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**DECLARATION OF COVENANTS,
RESTRICTIONS AND EASEMENTS FOR MONTRACHET**

THIS DECLARATION OF COVENANTS, RESTRICTIONS AND EASEMENTS FOR MONTRACHET is made effective as of the 17 day of April, 2020, by MONTERRAT HILLS, LLC, a Texas limited liability company (hereinafter referred to as "Declarant").

BACKGROUND STATEMENT

A. Declarant is the owner of certain real property in Tarrant County, Texas (the "Property"), which is more particularly described on **Exhibit A** attached hereto.

B. Declarant intends to develop on the Property a residential development to be known as "**MONTRACHET**" (hereinafter referred to as the "Development").

C. Declarant intends by this Declaration to impose mutually beneficial restrictions under a general plan of development for the benefit and protection of all owners of property within the Development. Declarant also desires to establish a method for the administration, maintenance, preservation, use and enjoyment of the Property.

D. Declarant has caused the Montrachet Homeowners Association, Inc., a Texas non-profit corporation, to be formed to manage the Development and to perform certain functions for the common good and general welfare of the Owners of the Lots and Property.

E. The Declarant hereby declares that all of the Property (as hereinafter defined) is held, sold and conveyed subject to this Declaration of Covenants, Restrictions and Easements for Montrachet to enhance and protect the value, desirability and attractiveness of the Property. The covenants, restrictions and easements set forth herein run with the Property, are binding on all parties having or acquiring any right, title or interest in the Property, and subject to the limitations herein provided, inure to the benefit of each Owner, and its heirs, grantees, distributees, legal representatives, successors, and assigns and to the benefit of the Association.

EACH OWNER SHALL OBTAIN AND BECOME THOROUGHLY FAMILIAR WITH (AND BY ACCEPTANCE OF A LOT SHALL BE DEEMED TO HAVE BECOME THOROUGHLY FAMILIAR WITH) THESE DECLARATIONS AND THE DESIGN GUIDELINES PRIOR TO ACQUISITION OF ANY LOT. BY

ACCEPTANCE OF A LOT, EACH OWNER IS DEEMED TO HAVE AGREED TO BE BOUND BY THESE DECLARATIONS.

ARTICLE I
DEFINITIONS

The following words, when used in this Declaration of Covenants, Restrictions and Easements, shall have the following meanings:

"Annual Assessment" has the meaning given it in Section 5.04(a).

"Annual Operating Budget" shall mean an aggregate estimated monetary amount necessary to operate the Association and to maintain the Common Property

"Assessment" means an Annual Assessment or a Special Assessment.

"Architectural Control Committee" has the meaning given it in Article VII.

"Association" means Montrachet Homeowners Association, Inc., a Texas non-profit corporation organized under Chapter 22 of the Texas Business Organizations Code.

"Board" means the Board of Directors of the Association.

"Bylaws" mean the Bylaws of the Association.

"Commencement Date" means the date on which the first Lot (as hereinafter defined) is sold to a third party other than Declarant.

"Committee" means the Architectural Control Committee.

"Common Property" means all real property (together with any and all improvements now or hereafter located thereon) designated for the common use and enjoyment of the Owners.

"Declarant" means Montserrat Hills, LLC, and its successors and assigns.

"Declarant Control Period" means the period of time established by Section 209.00591(c) of the Texas Property Code.

"Declaration" means this Declaration of Covenants, Restrictions and Easements.

"Design Standards" means all Restrictions and standards applicable to any Residence or Structure on a Lot pursuant to this Declaration and the Design Guidelines.

"Design Guidelines" means the Montrachet Design Guidelines described in Section 6.01.

"Development" means the residential development known as MONTRACHET developed or to be developed on the Property as set forth in this Declaration and any additions made pursuant to Article II.

"Development Period" shall mean a period equal to twenty (20) years after the date this Declaration is recorded and during which the Declarant has the rights described in Section 2.05.

"Development-Wide Standard" shall mean the standard of conduct, maintenance or other activity generally prevailing in the Development. Such standard may be more specifically determined by the Board and by committees required or permitted to be established pursuant to the Declaration and the Certificate of Formation and Bylaws of the Association. Such determination, however, must be consistent with the Development-Wide Standard originally established by the Declarant and with this Declaration.

"Division" shall mean a grouping of Lots with particular common characteristics, including but not limited to area, required size of residential structure, source of water, building lines and landscaping.

"Governing Authority" has the meaning given it in the Section 3.08 hereof.

