ELECTRONICALLY RECORDED 201200004642 01/06/2012 10:42:14 AM DECLARATION 1/83

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR COURTYARDS AT NORMANDY

University Park, Dallas County, Texas

Declarant Crescent Estates Custom Homes, LP AFTER RECORDING, PLEASE RETURN TO: Crescent: Estates Custom Homes, LP 1221 N. Interstate 35E, Suite 200 Carrollton, Texas 75006

Filed and Recorded
Official Public Records
John F. Warren, County Clerk
Dallas County, TEXAS
01/06/2012 10:42:14 AM
\$344.00
201200004642



DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR COURTYARDS AT NORMANDY -- Page 57

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR COURTYARDS AT NORMANDY

University Park, Dallas County, Texas

Declarant Crescent Estates Custom Homes, LP

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR COURTYARDS AT NORMANDY

TABLE OF CONTENTS

	PAGI
ARTICLE 1 - DEFINITIONS	1
ARTICLE 2 - PROPERTY SUBJECT TO DOCUMENTS	2
2.1. PROPERTY	2
2.2. ADDITIONAL PROPERTY	3
2.3. ADJACENT LAND USE	4
2.4. RESTRICTIONS, EASEMENTS & PLAT DEDICATIONS	4
2.5. STREETS WITHIN PROPERTY	4
ARTICLE 3 - PROPERTY EASEMENTS AND RIGHTS	4
3.1. GENERAL	4
3.2. EASEMENT FOR SCREENING WALL	4
3.3. OWNER'S EASEMENT OF ENJOYMENT	5
3.4. OWNER'S INGRESS/EGRESS EASEMENT	5
3.5. RIGHTS OF CITY	5 5
3.6. ASSOCIATION'S ACCESS EASEMENT	5
3.7. UTILITY EASEMENT	6
3.8. MINERAL RIGHTS	6
3.9. SECURITY	7
ARTICLE 4 - COMMON AREA	7
4.1. OWNERSHIP	7
4.2. ACCEPTANCE	7
4.3. COMPONENTS	8
4.4. RIGHTS TO USE COMMONS AREAS	8
4.5. RISK OF LOSS - USE OF COMMON AREAS	8
4.6. LIMITED COMMON AREA	8
ARTICLE 5 - ARCHITECTURAL COVENANTS AND CONTROL	9
5.1. PURPOSE	9
5.2. ARCHITECTURAL CONTROL DURING THE DEVELOPMENT PERIOD	9
5.3. ARCHITECTURAL CONTROL BY ASSOCIATION	10
5.4. LIMITS ON LIABILITY	10
5.5. PROHIBITION OF CONSTRUCTION, ALTERATION &	10
IMPROVEMENT	
5.6. ARCHITECTURAL APPROVAL	10
5.7. ARCHITECTURAL GUIDELINES	11
ARTICLE 6 - CONSTRUCTION AND USE RESTRICTIONS	11
6.1. VARIANCE	11
6.2. CONSTRUCTION RESTRICTIONS	12
6.3. LIMITS TO RIGHTS	12

Table of Contents - - <u>DECLARATION OF COVENANTS</u>, <u>CONDITIONS</u>, <u>AND RESTRICTIONS FOR COURTYARDS AT NORMANDY</u> - - Page 1

6.4. ASSOCIATION'S RIGHT TO PROMULGATE RULE	s 12
6.5. ACCESSORY SHEDS	13
6.6. ANIMAL RESTRICTIONS	13
6.7. ANNOYANCE	13
6.8. APPEARANCE	13
6.9. BUSINESS USE	13
6.10. DECLARANT PRIVILEGES	14
6.11. DRAINAGE	14
6.12. DRIVEWAYS	14
6.13. FENCES	14
6.14, FLAGS	14
6.15. GARAGES	14
6.16. GUNS	14
6.17. LANDSCAPING	14
6.18. LEASING OF HOMES	14
6.19. LIGHTS	15
6.20. NOISE & ODOR	15
6.21. OCCUPANCY	15
6.22. RESIDENTIAL USE	15
6.23. SCREENING	15
6.24. SIGNS	15
6.25. TELEVISION	15
6.26. TEMPORARY STRUCTURES	16
6.27. VEHICLES	16
6.28. WINDOW TREATMENTS	17
6.29. YARD ART	17
ARTICLE 7 - ASSOCIATION OPERATIONS	17
7.1. THE ASSOCIATION	17
7.2. BOARD	18
7.3. MEMBERSHIP	18
7.4. DECISION-MAKING	18
7.5. MANAGER	18
7.6. COMMUNICATIONS	19
7.7. VOTING	19
7.8. BOOKS & RECORDS	19
7.9. INDEMNIFICATION	19
7.10. OBLIGATIONS OF OWNERS	19
7.11. NEW HOME SALES	20
7.12. HOME RESALES	20
A DESIGN E O COMPANA ME POR A DORGON CENTRO	21
ARTICLE 8 - COVENANT FOR ASSESSMENTS	21
8.1. PURPOSE OF ASSESSMENTS	21
8.2. PERSONAL OBLIGATION	21
8.3. CONTROL FOR ASSESSMENT INCREASES	21
8.4. TYPES OF ASSESSMENTS	22 23
8.5. BASIS & RATE OF ASSESSMENTS	23
8.6. ANNUAL BUDGET 8.7. DUE DATE	23 24
8.8. RESERVE FUNDS	24 24
8.9. ASSOCIATION'S RIGHT TO BORROW MONEY	24
0.7. AGOCIATION S MONT TO DORNOW WICHER	24

Table of Contents - - <u>DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR COURTYARDS AT NORMANDY</u> - - Page 2

8.10. LIMITATIONS OF INTEREST	24
8.11. EFFECT OF NONPAYMENT OF ASSESSMENTS	24
8.12. HOA SALE FEES	25
ARTICLE 9 - ASSESSMENT LIEN	27
9.1. ASSESSMENT LIEN	27
9.2. SUPERIORITY OF ASSESSMENT LIEN	27
9.3. EFFECT OF MORTGAGEE'S FORECLOSURE	27
9.4. NOTICE AND RELEASE OF NOTICE	27
9.5. POWER OF SALE	28
9.6. FORECLOSURE OF LIEN	28
ARTICLE 10 - ENFORCING THE DOCUMENTS	28
10.1. NOTICE AND HEARING	28
10.2. REMEDIES	28
10.3. BOARD DISCRETION	29
10.4. NO WALVER	29
10.5. RECOVERY OF COSTS	30
ARTICLE 11 - MAINTENANCE AND REPAIR OBLIGATIONS	30
11.1. ASSOCIATION MAINTAINS	30
11.2, OWNER RESPONSIBILITY	30
11.3, OWNER'S DEFAULT IN MAINTENANCE	31
ARTICLE 12 – INSURANCE	31
12.1. GENERAL PROVISIONS	31
12.2. PROPERTY	32
12.3. GENERAL LIABILITY	32
12.4. DIRECTORS & OFFICERS LIABILITY	32
12.5. OTHER COVERAGES	32
12.6. OWNER'S RESPONSIBILITY FOR INSURANCE	32
ARTICLE 13 - MORTGAGEE PROTECTION	32
13.1. INTRODUCTION	32
13.2. MORTGAGEE RIGHTS	33
13.3. LIMITS ON ASSOCIATION'S DUTIES	34
ARTICLE 14 - AMENDMENTS	34
14.1. CONSENTS REQUIRED	34
14.2. METHOD OF AMENDMENT	34
14.3. EFFECTIVE	35
14.4. DECLARANT PROVISIONS	35
14.5. MERGER	35
14.6. TERMINATION	35
14.7. CONDEMNATION	35
ARTICLE 15 - DISPUTE RESOLUTION	35
15.1. INTRODUCTION & DEFINITIONS	36
15.2. MANDATORY PROCEDURES	36
15.3, NOTICE	37
15.4. NEGOTIATION	37

Table of Contents - - <u>DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR COURTYARDS AT NORMANDY</u> - - Page 3

15.5. MEDIATION	37
15.6. TERMINATION OF MEDIATION	37
15.7. ALLOCATION OF COSTS	37
15.8. ENFORCEMENT OF RESOLUTION	37
15.9, GENERAL PROVISIONS	38
15.10. LITIGATION APPROVAL & SETTLEMENT	38
15.11. CONSTRUCTION-RELATED DISPUTES	38
ARTICLE 16 - DECLARANT RIGHTS & RESERVATIONS	39
16.1. GENERAL PROVISIONS	39
16.2. DEFINITIONS	40
16.3. DECLARANT CONTROL PERIOD	40
RESERVATIONS - GOVERNANCE	
16.4. DECLARANT CONTROL PERIOD	41
RESERVATIONS - FINANCIAL	
16.5. DEVELOPMENT PERIOD RESERVATIONS	42
16.6. DIFFERENT STANDARDS	44
16.7. COMMON AREAS 16.8. SUCCESSOR DECLARANT	44
16.8. SUCCESSOR DECLARANT	44
ARTICLE 17 - GENERAL PROVISIONS	45
17.1. COMPLIANCE	45
17.2. HIGHER AUTHORITY	45
17.3. NOTICE	45
17.4 CHANGING TECHNOLOGY	45
17.5 LIBERAL CONSTRUCTION	45
17.6 SEVERABILITY	45
17.7. CAPTIONS	45
17.8. EXHIBITS	46
17.9. INTERPRETATION	46
17.10. DURATION	46
EXHIBIT "A" - DESCRIPTION OF SUBJECT LAND	48
EXHIBIT "B" - LIENHOLDER CONSENT TO DECLARATION	49
EXHIBIT "C" - CONSTRUCTION SPECIFICATIONS	50
EXHIBIT "D" – MAINTENANCE RESPONSIBILITY CHART	55
EXHIBIT "E" –	56
GUIDELINE FOR DISPLAY OF FLAGS	50
GUIDELINES FOR CERTAIN RELIGIOUS ITEMS	
GUIDELINES FOR SOLAR ENERGY DEVICES	
GUIDELINES FOR DOCUMENT RENTENTION	
COLLECTION POLICY	

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR COURTYARDS AT NORMANDY

This Declaration of Covenants, Conditions, and Restrictions for Courtyards at Normandy is made by Crescent Estates Custom Homes, LP, a Texas limited partnership ("Declarant"), on the date signed below. Declarant owns the real property described in Exhibit "A" of this Declaration, together with the improvements thereon.

Declarant desires to establish a general plan of development for the planned community of attached single family homes to be known as Courtyards at Normandy. Declarant further desires to provide for the preservation, administration, and maintenance of portions of Courtyards at Normandy, and to protect the value, desirability, and attractiveness of Courtyards at Normandy. As an integral part of the development plan, Declarant deems it advisable to create a property owners association to perform these functions and activities more fully described in this Declaration and the other Governing Documents described below.

Declarant DECLARES that the property described in Exhibit "A" will be owned, held, transferred, sold, conveyed, leased, occupied, used, insured, and encumbered subject to the terms, covenants, conditions, restrictions, and easements of this Declaration, including Declarant's representations and reservations in Article 16 below, which run with the real property and bind all parties having or acquiring any right, title, or interest in any part of the property, their heirs, successors, and assigns, and inure to the benefit of each Owner of any part of the property.

ARTICLE 1 DEFINITIONS

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

- 1.1. "Applicable Law" means the statutes and public laws and ordinances in effect at the time a provision of the Governing Documents is applied, and pertaining to the subject matter of the Governing Document provision. Statutes and ordinances specifically referenced in the Governing Documents are "Applicable Law" on the date of the Governing Document, and are not intended to apply to the Project if they cease to be applicable by operation of law, or if they are replaced or superceded by one or more other statutes or ordinances.
- I.2. "Architectural Reviewer" means the entity having jurisdiction over a particular application for architectural approval. During the Development Period, the Architectural Reviewer is Declarant, Declarant's designee, or Declarant's delegatee. Thereafter, the board-appointed Architectural Control Committee is the Architectural Reviewer.
- 1.3. "Assessment" means any charge levied against a lot or owner by the Association, pursuant to the Governing Documents or State law, including but not limited to Regular

Assessments, Special Assessments, Individual Assessments, and Deficiency Assessments, as defined in Article 8 of this Declaration.

- 1.4. "Association" means the association of owners of all lots in the Property, and serving as the "property owners' association" defined in Section 202.001(2) of the Texas Property Code. The initial name of the Association is Courtyards at Normandy Homeowners Association.
 - 1.5, "Board" means the board of directors of the Association.
 - 1.6. "City" means the City of University Park, Texas, in which the Property is located.
- 1.7. "Common Area" means portions of real property and improvements thereon that are owned and/or maintained by the Association, as described in Article 4 below. Portions of the common area may be allocated to certain lots as limited common area.
- 1.8. "Declarant" means Crescent Estates Custom Homes, LP, a Texas limited partnership, which is developing the Property, or the successors and assigns of Crescent Estates Custom Homes, LP, which are designated a Successor Declarant by Crescent Estates Custom Homes, LP, or by any such successor and assign, in a recorded document, executed by both Declarant and Successor Declarant in the case of a voluntary assignment.
 - 1.9. "Declarant Control Period" is defined in Article 16 of this Declaration.
 - 1.10. "Declaration" means this document, as it may be amended from time to time.
 - 1.11. "Development Period" is defined in Article 16 of this Declaration.
- 1.12. "Governing Documents" means, singly or collectively as the case may be, this Declaration, the Plat, the Bylaws of the Association, the Association's Articles of Association, and the Rules of the Association, as any of these may be amended from time to time. An appendix, exhibit, schedule, or certification accompanying a Governing Document is a part of that Governing Document.
- 1.13. "Lot" means a portion of the Property intended for independent ownership, on which there is or will be constructed a dwelling, as shown on the Plat. As a defined term, "lot" does not refer to common areas, even if platted and numbered as a lot. Where the context indicates or requires, "lot" includes all improvements thereon and any portion of a right-of-way that customarily is used exclusively by and in connection with the lot.
- 1.14. "Majority" means more than half. A reference to "a majority of owners" in any Governing Document or applicable law means "owners of at least a majority of the lots," unless a different meaning is specified.
- 1.15. "Member" means a member of the Association, each member being an owner of a lot, unless the context indicates that member means a member of the board or a member of a

committee of the Association. In the context of votes and decision-making, each lot has only one membership, although it may be shared by co-owners of a lot.

- 1.16 "Owner" means a holder of recorded fee simple title to a lot. Declarant is the initial owner of all lots. Contract sellers and mortgagees who acquire title to a lot through a deed in fieu of foreclosure or through judicial or nonjudicial foreclosure are owners. Persons or entities having ownership interests merely as security for the performance of an obligation are not owners. Every owner is a member of the Association. A reference in any Governing Document or applicable law to a percentage or share of owners or members means owners of at least that percentage or share of the lots, unless a different meaning is specified. For example, "a majority of owners" means owners of at least a majority of the lots.
- 1.17. "Plat" means all plats, singly and collectively, recorded in the Real Property Records of Dallas County, Texas, and pertaining to the real property described in Exhibit "A" of this Declaration, including all dedications, limitations, restrictions, easements, notes, and reservations shown on the plat, as it may be amended from time to time. The plat, titled "The Replat of Courtyards at Normandy Addition," recorded on June 30, 2010, at Instrument No. 201000164963, Real Property Records, Dallas County, Texas.
- 1.18. "Property" means all the land subject to this Declaration and all improvements, easements, rights, and appurtenances to the land. The name of the Property is Courtyards at Normandy. The Property is located on land described in Exhibit "A" to this Declaration, and includes every lot and any common area thereon.
- 1.19. "Resident" means an occupant of a dwelling, regardless of whether the person owns the lot.
- 1.20. "Rules" means rules and regulations of the Association adopted in accordance with the Governing Documents or applicable law. The initial Rules may be adopted by Declarant for the benefit of the Association.

ARTICLE 2 PROPERTY SUBJECT TO DOCUMENTS

- 2.1. <u>PROPERTY</u>. The real property described in Exhibit "A" is held, transferred, sold, conveyed, leased, occupied, used, insured, and encumbered subject to the terms, covenants, conditions, restrictions, liens, and easements of this Declaration, including Declarant's representations, rights, and reservations in Article 16, which run with the Property and bind all parties having or acquiring any right, title, or interest in the Property, their heirs, successors, and assigns, and inure to the benefit of each owner of the Property.
- 2.2. <u>ADDITIONAL PROPERTY</u>. Additional real property may be annexed to the Courtyards at Normandy and subjected to the Declaration and the jurisdiction of the Association on approval of owners representing at least two-thirds of the lots in the Property, or, during the Development Period, by Declarant as permitted in Article 16. Annexation of additional property

is accomplished by recording a declaration of annexation, including an amendment of Exhibit "A", in the Real Property Records of Dallas County, Texas.

