

#### **AFTER RECORDING RETURN TO:**

ROBERT D. BURTON, ESQ. ARMBRUST & BROWN, L.L.P. 100 CONGRESS AVE., SUITE 950 AUSTIN, TEXAS 78701

# DECLARATION OF CONDOMINIUM REGIME FOR LAS PALMAS MASTER CONDOMINIUMS

(A Residential Condominium in El Paso County, Texas)

- Note 1: This declaration amends and restated in its entirety that certain <u>Second Amended Declaration</u>, dated as of August 22, 2007, recorded as Document Number 20070085967 in the Official Public Records of El Paso County, Texas (the "Prior Declaration"). The owners of each condominium unit established pursuant to the terms and provisions of the Prior Declaration have executed this declaration for the purpose of evidencing their consent to the terms and provisions hereof.
- Note 2: This declaration provides for the establishment of "master units", which are subject to further re-subdivision into "sub-units", by the recordation of a subordinate condominium declaration (a "sub-declaration") which is subordinate to this declaration. An owner who acquires a sub-unit will be subject to both the terms and conditions of this declaration and the terms and conditions of the sub-declaration establishing his sub-unit.

Declarant: AVENIDA DE PALMAS, LTD., a Texas limited partnership

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#### **NOTICE**

This instrument amends and restates in its entirety that certain <u>Second Amended Declaration</u>, dated as of August 22, 2007, recorded as Document Number 20070085967 in the Official Public Records of El Paso County, Texas (the "Prior Declaration"). As set forth more fully herein, this instrument combines certain condominium units established pursuant to the terms and provisions of the Prior Declaration (the "Prior Declaration Units") into "Master Units". The boundaries of each Master Unit are described in Section 5.2 hereof and defined in the condominium plats and plans attached hereto and incorporated herein by reference as <u>Attachment 3</u> (the "Plats and Plans").

To determine which Prior Declaration Units are included within each Master Unit, please refer to the tables below.

<u>Master</u> <u>Unit</u> <u>Number</u>	Prior Declaration Units Included Therein	<u>Master</u> <u>Unit</u> <u>Number</u>	Prior Declaration Units Included Therein	Master Unit Number	Prior Declaration Units Included Therein
10-1/2	Block 10 Units 1 and 2	10-23/24	Block 10 Units 23 and 24	11-15/16	Block 11 Units 15 and 16
10-3/4	Block 10 Units 3 and 4	10-25/26	Block 10 Units 25 and 26	12-1/2	Block 12 Units 1 and 2
10-5/6	Block 10 Units 5 and 6	10-27/28	Block 10 Units 27 and 28	12-3/4	Block 12 Units 3 and 4
10-7/8	Block 10 Units 7 and 8	10-29/30/31	Block 10 Units 29, 30 and 31	12-5/6	Block 12 Units 5 and 7
10-9/10	Block 10 Units 9 and 10	11-1/2	Block 11 Units 1 and 2	12-7/8	Block 12 Units 7 and 8
10-11/12	Block 10 Units 11 and 12	11-3/4	Block 11 Units 3 and 4	12-9/10	Block 12 Units 9 and 10
10-13/14	Block 10 Units 13 and 14	11-5/6	Block 11 Units 5 and 6	12-11/12	Block 12 Units 11 and 12
10-15/16	Block 10 Units 15 and 16	11-7/8	Block 11 Units 7 and 8	12-13/14	Block 12 Units 13 and 14
10-17/18	Block 10 Units 17 and 18	11-9/10	Block 11 Units 9 and 10	12-15/16	Block 12 Units 15 and 16
10-19/20	Block 10 Units 19 and 20	11-11/12	Block 11 Units 11 and 12	14-1/2	Block 14 Units 1 and 2
10-21/22	Block 10 Units 21 and 22	11-13/14	Block 11 Units 13 and 14	14-3/4	Block 14 Units 3 and 4

<u>Master</u> <u>Unit</u> <u>Number</u>	Prior Declaration Units Included Therein	Master Unit Number	Prior Declaration Units Included Therein	Master Unit Number	Prior Declaration Units Included Therein
14-5/6	Block 14 Units 5 and 6	14-36/37	Block 14 Units 36 and 37	15-21/22	Block 15 Units 21 and 22
14-7/8	Block 14 Units 7 and 8	14-38/39	Block 14 Units 38 and 39	15-23/24	Block 15 Units 23 and 24
14-9/11	Block 14 Units 9 and 1	14-40/41	Block 14 Units 40 and 41	15-25/26	Block 15 Units 25 and 26
14-10	Block 14 Unit 10	14-42/43/44	Block 14 Units 42,43 and 44	15-27/28	Block 15 Units 27 and 28
14-12/13	Block 14 Units 12 and 13	14-45	Block 14 Unit 45	16-1/2	Block 16 Units 1 and 2
14-14/15	Block 14 Units 14 and 15	14-46/47	Block 14 Units 46 and 47	16-3/4	Block 16 Units 3 and 4
14-16/17	Block 14 Units 16 and 17	15-1/2	Block 15 Units 1 and 2	16-5/6	Block 16 Units 5 and 6
14-18/19	Block 14 Units 18 and 19	15-3/4	Block 15 Units 3 and 4	16-7/8	Block 16 Units 7 and 8
14-20/21	Block 14 Units 20 and 21	15-5/6	Block 15 Units 5 and 6	16-9/10	Block 16 Units 9 and 10
14-22/23	Block 14 Units 22 and 23	15-7/8	Block 15 Units 7 and 9	16-11/12	Block 16 Units 11 and 12
14-24/25	Block 14 Units 24 and 25	15-9/10	Block 15 Units 9 and 10	16-13/14	Block 16 Units 13 and 14
14-26/27	Block 14 Units 26 and 27	15-11/12	Block 15 Units 11 and 12	16-15/16	Block 16 Units 15 and 16
14-28/29	Block 14 Units 28 and 29	15-13/14	Block 15 Units 13 and 14	17-1/2	Block 17 Units 1 and 2
14-30/31	Block 14 Units 30 and 31	15-15/16	Block 15 Units 15 and 16	17-3/4	Block 17 Units 3 and 4
14-32/33	Block 14 Units 32 and 33	15-17/18	Block 15 Units 17 and 18	17-5/6	Block 17 Units 5 and 6
14-34/35	Block 14 Units 34 and 35	15-19/20	Block 15 Units 19 and 20	17-7/8	Block 17 Units 7 and 8

<u>Master</u>	Prior Declaration	Master	Prior Declaration	Master	Prior Declaration
Unit	Units Included	Unit	Units Included	<u>Unit</u>	<u>Units Included</u>
Number	Therein	Number	Therein	Number	<u>Therein</u>
17-9/10	Block 17	17-56/57	Block 17	19-32/33	Block 19
	Units 9 and 10		Units 56 and 57		Units 32 and 33
17-11/12	Block 17	17-58/59	Block 17	19-34/36	Block 19
	Units 11 and 12		Units 58 and 59		Units 34 and 36
17-13/14	Block 17	18-1/2	Block 18	19-35	Block 19
	Units 13 and 14		Units 1 and 2		Unit 35
17-15/16	Block 17	18-3/4	Block 18	19-37/38	Block 19
	Units 15 and 16		Units 3and 4		Units 37 and 38
17-17/18	Block 17	18-5/6	Block 18	19-39/40	Block 19
	Units 17 and 18		Units 5 and 6		Units 39 and 40
17-19/20	Block 17	18-7/8	Block 18	19-41/42	Block 19
	Units 19 and 20		Units 7 and 8		Units 41 and 42
17-21/22	Block 17	18-9/10	Block 18	19-43/44	Block 19
	Units 21 and 22		Units 9 and 10		Units 43 and 44
17-23/24	Block 17	18-11/12	Block 18	19-45/46	Block 19
	Units 23 and 24	_	Units 11 and 12		Units 45 and 46
17-25/26	Block 17	18-13/14	Block 18	19-47/48/49	Block 19
	Units 25 and 26		Units 13 and 14		Units 47, 48 and 49
17-27/28	Block 17	18-15/16	Block 18	20-1/2	Block 20
	Units 27 and 28	1	Units 15 and 16		Units 1 and 2
17-29/30	Block 17	19-1/2	Block 19	20-3/4	Block 20
	Units 29 and 30		Units 1 and 2		Units 3 and 4
17-31/32	Block 17	19-3/4	Block 19	20-5/6	Block 20
	Units 31 and 32		Units 3 and 4		Units 5 and 6
17-33/34	Block 17	19-5/6	Block 19	20-7/8	Block 20
ļ	Units 33 and 34	}	Units 5 and 6		Units 7 and 8
17-35/36	Block 17	19-7/8	Block 19	20-9/10	Block 20
	Units 35 and 36		Units 7 and 8		Units 9 and 10
17-37/38	Block 17	19-9/10	Block 19	20-11/12	Block 20
	Units 37 and 38		Units 9 and 10		Units 11 and 12
17-39/40	Block 17	19-11/12	Block 19	20-13/14	Block 20
	Units 39 and 40	1 _	Units 11 and 12		Units 13 and 14
17-41/42	Block 17	19-13/14	Block 19	20-15/16	Block 20
	Units 41 and 42		Units 13 and 14		Units 15 and 16
17-43/44	Block 17	19-15/16	Block 19	20-17/18	Block 20
	Units 43 and 44		Units 15 and 16		Units 17 and 18
17-45/46	Block 17	19-17/18	Block 19	20-19/20	Block 20
	Units 45 and 46		Units 17 and 18		Units 19 and 20
17-47/49	Block 17	19-19/20	Block 19	21-1/2	Block 21
	Units 47 and 49		Units 19 and 20		Units 1 and 2
17-48	Block 17	19-21/22	Block 19	21-3/4	Block 21
	Unit 48		Units 21 and 22		Units 3 and 4
17-50/51	Block 17	19-23/24/25	Block 19	21-5/6	Block 21
	Units 50 and 51		Units 23, 24 and 25		Units 5 and 6
17-52/53	Block 17	19-27/28/29	Block 19	21-7/8	Block 21
	Units 52 and 53		Units 27, 28 and 29		Units 7 and 8
17-54/55	Block 17	19-30/31	Block 19	21-9/10	Block 21
	Units 54 and 55		Units 30 and 31		Units 9 and 10

<u>Master</u> <u>Unit</u> Number	Prior Declaration Units Included Therein		<u>Master</u> <u>Unit</u> Number	Prior Declaration Units Included Therein		Master Unit Number	Prior Declaration Units Included Therein
22-1/2	Block 22		24-14/15	Block 24	-		
	Units 1 and 2	<del>-</del>		Units 14 and 15	-		
22-3/4	Block 22		24-16/17	Block 24			
	Units 3 and 4	++		Units 16 and 17	-		
22-5/6	Block 22		24-18/20	Block 24			
	Units 5 and 6	<del> </del>		Units 18 and 20	-		
22-7/8	Block 22		24-19	Block 24	1		
	Units 7 and 8	┞┤		Unit 19	_		! 
22-9/10	Block 22	U	24-21/22	Block 24			
	Units 9 and 10	╀┼		Units 21 and 22	L		
22-11/12	Block 22	:	24-23/24/25	Block 24			
	Units 11 and 12	<b> </b>		Units 23, 24 and 25	Ŀ		
22-13/14	Block 22						
	Units 13 and 14	H			_		
22-15/16	Block 22	11			İ		
	Units 15 and 16				_		
22-17/18	Block 22						
	Units 17 and 18	Ш			_		
22-19/20	Block 22						
·	Units 19 and 20	Ш			_		
22-21/22	Block 22						
	Units 21 and 22	Ш			L	·	
22-23/24/25	Block 22	} }				]	
	Units 23, 24 and 25						
23-1/2	Block 23	( (			1	,	
	Units 1 and 2						
23-3/4	Block 23						
	Units 3 and 4						
23-5/6	Block 23						
	Units 5 and 6						
23-7/8	Block 23						
	Units 7 and 8						
23-9/10	Block 23	} }					
	Units 9 and 10	Ш		· · · · · · · · · · · · · · · · · · ·			
24-1/2	Block 24	$\prod$			Γ.		
	Units 1 and 2						
24-3/4	Block 24						
	Units 3 and 4			·			
24-5/6	Block 24			•	_		
	Units 5 and 6	Щ					
24-7/9	Block 24	۱ ۱			]		
	Units 7 and 9						
24-8	Block 24	-		-			
	Unit 8			·			
24-10/11	Block 24						
	Units 10 and 1						<u> </u>
24-12/13	Block 24					-	
	Units 12 and 13						

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### DECLARATION OF CONDOMINIUM REGIME FOR LAS PALMAS MASTER CONDOMINIUMS

AVENIDA DE PALMAS, LTD., a Texas limited partnership ("Declarant"), as then owner of that certain real property located in El Paso County, Texas, more particularly described on <a href="Attachment 1">Attachment 1</a>, attached hereto and incorporated herein by reference (the "Land"), previously executed that certain <a href="Second Amended Declaration">Second Amended Declaration</a>, dated as of August 22, 2007, recorded as Document Number 20070085967 in the Official Public Records of El Paso County, Texas (the "Prior Declaration"), submitting the Land to the terms and provisions of the Texas Uniform Condominium Act, Chapter 82 of the Texas Property Code, for the purpose of creating the Las Palmas Condominiums.

Declarant, together with each of the undersigned Persons, who together own all of the condominium units established pursuant to the terms and provisions of the Prior Declaration, now desire to amend and restate in its entirety the Prior Declaration as set forth herein below, thereby submitting the Land to the terms and provisions of the Texas Uniform Condominium Act, Chapter 82 of the Texas Property Code, for the purpose of creating the Las Palmas Master Condominiums.

NOW, THEREFORE, it is hereby declared that the Land, together with all Improvements thereon and all easements, rights, and appurtenances thereto (collectively, the "Property"), will be held, sold, conveyed, leased, occupied, used, insured, and encumbered with this Declaration, in lieu of the Prior Declaration, which will run with the Land and be binding upon all parties having right, title, or interest in or to such property, their heirs, successors, and assigns and shall inure to the benefit of each owner thereof.

## ARTICLE 1 DEFINITIONS

Unless otherwise defined in this Declaration, terms defined in Section 82.003 of the Act have the same meaning when used in this Declaration. The following words and phrases, whether or not capitalized, have specified meanings when used in the Documents, unless a different meaning is apparent from the context in which the word or phrase is used.

- 1.1. "Act" means Chapter 82 of the Texas Property Code, the Texas Uniform Condominium Act, as it may be amended from time to time.
- 1.2. "Applicable Law" means the statutes and public laws and ordinances in effect at the time a provision of the Documents is applied and pertaining to the subject matter of the Document provision. Statutes and ordinances specifically referenced in the Documents are "Applicable Law" on the date of the Document, and are not intended to apply to the Property if they cease to be applicable by operation of law, or if they are replaced or superseded by one or more other statutes or ordinances.

- 1.3. "Architectural Reviewer" means Declarant during the Development Period. After expiration or termination of the Development Period, the rights of the Architectural Reviewer will automatically be transferred to the Board.
- 1.4. "Assessment" means any charge levied against a Master Unit or Owner pursuant to the Documents, the Act, or Applicable Law.
- 1.5. "Association" means the Residential Owners Association of Las Palmas, Inc., a Texas non-profit corporation, the Members of which shall be the Owners. The term "Association" shall have the same meaning as the term "property owners' association" in Section 192.001(2) of the Texas Property Code.
  - 1.6. "Board" means the Board of Directors of the Association.
- 1.7. "Bylaws" mean the bylaws of the Association, as they may be amended from time to time by a Majority of the Board. The initial Bylaws of the Association are attached hereto as Attachment 2.
- 1.8. "Certificate" means the Certificate of Formation of the Association filed in the Office of the Secretary of State of Texas, as the same may be amended from time to time.
- 1.9. "Common Elements" means all portions of the Property, SAVE AND EXCEPT the Master Units, expressly including the Land. Common Elements include General Common Elements and Limited Common Elements.
- 1.10. "Common Expenses" means the expenses incurred or anticipated to be incurred by the Association for preserving and enhancing the Regime, including but not limited to the operation, maintenance, repair and replacement of Common Elements, replacement reserves for Common Elements and property owned by the Association, reserves for the operation of the Association, the management, administration and operation of the Association, the administration and enforcement of the Documents, and for any expense reasonably related to the purposes for which the Association was formed.
- 1.11. "Community Manual" means a community manual adopted by the Board for the benefit of the Association as part of the initial project documentation for the Regime. The Community Manual may include the Rules and such other policies governing the Association as the Board determines to be in the best interests of the Association, in its sole and absolute discretion.
- 1.12. "Declarant" means AVENIDA DE PALMAS, LTD., a Texas limited partnership. Notwithstanding any provision in this Declaration to the contrary, Declarant may, by Recorded written instrument, assign, in whole or in part, exclusively or non-exclusively, any of its privileges, exemptions, rights and duties under this Declaration to any Person and may permit

the participation, in whole, in part, exclusively, or non-exclusively, by any other Person in any of its privileges, exemptions, rights and duties under this Declaration.

- 1.13. "Declarant Control Period" means that period of time during which Declarant controls the operation and management of the Association. The duration of Declarant Control Period is from the date this Declaration is recorded for a maximum period not to exceed one hundred and twenty (120) days after title to seventy-five percent (75%) of the Master Units that may be created have been conveyed to Owners other than Declarant.
  - 1.14. "Declaration" means this document, as it may be amended from time to time.
- "Development Period" means the seven (7) year period beginning on the date 1.15. this Declaration is Recorded, during which Declarant has certain rights as more particularly described in this Declaration, including rights related to development, construction, expansion, and marketing of the Property. The Development Period is for a term of years and does not require that Declarant own any portion of the Property. Declarant may terminate the Development Period by Recording a notice of termination executed by the Declarant. During the Development Period, Declarant hereby reserves the following rights with respect to the Property: (i) to construct, or cause to be constructed, Improvements within the Regime; (ii) to complete all Improvements indicated on the Plat and Plans; (iii) to exercise any development right as defined in Section 82.003(12) of the Act; (iv) to make the Regime part of a larger condominium or planned community; (v) to maintain sales, management, and leasing offices, signs advertising the Regime, and models on the Property; (vi) to use easements through the Common Elements for the purpose of making Improvements within the Regime or within real property that may be added to the Regime; and (vii) to appoint and remove all officers and Board members during the Declarant Control Period as more particularly described in Section 12.3 of this Declaration. In addition to the foregoing rights, Declarant has reserved other rights as set forth in this Declaration, some of which may be exercised during and after expiration or termination of the Development Period.
- 1.16. "Documents" mean, individually or collectively as the case may be, this Declaration, the Plat and Plans, the Certificate, Bylaws, and the Rules, as each may be amended from time to time. An attachment, appendix, exhibit, schedule, or certification accompanying a Document is a part of that Document.
- 1.17. "General Common Elements" mean Common Elements which are not Limited Common Elements.
- 1.18. "Homebuilder" means any Owner (other than the Declarant) who acquires a Master Unit or Sub-Unit for the purpose of constructing therein a single family residence for resale to a third party.

- 1.19. "Improvement" means every structure and all appurtenances of every type and kind, whether temporary or permanent in nature.
- 1.20. "Land" means that certain real property located in El Paso County, Texas, more particularly described on <u>Attachment 1</u>, attached hereto and incorporated herein by reference.
- 1.21. "Landscape Services" mean the following services: (a) mowing and edging all front yard areas of a Master Unit or any Sub-Unit at least once per week during the months of May through September of each year, and on an as-needed basis during the months of October through April; (b) applying fertilizer to the front yard areas twice a year; (c) manually and mechanically controlling weeds in the front yard areas as required to maintain a manicured appearance; (d) controlling fire ants in the front yard areas turf areas with applications of "Logic" or approved equal in the spring and fall. Notwithstanding the foregoing, the Board will have the right to modify the Landscape Services provided hereunder from time to time. The Board, in its sole discretion, will determine the location of the "front yard area" for the purpose of the Landscape Services.
- 1.22. "Limited Common Elements", if any, mean those portions of the Common Elements reserved for the exclusive use of one or more Owners to the exclusion of other Owners. Limited Common Elements are allocated pursuant to this Declaration or as shown on the Plat and Plans.
  - 1.23. "Majority" means more than half.
- 1.24. "Master Unit" means each physical portion of the Property designated by this Declaration for separate ownership, the boundaries of which are shown on the Plat and Plans, as further described in *Section 5.2* of this Declaration, including any Improvements within such boundaries and any Improvements outside such boundaries, to the extent that the Improvements outside such boundaries exclusively serve a Master Unit.
- 1.25. "Member" means a member of the Association, unless the context indicates a member of the Board or a member of a committee of the Association.
- 1.26. "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 Master Unit or Sub-Unit.
- 1.27. "Occupant" means any Person, including any Owner, tenant or other Person having a right to occupy or use all or any portion of a Master Unit for any period of time.
- 1.28. "Owner" means a holder of recorded fee simple title to a Master Unit or a Sub-Unit. Mortgagees who acquire title to a Master Unit through a deed in lieu of foreclosure or through judicial or non-judicial foreclosure are Owners. Persons having ownership interests

merely as security for the performance of an obligation are not Owners. Every Owner is a Member of the Association.