"Institutional Mortgage" means any bona-fide mortgage, lien or security interest held by a bank, trust company, insurance company, savings and loan association or other recognized lending institution, or by an institutional or governmental purchaser of mortgage loans in the secondary market, such as the Federal National Mortgage Association, Federal Home Loan Mortgage Corporation or their successors, or guaranteed or subsidized by the FHA and/or VA.

"Large Animal" means any species of equine, bovine, llama, sheep, or goat; any other animal may be considered on a case by case basis and must be approved by the Association or the Declarant if during the Declarant Control Period.

“Lot” means any designated parcel of land located on the Property that is established by a subdivision plat or re-plat recorded in the Plat Records of Tarrant County.

“Member” means any member of the Association, including Class A Members and the Class B Member.

“Membership” means the collective total of all members of the Association.

“Occupant” means any person occupying all or any portion of a Residence located within the Development for any period of time, regardless of whether such Person is a tenant, guest, or the Owner of the Residence.

“Owner” means the record owner, whether one or more persons or entities, of a fee simple title to any Lot.

“Pasture Land” means a suitable, designated open space with less than 30% tree coverage, separately and appropriately fenced, and excluding any Residence and any Structures unrelated to the keeping of a Large Animal.

“Pecan Orchard” means the area of pecan trees and adjacent pasture identified as the “Pecan Orchard” in the Design Guidelines, or any other map, survey or plat filed of record in connection with this Declaration and subject to the terms and conditions described in Article IX of this Declaration.

“Pecan Orchard Easement” means an easement subjecting the Pecan Orchard to certain terms and conditions regarding use, as currently or hereafter filed of record by the Declarant.

“Property” means that certain real property described on Exhibit A (the plat of which has been recorded on 04/20/2020 in the Real Property Records of Tarrant County, Texas as Instrument D220089825, and any additions thereto, as are subject to this Declaration, or any amendment or supplement thereto, prepared and filed of record pursuant to the provisions of Article II hereof.

“Residence” means a Structure situated upon a Lot intended for independent use and occupancy as a residence for a single family, including porches (enclosed or unenclosed), attached garages and attached guest quarters, as well as breezeways and

every integral part thereof, including but not limited to balconies, porte cocheres and architectural appurtenances such as cornices, bay windows, and the like.

“Restrictions” means all covenants, restrictions, easements, charges, liens and other obligations created or imposed by this Declaration.

“Retaining Wall Lots” means those Lots for which a perimeter is established by a retaining wall constructed by the Declarant.

“Right of Abatement” has the meaning given it in Section 10.02.

“Special Assessment” has the meaning given it in Section 5.05.

“Structure” means any thing or object the placement of which upon any Lot or the Common Property may affect the function or appearance of such Lot or the Common Property, including by way of illustration and not limitation, any building or part thereof, garage, porch, shed, greenhouse or bathhouse, coop or cage, covered or uncovered patio, swimming pool, dock, fence, curbing, paving, wall, tree, shrub (and all other forms of landscaping), sign, signboard, or any other temporary or permanent improvement to such Lot or Common Property.

“Water Run-off Property” means those portions of Common Property designated or easily identified by natural use or intentional use for collecting and managing surface water run-off across the Property and to and from the Property and adjacent other real property, and may be in the form of natural or artificial ponds, creeks, streams, waterways, ditches, washes, culverts or drainage channels and all improvements thereto.

“Water-well Lots” means the following Lots: Lots 23, 24, 25 in Block 1; Lots 2 – 10 in Block 3; Lots 22, 23, 25 and 27 in Block 5; Lots 16, 17, 18, 28, 29, 30 in Block 6, and are further described in Section 8.06.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION

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

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

(a) Declarant may (without the joinder and consent of any person or entity) add or annex additional real property to the scheme of this Declaration by filing of record on one or more occasions a Supplementary Declaration of Covenants, Restrictions and Easements for Montrachet, which shall extend the scheme of the covenants, conditions, easements and restrictions of this Declaration to such property. Each supplementary declaration may contain such complementary additions and modifications of the Covenants, Restrictions and Easements contained in this Declaration as may be necessary to reflect the different character and development requirements, if any, of the added properties and as are not inconsistent with the concept of this Declaration.

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

(c) Declarant shall have the right and option (without the joinder, approval or consent of such association) to cause the Association to merge or consolidate with any similar association then having jurisdiction over real property located (in whole or in part) within one-half (1/2) mile of any real property then subject to the jurisdiction of this Association. Upon a merger or consolidation of the Association with another association, its properties, rights and obligations may, by operation of law, be transferred to another surviving or consolidated association or, alternatively, the properties, rights and obligations of another association may, by operation of law, be added to the properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants and restrictions established by this Declaration within the Property together with the covenants, conditions and restrictions established upon any other properties as one scheme.