- 2.3. <u>ADJACENT LAND USE</u>. Declarant makes no representation of any kind as to current or future uses actual or permitted of any land that is adjacent to or near the Courtyards at Normandy, regardless of what the plat shows as potential uses of adjoining land. Declarant and the Association can not and do not guaranty scenic views, volumes of traffic on streets around and through Courtyards at Normandy, availability of schools or shopping, or any other aspect of the Property that is affected by the uses or conditions of adjacent or nearby land, water, or air.
- 2.4. <u>RESTRICTIONS</u>, <u>EASEMENTS & PLAT DEDICATIONS</u>. In addition to the easements and restrictions contained in this Declaration, the Property is subject to all restrictions, easements, licenses, leases, and encumbrances of record, including any shown or referenced on the plat, each of which is incorporated herein by reference. Each owner, by accepting an interest in or title to a lot, whether or not it is so expressed in the instrument of conveyance, covenants and agrees to be bound by prior-recorded restrictions, easements, licenses, leases, and encumbrances, and further agrees to maintain any easement that crosses his lot and for which the Association does not have express responsibility.
- 2.5. STREETS WITHIN PROPERTY. Because streets within Courtyards at Normandy are capable of being converted from publicly dedicated to privately owned, and vice versa, this Section addresses both conditions. Private streets, if any, are part of the common area which is governed by the Association. Public streets are part of the common area only to the extent a governmental body, such as the city or county, authorizes or delegates to the Association. Regarding public streets, the Association, acting through the board, is specifically authorized (1) to accept from a governmental body any delegation of street-related duties, and (2) to act as attorney in fact for the owners in executing instruments required by public ordinance or public law to impose, modify, or remove restrictions or traffic devices (such as speed bumps) on public streets in the Property.

ARTICLE 3 PROPERTY EASEMENTS AND RIGHTS

- 3.1. <u>GENERAL</u>. In addition to other easements and rights established by the Governing Documents, the Property is subject to the easements and rights contained in this Article.
- 3.2. EASEMENT FOR SCREENING WALL. The Association is hereby granted a perpetual easement (the "Screening Wall Easement") over each lot (1) on or along a thoroughfare on the perimeter of or through Courtyards at Normandy, and (2) that abuts or contains a portion of the Property's entry feature or screening wall, fence, or berm for the purposes stated in this Section, regardless of whether or how the plat shows the easement, entry feature, or screening wall, fence, or berm. The purpose of the Screening Wall Easement is to provide for the existence, repair, improvement, and replacement of the Property's entry feature and screening wall, fence, or berm, if any, to be maintained by the Association as a common area. In exercising this Screening Wall Easement, the Association may, construct, maintain,

improve, and replace improvements reasonably related to the entrance and screening of a residential subdivision, including: screening walls, fences and/or berms; planter beds, landscaping, and plant material; electrical and water meters and equipment, including light fixtures and sprinkler systems; and signage relating to Courtyards at Normandy. The owners of the lots burdened with the Screening Wall Easement will have the continual use and enjoyment of their lots for any purpose that does not interfere with and prevent the Association's use of the Screening Wall Easement. In addition to the easement granted herein, the Association has the temporary right, from time to time, to use as much as the surface of a burdened lot as may be reasonably necessary for the Association to perform its contemplated work on the Screening Wall Easement. This easement is perpetual. The Screening Wall Easement will terminate when the purpose of the easement ceases to exist, is abandoned by the Association, or becomes impossible to perform. The Association may assign this easement, or any portion thereof, to the city if the city agrees to accept the assignment. This Screening Wall Easement applies only to the original entry features and screening walls, if any, installed by Declarant and replacements thereof, and does not apply or pertain to fences installed on individual lots, even though the lot abuts a major thoroughfare.

- 3.3. OWNER'S EASEMENT OF ENJOYMENT. Every owner is granted a right and easement of enjoyment over the common areas and to use of improvements therein, subject to other rights and easements contained in the Governing Documents. An owner who does not occupy a lot delegates this right of enjoyment to the residents of his lot. Notwithstanding the foregoing, if a portion of the common area, such as a recreational area, is designed for private use, the Association may temporarily reserve the use of such area for certain persons and purposes.
- 3.4. <u>OWNER'S INGRESS/EGRESS EASEMENT</u>. Every owner is granted a perpetual easement over the Property's streets, as may be reasonably required, for vehicular ingress to and egress from his lot.
- 3.5. <u>RIGHTS OF CITY</u>. The city, including its agents and employees, has the right of immediate access to the common areas at all times if necessary for the welfare or protection of the public, to enforce city ordinances, or to improve the appearance of or to preserve public property, public easements, or public rights of way.
- 3.6. <u>ASSOCIATION'S ACCESS EASEMENT</u>. Each owner, by accepting an interest in or title to a lot, whether or not it is so expressed in the instrument of conveyance, grants to the Association an easement of access and entry over, across, under, and through the Property, including without limitation all common areas and the owner's lot and all improvements thereon including the house and yards for the below-described purposes.
 - 3.6.1. <u>Purposes</u>. Subject to the limitations stated below, the Association may exercise this easement of access and entry for the following express purposes:
 - a. To inspect the property for compliance with maintenance and architectural standards.

- b. To perform maintenance that is permitted or required of the Association by the Governing Documents or by applicable law.
- c. To perform maintenance that is permitted or required of the owner by the Governing Documents or by applicable law, if the owner fails or refuses to perform such maintenance.
- d. To enforce architectural standards.
- e. To enforce use restrictions.
- f. The exercise of self-help remedies permitted by the Governing Documents or by applicable law.
- g. To enforce any other provision of the Governing Documents.
- h. To respond to emergencies.
- i. To grant easements to utility providers as may be necessary to install, maintain, and inspect utilities serving any portion of the Property.
- J. To perform any and all functions or duties of the Association as permitted or required by the Governing Documents or by applicable law.
- 3.6.2. <u>No Trespass</u>. In exercising this easement on an owner's lot, the Association is not liable to the owner for trespass.
- 3.6.3. <u>Limitations</u>. If the exercise of this easement requires entry onto an owner's lot, including into an owner's fenced yard, the entry will be during reasonable hours and after notice to the owner. This Subsection does not apply to situations that at time of entry are deemed to be emergencies that may result in imminent damage to or loss of life or property.
- 3.7. <u>UTILITY EASEMENT</u>. The Association may grant permits, licenses, and casements over common areas for utilities, roads, and other purposes necessary for the proper operation of Courtyards at Normandy. A company or entity, public or private, furnishing utility service to the Property, is granted an easement over the Property for ingress, egress, meter reading, installation, maintenance, repair, or replacement of utility lines and equipment, and to do anything else necessary to properly maintain and furnish utility service to the Property; provided, however, this easement may not be exercised without prior notice to the board. Utilities may include, but are not limited to, water, sewer, trash removal, electricity, gas, telephone, master or cable television, and security.
- 3.8. <u>MINERAL RIGHTS</u>. Some or all of the Property may be subject to a previous owner's acquisition, reservation, or conveyance of oil, gas, or mineral rights pursuant to one or more deeds or other instruments recorded in the Real Property Records of Dallas County, Texas,

including but not limited to rights to all oil, gas, or other minerals lying on, in, or under the Property and surface rights of ingress and egress. Because the instruments conveying or reserving mineral interests were recorded prior to this Declaration, those interests in the Property are superior and are not affected by any provision to the contrary in this Declaration. By accepting title to or interest in a lot, every owner acknowledges the existence of the mineral rights and/or reservations referenced in this Section and the attendant rights in favor of the owner or owners of the mineral interests.

3.9. SECURITY. The Association may, but is not obligated to, maintain or support certain activities within Courtyards at Normandy designed, either directly or indirectly, to improve safety in or on the Property. Each owner and resident acknowledges and agrees, for himself and his guests, that Declarant, the Association, and their respective directors, officers, committees, agents, and employees are not providers, insurers, or guarantors of security within the Property. Each owner and resident acknowledges and accepts his sole responsibility to provide security for his own person and property, and assumes all risks for loss or damage to same. Each owner and resident further acknowledges that Declarant, the Association, and their respective directors, officers, committees, agents, and employees have made no representations or warranties, nor has the owner or resident relied on any representation or warranty, express or implied, including any warranty of merchantability or fitness for any particular purpose, relative to any fire, burglar, and/or intrusion systems recommended or installed, or any security measures undertaken within Courtyards at Normandy. Each owner and resident acknowledges and agrees that Declarant, the Association, and their respective directors, officers, committees, agents, and employees may not be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken.

ARTICLE 4 COMMON AREA

- 4.1. OWNERSHIP. The designation of real property as a common area is determined by the plat and this Declaration, and not by the ownership of the property. This Declaration contemplates that the Association will eventually hold title to every common area capable of independent ownership by the Association. Declarant may install, construct, or authorize certain improvements or specific facilities on common areas in connection with the initial development of Courtyards at Normandy, and the cost thereof is not a common expense of the Association. Thereafter, all costs attributable to common areas, including maintenance, property taxes, insurance, and enhancements, are automatically the responsibility of the Association, regardless of the nature of title to the common areas, unless this Declaration elsewhere provides for a different allocation for a specific common area.
- 4.2. <u>ACCEPTANCE</u>. By accepting an interest in or title to a lot, each owner is deemed (1) to accept the common area of the Property, and any improvement thereon, in its then-existing "as is" condition; (2) to acknowledge the authority of the Association, acting through its board of directors, for all decisions pertaining to the common area; (3) to acknowledge that transfer of a common area's title to the Association by or through the Declarant is a ministerial task that does not require acceptance by the Association; and (4) to acknowledge the continuity of maintenance

of the common area, regardless of changes in the Association's board of directors or management.

- 4.3. <u>COMPONENTS</u>. The common area of Courtyards at Normandy consists of the following components on or adjacent to the Property, even if located on a lot or a public right-of-way:
 - a. All of the Property, save and except the house Lots.
 - b. The land described in Exhibit "A" as common area and all improvements thereon.
 - c. Any area shown on the plat as common area or an area to be maintained by the Association.
 - d. The formal entrances to Courtyards at Normandy, including (if any) the signage, landscaping, electrical and water installations, planter boxes and fencing on both sides of the junction of Normandy Avenue and Lomo Alto Drive.
 - e. Any modification, replacement, or addition to any of the above-described areas and improvements.
 - Personal property owned by the Association, such as books and records, office equipment, and supplies.
- 4.4. <u>RIGHTS TO USE COMMON AREA</u>. Each Owner, the members of that Owner's immediate family, and the Owner's guests (provided guests are accompanied by an Owner) shall have the right to use the Common Area for its intended purposes as herein provided. The Declarant and the Association shall have the right to enter on and use the Common Areas at all times to exercise their rights or (in the case of the Association) perform its duties hereunder. The Declarant and the Board may promulgate reasonable rules and regulations for the use of any specific facilities in the common area.
- 4.5. <u>RISK OF LOSS USE OF COMMON AREA</u>. Each Owner shall be individually responsible and assume all risk of loss associated with its use of the Common Area and use by its family members and guests. Neither the Association nor Declarant shall have any liability to any Owner or their family members or guests, or to any other person, arising out of or in connection with the use, in any manner whatsoever, of the Common Area or any improvements comprising a part thereof from time to time.
- 4.6. <u>LIMITED COMMON AREA</u>. If it is in the best interest of the Association, a portion of the common area may be licensed, leased, or allocated to one or more lots for their sole and exclusive use, as a limited common area, whether or not the area is so designated on the plat. Inherent in the limiting of a common area, maintenance of the limited common area becomes the responsibility of the lot owner, rather than the Association. For example, a common area that is difficult to access and maintain except via the adjoining house lot might be a candidate for limited common area.

ARTICLE 5 ARCHITECTURAL COVENANTS AND CONTROL

- 5.1. <u>PURPOSE</u>. Because the lots are part of a single, unified community, this Declaration creates rights to regulate the design, use, and appearance of the lots and common areas in order to preserve and enhance the Property's value and architectural harmony. One purpose of this Article is to promote and ensure the level of taste, design, quality, and harmony by which Courtyards at Normandy is developed and maintained. Another purpose is to prevent improvements and modifications that may be widely considered to be radical, curious, odd, bizarre, or peculiar in comparison to then existing improvements. A third purpose is to regulate the appearance of every aspect of proposed or existing improvements on a lot, including but not limited to dwellings, fences, landscaping, retaining walls, yard art, sidewalks and driveways, and further including replacements or modifications of original construction or installation. During the Development Period, a primary purpose of this Article is to reserve and preserve Declarant's right of architectural control.
- 5.2. ARCHITECTURAL CONTROL DURING THE DEVELOPMENT PERIOD. During the Development Period, neither the Association, the board of directors, nor a committee appointed by the Association or board (no matter how the committee is named) may involve itself with the approval of new homes on vacant lots. During the Development Period, the Architectural Reviewer for new homes on vacant lots is the Declarant or its delegatees.
 - 5.2.1. Declarant's Rights Reserved. Each owner, by accepting an interest in or title to a lot, whether or not it is so expressed in the instrument of conveyance, covenants and agrees that Declarant has a substantial interest in ensuring that the improvements within Courtyards at Normandy enhance Declarant's reputation as a community developer and do not impair Declarant's ability to sell homes in the Property. Accordingly, each owner agrees that during the Development Period no improvements will be started or progressed on owner's lot without the prior written approval of Declarant, which approval may be granted or withheld at Declarant's sole discretion. In reviewing and acting on an application for approval, Declarant may act solely in its self-interest and owes no duty to any other person or any organization. Declarant may designate one or more persons from time to time to act on its behalf in reviewing and responding to applications.
 - 5.2.2. Delegation by Declarant. During the Development Period. Declarant may from time to time, but is not obligated to, delegate all or a portion of its reserved rights under this Article to (1) a modifications or architectural committee appointed by Declarant or by the board, (2) a modifications or architectural committee elected by the owners, or (3) a committee comprised of architects, engineers, or other persons who may or may not be members of the Association. Any such delegation must be in writing and must specify the scope of delegated responsibilities. Any such delegation is at all times subject to the unilateral rights of Declarant (1) to revoke such delegation at any time and reassume jurisdiction over the matters previously delegated and (2) to veto any decision which Declarant in its sole discretion determines to be inappropriate or inadvisable for any reason.

- 5.3. ARCHITECTURAL CONTROL BY ASSOCIATION. Unless and until such time as Declarant delegates all or a portion of its reserved rights to the Architectural Control Committee (the "ACC"), or the Development Period is terminated or expires, the Association has no jurisdiction over architectural matters. On termination or expiration of the Development Period, or earlier if delegated in writing by Declarant, the Association, acting through the ACC will assume jurisdiction over architectural control. The ACC will consist of at least 3 but not more than 7 persons appointed by the board, pursuant to the Bylaws. Members of the ACC serve at the pleasure of the board and may be removed and replaced at the board's discretion. At the board's option, the board may act as the ACC, in which case all references in the Governing Documents to the ACC are construed to mean the board. Members of the ACC need not be owners or residents, and may but need not include architects, engineers, and design professionals whose compensation, if any, may be established from time to time by the board.
- 5.4. <u>LIMITS ON LIABILITY</u>. The Architectural Reviewer has sole discretion with respect to taste, design, and all standards specified by this Article. The Architectural Reviewer and each of its members has no liability for decisions made in good faith by the Architectural Reviewer, and which are not arbitrary or capricious. The Architectural Reviewer is not responsible for: (1) errors in or omissions from the plans and specifications submitted to the Architectural Reviewer, (2) supervising construction for the owner's compliance with approved plans and specifications, or (3) the compliance of the owner's plans and specifications with governmental codes and ordinances, state and federal laws.
- 5.5. PROHIBITION OF CONSTRUCTION, ALTERATION & IMPROVEMENT. Without the Architectural Reviewer's prior written approval, a person may not construct a dwelling or make an addition, alteration, improvement, installation, modification, redecoration, or reconstruction of or to the Property, if it will be visible from a street, another lot, or the common area. The Architectural Reviewer has the right but not the duty to evaluate every aspect of construction, landscaping, and property use that may adversely affect the general value or appearance of Courtyards at Normandy.
- 5.6. ARCHITECTURAL APPROVAL. To request architectural approval, an owner must make written application to the Architectural Reviewer and submit 2 identical sets of plans and specifications showing the nature, kind, shape, color, size, materials, and locations of the work to be performed. In support of the application, the owner may but is not required to submit letters of support or non-opposition from owners of lots that may be affected by the proposed change. The application must clearly identify any requirement of this Declaration for which a variance is sought. The Architectural Reviewer will return one set of plans and specifications to the applicant marked with the Architectural Reviewer's response, such as "Approved," "Denied," or "More Information Required." The Architectural Reviewer will retain the other set of plans and specifications, together with the application, for the Architectural Reviewer's files. Verbal approval by an Architectural Reviewer, the Declarant, an Association director or officer, a member of the ACC, or the Association's manager does not constitute architectural approval by the appropriate Architectural Reviewer, which must be in writing.

- 5.6.1. <u>Deemed Approval</u>. Under the following limited conditions, the applicant may presume that his request has been approved by the Architectural Reviewer:
 - a. If the applicant or a person affiliated with the applicant has not received the Architectural Reviewer's written response approving, denying, or requesting additional information within 60 days after delivering his complete application to the Architectural Reviewer.
 - b. If the proposed improvement or modification strictly conforms to requirements and construction specifications contained in this Declaration and in any design guidelines for the Property in effect at the time of application.

If those conditions are satisfied, the owner may then proceed with the improvement, provided he adheres to the plans and specifications which accompanied his application, and provided he initiates and completes the improvement in a timely manner. In exercising deemed approval, the burden is on the owner to document the Architectural Reviewer's actual receipt of the owner's complete application. Under no circumstance may approval of the Architectural Reviewer be deemed, implied, or presumed for an improvement or modification that would require a variance from the requirements and construction specifications contained in this Declaration and in any design guidelines for the Property in effect at the time of application.