- 1.29. "Permittee" means any Occupant and any officer, agent, employee, licensee, lessee, customer, vendor, supplier, guest, invitee or contractor of the Association, an Owner or Declarant.
- 1.30. "Person" shall mean any individual or entity having the legal right to hold title to real property.
- 1.31. "Plat and Plans" means the Plat and Plans attached hereto as Attachment 3, as changed, modified, or amended in accordance with this Declaration or the Act.
- 1.32. "Property" means the Land, together with all Improvements thereon and all easements, rights, and appurtenances thereto, and includes every Master Unit, Sub-Unit and Common Elements thereon or therein.
- 1.33. "Recorded" or "Record" means recorded or to be recorded, respectively, in the Official Public Records of El Paso County, Texas.
- 1.34. "Regime" means the Property, Master Units, Sub-Units, if any, General Common Elements, and Limited Common Elements that comprise the condominium regime established under this Declaration.
- 1.35. "Rules" means rules and regulations of the Association adopted in accordance with the Documents or the Act. The initial Rules may be included within the Community Manual and may be modified from time to time by the action of a majority of the Board.
- 1.36. "Sub-Association" means each condominium association created pursuant to a Sub-Declaration. The term "Sub-Association" shall have the same meaning as the term "unit owners association" in Section 192.001(2) of the Texas Property Code.
- 1.37. "Sub-Condominium" means a separate condominium created by the submission of one or more Master Units, or a portion of a Master Unit, to the terms and provisions of a Sub-Declaration.
- 1.38. "Sub-Declaration" means an independent declaration of condominium regime executed by Declarant and Recorded to create a Sub-Condominium from one or more Master Units or a portion of a Master Unit. Notwithstanding the foregoing, the Recording of a Sub-Declaration shall not constitute a subdivision of the Property for zoning or regulatory purposes.
- 1.39. "Sub-Unit" means a condominium unit created out of a portion of a Master Unit pursuant to the terms and provisions of a Sub-Declaration. A Sub-Unit may, but need not, be

created out of a Master Unit when submitted to a Sub-Declaration, i.e., a Master Unit may be submitted to a Sub-Declaration without any further subdivision thereunder.

1.40. "Underwriting Lender" means a national institutional mortgage lender, insurer, underwriter, guarantor, or purchaser on the secondary market, such as Federal Home Loan mortgage Corporation (Freddie Mac), Federal National Mortgage Association (Fannie Mae), or Government National Mortgage Association (Ginnie Mae), singly or collectively. The use of this term and these institutions may not be construed as a limitation on an Owner's financing options or as a representation that the Property is approved by any institution.

## ARTICLE 2 PROPERTY SUBJECT TO DOCUMENTS

- 2.1. <u>Subject To Documents: Additional Restrictions</u>. The Property 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 rights reserved by the Declarant under this Declaration, which run with the Property, bind all parties having or acquiring any right, title, or interest in the Property, their heirs, successors, and assigns.
- 2.2. <u>Additional Property</u>. Additional real property may be made subject to this Declaration upon the approval of Owners representing at least sixty-seven percent (67%) of the total votes in the Association, except that during the Development Period, Declarant may make additional property subject to the terms and provisions of the Declaration without the consent of the Owners or the Association. Annexation of additional property is accomplished by executing and Recording a declaration of annexation which includes a description of the additional real property and such other information as may be required by the Act.
- 2.3. <u>Recorded Easements and Licenses</u>. In addition to the terms, covenants, conditions, restrictions, liens and easements contained in this Declaration, the Property is subject to all easements, licenses, leases, and encumbrances, including those described on <u>Attachment 4</u>, and any shown or referenced on a Recorded plat, each of which is incorporated herein by reference. Each Owner, by accepting an interest in or title to a Master Unit, whether or not it is so expressed in the instrument of conveyance, covenants and agrees to be bound by such easements, licenses, leases, and encumbrances.

## ARTICLE 3 <u>SUBDIVISION OF UNITS; CREATION AND</u> <u>ADMINISTRATION OF SUB-CONDOMINIUMS; FUTURE DEVELOPMENT OF PROPERTY</u>

3.1. <u>Inseparability of Master Units: No Partition</u>. Except for: (i) the creation of one or more Sub-Units as permitted pursuant to this Declaration; (ii) the granting of easements over

and across portions of the Property in accordance with the terms and provisions of the Documents; (iii) the leasing of all or any portion of a Master Unit in accordance with the terms and provisions of this Declaration; (iv) the subdivision of Master Units by Declarant; and (v) as otherwise permitted pursuant to this Declaration or Applicable Law, each Master Unit will be inseparable, and will be held, transferred, sold, conveyed, leased, occupied, used, insured and encumbered only as an entirety. Unless otherwise permitted by this Section, in no event will a Master Unit be subject to physical partition, and no Owner will bring or be entitled to maintain an action for the partition or division of a Master Unit or Common Elements. Any purported conveyance, judicial sale or other voluntary or involuntary transfer of an undivided interest in the Common Elements without the Master Unit to which such Common Elements are allocated is void ab initio, with the exception of the conveyance of any Sub-Unit in a Sub-Condominium in accordance with the terms and provisions of a Sub-Declaration. The combination of Master Units will not affect the Common Interest Allocation or any other allocation with respect to the Master Units so combined or the voting rights pertinent to the combined Master Unit, which will be treated for all such purposes as separate Master Units. Declarant may separate any Master Units it has combined, at its sole expense, into separate and distinct Master Units.

- 3.2. <u>Sub-Condominiums</u>. During the Development Period, <u>only</u> Declarant, or any express assignee of Declarant's rights under this Section, provided that such assignment is in writing executed by the Declarant and Declarant's assignee and Recorded, will have the option and ability, by executing and Recording a Sub-Declaration, and only with the prior written consent of the Owner of the Master Unit to be submitted to the Sub-Declaration (if other than Declarant), to create a Sub-Condominium within a Master Unit.
- 3.3. Obligations of Sub-Units. Upon the Recording of a Sub-Declaration and the creation of Sub-Units thereunder, any and all obligations (including the obligations to pay Assessments), liabilities, limitations, and rights, benefits or burdens established in this Declaration that are attributable to ownership of a Master Unit will automatically be allocated among the Sub-Units established by the Sub-Declaration. The rights and obligations allocated among Sub-Units will be determined based on the applicable Sub-Declaration, but in any event all rights and obligations allocated to the Master Unit will be apportioned to each Sub-Unit. Rights or obligations allocated to Sub-Units will be based on one or more formulas set forth in the Sub-Declaration creating such Sub-Unit. Upon the Recording of a Sub-Declaration, the percentage of liability for Common Expenses or any other allocated expenses hereunder which had previously been allocated to the Master Unit shall be apportioned among the Sub-Units created by the Sub-Declaration in accordance with the formulas and resulting allocations established in such Sub-Declaration. The Association will be entitled to collect from each Owner of a Sub-Unit all Assessments levied pursuant to this Declaration against such Sub-Unit and/or its Owner.

Each Sub-Declaration must include the following provision:

"Upon the Recording of this [Sub-Declaration], all liabilities, costs, expenses (including Common Expenses), charges and assessments under the Declaration attributable to ownership of the Master Units subject hereto are hereby assigned and allocated to each [Sub-Unit] created hereby in accordance with the allocations and assignments set forth in this [Sub-Declaration]. The Owner of each [Sub-Unit] is obligated only for its proportionate share of such liabilities, costs, expenses (common or otherwise), charges and assessment as set forth in this Sub-Declaration. EACH OWNER OF A [SUB-UNIT] AGREES TO INDEMNIFY AND HOLD HARMLESS THE [SUB-UNIT DECLARANT] FROM SUCH OWNER'S SHARE OF ANY AND ALL LIABILITIES, COSTS, EXPENSES (COMMON OR OTHERWISE), CHARGES AND ASSESSMENTS ALLOCATED TO SUCH OWNER'S [SUB-UNIT] UNDER THE TERMS AND PROVISIONS OF [THIS SUB-DECLARATION]. This provision does not act to assign any rights retained by the "Declarant" as such term is defined in the Declaration or this [Sub-Declaration]".

### ARTICLE 4 EASEMENTS; TRANSFER RESTRICTION

- 4.1. <u>Association's Access Easement</u>. Declarant hereby declares, grants, creates, imposes and establishes for the benefit of the Association an easement of access and entry over, across, under, and through the Property, including without limitation, all Common Elements and each Master Unit and all Improvements thereon, to the extent necessary or required for the following purposes:
  - (a) To perform inspections and/or maintenance that is permitted or required of the Association by the Documents or by Applicable Law.
  - (b) To perform inspections and/or maintenance that is permitted or required of the Owner by the Documents or by Applicable Law, if the Owner fails or refuses to perform such inspections and/or maintenance.
  - (c) To enforce the Documents.
  - (d) To exercise self-help remedies permitted by the Documents or by Applicable Law.
  - (e) To respond to emergencies.
  - (f) To perform any and all functions or duties of the Association as permitted or required by the Documents or by Applicable Law.

In exercising the easement reserved herein, in no event will the Association be liable to any Owner for trespass.

#### 4.2. Landscape Services.

- 4.2.1. Generally. The Association will cause the Landscape Services to be provided to each Master Unit and Sub-Unit, accordingly, the Association is hereby granted an easement over and across each Master Unit and Sub-Unit to the extent reasonably necessary or convenient for the Association or its designated landscaping contractor to perform the Landscape Services. Access hereunder to each Master Unit and Sub-Unit is limited to Monday through Friday, between the hours of 7 a.m. until 6 p.m., and then only in conjunction with actual performance of Landscape Services. If the Association damages any Improvements located within a Master Unit or Sub-Unit in exercising the easement granted hereunder, the Association will be required to restore such Improvements to the condition which existed prior to any such damage, at the Association's expense, within a reasonable period of time not to exceed thirty (30) days after the date the Association is notified in writing of the damage by the Owner of the damaged Improvements.
- 4.2.2. <u>Dates</u>. The Association or its designated landscape company may, from time to time, provide each Owner with a schedule of dates on which the Landscape Services will be performed.
- 4.2.3. <u>Irrigation</u>. Each Owner will be required to water turf thoroughly after the application of fertilizer. Each Owner is also responsible for irrigation and all costs associated therewith (unless otherwise discharged by the Association) and must properly irrigate all yard areas within such Owner's Master Unit or Sub-Unit. Unless otherwise expressly approved by the Board, the Landscape Services will not include irrigation or the repair and maintenance of irrigation facilities. Each Owner will refrain from irrigating the front yard areas during the performance of Landscape Services.
  - 4.2.4. <u>Cost</u>. The cost of all Landscape Services will be a Common Expense.
- 4.3. <u>Utility Easement</u>. Declarant, during the Development Period, and the Association thereafter, may grant permits, licenses, and easements over the Common Elements for utilities, and other purposes reasonably necessary for the proper operation of the Regime. Declarant, during the Development Period, and the Association thereafter, may grant easements over and across the Master Units to the extent necessary or required to provide utilities to Master Units; <u>provided</u>, <u>however</u>, that such easements will not unreasonably interfere with the use of any Master Unit. Such easements may include, without limitation, easements granted to one or more companies or entities, public or private, furnishing utility service to the Property as may be necessary to provide utilities to the Property.
  - 4.4. <u>Easements Over, Across, Through and Under the General Common Elements.</u>

- 4.4.1. Benefiting the Declarant and Homebuilders. For so long as the Declarant or any Homebuilder owns any Master Unit or Sub-Unit primarily for the purpose of sale or lease, Declarant hereby reserves for itself, each Homebuilder and their respective Permittees a perpetual, non-exclusive easement for access over, across, through and under the General Common Elements: (i) for the placement and maintenance of signs, banners, balloons, decorations, marketing materials and tables, a sales office, a leasing office, a business office, promotional facilities and model homes, together with such other facilities as may be reasonably required, convenient or incidental to the completion, renovation, improvement, development, sale or lease of any Master Unit or Sub-Unit; and (ii) for marketing events, special events, promotional activities and grand opening celebrations associated with the development, sale or lease of any Master Unit or Sub-Unit.
- 4.4.2. <u>Benefiting all Owners</u>. Declarant hereby declares, grants, creates, imposes and establishes for the benefit of all Owners, a perpetual, nonexclusive access easement over and across the General Common Elements; <u>provided</u>, <u>however</u>, that: (i) the exercise of the easement granted hereunder is subject to the Rules; and (ii) no Improvements may be constructed on or within the General Common Elements without the advance written consent of the Architectural Reviewer.
- 4.5. Easement to Inspect and Right To Correct. During the Development Period, and for a period of ten (10) years thereafter, Declarant reserves for itself, each Homebuilder and their respective Permittees, the right, but not the duty, to inspect, monitor, test, redesign, correct, and relocate any structure, Improvement, or condition constructed or caused to be constructed by it, and a perpetual nonexclusive easement of access throughout the Property to the extent reasonably necessary to exercise this right. Declarant or the applicable Homebuilder, as the case may be, will promptly repair, at its sole expense, any damage resulting from the exercise of the easement rights reserved hereunder. This Section may not be construed to create a duty of inspection or repair for Declarant, any Homebuilder or any third party. In support of this reservation, each Owner, by accepting an interest in or title to a Master Unit or a Sub-Unit, hereby grants to Declarant, each Homebuilder and their respective Permittees, an easement of access and entry over, across, under, and through the Owner's Master Unit or Sub-Unit for the purposes set forth in this Section.
- 4.6. Parking. Declarant reserves the right to designate and assign portions of the General Common Elements as parking for the exclusive use of any Owner or as guest parking. The assignment of parking spaces within the General Common Elements not specifically designated by the Declarant for the exclusive use of an Owner or as guest parking will be under the exclusive control and administration of the Declarant until the expiration or termination of the Development Period. The Association may thereafter assign parking spaces to any Owner or may use such parking spaces in a manner determined by the Board, but subject to any assignment previously made by the Declarant. Any designation and assignment of General Common Elements as parking will be memorialized by a written "assignment of parking"

executed by an authorized representative of the Declarant (or the Association upon expiration or termination of the Development Period) which shall identify the parking space(s) and the Owner assigned thereto. Any designation and assignment of General Common Elements as parking shall be made a part of the corporate records of the Association, will be considered an agreement between the Association and such Owner with regard to use of the parking spaces so assigned, and may not be terminated or modified without the consent of the Declarant (or a majority of the Board if the Development Period has expired or been terminated) and the Owner to which the parking space was assigned.

### ARTICLE 5 <u>UNITS: COMMON ELEMENTS AND ALLOCATIONS</u>

- 5.1. Initial Submitted Master Units; Maximum Number of Master Units; and Additional Master Units. The Regime initially consists of one-hundred eighty-three (183) Master Units. During the Development Period, Declarant hereby reserves the right to create additional Master Units through the subdivision of the existing Master Units initially subjected to this Declaration or the addition of land to the Property or the conversion of General Common Elements. The maximum number of Master Units which may be created by the Declarant is two-hundred (200). Declarant during the Development Period from time to time, execute and Record an amendment to this Declaration creating additional Master Units. An amendment creating additional Master Units will: (i) assign an identifying number to each new Master Unit; (ii) reallocate the Common Interest Allocation and percentage of liability for Common Expenses to each new Master Unit using the formulas set forth in this Declaration for such allocations; (iii) describe any Limited Common Elements designated to each new Master Unit; and (iv) include the information required by Section 82.055 and Section 82.059(b) of the Act, as applicable. In the event that Declarant is not the Owner of a Master Unit to be subdivided, then the amendment must also be executed and acknowledged by the Owner of the Master Unit.
- 5.2. <u>Master Unit Boundaries</u>. The boundaries and identifying number of each Master Unit are shown on the Plat and Plans attached hereto as <u>Attachment 3</u>. The boundaries of each Master Unit are further described as follows:
  - 5.2.1. <u>Lower Boundary</u>. The horizontal plane corresponding to the finished grade of the land within the Master Unit.
  - 5.2.2. <u>Upper Boundary</u>. The horizontal plane parallel to and forty feet (40') above the lower boundary of the Master Unit.
  - 5.2.3. <u>Lateral Boundaries</u>. A plane located on each side of a Master Unit perpendicular to the lower and upper horizontal planes, from the lower boundary of the Master Unit to the upper boundary of the Master Unit.
  - 5.2.4. What the Master Unit Includes. Each Master Unit includes the spaces and Improvements within its lower, upper, and lateral boundaries defined above, including

without limitation any landscaping, driveways, parking areas, sidewalks, fences, yards, utility lines and meters and all other Improvements located within such Master Unit. In addition, each Master Unit also includes Improvements, fixtures, and equipment serving each Master Unit exclusively, whether located within, outside, or below the Master Unit.

- 5.3. Additional Information to Interpret Master Unit Boundaries. It is the express intent of the Declarant that the property described as being part of a Master Unit shall for all purposes herein be treated as and constitute a lawfully described "unit" as that term is defined in the Act. In the event that there is a final judicial determination by a court of competent jurisdiction that the boundaries of a Master Unit or any portion thereof are so indefinite and vague so as to not create a legally constituted "unit" within the meaning of the Act, then that portion of the Master Unit that has not been adequately described shall be severed from the property deemed a part of the Master Unit (if the remainder of the Master Unit, excluding the severed portion thereof, constitutes a properly described "unit" under the Act) and shall thereafter be deemed to be Limited Common Elements reserved to the exclusive use of said Master Unit, subject to the rights and obligations of other Owners with respect to said property.
- 5.4. <u>Limited Common Elements</u>. Limited Common Elements allocated to a Master Unit include those portions of the Property designated as Limited Common Elements for the benefit of such Master Unit pursuant to the terms and provisions of this Declaration and/or shown on the Plat and Plans,
- 5.5. Subsequent Allocation of Limited Common Elements. A Common Element not allocated by this Declaration as a Limited Common Element may be so allocated only in accordance with the Act or the provisions of this Declaration. During the Development Period, Declarant hereby reserves the right to create and further assign Limited Common Elements within the Regime (provided that no reallocation of Limited Common Element may be made to a Master Unit not owned by the Declarant without consent of the Owner of such Master Unit). Unless prosecuted by Declarant pursuant to this Section, an amendment reallocating Limited Common Elements must be executed by the Owners between or among whose Master Units the reallocation is made and their Mortgagees. An amendment required to be executed by Owners will be delivered to the Association which shall Record the amendment at the expense of the reallocating Owners. The Owners executing the amendment will prepare the amendment at their sole cost and expense and will reimburse the Association for its reasonable attorneys' fees in connection with review and Recording of the amendment. No reallocation of Limited Common Elements between or among Owners may be made without the written consent of the Declarant until expiration or termination of the Development Period.
- 5.6. <u>Common Interest Allocation</u>. The percentage of interest in the Common Elements (the "Common Interest Allocation") allocated to each Master Unit is set forth on <u>Attachment 5</u> to this Declaration and is based on the total number of Prior Declaration Units included within each Master Unit. The same formula will be used in the event the Common Interest Allocation is reallocated as a result of any increase or decrease in the number of Master

Units subject to this Declaration. In the event an amendment to this Declaration is Recorded which reallocates the Common Interest Allocation as a result of any increase or decrease in the number of Master Units, the reallocation will be effective on the date such amendment is Recorded. As provided in *Section 3.3* above, the Common Interest Allocation assigned to each Master Unit will be re-allocated to the Sub-Units created therein in the event a Sub-Declaration is Recorded against such Master Unit.

5.7. <u>Common Expense Liabilities</u>. The percentage of liability for Common Expenses assigned to each Master Unit and levied pursuant to *Article 6* is equal to the Common Interest Allocation allocated to the Master Unit pursuant to *Section 5.6*.

#### 5.8. <u>Votes</u>.

- 5.8.1. <u>Generally</u>. For all matters submitted to a vote of the Association, each Master Unit shall be allocated one (1) vote for each Prior Declaration Unit included within such Master Unit. The votes allocated to each Master Unit is set forth on <u>Attachment 5</u> to this Declaration.
- 5.8.2. Appointment and Election of Directors. As provided in Section 12.3: (i) during the Declarant Control Period, the Declarant will have the exclusive authority to appoint and remove all members of the Board; (ii) within one hundred and twenty (120) days after fifty percent (50%) percent of the Master Units that may be created have been conveyed to Owners other than Declarant, at least one-third (1/3) of the Board members must be elected by Owners other than Declarant; and (iii) upon expiration or termination of the Declarant Control Period, the Board shall be elected by the Members in accordance with the requirements of Section 82.103(e) of the Act.

## ARTICLE 6 COVENANT FOR ASSESSMENTS

- 6.1. Purpose of Assessments. The Association will use Assessments for the general purposes of for preserving and enhancing the Regime, including but not limited to the operation, maintenance, repair and replacement of General Common Elements and other portions of the Property to be maintained by the Association, replacement reserves for General Common Elements and property owned by the Association, reserves for the operation of the Association, the management, administration and operation of the Association, the administration and enforcement of the Documents, and for any expense reasonably related to the purposes for which the Association was formed. If made in good faith, the Board's decision with respect to the use of Assessments is final.
- 6.2. <u>Personal Obligation</u>. An Owner is obligated to pay Assessments levied by the Board against the Owner or the Owner's Master Unit or Sub-Unit. Payments are made 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 or any Sub-Declaration pertains. No Owner may exempt himself from his Assessment liability by waiver of the use or enjoyment of the Common Elements, by abandonment of such Owner's Master Unit or Sub-Unit, or for any other reason. 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 under the Act or the Documents. Payment of Assessments is both a continuing affirmative covenant personal to the Owner and a continuing covenant running with the Owner's Master Unit or Sub-Unit.

6.3. <u>Types of Assessments Levied by the Association</u>. There are three (3) types of Assessments levied by the Association: Regular Assessments, Special Assessments, and Individual Assessments.

#### 6.4. Regular Assessments.

- 6.4.1. <u>Purpose of Regular Assessments</u>. Regular Assessments are used for Common Expenses related to the recurring, periodic, and anticipated responsibilities of the Association, including but not limited to:
  - (a) Maintenance, repair, and replacement, as necessary, of the General Common Elements and equipment, signage, and property owned by the Association.
  - (b) Taxes on property owned by the Association and the Association's income taxes.
  - (c) Management, legal, accounting, auditing, and professional fees for services to the Association.
  - (d) Costs of operating the Association, such as telephone, postage, office supplies, printing, meeting expenses, and educational opportunities of benefit to the Association.
  - (e) Contributions to operation reserves and replacement and repair reserves.
  - (f) Any other expense which the Association is required by Applicable Law or the Documents to pay, or which in the opinion of the Board is necessary or proper in furtherance of the purposes set forth in *Section 6.1* above.
- 6.4.2. <u>Annual Budget Regular Assessments</u>. The Board will prepare and approve an annual budget with the estimated expenses to be incurred by the

Association for each fiscal year. The budget will take into account the estimated income and Common Expenses for the year, contributions to reserve funds, and a projection for uncollected receivables. The Board will make the budget or a summary of the budget available to each Owner, although failure to receive a budget or budget summary will not affect an Owner's liability for Assessments.

