of such right shall be entirely discretionary with the Officers. Except for a conveyance to a purchaser at a foreclosure sale pursuant to a lien to which the Assessment Lien is subordinate as provided herein or in Section 5.10 hereof, all Lots are conveyed to, and accepted and held by, the Owner thereof subject to the Assessment Lien provided for in this Section. To evidence any unpaid Assessments, the Association may prepare a written notice of unpaid Assessments (the "Notice of Unpaid Assessments") setting forth the amount of the unpaid indebtedness, the name of the Owner of and describing the affected Lot. Such notice shall be signed by one (1) of the officers of the Association and may, at the Officers' sole and exclusive discretion, be recorded in the Real Property Records of the County. The Association shall record an appropriate release of any recorded Notice of Unpaid Assessments when the amounts referenced therein have been paid. THE ASSESSMENT LIEN MAY BE ENFORCED BY FORECLOSURE OF THE ASSESSMENT LIEN UPON THE DEFAULTING OWNER'S LOT BY THE ASSOCIATION SUBSEQUENT TO THE RECORDING OF THE NOTICE OF UNPAID ASSESSMENTS EITHER BY JUDICIAL FORECLOSURE OR BY NONJUDICIAL FORECLOSURE THROUGH A PUBLIC SALE IN LIKE MANNER AS A MORTGAGE ON REAL PROPERTY IN ACCORDANCE WITH THE TEXAS PROPERTY CODE, AS SUCH MAY BE REVISED, AMENDED, SUPPLEMENTED OR REPLACED FROM TIME TO TIME. In addition, the Association may institute suit against the Owner personally to obtain a judgment for unpaid Assessments. Furthermore, the Association shall have such other rights and remedies as permitted or allowed by applicable law. In any foreclosure proceeding, whether judicial or nonjudicial, or in any suit or other action against, or pertaining to, the Owner, the Owner shall be required to pay all costs, expenses and reasonable attorneys' fees incurred by the Association. The Association shall have the right and power to buy the Lot at foreclosure or other legal sale and to acquire, hold, lease, mortgage, convey or otherwise deal with the same, subject to any statutory right of redemption.

5.09 Certificate. Upon request by an Owner, the Association shall furnish a certificate setting forth the unpaid Assessments owed by an Owner. Upon the written request of any Mortgagee holding a lien on a Lot, the Association shall report to any said Mortgagee any Assessments which are delinquent and unpaid at the time of the report.

5.10 Subordination of the Assessment Lien. The Assessment Lien provided for herein on a Lot shall be subordinate and inferior to the lien or liens granted by the Owner of such Lot to secure the repayment of a loan made for the purpose of providing purchase money funds for such Lot, funds used at any time to install or construct improvements on such Lot or funds used to pay ad valorem taxes on such Lot; provided, however, that such subordination shall apply only to Assessment Liens which have become due and payable prior to the foreclosure sale, whether public or private, of such Lot pursuant to the terms and conditions of any such mortgage or deed of trust lien. Such foreclosure sale shall not relieve such Lots from any Assessment Lien for Assessments thereafter becoming due.

## ARTICLE VI GENERAL POWERS AND DUTIES OF THE OFFICERS

6.01 Powers and Duties. The affairs of the Association shall be conducted by the Officers. The Officers shall be selected in accordance with the Association Documents. The Officers, for the benefit of the Owners, shall provide, and shall pay for (if applicable), from Assessments, the following if and to the extent such have been or are hereafter

provided by or contracted for by the Association or the Officers as the Officers determines in the Officers' sole and exclusive discretion:

- (a) Operation, care, maintenance, repair and preservation of the Common Amenities and Easement Areas, and the furnishing and upkeep of any desired personal property for use in the Common Amenities and Easement Areas;
- (b) The Common Services;
- (c) Any private trash and garbage collection service and security arrangements;
- (d) Taxes, insurance and utilities, if any, which pertain to the Common Amenities or are otherwise provided for herein which the Officers may obtain in its sole discretion;
- (e) The services of a Person or Persons to manage the Association or any separate portion thereof, to the extent deemed advisable by the Officers, and the services of such other personnel as the Officers shall determine to be necessary or proper for the operation of the Association, whether such personnel are employed directly by the Association or by a manager designated by the Officers;
- (f) Legal, accounting and other professional services on behalf of the Association;
- (g) Any other materials, supplies, furniture, labor, services, maintenance, repairs, structural alteration, taxes or assessments which the Officers is required to obtain or pay for pursuant to the terms of this Declaration or which in the Officers' sole and exclusive opinion shall be necessary or proper for the operation or protection of the Association or for the enforcement of this Declaration; and
- (h) The collection (as a part of the Regular Assessments) and payment of any assessments owed by an Owner or the Association under any other recorded deed restrictions, if any.

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

- (i) To execute all declarations of ownership for tax assessment purposes with regard to any of the Common Amenities owned by the Association;
- (j) To borrow funds to pay costs of operation secured by assignment or pledge of rights against delinquent Owners, if the Officers sees fit;
- (k) To perform any of the Officers' duties under this Declaration by contracting with third parties, to enter into other contracts, to maintain one (1) or more bank accounts and, generally, to have all the powers necessary or incidental to the operation, functions and management of the Association;
- (l) To protect or defend the Common Amenities 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;
- (m) To make reasonable rules and regulations for the operation and use of the Common Amenities and the Common Services and to amend them from time to time;
- (n) To own fee simple title, or an easement interest, in the Common Amenities;

- (o) Commencing at time deemed appropriate by the Officers, to make available to each Owner within ninety (90) days after the end of the year an annual report of the Association;
- (p) To adjust the amount, collection and use of any insurance proceeds;
- (q) To enforce the provisions of this Declaration and any rules and regulations made hereunder and, in the sole and exclusive discretion of the Officers, to enjoin and seek damages from any Owner for violation of any such provisions or rules and regulations;
- (r) To appoint members of the Architectural Control Committee as described in, and subject to the provisions of, Article VII hereof; and
- (s) To perform such other duties and functions as are necessary to carry out the rights and obligations of the Officers and the Association under this Declaration.

6.02 Insurance. The Association shall have the right and option to purchase, carry and maintain in force insurance covering any or all portions of the Common Amenities, Easement Areas, any improvements thereon or appurtenances thereto and the Common Services for the interest of 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 Common Amenities and Easement Areas and for services similar to the Common Services. Such insurance may include, but need not be limited to, the following:

- (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 and disbursement of funds; and
- (d) Officers', directors' and Architectural Control Committee members' liability insurance. 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 Association 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 Amenities. If the insurance proceeds are insufficient to repair or replace any such loss or damage, the Association may levy Special Purpose Assessment(s) or Special Member Assessment(s) (if applicable) to cover any such deficiency.

6.03 Affiliated Contracts. The Officers, acting on behalf of the Association, shall have the full power and authority to contract with any Owner, including without limitation, Declarant, for the performance of services which the Association is obligated or authorized to obtain, such contracts to be at competitive rates then prevailing for such services and upon such other terms and conditions, and for such consideration as the Officers may deem advisable in the Officers' sole and exclusive discretion and in the best interest of the Association provided that the level of service received is consistent with that available from third parties.

6.04 Liability Limitations. Neither Declarant nor any Member, director, officer or representative of the Association or the Officers or the Architectural Control Committee shall be personally liable for the debts, obligations or liabilities of the Association. The directors and officers of the Association shall not be liable for any mistake of judgment, whether negligent or otherwise, except for their own individual willful misfeasance or malfeasance, misconduct, bad faith, intentional wrongful acts or as otherwise expressly provided in the Association Documents.