- 5.6.2. <u>Building Permit</u>. If the application is for work that requires a building permit from a governmental body, the Architectural Reviewer's approval is conditioned on the issuance of the appropriate permit. The Architectural Reviewer's approval of plans and specifications does not mean that they comply with the requirements of the governmental body. Alternatively, governmental approval does not ensure Architectural Reviewer approval.
- 5.6.3. <u>Declarant Approved</u>, Notwithstanding anything to the contrary in this Declaration, any improvement to Courtyards at Normandy made or approved by Declarant during the Development Period is deemed to have been approved by the Architectural Reviewer.
- 5.7. <u>ARCHITECTURAL GUIDELINES</u>. The construction specifications for the Property are attached as Exhibit "C". Declarant during the Development Period and the Association thereafter, may publish additional architectural restrictions, guidelines, and standards, which may be revised from time to time to reflect changes in technology, style, and taste.

ARTICLE 6 CONSTRUCTION AND USE RESTRICTIONS

6.1. <u>VARIANCE</u>. The use of the Property is subject to the restrictions contained in this Article, and subject to rules adopted pursuant to this Article. The board or the Architectural Reviewer, as the case may be, may grant a variance or waiver of a restriction or rule on a case-

by-case basis when unique circumstances dictate, and may limit or condition its grant. To be effective, a variance must be in writing. The grant of a variance does not effect a waiver or estoppel of the Association's right to deny a variance in other circumstances. Approval of a variance or waiver may not be deemed, implied, or presumed under any circumstance.

- 6.2. CONSTRUCTION RESTRICTIONS. Without the Architectural Reviewer's prior written approval for a variance, all improvements constructed on every lot must have the characteristics and specifications described in Exhibit "C", which may be treated as the minimum requirements for improving and using a lot. The Architectural Reviewer and the board may promulgate additional rules and restrictions, as well as interpretations, additions, and specifications of the restrictions contained in this Article. An owner should review the Association's architectural restrictions, if any, before planning improvements, repairs, or replacements to his lot and dwelling.
- 6.3. <u>LIMITS TO RIGHTS</u>. No right granted to an owner by this Article or by any provision of the Governing Documents is absolute. The Governing Documents grant rights with the expectation that the rights will be exercised in ways, places, and times that are customary for the neighborhood. This Article and the Governing Documents as a whole do not try to anticipate and address every creative interpretation of the restrictions. For example, an owner's right to have a sign advertising the home for sale is not the right to mount the sign on the chimney and illuminate it with pulsating neon lights. The right of access to a home is not the right to land helicopters on the lot. The rights granted by this Article and the Governing Documents are at all times subject to the board's determination that a particular interpretation and exercise of a right is significantly inappropriate, unattractive, or otherwise unsuitable for the neighborhood, and thus constitutes a violation of the Governing Documents. In other words, the exercise of a right or restriction must comply with the spirit of the restriction as well as with the letter of the restriction.
- 6.4. <u>ASSOCIATION'S RIGHT TO PROMULGATE RULES</u>. The Association, acting through its board, is granted the right to adopt, amend, repeal, and enforce reasonable Rules, and penalties for infractions thereof, regarding the occupancy, use, disposition, maintenance, appearance, and enjoyment of Courtyards at Normandy. In addition to the restrictions contained in this Article, each lot is owned and occupied subject to the right of the board to establish Rules, and penalties for infractions thereof, governing:
 - a. Use of common areas.
 - b. Hazardous, illegal, or annoying materials or activities on the Property.
 - c. The use of Property-wide services provided through the Association.
 - d. The consumption of utilities billed to the Association.
 - e. The use, maintenance, and appearance of exteriors of dwellings and lots.
 - f. Landscaping and maintenance of yards.

- g. The occupancy and leasing of dwellings.
- h. Animals.
- i. Vehicles.
- j. Disposition of trash and control of vermin, termites, and pests.
- k. Anything that interferes with maintenance of the Property, operation of the Association, administration of the Governing Documents, or the quality of life for residents.
- 6.5. <u>ACCESSORY SHEDS</u>. Per Plan Development Ordinance No. 39, with the City of University Park, Texas, accessory structures, such as dog houses, gazebos, metal storage sheds, playhouses, and greenhouses, <u>are not permitted</u>.
- 6.6. ANIMAL RESTRICTIONS. No animal, bird, fish, reptile, or insect of any kind may be kept, maintained, raised, or bred anywhere on the Property for any commercial purpose or for food. The only animals permitted on the Property are customary domesticated household pets, which may be kept for personal companionship subject to rules adopted by the board. The board may adopt, amend, and repeal rules regulating the types, sizes, numbers, locations, and behavior of animals at the Property. If the rules fail to establish animal occupancy quotas, no more than 4 dogs and/or cats may be maintained on each lot. Pets must be kept in a manner that does not disturb the peaceful enjoyment of residents of other lots. Pets must be maintained inside the dwelling, and may be kept in a fenced yard only if they do not disturb residents of other lots. Resident is responsible for the removal of his pet's wastes from the Property. Unless the Rules provide otherwise, a resident must prevent his pet from relieving itself on the common area or the lot of another owner.
- 6.7. <u>ANNOYANCE</u>. No lot or common area may be used in any way that: (1) may reasonably be considered annoying to neighbors; (2) may be calculated to reduce the desirability of Courtyards at Normandy as a residential neighborhood; (3) may endanger the health or safety of residents of other lots; (4) may result in the cancellation of insurance on the Property; or (5) violates any law. The board has the sole authority to determine what constitutes an annoyance.
- 6.8. <u>APPEARANCE</u>. Both the lot and the dwelling must be maintained in a manner so as not to be unsightly when viewed from the street or neighboring lots. The Architectural Reviewer is the arbitrator of acceptable appearance standards.
- 6.9. <u>BUSINESS USE</u>. A resident may use a dwelling for business uses, such as telecommuting, personal business, and professional pursuits, provided that: (1) the uses are incidental to the primary use of the dwelling as a residence; (2) the uses conform to applicable governmental ordinances; (3) the uses do not entail visits to the lot by employees or the public in quantities that materially increase the number of vehicles parked on the street; and (4) the uses do not interfere with the residential use and enjoyment of neighboring lots by other residents.

- 6.10. <u>DECLARANT PRIVILEGES</u>. Declarant has reserved a number of rights and privileges to use the Property in ways that are not available to other owners and residents, as provided in Article 16 of this Declaration. Declarant's exercise of a Development Period right that appears to violate a rule or a use restriction of this Article does not constitute waiver or abandonment of the restriction by the Association as applied to owners other than Declarant.
- 6.11. <u>DRAINAGE</u>. No person may interfere with the established drainage pattern over any part of Courtyards at Normandy unless an adequate alternative provision for proper drainage has been approved by the board.
- 6.12. <u>DRIVEWAYS</u>. The driveway portion of a lot may not be used for any purpose that interferes with its ongoing use as a route of vehicular access to the garage. Without the board's prior approval, a driveway may not be used: (1) for storage purposes, including storage of boats, trailers, and inoperable vehicles; or (2) for repair or restoration of vehicles.
- 6.13. <u>FENCES</u>. All fences must comply with City of University Park, Texas Plan Development Ordinance No. 39.
- 6.14. <u>FLAGS</u>. Each owner and resident of Courtyards at Normandy has a right to fly the flag on his lot. The United States flag ("Old Glory") and/or the Texas state flag ("Lone Star Flag") may be displayed in a respectful manner on each lot, subject to reasonable standards adopted by the Association for the height, size, illumination, location, and number of flagpoles. All flag displays must comply with public flag laws. No other types of flags, pennants, banners, kites, or similar types of displays are permitted on a lot if the display is visible from a street or common area.
- 6.15. <u>GARAGES</u>. Without the board's prior written approval, the original garage area of a lot may not be enclosed or used for any purpose that prohibits the parking of two standard-size operable vehicles therein. Garage doors are to be kept closed at all times except when a vehicle is entering or leaving.
- 6.16. <u>GUNS</u>. Hunting and shooting are not permitted anywhere on or from Courtyards at Normandy. The Association is not required to enforce this provision by confronting an armed person.
- 6.17. <u>LANDSCAPING</u>. No person may perform landscaping, planting, or gardening on the common area without the board's prior written authorization.
- 6.18. <u>LEASING OF HOMES</u>. An owner may lease the dwelling on his lot. Whether or not it is so stated in a lease, every lease is subject to the Governing Documents. An owner is responsible for providing his tenant with copies of the Governing Documents and notifying him of changes thereto. Failure by the tenant or his invitees to comply with the Governing Documents, federal or state law, or local ordinance is deemed to be a default under the lease. When the Association notifies an owner of his tenant's violation, the owner will promptly obtain his tenant's compliance or exercise his rights as a landlord for tenant's breach of lease. If the

tenant's violation continues or is repeated, and if the owner is unable, unwilling, or unavailable to obtain his tenant's compliance, then the Association has the power and right to pursue the remedies of a landlord under the lease or state law for the default, including eviction of the tenant. The owner of a leased lot is liable to the Association for any expenses incurred by the Association in connection with enforcement of the Governing Documents against his tenant. The Association is not liable to the owner for any damages, including lost rents, suffered by the owner in relation to the Association's enforcement of the Governing Documents against the owner's tenant.

- 6.19. <u>LIGHTS</u>. Exterior light sources on a lot should be unobtrusive, shielded to prevent glare, directed away from neighboring homes and yards, with little if any spillover light on neighboring property. All visible exterior light fixtures on a lot should be consistent in style and finish with the architecture of the home.
- 6.20. <u>NOISE & ODOR</u>. A resident must exercise reasonable care to avoid making or permitting to be made loud, disturbing, or objectionable noises or noxious odors that are likely to disturb or annoy residents of neighboring lots. The Rules may prohibit the use of noise-producing security devices.
- 6.21. OCCUPANCY. Other than the completed principal dwelling, no thing or structure on a lot may be occupied as a residence at any time by any person. This provision applies, without limitation, to the garage, campers, and storage sheds.
- 6.22. <u>RESIDENTIAL USE</u>. The use of a house lot is limited exclusively to residential purposes or any other use permitted by this Declaration, including limited business uses described above.
- 6.23. <u>SCREENING</u>. The Architectural Reviewer may require screening from the view of the public and neighboring lots and dwellings, if the board determines that anything on a lot to be unsightly or inappropriate for a residential subdivision. As used in this Section, "screened from view" refers to the view of a person in a passenger vehicle driving on a street or alley, or the view of a person of average height standing in the middle of a yard of an adjoining lot.
- 6.24. <u>SIGNS</u>. An owner who is actively marketing his lot for sale or lease may place in the front yard one professionally-made traditional yard sign of not more than 6 square feet advertising the lot for sale or for rent. No other sign or unsightly object may be erected, placed, or permitted to remain on the Property or to be visible from windows in the dwelling without the board's prior written approval. The board's approval may specify the location, nature, appearance, dimensions, number, and time period of a sign or object. The Association may effect the removal of any sign or object that violates this Section or which the board deems inconsistent with neighborhood standards without liability for trespass or any other liability connected with the removal.
- 6.25. <u>TELEVISION</u>. Each resident of Courtyards at Normandy will avoid doing or permitting anything to be done that may unreasonably interfere with the television, radio, telephonic, electronic, microwave, cable, or satellite reception on the Property. Antennas,

satellite or microwave dishes, and receiving or transmitting towers that are visible from a street or from another lot are prohibited within the Property, except (1) reception-only antennas or satellite dishes designed to receive television broadcast signals, (2) antennas or satellite dishes that are one meter or less in diameter and designed to receive direct broadcast satellite service (DBS), or (3) antennas or satellite dishes that are one meter or less in diameter or diagonal measurement and designed to receive video programming services via multipoint distribution services (MDS) (collectively, the "Antenna") are permitted if located (a) inside the structure (such as in an attic or garage) so as not to be visible from outside the structure, (b) in a fenced yard, or (c) attached to or mounted on the rear wall of a structure below the eaves. If an owner determines that an Antenna cannot be located in compliance with the above guidelines without precluding reception of an acceptable quality signal, the owner may install the Antenna in the least conspicuous location on the lot where an acceptable quality signal can be obtained. The Association may adopt reasonable rules for the location, appearance, camouflaging, installation, maintenance, and use of the Antennas to the extent permitted by public law.

6.26. <u>TEMPORARY STRUCTURES</u>. Per Plan Development Ordinance 39, <u>temporary</u> <u>structures are not allowed</u>.

- 6.27. <u>VEHICLES</u>. All vehicles on the Property, whether owned or operated by the residents or their families and guests, are subject to this Section and Rules adopted by the board. The board may adopt, amend, and repeal rules regulating the types, sizes, numbers, conditions, uses, appearances, and locations of vehicles on the Property. The board may effect the removal of any vehicle in violation of this Section or the Rules without liability to the owner or operator of the vehicle.
 - 6.27.1. Parking in Street. The following subsection may not be construed to prohibit the parking of all vehicles on public streets. No parking is allowed in the mutual access easements as show and identified in the Plat. Additionally, vehicles that are not prohibited below may park on public streets if the city allows curbside parking, subject to the continuing right of the Association to adopt reasonable rules if circumstances warrant.
 - 6.27.2. Prohibited Vehicles. Without prior written board approval, the following types of vehicles and vehicular equipment mobile or otherwise may not be kept, parked, or stored anywhere on the Property including overnight parking on streets and driveways if the vehicle is visible from a street or from another lot: mobile homes, motor homes, buses, trailers, boats, aircraft, inoperable vehicles, commercial truck cabs, trucks with tonnage over one ton, vehicles which are not customary personal passenger vehicles, and any vehicle which the board deems to be a nuisance, unsightly, or inappropriate. This restriction does not apply to vehicles and equipment temporarily on the Property in connection with the construction or maintenance of a dwelling. Vehicles that transport inflammatory or explosive cargo are prohibited from the Property at all times.
- 6.28. <u>WINDOW TREATMENTS</u>. All window treatments within the dwelling that are visible from the street or another dwelling must be maintained in good condition and must not

detract from the appearance of the Property. The Architectural Reviewer may require an owner to change or remove a window treatment that the Architectural Reviewer determines to be inappropriate or unattractive. The Architectural Reviewer may prohibit the use of certain colors or materials for window treatments.

6.29. <u>YARD ART</u>. The Association is interested in the appearance of all portions of a house lot that are visible from the street or from a neighboring lot, including yards, porches, sidewalks, window sills, and chimneys (hereafter, collectively, the "yard"). Some changes or additions to a yard may defy easy categorization as an improvement, a sign, or landscaping. This Section confirms that all aspects of a visible yard are within the purview of the Architectural Reviewer.

ARTICLE 7 ASSOCIATION OPERATIONS

- 7.1. <u>THE ASSOCIATION</u>. The existence and legitimacy of the Association is derived from this Declaration and the Bylaws of the Association.
 - 7.1.1. <u>Type</u>. The Association must be a nonprofit organization, and may be unincorporated or incorporated, as the Association decides from time to time. If the Association incorporates, the subsequent failure of the Association to maintain its corporate charter from time to time does not affect the existence or legitimacy of the Association.
 - 7.1.2. Applicability. The Association is subject to the Texas Business Organizations Code ("TBOC"). Because provisions of this Declaration address issues covered by the TBOC, this Declaration is a "Governing Document" as defined by TBOC, and any such provision herein is a "Bylaw" as defined by TBOC. When incorporated, the Association is subject to TBOC Chapter 22 the Nonprofit Corporation Law. When unincorporated, the Association is subject to TBOC Chapter 252 the Uniform Unincorporated Nonprofit Association Act.
 - 7.1.3. Name. A name is not the defining feature of the Association. Although the initial name of the Association is Courtyards at Normandy Homeowners Association, the Association may operate under any name that is approved by the board and (1) registered by the board with the County Clerk of Dallas County, Texas, as an assumed name, or (2) filed by the Association with the Secretary of State as the name of the filing entity. The Association may also change its name by amending the Governing Documents. Another legal entity with the same name as the Association, or with a name based on the name of the Property is not the Association, which derives its authority from this Declaration.
 - 7.1.4. <u>Duties</u>. The duties and powers of the Association are those set forth in the Governing Documents, together with the general and implied powers of a property owners association and, as applicable, an unincorporated nonprofit association or a nonprofit corporation organized under the laws of the State of Texas. Generally, the

Association may do any and all things that are lawful and necessary, proper, or desirable in operating for the peace, health, comfort, and general benefit of its members, subject only to the limitations on the exercise of such powers as stated in the Governing Documents.