- 6.4.3. <u>Basis of Regular Assessments</u>. Regular Assessments will be based on the annual budget. Each Master Unit and Sub-Unit will be liable for its allocated share of the annual budget in proportion to the percentage of liability for Common Expenses allocated to each Master Unit and Sub-Unit as established pursuant to *Section 5.7*. 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 by the Board.
- 6.4.4. <u>Supplemental Increases</u>. 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. Supplemental increases will be apportioned in the same manner as Regular Assessments.
- 6.5. <u>Special Assessments</u>. The Board may levy one or more Special Assessments against all Master Units and Sub-Units for the purpose of defraying, in whole or in part, Common Expenses not anticipated by the annual budget. Special Assessments may be used for the same purposes as Regular Assessments. Special Assessments do not require the approval of the Owners, except that Special Assessments for the acquisition of real property by the Association must be approved by Owners representing at least a Majority of the votes in the Association. Special Assessments will be apportioned among the Master Units and Sub-Units in the same manner as Regular Assessments.
- 6.6. <u>Individual Assessments</u>. The Board may levy an Individual Assessment against an Owner and the Owner's Master Unit or Sub-Unit. 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 the Owner's Master Unit or Sub-Unit into compliance with the Documents; fines for violations of the Documents; transfer-related fees and resale certificate fees; fees for estoppel letters and copies of the Documents; insurance deductibles; reimbursement for damage or waste caused by willful or negligent acts of the Owner, Occupant, or their respective Permittees; Common Expenses that benefit fewer than all of the Master Units and/or Sub-Units, which may be assessed according to benefit received as reasonably determined by the Board; fees or charges levied against the Association on a per-Master Unit or Sub-Unit basis; and "pass through" expenses for services provided through the Association and to be paid by each Owner according to benefit received as reasonably determined by the Board.

- 6.7. <u>Due Date</u>. Regular Assessments are due annually, with monthly installments of the total annual Regular Assessments to be paid on the first calendar day of each month or on such other date or frequency as the Board may designate in its sole and absolute discretion, and are delinquent if not received on or before such date. Special Assessments and Individual Assessments are due on the date stated in the notice of Assessment or, if no date is stated, within ten (10) days after notice of the Assessment is given.
- 6.8. <u>Reserve Funds</u>. The Association will establish, maintain, and accumulate reserves for operations and for replacement and repair. The Association will budget for reserves and may fund reserves out of Regular Assessments or Special Assessments.
  - 6.8.1. Operations Reserves. The Association may maintain operations reserves at a level determined by the Board to be sufficient to cover the cost of operational or maintenance emergencies or contingencies, including deductibles on insurance policies maintained by the Association.
  - 6.8.2. <u>Replacement & Repair Reserves Common Elements</u>. The Association will maintain replacement and repair reserves at a level that anticipates the scheduled replacement or major repair of components of the General Common Elements.
- 6.9. Declarant's Right to Inspect and Correct Accounts. For a period of ten (10) years after expiration or termination of the Declarant Control Period, Declarant reserves for itself and for Declarant's accountants and attorneys, the right, but not the duty, to inspect, correct, and adjust the Association financial records and accounts established during the Declarant Control Period. The Association may not refuse to accept an adjusting or correcting payment made by or for the benefit of Declarant. By way of illustration but not limitation, Declarant may find it necessary to recharacterize an expense or payment to conform to Declarant's obligations under the Documents or Applicable Law. This Section may not be construed to create a duty for Declarant or a right for the Association. In support of this reservation, each Owner hereby grants to Declarant a right of access to the Association's books and records that is independent of Declarant's rights during the Declarant Control and Development Periods.
- 6.10. Association's Right to Borrow Money. The Association is granted the right to borrow money, subject to 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, or pledge 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.
- 6.11. <u>Limitations of Interest</u>. The Association, and its officers, directors, managers, and attorneys, intend to conform strictly to the usury restrictions imposed by Applicable Law.

Notwithstanding anything to the contrary in the Documents or any other document or agreement executed or made in connection with the Association's collection of Assessments, the Association will not in any event be entitled to receive or collect, as interest, a sum greater than the maximum amount permitted by Applicable Law. If for any circumstances whatsoever, the Association ever receives, collects, or applies as interest a sum in excess of the maximum rate permitted by Applicable Law, the excess amount will be applied to the reduction of applicable Assessments, or reimbursed to the Owner if those Assessments are paid in full.

#### ARTICLE 7 ASSESSMENT LIEN

- 7.1. Assessment Lien. Each Owner, by accepting an interest in or title to a Master Unit, whether or not it is so expressed in the instrument of conveyance, covenants and agrees to pay Regular Assessments, Special Assessments, and Individual Assessments to the Association. Each Assessment is a charge on the Master Unit or Sub-Unit, as applicable, and is secured by a continuing lien on the Master Unit or Sub-Unit, as applicable. 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 Master Unit or Sub-Unit. An express lien on each Master Unit and Sub-Unit is hereby granted and conveyed by Declarant to the Association to secure the payment of Regular Assessments, Special Assessments, and Individual Assessments. In furtherance of, and not in limitation of, the provisions of Section 3.3, upon the Recording of a Sub-Declaration, the lien rights established pursuant to this Declaration and vested in the Association shall automatically, and without requiring further action, attach to each individual Sub-Unit created pursuant to the applicable Sub-Declaration in lieu of the entire Master Unit submitted to the terms and provisions of the applicable Sub-Declaration.
- 7.2. Superiority of Assessment Lien. The Assessment lien is superior to all other liens and encumbrances on a Master Unit or Sub-Unit, except only for: (i) real property taxes and assessments levied by governmental and taxing authorities; (ii) a Recorded deed of trust lien securing a loan for construction of Improvements upon the original Master Unit or Sub-Unit; (iii) a deed of trust or vendor's lien Recorded before this Declaration; or (iv) a first or senior purchase money vendor's lien or deed of trust lien Recorded before the date on which the delinquent Assessment became due. The Assessment lien is superior to any Recorded assignment of the right to insurance proceeds on the Master Unit or Sub-Unit unless the assignment is part of a superior deed of trust lien.
- 7.3. Effect of Mortgagee's Foreclosure. Foreclosure of a superior lien extinguishes the claim by the Association against the Master Unit or Sub-Unit for unpaid Assessments that became due before the sale, but does not extinguish the claim by the Association 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 foreclosure sale, and for the Owner's pro rata share of the pre-foreclosure deficiency as a Common Expense.

- 7.4. Notice and Release of Notice. The lien established hereby 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, in the exercise of their its lien rights, the Association may, at its option, cause a notice of the lien to be Recorded. 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. The Association may require reimbursement of its costs of preparing and Recording the notice before granting the release.
- 7.5. <u>Power of Sale</u>. By accepting an interest in or title to a Master Unit or Sub-Unit, each Owner grants to the Association a private power of non-judicial sale in connection with its 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. Any such appointment must be in writing and may be in the form of a resolution duly adopted by the Association.
- 7.6. <u>Foreclosure of Lien</u>. The Assessment lien may be enforced by judicial or non-judicial foreclosure. A non-judicial 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 Applicable Law. In any foreclosure, the Owner will be required to pay all costs and expenses for the proceedings, including reasonable attorneys' fees. The Association has the power to bid on the Master Unit or Sub-Unit at a foreclosure sale initiated by it and to acquire, hold, lease, mortgage, and convey same.

## ARTICLE 8 EFFECT OF NONPAYMENT OF ASSESSMENTS

- 8.1. Generally. 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 all delinquent Assessments. From time to time, the Association may delegate some or all of its collection procedures and remedies, as it deems appropriate in its sole discretion to an attorney or a debt collector. The Association, however, is not 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 may have pursuant to the Documents or Applicable Law.
- 8.2. <u>Interest</u>. Delinquent Assessments are subject to interest from the due date until paid, at a rate not to exceed the maximum permitted by Applicable Law.
- 8.3. <u>Late Fees</u>. Delinquent Assessments are subject to reasonable late fees, at a rate to be determined by the party having levied the Assessment from time to time, which in no event will exceed the greater of: (i) \$25; or (ii) five percent (5%) of the total delinquent Assessments.

- 8.4. <u>Collection Expenses</u>. Each Owner 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.
- 8.5. <u>Acceleration</u>. If an Owner defaults in paying Assessments that are payable in installments, the Association may accelerate the remaining installments on ten (10) days' written notice to the defaulting Owner.
- 8.6. <u>Suspension of Vote and Right To Use Common Elements</u>. Subject to the below-described limitations, if an Owner's account has been delinquent for at least thirty (30) days, then the Association may, during the period of delinquency, suspend: (i) the right to vote appurtenant to the Master Unit or Sub-Unit; and (ii) the right of the Owner to use the Common Elements, except as may be reasonably necessary for the purposes of ingress and egress to and from the Owner's Master Unit or Sub-Unit. Suspension does not constitute a waiver or discharge of the Owner's obligation to pay Assessments. When the Association suspends an Owner's right to vote, the suspended Owner may nevertheless participate as a Member of the Association for the following activities: (i) be counted towards a quorum; (ii) attend meetings of the Association; (iii) participate in discussion at Association meetings; (iv) be counted as a petitioner for a special meeting of the Association; and (v) vote to remove a Director and for the replacement of the removed Director.
- 8.7. <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 its lien for Assessments.
- 8.8. <u>Notice to Mortgagee</u>. The Association may notify and communicate with any holder of a lien against a Master Unit or Sub-Unit regarding the Owner's default in payment of Assessments.
- 8.9. Application of Payments. The Association may adopt and amend policies regarding the application of payments. After the Association notifies the Owner of a delinquency, any payment received by the Association may be applied in the following order: collection expenses, interest, late fees, Individual Assessments, Special Assessments, and (lastly) Regular Assessments. The Association may refuse to accept partial payment, i.e., less than the full amount due and payable. The Association may also refuse to accept payments to which the payer attaches conditions or directions contrary to its policy for applying payments. The policies of the Association may provide that endorsement, deposit and posting of a payment to an Owner's account does not constitute acceptance of the payment or of any conditions or directions attached to the payment.

#### ARTICLE 9 MAINTENANCE AND REPAIR OBLIGATIONS

9.1. <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 General Common Elements, any Master Unit shown as a drainage flume, detention pond or other similar drainage feature on the Plats and Plans and those portions of the Property specifically identified in this Declaration to be maintained by the Association.

If any maintenance or repair otherwise the responsibility of the Association is performed by an Owner or Occupant, such maintenance or repair will be performed at the sole expense of such Owner or Occupant and the Owner and Occupant will not be entitled to reimbursement from the Association even if the Association accepts the maintenance or repair. This paragraph may not be interpreted to evidence consent to any repair or maintenance by an Owner or Occupant of components otherwise the responsibility of the Association, it being understood that no repair or maintenance may be done to such portions of the Property without the advance written consent of the Association. This paragraph is only intended to foreclose any claim for reimbursement by an Owner or Occupant in the event of any such unauthorized maintenance or repairs.

The Association will not be liable for injury or damage to Person or property caused by the elements or by the Owner or Occupant of any Master Unit or any other Person or resulting from any rain, snow or ice which may leak or flow from any portion of the General Common Elements or from equipment which the Association is responsible to maintain hereunder, except for injuries or damages arising after the Owner or Occupant of a Master Unit has put the Association on written notice of a specific leak or flow from any portion of the General Common Elements and the Association has failed to exercise due care to correct the leak or flow within a reasonable time thereafter. The Association will not be liable to any Owner of any Master Unit or such Owner's Occupant or Permittee for loss or damage, by theft or otherwise, of any property, which may be stored in or upon any of the General Common Elements or any Master Unit. The Association will not be liable to any Owner or any Owner's Occupant or Permittee, for any damage or injury caused in whole or in part by the Association's failure to discharge its responsibilities under this Section where such damage or injury is not a foreseeable, natural result of the Association's failure to discharge its responsibilities. No diminution or abatement of Assessments will be claimed or allowed by reason of any alleged failure of the Association to take some action or perform some function required to be taken or performed by the Association under this Declaration or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association or from any action taken by the Association to comply with any law ordinance or with any order or directive of any municipal or other governmental authority.

- 9.2. Owner Maintains. Except as otherwise expressly provided in this Declaration, each Owner shall operate and fully maintain, repair and, when necessary, replace, at its cost and expense, all portions of such Owner's Master Unit or Sub-Unit, all Limited Common Elements assigned thereto, and all areas that Owner has agreed to operate, maintain, repair and replace elsewhere in this Declaration, so that the same are at all times in good order, condition and repair. The foregoing obligation by each Owner to operate, maintain, repair and, when necessary, replace, shall include, without limitation, keeping all portions of the Master Unit or Sub-Unit and any Limited Common Element assigned thereto in a clean, unlittered orderly and sanitary condition. An Owner shall perform his or her responsibility in such manner so as not to unreasonably disturb other Owners and Occupants.
- Failure to Maintain. Notwithstanding the foregoing obligations to maintain, repair and replace, if any Owner or those claiming by, through or under it, abuses, misuses or fails to operate, maintain, repair or replace in the manner provided in this Declaration any item for which it is responsible hereunder or otherwise creates a situation in any portion of the Property with respect to which non-exclusive easements and licenses have been granted by this Declaration such that said areas require maintenance, repair or replacement in excess of what would be required by normal use of said areas for their intended purposes, the Owner causing the excess use will be responsible for the excess costs of operating, maintaining, repairing and replacing said areas. Each Owner will indemnify and hold harmless Declarant, the Association, and any Sub-Association and the other Owners (except for their own negligence) from all loss, damage, cost, liability or expense, including, without limitation, reasonable attorneys' fees actually incurred, arising from such Owner's failure to operate, maintain, repair or replace in the manner provided in this Declaration any item for which it is responsible hereunder or otherwise creates a situation in any portion of the Property with respect to which non-exclusive easements and licenses have been granted by this Declaration such that said areas require maintenance, repair or replacement in excess of what would be required by normal use of said areas for their intended purposes.
- 9.4. <u>Inspection Obligations</u>. The Association shall, at all times, contract with or otherwise retain the services of independent, qualified, licensed Persons to provide the Association with inspection services relative to the maintenance, repair and physical condition of those portions of the Regime which are the responsibility of the Association.
- 9.5. <u>Disputes</u>. If a dispute arises regarding the allocation of maintenance responsibilities by this Declaration, the dispute will be resolved by the Declarant during the Development Period, and the Board thereafter, who will delegate such maintenance responsibility to either the Association or the individual Owner(s), as determined by the Declarant or the Board (as the case may be) in its sole and absolute discretion.
- 9.6. <u>Warranty Claims</u>. If the Owner is the beneficiary of a warranty against defects of the Common Elements, the Owner irrevocably appoints the Association, acting through the

Board, as such Owner's attorney-in-fact to file, negotiate, receive, administer, and distribute the proceeds of any claim against the warranty that pertains to the Common Elements.

- 9.7. <u>Measures Related to Insurance Coverage</u>. The Board, upon resolution, will have the authority to require all or any Owner(s) to do any act or perform any work involving portions of the Regime which are the maintenance responsibility of the Owner, which will, in the Board's sole discretion, decrease the possibility of fire or other damage in the Regime, reduce the insurance premium paid by the Association for any insurance coverage or otherwise assist the Board in procuring or maintaining such insurance coverage.
- 9.8. 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 Master Unit or Sub-Unit. 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 10 ARCHITECTURAL COVENANTS AND CONTROL

- 10.1. Purpose. Because the Master Units and Sub-Units are part of a single, unified community, the Architectural Reviewer has the right to regulate every aspect of the exterior of all Improvements located within the Regime, including the exterior design, use and appearance thereof, in order to preserve and enhance the Property's value and architectural harmony. One purpose of this Article is to promote and ensure the level of taste, design, quality, and harmony by which the Property is developed and maintained. Another purpose is to allow the Regime to respond to changes in technology, style, and taste. The Architectural Reviewer has the right to regulate every aspect of proposed or existing Improvements on the Property, 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.
- 10.2. <u>General</u>. The architectural control provisions set forth in this Declaration shall be primary and superior to any architectural control provisions promulgated pursuant to a Sub-Declaration. Notwithstanding anything to the contrary stated herein, the initial Improvements constructed on the Property, and all architectural modifications made thereto that are made by the Declarant or its Permittees, shall not be subject to approval pursuant to this Article.

- 10.3. Declarant Rights. During the Development Period, the Declarant and Declarant only is responsible for architectural control of the Property. Declarant may designate one or more Persons from time to time to act on its behalf in reviewing and responding to applications. After expiration or termination of the Development Period, the Board or a committee appointed by the Board exercises architectural control over the Property. THE ASSOCIATION, THE BOARD, OR A COMMITTEE APPOINTED BY THE ASSOCIATION OR BOARD (NO MATTER HOW THE COMMITTEE IS NAMED) MAY NOT INVOLVE ITSELF WITH ARCHITECTURAL APPROVAL DURING THE DEVELOPMENT PERIOD. 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 organization. Each Owner covenants and agrees that Declarant has a substantial interest in ensuring that the all Improvements within the Property preserve Declarant's reputation as a developer and do not impair Declarant's ability to market and sell Accordingly, each Owner agrees that, during the Development Period, architectural approval may be granted or withheld at Declarant's sole discretion. The party having the rights hereunder of architectural control of the Property, whether Declarant, the Board or any assignee of Declarant's rights hereunder, is referred to in this Article generically as the "Architectural Reviewer".
- 10.4. <u>Delegation by Declarant</u>. 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: (i) an architectural control committee appointed by the Board; or (ii) 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.
- 10.5. Limits on Liability. Until expiration or termination of the Development Period, the Declarant has sole discretion with respect to taste, design, and all standards specified by this Article. After expiration or termination of the Development Period, or after a delegation of duties as provided by Section 10.4 above, the Board has sole discretion with respect to taste, design, and all standards specified by this Article. Neither the Declarant, nor the Board, nor their directors, officers, committee members, employees or agents will have any liability for decisions made in good faith, and which are not arbitrary or capricious. Neither the Declarant, the Board, nor their directors, officers, committee members, employees or agents are responsible for: (i) errors in or omissions from the plans and specifications submitted to the Board; (ii) supervising construction for the Owner's compliance with approved plans and specifications; or (iii) the compliance of the Owner's plans and specifications with Applicable Law. Approval of a modification or Improvement may not be deemed to constitute a waiver of the right to withhold approval of similar proposals, plans or specifications that are subsequently submitted.

- 10.6. <u>Prohibition of Construction, Alteration and Improvement</u>. Without the Architectural Reviewer's prior written approval, a Person may not commence or continue any construction, alteration, addition, Improvement, installation, modification, redecoration, or reconstruction of or to the Property, or do anything that affects the appearance, use, or structural integrity of Improvements within the Property.
- 10.7. Architectural Standards. The Architectural Reviewer may, but shall not be required to, publish written architectural standards, including architectural changes that may be made without need for prior approval of the Association. The standard for approval of alterations of or Improvements to the exterior facade of any Improvement shall include, but not be limited to, aesthetic considerations, materials to be used, harmony with the external design of the existing buildings, sounds to be generated as a result of the alteration or Improvement and the location in relation to surrounding structures and topography. It is not the intent of this Article to prohibit or unduly regulate or burden the process of effectuating such architectural changes. Rather, the purpose of this Article is to ensure that such architectural changes are compatible with the existing architectural style of the buildings within the Regime.
- 10.8. <u>Applicability to Sub-Condominiums</u>. In furtherance, and not in limitation, of the terms and provisions of this *Article 10*, the construction and alteration of Improvements within a Sub-Condominium shall be governed by the restrictions and procedures set forth in this *Article 11*. Accordingly, and by way of example, any Owner seeking to undertake any action which would be governed by this *Article 11* with respect to a Sub-Unit, shall be equally obligated to comply with the terms and provisions of this *Article 10* with respect to such Sub-Unit.
- 10.9. <u>Deemed Or Verbal Approval</u>. Approval by the Architectural Reviewer may not be deemed, construed, or implied from an action, a lack of action, or a verbal statement by an Association director or officer, a member or chair of the Architectural Reviewer-appointed architectural control committee, the Association's manager, or any other representative of the Association. To be valid, approval of the Architectural Reviewer must be: (i) in writing; (ii) on a form or letterhead issued by the Architectural Reviewer; (iii) signed and dated by a Person designated by the Architectural Reviewer for that purpose; (iv) specific to a Master Unit or Sub-Unit; and (v) accompanied by detailed plans and specifications showing the proposed change. If the Architectural Reviewer fails to respond in writing negatively, affirmatively, or requesting information within sixty (60) days after the Architectural Reviewer's actual receipt of the Owner's application, the application is deemed to have been denied. Approval of an architectural change automatically terminates if work on the approved Improvement has not started by the commencement date stated in the approval instrument or, if no commencement date is stated, within ninety (90) days after the date of approval.