Declarant and such directors, officers and Architectural Control Committee members shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association, and the Association, as a Common Expense of the Association, shall indemnify and hold Declarant, such directors, officers and members of the Architectural Control Committee harmless from any and all expenses, loss or liability to others on account of any such contract or commitment (to the extent not covered by insurance proceeds). In addition, each director and each officer of the Association and each member of the Architectural Control Committee 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 such director, officer or Architectural Control Committee member and against all expenses, losses and liabilities, including but not limited to, court costs and reasonable attorneys' fees, incurred by or imposed upon such director, officer or Architectural Control Committee member in connection with any proceeding to which such Person may be a party or may have become involved by reason of being such director, officer or Architectural Control Committee member at the time any such expenses, losses or liabilities are incurred subject to any provisions regarding indemnity contained in the Association Documents, except in cases wherein the expenses, losses and liabilities arise from a proceeding in which such director, officer or Architectural Control Committee member 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 Association Documents as an act for which any limitation of liability set forth in the Association Documents is not applicable; provided, however, this indemnity does cover liabilities resulting from such director's, officer's or Architectural Control Committee member's own negligence. Any right to indemnification provided herein shall not be exclusive of any other rights to which a director, officer or Architectural Control Committee member, or former director, officer or Architectural Control Committee member, may be entitled. The Association shall have the right to purchase and maintain, as a Common Expense, directors', officers', and Architectural Control Committee members', insurance on behalf of any Person who is or was a director or officer of the Association or an Architectural Control Committee member against any liability asserted against any such Person and incurred by any such Person in such capacity, or arising out of such Person's status as such.

## ARTICLE VII

### 7.01 Architectural Control Committee.

- (a) Declarant shall appoint an initial Architectural Control Committee (herein so called) to consist of not more than three (3) persons. Declarant shall have the sole and exclusive right to appoint, remove and replace members of the Architectural Control Committee at all times during the Class B Control Period; provided, however, that Declarant shall thereafter solely retain all rights to perform the functions of the Architectural Control Committee set forth in this Declaration in connection with and with respect to all matters regarding or in connection with the review and approval of Plans (and any modifications thereto) for construction of new residences on Lots sold by Declarant within the Subdivision. After the Class B Control Period the Architectural Control Committee members shall be appointed, removed and replaced by the Officers as provided herein. Members of the Architectural Control Committee shall hold their positions until death or resignation, or until removed or their successors are appointed by Declarant (at all times during the Class B Control Period), and thereafter, by the Officers at a duly called meeting for such purpose.
- (b) For administrative convenience, Declarant shall have the right, but not the obligation, at any time and from time to time, to assign to one (1) or more builders within the Subdivision the right to perform the functions

of the Architectural Control Committee set forth in this Declaration in connection with, and for the limited scope of, the review of Plans for construction of new residences Lots purchased by such builder or builders. In connection with their exercise of the duties and functioning as a review committee, such parties shall be bound by and shall have the same rights and restrictions as are applicable to the Architectural Control Committee as set forth in this Declaration; subject, however to the further limitations, if any, contained and set forth in the document whereby Declarant assigns such rights to any such builder.

7.02 Purpose of the Architectural Control Committee. A function of the Architectural Control Committee is to review and approve or disapprove Plans for improvements proposed to be constructed or modified on Lots and otherwise perform the duties set forth in this Declaration. NO IMPROVEMENTS SHALL BE ERECTED, CONSTRUCTED, PLACED, ALTERED, REMODELED, DEMOLISHED OR PERMITTED TO REMAIN ON A LOT UNTIL PLANS, IN SUCH FORM AND DETAIL AS THE ARCHITECTURAL CONTROL COMMITTEE MAY DEEM NECESSARY, SHALL HAVE BEEN SUBMITTED TO THE ARCHITECTURAL CONTROL COMMITTEE AND APPROVED BY IT IN WRITING. The vote of a majority of the members of the Architectural Control Committee shall be considered as the act of the Architectural Control Committee. The process of reviewing and approving Plans and specifications is one which of necessity requires that the Architectural Control Committee is called upon from time to time to make subjective judgments on items for which specific standards or guidelines are not expressly set forth in this Declaration. The Architectural Control Committee is given full power and authority to make any such subjective judgments and to interpret the intent and provisions of this Declaration in such manner and with such results as the Architectural Control Committee, in its sole and exclusive discretion, may deem appropriate, and in the absence of final adjudication by court of competent jurisdiction that the Architectural Control Committee has abused its discretion, such action by the Architectural Control Committee shall be final and conclusive. Unless expressly stated otherwise herein, the Architectural Control Committee shall have the right to grant variances from the requirements of this Declaration as it, in its sole and exclusive judgment, deems appropriate. The Architectural Control Committee shall have the sole and exclusive discretion to determine whether Plans submitted to it for approval are acceptable, and the Architectural Control Committee or Declarant shall be entitled and empowered to enjoin or remove any construction undertaken pursuant plans that have not been approved in writing by the Architectural Control Committee.

7.03 Plans.

- (a) The Architectural Control Committee shall have the right to disapprove any submitted Plans that are incomplete, or that are not consistent or not in compliance with this Declaration. By way of example, but not limitation, the Architectural Control Committee may base its approval or disapproval on, among other things:
  - (i) harmony of external design with improvements on other Lots;
  - (ii) relation of topography, grade and finish ground elevations to that of adjoining Lots and drainage functions;
  - (iii) screening of mechanical and other installations;
  - (iv) extent and quality of landscaped areas; and
  - (v) compliance with the purpose and general plan, intent and provisions of this Declaration.
- (b) The Architectural Control Committee shall be available on a reasonable basis to meet with an Owner answer questions concerning proposed improvements and their compliance with this Declaration;



- (c) An Owner desiring to construct or install any improvements on such Owner's Lot must submit Plans (herein so called) to the Architectural Control Committee, in duplicate (two original sets), and a PDF version via email, for such improvements that contain sufficient detail and information to show the following:
- (i) the general plan for the residence or other improvements showing exterior shape, elevations, height, exterior materials, window locations and roofing of all exterior surfaces.
  - (ii) cover matters specifically requiring Architectural Control Committee approval as provided in this Declaration; and
  - (iii) such other information as may be required by the Architectural Control Committee.
- (d) Approval of the Plans shall be based upon a determination by the Architectural Control Committee as to whether or not in its judgment, such Plans adequately meet the requirements created by this Declaration. Approval of any Plans with regard to certain improvements shall not be deemed waiver of the Architectural Control Committee's right, in its sole and exclusive discretion, to disapprove similar Plans, or any of the features or elements included therein, for any other improvements or to refrain from granting similar variances.
- (e) The Architectural Control Committee shall, within thirty (30) days after receipt of each required submission of Plans, advise the party submitting the same, in writing, at an address specified by such party at the time of submission, of the approval or disapproval of the submitted Plans hereinafter provided. In the event the Architectural Control Committee fails to advise the submitting party by written notice within thirty (30) days of either the approval or disapproval of the Plans, the applicant may thereafter give the Architectural Control Committee written notice of such failure to respond, stating that, unless the Architectural Control Committee responds within fifteen (15) days of receipt of such notice, approval shall be deemed granted. However, no Plans, whether expressly approved or deemed approved pursuant to the foregoing, shall be inconsistent with this Declaration unless a variance has been granted in writing pursuant to Section 7.03 hereof. If any submission of Plans is not complete or does not include all data required by this Declaration, the Architectural Control Committee, within a reasonable period of time, shall notify the Owner of such deficiencies, and such Plans shall not be considered to have been submitted until such deficiencies have been corrected. If, and at such time as the Plans meet the approval of the Architectural Control Committee, one (1) set of Plans will be retained by the Architectural Control Committee and the other set of Plans will be marked "Approved" and returned to the Owner or such Owner's designated representative, accompanied by a statement of complete approval or approval based on certain conditions. If the Plans are found not to be in compliance with this Declaration, one (1) set of such Plans shall be returned marked "Disapproved", accompanied by a statement of the items found not to comply with this Declaration or not to be acceptable to the Architectural Control Committee. Any modification or change to the approved Plans must again be submitted to the Architectural Control Committee for its inspection, review and approval or disapproval.
- (f) An Owner may prepare detailed plans and specifications that do not vary from or modify the Plans that have been approved by the Architectural Control Committee. Improvements may be constructed or installed on a Lot only in conformance with such approved Plans. If work is not commenced within six (6) months from the date of Architectural Control Committee approval of the Plans (barring weather or other factors out of Owner's control), then the approval given by the Architectural Control Committee pursuant to this Article shall be deemed revoked by the Architectural Control Committee, unless the Architectural Control Committee extends in writing the time for commencing such work.