- 7.1.5. <u>Duration</u>. The Association comes into existence on the later to occur of the two following events: (1) the date on which this Declaration is recorded in the Real Property Records of Dallas County, Texas, or (2) the date on which a deed is recorded in the Real Property Records of Dallas County, Texas, evidencing diversity of ownership in the Property (that the Property is not owned entirely by Declarant or its affiliates). The Association will continue to exist at least as long as this Declaration, as it may be amended, is effective against all or part of the Property.
- 7.2. <u>BOARD</u>. The Association is governed by a board of directors. Unless the Association's Bylaws or Articles of Association provide otherwise, the board will consist of at least 3 persons elected by the members at the annual meeting of the Association, or at a special meeting called for that purpose. Unless the Governing Documents expressly reserve a right, action, or decision to the owners, Declarant, or another party, the board acts in all instances on behalf of the Association. Unless the context indicates otherwise, references in the Governing Documents to the "Association" may be construed to mean "the Association acting through its board of directors."
- 7.3. <u>MEMBERSHIP</u>. Each owner is a member of the Association, ownership of a lot being the sole qualification for membership. Membership is appurtenant to and may not be separated from ownership of the lot. The board may require satisfactory evidence of transfer of ownership before a purported owner is entitled to vote at meetings of the Association. If a lot is owned by more than one person or entity, each co-owner is a member of the Association and may exercise the membership rights appurtenant to the lot. A member who sells his lot under a contract for deed may delegate his membership rights to the contract purchaser, provided a written assignment is delivered to the board. However, the contract seller remains liable for all assessments attributable to his lot until fee title to the lot is transferred.
- 7.4. <u>DECISION-MAKING</u>. Any decision or act of the Association may be made by or at the direction of the board, unless the Governing Documents reserve the decision or act to the members, the Declarant, or any other person or group. Unless the Governing Documents or applicable law provide otherwise, any action requiring approval of the members may be approved (1) at a meeting by owners of at least a majority of the lots that are represented at the meeting, provided notice of the meeting was given to an owner of each lot, or (2) in writing by owners of at least a majority of all lots, provided the opportunity to approve or disapprove was given to an owner of each lot.
- 7.5. MANAGER. The board may delegate the performance of certain functions to one or more managers or managing agents of the Association. Notwithstanding a delegation of its functions, the board is ultimately responsible to the members for governance of the Association.

- 7.6. <u>COMMUNICATIONS</u>. This Declaration is drafted in an era of rapidly changing communication technologies. Declarant does not intend to limit the methods by which the Association, owners, and residents communicate with each other. Such communications may be by any method or methods that are available and customary. For example, if the Association is required by the Governing Documents or applicable law to make information available to owners of all lots, that requirement may be satisfied by posting the information on the Association's website or by using electronic means of disseminating the information, unless applicable law requires a specific method of communication. It is foreseeable that meetings of the Association and voting on issues may eventually be conducted via technology that is not widely available on the date of this Declaration. As communication technologies change, the Association may adopt as its universal standard any technology that is used by owners of at least 85 percent of the lots. Also, the Association may employ multiple methods of communicating with owners and residents.
- 7.7. <u>VOTING</u>. One indivisible vote is appurtenant to each lot. The total number of votes equals the total number of lots in the Property. If additional property is made subject to this Declaration, the total number of votes will be increased automatically by the number of additional lots or tracts. Each vote is uniform and equal to the vote appurtenant to every other lot, except during the Declarant Control Period as permitted in Article 16. Cumulative voting is not allowed. Votes may be cast by written proxy, according to the requirements of the Association's Bylaws.
- 7.8. <u>BOOKS & RECORDS</u>. The Association will maintain copies of the Governing Documents and the Association's books, records, and financial statements. The Association will make its books and records available to members, on request, for inspection and copying.
- 7.9. INDEMNIFICATION. The Association indemnifies every officer, director, committee chair, and committee member (for purposes of this Section, "Leaders") against expenses, including attorney's fees, reasonably incurred by or imposed on the Leader in connection with an action, suit, or proceeding to which the Leader is a party by reason of being or having been a Leader. A Leader is not liable for a mistake of judgment, negligent or otherwise. A Leader is liable for his willful misfeasance, malfeasance, misconduct, or bad faith. This right to indemnification does not exclude any other rights to which present or former Leaders may be entitled. The Association may maintain general liability and directors and officers liability insurance to fund this obligation. Additionally, the Association may indemnify a person who is or was an employee, trustee, agent, or attorney of the Association, against any liability asserted against him and incurred by him in that capacity and arising out of that capacity. Additionally, the Association may indemnify a person who is or was an employee, trustee, agent, or attorney of the Association, against any liability asserted against him and incurred by him in that capacity and arising out of that capacity by him in that capacity and arising out of that capacity.
- 7.10. <u>OBLIGATIONS OF OWNERS</u>. Without limiting the obligations of owners under the Governing Documents, each owner has the following obligations:

- 7.10.1. <u>Pay Assessments</u>. Each owner will pay assessments properly levied by the Association against the owner or his lot, and will pay regular assessments without demand by the Association.
- 7.10.2 <u>Transfers</u>. Each owner will pay the applicable HOA Sale Fees described in Article 8 of this Declaration and pursuant to the Notice of HOA Sale Fees in effect at the time of transfer.
- 7.10.3 <u>Comply</u>. Each owner will comply with the Governing Documents as amended from time to time.
- 7.10.4 <u>Reimburse</u>. Each owner will pay for damage to the Property caused by the negligence or willful misconduct of the owner, a resident of the owner's lot, or the owner or resident's family, guests, employees, contractors, agents, or invitees.
- 7.10.5. <u>Liability</u>. Each owner is liable to the Association for violations of the Governing Documents by the owner, a resident of the owner's lot, or the owner or resident's family, guests, employees, agents, or invitees, and for costs incurred by the Association to obtain compliance, including attorney's fees whether or not suit is filed.
- 7.11. <u>NEW HOME SALES</u>. The sale by Declarant to a homeowner of (1) a lot that is improved with a newly constructed house or (2) a lot with a contract for construction of the first house, is considered a "New Home Sale" for purposes of this Declaration. New Home Sales are not resales. The obligations for HOA Sale Fees for New Home Sales are described in Article 8 of this Declaration.
- 7.12. <u>HOME RESALES</u>. For purposes of this Declaration, a "resale" is every sale or conveyance of a lot (or of an interest in a lot) that is improved with a house, other than the initial sale by Declarant of the lot with the newly constructed house to the initial homeowner. This Section applies to every resale of a house lot.
 - 7.12.1. Resale Certificate. An owner intending to sell his home will notify the Association and will request a resale certificate from the Association.
 - 7.12.2. No Right of First Refusal. The Association does not have a right of first refusal and may not compel a selling owner to convey the owner's lot to the Association.
 - 7.12.3. <u>HOA Sale Fees</u>. At time of transfer, the HOA Sale Fees described in Article 8 of this Declaration and pursuant to the Notice of HOA Sale Fees in effect at the time of transfer are due and payable by buyer and/or seller.
 - 7.12.4. <u>Information</u>. Within 30 days after acquiring an interest in a lot, an owner will provide the Association with the following information: a copy of the settlement statement or deed by which owner has title to the lot; the owner's email address (if any), U. S. postal address, and phone number; any mortgagee's name, address, and loan

number; the name and phone number of any resident other than the owner; the name, address, and phone number of owner's managing agent, if any.

7.12.5. Exclusions. This requirements of this Section, do not apply to the following transfers: (1) the initial conveyance from Declarant; (2) foreclosure of a mortgagee's deed of trust lien, a tax lien, or the Association's assessment lien; (3) conveyance by a mortgagee who acquires title by foreclosure or deed in lieu of foreclosure; (4) transfer to, from, or by the Association; (5) voluntary transfer by an owner to one or more co-owners, or to the owner's spouse, child, or parent; (6) a transfer by a fiduciary in the course of administering a decedent's estate, guardianship, conservatorship, or trust; (7) a conveyance pursuant to a court's order, including a transfer by a bankruptcy trustee; or (8) a disposition by a government or governmental agency.

ARTICLE 8 COVENANT FOR ASSESSMENTS

- 8.1. <u>PURPOSE OF ASSESSMENTS</u>. The Association will use assessments for the general purposes of preserving and enhancing Courtyards at Normandy, and for the common benefit of owners and residents, including but not limited to maintenance of real and personal property, management and operation of the Association, and any expense reasonably related to the purposes for which Courtyards at Normandy was developed. If made in good faith, the board's decision with respect to the use of assessments is final.
- 8.2. <u>PERSONAL OBLIGATION</u>. An owner is obligated to pay assessments levied by the board against the owner or his lot. An owner makes payment to the Association at its principal office or at any other place the board directs. Payments must be made in full regardless of whether an owner has a dispute with the Association, another owner, or any other person or entity regarding any matter to which this Declaration pertains. No owner may exempt himself from his assessment liability by waiver of the use or enjoyment of the common area or by abandonment of his lot. An owner's obligation is not subject to offset by the owner, nor is it contingent on the Association's performance of the Association's duties. Payment of assessments is both a continuing affirmative covenant personal to the owner and a continuing covenant running with the lot.
- 8.3. <u>CONTROL FOR ASSESSMENT INCREASES</u>. This Section of the Declaration may not be amended without the approval of owners of at least two-thirds of the lots. In addition to other rights granted to owners by this Declaration, owners have the following powers and controls over the Association's budget:
 - 8.3.1. <u>Veto Increased Dues</u>. At least 30 days prior to the effective date of an increase in regular assessments, the board will notify an owner of each lot of the amount of, the budgetary basis for, and the effective date of the increase. The increase will automatically become effective unless owners of at least a majority of the lots disapprove the increase by petition or at a meeting of the Association. In that event, the last-approved budget will continue in effect until a revised budget is approved.

- 8.3.2. <u>Veto Special Assessment</u>. At least 30 days prior to the effective date of a special assessment, the board will notify an owner of each lot of the amount of, the budgetary basis for, and the effective date of the special assessment. The special assessment will automatically become effective unless owners of at least majority of the lots disapprove the special assessment by petition or at a meeting of the Association.
- 8.4. <u>TYPES OF ASSESSMENTS</u>. There are 4 types of assessments: Regular, Special, Individual, and Deficiency.
 - 8.4.1. Regular Assessments. Regular assessments are based on the annual budget. Each lot is liable for its equal share of the annual budget. If the board does not approve an annual budget or fails to determine new regular assessments for any year, or delays in doing so, owners will continue to pay the regular assessment as last determined. If during the course of a year the board determines that regular assessments are insufficient to cover the estimated common expenses for the remainder of the year, the board may increase regular assessments for the remainder of the fiscal year in an amount that covers the estimated deficiency. Regular assessments are used for common expenses related to the reoccurring, periodic, and anticipated responsibilities of the Association, including but not limited to:
 - a. Maintenance, repair, and replacement, as necessary, of the common areas
 - b. Utilities billed to the Association.
 - c. Services billed to the Association and serving all lots.
 - d. Taxes on property owned by the Association and the Association's income taxes.
 - e. Management, legal, accounting, auditing, and professional fees for services to the Association.
 - f. Costs of operating the Association, such as telephone, postage, office supplies, printing, meeting expenses, and educational opportunities of benefit to the Association.
 - g. Premiums and deductibles on insurance policies and bonds deemed by the board to be necessary or desirable for the benefit of the Association, including fidelity bonds and directors and officers liability insurance.
 - h. Contributions to the reserve funds.
 - i. Any other expense which the Association is required by law or the Governing Documents to pay, or which in the opinion of the board is necessary or proper for the operation and maintenance of Courtyards at Normandy or for enforcement of the Governing Documents.

- 8.4.2. Special Assessments. In addition to regular assessments, and subject to the owners' control for assessment increases, the board may levy one or more special assessments against all lots for the purpose of defraying, in whole or in part, common expenses not anticipated by the annual budget or reserve funds. Special assessments do not require the approval of the owners, except that special assessments for the following purposes must be approved by owners of least a majority of the lots:
 - a. Acquisition of real property, other than the purchase of a lot at the sale foreclosing the Association's lien against the lot.
 - b. Construction of additional improvements within Courtyards at Normandy, but not replacement of original improvements.
 - c. Any expenditure that may reasonably be expected to significantly increase the Association's responsibility and financial obligation for operations, insurance, maintenance, repairs, or replacement.
- 8.4.3. <u>Individual Assessments</u>. In addition to regular and special assessments, the board may levy an individual assessment against a lot and its owner. Individual assessments may include, but are not limited to: interest, late charges, and collection costs on delinquent assessments; reimbursement for costs incurred in bringing an owner or his lot into compliance with the Governing Documents; fines for violations of the Governing Documents; insurance deductibles; transfer-related fees and resale certificate fees; fees for estoppel letters and project documents: reimbursement for damage or waste caused by willful or negligent acts; common expenses that benefit fewer than all of the lots, which may be assessed according to benefit received; fees or charges levied against the Association on a per-lot basis; and "pass through" expenses for services to lots provided through the Association and which are equitably paid by each lot according to benefit received.
- 8.4.4. <u>Deficiency Assessments</u>. The board may levy a deficiency assessment against all lots for the purpose of defraying, in whole or in part, the cost of repair or restoration if insurance proceeds or condemnation awards prove insufficient.
- 8.5. <u>BASIS & RATE OF ASSESSMENTS</u>. The share of liability for common expenses allocated to each lot is uniform for all lots, regardless of a lot's location or the value and size of the lot or dwelling; subject, however, to an exemption for Declarant provided in Article 16.
- 8.6. ANNUAL BUDGET. The board will prepare and approve an estimated annual budget for each fiscal year. The budget will take into account the estimated income and expenses for the year, contributions to reserve funds, and a projection for uncollected receivables. The board will send and make available the budget or its summary to the owner of each lot, although failure to receive a budget or summary does not affect an owner's liability for assessments. The board will provide copies of the detailed budget to owners who make written request and pay a reasonable copy charge.

- 8.7. <u>DUE DATE</u>. The board may levy regular assessments on any periodic basis annually, semi-annually, quarterly, or monthly. Regular assessments are due on the first day of the period for which levied. Special and individual assessments are due on the date stated in the notice of assessment or, if no date is stated, within 5 days after notice of the assessment is given. Assessments are delinquent if not received by the Association on or before the due date.
- 8.8. <u>RESERVE FUNDS</u>. The Association will establish, maintain, and accumulate reserves for operations and for replacement and repair of common area improvements. The Association must budget for reserves and may fund reserves out of regular assessments.
- 8.9. <u>ASSOCIATION'S RIGHT TO BORROW MONEY</u>. The Association is granted the right to borrow money, subject to the consent of owners of at least a majority of lots and the ability of the Association to repay the borrowed funds from assessments. To assist its ability to borrow, the Association is granted the right to encumber, mortgage, pledge, or deed in trust any of its real or personal property, and the right to assign its right to future income, as security for money borrowed or debts incurred, provided that the rights of the lender in the pledged property are subordinate and inferior to the rights of the owners hereunder.
- 8.10. <u>LIMITATIONS OF INTEREST</u>. The Association, and its officers, directors, managers, and attorneys, intend to conform strictly to the applicable usury laws of the State of Texas. Notwithstanding anything to the contrary in the Governing Documents or any other document or agreement executed or made in connection with the Association's collection of assessments, the Association will not in any event be entitled to receive or collect, as interest, a sum greater than the maximum amount permitted by applicable law. If from any circumstances whatsoever, the Association ever receives, collects, or applies as interest a sum in excess of the maximum rate permitted by law, the excess amount will be applied to the reduction of unpaid special and regular assessments, or reimbursed to the owner if those assessments are paid in full.
- 8.11. EFFECT OF NONPAYMENT OF ASSESSMENTS. An assessment is delinquent if the Association does not receive payment in full by the assessment's due date. The Association, acting through the board, is responsible for taking action to collect delinquent assessments. The Association's exercise of its remedies is subject to applicable laws, such as Chapter 209 of the Texas Property Code, and pertinent provisions of the Bylaws. From time to time, the Association may delegate some or all of the collection procedures and remedies, as the board in its sole discretion deems appropriate, to the Association's manager, an attorney, or a debt collector. Neither the board nor the Association, however, is liable to an owner or other person for its failure or inability to collect or attempt to collect an assessment. The following remedies are in addition to and not in substitution for all other rights and remedies which the Association has,
 - 8.11.1. <u>Interest.</u> Delinquent assessments are subject to interest from the due date until paid, at a rate to be determined by the board from time to time, not to exceed the lesser of 18 percent or the maximum permitted by law. If the board fails to establish a rate, the rate is 10 percent per annum.