#### ARTICLE 11 <u>USE RESTRICTIONS</u>

- 11.1. <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, with the Declarant's written consent during the Development Period, 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 and executed by a Majority of the Board. The grant of a variance shall not constitute a waiver or estoppel of the Association's right to deny a variance in other circumstances.
- 11.2. <u>Declarant Privileges</u>. In connection with the development and marketing of the Property, Declarant has reserved a number of rights and privileges to use the Property in ways that are not available to other Owners or Occupants. Declarant's exercise of a Development Period right that appears to violate this Declaration or any Rule does not constitute waiver or abandonment of applicable provision of this Declaration or the Rule.
- 11.3. Association's Right to Promulgate Rules and Adopt Community Manual. The Association, acting through the 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 the Master Units, Sub-Units and Common Elements. The Association, acting through the Board, is further granted the right to adopt, amend, repeal, and enforce the Community Manual, setting forth therein such policies governing the Association as the Board determines.
- 11.4. <u>Rules and Regulations</u>. In addition to the restrictions contained in this Article, each Unit is owned and occupied subject to the right of the Board to establish Rules, and penalties for infractions thereof, governing:
  - (a) Use of Common Elements.
  - (b) Hazardous, illegal, or annoying materials or activities within the Property.
  - (c) The use of services provided through the Association.
  - (d) The consumption of utilities billed to the Association.
  - (e) The use, maintenance, and appearance of anything visible from the street, Common Elements, or other Master Units or Sub-Units.
  - (f) The occupancy and leasing of Master Units and Sub-Units.
  - (g) Animals.

- (h) Vehicles.
- Disposition of trash and control of vermin, termites, and pests.
- (j) Anything that interferes with maintenance of the Master Units, Sub-Units and Common Elements, operation of the Association and the administration of the Documents.
- 11.5. <u>Use of Common Elements</u>. There shall be no obstruction of the Common Elements, nor shall anything be kept on, parked on, stored on or removed from any part of the Common Elements without the prior written consent of Declarant (during the Development Period) and the Board thereafter, except as specifically provided herein.
- 11.6. <u>Prohibition of Damage</u>. Without the prior written consent of Declarant (during the Development Period), and the Board thereafter, nothing shall be done or kept on the Property, or any part thereof, which would be in violation of any statute, rule, ordinance, regulation, permit or other validly imposed requirements of any governmental body. No damage to or waste of the Common Elements, or any part thereof, shall be permitted by any Owner or Occupant. Each Owner shall indemnify and hold the Association and the other Owners harmless against all loss to the Association or other Owners resulting from any such damage or waste caused by such Owner or the Occupants of the Owner's Master Unit or Sub-Unit.
- 11.7. Firearms and Fireworks. The display or discharge of firearms or fireworks on the Common Elements is prohibited; provided, however, that the display of lawful firearms on the Common Elements is permitted by law enforcement officers and also is permitted for the limited purpose of transporting the firearms across the Common Elements to or from a Master Unit or Sub-Unit. The term "firearms" includes "B-B" guns, pellet guns, and other firearms of all types, regardless of size, and shall also include, without limitation, sling shots, archery, and other projectile emitting devices.
- 11.8. Abandoned Personal Property. Personal property shall not be kept, or allowed to remain for more than twelve (12) hours upon any portion of the Common Elements, without the prior written consent of Board. If the Board determines that a violation exists, then, the Board may remove and either discard or store the personal property in a location which the Board may determine and shall have no obligation to return, replace or reimburse the owner of the property; provided, however, in such case, the Board shall give the property owner, if known, notice of the removal of the property and the disposition of the property within twenty-four (24) hours after the property is removed. Neither the Association nor any officer or agent thereof shall be liable to any Person for any claim of damage resulting from the removal activity in accordance herewith. The Board may elect to impose fines or use other available remedies, rather than exercise its authority to remove property hereunder.

- 11.9. Animals Household Pets. Except for fish, there shall be allowed no more than two (2) household pets plus no more than two birds in any residence; provided, however, that said pets may consist only of domesticated dogs, cats and/or fish and may not be kept, bred, or maintained for any commercial purpose and not become a nuisance or annoyance to neighbors. Additionally, American Pit Bull Terriers, Rottweilers, Doberman Pinschers, potbellied pigs and snakes of all types are specifically prohibited. The Board may require that all pets be registered. Owners must immediately pick up all solid waste of their pets and dispose of such waste appropriately. All individual pets, including cats, must be leashed at all times when outside a residence. No reptiles or other forms of wildlife shall be kept within the Property. Without limiting the generality of this Section, violations of the provisions of this Section will entitle the Association to all of its rights and remedies, including, but not limited to, the right to fine Owners and/or to require, through order of the Board, any pet to be permanently removed from the Property. No one other than an Owner or an Occupant is permitted to keep any pet.
- 11.10. <u>Fire Safety</u>. No Person may use, misuse, cover, disconnect, tamper with, or modify the fire and safety equipment within the Property.
- 11.11. <u>Use Restriction</u>. The use of each Master Unit and Sub-Unit is limited exclusively to residential purposes or any other use permitted by the Documents. Other than the air conditioned part of a residence, no Improvement may be occupied as residence at any time by any Person.
- 11.12. Business or Commercial Activity. No portion of the Property may be used for any business, commercial (including auctions or similar events), manufacturing, mercantile, storage, vending or other nonresidential purposes, including, without limitation, any activity for which the provider is compensated in any way or receives any form of consideration, regardless of whether the activity is engaged in full or part-time, generates or does not generate a profit, or requires or does not require a license; provided, however, that the Declarant and Homebuilders, and their respective agents, successors and assigns, may use any portion of the Regime for model home site(s), rental and sales offices and the display of signs associated with such sales and leasing activities. The provisions of this Section shall not preclude any of the above-described activities without external evidence thereof, provided that all of the following conditions are fulfilled: (i) such activities are conducted in conformance with Applicable Law and the Owner has obtained all required home business licenses from the appropriate governmental authorities; (ii) the patrons or clientele of such activities do not visit the Property; (iii) the existence or operation of such activities is not apparent or detectable by sight, sound or smell from outside of the boundaries of the residence; (iv) no such activity increases the liability or casualty insurance obligation or premium of the Association; and (v) such activities are consistent with the residential character of the Property and conform with the provisions of the Documents. This provision will in no event be interpreted to prohibit or interfere with the leasing of Master Units or Sub-Units.

11.13. <u>Signs</u>. No sign of any kind, including signs advertising homes for sale, for rent or for lease, may be erected, placed, or permitted to remain within or upon the Property unless approved in advance by the Architectural Reviewer.

#### 11.14. Antennas and Satellite Dishes.

- 11.14.1. <u>Generally</u>. Except as provided below, no satellite dish, antenna or other device for the transmission or reception of television signals, radio signals or any form of electromagnetic wave or radiation shall be erected, used or maintained on any Master Unit, Sub-Unit or the Common Elements; <u>provided</u>, <u>however</u>, that the Association shall have the right to erect, construct and maintain such devices. The following shall apply to all Owners:
  - (a) No transmission antenna, of any kind, may be erected anywhere within the Property without written approval of the Architectural Reviewer.
  - (b) No direct broadcast satellite (DBS) antenna or multi-channel multipoint distribution service (MMDS) antenna larger than one meter in diameter shall be placed, allowed or maintained within the Property.
  - (c) DBS and MMDS satellite dishes or antennas one meter or less in diameter and television broadcast service antennas may only be installed in accordance with Federal Communication Commission (FCC) rules and Rules, and only if and to the extent such rules mandate that such dishes or antennas be allowed, both as may be amended from time to time. In such event, to the extent permissible under the FCC rules and regulations: (A) such satellite dishes and antennas shall be in a uniform color designated by the Architectural Reviewer; and (B) the Architectural Reviewer may designate and restrict the specific location and color of such satellite dishes and antennas. To the extent that any of the foregoing subsections (A) and (B) is not permitted under the FCC rules and regulations, the remaining portion of this subsection (C) shall survive independently to the extent permissible under the FCC rules and regulations.
- 11.14.2. <u>Preferred Installation Locations</u>. A dish or antenna may be installed in a location within the Master Unit or Sub-Unit from which an acceptable quality signal can be obtained and where least visible from the street and the Property, other than the Master Unit or Sub-Unit. In order of preference, the locations of a dish or antenna which will be considered least visible by the Architectural Reviewer are as follows:

- (a) attached to the back of the residence and contained completely within the Master Unit or Sub-Unit, with no part of the dish or antenna any higher than the lowest point of the roofline and screened from view of adjacent residences and the street; then
- (b) attached to the side of the residence and contained completely within the Master Unit or Sub-Unit, with no part of the dish or antenna any higher than the lowest point of the roofline and screened from view of adjacent residences and the street.
- 11.14.3. <u>Transfers</u>. In the event of a transfer of the Master Unit or Sub-Unit which includes a satellite dish or antenna, the transferee shall assume all responsibility for the satellite dish or antenna and shall comply with all applicable provisions of the Documents regarding satellite dishes and antennas, including, but not limited to, any rules relating to maintenance and removal of any satellite dish or antenna.
- 11.15. Wireless Internet Systems. A wireless Internet communication network ("WiFi System") may be installed or otherwise used in a Master Unit or Sub-Unit provided precautions are taken to insure against interfering with, disturbing, or intercepting computer, communications, or other permitted electronic signals, networks, or systems installed in other portions of the Property. The Association may establish reasonable requirements relating to the installation of WiFi Systems that must be complied with, including, without limitation, requiring assurance from the installation of the system that proper precautions are being taken. Notwithstanding the foregoing, compliance with requirements relating to the installation of WiFi Systems is not a guarantee that any WiFi System installed or otherwise used in a Master Unit or Sub-Unit will not interfere with, disturb, or intercept other signals, networks, or systems within the Property. The Association may require that any WiFi System found to cause such problems be terminated. The Association, Declarant, and their respective current and former partners, members, directors, officers agents employees, affiliates, and committee members, shall not in any way be considered insurers or guarantors of the proper operation or use of any WiFi Systems in the Property, nor shall any of such Persons be held liable for any loss or damage relating to the use or operation of WiFi Systems in the Las Palmas community.
- 11.16. <u>Rubbish, Trash and Garbage</u>. All rubbish, trash and garbage shall be regularly removed from each Master Unit and Sub-Unit and shall not be allowed to accumulate therein. No rubbish, trash or garbage shall be placed on the Common Elements. Trash receptacles shall be kept within the garage at all time, except on the day of collection, at which time such trash receptacles may be kept outside for collection for no more than twelve (12) hours.
- 11.17. <u>Drainage Flumes</u>. All Master Units and Sub-Units shall require that the water drainage shall be from the rear of such Master Unit or Sub-Unit on to the street and into the drain flumes as provided. At all times the drain flumes shall be free and clear of any materials, trash and/or debris that would inhibit the free flow of the water drainage system. At all times

the Association and its agents shall have access, ingress and egress upon the Master Units and Sub-Units adjacent to the drainage flumes for their maintenance.

- 11.18. <u>Building Types</u>; <u>Garages</u>. No building shall be erected, altered, placed or permitted to remain on any Sub-Unit other than one detached single-family dwelling, not to exceed thirty feet (30') in height, and a private garage for not more than three (3) cars. Covered and enclosed garage space shall be required on each nit to accommodate at least two (2) automobiles for each dwelling thereon. The garage area shall not be converted into a living area.
- 11.19. <u>Square Footage Requirements</u>. Subject to the granting of one or more variances as provided in *Section 11.1*, the floor area of the main residence constructed upon each Sub-Unit, exclusive of open porches, garages and basements, shall be not less than one-thousand four-hundred fifty (1,450) square feet.
- 11.20. <u>Setbacks: Protrusions</u>. The front elevation of each residence shall be set back from the street no less than fifteen feet (15') and the front elevation of the garage attached to the residence shall be set back a minimum of twenty-four feet (24') from the street. The rear elevation of each residence shall be located no less than twenty-five feet (25') from its rear boundary line of the Master Unit and/or Sub-Unit. Should any residence be located on a side street, then the elevation facing the side street shall be set back at least ten feet (10') from the side street. The distance between two adjacent residences shall be a minimum of ten feet (10'). For purposes of this *Section 11.20*, eaves, steps, fireplace and window protrusions shall not exceed eighteen (18') from the exterior elevation of a residence, provided that all protrusions shall be reflected in plans and specifications submitted to, and shall be subject to approval by, the Architectural Reviewer and be consistent with the building codes of the City of El Paso, Texas. In the event of any disagreement regarding the location of the front, rear, and side elevations of a residence, such disagreement will be resolved by the Architectural Reviewer.
- 11.21. <u>Landscaping</u>. Each Owner will be required to install Xeriscape landscaping in the front yard areas of each Master Unit and Sub-Unit. The type and location of all landscaping must be approved in advance by the Master Architectural Reviewer.
- 11.22. Exclusions as to Persons Convicted of Sex Crimes. Each Owner and Occupant shall be required, prior to the purchase of a Master Unit or Sub-Unit, to provide the Association with an affidavit and an acknowledgement that states the following: "No person who has been convicted in a court of law of a sexual offense, sexual assault, indecency with a child or any other sexual act prohibited under applicable law or under applicable statutes of another state or the federal government, shall reside within the residential dwelling or any other property to be purchased by the undersigned buyer". Any Owner or Occupant who allows a Person who has been convicted of a sexual crime (as identified in the affidavit) shall be in violation of this Section 11.22. If the Association learns of a sexual offender's residency or visitation with the Las Palmas community, the Association shall have the right to request that such Person be removed

from the Las Palmas community upon providing notice to the Owner or Occupant with whom the sexual offender is residing or whom the sexual offender is visiting. If the Owner or Occupant does not require the sexual offender to vacate the Las Palmas community, then the Association shall have the right to seek injunctive or other legal relief prohibiting the sexual offender from entering the Las Palmas community. Any and all costs incurred by the Association in seeking such injunctive or other relief shall be borne by the Owner or Occupant with whom the sexual offender is residing or whom the sexual offender is visiting as an Individual Assessment.

#### ARTICLE 12 ASSOCIATION OPERATIONS

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

#### 12.2. The Association.

- 12.2.1. Generally. The duties and powers of the Association are those set forth in the Documents, together with the general and implied powers of a condominium association and a nonprofit corporation organized under Applicable Law. Generally, the Association may do any and all things that are lawful and necessary, proper, or desirable in operating for the peace, health, comfort, and general benefit of its Members, subject only to the limitations on the exercise of such powers as stated in the Documents. The Association comes into existence on issuance of its corporate charter. The Association will continue to exist at least as long as the Declaration is effective against the Property, regardless of whether its corporate charter lapses from time to time.
- 12.2.2. <u>Further Rights</u>. In addition to and not in limitation of all other rights it may have, the Association, acting through the Board, shall have the right and authority to take any or all of action set forth below.
  - (a) Make and to enforce reasonable Rules governing the use of the Master Units, the Sub-Units and the Common Elements;
  - (b) Enforce the Documents by the imposition of reasonable monetary fines and suspension of use and voting privileges as permitted pursuant to the Act;
  - (c) Grant and accept permits, licenses, utility easements, leases, and other easements;

- (d) Acquire, hold, and dispose of tangible and intangible personal property and real property;
- (e) Enter into joint agreements and contracts with other associations and legal entities for the provision of services, including, without limitation, management, landscaping, property monitoring services, and trash removal services; and
- (f) Control, manage, operate, maintain, improve and replace all portions of the General Common Elements.
- 12.3. Governance During Declarant Control Period. During the Declarant Control Period, the Declarant will have the exclusive authority to appoint and remove all members of the Board. Within one hundred and twenty (120) days after fifty percent (50%) percent of the Master Units that may be created have been conveyed to Owners other than Declarant, at least one-third of the Board members must be elected by Owners other than Declarant.
- 12.4. Governance Upon Expiration or Termination of the Declarant Control Period. Upon expiration or termination of the Declarant Control Period, the Board shall be elected by the Members in accordance with the provisions of Section 82.103(d) of the Act.
- 12.5. <u>Membership</u>. Each Owner is a Member of the Association, ownership of Master Unit or Sub-Unit being the sole qualification for membership. If a Master Unit or Sub-Unit is owned by more than one Person, each co-Owner is a Member of the Association and may exercise the membership rights appurtenant to the Master Unit or Sub-Unit. Unless the Documents provide otherwise, any action requiring approval of the Members may be approved in writing by Owners representing at least a Majority of the total voting interests in the Association, or at a meeting by Owners' representing at least a Majority of the total voting interests in the Association that are represented at the meeting.
- 12.6. <u>Manager</u>. The Board may delegate the performance of certain functions to one or more managers or managing agents of the Association.
- 12.7. <u>Books and Records</u>. The Association will maintain copies of the Documents and the Association's books, records, and financial statements. Books and records of the Association will be made available for inspection and copying pursuant to the requirements of the Texas Business Organizations Code applicable to non-profit corporations.
- 12.8. <u>Use of Technology</u>. In recognition of the opportunities offered through computers and continuing advancements in technology, the Association may, as a Common Expense, provide or offer services which make use of computers or other technological services. For example, to the extent permitted by Applicable Law, the Association may send required notices by electronic means; hold Board or Association meetings and permit attendance and voting by electronic means; send and collect Assessments and other invoices over the computer;

sponsor a community cable or satellite television channel; create and maintain a community intranet or Internet home page offering interactive participation opportunities for users; maintain an "online" newsletter or bulletin board; and provide funding for any of the above purposes.

- 12.9. <u>Indemnification</u>. The Association indemnifies every officer, director, 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 any threatened or pending action, suit, or proceeding to which the Leader is a party or respondent by reason of being or having been a Leader. A Leader is not liable for a mistake of judgment. 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. As a Common Expense, the Association may maintain general liability and directors and officers' liability insurance to fund this obligation.
- 12.10. <u>Sub-Unit Resales</u>. This Section applies to every sale or conveyance of a Sub-Unit by an Owner other than Declarant:
  - 12.10.1. <u>Resale Certificate</u>. An Owner intending to sell a Sub-Unit will notify the Association and will request a condominium resale certificate from the Association.
  - 12.10.2. <u>No Right of First Refusal</u>. The Association does not have a right of first refusal and may not compel a selling Owner to convey the Owner's Sub-Unit to the Association.
  - 12.10.3. Other Transfer-Related Fees. A number of independent fees may be charged in relation to the transfer of title to a Sub-Unit or an interest in a Sub-Unit, including but not limited to, fees for resale certificates, estoppel certificates, copies of Documents, compliance inspections, ownership record changes, and priority processing, provided the fees are customary in amount, kind and number for the local marketplace. Transfer-related fees are not refundable and may not be regarded as a prepayment of or credit against Regular Assessments or Special Assessments. Transfer-related fees may be charged by the Association or by the Association's managing agent, provided there is no duplication of fees. Transfer-related fees charged by or paid to a managing agent must have the prior written approval of the Association, are not subject to the Association's Assessment lien, and are not payable by the Association. This Section does not obligate the Board or the manager to levy transfer-related fees. This exclusion may be waived by a party to a conveyance who requests transfer-related services or documentation for which fees are charged.
  - 12.10.4. <u>Exclusions</u>. The requirements of this Section, including the obligation for transfer-related fees, do not apply to the following transfers: (i) the initial

conveyance from the Declarant; (ii) foreclosure of a Mortgagee's deed of trust lien, a tax lien, or the Association's Assessment lien; (iii) conveyance by a Mortgagee who acquires title by foreclosure or deed in lieu of foreclosure; transfer to, from, or by the Association; (iv) voluntary transfer by an Owner to one or more co-Owners, or to the Owner's spouse, child, or parent; a transfer by a fiduciary in the course of administering a decedent's estate, guardianship, conservatorship, or trust; a conveyance pursuant to a court's order, including a transfer by a bankruptcy trustee; or (v) a disposition by a government or governmental agency.

12.11. 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 two-thirds (¾) of the Master Units and the Declarant during the Development Period. On merger or consolidation of the Association with another association, the property, rights, and obligations of another association may, by operation of Applicable Law, be added to the properties, rights, and obligations of the Association as a surviving corporation pursuant to the merger. The surviving or consolidated association may administer the provisions of the Documents within the Property, together with the covenants and restrictions established on any other property under its jurisdiction. No merger or consolidation, however, will affect a revocation, change, or addition to the covenants established by this Declaration within the Property.

#### ARTICLE 13 ENFORCING THE DOCUMENTS

- 13.1. <u>Remedies</u>. The remedies provided in this Article for breach of the Documents are cumulative and not exclusive. In addition to other rights and remedies provided by the Documents and by Applicable Law, the Association has the following right to enforce the Documents:
  - 13.1.1. <u>Nuisance</u>. The result of every act or omission that violates any provision of the Documents is a nuisance, and any remedy allowed by Applicable Law against a nuisance, either public or private, is applicable against the violation.
  - 13.1.2. <u>Fine</u>. The Association, acting by and through the Board, may levy reasonable charges, as an Individual Assessment, against an Owner and the Owner's Master Unit or Sub-Unit if the Owner or Occupant, or their family, guests, employees, agents, or contractors violate a provision of the Documents. Fines may be levied for each act of violation or for each day a violation continues, and does not constitute a waiver or discharge of the Owner's obligations under the Documents.
  - 13.1.3. <u>Self-Help</u>. The Association has the right to enter each Master Unit and Sub-Unit to abate or remove, using force as may reasonably be necessary, any construction, thing, animal, Person, vehicle, or condition that violates the Documents. In exercising this right, the Board is not trespassing and is not liable for damages related to

the abatement. The Board may levy its costs of abatement against the Master Unit or Sub-Unit and its Owner as an Individual Assessment. Unless an emergency situation exists in the good faith opinion of the Board, the Board will give the violating Owner fifteen (15) days' notice of its intent to exercise self-help. Notwithstanding the foregoing, the Association, acting by and through the Board, may not alter or demolish an item of construction on a Master Unit or Sub-Unit without judicial proceedings.