- (g) Upon submission of a written narrative request for same, the Architectural Control Committee may, from time to time, in its sole and exclusive discretion, by written approval only, permit Owners to construct, erect or install improvements which are in variance from this Declaration. In any case, however, such variances shall be in basic conformity with and shall blend effectively with, the general architectural style and design of the Subdivision. Each request for a variance submitted hereunder shall be reviewed separately and apart from other such requests. The grant of a variance to any Owner shall not constitute a waiver of the Architectural Control Committee's right to strictly enforce this Declaration against any other Owner with regard to the same matter, or against the same Owner for any other matter. Each such written request must identify and set forth in narrative detail the specific restriction or standard from which a variance is sought and describe in complete detail the exact nature of the variance sought. Any grant of a variance by the Architectural Control 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. The failure of the Architectural Control Committee to act on a variance request within any particular period of time shall not constitute the granting or approval of any such variance request.
- (h) The Architectural Control may from time to time publish, promulgate and amend architectural standards bulletins.

7.04 Inspections. The Architectural Control Committee, designees, shall have the right during reasonable business hours to enter upon and inspect Lot or improvements then under construction to determine whether or not the Plans therefor have been approved by the Architectural Control Committee. If the Architectural Control Committee shall determine that such Plans have not been approved or that the Plans which have been so approved are not being substantially complied with, the Architectural Control Committee may, in its sole and exclusive discretion, give the Owner of such Lot written notice to such effect, and, thereafter, Declarant or the Architectural Control Committee, on behalf of the Association, shall be entitled to enjoin further construction and to require the removal or correction of any work in place that does not comply with the approved Plans. If any improvements shall be altered or replaced on any Lot otherwise than in substantial conformity with the approved Plans therefor, such action shall be deemed to have been undertaken without requisite approval of the Architectural Control Committee and to be in violation of this Declaration; and Declarant or the Architectural Control Committee, on behalf of the Association, shall be entitled to take action as permitted under this Declaration with respect thereto.

7.05 Interior Alterations. An Owner may make improvements and alterations within the interior of such Owner's residence without first obtaining Architectural Control Committee approval, provided such interior improvements and interior alterations do not change the exterior entrance of any improvements, including without limitation, changes in window locations, window design or window materials.

7.06 Changes. No construction or installation of improvements on a lot that is inconsistent with, in addition to, or materially different from, any previously approved Plans shall be commenced or permitted until the Plans reflecting any and all such changes or additions have been submitted to, and approved by, the Architectural Control Committee in accordance with this Article; provided, however, no such approval is required for changes within the interior of any building that do not in any way change the exterior appearance.

7.07 Limitation on Liability. Declarant, the Association, the Officers (or any of its members) and the Architectural Control Committee (or any of its members), shall not, individually or in combination, be liable in damages (or otherwise) to any Owner for an act or occurrence, or any failure to act, relating to this Declaration, including any claims by any Owner regarding or arising out of any subjective decisions, mistakes in judgment, negligence or nonfeasance arising out of, or in connection with, the approval or disapproval or failure to approve or to disapprove any Plans submitted, or for otherwise acting in good faith in such capacities. Declarant and the Architectural Control

Committee (or any of its members) shall not, individually or in combination, be liable in damages (or otherwise) in connection with any construction, design engineering or defect associated with any improvement (or otherwise) constructed on the Property. APPROVAL OF PLANS BY THE ARCHITECTURAL CONTROL COMMITTEE DOES NOT CONSTITUTE ANY WARRANTY OR REPRESENTATION OF ANY KIND OR CHARACTER THAT SUCH PLANS COMPLY WITH GOVERNMENTAL REQUIREMENTS OR GOOD AND PRUDENT DESIGN, ENGINEERING OR CONSTRUCTION PRACTICES. IT IS THE SOLE AND EXCLUSIVE RESPONSIBILITY OF THE OWNER TO DETERMINE AND SEE THAT OWNER'S PLANS AND SPECIFICATIONS COMPLY WITH ALL SUCH REQUIREMENTS AND PRACTICES. The Architectural Control Committee shall have the right, but never the obligation, to perform the functions set forth in this Declaration.

## VIII GENERAL PROVISIONS

8.01 Binding Effect and Duration. The covenants and restrictions of this Declaration shall run with and bind the Property, shall be binding on all Owners and shall inure to the benefit of and be enforceable by Declarant, the Association, the legal representatives thereof, and their successors and assigns, and shall be and remain in effect for a period of fifty (50) years from and after the date of the recording of this Declaration, after which time this Declaration shall automatically be extended for three (3) successive periods often (10) years each, unless after such fifty (50) years an instrument executed and duly acknowledged by Owners owning, in the aggregate, at least seventy-five percent (75%) of the Lots has been recorded in the Real Property Records of the County, abolishing this Declaration.

8.02 Interpretation. In all cases, the provisions set forth or provided for in this Declaration shall be construed together and given that interpretation or construction which, in the sole and exclusive opinion of the Officers, will best effect the general plan of development as reflected in this Declaration. The Officers shall have the right, power and authority to determine all questions arising under or in connection with this Declaration and to construe and interpret the provisions thereof, and any determination, construction or interpretation made by the Officers, in the absence of an adjudication by a court of competent jurisdiction that any such action was an abuse of discretion, shall be binding on the Owners. The provisions of this Declaration shall be given full force and effect notwithstanding the existence of any zoning ordinance or building codes which are less restrictive. The effective date of this Declaration shall be the date of its filing for record in the office of the county clerk of the County. The captions of each Article and Section hereof as to the contents of each Article and Section are inserted only for convenience and are in no way to be construed as defining, limiting, extending or otherwise modifying or adding to the particular Article or Section to which they refer. The singular wherever used herein shall be construed to mean the plural when applicable and vice versa, and the use herein of any gender shall mean any other gender when applicable. Any and all exhibits referred to herein and attached hereto are made a part hereof by reference. This Declaration shall be construed under, and in accordance with, the laws of the State of Texas.

8.03 No Warranty of Enforceability. While Declarant has no reason to believe that any of the restrictive covenants or other terms or provisions contained in this Declaration are or may be invalid or unenforceable for any reason or to any extent, Declarant makes no warranty or representation as to the present or future validity or enforceability of any such restrictive covenant. Any Owner acquiring a Lot in the Development in reliance on one or more of such restrictive covenants, terms or provisions shall assume all risks of the validity or enforceability thereof and, by acquiring the Lot, agrees to hold Declarant, the Association and their legal counsel and other professional advisors harmless therefrom. Declarant shall not be responsible for the acts or omissions of any individual, entity or other Owners.

#### 8.04 Amendments.

- (a) Until the expiration of the Class B Control Period, Declarant may unilaterally modify and amend this Declaration for any purpose. For so long as Declarant owns one (1) Lot within the Property for development and sale, Declarant may unilaterally amend this Declaration without the joinder or vote of any other party if such amendment is necessary: (i) to bring any provisions of this Declaration into compliance with any applicable governmental statute, rule, regulation or judicial determination; (ii) to enable any reputable title insurance company to issue title insurance coverage on the Lots; (iii) to enable any institutional or governmental lender, purchaser, insurer, or guarantor of mortgage loans, including for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to purchase, insure, or guarantee mortgage loans on the Lots; (iv) to satisfy the requirements of any local, state or federal governmental agency; or (v) to correct or clarify errors, omissions, mistakes or ambiguities contained herein as determined in Declarant's sole judgment. No amendment pursuant to this paragraph, however, shall adversely affect the title to any Lot unless the Owner shall consent in writing.
- (b) Except as otherwise specifically provided above and elsewhere in this Declaration, this Declaration may be amended or terminated only by the affirmative vote or written consent, or any combination thereof, of Members (both classes taken together) representing fifty-one percent (51%) of the total Class A votes and Class B votes in the Association, and the consent of Declarant [so long as Declarant owns at least one ( 1) Lot or any property which hereafter may become subject to this Declaration in accordance with Article IV].
- (c) Any and all amendments to or terminations of this Declaration shall be recorded in the Real Property Records of the County. And no such termination or amendment shall be effective until a document setting forth the amendment or termination has been duly executed and acknowledged Declarant, if required and as applicable, and by Members holding the required votes, or by the Secretary (herein so called) of the Association certifying the required affirmative vote of the Members as required hereinabove, and such document has been recorded in the Real Property Records of the County.