- 8.11.2. <u>Late Fees</u>. Delinquent assessments are subject to reasonable late fees of \$25.00 per month. The rate may be increased or decreased as determined by the board from time to time.
- 8.11.3. <u>Costs of Collection</u>. The owner of a lot against which assessments are delinquent is liable to the Association for reimbursement of reasonable costs incurred by the Association to collect the delinquent assessments, including attorneys fees and processing fees charged by the manager.
- 8.11.4. <u>Acceleration</u>. If an owner defaults in paying an assessment that is payable in installments, the Association may accelerate the remaining installments on 10 days' written notice to the defaulting owner. The entire unpaid balance of the assessment becomes due on the date stated in the notice.
- 8.11.5. <u>Suspension of Vote</u>. If an owner's account has been delinquent for at least 30 days, the Association may suspend the right to vote appurtenant to the lot. Suspension does not constitute a waiver or discharge of the owner's obligation to pay assessments.
- 8.11.6. <u>Suspension of Right to Use Common Area</u>. If an owner's account has been delinquent for at least 30 days, the Association may suspend the right to Owner to use any of the Common Area during the time that such Owner is delinquent in paying any assessment.
- 8.11.7. <u>Money Judgment</u>. The Association may file suit seeking a money judgment against an owner delinquent in the payment of assessments, without foreclosing or waiving the Association's lien for assessments.
- 8.11.8. <u>Notice to Mortgagee</u>. The Association may notify and communicate with the holder of any lien against a lot regarding the owner's default in payment of assessments.
- 8.11.9. <u>Foreclosure of Assessment Lien</u>. As provided by this Declaration, the Association may foreclose its lien against the lot by judicial or nonjudicial means.
- 8.12. <u>HOA SALE FEES</u>. This Section addresses the expenses, fees, charges, and contributions (hereafter, collectively, the "HOA Sale Fees") that are charged by the Association or its manager, and that arise at the time of a home's sale or purchase. As used in this Section, "HOA Sale Fees" does not include a buyer's prepaid and/or pro-rate assessments. HOA Sale Fees are not refundable by the Association or the Association's manager, and may not be regarded as a prepayment of or credit against assessments. HOA Sale Fees generally fall into two types of categories working capital contributions, such as contributions to the reserve or operating funds of the Association, and administrative fees, such as fees for resale certificates, estoppel certificates, copies of governing documents, compliance inspections, ownership record changes, and priority processing.

8.12.1. Notice of HOA Sale Fees.

- a. Workings Capital Contributions. Upon acquisition of record title to a Lot by any Owner other than Declarant or affiliate of Declarant, a contribution shall be made by or on behalf of such owner to the working capital of the Association in an amount equal to \$600.00. This amount shall be deposited into escrow and disbursed there from to the Association, or to the Declarant if the Association is not yet established, and shall be used for covering operating and other expenses incurred by the Association pursuant to the terms of this Declaration and the bylaws of the Association.
- b. Transfer Fees and Fees for Issuance of Resale Certificates. The Board may, at its sole discretion, enter into contracts with 3rd parties to oversee the daily operation and management of the association. These 3rd parties may, and probably will, have fees, which will be charged to an Owner for the transfer of a signification estate of fee simple title to a Lot and the issuance of a Resale Certificate. The association or its agent shall not be required to issue a Resale Certificate until payment for the cost thereof has been received by the Association or its agent. Transfer fees and fees for the issuance of a Resale Certificate are in addition to the Working Capital Contribution stated above and are not payable by the Association unless the management contract so stipulates. This Section does not obligate the Board or any third party to levy such fees.
- c. The Association will publicly record a Notice of HOA Sale Fees, which may be recorded as part of the Management Certificate.
- 8.12.2. Amendment of Notice. Although the initial Notice of HOA Sale Fees is recorded as an exhibit of this Declaration, the Notice is not subject to the amendment requirements of Article 16 of this Declaration. The board, without a vote of the owners, may amend the Notice of HOA Sale Fees for the following two purposes: (1) to change a stated amount or formula for an HOA Sale Fee, or (2) to conform the Notice of HOA Sale Fees with applicable law regarding HOA Sale Fees. Any other amendment of the Notice requires the approval of owners of two-thirds of the lots represented at a meeting of the Association at which a quorum is present, provided notice of the proposed amendment is given with the notice of meeting. During the Development Period, any amendment of the Notice of HOA Sale Fees must have the written and acknowledged consent of Declarant.
- 8.12.3. <u>Effective</u>. To be effective, an amendment or restatement of the Notice of HOA Sale Fees by the owners or by the board must be in the form of a written instrument (1) referencing the name of the Property, the name of the Association, the recording data of the Declaration, and the recording data of the previously recorded Notice of HOA Sale Fees, (2) signed and acknowledged by an officer of the Association, certifying the

requisite approval of owners or directors, and (3) recorded in the Real Property Records of Dallas County, Texas.

- 8.12.4 <u>Applicability</u>. If the amended or restated Notice of HOA Sale Fees results in an overall reduction of HOA Sale Fees for a conveyance that is pending at the time of the amendment, the lower rate is effective immediately for any closing that occurs after the date the amendment is publicly recorded. If the amended or restated Notice of HOA Sale Fees results in an overall increase of HOA Sale Fees for the lot being conveyed, the increased amount is not effective until the 90th day after the date on which the amended or restated Notice of HOA Sale Fees is publicly recorded.
- 8.12.5 <u>Distribution</u>. Within 60 days after the amended or restated Notice of HOA Sale Fees is publicly recorded, a copy or report of, or electronic link to, the recorded amended Notice of HOA Sale Fees must be delivered or made available to an owner of each lot.

ARTICLE 9 ASSESSMENT LIEN

- 9.1. <u>ASSESSMENT LIEN</u>. Each owner, by accepting an interest in or title to a lot, whether or not it is so expressed in the instrument of conveyance, covenants and agrees to pay assessments to the Association. Each assessment is a charge on the lot and is secured by a continuing lien on the lot. Each owner, and each prospective owner, is placed on notice that his title may be subject to the continuing lien for assessments attributable to a period prior to the date he purchased his lot.
- 9.2. <u>SUPERIORITY OF ASSESSMENT LIEN</u>. The assessment lien on a lot is subordinate and inferior to (1) real property taxes and assessments levied by governmental and taxing authorities, (2) a deed of trust or vendor's lien recorded before this Declaration, (3) a recorded deed of trust lien securing a loan for construction of the original dwelling, (4) a first or senior purchase money vendor's lien or deed of trust lien recorded before the date on which the delinquent assessment became due, (5) a home equity or reverse mortgage lien which is a renewal, extension, or refinance of a first or senior purchase money vendor's lien or deed of trust lien recorded before the date on which the delinquent assessment became due, (6) an FHA-insured or VA-guaranteed mortgage. Except for the foregoing, the assessment lien is superior to all other liens and encumbrances on a lot.
- 9.3. <u>EFFECT OF MORTGAGEE'S FORECLOSURE</u>. Foreclosure of a superior lien extinguishes the Association's claim against the lot for unpaid assessments that became due before the sale, but does not extinguish the Association's claim against the former owner. The purchaser at the foreclosure sale of a superior lien is liable for assessments coming due from and after the date of the sale, and for the owner's pro rata share of the pre-foreclosure deficiency as an Association expense.
- 9.4. <u>NOTICE AND RELEASE OF NOTICE</u>. The Association's lien for assessments is created by recordation of this Declaration, which constitutes record notice and perfection of the

lien. No other recordation of a lien or notice of lien is required. However, the Association, at its option, may cause a notice of the lien to be recorded in the Real Property Records of Dallas County, Texas. If the debt is cured after a notice has been recorded, the Association will record a release of the notice at the expense of the curing owner.

- 9.5. <u>POWER OF SALE</u>. By accepting an interest in or title to a lot, each owner grants to the Association a private power of nonjudicial sale in connection with the Association's assessment lien. The board may appoint, from time to time, any person, including an officer, agent, trustee, substitute trustee, or attorney, to exercise the Association's lien rights on behalf of the Association, including the power of sale. The appointment must be in writing and may be in the form of a resolution recorded in the minutes of a board meeting.
- 9.6. FORECLOSURE OF LIEN. The assessment lien may be enforced by judicial or nonjudicial foreclosure. A foreclosure must comply with the requirements of applicable law, such as Chapter 209 of the Texas Property Code. A nonjudicial foreclosure must be conducted in accordance with the provisions applicable to the exercise of powers of sale as set forth in Section 51.002 of the Texas Property Code, or in any manner permitted by law. In any foreclosure, the owner is required to pay the Association's costs and expenses for the proceedings, including reasonable attorneys' fees, subject to applicable provisions of the Bylaws and applicable law, such as Chapter 209 of the Texas Property Code. The Association has the power to bid on the lot at foreclosure sale and to acquire, hold, lease, mortgage, and convey same. The Association may not foreclose the assessment lien if the debt consists solely of fines and/or a claim for reimbursement of attorney's fees incurred by the Association.

ARTICLE 10 ENFORCING THE DOCUMENTS

- 10.1. NOTICE AND HEARING. Before the Association may exercise certain of its remedies for a violation of the Governing Documents or damage to the Property, the Association must give an owner written notice and an opportunity for a hearing, according to the requirements and procedures in the Bylaws and in applicable law, such as Chapter 209 of the Texas Property Code. Notices are also required before an owner is liable to the Association for certain charges, including reimbursement of attorneys fees incurred by the Association.
- 10.2. <u>REMEDIES</u>. The remedies provided in this Article for breach of the Governing Documents are cumulative and not exclusive. In addition to other rights and remedies provided by the Governing Documents and by law, the Association has the following right to enforce the Governing Documents, subject to applicable notice and hearing requirements (if any):
 - 10.2.1. <u>Nuisance</u>. The result of every act or omission that violates any provision of the Governing Documents is a nuisance, and any remedy allowed by law against a nuisance, either public or private, is applicable against the violation.
 - 10.2.2. Fine. The Association may levy reasonable charges, as an individual assessment, against an owner and his lot if the owner or resident, or the owner or resident's family, guests, employees, agents, or contractors violate a provision of the

Governing Documents. Fines may be levied for each act of violation or for each day a violation continues, and does not constitute a waiver or discharge of the owner's obligations under the Governing Documents.

- 10.2.3. <u>Suspension</u>. The Association may suspend the right of owners and residents to use common areas for any period during which the owner or resident, or the owner or resident's family, guests, employees, agents, or contractors violate the Governing Documents. A suspension does not constitute a waiver or discharge of the owner's obligations under the Governing Documents.
- 10.2.4. <u>Self-Help</u>. The Association has the right to enter any part of the Property, including lots, to abate or remove, using force as may reasonably be necessary, any improvement, thing, animal, person, vehicle, or condition that violates the Governing Documents. In exercising this right, the board is not trespassing and is not liable for damages related to the abatement. The board may levy its costs of abatement against the lot and owner as an individual assessment. The board will make reasonable efforts to give the violating owner prior notice of its intent to exercise self-help. The notice may be given in any manner likely to be received by the owner. Prior notice is not required (1) in the case of emergencies, (2) to remove violative signs, (3) to remove violative debris, or (4) to remove any other violative item or to abate any other violative condition that is easily removed or abated and that is considered a nuisance, dangerous, or an eyesore to the neighborhood.
- 10.2.5. <u>Suit</u>. Failure to comply with the Governing Documents will be grounds for an action to recover damages or for injunctive relief to cause any such violation to be remedied, or both. Prior to commencing any legal proceeding, the Association will give the defaulting party reasonable notice and an opportunity to cure the violation.
- 10.3. <u>BOARD DISCRETION</u>. The board may use its sole discretion in determining whether to pursue a violation of the Governing Documents, provided the board does not act in an arbitrary or capricious manner. In evaluating a particular violation, the board may determine that under the particular circumstances (1) the Association's position is not sufficiently strong to justify taking any or further action; (2) the provision being enforced is or may be construed as inconsistent with applicable law; (3) although a technical violation may exist, it is not of such a material nature as to be objectionable to a reasonable person or to justify expending the Association's resources; or (4) that enforcement is not in the Association's best interests, based on hardship, expense, or other reasonable criteria.
- 10.4. <u>NO WAIVER</u>. The Association and every owner has the right to enforce all restrictions, conditions, covenants, liens, and charges now or hereafter imposed by the Governing Documents. Failure by the Association or by any owner to enforce a provision of the Governing Documents is not a waiver of the right to do so thereafter. If the Association does waive the right to enforce a provision, that waiver does not impair the Association's right to enforce any other part of the Governing Documents at any future time. No officer, director, or member of the Association is liable to any owner for the failure to enforce any of the Governing Documents at any time.

10.5. <u>RECOVERY OF COSTS</u>. The costs of curing or abating a violation are at the expense of the owner or other person responsible for the violation. If legal assistance is obtained to enforce any provision of the Governing Documents, or in any legal proceeding (whether or not suit is brought) for damages or for the enforcement of the Governing Documents or the restraint of violations of the Governing Documents, the prevailing party is entitled to recover from the nonprevailing party all reasonable and necessary costs incurred by it in such action, including reasonable attorneys' fees.

ARTICLE 11 MAINTENANCE AND REPAIR OBLIGATIONS

- 11.1. <u>ASSOCIATION MAINTAINS</u>. The Association's maintenance obligations will be discharged when and how the board deems appropriate. The Association maintains, repairs, and replaces, as a common expense, the portions of the Property (i) as shown as the attached Exhibit "D" as "areas of commons responsibility" and (ii) listed below, regardless of whether the portions are on lots or common areas.
 - a. The common areas
 - b. Any real and personal property owned by the Association but which is not a common area, such as a house lot owned by the Association.
 - c. Any property adjacent to Courtyards at Normandy if maintenance of same is deemed to be in the best interests of the Association, and if not prohibited by the owner or operator of said property.
 - d. Any area, item, easement, or service the maintenance of which is assigned to the Association by this Declaration or by the plat.
 - e. All lawn and landscaping within the Property except for each lot's individual courtyard.
- 11.2. OWNER RESPONSIBILITY. Every owner has the following responsibilities and obligations for the maintenance, repair, and replacement of the Property (i) as shown as the attached Exhibit "D" as "owner responsibility" and (ii), subject to the architectural control requirements of Article 5 and the use restrictions of Article 6:
 - 11.2.1. House Maintenance. Each owner, at the owner's expense, must maintain all improvements on the lot, including but not limited to the dwelling, fences, sidewalks, and driveways. Maintenance includes preventative maintenance, repair as needed, and replacement as needed. Each owner is expected to maintain his lot's improvements at a level, to a standard, and with an appearance that is commensurate with the neighborhood. Specifically, each owner must repair and replace worn, rotten, deteriorated, and unattractive materials, and must regularly repaint all painted surfaces.

- 11.2.2. <u>Yard Maintenance</u>, Each owner, at the owner's expense, must maintain the courtyard area on his lot at a level, to a standard, and with an appearance that is commensurate with the neighborhood.
- 11.2.3. <u>Avoid Damage</u>. An owner may not do any work or to fail to do any work which, in the reasonable opinion of the board, would materially jeopardize the soundness and safety of the Property, reduce the value of the Property, adversely affect the appearance of the Property, or impair any easement relating to the Property.
- 11.2.4. <u>Responsible for Damage</u>. An owner is responsible for his own willful or negligent acts and those of his or the resident's family, guests, agents, employees, or contractors when those acts necessitate maintenance, repair, or replacement to the common areas or the property of another owner.
- 11.3. OWNER'S DEFAULT IN MAINTENANCE. If the board determines that an owner has failed to properly discharge his obligation to maintain, repair, and replace items for which the owner is responsible, the board may give the owner written notice of the Association's intent to provide the necessary maintenance at owner's expense. The notice must state, with reasonable particularity, the maintenance deemed necessary and a reasonable period of time in which to complete the work. If the owner fails or refuses to timely perform the maintenance, the Association may do so at owner's expense, which is an individual assessment against the owner and his lot. In case of an emergency, however, the board's responsibility to give the owner written notice may be waived and the board may take any action it deems necessary to protect persons or property, the cost of the action being the owner's expense.

ARTICLE 12 INSURANCE

- 12.1. GENERAL PROVISIONS. All insurance affecting the Property is governed by the provisions of this Article, with which the board will make every reasonable effort to comply. The cost of insurance coverages and bonds maintained by the Association is an expense of the Association. Insurance policies and bonds obtained and maintained by the Association must be issued by responsible insurance companies authorized to do business in the State of Texas. The Association must be the named insured on all policies obtained by the Association. Each owner irrevocably appoints the Association, acting through its board, as his trustee to negotiate, receive, administer, and distribute the proceeds of any claim against an insurance policy maintained by the Association. Additionally:
 - 12.1.1. Notice of Cancellation or Modification. Each insurance policy maintained by the Association should contain a provision requiring the insurer to give at least 10 days' prior written notice to the board before the policy may be canceled, terminated, materially modified, or allowed to expire, by either the insurer or the insured.
 - 12.1.2. <u>Deductibles</u>. An insurance policy obtained by the Association may contain a reasonable deductible, which will be paid by the party who would be liable for the loss

or repair in the absence of insurance. If a loss is due wholly or partly to an act or omission of an owner or resident or their invitees, the owner must reimburse the Association for the amount of the deductible that is attributable to the act or omission.