- 13.1.4. <u>Suit</u>. Failure to comply with the Documents will be grounds for an action to recover damages or for injunctive relief to cause any such violation to be remedied, or both. Prior to commencing any legal proceeding, the Association will give the defaulting party reasonable notice and an opportunity to cure the violation.
- 13.2. <u>Board Discretion</u>. The Board may use its sole discretion in determining whether to pursue a violation of the Documents, provided the Board does not act in an arbitrary or capricious manner. In evaluating a particular violation, the Board may determine that under the particular circumstances: (i) the Association's position is not sufficiently strong to justify taking any or further action; (ii) the provision being enforced is or may be construed as inconsistent with Applicable Law; (iii) 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 (iv) that enforcement is not in the Association's best interests, based on hardship, expense, or other reasonable criteria.
- 13.3. <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 Documents. Failure by the Association or by any Owner to enforce a provision of the Documents is not a waiver of the right to do so thereafter.
- 13.4. Recovery of Costs. The costs of curing or abating a violation are the expense of the Owner or other Person responsible for the violation. If legal assistance is obtained to enforce any provision of the Documents, or in any legal proceeding (whether or not suit is brought) for damages or for the enforcement of the Documents or the restraint of violations of the Documents, the prevailing party is entitled to recover from the non-prevailing party all reasonable and necessary costs incurred by it in such action, including reasonable attorneys' fees.
- 13.5. Notice and Hearing. Before levying a fine for violation of the Documents (other than nonpayment of Assessments), or before levying an Individual Assessment for property damage, the Association will give the Owner written notice of the levy and an opportunity to be heard, to the extent required by Applicable Law. The Association's written notice must contain a description of the violation or property damage; the amount of the proposed fine or damage charge; a statement that not later than the thirtieth (30th) day after the date of the notice, the Owner may request a hearing before the Board to contest the fine or charge; and a stated date by which the Owner may cure the violation to avoid the fine, unless the Owner was given

notice and a reasonable opportunity to cure a similar violation within the preceding twelve (12) months. The Association may also give a copy of the notice to any Occupant. Pending the hearing, the Association may continue to exercise its other rights and remedies for the violation, as if the declared violation were valid. The Owner's request for a hearing suspends only the levy of a fine or damage charge. The Owner may attend the hearing in person, or may be represented by another Person or written communication. The Board may adopt additional or alternative procedures and requirements for notices and hearing, provided they are consistent with the requirements of Applicable Law.

THE ASSOCIATION MAY, BUT IS NOT OBLIGATED TO, 13.6. Security. MAINTAIN OR SUPPORT CERTAIN ACTIVITIES WITHIN THE PROPERTY DESIGNED. EITHER DIRECTLY OR INDIRECTLY, TO IMPROVE SAFETY IN OR ON THE PROPERTY. EACH OWNER ACKNOWLEDGES AND AGREES, FOR HIMSELF AND HIS PERMITTEES, 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 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 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 RELIED ON ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, ANY FIRE, BURGLARY, AND/OR INTRUSION RELATIVE TO RECOMMENDED OR INSTALLED, OR ANY SECURITY MEASURES UNDERTAKEN WITHIN THE PROPERTY. EACH OWNER 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.

13.7. Injury to Person of Property. NEITHER THE ASSOCIATION NOR DECLARANT, OR THEIR RESPECTIVE DIRECTORS, OFFICERS, COMMITTEES, AGENTS, AND EMPLOYEES HAVE A DUTY OR OBLIGATION TO ANY OWNER OR THEIR RESPECTIVE PERMITTEES: (A) TO SUPERVISE MINOR CHILDREN OR ANY OTHER PERSON; (B) TO FENCE OR OTHERWISE ENCLOSE ANY GENERAL COMMON ELEMENT OR OTHER IMPROVEMENT; OR (C) TO PROVIDE SECURITY OR PROTECTION TO ANY OWNER OR THEIR RESPECTIVE PERMITTEES FROM HARM OR LOSS. BY ACCEPTING TITLE TO A MASTER UNIT OR SUB-UNIT, EACH OWNER AGREES THAT THE LIMITATIONS SET FORTH IN THIS SECTION ARE REASONABLE AND CONSTITUTE THE EXERCISE OF ORDINARY CARE BY THE ASSOCIATION AND DECLARANT. EACH OWNER AGREES TO INDEMNIFY AND HOLD HARMLESS THE

ASSOCIATION AND DECLARANT, AND THEIR RESPECTIVE AGENTS, FROM ANY CLAIM OF DAMAGES, TO PERSON OR PROPERTY ARISING OUT OF AN ACCIDENT OR INJURY IN OR ABOUT THE REGIME TO THE EXTENT AND ONLY TO THE EXTENT CAUSED BY THE ACTS OR OMISSIONS OF SUCH OWNER OR ITS PERMITTEES TO THE EXTENT SUCH CLAIM IS NOT COVERED BY INSURANCE OBTAINED BY THE ASSOCIATION AT THE TIME OF SUCH ACCIDENT OR INJURY.

### ARTICLE 14 INSURANCE

- 14.1. General Provisions. The broad purpose of this Article is to require that the Property be insured with the types and amounts of coverage that are customary for similar types of properties and that are acceptable to mortgage lenders, guarantors, or insurers that finance the purchase or Improvement of Master Units. and Sub-Units Because the insurance requirements of mortgage underwriters are subject to change, as are state-promulgated insurance regulations and policies, this Article tries to balance the need for certain minimum insurance requirements with the desire to adapt to a periodically changing insurance environment. The Board will make every reasonable effort to comply with the requirements of this Article.
  - 14.1.1. <u>Unavailability</u>. The Association, and its directors, officers, and managers, will not be liable for failure to obtain any coverage required by this Article or for any loss or damage resulting from such failure if the failure is due to the unavailability of a particular coverage from reputable insurance companies, or if the coverage is available only at demonstrably unreasonable cost.
  - 14.1.2. <u>No coverage</u>. Even if the Association and the Owner have adequate amounts of recommended and required coverages, the Property may experience a loss that is not covered by insurance. In that event, the Association is responsible for restoring the Common Elements as a Common Expense, and the Owner is responsible for restoring the Owner's Master Unit or Sub-Unit, as applicable.
  - 14.1.3. Requirements. The cost of insurance coverages and bonds maintained by the Association is a Common Expense unless allocable to an Owner as provided in this Article. The Association's policies should contain the standard mortgage clause naming either the Mortgagee or its servicer followed by "its successors and assigns." The loss payee clause should show the Association as trustee for each Owner and Mortgagee. Policies of property and general liability insurance maintained by the Association must provide that the insurer waives its rights to subrogation under the policy against an Owner. The Association's insurance policies will not be prejudiced by the act or omission of any Owner or Occupant who is not under the Association's control.

- 14.1.4. <u>Association as Trustee</u>. 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.
- 14.1.5. <u>Notice of Cancellation or Modification</u>. Each insurance policy maintained by the Association should contain a provision requiring the insurer to give prior written notice, as provided by the Act, to the Board before the policy may be canceled, terminated, materially modified, or allowed to expire, by either the insurer or the insured. The Board will give to Eligible Mortgagees, and the insurer will give go Mortgagees, prior notices of cancellation, termination, expiration, or material modification.
- 14.2. <u>Deductibles</u>. An insurance policy obtained by the Association may contain a deductible, and the amount thereof may not be subtracted from the face amount of the policy in determining whether the policy limits satisfy the coverage limits required by the Act or this Declaration. In the event of an insured loss, the deductible is treated as a Common Expense. However, if the Board reasonably determines that the loss is the result of the negligence or willful misconduct of an Owner or Occupant, then the Board may levy an Individual Assessment against the Owner and his Master Unit or Sub-Unit for the amount of the deductible that is attributable to the act or omission.
- 14.3. <u>Property Insurance</u>. The Association will obtain blanket all-risk insurance if reasonably available, for all General Common Elements insurable by the Association. If blanket all-risk insurance is not reasonably available, then at a minimum, the Association will obtain an insurance policy providing fire and extended coverage. This insurance must be in an amount sufficient to cover one-hundred percent (100%) of the replacement cost of any repair or reconstruction in event of damage or destruction from any insured hazard.
  - 14.3.1. <u>Common Property Insured</u>. The Association will insure: (i) General Common Elements; and (ii) property owned by the Association including, if any, records, furniture, fixtures, equipment, and supplies. Additionally, the Association will insure any Master Unit shown as a drainage flume, detention pond or other similar drainage feature on the Plats and Plans.
  - 14.3.2. <u>Master Units and Sub-Units Not Insured by Association</u>. Except as provided in *Section 14.3.1*, in no event will the Association maintain property insurance on any Master Units or Sub-Units. Accordingly, each Owner will be obligated to maintain property insurance on such Owner's Master Unit or Sub-Unit, including any Improvements constructed within or exclusively serving such Master Unit or Sub-Unit, in an amount sufficient to cover one-hundred percent (100%) of the replacement cost of any repair or reconstruction in event of damage or destruction from any insured hazard.

- 14.3.3. <u>Endorsements</u>. To the extent reasonably available, the Association will obtain endorsements to its property insurance policy if required by an Underwriting Lender.
- 14.4. <u>Beneficiaries of Insurance</u>. All insurance purchased by the Association pursuant to this Paragraph shall run to the benefit of the Association, the Board, officers, all agents and employees of the Association, each Sub-Association, the board of directors of each Sub-Association, officers, all agents and employees of the Association and each Sub-Association, the Owners, and their respective Mortgagees, and all other Occupants, as their interests may appear (all of which shall be named in such policy as additional insureds).
- 14.5. <u>Board to Make Policies Available</u>. The Board shall make available for review by Owners a copy of the Association's insurance policy to allow Owners to assess their individual insurance needs and each Owner shall have the right to obtain additional coverage at its own expense.
- 14.6. <u>Form of Policies; Review of Policies</u>. All policies of insurance shall be written with a company licensed to do business in the State of Texas. It shall be the duty of the Board at least once every year to conduct an insurance review to determine if the policy in force is adequate to meet the needs of the Association and to satisfy the requirements of Section 82.111 of the Act and this Declaration. Such responsibility may be performed, and shall be deemed reasonably performed, by the Board requesting the Association's insurance agent to verify that insurance policies in existence meet the needs of the Association and satisfy the requirements of Section 82.111 of the Act and this Declaration.
- 14.7. <u>Liability Insurance</u>. The Association will maintain a commercial general liability insurance policy over the Common Elements and any Master Unit shown as a drainage flume, detention pond or other similar drainage feature on the Plats and Plans. expressly excluding the liability of each Owner and Occupant within the Owner's Master Unit or Sub-Unit for bodily injury and property damage resulting from the operation, maintenance, or use of the Common Elements. and any Master Unit shown as a drainage flume, detention pond or other similar drainage feature on the Plats and Plans. The amount of coverage should be at least that required by Section 82.111 of the Act. 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.
- 14.8. Owner-Maintained Policies. Every Owner shall be obligated to obtain and maintain at all times insurance covering those portions of the Owner's Master Unit and Sub-Unit to the extent not insured by policies maintained by the Association.
- 14.9. Relationship Between Owner-Maintained and Association-Maintained Policies.

- 14.9.1. <u>No Contribution</u>. In no event shall the insurance coverage obtained and maintained by the Association hereunder be brought into contribution with insurance purchased by Owners, owners of Sub-Units, or their respective Mortgagees. Each Owner will file a copy of individual policy or policies required to be obtained by the Owner under *Section 14.8* with the Board within thirty (30) days after the purchase of such insurance. Such Owner or owner of a Sub-Unit shall also promptly notify, in writing, the Board in the event such policy is canceled.
- 14.9.2. <u>Deductible</u>. In the event of an insured loss, any required deductible shall be considered an Individual Assessment to be paid by the Owner who would be responsible for such loss in the absence of insurance. If the loss affects more than one Master Unit, Sub-Unit or a Master Unit or Sub-Unit and the Common Elements, the cost of the deductible may be apportioned equitably by the Board among the parties suffering loss in proportion to each affected Owner's portion of the total cost of repair. Notwithstanding the foregoing, if the insurance policy provides that the deductible will apply to each Master Unit and/or Sub-Unit separately or to each occurrence, each Owner shall be responsible for paying the deductible pertaining to the Owner's Master Unit or Sub-Unit, if any. If any Owner or Owners fail to pay the deductible when required under this Paragraph, then the Association may pay the deductible and assess the cost as an Individual Assessment to the responsible Owner or Owners.
- 14.9.3. <u>Delinquency</u>. Notwithstanding anything to the contrary stated herein, in the event of an insured loss under any policy maintained by the Association for which the Association receives from the insurer payment for a loss sustained by an Owner who is delinquent in the payment of Assessments, then the Association may retain and apply such proceeds to the delinquency. The Association shall pay any surplus remaining after application of the proceeds to any delinquency to the affected Owner.
- 14.10. <u>Worker's Compensation</u>. The Association may maintain worker's compensation insurance if and to the extent necessary to meet the requirements of Applicable Law or if the Board so chooses.
- 14.11. <u>Fidelity Coverage</u>. The Association may maintain blanket fidelity coverage for any Person who handles or is responsible for funds held or administered by the Association, whether or not the Person is paid for his services. The policy should be for an amount that exceeds the greater of: (i) the estimated maximum funds, including reserve funds, which will be in the Association's custody at any time the policy is in force; or (ii) an amount equal to three (3) months of all Regular Assessments. A management agent that handles Association funds should be covered for its own fidelity insurance policy with the same coverages.
- 14.12. <u>Directors and Officers Liability</u>. The Association may maintain directors and officer's 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.

- 14.13. <u>Mortgagee Required Policies</u>. Unless coverage is not available or has been waived in writing, the Association will maintain any insurance and bond required by an Underwriting Lender for condominium developments as long as an Underwriting Lender is a Mortgagee or an Owner.
- 14.14. Other Policies. The Association may maintain any insurance policies and bonds deemed by the Board to be necessary or desirable for the benefit of the Association.

## ARTICLE 15 RECONSTRUCTION OR REPAIR AFTER LOSS

- 15.1. <u>Subject To Act</u>. The Association's response to damage or destruction of the Property will be governed by Section 82.111(i) of the Act. The following provisions apply to the extent the Act is silent.
- 15.2. <u>Restoration Funds</u>. For purposes of this Article, "Restoration Funds" include insurance proceeds, condemnation awards, Individual Assessments, and other funds received on account of or arising out of injury or damage to the Property. All funds paid to the Association for purposes of repair or restoration will be deposited in a financial institution in which accounts are insured by a federal agency. Withdrawal of Restoration Funds requires the signatures of at least a majority of the Board or that of an agent duly authorized by the Board.
  - 15.2.1. <u>Sufficient Proceeds</u>. If Restoration Funds obtained from insurance proceeds or condemnation awards are sufficient to repair or restore the damaged or destroyed Property, the Association, as trustee for the Owners, will promptly apply the funds to the repair or restoration.
  - 15.2.2. <u>Insufficient Proceeds</u>. If Restoration Funds are not sufficient to pay the estimated or actual costs of restoration as determined by the Board, the Board may levy an Individual Assessment against the Owners to fund the difference.
  - 15.2.3. <u>Surplus Funds</u>. If the Association has a surplus of Restoration Funds after payment of all costs of repair and restoration, the surplus will be applied as follows: If Individual Assessments were a source of Restoration Funds, the surplus will be paid to Owners in proportion to their contributions resulting from the Individual Assessment levied against them; provided that no Owner may receive a sum greater than that actually contributed by him, and further provided that any Delinquent Assessments owed by the Owner to the Association will first be deducted from the surplus. Any surplus remaining after the disbursement described in the foregoing paragraph will be common funds of the Association to be used as directed by the Board.

#### 15.3. Costs And Plans.

- 15.3.1. <u>Cost Estimates</u>. Promptly after the loss, the Board will obtain reliable and detailed estimates of the cost of restoring the damaged Property. Costs may include premiums for bonds and fees for the services of professionals, as the Board deems necessary, to assist in estimating and supervising the repair.
- 15.3.2. <u>Plans and Specifications</u>. General Common Elements will be repaired and restored substantially as they existed immediately prior to the damage or destruction. Master Units, Sub-Unit and Improvements constructed therein, will be repaired and restored substantially in accordance with original construction plans and specifications. Alternate plans and specifications for repair and restoration of General Common Elements, Master Units or Sub-Units must be approved by Owners representing at least two-thirds (2/3) of the total voting interests in the Association.

#### 15.4. Owner's Duty to Repair.

- 15.4.1. <u>Uninsured Loss</u>. Within one hundred and twenty (120) days after the date of damage, the Owner will begin repair or reconstruction of his Master Unit or Sub-Unit, and any Improvements constructed therein, subject to the right of the Association to supervise, approve, or disapprove repair or restoration during the course thereof.
- 15.4.2. <u>Insured Loss</u>. If the loss to a Master Unit or Sub-Unit is covered by the Association's insurance policy, the Owner will begin repair or restoration of damage on receipt of the insurance proceeds or any portion thereof from the Association, subject to the rights of the Association to supervise, approve, or disapprove the repair or restoration during the course thereof.
- 15.4.3. <u>Failure to Repair</u>. If an Owner fails to repair or restore damage as required by this Section, the Association may effect the necessary repairs and levy an Individual Assessment against the Owner and Master Unit or Sub-Unit for the cost thereof, after giving the Owner reasonable notice of the Association's intent to do so.
- 15.5. Owner's Liability For Insurance Deductible. If repair or restoration of General Common Elements is required as a result of an insured loss, the Board may levy an Individual Assessment, in the amount of the insurance deductible, against the Owner or Owners who would be responsible for the cost of the repair or reconstruction in the absence of insurance.

### ARTICLE 16 TERMINATION AND CONDEMNATION

16.1. <u>Association As Trustee</u>. Each Owner hereby irrevocably appoints the Association, acting through the Board, as trustee to deal with the Property in the event of damage, destruction, obsolescence, condemnation, or termination of all or any part of the

Property. As trustee, the Association will have full and complete authority, right, and power to do all things reasonable and necessary to effect the provisions of this Declaration and the Act, including, without limitation, the right to receive, administer, and distribute funds, awards, and insurance proceeds; to effect the sale of the Property as permitted by this Declaration or by the Act; and to make, execute, and deliver any contract, deed, or other instrument with respect to the interest of an Owner.

- 16.2. <u>Termination</u>. Termination of the terms of this Declaration and the condominium status of the Property will be governed by Section 82.068 of the Act and *Section 17.3* below.
- 16.3. <u>Condemnation</u>. The Association's response to condemnation of any part of the Property will be governed by Section 82.007 of the Act. On behalf of Owners, but without their consent, the Board may execute and Record an amendment to this Declaration to reallocate allocated interests following condemnation and to describe the altered parameters of the Property. If the Association replaces or restores General Common Elements taken by condemnation by obtaining other land or constructing additional Improvements, the Board may, to the extent permitted by Applicable Law, execute and Record an amendment without the prior consent of Owners to describe the altered parameters of the Property and any corresponding change of facilities or Improvements.

## ARTICLE 17 MORTGAGEE PROTECTION

- 17.1. <u>Introduction</u>. This Article is supplemental to, not a substitution for, any other provision of the Documents. In case of conflict, this Article controls. Some sections of this Article apply to "Mortgagees", as defined in *Article 1*. Other sections apply to "Eligible Mortgagees", as defined below. Notwithstanding the foregoing, the provisions of this Article apply only to Mortgagees and Eligible Mortgagees of Master Units. Provisions relating to mortgagee protection with respect to matters concerning each Sub-Unit will be set forth in the Sub-Declaration establishing such Sub-Unit.
  - 17.1.1. Known Mortgagees. An Owner who mortgages his Master Unit will notify the Association, giving the complete name and address of his Mortgagee and the loan number. The Association's obligations to Mortgagees under the Documents extend only to those Mortgagees known to the Association. All actions and approvals required by Mortgagees will be conclusively satisfied by the Mortgagees known to the Association, without regard to other holders of mortgages on Master Units. The Association may rely on the information provided by Owners and Mortgagees.
  - 17.1.2. <u>Eligible Mortgagees</u>. "Eligible Mortgagee" means the holder, insurer, or guarantor of a first purchase money mortgage secured by a Recorded deed of trust lien against a Master Unit who has submitted to the Association a written notice containing its name and address, the loan number, and the identifying number and street address

of the mortgaged Master Unit. A single notice per Master Unit will be valid so long as the Eligible Mortgagee holds a mortgage on the Master Unit. The Board will maintain this information. The Association will treat the notice as the Eligible Mortgagee's request to be notified of any proposed action requiring the consent of Eligible Mortgagees. A provision of the Documents requiring the approval of a specified percentage of Eligible Mortgagees will be based on the number of Master Units subject to mortgages held by Eligible Mortgagees. For example, "fifty-one percent (51%) of Eligible Mortgagees" means Eligible Mortgagees of fifty-one percent (51%) of the total number of Master Units that are subject to mortgages held by Eligible Mortgagees.

- 17.2. <u>Amendment</u>. This Article establishes certain standards for the benefit of Underwriting Lenders, and is written to comply with their requirements and guidelines in effect at the time of drafting. If an Underwriting Lender subsequently changes its requirements, the Board, without approval of Owners or Mortgagees, may amend this Article and other provisions of the Documents, as necessary, to meet the requirements of the Underwriting Lender.
- 17.3. <u>Termination</u>. Termination of the terms of this Declaration and the condominium status of the Regime will be governed by Section 82.068 of the Act, subject to the following provisions: (1) in the event of condemnation of the entire Property, an amendment to terminate may be executed by the Board without a vote of Owners or Mortgagees; and (2) any election to terminate this Declaration and the condominium status of the Regime under circumstances other than condemnation of the entire Property shall require the consent of: (i) Owners representing at least eighty percent (80%) of the total Association vote; (ii) Declarant during the Development Period; and (iii) sixty-seven percent (67%) of Eligible Mortgagees.
- 17.4. <u>Implied Approval</u>. The approval of an Eligible Mortgagee is implied when the Eligible Mortgagee fails to respond within sixty (60) 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.

#### 17.5. Other Mortgagee Rights.

- 17.5.1. <u>Inspection of Books</u>. The Association will maintain current copies of the Documents and the Association's books, records, and financial statements. Mortgagees may inspect the Documents and records, by appointment, during normal business hours.
- 17.5.2. <u>Financial Statements</u>. If a Mortgagee submits a written request, the Association will give the Mortgagee an audited statement for the preceding fiscal year within one hundred and twenty (120) days after the Association's fiscal year-end. A Mortgagee may have an audited statement prepared at its own expense.