8.05 Enforcement. Declarant, the Association and the Owners shall have the right, but not the obligation, to enforce the covenants and restrictions set out in this Declaration. Enforcement may be made by any proceedings at law or in equity against any Person violating or attempting to violate any part of this Declaration, as such may be amended or modified, to restrain or enjoin violations thereof, to recover damages or to seek such other relief available pursuant to applicable law. Damages shall not be deemed adequate compensation for any breach or violation of any provision of this Declaration, and Declarant, the Association and each Owner shall be entitled to relief by way of injunction, as well as any other remedy either at law or in equity. With respect to any litigation hereunder, the prevailing party shall be entitled to recover reasonable attorneys' fees and court costs from the non-prevailing party. The rights, powers and remedies provided in this Declaration shall be cumulative and not restrictive of any other remedies at law or in equity, and the exercise by a Person of any particular right, power or remedy shall not be deemed an election of remedies or to preclude such Person's resort to other rights, powers or remedies available to any such Person.

8.06 No Waiver or Obligation to Enforce. No delay or failure on the part of Declarant, the Association or any Owner to invoke any available right, power or remedy with respect to a breach of this Declaration shall be held to be a waiver by that party (or estop that party from asserting) any right, power or remedy available to such party upon the recurrence or continuance of said breach or the occurrence of a different breach. Neither Declarant, the Association or the Owners, shall be under any obligation to take any action to enforce the terms of this Declaration. The failure by Declarant, the Association or any Owner to enforce any provision of this Declaration shall in no event subject Declarant, the Association or any Owner to any claims, liability, cost or expense; it being the express intent of this Declaration to provide Declarant, the Association or any Owner with the right (such right to be exercised at its sole

and absolute discretion), but not the obligation to enforce the terms of this Declaration for the benefit of any Owner(s) of any Lot(s) in the Development.

8.07 Liens/Validity and Severability. Violation of or failure to comply with this Declaration shall not affect the validity of any mortgage, lien or other similar security instrument which may then be existing on any Lot. Invalidation of any one (1) or more of the provisions of this Declaration, or any portions thereof, by a judgment or court order shall not affect any of the other provisions or covenants herein contained, which such other provisions and covenants shall remain in full force and effect.

8.08 Notices. Any notice required to be given to Declarant, the Association or any Owner under the provisions of this Declaration shall be deemed to have been properly delivered when actually delivered by hand-delivery or three (3) days after any such notice has been deposited in the United States Mail, postage prepaid, certified or registered mail, return receipt requested, addressed: (a) for notice to an Owner to the address of the Owner as shown on the records of the Association at the time of such mailing; and (b) for notice to Declarant or the Association to:

25 Highland Park Village, Suite 100-464  
Dallas, Tx 75205  
Email: vaughn@vcmdevelopment.com

or at such other address specified by Declarant or the Association from time to time.

8.09 Mortgagees. No default by an Owner of a Lot under any provision of this Declaration shall affect any existing lien or mortgage on that Lot. A Mortgagee shall not be liable for Assessments made with respect to a Lot during any period in which its only interest in the Lot is that of a Mortgagee.

8.10 Approvals. No approval by Declarant, the Association or the Architectural Control Committee pursuant to the provisions hereof shall be effective unless in writing, except as otherwise expressly provided herein.

8.11 Imposition of Violation Fines. In the event that any Person fails to cure (or fails to commence and proceed with diligence to complete the work necessary to cure) any violation of this Declaration within ten (10) days after receipt of written notice from the Officers designating the particular violation, the Officers shall have the power and authority to impose upon that Person a fine for any such violation (herein referred to as a "Violation Fine") not to exceed FIVE HUNDRED AND NO/1 00 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 Default Rate of interest and any costs of collection, including but not limited to, reasonable attorneys' fees, shall be part of any such Violation Fine. Violation Fines shall be Special Member Assessments.

8.12 Residential Construction Liability Act. Without waiving any rights under law or equity, all Owners acknowledge, covenant and agree that residential construction defect claims regarding any residence against Declarant or any homebuilder in Texas are controlled by the Texas Residential Construction Liability Act (Tex. Prop. Code Section 27.001 et seq., as amended) which preempts the Texas Deceptive Trade Practices Act (Tex. Bus. & Com. Code Section 17.41 et seq., as amended) and any other law.

8.13 Notice and Hearing.

- (a) Prior to the imposition of any Violation Fine or the levying of any Special Member Assessment on an Owner, the Association will give notice to the Owner in compliance with Section 209.006 of the Texas

Property Code (the "Property Code"), as the same may be hereafter amended. Such notice shall be as follows:

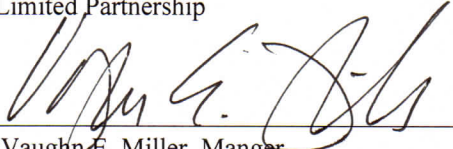
- (i) Notice will be delivered by certified mail return receipt requested.
  - (ii) The notice must describe the violation or property damage that is the basis for the Violation Fine or Special Member Assessment, and state any amount due the Association from the Owner.
  - (iii) The notice must inform the Owner that the Owner is entitled to a reasonable time to cure the violation and avoid the Violation Fine or Special Member Assessment and that the Owner may request a hearing under this Section 8.13 and Section 209.007 of the Property Code on or before the thirtieth (30th) day after the Owner receives the notice.
- (b) In compliance with Section 209.007 of the Property Code, if the Owner submits a written request for a hearing, the Association shall hold a hearing not later than the thirtieth (30th) day after the date the Officers receives the Owner's request, and shall notify the Owner of the date, time and place of the hearing not later than the tenth (10th) day before the date of the hearing. The Officers or the Owner may request a postponement, and, if requested, a postponement shall be granted for a period of not more than ten (10) days. Additional postponements may be granted by agreement of the parties. If the hearing is to be held before a committee appointed by the Officers, the notice described in Section 8.13(a) hereof shall state that the Owner has the right to appeal the committee's decision to the Officers by written notice to the Officers.

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EXECUTED as of February 8, 2017

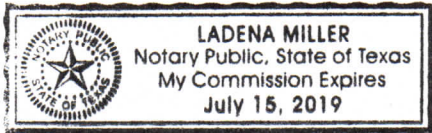
DECLARANT:

VCM PRESTONWOOD POLO DEVELOPMENT LTD,  
a Texas Limited Partnership

By:   
Vaughn E. Miller, Manger  
VCM Prestonwood Polo Development GP LLC,  
Its General Partner

THE STATE OF TEXAS §  
§  
COUNTY OF DENTON §

This instrument was acknowledged before me on the 8<sup>th</sup> day of February 8, 2017, by Vaughn E. Miller, Manager of VCM Prestonwood Polo Development GP LLC, General Partner of VCM Prestonwood Polo Development Ltd, a Texas Limited Partnership, known to me to be the person who executed this agreement in the capacity and for the purposes therein stated.



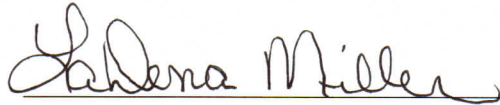
  
Notary Public, State of Texas  
Ladena Miller  
Printed Name of Notary Public

EXHIBIT A  
PROPERTY DESCRIPTION

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS APPLIES TO LOTS 1 THROUGH 22 (AND SPECIFICALLY EXCLUDES LOT 23) BLOCK A OF THE PRESTONWOOD POLO AND COUNTRY CLUB ADDITION, IN THE CITY OF OAK POINT, DENTON COUNTY, TEXAS, AS SHOWN ON THE ATTACHED SURVEY PLAT FILED 12/2/2016 IN THE PLAT RECORDS OF DENTON COUNTY DOC NUMBER: 2016-2235. THE LEGAL DESCRIPTION OF LOTS 1 THROUGH 23 IS AS FOLLOWS:

**WHEREAS VCM PRESTONWOOD POLO DEVELOPMENT , LTD.**, is the owner of all that certain lot, tract or parcel of land situated in the George W. Daniels Survey, Abstract Number 331, Denton County, Texas, and being all of Lots 15 and 16 of Hunter's Ridge Addition, an addition to the City of Oak Point according to the plat thereof recorded in Cabinet M, Page 322, Plat Records, Denton County, Texas, the subject tract being more particularly described as follows;

**BEGINNING** at a capped iron rod found stamped "Wallace" at the intersection of the South line of a 60 foot right-of-way dedication per said Addition and the East right-of-way line of Yacht Club Road for the Northwest corner of the herein described tract and the Northwest corner of said Lot 15;