- 12.2. <u>PROPERTY</u>. To the extent it is reasonably available, the Association will obtain property insurance for insurable common area improvements. Also, the Association will insure the improvements on any house lot owned by the Declarant and/or the Association.
- 12.3. <u>GENERAL LIABILITY</u>. The Association will maintain a commercial general liability insurance policy over the common areas expressly excluding the liability of each owner and resident within his lot for bodily injury and property damage resulting from the operation, maintenance, or use of the common areas. If the policy does not contain a severability of interest provision, it should contain an endorsement to preclude the insurer's denial of an owner's claim because of negligent acts of the Association or other owners.
- 12.4. <u>DIRECTORS & OFFICERS LIABILITY</u>. To the extent it is reasonably available, the Association will maintain directors and officers liability insurance, errors and omissions insurance, indemnity bonds, or other insurance the board deems advisable to insure the Association's directors, officers, committee members, and managers against liability for an act or omission in carrying out their duties in those capacities.
- 12.5. <u>OTHER COVERAGES</u>. The Association may maintain any insurance policies and bonds deemed by the board to be necessary or desirable for the benefit of the Association, including but not limited to worker's compensation insurance, fidelity coverage, and any insurance and bond requested and required by an Underwriting Lender for planned unit developments as long as an Underwriting Lender is a mortgagee or an owner.
- 12.6. OWNER'S RESPONSIBILITY FOR INSURANCE. Each owner will obtain and maintain property insurance on all insurable improvements on his lot, in an amount sufficient to cover 100 percent of the replacement cost of any repair or reconstruction in event of damage or destruction from any insured hazard. Further, each owner will obtain and maintain general liability insurance on his lot. Each owner will provide the Association with proof or a certificate of insurance on request by the Association from time to time. If an owner fails to maintain required insurance, or to provide the Association with proof of same, the board may obtain insurance on behalf of the owner who will be obligated for the cost as an individual assessment. The board may establish additional minimum insurance requirements, including types and minimum amounts of coverage, to be individually obtained and maintained by owners if the insurance is deemed necessary or desirable by the board to reduce potential risks to the Association or other owners. Each owner and resident is solely responsible for insuring his personal property in his dwelling and on the lot, including furnishings, vehicles, and stored items.

ARTICLE 13 MORTGAGEE PROTECTION

- 13.1. <u>INTRODUCTION</u>. This Article establishes certain standards for the benefit of Mortgagees, as defined below.
 - 13.1.1. "Underwriting Lender" means Federal Home Loan Mortgage Corporation (Freddie Mac), Federal Housing Administration (HUD/FHA), Federal National Mortgage Association (Fannie Mae), or U. S. Department of Veterans Affairs (VA), singly or collectively. The use of this term and these institutions may not be construed as a limitation on an owner's financing options nor as a representation that the Property is approved by any institution.
 - 13.1.2. "Mortgagee" means a holder, insurer, or guarantor of a purchase money mortgage secured by a recorded senior or first deed of trust lien against a lot, or any renewal, modification, or refinancing thereof. In dealing with the Association, a Mortgagee may be represented by a mortgage services, agent, or representative.
 - 13.1.3. "Eligible Mortgagee" means a Mortgagee that submits to the Association a written notice containing its name and address, the loan number, the identifying number and street address of the mortgaged lot, and the types of actions for which the Eligible Mortgagee requests timely notice. A single notice per lot will be valid so long as the Eligible Mortgagee holds a mortgage on the lot. The board will maintain this information.

13.2. MORTGAGEE RIGHTS.

- 13.2.1. <u>Lien Superiority</u>. As stated in the Assessment Lien Article of this Declaration, the lien in a Mortgagee's recorded deed of trust is superior to the Association's lien for assessments.
- 13.2.2. <u>Termination</u>. An action to terminate the legal status of the Property after substantial destruction or condemnation must be approved by at least 51 percent of Eligible Mortgagees, in addition to the required consents of owners. An action to terminate the legal status for reasons other than substantial destruction or condemnation must be approved by at least two-thirds of Eligible Mortgagees.
- 13.2.3. <u>Inspection of Books</u>. Mortgagees may inspect the Association's books and records, including the Governing Documents, by appointment, during normal business hours.
- 13.2.4. <u>Financial Statements</u>. If a Mortgagee so requests, the Association will give the Mortgagee an audited statement for the preceding fiscal year within 120 days after the Association's fiscal year-end. A Mortgagee may have an audited statement prepared at its own expense.
- 13.2.5. <u>Right of First Refusal</u>. Any right of first refusal imposed by the Association with respect to a lease, sale, or transfer of a lot does not apply to a lease, sale, or transfer by a Mortgagee, including transfer by deed in lieu of foreclosure or foreclosure of a deed of trust lien.

- 13.2.6. Amending Governing Documents, If a Mortgagee requests from the Association compliance with the guidelines of an Underwriting Lender, the board, without approval of owners or Mortgagees, may amend this Article and other provisions of the Governing Documents, as necessary, to meet the requirements of the Underwriting Lender. This Article is supplemental to, not a substitution for, any other provision of the Governing Documents. In case of conflict, this Article controls.
- 13.2.7. <u>Attend Meetings</u>. A representative of an Eligible Mortgagee may attend and address any meeting which an owner may attend.
- 13.2.8. <u>Insurance</u>. If an Underwriting Lender is a Mortgagee or an owner, at the request of the Underwriting Lender the Association will comply with the Underwriting Lender's insurance requirements to the extent the requirements are reasonable and available, and do not conflict with other insurance requirements of this Declaration.

13.3. LIMITS ON ASSOCIATION'S DUTIES.

- 13.3.1. Which Mortgagees? The Association's affirmative obligations to Mortgagees under the Governing Documents extend only to those Mortgagees of whom the Association has actual knowledge. This Article may not be construed to require the Association to perform title research to ascertain the existence and identify of a Mortgagee on a lot. Any duty of the Association to a Mortgagee is conclusively satisfied if performed for Mortgagees known to the Association, without regard to other holders of liens on lots. The Association may rely on the information provided by owners and mortgagees.
- 13.3.2. <u>Communications with Mortgagee</u>. If the Governing Documents or public law require the consent of Mortgagees for an act, decision, or amendment by the Association, the approval of a Mortgagee is implied when the Mortgagee fails to respond within 30 days after receiving the Association's written request for approval of a proposed amendment, provided the Association's request was delivered by certified or registered mail, return receipt requested.

ARTICLE 14 AMENDMENTS

- 14.1. <u>CONSENTS REQUIRED</u>. As permitted by this Declaration, certain amendments of this Declaration may be executed by Declarant alone, or by the board alone. Otherwise, amendments to this Declaration must be approved by owners of at least a majority of the lots. Approval of owners does not require that the amendment be signed by the consenting owners, or that consents be executed and acknowledged by the approving owners.
- 14.2. <u>METHOD OF AMENDMENT</u>. For an amendment that requires the approval of owners, this Declaration may be amended by any method selected by the board from time to time, pursuant to the Bylaws, provided the method gives an owner of each lot the substance if

not exact wording of the proposed amendment, a description of the effect of the proposed amendment, and an opportunity to vote for or against the proposed amendment.

- 14.3. <u>EFFECTIVE</u>. To be effective, an amendment approved by the owners or by the board must be in the form of a written instrument (1) referencing the name of the Property, the name of the Association, and the recording data of this Declaration and any amendments hereto; (2) signed and acknowledged by an officer of the Association, certifying the requisite approval of owners or directors and, if required, Eligible Mortgagees; and (3) recorded in the Real Property Records of Dallas County, Texas, except as modified by the following section.
- 14.4. <u>DECLARANT PROVISIONS</u>. Declarant has an exclusive right to unitaterally amend this Declaration for the purposes stated in Article 16. An amendment that may be executed by Declarant alone is not required to name the Association or to be signed by an officer of the Association. No amendment may affect Declarant's rights under this Declaration without Declarant's written and acknowledged consent, which must be part of the recorded amendment instrument. This Section may not be amended without Declarant's written and acknowledged consent.
- I4.5. MERGER. Merger or consolidation of the Association with another association must be evidenced by an amendment to this Declaration. The amendment must be approved by owners of at least a majority of the lots. Upon a merger or consolidation of the Association with another association, the property, rights, and obligations of another association may, by operation of law, be added to the properties, rights, and obligations of the Association as a surviving association pursuant to the merger. The surviving or consolidated association may administer the provisions of the Governing Documents within Courtyards at Normandy, together with the covenants and restrictions established upon any other property under its jurisdiction. No merger or consolidation, however, will effect a revocation, change, or addition to the covenants established by this Declaration within the Property.
- 14.6. <u>TERMINATION</u>. Termination of the terms of this Declaration and the status of the Property as a planned unit development are according to the following provisions. In the event of substantially total damage, destruction, or public condemnation of the Property, an amendment to terminate must be approved by owners of at least two-thirds of the lots. In the event of public condemnation of the entire Property, an amendment to terminate may be executed by the board without a vote of owners. In all other circumstances, an amendment to terminate must be approved by owners of at least 80 percent of the lots.
- 14.7. <u>CONDEMNATION</u>. In any proceeding, negotiation, settlement, or agreement concerning condemnation of the common area, the Association will be the exclusive representative of the owners. The Association may use condemnation proceeds to repair and replace any damage or destruction of the common area, real or personal, caused by the condemnation. Any condemnation proceeds remaining after completion, or waiver, of the repair and replacement will be deposited in the Association's reserve funds.

ARTICLE 15 DISPUTE RESOLUTION

- 15.1. <u>INTRODUCTION & DEFINITIONS</u>. The Association, the owners, Declarant, all persons subject to this Declaration, and any person not otherwise subject to this Declaration who agrees to submit to this Article (collectively, the "Parties") agree to encourage the amicable resolution of disputes involving the Property and to avoid the emotional and financial costs of litigation if at all possible. Accordingly, each Party hereby covenants and agrees that this Article applies to all claims as hereafter defined. As used in this Article only, the following words, when capitalized, have the following specified meanings:
 - 15.1.1. Claim" means any claim, grievance, or dispute between Parties involving the Properties, except Exempt Claims as defined below, and including without limitation:
 - a. Claims arising out of or relating to the interpretation, application, or enforcement of the Governing Documents.
 - b. Claims relating to the rights and/or duties of Declarant as Declarant under the Governing Documents.
 - c. Claims relating to the design, construction, or maintenance of the Property.
 - 15.1.2. "Claimant" means any Party having a Claim against any other Party.
 - 15.1.3. "Exempt Claims" means the following claims or actions, which are exempt from this Article:
 - a. The Association's claim for assessments, and any action by the Association to collect assessments.
 - b. An action by a Party to obtain a temporary restraining order or equivalent emergency equitable relief, and such other ancillary relief as the court deems necessary to maintain the status quo and preserve the Party's ability to enforce the provisions of this Declaration.
 - c. Enforcement of the easements, architectural control, maintenance, and use restrictions of this Declaration.
 - d. A suit to which an applicable statute of limitations would expire within the notice period of this Article, unless a Party against whom the Claim is made agrees to toll the statute of limitations as to the Claim for the period reasonably necessary to comply with this Article.
 - 15.1.4. "Respondent" means the Party against whom the Claimant has a Claim.
- 15.2. <u>MANDATORY PROCEDURES</u>. Claimant may not file suit in any court or initiate any proceeding before any administrative tribunal seeking redress or resolution of its Claim until Claimant has complied with the procedures of this Article.

- 15.3. <u>NOTICE</u>. Claimant must notify Respondent in writing of the Claim (the "Notice"), stating plainly and concisely: (1) the nature of the Claim, including date, time, location, persons involved, and Respondent's role in the Claim; (2) the basis of the Claim (i.e., the provision of the Governing Documents or other authority out of which the Claim arises); (3) what Claimant wants Respondent to do or not do to resolve the Claim; and (4) that the Notice is given pursuant to this Section.
- 15.4. <u>NEGOTIATION</u>. Claimant and Respondent will make every reasonable effort to meet in person to resolve the Claim by good faith negotiation. Within 60 days after Respondent's receipt of the Notice, Respondent and Claimant will meet at a mutually-acceptable place and time to discuss the Claim. At such meeting or at some other mutually agreeable time, Respondent and Respondent's representatives will have full access to the property that is subject to the Claim for the purposes of inspecting the property. If Respondent elects to take corrective action, Claimant will provide Respondent and Respondent's representatives and agents with full access to the property to take and complete corrective action.
- 15.5. MEDIATION. If the parties negotiate but do not resolve the Claim through negotiation within 120 days from the date of the Notice (or within such other period as may be agreed on by the parties), Claimant will have 30 additional days within which to submit the Claim to mediation under the auspices of a mediation center or individual mediator on which the parties mutually agree. The mediator must have at least 5 years of experience serving as a mediator and must have technical knowledge or expertise appropriate to the subject matter of the Claim. If Claimant does not submit the Claim to mediation within the 30-day period, Claimant is deemed to have waived the Claim, and Respondent is released and discharged from any and all liability to Claimant on account of the Claim.
- 15.6. <u>TERMINATION OF MEDIATION</u>. If the Parties do not settle the Claim within 30 days after submission to mediation, or within a time deemed reasonable by the mediator, the mediator will issue a notice of termination of the mediation proceedings indicating that the Parties are at an impasse and the date that mediation was terminated. Thereafter, Claimant may file suit or initiate administrative proceedings on the Claim, as appropriate.
- 15.7. <u>ALLOCATION OF COSTS</u>. Except as otherwise provided in this Section, each Party bears all of its own costs incurred prior to and during the proceedings described in the Notice, Negotiation, and Mediation sections above, including its attorneys fees. Respondent and Claimant will equally divide all expenses and fees charged by the mediator.
- 15.8. ENFORCEMENT OF RESOLUTION. Any settlement of the Claim through negotiation or mediation will be documented in writing and signed by the Parties. If any Party thereafter fails to abide by the terms of the agreement, then the other Party may file suit or initiate administrative proceedings to enforce the agreement without the need to again comply with the procedures set forth in this Article. In that event, the Party taking action to enforce the agreement is entitled to recover from the non-complying Party all costs incurred in enforcing the agreement, including, without limitation, attorneys fees and court costs.

- 15.9. <u>GENERAL PROVISIONS</u>. A release or discharge of Respondent from liability to Claimant on account of the Claim does not release Respondent from liability to persons who are not party to Claimant's Claim. A Party having an Exempt Claim may submit it to the procedures of this Article.
- 15.10. <u>LITIGATION APPROVAL & SETTLEMENT</u>. To encourage the use of alternate dispute resolution and discourage the use of costly and uncertain litigation, the initiation of any judicial or administrative proceeding by the Association is subject to the following conditions in addition to and notwithstanding the above alternate dispute resolution procedures. Each owner, by accepting an interest in or title to a lot, whether or not it is so expressed in the instrument of conveyance, covenants and agrees to be bound by this Section. This Section may not be amended without the approval of owners of at least 75 percent of the lots.
 - 15.10.1. Owner Approval. The Association may not initiate any judicial or administrative proceeding without the prior approval of owners of at least a majority of the lots, except that no such approval is required (1) to enforce provisions of this Declaration, including collection of assessments; (2) to challenge condemnation proceedings; (3) to enforce a contract against a contractor, vendor, or supplier of goods or services to the Association; (4) to defend claims filed against the Association or to assert counterclaims in a proceedings instituted against the Association; or (5) to obtain a temporary restraining order or equivalent emergency equitable relief when circumstances do not provide sufficient time to obtain the prior consents of owners in order to preserve the status quo.
 - 15.10.2. <u>Funding Litigation</u>. Except in the case of a temporary restraining order or equivalent emergency equitable relief when circumstances do not provide sufficient time to levy a special assessment, the Association must levy a special assessment to fund the estimated costs of litigation prior to initiating a judicial or administrative proceeding. The Association may not use its annual operating income, reserve funds, or savings to fund litigation, unless the Association's annual budget or a savings account was established and funded from its inception as a litigation reserve fund.
 - 15.10.3. <u>Settlement</u>. The board, on behalf of the Association and without the consent of owners, is hereby authorized to negotiate settlement of litigation, and may execute any document related thereto, such as settlement agreements and waiver or release of claims.
- 15.11. <u>CONSTRUCTION-RELATED DISPUTES</u>. In addition to the above procedures, a claim relating to an alleged construction defect may be governed by Texas statutes relating to residential construction, such as:
 - 15.11.1. <u>RCLA</u>. Under Chapter 27 of the Texas Property Code, the Residential Construction Liability Act, if an owner has a complaint concerning an alleged construction defect, and if the alleged defect has not been corrected through normal warranty service, the owner must provide the notice required by Chapter 27 of the Texas Property Code to the builder or contractor by certified mail, return receipt requested, not

later than the 60th day before the date owner files suit to recover damages in a court of law or initiate arbitration. The notice must refer to Chapter 27 of the Texas Property Code and must describe the alleged construction defect. If requested by the builder or contractor, the owner must provide the builder or contractor an opportunity to inspect and cure the defect as provided by Section 27.004 of the Texas Property Code.

15.11.2. TRCCA. Under Chapters 401 et. seq. of the Texas Property Code, the Texas Residential Construction Commission Act (TRCCA), alleged construction defects in units constructed as townhouses, duplexes, and detached single family houses are subject to the policies and procedures of the TRCCA. The Commission maintains a website with information for home owners.

ARTICLE 16 DECLARANT RIGHTS & RESERVATIONS

16.1. GENERAL PROVISIONS.

- 16.1.1. <u>Introduction</u>. Declarant intends the Declaration to be perpetual and understands that provisions pertaining to the initial development, construction, marketing, and control of the Property will become obsolete when Declarant's role is complete. As a courtesy to future users of the Declaration, who may be frustrated by then-obsolete terms, Declarant is compiling the Declarant-related provisions in this Article.
- 16.1.2. General Reservation & Construction. Notwithstanding other provisions of the Governing Documents to the contrary, nothing contained therein may be construed to, nor may any mortgagee, other owner, or the Association, prevent or interfere with the rights contained in this Article which Declarant hereby reserves exclusively unto itself and its successors and assigns. In case of conflict between this Article and any other Governing Document, this Article controls. This Article may not be amended without the prior written consent of Declarant. The terms and provisions of this Article must be construed liberally to give effect to Declarant's intent to protect Declarant's interests in the Property.
- 16.1.3. Purpose of Development and Declarant Control Periods. This Article gives Declarant certain rights during the Development Period and the Declarant Control Period to ensure a complete and orderly buildout and sellout of Courtyards at Normandy, which is ultimately for the benefit and protection of owners and mortgagees. Declarant may not use its control of the Association and the Property for an advantage over the owners by way of retention of any residual rights or interests in the Association or through the creation of any contractual agreements which the Association may not terminate without cause with 90 days' notice.
- 16.1.4. <u>Intent to Build</u>. Declarant, in its own name or through its affiliates, intends to construct dwellings on the lots in connection with the sale of the lots. However, Declarant may, without notice, sell some or all of the lots to one or more other builders to improve the lots with dwellings to be sold and occupied. In that event, Declarant may be

expected to amend this Declaration to add provisions addressing the role of a builder in the Property.