- 17.5.3. <u>Attendance at Meetings</u>. A representative of an Eligible Mortgagee may attend and address any meeting which an Owner may attend.
- 17.5.4. <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 Master Unit 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. <u>This Declaration does not establish a right of first refusal in favor of any party</u>.
- 17.6. <u>Notice of Actions</u>. The Association will use reasonable efforts to send timely written notice to Eligible Mortgagees of the following actions:
  - (a) Any condemnation or casualty loss that affects a material portion of the Property or the mortgaged Master Unit.
  - (b) Any sixty (60) day delinquency in the payment of Assessments or charges owed by the Owner of the mortgaged Master Unit.
  - (c) A lapse, cancellation, or material modification of any insurance policy maintained by the Association.
  - (d) Any proposed action that requires the consent of a specified percentage of Eligible Mortgagees.
  - (e) Any proposed amendment of a material nature, as provided in this Article.
  - (f) Any proposed termination of the condominium status of the Property.
- 17.7. Amendments of a Material Nature. A Document amendment of a material nature must be approved by Owners representing at least seventy-five percent (75%) of the votes in the Association, and by at least fifty-one percent (51%) of Eligible Mortgagees. THIS APPROVAL REQUIREMENT DOES NOT APPLY TO AMENDMENTS EFFECTED BY THE EXERCISE OF A DEVELOPMENT RIGHT RESERVED BY THE DECLARANT IN THIS DECLARATION. A change to any of the provisions governing the following would be considered material:
  - (a) Voting rights.
  - (b) Assessment liens or the priority of Assessment liens.
  - (c) Reductions in reserves for maintenance, repair, and replacement of Common Elements.
  - (d) Responsibility for maintenance and repairs.

- (e) Reallocation of interests in the General Common Elements or Limited Common Elements, or rights to their use; except that when Limited Common Elements are reallocated by Declarant pursuant to any rights reserved by Declarant under this Declaration, by agreement between Owners (only those Owners and only the Eligible Mortgagees holding mortgages against those Master Units need approve the action).
- (f) Redefinitions of boundaries of Master Units, except that when boundaries of only adjoining Master Units are involved, then only those Owners and the Eligible Mortgagees holding mortgages against the Master Unit or Master Units need approve the action.
- (g) Convertibility of Master Units into Common Elements or Common Elements into Master Units.
- (h) Expansion or contraction of the Property, or the addition, annexation, or withdrawal of property to or from the Property.
- (i) Property or fidelity insurance requirements.
- (j) Imposition of any restrictions on the leasing of Master Units.
- (k) Imposition of any restrictions on Owners' right to sell or transfer their Master Units.
- (l) Restoration or repair of the Property, in a manner other than that specified in the Documents, after hazard damage or partial condemnation.
- (m) Any provision that expressly benefits mortgage holders, insurers, or guarantors.

### ARTICLE 18 AMENDMENTS

- 18.1. <u>Consents Required</u>. As permitted by the Act or by this Declaration, certain amendments of this Declaration may be executed by Declarant acting alone, or by certain Owners acting alone, or by the Board acting alone. Otherwise, amendments to this Declaration must be approved by Owners representing at least seventy-five percent (75%) of the voting interests in the Association.
- 18.2. <u>Amendments Generally</u>. Notwithstanding any provisions in this Declaration to the contrary, no amendment to this Declaration shall modify, alter, abridge or delete any: (i) provision of this Declaration that benefits Declarant; (ii) rights, privileges, easements,

protections, or defenses of Declarant; or (iii) rights of the Owners or the Association in relationship to Declarant, without the written consent of Declarant attached to and Recorded with such amendment.

- 18.3. <u>Effective</u>. To be effective, an amendment must be in the form of a written instrument: (i) referencing the name of the Regime, the name of the Association, and the Recording data of this Declaration and any amendments hereto; (ii) executed and acknowledged by an officer of the Association, certifying the requisite approval of Owners and, if required, Eligible Mortgagees; <u>provided</u>, <u>however</u>, this subsection (ii) will not apply for amendments prosecuted by Declarant pursuant to any rights reserved by Declarant under this Declaration; and (iii) Recorded.
- 18.4. <u>Declarant Provisions</u>. Declarant hereby reserves the right to unilaterally amend this Declaration:
  - (a) To meet the requirements, standards, or recommended guidelines of an Underwriting Lender to enable an institutional or governmental lender to make or purchase mortgage loans on the Master Units and Sub-Units.
  - (b) To correct any defects in the execution of this Declaration or the other Documents.
  - (c) To add real property to the Regime.
  - (d) To create Master Units, General Common Elements, and Limited Common Elements.
  - (e) To subdivide, combine, or reconfigure Master Units or convert Master Units into additional Master Units and/or Common Elements.
  - (f) To resolve conflicts, clarify ambiguities, and to correct misstatements, errors, or omissions in the Documents.
  - (g) To exercise any "development right", as defined in Section 82.003(12) of the Act, not otherwise described in this Section.
  - (h) For any other purpose, provided the amendment has no material adverse effect on any rights of any Owner.

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 or the Act without Declarant's written and acknowledged consent, which must be part of the Recorded amendment instrument. During the Development Period, this Section may not be amended without Declarant's written and acknowledged consent.

### ARTICLE 19 DISPUTE RESOLUTION

- 19.1. <u>Introduction And 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 (each, a "Party" and, collectively, the "Parties"), agree to encourage the amicable resolution of disputes involving the Property and to avoid the emotional and financial costs of litigation and arbitration 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:
  - 19.1.1. "Claim" means any claim, grievance, or dispute between Parties involving the Property, except Exempt Claims as defined below, and including without limitation:
    - (a) Claims arising out of or relating to the interpretation, application, or enforcement of the Documents.
    - (b) Claims relating to the rights and/or duties of Declarant as Declarant under the Documents.
    - (c) Claims relating to the design, construction, or maintenance of the Property.
    - 19.1.2. "Claimant" means any Party having a Claim against any other Party.
  - 19.1.3. "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.
- (e) A dispute that is subject to alternate dispute resolution such as mediation or arbitration – by the terms of Applicable Law or another instrument, such as a contract or warranty agreement, in which case the dispute is exempt from this Article, unless the Parties agree to have the dispute governed by this Article.
- 19.1.4. "Respondent" means any Party against which a Claim has been asserted by a Claimant.
- 19.2. <u>Mandatory Procedures</u>. Claimant may not initiate any proceeding before any administrative tribunal seeking redress of resolution of its Claim until Claimant has complied with the procedures of this Article. As provided in *Section 19.7* below, a Claim asserted against the Declarant will be resolved by binding arbitration. The terms and provisions to this Article apply to Claims asserted against Declarant.
- 19.3. <u>Notice</u>. Claimant must notify Respondent in writing of the Claim (the "Notice"), stating plainly and concisely: (i) the nature of the Claim, including date, time, location, persons involved, and Respondent's role in the Claim; (ii) the basis of the Claim (i.e., the provision of the Documents or other authority out of which the Claim arises); (iii) what Claimant wants Respondent to do or not do to resolve the Claim; and (iv) that the Notice is given pursuant to this Section.
- 19.4. <u>Negotiation</u>. Claimant and Respondent will make every reasonable effort to meet in person to resolve the Claim by good faith negotiation. Within sixty (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.
- 19.5. <u>Mediation</u>. If the Parties negotiate but do not resolve the Claim through negotiation within one-hundred twenty (120) days from the date of the Notice (or within such other period as may be agreed on by the parties), Claimant will have thirty (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 five (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.

- 19.6. <u>Termination Of Mediation</u>. If the Parties do not settle the Claim within thirty (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, initiate arbitration, or commence administrative proceedings on the Claim, as appropriate and permitted by this Article.
- 19.7. <u>Binding Arbitration-Declarant Claims</u>. All Claims in which Declarant is the Respondent must be settled by binding arbitration. Declarant may, by summary proceedings (e.g., a plea in abatement or motion to stay further proceedings), bring an action in court to compel arbitration of any Claim not referred to arbitration as required by this *Section 19.7*. This section may not be amended without the prior written approval of the Declarant.
  - 19.7.1. Governing Rules. If a Claim asserted against the Declarant has not been resolved after Mediation as required by Section 19.5, the Claim will be resolved by binding arbitration in accordance with the terms of this Section 19.7 and the rules and procedures of the American Arbitration Association ("AAA") or, if the AAA is unable or unwilling to act as the arbitrator, then the arbitration shall be conducted by another neutral reputable arbitration service selected by Declarant in El Paso County, Texas. Regardless of what entity or person is acting as the arbitrator, the arbitration shall be conducted in accordance with the AAA's "Construction Industry Dispute Resolution Procedures" and, if they apply to the disagreement, the rules contained in the Supplementary Procedures for Consumer-Related Disputes. If such Rules have changed or been renamed by the time a disagreement arises, then the successor rules will apply. Also, despite the choice of rules to govern the arbitration of any Claim as provided above, if the AAA has, by the time of Claim, identified different rules that would specifically apply to the Claim, then those rules will apply instead of the rules identified above. In the event of any inconsistency between any such applicable rules and this Section 19.7, this Section 19.7 will control. Judgment upon the award rendered by the arbitrator shall be binding and not subject to appeal, but may be reduced to judgment in any court having jurisdiction. Notwithstanding any provision to the contrary any applicable rules for arbitration, any arbitration with respect to Claims arising hereunder shall be conducted by a panel of three (3) arbitrators, to be chosen as follows:
  - (1) one arbitrator shall be selected by Declarant, in its sole and absolute discretion;
  - (2) one arbitrator shall be selected by the Claimant, in its sole and absolute discretion; and

- (3) one arbitrator shall be selected by mutual agreement of the arbitrators having been selected by Declarant and the Claimant, in their sole and absolute discretion.
- 19.7.2. Exceptions to Arbitration; Preservation of Remedies. No provision of, nor the exercise of any rights under, this Section 19.7 will limit the right of Claimant or Declarant, and Claimant and the Declarant will have the right during any Claim, to seek, use, and employ ancillary or preliminary remedies, judicial or otherwise, for the purposes of realizing upon, preserving, or protecting upon any property, real or personal, that is involved in a Claim, including, without limitation, rights and remedies relating to: (i) exercising self-help remedies (including set-off rights); or (ii) obtaining provisions or ancillary remedies such as injunctive relief, sequestration, attachment, garnishment, or the appointment of a receiver from a court having jurisdiction before, during, or after the pendency of any arbitration. The institution and maintenance of an action for judicial relief or pursuit of provisional or ancillary remedies or exercise of self-help remedies shall not constitute a waiver of the right of any party, including the Claimant, to submit the Claim to arbitration nor render inapplicable the compulsory arbitration provisions hereof.
- 19.7.3. <u>Statute of Limitations</u>. All statutes of limitation that would otherwise be applicable shall apply to any arbitration proceeding under this *Section 19.7*.
- 19.7.4. <u>Arbitrator</u>. Unless the parties to the arbitration agree in writing to the contrary, all arbitration proceedings shall be arbitrated by at least one arbitrator, which shall be appointed in accordance with the AAA Rules.
- 19.7.5. Scope of Award; Modification or Vacation of Award. The arbitrator shall resolve all Claims in accordance with the applicable substantive law. The arbitrator may grant any remedy or relief that the arbitrator deem just and equitable and within the scope of this Section 19.7; provided, however, that in no event shall the arbitrator's award damages which exceed the damages for construction defects a Claimant would be entitled to under Chapter 27 of the Texas Property Code. The arbitrator may also grant such ancillary relief as is necessary to make effective the award. In all arbitration proceedings in which the amount in controversy exceeds \$50,000.00, in the aggregate, the arbitrator shall make specific, written findings of fact and conclusions of law. In all arbitration proceedings in which the amount in controversy exceeds \$50,000.00, in the aggregate, the parties shall have the right to seek vacation or modification of any award that is based in whole, or in part, on an incorrect or erroneous ruling of law by appeal to an appropriate court having jurisdiction; provided, however, that any such application for vacation or modification of an award based on an incorrect ruling of law must be filed in a court having jurisdiction over the Claim within fifteen (15) days from the date the award is rendered. The arbitrator's findings of fact shall be binding on all parties and shall not be subject to further review except as otherwise allowed by applicable law.

In no event may an arbitrator award either indirect or consequential damages, or any form of punitive, exemplary or treble damages, for any Claim

19.7.6. Other Matters. To the maximum extent practicable, an arbitration proceeding hereunder shall be concluded within one-hundred eighty (180) days of the filing of the Claim for arbitration by notice from either party to the other. Arbitration proceedings hereunder shall be conducted in El Paso County, Texas. The arbitrator shall be empowered to impose sanctions and to take such other actions as the arbitrator deems necessary to the same extent a judge could pursuant to the Federal Rules of Civil Procedure, the Texas Rules of Civil Procedure and Applicable Law. The arbitrator shall have the power to award recovery of all costs and fees (including attorney's fees, administrative fees, and arbitrator's fees) to the prevailing party. Each Party agrees to keep all Claims and arbitration proceedings strictly confidential, except for disclosures of information required in the ordinary course of business of the parties or by applicable law or regulation. In no event shall any party discuss with the news media or grant any interviews with the news media regarding a Claim or issue any press release regarding any Claim without the written consent of the other parties to the Claim.

- 19.8. <u>Allocation Of Costs</u>. Except as otherwise provided in this Article, each Party bears all of its own costs incurred prior to and during the proceedings described in the Notice, Negotiation, Mediation, and Arbitration sections above, including its attorneys fees. Respondent and Claimant will equally divide all expenses and fees charged by the mediator and arbitrator.
- 19.9. <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 have an Exempt Claim may submit it to the procedures of this Article.

#### 19.10. Period of Limitation.

19.10.1. For Actions by an Owner or Occupant of a Master Unit or Sub-Unit. The exclusive period of limitation for any of the Parties to bring any Claim of any nature against Declarant or its contractors, including, but not limited to, a Claim of construction defect or defective design of Improvements within a Master Unit or Sub-Unit shall be the earliest of: (i) for Claims alleging construction defect or defective design, two (2) years and one (1) day from the date that the Owner or Occupant discovered or reasonably should have discovered evidence of the Claim, provided, however, that in no event shall the limitation period exceed four (4) years and one (1) day from the date Declarant conveyed the Master Unit or Sub-Unit to the original Owner unless the basis of the Claim was intentionally concealed or willfully concealed by Declarant or its contractors, in which case, the state law governing the limitation period and period of repose shall apply to the Claim; (ii) for Claims other than those alleging construction

defect or defective design, two (2) years and one (1) day after the date Declarant conveyed the Master Unit or Sub-Unit to the original Owner or such other shorter period specified in any written agreement between Declarant and the Owner to whom Declarant initially conveyed the Master Unit or Sub-Unit, unless the basis of the Claim was intentional fraud or willful misconduct, in which case, the applicable law governing the limitation period and period of repose shall apply to the Claim; or (iii) the end of the statutory period provided under Applicable Law governing the limitation period and period of repose.

19.10.2. For Actions by the Association. The exclusive period of limitation for the Association to bring any Claim of any nature against Declarant or its contractors, including, but not limited to, a Claim of construction defect or defective design of the Common Elements, shall be the earliest of: (i) for Claims alleging construction defect or defective design, two (2) years and one (1) day from the date that the Association or its agents discovered or reasonably should have discovered evidence of the Claim, provided, however, that in no event shall the limitation period exceed four (4) years from the date Declarant substantially completed the Common Elements unless the basis of the Claim was intentionally concealed or willfully concealed by Declarant or its contractors, in which case, the state law governing the limitation period and period of repose shall apply to the Claim; (ii) for Claims other than those alleging construction defect or defective design of the Common Elements, two (2) years and one (1) day after the Declarant Control Period, unless the basis of the Claim was intentional fraud or willful misconduct, in which case, the applicable law governing the limitation period and period of repose shall apply to the Claim; or (iii) the end of the statutory period provided under applicable law governing the limitation period and period of repose.

- 19.11. Approval & Settlement. The initiation of litigation or binding arbitration as required by this Article, or 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 Unit, 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 prior written approval of the Declarant.
  - 19.11.1. 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 voting interests in the Association, except that no such approval is required: (i) to enforce provisions of this Declaration, including collection of assessments; (ii) to challenge condemnation proceedings; (iii) to enforce a contract against a contractor, vendor, or supplier of goods or services to the Association; (iv) to defend claims filed against the Association or to assert counterclaims in a proceedings instituted against the Association; or (v) to obtain a temporary restraining order or equivalent emergency

equitable relief when circumstances do not provide sufficient time to obtain the prior consent of Owners in order to preserve the status quo.

- 19.11.2. <u>Suit Against Declarant</u>. Also, the Association may not initiate any judicial, arbitration, or administrative proceeding against Declarant without the approval of Owners representing at least eighty percent (80%) of the voting interests in the Association.
- 19.11.3. <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 or arbitration prior to initiating a judicial, arbitration, or administrative proceeding. The Association may not use its annual operating income or reserve funds or savings to fund litigation or arbitration, unless the Association's annual budget or a savings account was established and funded from its inception as a litigation and arbitration reserve fund.
- 19.11.4. <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 agreement and waiver or release of claims.

### ARTICLE 20 GENERAL PROVISIONS

- 20.1. <u>Notices</u>. Any notice permitted or required to be given by this Declaration shall be in writing and may be delivered either by <u>electronic mail</u>, personally or by mail. Such notice shall be deemed delivered at the time of personal or <u>electronic delivery</u>, and if delivery is made by mail, it shall be deemed to have been delivered on the third day (other than a Sunday or legal holiday) after a copy of the same has been deposited in the Master United States mail, postage prepaid, addressed to the Person at the address given by such Person to the Association for the purpose of service of notices. Such address may be changed from time to time by notice in writing given by such Person to the Association of created.
- 20.2. <u>Compliance</u>. The Owners hereby covenant and agree that the administration of the Association will be in accordance with the provisions of the Documents and Applicable Law.
- 20.3. <u>Higher Authority</u>. The documents are subordinate to Applicable Law. Generally, the terms of the Documents are enforceable to the extent they do not violate or conflict with Applicable Law.
- 20.4. <u>Interpretation</u>. The provisions of this Declaration shall be liberally construed to effectuate the purposes of creating a uniform plan for the development and operation of the

Regime and of promoting and effectuating the fundamental concepts of the Regime set forth in this Declaration. This Declaration shall be construed and governed under the laws of the State of Texas.

- 20.5. <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 Applicable Law.
- 20.6. <u>Captions</u>. In all Documents, the captions of articles and sections are inserted only for convenience and are in no way to be construed as defining or modifying the text to which they refer. Boxed notices are inserted to alert the reader to certain provisions and are not to be construed as defining or modifying the text.
- 20.7. <u>Construction</u>. The provisions of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity of any provision or portion thereof shall not affect the validity or enforceability of any other provision or portion thereof. Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular; and the masculine, feminine, or neuter shall each include the masculine, feminine, and neuter. All captions and titles used in this Declaration are intended solely for convenience of reference and shall not enlarge, limit or otherwise effect that which is set forth in any of the paragraphs, sections, or articles hereof.
- 20.8. Declarant as Attorney in Fact and Proxy. To secure and facilitate Declarant's exercise of the rights reserved by Declarant under this Declaration, each Owner by accepting a deed to a Master Unit or Sub-Unit and each Mortgagee, by accepting the benefits of a mortgage against a Master Unit or Sub-Unit within the Regime, and any other Person, by acceptance of the benefits of a mortgage, deed of trust, mechanic's lien contract, mechanic's lien claim, vendor's lien and/or any other security interest against any Master Unit or Sub-Unit in the Regime, shall thereby be deemed to have appointed Declarant such Owner's, Mortgagee's, and Person's irrevocable attorney-in-fact, with full power of substitution, to do and perform, each and every act permitted or required to be performed by Declarant in this Declaration. The power thereby vested in Declarant as attorney-in-fact for each Owner, Mortgagee, and/or Person, shall be deemed, conclusively, to be coupled with an interest and shall survive the dissolution, termination, insolvency, bankruptcy, incompetency, and death of an Owner, Mortgagee, and/or Person and shall be binding upon the legal representatives, administrators, executors, successors, heirs, and assigns of each such party. In addition, each Owner, by accepting a deed to a Master Unit or Sub-Unit, and each Mortgagee, by accepting the benefits of a mortgage against a Master Unit or Sub-Unit in the Regime, and any Person, by accepting the benefits of a mortgage, deed of trust, mechanic's lien contract, mechanic's lien claim, vendor's lien, and/or any other security interest against any Master Unit or Sub-Unit in the Regime, shall thereby appoint Declarant the proxy of such Owner, Mortgagee, or Person, with full power of substitution in the premises, to do and perform each and every act permitted or required pursuant to this Declaration, and which may otherwise be reasonably necessary in connection

therewith, including without limitation, to cast a vote for such Owner, Mortgagee, or Person at any meeting of the Members for the purpose of approving or consenting to any amendment to this Declaration in order to effect and perfect any such act permitted or required pursuant to this Declaration and to execute and record amendments on their behalf to such effect; and the power hereby reposed in the Declarant, as the attorney-in-fact for each such Owner, Mortgagee, or Person includes, without limitation, the authority to execute a proxy as the act and deed of any Owner, Mortgagee, or Person and, upon termination or revocation of any Owner's proxy as permitted by the Texas Business Organizations Code the authority to execute successive proxies as the act and deed of any Owner, Mortgagee, or Person authorizing the Declarant, or any substitute or successor Declarant appointed thereby, to cast a like vote for such Owner at any meeting of the Members of the Association. Furthermore, each Owner, Mortgagee, and Person upon request by the Declarant, will execute and deliver a written proxy pursuant to Section 82.110(b) of the Act, including a successive written proxy upon the termination or revocation as permitted by the Act of any earlier proxy, authorizing the Declarant, or any substitute or successor Declarant appointed thereby, to cast a like vote for such Owner at any meeting of the Members of the Association. All such appointments and successive proxies shall expire as to power reserved by Declarant on the date Declarant no longer has the right to exercise such rights. All such proxies shall be non-revocable for the maximum lawful time and upon the expiration of non-revocable period, new proxies shall again be executed for the maximum non-revocable time until Declarant's right to require such successive proxies expires.