**THENCE** North 89 degrees 36 minutes 07 seconds East with the North line thereof and the South line of said 60 foot dedication, a distance of 100.17 feet to a capped iron rod found stamped "2437" at the beginning of a curve to the left having a radius of 730.00 feet and a chord bearing and distance of North 77 degrees 47 minutes 49 seconds East, 297.76 feet;

**THENCE** Northeasterly, with the arc of said curve, the South line of said dedication and the North line of said Lot 15, an arc distance of 299.87 feet to a capped iron rod found at the beginning of a curve to the right having a radius of 670.00 feet and a chord bearing and distance of North 78 degrees 17 minutes 15 seconds East, 284.61 feet;

**THENCE** Northeasterly, with the arc of said curve, the South line of said dedication and the North line of said Lot 15, an arc distance of 286.79 feet to a capped iron rod found stamped "2437" for a corner on said line;

**THENCE** South 89 degrees 26 minutes 28 seconds East with the South line of said dedication and the North line of said Lot 15, along or near a fence, a distance of 1950.61 feet to a capped iron rod found stamped "Wallace" for the Northeast corner thereof, the Northeast corner of the herein described tract and the Northwest corner of Lot 11 in said Addition;

**THENCE** South 00 degrees 24 minutes 31 seconds East with the West line thereof and the East line of said Lot 15, along or near a fence, a distance of 226.62 feet to a capped iron rod found for an angle point on the East line thereof, the Southwest corner of said Lot 11 and the Northwest corner of a tract of land described in a deed to Kevin A. Mocarow, as recorded in County Clerk File Number 1998-36585, Real Property Records, Denton County, Texas;

**THENCE** South 00 degrees 17 minutes 08 seconds East with the West line thereof and the East line of said Lot 15, along or near a fence, at a distance of 574.46 feet passing the Southeast corner thereof and the Northeast corner of said Lot 16, continuing along said course and the East line thereof, a total distance of 1345.24 feet to a capped iron rod found stamped "Wallace" for the Southeast corner of said Lot 16, the Southeast corner of the herein described tract and the Northeast corner of Lot 18 in said Addition;

**THENCE** North 89 degrees 26 minutes 25 seconds West with the North line thereof and the South line of said Lot 16, a distance of 813.72 feet to a point for an inner ell corner on the South line thereof and a corner on the North line of said Lot 18;

**THENCE** South 00 degrees 26 minutes 19 seconds East, a distance of 88.64 feet to a point at a fence corner post for an inner ell corner on the North line of said Lot 18 and a corner on the South line of said Lot 16;

**THENCE** North 89 degrees 26 minutes 34 seconds West with the South line thereof and the North line of said Lot 18, along or near a fence, a distance of 1803.92 feet to a capped iron rod found stamped "Wallace" for the Northwest corner thereof, the Southwest corner of said Lot 16, the Southwest corner of the herein described tract and being on the East right-of-way line of said Yacht Club Road;

**THENCE** North 00 degrees 26 minutes 41 seconds West with the East line thereof and the West line of said Lot 16, at a distance of 859.44 feet passing the Northwest corner thereof and the Southwest corner of said Lot 15, continuing along said course and the West line thereof, a total distance of 1532.64 feet to the PLACE OF BEGINNING and enclosing 97.08 acres of land more or less.



Filed for Record  
 In the County Records Office  
 On 10/27/2016 2:37:04 PM  
 PRESTONWOOD POLO AND  
 COUNTRY CLUB ADDITION  
 Number of Pages: 2  
 Surveyor's License No. 10000467  
 By: J.A.

**FINAL PLAT**  
**PRESTONWOOD POLO AND**  
**COUNTRY CLUB ADDITION**  
**LOTS 1-23, BLOCK A,**  
 BEING 88.03 ACERS OUT OF THE GEORGE W. DANIELS  
 SURVEY, ABSTRACT NUMBER 331, IN THE CITY OF OAK  
 POINT, DENTON COUNTY, TEXAS, AND THE REPLAT  
 OF THE SURVEY OF GEORGE W. DANIELS, ROBERTSON, TX,  
 ADDITION TO THE CITY OF OAK POINT, AS  
 RECORDED IN CAB. M. PG. 332,  
 PLAT RECORDS, DENTON COUNTY, TEXAS

1720 WESTMINSTER  
 DENTON, TX 76205  
 JOB NUMBER: 11000467  
 DRAWN BY: TK  
 DATE: 7-29-2016  
 SURVEYOR: KENNETH A. ZOLLINGER  
 www.kazsurveying.com

**ENGINEER:**  
 CIVIL ENGINEERS, INC.  
 2414 W. PARKWAY, SUITE 400  
 DALLAS, TX 75244  
 (972) 584-1190  
 (972) 584-8723

**OWNER:**  
 VOF PRESTONWOOD POLO DEVELOPMENT, LTD.  
 25 HIGHLAND PARK VILLAGE, SUITE 103  
 PHONE: (817) 390-3448  
 CONTACT: MADON BELLER

**SURVEYOR:**  
 KAZ SURVEYING, INC.  
 1720 WESTMINSTER STREET  
 DENTON, TX 76205  
 PHONE: (817) 390-3448  
 (817) 390-3448  
 1720 WESTMINSTER STREET

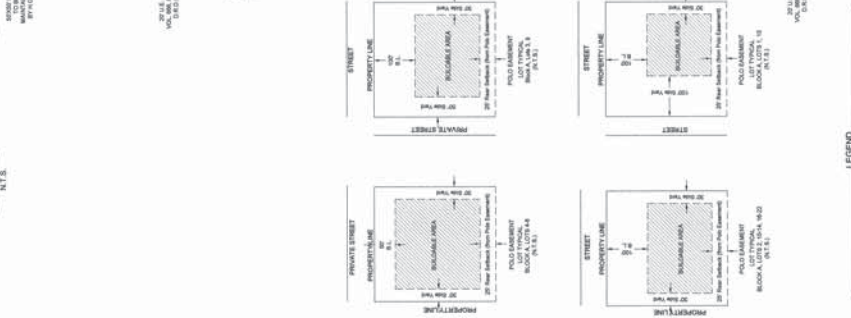
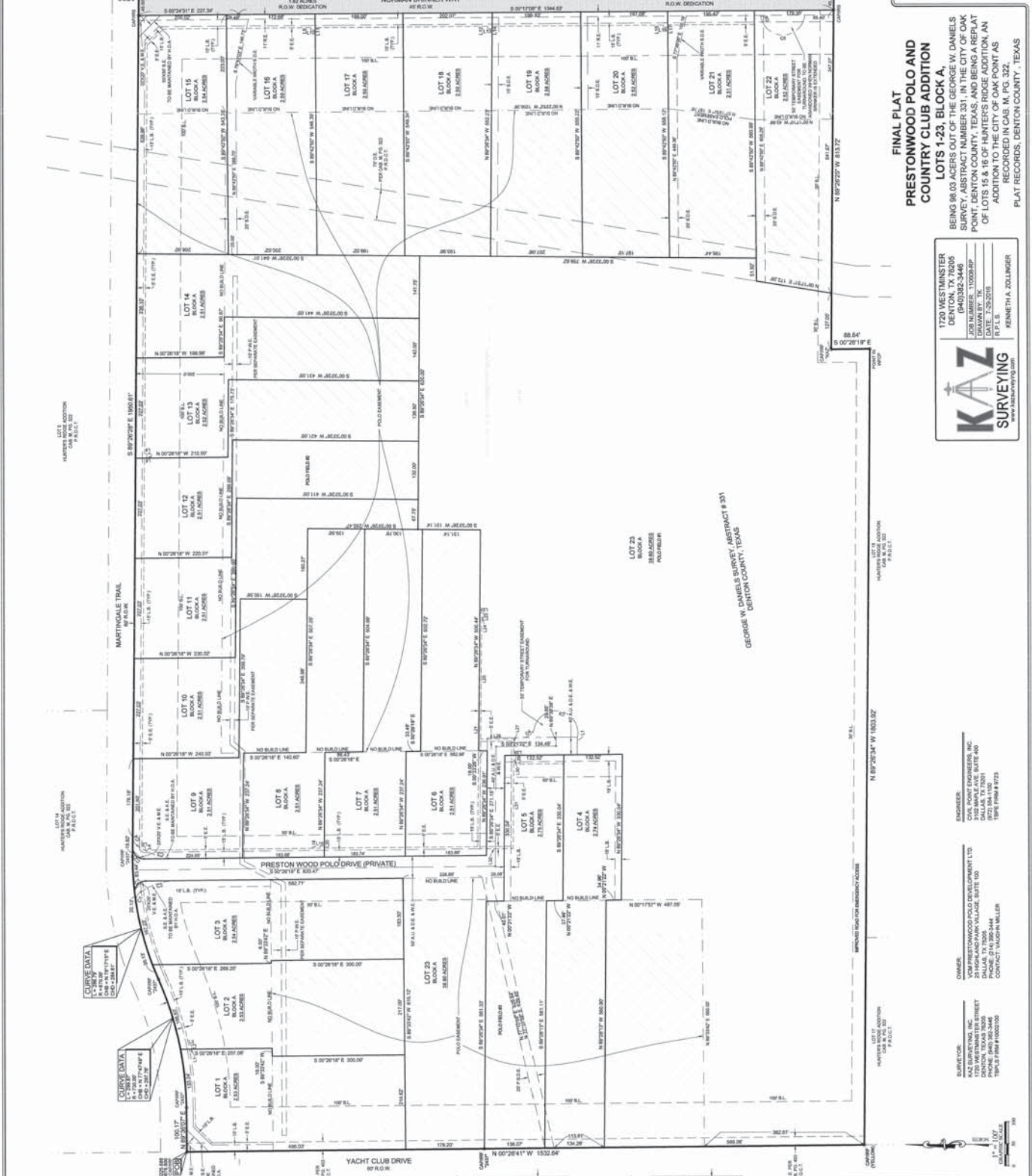