- 16.2. <u>DEFINITIONS</u>. As used in this Article and elsewhere in the Governing Documents, the following words and phrases have the following specified meanings:
 - 16.2.1. "Declarant Control Period" means that period of time during which Declarant controls the operation and management of the Association. The duration of the Declarant Control Period will be from the date this Declaration is recorded for a maximum period not to exceed the earlier of (1) ten (10) years from date this Declaration is recorded, or (2) 60 days after title to 75 percent of the lots that may be created in Courtyards at Normandy has been conveyed to owners other than Declarant or affiliates of Declarant.
 - 16,2.2. "Development Period" means the ten (10) year period beginning the date this Declaration is recorded, during which Declarant has certain rights pursuant to this Article, such as rights relating to development, construction, expansion, and marketing of Courtyards at Normandy. The Development Period is for a term of years and does not require that Declarant own land described in Exhibit "A". The Development Period is different from and longer than the Declarant Control Period. Declarant may terminate the Development Period at any time by recording a notice of termination.
 - 16.2.3. "Unilaterally" means that the Declarant may take the authorized action without the consent, approval, vote, or joinder of any other person, such as owners, mortgagees, and the Association. Certain provisions in this Article and elsewhere in the Governing Documents authorize the Declarant to act unilaterally. Unilateral action by Declarant is favored for purposes of efficiency and to protect the interests of Declarant.
- 16.3. <u>DECLARANT CONTROL PERIOD RESERVATIONS GOVERNANCE</u>. Declarant reserves the following powers, rights, and duties during the Declarant Control Period;
 - 16.3.1. <u>Incorporation of Association</u>, Declarant will incorporate the Association as a Texas nonprofit corporation before the end of the Declarant Control Period.
 - 16.3.2. Officers & Directors. During the Declarant Control Period, the Board will consist of 3 persons. During the Declarant Control Period, Declarant may appoint, remove, and replace any officer or director of the Association, none of whom need be members or owners, and each of whom is indemnified by the Association as a "Leader." Declarant's unilateral right to remove and replace officers and directors applies to officers and directors who were elected or designated by lot owners other than Declarant, as well as to Declarant's appointees.
 - 16.3.3. <u>Association Meetings</u>. During the Declarant Control Period, meetings of the Association may be held at a location, date, and time that is convenient to Declarant, whether or not it is mutually convenient for the owners.

- 16.3.4. <u>Transition Meeting</u>. Within 60 days after the end of the Declarant Control Period, or sooner at the Declarant's option, Declarant will call a transition meeting of the members of the Association for the purpose of electing, by vote of the owners, directors to the board. Written notice of the transition meeting must be given to an owner of each lot at least 10 days before the meeting. For the transition meeting, owners of 10 percent of the lots constitute a quorum. The directors elected at the transition meeting will serve until the next annual meeting of the Association or a special meeting of the Association called for the purpose of electing directors, at which time the staggering of terms will begin.
- 16.4. <u>DECLARANT CONTROL PERIOD RESERVATIONS FINANCIAL</u>. Declarant reserves the following powers, rights, and duties during the Declarant Control Period:
 - 16.4.1. Association Budget. During the Declarant Control Period, the Declarant-appointed board will establish a projected budget for Courtyards at Normandy as a fully developed, full constructed, and fully occupied residential community with a level of services and maintenance that is typical for similar types of developments in the general area of the Property, using cost estimates that are current for the period in which the budget is prepared. The Association budget may not include enhancements voluntarily provided by Declarant to facilitate the marketing of new homes in the Property.
 - 16.4.2. <u>Budget Funding</u>. During the Declarant Control Period only. Declarant is responsible for the difference between the Association's actual operating expenses and the regular assessments received from owners other than Declarant, and will provide any additional funds necessary to pay actual cash outlays of the Association. On termination of the Declarant Control Period, Declarant will cease being responsible for the difference between the Association's operating expenses and the assessments received from owners other than Declarant.
 - 16.4.3. <u>Declarant Assessments & Reserves</u>. During the Declarant Control Period, any real property owned by Declarant is not subject to assessment by the Association. During the Declarant Control Period, Declarant is not required to make contributions to the Association's reserve funds for the lots owned by Declarant. Declarant's obligation to fund the difference in the Association's operating expenses may not be construed to require Declarant to fund reserve accounts.
 - 16.4.4. Commencement of Assessments. During the initial development of the Property, Declarant may elect to postpone the Association's initial levy of regular assessments until a certain number of lots are sold. During the Declarant Control Period, Declarant will determine when the Association first levies regular assessments against the lots. Prior to the first levy, Declarant will be responsible for all operating expenses of the Association.
 - 16.4.5. Expenses of Declarant. Expenses related to the completion and marketing of the Property will be paid by Declarant and are not expenses of the Association.

- 16.4.6. <u>Budget Control</u>. During the Declarant Control Period, the right of owners to veto assessment increases or special assessments is not effective and may not be exercised.
- 16.5. <u>DEVELOPMENT PERIOD RESERVATIONS</u>. Declarant reserves the following easements and rights, exercisable at Declarant's sole discretion, at any time during the Development Period:
 - 16.5.1. <u>Withdrawal</u>. During the Development Period, Declarant may withdraw real property from the Property and the effect of this Declaration (1) if the owner of the withdrawn property consents to the withdrawal, and (2) if the withdrawal does not significantly and detrimentally change the appearance, character, operation, or use of the Property.
 - 16.5.2. Changes in Development Plan. Declarant may modify the initial development plan to respond to perceived or actual changes and opportunities in the marketplace. Subject to approval by (1) a governmental entity, if applicable, and (2) the owner of the land or lots to which the change would directly apply (if other than Declarant), Declarant may (a) change the sizes, dimensions, and configurations of lots and streets; (b) change the minimum dwelling size; (c) change the building setback requirements; and (d) eliminate or modify any other feature of the Property.
 - 16.5.3. Architectural Control. During the Development Period, Declarant has the absolute right to serve as the Architectural Reviewer pursuant to Article 5. Declarant may from time to time, but is not obligated to, delegate all or a portion of its reserved rights under Article 5 and this Article to (1) an architectural control committee appointed by the board, or (2) a committee comprised or architects, engineers, or other persons who may or may not be members of the Association. Any such delegation must be in writing and must specify the scope of delegated responsibilities. Any such delegation is at all times subject to the unilateral rights of Declarant (1) to revoke such delegation at any time and reassume jurisdiction over the matters previously delegated and (2) to veto any decision which Declarant in its sole discretion determines to be inappropriate or inadvisable for any reason. Declarant also has the unilateral right to exercise architectural control over vacant lots in Courtyards at Normandy. Neither the Association, the board of directors, nor a committee appointed by the Association or board (no matter how the committee is named) may involve itself with the approval of new homes and related improvements on vacant lots.
 - 16.5.4. <u>Amendment</u>, During the Development Period, Declarant may amend this Declaration and the other Governing Documents, without consent of other owners or any mortgagee, for any purpose.
 - 16.5.5. Completion. During the Development Period, Declarant has (1) the right to complete or make improvements indicated on the plat; (2) the right to sell or lease any lot owned by Declarant; and (3) an easement and right to erect, construct, and maintain on and in the common area and lots owned or leased by Declarant whatever Declarant

determines to be necessary or advisable in connection with the construction, completion, management, maintenance, leasing, and marketing of Courtyards at Normandy, including, without limitation, parking areas, temporary buildings, temporary fencing, portable toilets, storage areas, dumpsters, trailers, and commercial vehicles of every type.

- 16.5.6. Easement to Inspect & Right to Correct. During the Development Period, Declarant reserves for itself the right, but not the duty, to inspect, monitor, test, redesign, correct, and relocate any structure, improvement, or condition that may exist on any portion of the Property, including the lots, and a perpetual nonexclusive easement of access throughout the Property to the extent reasonably necessary to exercise this right. Declarant will promptly repair, at its sole expense, any damage resulting from the exercise of this right. By way of illustration but not limitation, relocation of a screening wall located on a lot may be warranted by a change of circumstance, imprecise sitting of the original wall, or desire to comply more fully with public codes and ordinances. This Section may not be construed to create a duty for Declarant or the Association.
- 16.5.7. <u>Promotion</u>. During the Development Period, Declarant reserves for itself an easement and right to place or install signs, banners, flags, display lighting, potted plants, exterior decorative items, seasonal decorations, temporary window treatments, and seasonal landscaping on the Property, including items and locations that are prohibited to other owners and residents, for purposes of promoting, identifying, and marketing Courtyards at Normandy and/or Declarant's houses, lots, developments, or other products located outside the Property. Declarant reserves an easement and right to maintain, relocate, replace, or remove the same from time to time within the Property. Declarant also reserves the right to sponsor marketing events such as open houses, MLS tours, and brokers parties at the Property to promote the sale of lots.
- 16.5.8. Offices. During the Development Period, Declarant reserves for itself the right to use dwellings owned or leased by Declarant as models, storage areas, and offices for the marketing, management, maintenance, customer service, construction, and leasing of the Property and/or Declarant's developments or other products located outside the Property. Also, Declarant reserves for itself the easement and right to make structural changes and alterations on and to lots and dwellings used by Declarant as models, storage areas, and offices, as may be necessary to adapt them to the uses permitted herein.
- 16.5.9. Access. During the Development Period, Declarant has an easement and right of ingress and egress in and through the Property for purposes of constructing, maintaining, managing, and marketing Courtyards at Normandy, and for discharging Declarant's obligations under this Declaration. Declarant also has the right to provide a reasonable means of access for the homebuying public through any existing or future gate that restricts vehicular access to the Property in connection with the active marketing of lots and homes by Declarant, including the right to require that the gate be kept open during certain hours and/or on certain days. This provision may not be construed as an obligation or intent to gate the Property.

- 16.5.10. <u>Utility Easements</u>. During the Development Period, Declarant may grant permits, licenses, and easements over, in, on, under, and through the Property for utilities, roads, and other purposes necessary for the proper development and operation of the Property. Declarant reserves the right to make changes in and additions to the easements on any lot, as shown on the plat, to more efficiently or economically install utilities or other improvements. Utilities may include, but are not limited to, water, sewer, trash removal, electricity, gas, telephone, television, cable, internet service, and security. To exercise this right as to land that is not a common area of the Property or not owned by Declarant, Declarant must have the prior written consent of the land owner.
- 16.5.11. <u>Assessments</u>. For the duration of the Development Period after the Declarant Control Period ends, each lot owned by Declarant is subject to mandatory assessment by the Association in the same manner as the lot of any other owner.
- 16.5.12. <u>Land Transfers</u>. During the Development Period, any transfer of an interest in the Property to or from Declarant is not subject to any transfer-related provision in the Governing Documents, including without limitation an obligation for transfer or resale certificate fees, and the transfer-related provisions of Article 7 of this Declaration.
- 16.6. <u>DIFFERENT STANDARDS</u>. Declarant has the right (1) to establish specifications for the construction of all initial improvements in Courtyards at Normandy, (2) to establish different specifications for each neighborhood within the Property, and (3) to grant variances or waivers from community-wide standards to certain neighborhoods of the Property.
- 16.7. COMMON AREAS. Any initial common area improvement will be installed, constructed, or authorized by Declarant, the cost of which is not a common expense of the Association. For every common area capable of being conveyed to the Association, Declarant will convey title to the common area to the Association by one or more deeds with or without warranty. At the time of conveyance to the Association, the common areas will be free of encumbrance except for the property taxes accruing for the year of conveyance. Declarant's conveyance of title is a ministerial task that does not require and is not subject to acceptance by the Association or the owners. The transfer of control of the Association at the end of the Declarant Control Period is not a transfer of common areas requiring inspection, evaluation, acceptance, or approval of common area improvements by the owners.
- 16.8. <u>SUCCESSOR DECLARANT</u>. Declarant may designate one or more Successor Declarants for specified designated purposes and/or for specified portions of the Property, or for all purposes and all of the Property. To be effective, the designation must be in writing, signed and acknowledged by Declarant and Successor Declarant, and recorded in the Real Property Records of Dallas County, Texas. Declarant (or Successor Declarant) may subject the designation of Successor Declarant to limitations and reservations. Unless the designation of Successor Declarant provides otherwise, a Successor Declarant has the rights of Declarant under this Section and may designate further Successor Declarants.

ARTICLE 17 GENERAL PROVISIONS

- 17.1. <u>COMPLIANCE</u>. The owners hereby covenant and agree that the administration of the Association will be in accordance with the provisions of the Governing Documents and applicable laws, regulations, and ordinances, as same may be amended from time to time, of any governmental or quasi-governmental entity having jurisdiction over the Association or Property.
- 17.2. <u>HIGHER AUTHORITY</u>. The Governing Documents are subordinate to federal and state law, and local ordinances. Generally, the terms of the Governing Documents are enforceable to the extent they do not violate or conflict with local, state, or federal law or ordinance. In the event of a conflict between the Governing Documents, the hierarchy of authority is as follows: this Declaration (highest), Association's Articles of Association, Bylaws, and the Rules (lowest). Within the Declaration, Article 16 has the highest authority.
- 17.3. NOTICE. All demands or other notices required to be sent to an owner or resident by the terms of this Declaration may be sent by electronic, ordinary, or certified mail, postage prepaid, to the party's last known address as it appears on the records of the Association on the date the notice is issued. If an owner fails to give the Association an address for sending notices, all notices may be sent to the owner's lot, and the owner is deemed to have been given notice whether or not he actually receives it.
- 17.4 <u>CHANGING TECHNOLOGY</u>. The Governing Documents are drafted at the end of an cra that uses ink on paper to communicate, to give notice, and to memorialize decisions. The next era of communications may be paperless, relying on electronic communications for many activities that are customarily papered on the date of this Declaration. As technology changes, the terms of the Governing Documents that pertain to communications, notices, and documentation of decisions may be interpreted and applied in ways that are consistent with and customary for the then current technology for standard business practices, without necessity of amending the Governing Document.
- 17.5 <u>LIBERAL CONSTRUCTION</u>. The terms and provision of each Governing Document are to be liberally construed to give effect to the purposes and intent of the Governing Document. All doubts regarding a provision, including restrictions on the use or alienability of property, will be resolved first to give effect to Declarant's intent to protect Declarant's interests in the Property, and second in favor of the operation of the Association and its enforcement of the Governing Documents, regardless which party seeks enforcement.
- 17.6 <u>SEVERABILITY</u>. Invalidation of any provision of this Declaration by judgment or court order does not affect any other provision, which remains in full force and effect. The effect of a general statement is not limited by the enumeration of specific matters similar to the general.
- 17.7. <u>CAPTIONS</u>. In all Governing Documents, the captions of articles and sections are inserted only for convenience and are in no way to be construed as defining or modifying the text to which they refer.

17.8. <u>EXHIBITS</u>. The following exhibits are attached to this Declaration and incorporated herein by reference:

Exhibit "A" - Description of Subject Land;

Exhibit "B" - Lienholder Consent to Declaration; and

Exhibit "C" - Construction Specifications.

Exhibit "D" - Maintenance Responsibility Chart

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

17.10. <u>DURATION</u>. Unless terminated or amended by owners as permitted herein, the provisions of this Declaration run with and bind the Property, and will remain in effect perpetually to the extent permitted by law.

[Signatures appear on the following page]

Crescent Estate Custom Homes, LP, a Texas limited partnership,

By: MMM Ventures, LLC, a Texas limited liability company, its general partner

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

Name: Mehrdad Moayedi

Its: Manager

ACKNOWLEDGMENT

COUNTY OF LANGUE	§		
This instrument was acknow	ledged before me on this	day of	Cot
2011, by Mehrdad Moayedi as man	ager of 2M Ventures, LLC	in its capacity	as manager of
MMM Ventures, LLC in its capacity	as general partner of Creso	ent Estates Custo	m Homes, LP,

Notary Public - State of Texas

My Commission Expires:

STATE OF TEXAS

7.11.

on behalf of said limited partnership.

LAURA WAYLAND

My Commission Expires
July 14, 2012

Exhibit "A" DESCRIPTION OF SUBJECT LAND COURTYARDS AT NORMANDY

Being Lots 1 – 18, Block D of the Courtyards at Normandy (being a replat of Lots 1-7, Block D, Potomac Park, Second Installment recorded at Volume 5, Page 375, Map Records of Dallas County, Texas), a subdivision in the City of University Park, Dallas County, Texas as shown on the Final Plat Courtyards at Normandy recorded at Instrument No. 201000164963, real property records of Dallas County, Texas

EXHIBIT "B" LIENHOLDER CONSENT TO DECLARATION COURTYARDS AT NORMANDY

Lender:

Park Cities Bank is a Texas banking institution whose address is 5307 E.