20.9. <u>Attachments</u>. The following attachments are attached to this Declaration and are incorporated herein by reference:

Attachment 1 Description of Property
Attachment 2 Bylaws
Attachment 3 Plat and Plans
Attachment 4 Encumbrances
Attachment 5 Schedule of Allocated Interests

[SIGNATURE PAGE FOLLOWS]

EXECUTED to be effective on the date on which this Declaration has been recorded in the Official Public Records of El Paso County, Texas.

#### **DECLARANT**:

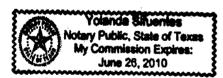
**AVENIDA DE PALMAS, LTD.**, a Texas limited partnership

Ву:	Montana/Palmas, LLC, a Texas limited liability company, its General Partner
	By: Printed Name: Pictoria Agona
	Title: Manager

This instrument was acknowledged before me this <u>20</u> day of <u>March</u>, 2008 by <u>Richard Aquilar</u>, <u>Manager</u> of Montana/Palmas, LLC, a Texas limited liability company, General Partner of Avenida de Palmas, Ltd., a Texas limited partnership, on behalf of such limited liability company and limited partnership.

(SEAL)

Notary Publid Signatur



THE STATE OF TEXAS

COUNTY OF EL PASO

§

	ADB HOMES, LLC, a Texas limited liability company
	By:
THE STATE OF TEXAS	§
COUNTY OF EL PASO	§
This instrument was company, on behalf of such lin	acknowledged before me this 21st day of March 2008 by Land of ADB Homes, LLC, a Texas limited liability mited liability company.
Monica Lisa Gurro	Notary Public Signature
My Commission Expir May 7, 2011	98:

	BELKIN CAPITAL INVESTMENTS, LLC, a Texas limited liability company  By:  Printed Name:  Title:
THE STATE OF TEXAS §	
COUNTY OF EL PASO §	
This instrument was acknow Belk limited liability company, on behalf of	rledged before me this Atladay of Mench 2008 by white of Belkin Capital Investments, LLC, a Texas such limited liability company.
Monica Lisa Gurrola Notary Public, State of Texas My Commission Expires: May 7, 2011	Notary Public Signature

	LA JOLLA HOMES, D/B/A AGUILAR CONSTRUCTION GROUP, LLC, a Texas limited liability company  By: Ruben Aguilan L.  Printed Name: Ruben Aguilan Jr.  Title: MANAger
THE STATE OF TEXAS §	
COUNTY OF EL PASO §	
- Kuloan Haul	viedged before me this 20th day of Lawell 2008 by an in the Jolla Homes, d/b/a Aguilar Construction ompany, on behalf of such limited liability company.
Monica Lisa Gurrola Notary Public, State of Texas My Commission Expires: May 7, 2011	Notary Public Signature

		ER INVESTOR company, d/b	'	LC, a Texas limited
	By: Printed Title:	Name:		
THE STATE OF TEXAS	§			
COUNTY OF EL PASO	§			
This instrument was Sorgio L (wates, P liability company, d/b/a Bic H	resident	_ of Border Inv	estors Capital, 1	LLC, a Texas limited
(SEAL)	············ <u> </u>	Notary Public Sig	gnature	
Monica Lisa G Notary Public, State My Commission E May 7, 201	of Texas			

	FRANCISCO J. NAVARRETE, d/b/a CUSTOM
	DREAM HOMES, a sole proprietorship
•	By: Note: SAVIEN WAVARRETE
	Title: O, WEA
THE STATE OF TEXAS	§
COUNTY OF EL PASO	§
-/aller No	acknowledged before me this 20thday of Words 2008 by Words of Francisco J. Navarrette, d/b/a Custom Dream on behalf of such sole proprietorship.
(SEAL)	le le
Monica Lisa Gurrola Notary Public, State of Tex My Commission Expires May 7, 2011	Notary Public Signature

# AGREED TO, ACKNOWLEDGED AND ACCEPTED BY THE UNDERSIGNED OWNER:

lin By Pri	ONARCAS HOME CONSTRUCTION, LLC, a Texas nited liability company  :
•	V
THE STATE OF TEXAS §	
COUNTY OF EL PASO §	· • • • • • • • • • • • • • • • • • • •
This instrument was acknowledge Some Some limited liability company, on behalf of such	ged before me this Ohday of Moude 2008 by 2, Warford Monarcas Home Construction, LLC, a Texas a limited liability company.
Monica Lisa Gurrola Notary Public, State of Texas My Commission Expires: May 7, 2011	Notary Public Signature

# AGREED TO, ACKNOWLEDGED AND ACCEPTED BY THE UNDERSIGNED OWNER:

EPT BELLA HOMES, LP, a Texas limited partnership

By:	EPT Bella Management, LLC, a Texas limited
	hability company its General Partner
	By
	Printed Name: ZKH 14212-480164
	Title: MALAGETY

THE STATE OF TEXAS

Ş

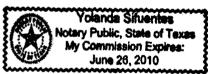
COUNTY OF EL PASO

§

This instrument was acknowledged before me this 20 day of March, 2008 by Richard Aguilar, Manager of EPT Bella Management, LLC, a Texas limited liability company, General Partner of EPT Bella Homes, LP, a Texas limited partnership, on behalf of said limited liability company and limited partnership.

(SEAL)

Notary Public Signature



Being a pertion of Lot 1, Block 1, Las Palmas, and a pertion of Lot 2, Block 1, Las Palmas Unit Two City of El Paso, El Paso County, Texas Perparad for: EPT Properties June 14, 2007 (Las Palmas Boundary)

. Complete the second contract the property of the con-

## EXHIBIT A

#### METES AND BOUNDS DESCRIPTION

Description of a percel of land being a portion of Lot 1, Block 1, Les Palmas and a portion of Lot 2, Block 1, Les Palmas Unit Two, Plat records City of El Paso, El Paso County, Texas and being more particularly described by metas and bounds as follows:

The "TRUE POINT OF BEGINNING" being a 1/2" rebat with cap marked TX 5152 at the northeasterly corner of Lot 1, Block 1, Las Palmas from which a 1/2" rebat with cap marked TX 5152 for the northwesterly corner of Lot 1, Block 1, beers South 81°14'31" West (South 81°11'30" West, Book 71, Fg. 33) a distance of 1052.22 fast;

Thence along the easterly line of Lot 1, Block 1, Las Palmas, South 00°30'11 East (South 00°33'12" East Bk. 72, Pg 46) a distance of 478.00 fact to a point on the northerly line of Lot 1, Block 2, Las Palmas Two

Thence along said line North  $\$1^{\circ}14^{\circ}31^{\circ}$  East (North  $\$1^{\circ}11^{\circ}30^{\circ}$  East Bk. 72,  $P_{\rm E}$ , 46) a distance of 462.37 fact to a point on the westerly right of way line of Smil Kleinfield Dr.;

Thence along said right of way line South 00°30'11" East (South 00°33'12 East Bk. 72, Pg. 46) a distance of 1577.95 feet to a point of curve;

Theore 31.61 feet along the arc of a curve to the right which has a radius of 20.00 feet a central angle of 90"33"11" a chord which bears South 44"46"25" West a distance of 28.42 feet to a point on the northedy right of way line of Turner Road;

Thence along said right of way line North 89°57'00" West (North 90°00'00" West Bk. 72, Pg. 46 & Bk. 71, Pg. 33) a distance of 1092,20 feet to a point on the common lime of Las Palmas Unit Three:

Thence along said line North 00°30'11" West (North 00°33'12" West Bk. 75, Pg.9) a distance of 947.43 feet to a point;

Thence along said line South \$1°14'31" West (South \$1°11'30" West Bic 75, Pg.9) a distance of 390.60 feet in a point on the westerly line of Las Pahmas;

Thence along line North 00°30'11" West (North 00°33'12" West Bk. 75, Pg.9) a distance of 960.59 feet to a point on the southerty right of way line of Montana Avenue (U.S Highway 62);

Thence along said right of way line North 81°14'31" East (North, 81°11'30" East Bk. 71, Pg. 33) a distance of 1052-22 feet to the "TRUE POINT OF BEGINNING" and containing 54.320 acres of land more or less.

Basring basis is True north for a Transverse Mercains Surface Projection as determined by GPS methods based near this size.

Ron R. Conde R.P.L.S. No. 5152

MINITED MONTHS (20)

POOR QUALITY ORIGINAL BEST AVAILABLE FILM

COMBE, INC.

ENGINEERING / LAND SUEVEYING / PLANNING

1790 LKE TREVING SUITE 400 / EL PARG, TEKAR 79936 / (918) 592-083

ATTACHMENT 1

322728-6 03/20/2008

LAS PALMAS MASTER CONDOMINIUMS
DECLARATION OF CONDOMINIUM REGIME

## [CONDOMINIUM PLAT AND PLANS]

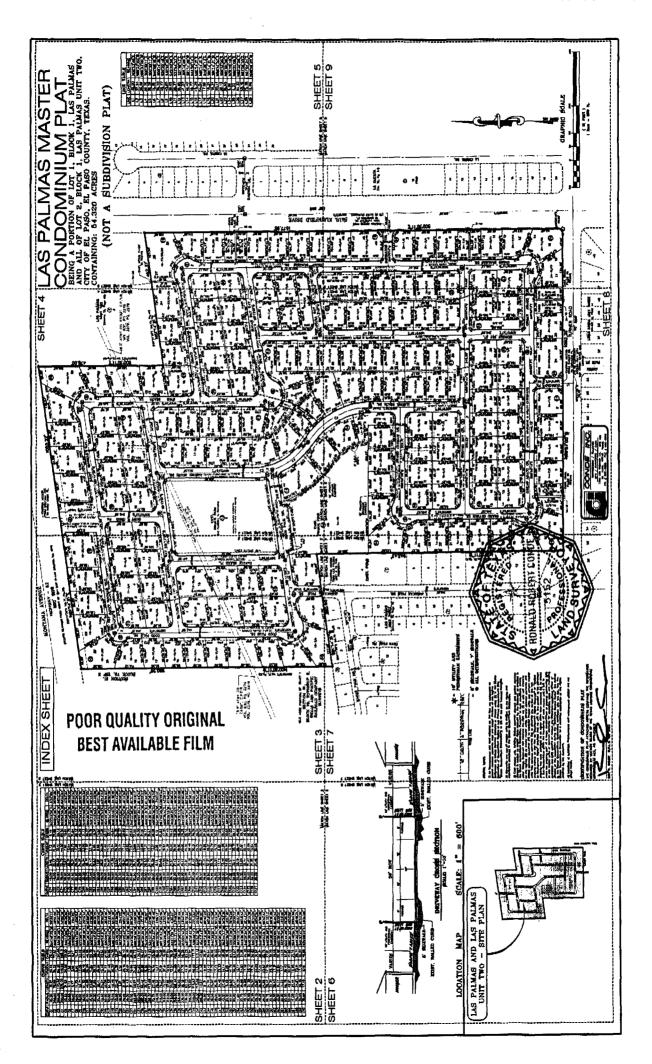
The plat and plans, attached hereto as <u>Attachment 3</u> contains the information required by the Texas Uniform Condominium Act.

Printed Name: Rogan Coupe

RPLS or License No. Tx 5152

#### **BOUNDARIES OF MASTER UNITS**

The legal boundaries of each Master Unit are established by the Declaration and the Plat and Plans attached hereto. However, each Owner acknowledges that the Master Unit may be measured and depicted in a manner which differs from the legal boundaries of a Master Unit. For example, the Master Unit may be measured or depicted differently for tax purposes, appraisal purposes, sales purposes, and for purposes of carpeting and paint. No single measurement is definitive for all purposes. Measurements may be of the air conditioned space, gross area, rentable area, or the area within the Master Unit's legal boundaries.

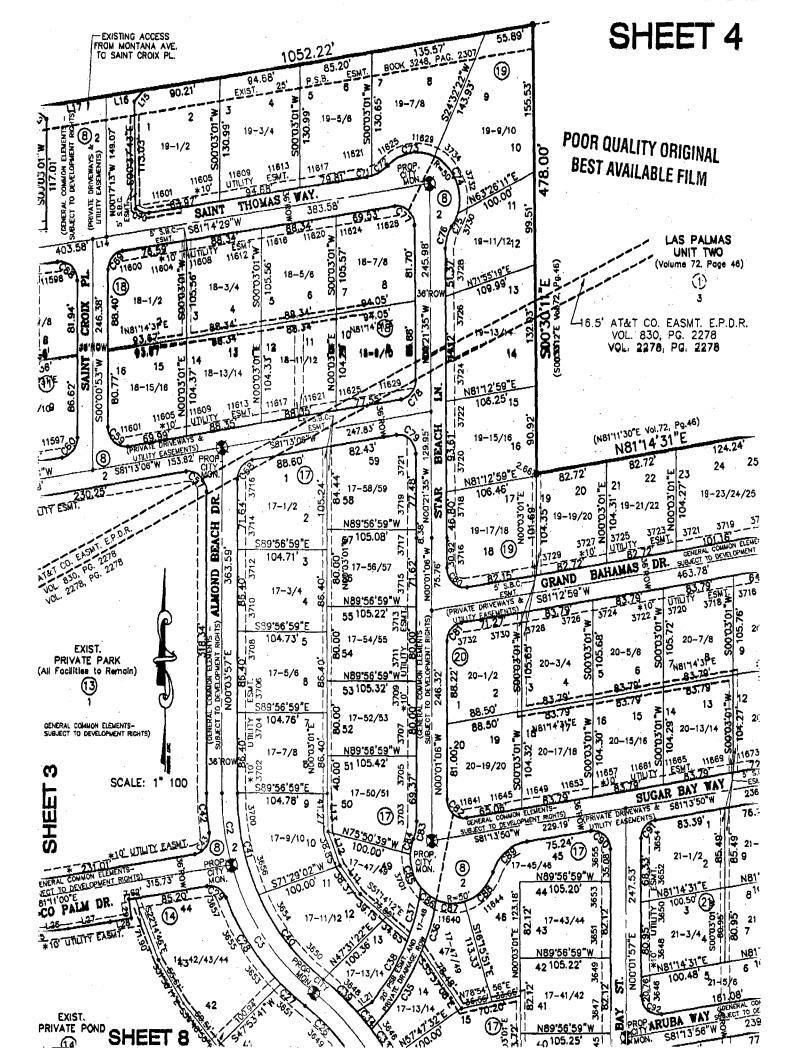


			CURVE '	TABLE	<del></del>	
CURVE		LENGTH	TANGENT	CHORD	BEARING	DELTA
C1	20.00	31.61	20.19	28,42	S44'46'25"W	90'33'11"
C2	268,00	78.09	39,33	77.82	S0816'55"E	16'41'44"
C3	268,00	170.52	88.26	167,66	S34*51'28"E	36'27'23"
C4_	300.00	278.05	149.92	268.21	N26°32'03"W	53'06'15"
C5 C6	20.25 50.00	31.62 9.14	20,06 4.58	28.50	S45'12'08"E	89*28'10"
C7	50.00	6.17	3.09	9,13 6.17	\$84'49'37"W	10"28"20"
C8	50.00	11.75	5.90	11.73	S76'03'17"W S65'47'05"W	7'04'20" 13'28'03"
C9	50.00	23.71	12.08	23.49	N72'38'11"E	27'10'14"
C10	50.00	61.32	35,19	57.55	S58'38'36"E	7016'12"
C11	50.00	48.88	26.59	46.96	S04'29'57"W	56'00'54"
C12	40.00	23.02	11.84	22.70	N16'01'10"E	32'58'26"
C13	20.00	31.60	20.18	28.41	S44'47'37"W	90'31'19"
C14	20.75	32.41	20.56	29.21	S45*12'23"E	89"28"41"
C15	42.50	24.24	12.46	23,92	N16'48'31"W	32'40'56"
C16	50.00	22.08	11.22	21.90	S20"29"51"E	25'18'16"
C17	50.00	64.33	37.48	59.98	S29'00'42"W	73'42'49"
C18	50.00	48.46 22.40	26.32	46.58	N86°22'06"W	55'31'35"
C19	50.00		11,39	22.21 5.01	\$71'26'15"E	25'39'54"
C20 C21	50.00 20.00	5.01 31.58	2.51 20.16	28.40	S87'08'22"E S44'45'42"W	5'44'20" 90'27'30"
C22	20.00	31,43	20.18	28,29	N44 59'44"W	90 27 30
C23	20,00	31.41	19.00	26.26	N44'00'16"E	80'88'23"
C24	282.00	68.91	34.63	68.73	NO6:58'55"W	14'00'00"
C25	282.00	127.05	64.62	125,97	N26*53'19"W	25'48'46"
C26	282.00	65.42	32.86	65.27	N46"26'26"W	13'17'28"
C27	286.00	36.47	18.26	36.44	S49'26'00"E	7"18'20"
C28_	286.00	113.69	57,61	112,95	S34'23'32"E	22'46'36"
C29	20.75	27.46	16.16	25.50	N60'54'37"W	75'48'46"
C30	318.00	28.32	14.17	28.32	N02'32'01"W	50612"
C31	318.00	75.27	37,81	75.09	N11'51'57"W	13'33'40"
C32	318.00	75.27	37.81	75.09	N25*25'38"W	13'33'40"
C33	318.00	37.86	18.95	37.84	N35"37"08"W	6'49'20"
C34	318.00	25.02	12.51	25.01	N4117'01"W	4'30'27"
C35	256.00	106.44	54.00	105.68 56.39	N3573'17"E	23'49'22"
C35 C37	256.00 236.00	56.50 55.18	28.37 27.72	55.05	N16'59'13"E N15'04'42"E	12'38'46" 13'23'46"
C38	236.00	83.73	42.31	83.29	N31*56'23"E	2019'37"
C39	318,00	53.00	26.56	52.94	N4818'42"W	9'32'55"
C40	250.00	118,82	60,56	117,71	S39'28'12"E	2713'57"
C41	250.00	113.09	57.53	112.13	S12'53'38"E	25*55'10"
C42	286.00	42.87	21.48	42.83	S04"13'43"E	
C43	20,00	31.31	19.90	28.21	N3619'48"E	
C44	20,25	34.74	23.42	30.64	S49'39'59"E	98'18'02"
C45	20.50	29.23	17.73	26,82	N40"20'01"E	81'41'58"
C46	20.00	28.35	17.15	26.03	S40'34'34"W	
.C47	20.00	34.48	23.33	30.37	N49*25'26"W	
C48	45,00	27.40	14.14	26,98	S63'44'17"W	34'53'26"
C49	50.00	16.25	8.20	16,18	N55'36'20"E	18'37'32"
C50 C51	50.00	69.60 61.47	41.78 35.30	64.12 57,67	S75"12'09"E S00"06'19"E	79'45'29" 70'26'12"
C52	41.00	25.49	13,17	25.08	N171815"E	35'37'06"
C53	20.75	35.50	24.00	31.39	S49'39'39"E	9818'42"
C54	20.25	28.88	17.52	26.50	S40'21'24"W	81'43'24"
C55	20.00	34.30	23.12	30.25	N49*38'56"W	98'15'56"
C58	20,50	29,24	17.74	26.83	S40'21'04"W	81'44'04"
C57	20.75	35.80	24.23	31.52	N49'21'28"W	98'50'51"
C58	20.25	28.68	17.34	26.34	S40'38'32"W	
C59	20.25	34.92	23.62	30.75	S49'23'01"E	98'47'47"
C60	20.75	29.41	17.79	27.01	N40'36'59"E	8112'13"
C61 C62	20.00	34.30 28.53	23.12 17.31	30,25 26.18	S49'38'36"E S40'22'05"W	98'16'36" 81'44'47"
C63	40.00	21.17	10.84	20.18	N15'39'49"W	
C64	50.00	14.23	7,17	14.19	S22'39'59"E	
C65	50.00	66.76	39,42	61.91	S23'44'20"W	
C66.	50.00	42.91	22.87	41,60	S86'34'22"W	
C67	41.00	21.41	10.95	21.16	S83'48'04"E	29'54'56"
C68	20.25	34.91	23.61	30.74	N49'22'19"W	
C69	20.00	28.35	17.15	26.04	S40'37'41"W	81'13'36"
C70	20.00	17.19	9.16	16,66	S74'08'27"E	49"14'09"