EXHIBIT B  
POLO EASEMENT



TERM: This EASEMENT, right-of-way, rights, other privileges and access rights granted herein, as well as the covenants made herein, shall be appurtenant to the land and run perpetually, unless expressly abandoned by GRANTEE and each of GRANTEE's licensees, permittees and/or successors and assigns, if any. In the event that GRANTEE goes out of business and ceases to operate for a period of 12 consecutive months, then GRANTOR may, at its option, take over this Easement with thirty (30) days prior written notice to GRANTEE; in such event GRANTOR may assign this Easement to another party, including the Prestonwood Polo Club Homeowners Association, at which time GRANTEE loses this EASEMENT and all rights and privileges of associated with it.

OWNERSHIP: GRANTOR agrees that all improvements, lines, facilities, equipment, and all other necessary or desirable appurtenances, facilities, appliances and equipment installed upon the Polo Easement Land shall at all times remain the property of the GRANTEE and are removable at the option of the GRANTEE at anytime without notice, regardless of the extent to which such items are attached or affiliated to the Polo Easement Land or any improvements thereon, or the extent to which removal of such items may damage such items or the Polo Easement Land or improvements located thereon.

LIABILITY: GRANTEE and its assigns shall not be liable for any damages arising out of GRANTEE's use of the Polo Land Easement.

AUTHORITY: GRANTOR represents and warrants to GRANTEE that GRANTOR has the full right, power, and authority to execute and deliver this Easement and Right-of-Way, and that this Easement and Right-of-Way does not violate the terms or provisions of any other agreement to which GRANTOR is a party (including from any mortgage) or to which the EASEMENT PROPERTY is subject, that each person signing this Easement and Right-of-Way on behalf of GRANTOR is authorized to do so.

INURE: This instrument, and the terms and conditions contained herein, shall inure to the benefit of and be binding upon GRANTEE and GRANTOR, and their respective heirs, personal and legal representatives, successors, and assigns and shall be covenants running with the land for the benefit of GRANTEE and in perpetuity. When the context requires, singular nouns and pronouns include the plural. When appropriate, the term "GRANTEE" includes the employees, authorized agents, licensees and permittees of GRANTEE. GRANTEE shall have the right to assign this instrument, and the rights and privileges hereunder in favor of GRANTEE, in whole or in part.

DEFEND: GRANTOR warrants and shall forever defend the EASEMENT to GRANTEE against anyone lawfully claiming or to claim the EASEMENT or any part thereof, subject to those matters set forth in instruments recorded in the Real Property Records of Denton County, Texas, to the extent such matters are in full force and effect and actually affect the EASEMENT PROPERTY.

ADJACENT PROPERTY: GRANTEE shall no right of access to property adjacent to the Polo Easement Land without the prior approval of the property owner(s) of such property.

IN WITNESS WHEREOF, GRANTOR has executed this EASEMENT on the date set forth in the acknowledgment below, to be effective as of the day and year first above written.

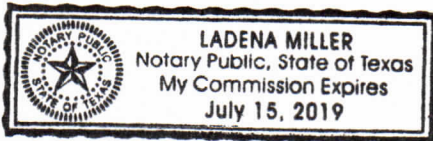
**GRANTOR:**

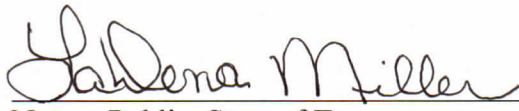
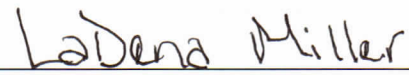
**VCM PRESTONWOOD POLO DEVELOPMENT LTD.,**  
a Texas limited partnership

  
By: Vaughn E. Miller, Manager  
VCM PRESTONWOOD POLO GP LLC,  
Its General Partner

THE STATE OF TEXAS    §  
                                      §  
COUNTY OF DALLAS    §

This instrument was acknowledged before me on the 8<sup>th</sup> day of February 8, 2017, by Vaughn E. Miller, Manager of VCM Prestonwood Polo Development GP LLC, General Partner of VCM Prestonwood Polo Development Ltd, a Texas Limited Partnership, known to me to be the person who executed this agreement in the capacity and for the purposes therein stated.



  
Notary Public, State of Texas  
  
Printed Name of Notary Public

**EXHIBIT "A"**  
**POLO EASEMENT LAND**

All that certain lot, tract or parcel of land situated in the George W. Daniels Survey, Abstract Number 331, Denton County, Texas, and part of Lots 1, 2, 3, 4, 5, and 23, Block A, Prestonwood Polo Club Addition, an addition to the City of Oak Point according to the plat thereof recorded in Instrument number 2016-2235, Plat Records, Denton County, Texas, being more fully described as follows;

COMMENCING at a capped iron rod found stamped "Wallace" at the intersection of the South line of a 60 foot right-of-way dedication per said Addition and the East right-of-way line of Yacht Club Road for the Northwest corner of said Lot 1;

THENCE along said East line, South 00 degrees 26 minutes 41 seconds East, 195.03 feet to the POINT OF BEGINNING of the herein described tract;

THENCE North 89 degrees 33 minutes 42 seconds East, 615.15 feet to a point for corner in the West line of Prestonwood Polo Drive;

THENCE along said West line, South 00 degrees 26 minutes 18 seconds East, 488.88 feet to a point for corner; THENCE North 89 degrees 26 minutes 34 seconds West, 53.82 feet to a point for corner;

THENCE South 00 degrees 17 minutes 57 seconds East, 487 .05 feet to a point for corner;

THENCE South 89 degrees 33 minutes 42 seconds West, 560.04 feet to a point in the East line of said Yacht Club Drive;

THENCE along said East line, North 00 degrees 26 minutes 41 seconds West, 975.00 feet to the PLACE OF BEGINNING and containing 13.16 acres of land more or less;

All that certain lot, tract or parcel of land situated in the George W. Daniels Survey, Abstract Number 331, Denton County, Texas, and being part of Lots 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, and 22, Block A, Prestonwood Polo Club Addition, an addition to the City of Oak Point according to the plat thereof recorded in Instrument number 2016-2235, Plat Records, Denton County, Texas, and being more fully described as follows;