Mockingbird Lane, Suite 200, Dallas, Texas 75206.

Parke Cities Bank ("Lender") holds a promissory note signed by Crescent Estates Custom Homes, LP. The promissory note is secured by a deed of trust lien against real property that includes the property described in Exhibit "A" of this Declaration of Covenants, Conditions, and Restrictions for Courtyards at Normandy. The lien benefitting Lender is contained in the Deed of Trust, recorded on November 1, 2010, as Document No. 201000286437, Real Property Records, Dallas County, Texas, as it may be amended or extended from time to time.

By signing this instrument, Lender consents to the recording of the Declaration of Covenants, Conditions, and Restrictions for Courtyards at Normandy, which will not be extinguished by foreclosure of any lien assigned to or for the benefit of Lender, or its affiliates, successors, or assigns.

SIGNED on the	day of	, 20		
Park Cities Bank				
By: Name: Title:		a a		
	ACK	NOWLEDGMENT		
STATE OF TEXAS	§			
COUNTY OF DALL	.AS			
		ed before me on this _		
Taik Cities Dails, Oil	ochail of Fark Cities	Dank.		
		Notary Public - State	of Texas	
My Commission Exp	ires:			

<u>DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR COURTYARDS AT NORMANDY</u> -- Page 49

EXHIBIT "C" CONSTRUCTION SPECIFICATIONS

- A. The property shall be developed only in conformance with the Detailed Site Plan for PD-39 under Ordinance No. 10/20, passed on June 15, 2010 by the City of University Park which is attached hereto as <u>Addendum "A"</u>, the requirements of this Planned Development District, and all other provisions of the Comprehensive Zoning Ordinance as may apply;
- B. Uses Permitted: The allowed use in this Planned Development District is for single family cluster housing, plus accessory uses of garages, swimming pool, and cabana, to be developed in two phases, as shown on the Detailed Site Plan;
- C. Required Parking: Two (2) off-street parking spaces will be provided for each single family dwelling unit in the Planned Development District, plus an additional 14 inset parallel parking spaces will be provided by developer on Normandy. Inset parking spaces on the north side of Normandy will be constructed with the tirst phase and inset parking spaces on the south side of Normandy will be constructed with the second phase, as shown on the Detailed Site Plan;
 - D. Development Standards:

The following Development Standards shall apply:

- (1) Height Maximum building height is thirty-five feet (35') as measured from the top of the slab to the top of the ridge, provided that decorative finials and chimneys may project an additional four feet (4'), with a maximum roof pitch of 6:12;
- (2) Lot Size and Density: There will be thirty-six (36) single-family lots varying in size from a minimum of 2,739 square feet to a maximum of 4,190 square feet in area, an overall density of 13.5 units per acre;
- (3) Setbacks *: Fro

From Allcy: 12.5 feet From Roland: 5 feet From Lomo Alto: 5 feet From Normandy 10 feet

From interior lot lines: 0-7.5 feet

* Refer to Detailed Site Plan for setbacks for specific lots;

(4) Floor Area:

There will be four typical units, A-D, each with three floors, access drives, established floor plans, yard and enclosed garage, accessed by a mutual access easement off Normandy or the adjacent alley as shown on the Detailed Site Plan. The maximum floor area for units in square feet (s. f.) is as follows:

Type:	Unit A	Unit B	Unit C	Unit D
Floor area-Air	2,981 s.f.	3,491 s.f	3.294 s.f.	3,136 s.f.
Conditioned				
Garage, Balconies	507 s.f.	554 s.f.	551 s.f.	626 s.f.
Total Floor Area	3,488 s. f.	4,045 s. f.	3,845 s. f.	3,762 s. f.

- (5) Lot Coverage: The maximum impervious coverage is 75% in any phase; and,
- (6) Maximum Plate Height shall be twenty-eight feet (28') measured from the top of the slab, provided that the elevator shaft and the front entry tower for each unit shall a maximum plate height of thirty feet (30');
- E. Landscaping: The landscape development plan shall provide details by species and caliper of existing trees to be retained on the site, existing trees to be removed and new trees to be provided for each phase. All landscape material will be installed in accordance with the approved landscape development plan and will be perpetually maintained by the home owners association to be created by the developer. Planter pots located within individual courtyards will be maintained by the homeowner. The entire landscaped area of the District will be irrigated by a common meter for each phase. This system will be perpetually maintained by the homeowners association;
- F. No detached accessory structures shall be permitted, except a swimming pool and cabana as shown on the Detailed Site Plan;
- G. Location and capacity of utilities, including water, sanitary and storm sewer, solid waste disposal, electric and gas, shall be submitted with the Detailed Site Plan and reviewed and approved by the Director of Public Works prior to the issuance of a building permit;
 - H. No gables or dormers will be allowed above the 2nd story plate line;
- I. Location of Dwellings and Structures: Only one building may be located upon a lot. Building configuration will be in accordance with the approved Detailed Site Plan. Each dwelling shall face or front upon a public street or mutual access easement as provided for in the approved Detailed Site Plan, but no dwelling shall face or front an alley:
- J. Third Story Occupancy: Third story floor area shall not exceed an area equal to 33% of the air conditioned floor area of the dwelling unit or 1000 square feet, whichever is greater;
- K. Location of Garages: A garage shall not face or open onto Lomo Alto Drive or Normandy Avenue. Garages may only face and open onto the mutual access easement or the rear alley;
- L. Location of Swimming Pools, Hot tubs and Spas: No swimming pools will be allowed other than the pool approved on the Detailed Site Plan. Hot tubs or spas will be allowed within the courtyards on individual lots, provided they meet all applicable codes and ordinances of the City of University Park;
 - M. Required Fencing: Fences will be allowed in accordance with the approved Detailed Site Plan;
- N. Special Yard Requirements: Nothing herein is intended to allow the obstruction of a corner lot sight line as otherwise provided for in the Code of Ordinances.
 - (1) Side
 - There shall be a side yard setback of 5° on the street side of all corner lots;

- ii. There shall be a minimum required interior side yard setback of 5° along lot lines adjacent to '0' zero lot lines. (Refer to approved Detailed Site Plan);
- Window sills, belt courses, cornice details and other architectural features may not project more than two inches (2") over a "0" zero lot line setback;
- iv. Eaves may not project more than two inches (2") over a '0' zero lot line setback. Gutters are allowed provided all downspouts located adjacent to a zero lot line shall be tied into an underground drainage system;
- v. Eaves may not project more than eighteen inches (18") into a required side yard setback;
- vi. No chimneys shall be allowed to project into the required side yard setback; and,
- vii. All yards other than those facing Normandy or the mutual access easement or the alley shall be considered side yards.

(2) Rear

- il. The minimum rear yard setback from the alley shall be 12.5'. All other yards other than those facing Normandy, the mutual access easement or the alley shall be considered side yards; and,
- ii. Every part of the rear yard shall be open and unobstructed to the sky from a point 30" above the ground. Courtyard walls which are less than four feet (4') in height may project up to 2.5 feet into the required setback. Window sills, belt courses, cornices, roof overhangs and other architectural features may not project more that 18" into the required rear yard.

(3) Front

- i. All yards facing Normandy shall be considered front yards;
- ii. No more than 50% of the lot width facing Normandy may have a building setback of 10°. The remaining portion of the lot will have a building setback of 20°. Courtyard walls of 4° or less in height may project up to 1 foot into the required front yard setback. Under no circumstance shall a courtyard wall be less than 9° from the property line along Normandy Avenue; and,
- Retaining walls of 24" or less are allowed in the front yards facing Normandy and the side yards facing Lomo Alto Drive and Roland Avenue.

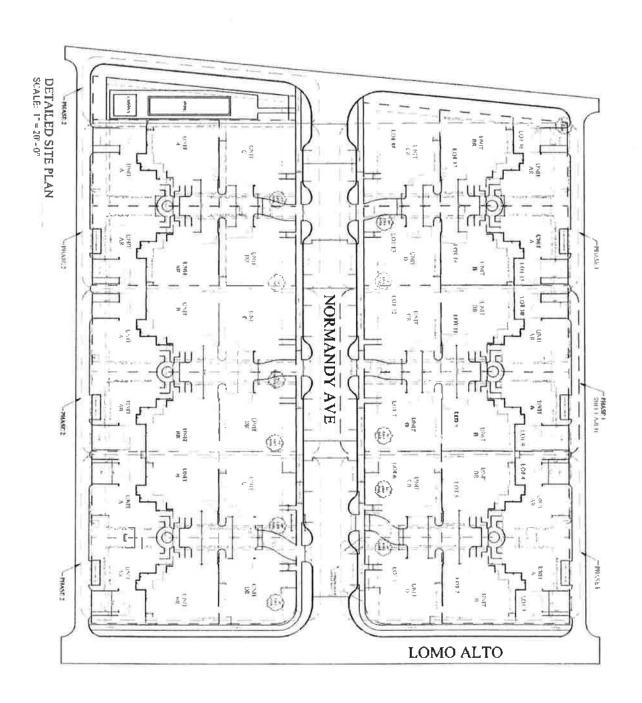
O. Special Conditions:

- (1) All improvements in the public rights-of-way shall be in accordance with City of University Park standards and specifications;
- (2) The Director of Public Works will review and approve all details relating, but not limited to, on-site and off-site drainage improvements, size and location of trash receptacles, size and location of water and sanitary sewer lines, number, size, and location of water meters, and the location and connections to all other utilities to serve the development;

- (3) The proposed 8"water line shall be installed by the developer:
- (4) Utility poles installed for the sole purpose of providing private service shall be located on private property;
- (5) Fire hydrants and associated water lines shall be installed by the developer as approved by the Director of Public Works and the Fire Marshal in conjunction with the 24 inch water main;
- (6) The City will make all water taps and meter installations;
- (7) Developer will install one large tap and meter to serve all six fire service lines and irrigation system to provide adequate fire flow for the sprinkler system;
- (8) The Home Owners' Association agreements with regard to covenants and restrictions will be reviewed by staff prior to the issuance of a building permit;
- (9) The mutual access easement agreement must be filed in the Deed Records of Dallas County, Texas, before the issuance of a building permit.
- P. Building Walls: All structures shall be constructed to provide a one-hour, noncombustible, fire-resistant wall when the setback is zero feet from the property line. Such wall shall be constructed in accordance with the International Residential Code, as adopted by the City of University Park. In addition, no plumbing or mechanical penetrations will be allowed in any wall that is located on a zero setback from the property line. No gables or dormers will be allowed above the second story plate line;
- Q. Neighborhood Liaison: During construction, the contractor will provide a liaison to respond to questions and complaints from residents. The contractor shall provide adequate notice to residents of the name and methods of contacting the liaison 24 hours a day, seven days a week. The contact name and number will be posted on the construction site:
- R. Construction Vehicles: No parking of construction vehicles or equipment will be permitted on City streets, except for streets which are adjacent to the construction or closed for construction;
- S. Construction Hours: Unless written permission is granted by the Director of Public Works, construction work on the site is restricted to Monday through Friday from 7:00 am to 6:00 pm and 8:00 am to 6:00 pm on Saturdays.
- T. The construction site will be screened with a temporary eight foot (8') screening fence of dark green or black windscreen fabric, or other material approved by the Community Development Director, and installed on a chain link fence;
 - U. All trash receptacles used during construction will be placed within the screened area;
 - V. The screening fence will be maintained in place at all times during construction; and,
 - W. All AC units facing a public street shall be screened by evergreen shrubs

ADDENDUM "A" Detailed Site Plan for PD-39

ADDENDUM "A" Detailed Site Plan for PD-39









A CUSTOM COMMUNITY CALLED COURTY ARDS AT NORMANDY NORMANDY AVENUE UNIVERSITY PARK, TEXAS

CONTRACT TO THE PROPERTY OF TH

UNIT LOT 11

BR

LOT 12

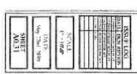
UNIT CR

UNIT LOT 12

NORMANDY AVE

PHASE 1 - DETAILED SITE PLAN

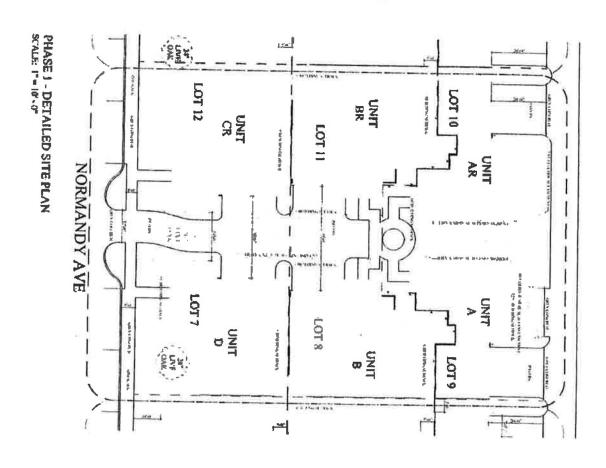
CALE: 1 - 10 - 10







A STREET AND A STR











SCALE: NTS NORMANDY ELEVATIONS 0 NORMANDY AVE ELEVATION ALLEY ELEVATION B E BE

田町

HD

田町











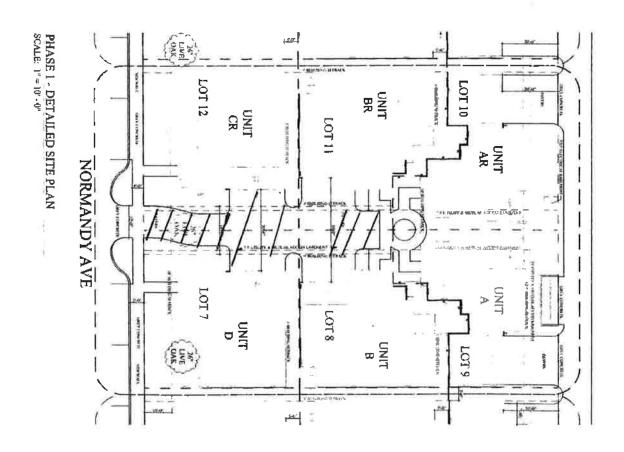




EXHIBIT "D" MAINTENANCE RESPONSIBILITY CHART

EXHIBIT D COURTYARDS AT NORMANDY MAINTENANCE RESPONSIBILITY CHART

"all aspect" include maintenacne, repair, and replacement, as needed.

COMPONENT OF PROPERTY	AREA OF COMMON RESPONSIBILITY	OWNER RESPONSIBILITY
Roofs.	None.	All other aspects, including roof trusses.
Roof-mounted attachments.	None.	All aspects.
Exterior vertical walls of buildings, other exterior features of buildings not specifically listed in chart.	None.	All other aspects, including wall cavities and insulation.
Building foundations, patio slabs, and A/C slabs.	None.	All aspects, including tolerance for minor cracks that are inevitable results of the natural movement of soil (expansion and contraction), shrinkage during the curing of the concrete, and settling of the building.
Concrete driveways & sidewalks.	Periodic cleaning,	Routine cleaning & tolerance for minor cracks that are inevitable results of the natural expansion and contraction of soil, shrinkage during the curing of the concrete, and settling of the building.
Retaining walls	All aspects.	None.
Displays of street numbers on exterior doors or building surfaces.	None.	All Aspects
Gutters and downspouts.	None	All Aspects
Grounds- outside the court yards.	All aspects.	None.
commona area irrigation system (sprinkler)	All aspects.	None.
Exterior light fixtures on buildings.	None.	All aspects.

Garages.	None	All aspects, except those noted for Association. Includes, routine interior cleaning, interior wall and ceiling materials, garage door, pedestrian door, automatic garage door opener, remote controls, interior light fixture, interior electrical outlets.
Skylights.	None.	All aspects.
Attics.	None.	All aspects.
Insulation & weatherstripping.	None.	All aspects.
Chimneys & Fireplaces.	None.	All other aspects, including flues, firebox, damper, and periodic flue cleaning.
Fences and gates around private home yards.	None.	All aspects.
Townhome interiors, incl. improvements, fixtures, partition walls & floors within townhome.	None.	Atl aspects.
Sheetrock in homes (walls and ceilings) & treatments on walls.	None.	All aspects.
Improvements and grounds in private patio/yards.	None.	All aspects.
Surface water drainage systems.	None	Prohibited from changing the drainage system.
Exterior doors of homes	None	All other aspects of the garage door, and all apects of other door including paint, door frame, door glass panes, hardware, locks, peepholes, thresholds, weatherstripping, and doorbells.
Windows	None	All other aspects, including wind frames, window sill flashing, window seals and sealants, screens, window locks, glass panes, glazing, interior caulking.

Water, sewer, electrical lines & systems.	None	All aspects of line and systems serving the lot.
Heating and cooling systems & water heaters.	None.	All aspects.
Intrusion alarms on doors/ windows, smoke/ heat detectors, monitoring equipment.	None.	All aspects.
Cable for television or internet.	Standards for location and appearance of cable and/or conduit.	All aspects.
Television antennas & satellite dishes.	Standards for location and appearance of exterior-mounted devices.	All aspects.