			CURVE '	TABLE		
CURVE	RADIUS		TANGENT		BEARING	DELTA
C71	45.00	5.46	2.73	5.46	N77*45'56"E	6'57'05"
C72	45,00	22.12	11.29	21.89	N6012'36"E	28'09'36"
C73	50.00	59,59	33,91	56.13	58016'26"W	6847'15"
C74	50.00	72.75	44.52	66.50	N23'53'55"W	83'22'04"
C75	50.00	15,67	7.90	15.61	N26*45'56"E	17:57'37"
C78	40.00	25.21	13.04	24.79	S17'41'35"W	36'06'19"
C77	20.50	35.21	23.75	31.04	N49'33'33"W	98'23'57"
C78	20.00	28.48	17.26 23.18	26.13	N40'25'46"E	81'34'41"
C80	20.00	34,36 35,34	23.90	30.28 31.12	N49'34'14"W	98'25'19"
C81	20.25	28,71	17.37	26.37	S49°24'03"E S40'35'57"W	98'45'55" 81'14'05"
C82	20.00	34.47	23.31	30.36	S49'23'38"E	98'45'04"
C83	50.00	19.63	9.95	19.51	N11"13'53"E	22'29'58"
C84	50.00	17.61	8,90	17.52	\$12'23'20"W	2011'04"
C85	50.00	38.21	20.09	37.29	\$19'35'53"E	43'47'23"
C86	50.00	22.46	11.42	22.27	S54'21'38"E	25'44'07"
C87	50.00	34.07	17.72	33.41	S86'44'47"E	39'02'09"
C88	50.00	47.39	25.64	45.64	N46"35'00"E	5418'18"
C89	50.00	53.93	29.92	51.35	S50*19'50*W	61'47'59"
C90	20.00	34.49	23,34	30.37	N49'22'07"W	
C91	20.00	28.34	17.14	26.03	540'37'53"W	8111'53"
C92	20.50	35,35	23.92	31,13	\$49"22'04"E	98'48'01"
C94	20.50 20.50	35.15	23.69	31,00	N49'38'25"W	9815'17"
C95	20.25	28.89	17.52	26.50	N40'21'35"E	81'44'43"
C96	20.50	35.16	23.69	31.00	N49'38'29"W	9815'23"
C97	20.00	28,53	17.31	26.17	N40'21'31"E	81'44'37"
C98	20.25	34.73	23.41	30.63	N49'38'54"W	
C99	50.00	26.38	13.51	26.08	N66'05'58"E	30'14'03"
C100	50.00	6.16	3.08	6.15	S54'30'33"W	7'03'12"
C101	50.00	95.85	71.18	81.83	N67'02'55"W	109'49'53"
C102	50,00	37.95	19.94	37.05	N09'36'41"E	43'29'17"
C103	50.00	27.81	14.28	27.45	S15'25'16"W	31'52'06"
C104	20.10	31.57	20.10	28.42	S45'30'31"E	89'59'37"
C105	20.00	31,42	20,00	28.28	N44'29'45"E	89'59'52"
C106	20,00	31.42	20.00	28.28	N45'30'15"W	
C107	20.00	31.42	20.00	28.29	S44'29'27"W	
C108	20.00	31.61	20.20	28.42	N44'46'14"E	90'34'03"
C109	20.50	32.19	20.49	28.99	S44'57'24"E	89'58'41"
C110	20.00	31,42	20.01	28.29	N45'02'36"E	90'01'19"
C111	20.75	32.58	20.74	29.34	\$44'57'50"E	89'57'49"
C112	20.50	32.21 31.41	20.51 19.99	29.00 28.28	N45'02'10"E	
C113	20,00	32.21	20.51	29.00	N44'57 24'W S45'02'36"W	900110"
C114 C115	21.00	32.78	20.79	29.55	N4513'46"W	89'25'57"
C116	40.00	22.81	11.72	22.50	S16'50'47"E	
C117	50.52	17.13	8.65	17.05	N23'28'03"W	
C118	50,52	72.49	44.08	66.43	N27'21'05"E	
C119	50.52	53.02	29.24	50.62	S81'28'37"E	
C120	41.00	27.57	14,33	27.05	N70'40'27"W	
C121	20.50	32.41	20.71	29.14	N44'46'30"E	90'34'34"
C122	20.50	32.19	20.49	28.98	S44'57'08"E	89'58'10"
C123	21.00	33.00	21,01	29.71	N45'02'52"E	90'01'50"
C124	20.50	32.14	20.44	28.95	\$45'08'47"W	
C125	20,00	31.47	20.06	28.33	N44'51'13"W	
C126 C127	20.00	31,35 31,48	19.9 <del>4</del> 20.06	28.33	N45'08'23"E S44'51'37"E	

POOR QUALTER SANAL BEST : LILM

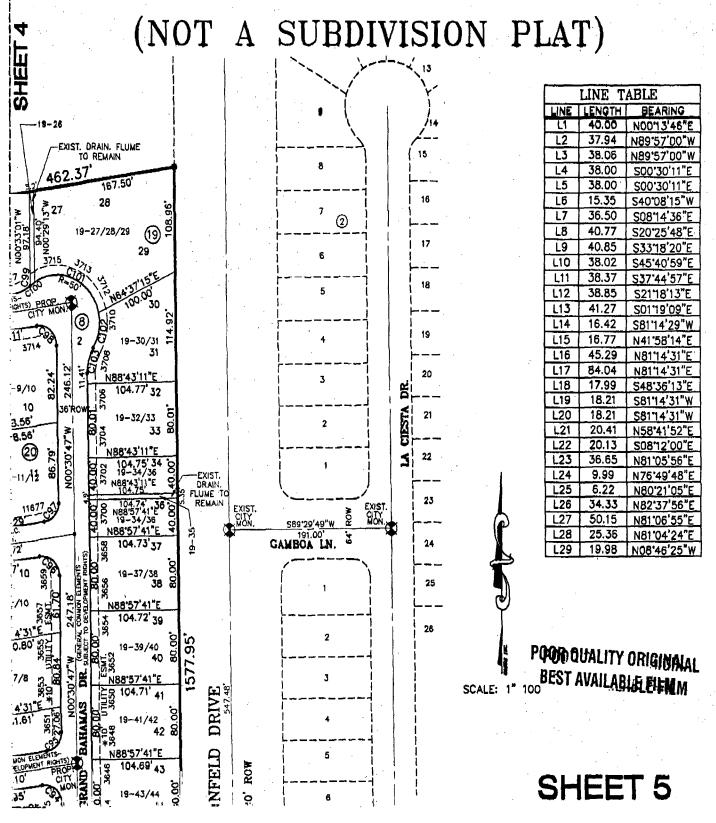
SHEET

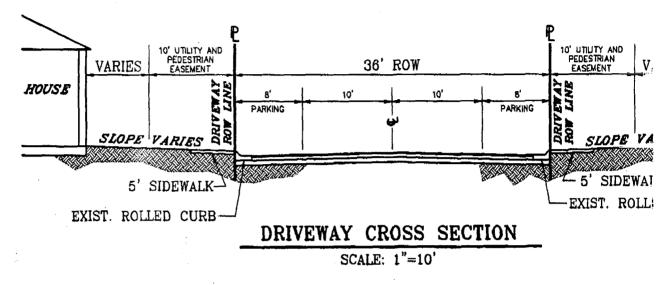


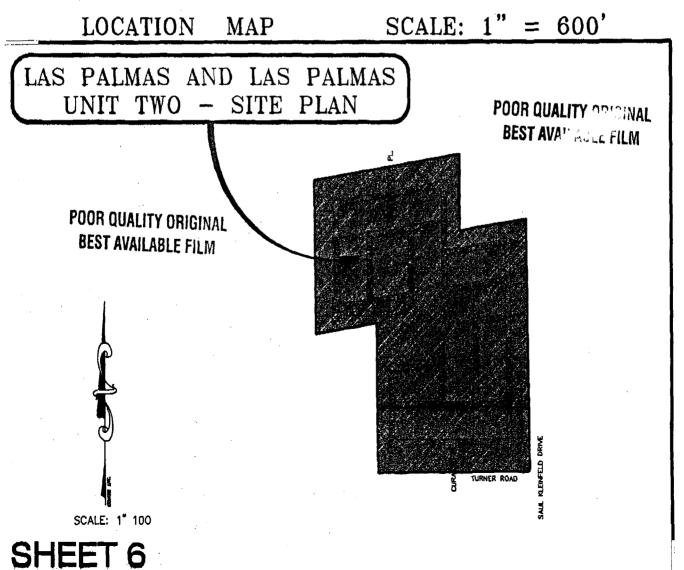
# LAS PALMAS MASTER CONDOMINIUM PLAT

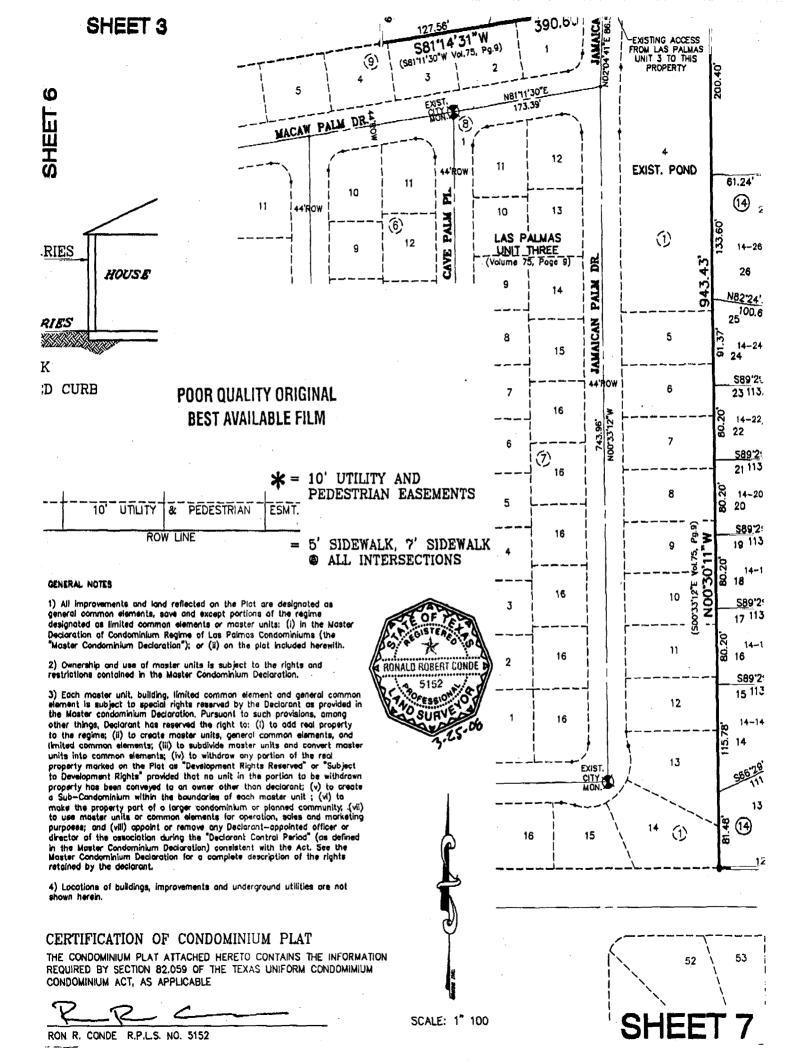
BEING A PORTION OF LOT 1, BLOCK 1, LAS PALMAS AND ALL OF LOT 2, BLOCK 1, LAS PALMAS UNIT TWO, CITY OF EL PASO, EL PASO COUNTY, TEXAS.

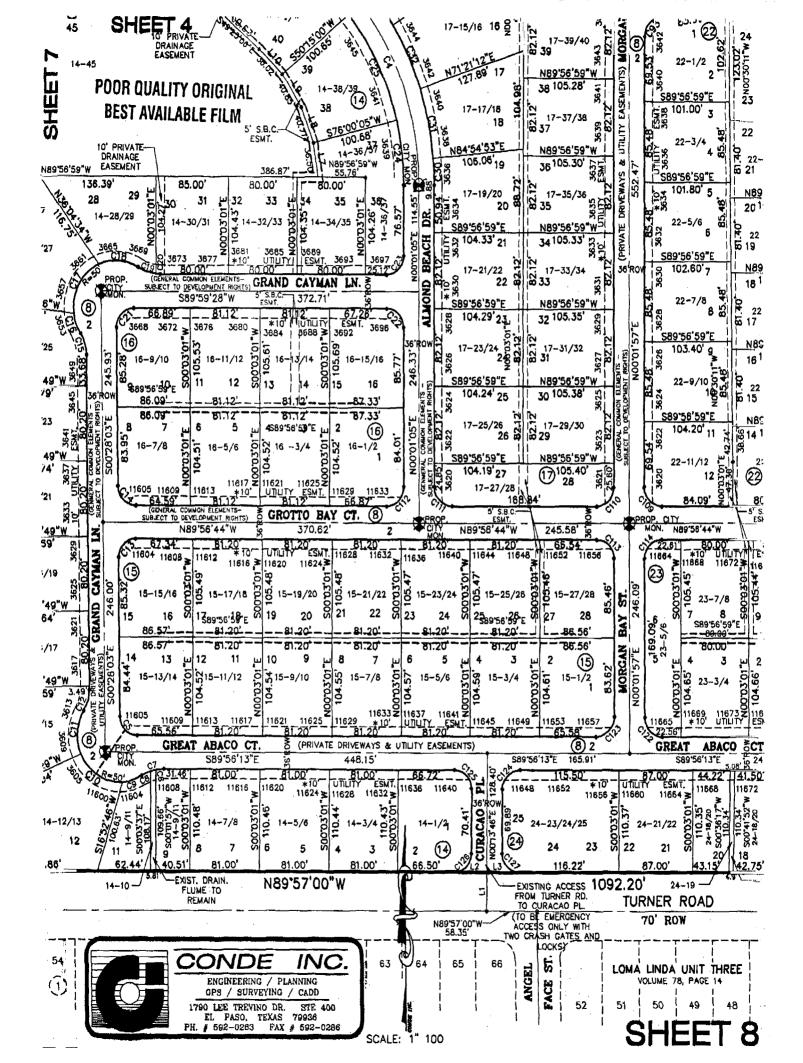
CONTAINING: 54.320 ACRES

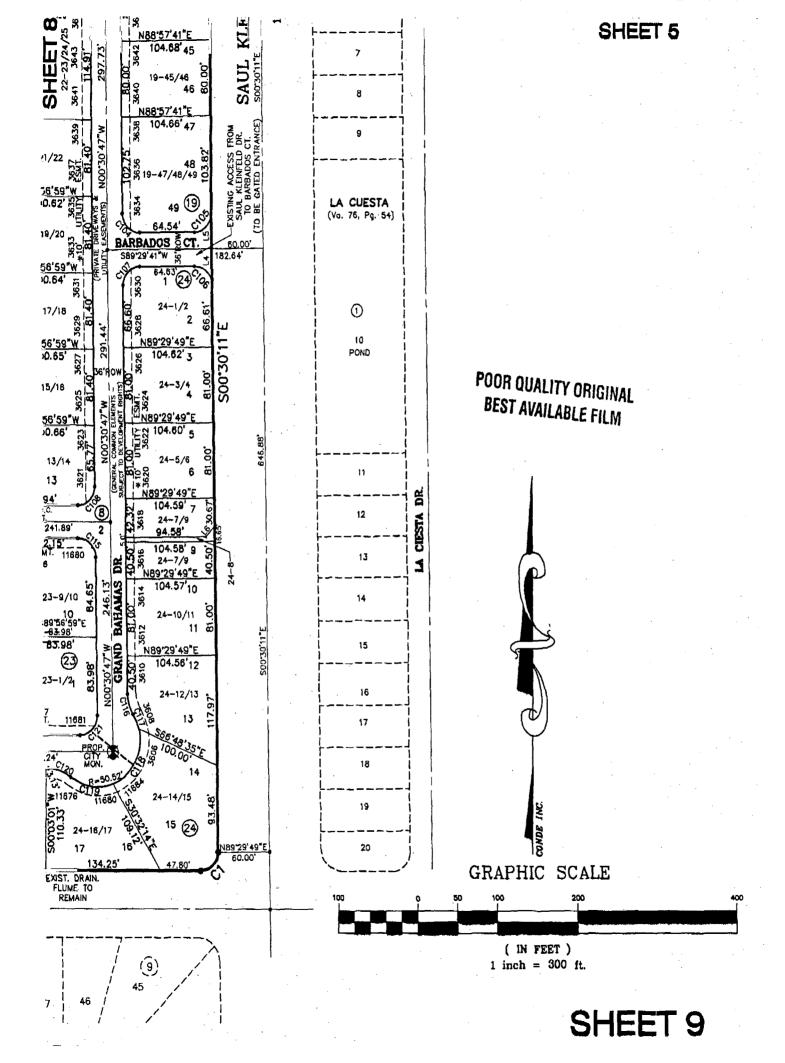












#### [ENCUMBRANCES]

- Restrictive Covenant recorded in Volume 72, Page 46, Plat Records of El Paso County, Texas.
- 2. Affidavit regarding: Filing of Notice of Claim to the Ysleta Grant and Aboriginal Title Areas dated April 12, 1993, recorded in Volume 2553, Page 1958, Real Property Records of El Paso County, Texas.
- 3. Easement(s) to the City of El Paso for the use and benefit of its Public Service Board (El Paso Water Utilities), El Paso Electric Company, Southwester Bell Telephone Company, Southern Union Gas and Paragon Cable recorded in Volume 3248, Page 2287, Real Property Records of El Paso County, Texas.
- 4. Easement(s) to the City of El Paso for the use and benefit of its Public Service Board (El Paso Water Utilities), El Paso Electric Company, Southwestern Bell Telephone Company, Southern Union Gas and Paragon Cable recorded in Volume 3453, Page 195, Real Property Records of El Paso County, Texas.
- 5. Mineral reservations and/or mineral interest recorded in Volume 1212, Page 143, transferred in Volume 1667, Page 261, and Volume 603, Page 714, Real Property Records of El Paso County, Texas.
- 6. Easement(s) sixteen and one-half foot (16.5') to AT & T recorded in Volume 830, Page 473, Real Property Records, El Paso County, Texas and as set out on plat of this subdivision, as recorded in Volume 71, Page 33, Plat Property Records of El Paso County, Texas.
- 7. Easement of El Paso Electric Company recorded in Volume 3080, Page 1164, Real Property Records of El Paso County, Texas.
- 8. Terms, conditions and stipulations of Declaration of Reciprocal Easements, Covenants, Conditions and Restrictions dated July 25, 2001 recorded in Volume 4048, Page 994, refiled in Volume 4107, Page 1746, Real Property Records of El Paso County, Texas.
- Terms, conditions and stipulations, including but not limited to assessments, of Declaration of Reciprocal Easements, Covenants, Conditions and Restrictions Running with the Land dated October 13, 2003 recorded in Volume 4723, Page 1198, Real Property Records of El Paso County, Texas.
- 10. All terms, conditions and provisions expressly noted and set out on plat of this subdivision, recorded in Volume 71, Page 33, Plat Property Records of El Paso County, Texas.

- 11. Ratification and Adoption Subdivision recorded in Volume 3273, Page 1248, Real Property Records of El Paso County, Texas.
- 12. All terms, conditions and provisions expressly noted and set out on plat of this subdivision as recorded Volume 72, Page 46, Plat Property Records of El Paso County, Texas.
- 13. Easement to El Paso Electric Company recorded in Volume 3120, Page 116, Real Property Records of El Paso County, Texas.
- 14. Easement to El Paso Electric Company recorded in Volume 3311, Page 461, Real Property Records of El Paso County, Texas.
- 15. Terms, conditions and stipulations of a lease between Avenida de Palmas, LTD, as Landlord, and Resent Communications, Inc., as Tenant, as set out in Memorandum of Lease dated November 29, 1996 recorded in Volume 3151, Page 852, Real Property Records of El Paso County, Texas.
- 16. Terms, conditions and Development Agreement dated August 10, 1999, between Avenida de Palmas, LTD, and Montana Palmas, L.L.C., and recorded in Volume 3644, Page 1317, Real Property Records of El Paso County, Texas.
- 17. Terms, conditions and stipulations, including but not limited to assessments, of Declaration, dated June 26, 2007, recorded in Clerk's File No. 200070059702, and the Amended Declaration of August 22, 2007, recorded in Clerk's File No. 20070081261, Real Property Records of El Paso County, Texas.

# SCHEDULES OF ALLOCATED INTERESTS AND VOTES

Master Units	Percentage of Common Element Ownership/Share of Common Expenses (Per Each Master Unit)	Votes (Per Each Master Unit)
10-29/30/31, 14-42/43/44, 19-23/24/25, 19-27/28/29, 19-	0.81743%	3
47/48/49, 22-23/24/25 and 24-23/24/25		•
14-10, 14-45, 17-48, 19-35, 24-8, 24-19	0.27247%	1
All Other Master Units	0.54495%	2

THE COMMON INTEREST ALLOCATION AND PERCENTAGE OF LIABILITY FOR COMMON EXPENSES ALLOCATED TO EACH MASTER UNIT WILL DECREASE IF ADDITIONAL MASTER UNITS ARE CREATED AND ADDED TO THE REGIME BY DECLARANT.

Doc# 20080623857

#Pages 165 ##Pages 1
3/26/2088 4:13:49 PH
Filed & Recorded in
Official Records of
EL PASO COUNTY
DELIG #RIONES
COUNTY CLERK
Fees \$432.89

I hereby certify that this instrument was filed on the date and time stamped hereon by me and was duly recorded by document number in the Official Public Records of Real Property in El Paso County.

S LUMBO DE LA COLONIA DE LA CO

Dete Brings

EL PASO COUNTY, TEXAS

# AVENIDA de PALMAS, LTD 444 EXECUTIVE CENTER BLVD., SUITE 238

444 EXECUTIVE CENTER BLVD., SUITE 238 EL PASO, TEXAS 79902 VOICE (915) 838-8100 FAX (915) 838-8200

#### October 23, 2008

To: Javier Navarrete - Custom Dream Homes

Glen Soll - ADB Homes

Hector Montoya – Bella Homes Sergio Cuartas – BIC Homes Ruben Aguilar – La Jolla Homes Roy Suarez – Monarcas Homes Oren Belkin – Presidential Homes

Cc: Richard Aguilar

**Doug Borrett** 

Re: Las Palmas - Architectural Control Committee

Driveway – Walkups – Neighborhood Sidewalks

Stamping and Coloring

#### Gentlemen;

Per requests to <u>"....stamp and color the driveway and sidewalks"</u>, the Architectural Control Committee has made the following determination:

#### Stamping:

Driveways - APPROVED for

APPROVED for portion vehicles park on only

Walkups – Defined as walkways from driveway to entrance of home – APPROVED

Neighborhood sidewalks - NOT APPROVED

#### Color:

Driveways – APPROVED for portion vehicles park on only AND you must use the "PULLOUT/CORNICE" color associated with the approved exterior color chart.

Walkups - APPROVED with same stipulation as driveways, PULLOUT/CORNICE color only. Neighborhood Sidewalks - NOT APPROVED

If you have any questions, please contact us.

Regards,

David Bogas

David Bogas
Development Coordinator
dbogas@eptcommunities.com