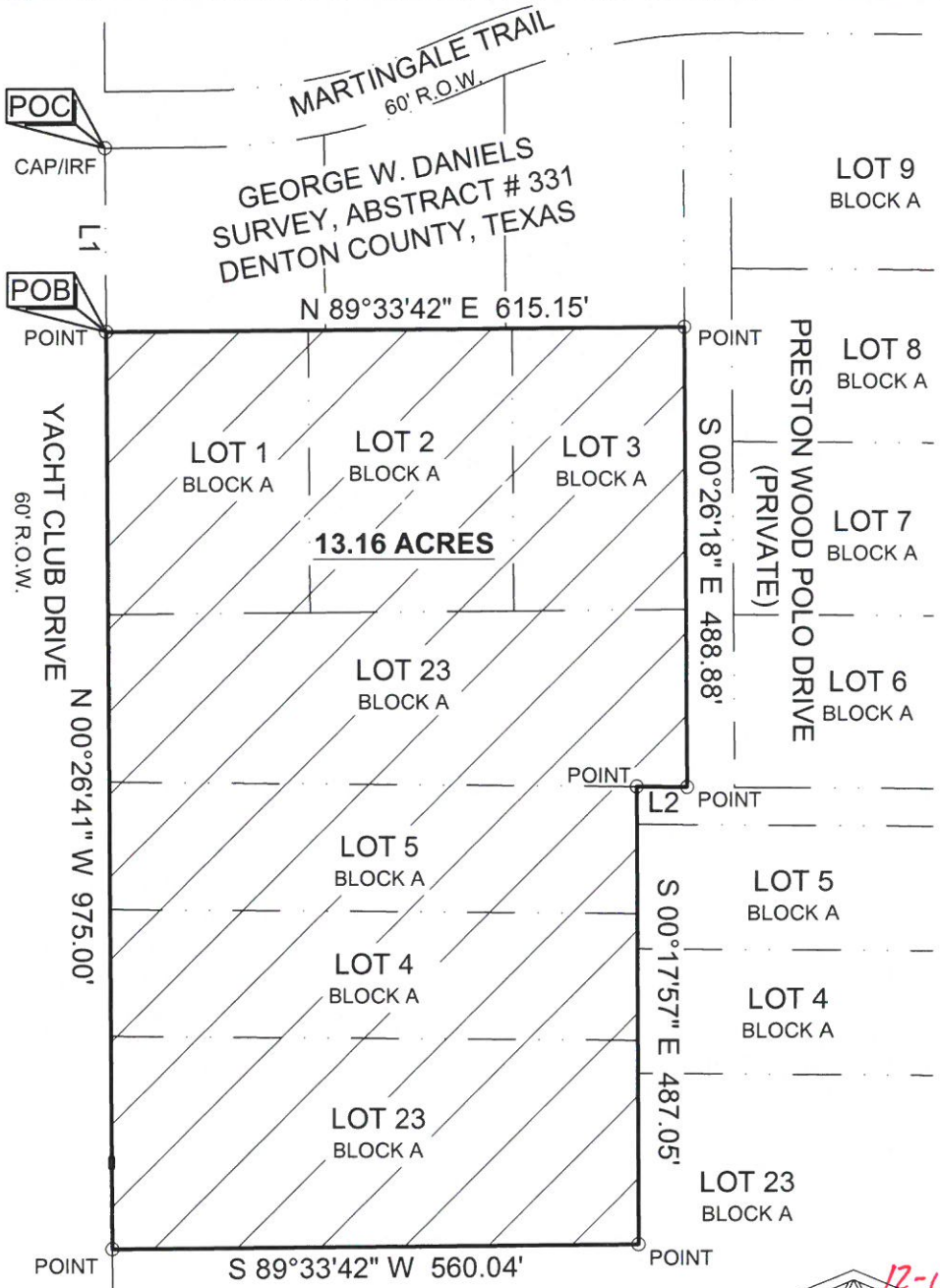
BEGINNING at the Northwest corner of said Lot 15, Block A and also being in the South line of Martingale Trail;

THENCE continuing along said South line, South 89 degrees 26 minutes 28 seconds East, 316.97 feet to a point for corner; THENCE South 00 degrees 23 minutes 52 seconds East, 1200.39 feet to a point for corner;

THENCE South 07 degrees 19 minutes 57 seconds West, 197.16 feet to a point for corner;

THENCE South 00 degrees 17 minutes 10 seconds East, 175.73 feet to a point for corner;

THENCE North 89 degrees 26 minutes 10 seconds West, 394.40 feet to a point for comer;  
THENCE North 09 degrees 15 minutes 26 seconds East, 173.03 feet to a point for comer;  
THENCE South 89 degrees 26 minutes 34 seconds East, 51.92 feet to a point for comer;  
THENCE North 00 degrees 33 minutes 26 seconds East, 759.62 feet to a point for comer;  
THENCE North 89 degrees 26 minutes 34 seconds West, 620.00 feet to a point for comer;  
THENCE South 00 degrees 33 minutes 26 seconds West, 141.00 feet to a point for comer;  
THENCE North 89 degrees 26 minutes 34 seconds West, 500.44 feet to a point for comer;  
THENCE North 00 degrees 26 minutes 18 seconds West, 582.98 feet to a point for comer;  
THENCE South 89 degrees 23 minutes 06 seconds East, 1130.57 feet to a point for comer;  
THENCE North 00 degrees 33 minutes 26 seconds East, 200.26 feet to the PLACE OF  
BEGINNING and containing 25.03 acres of land more or less;



LINE	BEARING	DISTANCE
L1	S 00°26'41" E	195.03'
L2	N 89°26'34" W	53.82'



**LEGEND**  
 R.O.W. = RIGHT OF WAY  
 POC = POINT OF COMMENCING  
 POB = POINT OF BEGINNING

**KAZ**  
SURVEYING

TX FIRM REGISTRATION # 10002100

1720 WESTMINSTER  
 DENTON, TX 76205  
 (940)382-3446

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JOB NUMBER: 110608-24A

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DRAWN BY: MMF

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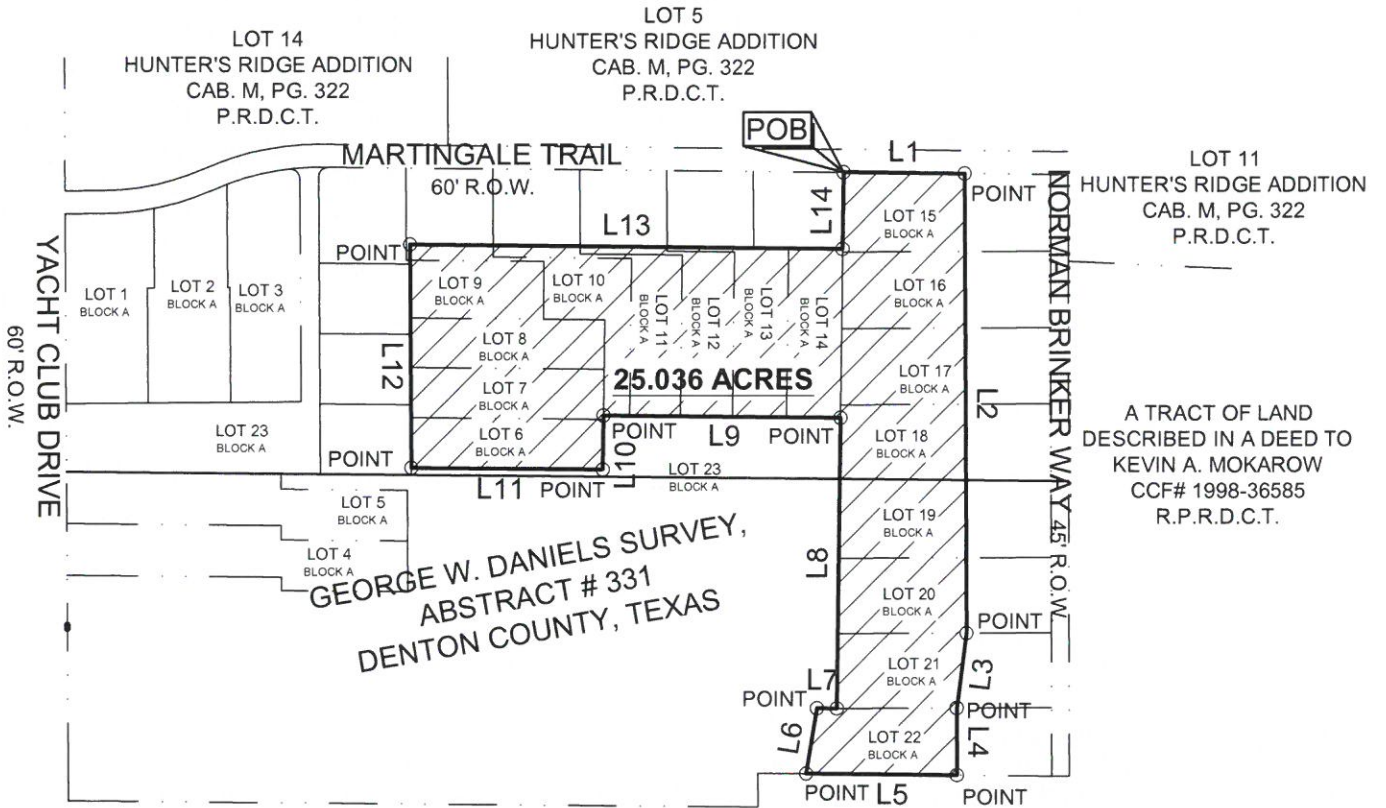
DATE: 12-15-2016

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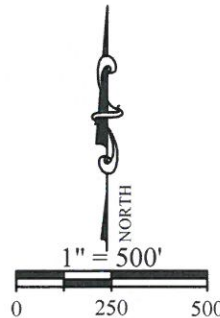
R.P.L.S.  
 KENNETH A. ZOLLINGER



CURVE	ARC LENGTH	RADIUS	DELTA ANGLE	CHORD BEARING	CHORD LENGTH
C1	299.87'	730.00'	23°32'09"	N 77°47'49" E	297.76'
C2	306.62'	675.97'	25°59'23"	N 79°04'52" E	304.00'



LINE	BEARING	DISTANCE
L1	S 89°26'28" E	316.97'
L2	S 00°23'52" E	1200.39'
L3	S 07°19'57" W	197.16'
L4	S 00°17'10" E	175.73'
L5	N 89°26'10" W	394.40'
L6	N 09°15'26" E	173.03'
L7	S 89°26'34" E	51.92'
L8	N 00°33'26" E	759.62'
L9	N 89°26'34" W	620.00'
L10	S 00°33'26" W	141.00'
L11	N 89°26'34" W	500.44'
L12	N 00°26'18" W	582.98'
L13	S 89°23'06" E	1130.57'
L14	N 00°33'26" E	200.26'



**LEGEND**

R.O.W. = RIGHT OF WAY  
 POC = POINT OF COMMENCING  
 POB = POINT OF BEGINNING



TX FIRM REGISTRATION # 10002100

1720 WESTMINSTER  
 DENTON, TX 76205  
 (940)382-3446

JOB NUMBER: 110608-24B

DRAWN BY: MMF

DATE: 12-13-2016

R.P.L.S.

KENNETH A. ZOLLINGER

**Prestonwood Polo & Country Club HOA**

Budget 2021

<u>Resident Lots</u>	<u>Acres</u>
22	55.86

Operating Budget

<u>INCOME</u>	<u>per lot/yr</u>	<u>Annual</u>
Assesments	\$ 1,200.00	\$ 26,400.00
 <u>EXPENSES</u>		
Insurance	\$ 122.45	\$ 2,694.00
Accounting	\$ 45.45	\$ 1,000.00
Mgmt	\$ 45.45	\$ 1,000.00
Electric	\$ 15.82	\$ 348.00
Repairs - Front Gate	\$ 45.45	\$ 1,000.00
Landscape	\$ 545.45	\$ 12,000.00
<u>Other</u>	<u>\$ 107.18</u>	<u>\$ 2,358.00</u>
Total Operating Costs		\$ 20,400.00
 Reserve		 \$ 6,000.00
 Total		 \$ 26,400.00
 Total Per Month per Lot		 \$ 100.00

Note: Developer currently pays HOA lot expenses

**Prestonwood Polo & Country Club HOA**

Balance Sheet

Assets

Accounts Receivable \$ 26,400.00

Reserve \$ 6,000.00

Total \$ 32,400.00

Liabilities

Total 0.00

Net Worth

Receivables \$ 26,400.00

Reserve \$ 6,000.00

Total Net Worth \$ 32,400.00



EMPLOYERS MUTUAL CASUALTY COMPANY

PRIOR POLICY: 5D2-07-25

GENERAL LIABILITY DECLARATIONS

POLICY PERIOD: FROM 10/09/20 TO 10/09/21

\*-----\*
\* POLICY NUMBER \*
\* 5 D 2 - 0 7 - 2 5 ---21 \*
\*-----\*

NAMED INSURED:

PRODUCER:

VCM PRESTONWOOD POLO
DEVELOPMENT LTD
525 YACHT CLUB RD
OAK POINT TX 75068-2448

HIBBS-HALLMARK & CO.
PO BOX 8357
TYLER TX 75711-8357

DIRECT BILL

AGENT: AI 7406
AGENT PHONE: (903)561-8484
CLAIM REPORTING: (888)362-2255
SERVICING CARRIER: (316)352-5700

THIS POLICY RENEWAL IS OFFERED CONTINGENT UPON THE RECEIPT OF PAYMENT WHICH IS DUE ON 10/09/20.

INSURED IS: LIMITED

BUSINESS DESC: VACANT LAND OWNER

LIMITS OF INSURANCE

EACH OCCURRENCE LIMIT \$ 1,000,000
DAMAGE TO PREMISES RENTED TO YOU LIMIT \$ 300,000 ANY ONE PREMISES
MEDICAL EXPENSE LIMIT \$ 5,000 ANY ONE PERSON
PERSONAL AND ADVERTISING INJURY LIMIT \$ 1,000,000 ANY ONE PERSON OR ORGANIZATION
GENERAL AGGREGATE LIMIT \$ 2,000,000
PRODUCTS/COMPLETED OPERATIONS AGGREGATE LIMIT \$ 2,000,000

COVERAGES PROVIDED

PREMIUM

OTHER THAN PRODUCTS/COMPLETED OPERATIONS \$ 412.00
TOTAL ESTIMATED POLICY PREMIUM \$ 412.00

SEE ATTACHED SCHEDULE FOR LOCATION OF ALL PREMISES OWNED, RENTED OR OCCUPIED.

DATE OF ISSUE: 09/15/20 BPP



Capitol Indemnity Corporation  
P.O. Box 5900, Madison, WI 53705

**COMMERCIAL GENERAL LIABILITY  
COVERAGE PART DECLARATIONS**

**TRANSACTION TYPE:** Renew  
**ENDORSEMENT #:** 000

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<b>POLICY NUMBER</b> PR02957068-02	<b>POLICY PERIOD</b> 05/05/2020 - 05/05/2021 <i>12:01 A.M. Standard Time at the address of the insured stated herein.</i>	<b>AGENCY/PRODUCER CODE</b> 4831P
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<b>NAMED INSURED AND ADDRESS</b> Prestonwood Polo Club LLC 25 Highland Park Village Ste 100 Dallas, TX 75205-2726	<b>AGENCY/PRODUCER</b> Allen Financial Insurance Group, Inc. 13880 N Northsight Blvd Bldg C #109 Scottsdale AZ 85260
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**Form of Business:** LLC

**Business Description:** USPA Polo Club


General Aggregate Limit (Other Than Products-Completed Operations)	\$ 3,000,000
Products-Completed Operations Aggregate Limit	\$ 2,000,000
Personal And Advertising Injury Limit	\$ 1,000,000
Each Occurrence Limit	\$ 1,000,000
Damage To Premises Rented To You Limit	\$ 100,000 Any One Fire
Medical Expense Limit	\$ 5,000 Any One Person

**Location of all Premises You Own, Rent or Occupy:** SEE ATTACHED LOCATION FORM SCHEDULE CIGG 176

<b>Classification</b>	<b>Code No.</b>	<b>Premium Basis</b>	<b>Rate Pr/Co</b>	<b>Advance Pr/Co</b>	<b>Premium Other</b>
SEE ATTACHED COMMERCIAL GENERAL LIABILITY SCHEDULE CICL 043					
		<b>Balance To Meet Minimum</b>			\$ 0.00
		<b>TOTAL ADVANCE PREMIUM</b>			\$ 2,282.00

THE LIABILITY PREMIUM BASIS OF THIS POLICY IS SUBJECT TO AN AUDIT.  
ADDITIONAL PREMIUM MAY BE DUE.

**FORMS AND ENDORSEMENTS:** SEE COMMERCIAL GENERAL LIABILITY COVERAGE PART  
FORM SCHEDULE CICL 044

COUNTERSIGNED 04/28/2020 By   
Authorized Representative