2.03 Removal of Property. Declarant may remove portions of the Property that have not been developed during the Development Period from the scheme of this Declaration by filing of record a release describing the portion of the Property which has been released.

2.04 Retention of Oil, Gas and Mineral Rights. Declarant reserves all oil, gas, and other mineral rights, if any, to any Lots conveyed by it.

2.05 Declarants Rights During Development Period. During the Development Period, the Declarant shall have all rights with respect to the development of the Property that do not violate applicable laws, whether or not expressly set forth in this Declaration, including but not limited to the following: (a) to create one or more Divisions within the

Property; (b) to facilitate the development, construction and marketing of the Divisions; (c) to direct the size, shape and compositions of the Divisions; (d) to create one or more phases of a Division; and (e) to take any or all actions in connection with items (a) through (d) as customary for a residential development such as this Development.

ARTICLE III
COMMON PROPERTY

3.01 Conveyance of Common Property.

(a) The Declarant may from time to time grant and convey to the Association any portions of the Common Property. In addition, the Declarant may from time to time grant and convey any leasehold interests and easements to the Association that the Declarant deems necessary to enhance the Development. The Association shall accept these properties and the responsibility for maintaining them, and, by acceptance thereof, the Association agrees to be bound by all of the terms and conditions of the instruments conveying such leasable interests and easements and by the provisions of these Declarations.

(b) It is contemplated by the Declarant that the Declarant will convey to the Association as Common Property, the areas designated as common property or common areas as shown on the plat of the Property recorded on 04/20/2020 as Instrument D220089825 in the Plat Records of Tarrant County, Texas, as well as other common property in the event additional property is added to the scheme of this Declaration under Section 2.02. The Declarant may, at Declarant's sole discretion, modify, alter, increase, reduce and otherwise change such common property or common areas prior to granting and conveying to the Association.

(c) In addition to the property described in subsections (a) and (b) of this Section 3.01, the Declarant may convey to the Association an easement or easements as may be necessary to allow the Association access to ground water and for drilling a well or wells for use in connection with Common Property and any facilities thereon, in accordance with this Section 3.01 and such other real and personal property as the Declarant may determine, at Declarant's sole discretion, to be necessary or proper for the completion of the Development.

(d) Notwithstanding any legal presumption or provision hereof to the contrary, the fee simple title to, and all rights in any portion of, the Property owned by the Declarant and designated as Common Property or designated for public use shall be

reserved to the Declarant until such time as the same shall be conveyed to the Association or to any municipality or other government body, agency or authority.

(e) Additionally, Declarant may retain the oil, gas, and other mineral rights to any Common Property conveyed to the Association.

3.02 Rights to Use and Enjoy Common Property. Subject to the provisions hereof, every Owner of a Residence shall have a right to use and enjoy the Common Property, which right shall be appurtenant to and shall pass with the title to every Lot upon transfer. No Owner shall do any act which interferes with the free use and enjoyment of the Common Property by all other Owners. Furthermore, the right is subject to (i) established written rules and regulations regarding access to and recreational use of all or parts of the Common Property, and (ii) suspension by the Association of those rights as provided in Sections 4.04(s) and 4.05.

3.03 Rights of the Association. The rights and privileges conferred in Section 3.02 hereof shall be subject to the right and obligations of the Association set forth or referenced in Article IV and to all of the other provisions of this Declaration. The Association is designated as a property owners' association as that term is defined in Chapter 209 of the Texas Property Code and shall have discretionary authority to enforce the Restrictions contained herein and to regulate the Development and use of its amenities. The Association has the authority to collect Assessments for itself.

3.04 Types of Common Property. At the time of the conveyance of any real property or grant of easement by the Declarant to the Association to be used as Common Property, the Declarant may designate in the deed of conveyance or easement that such real property is to be Common Property, and further may designate in the deed of conveyance or easement the specific or general purpose or purposes for which such real property or any portion thereof may be used, and in such event, such real property or portion thereof shall not, without a three-quarters (3/4) vote of the Members and the consent of the Declarant if during the Development Period, be used for any different purpose or purposes.

3.05 Delegations of Use. Any Owner may delegate to the members of his family or his tenants or other occupants who reside on a Lot, in accordance with the Bylaws, his right to use and enjoy the Common Property.

3.06 Maintenance. The Association shall maintain and keep in good repair the Common Property and other property of the Association within the Development, as hereinafter set forth; provided, however, the Association may choose not to replace any

property the Board deems to be no longer needed for fulfilling the purpose of the Association. This maintenance obligation shall include, without limitation, maintenance, repair and replacement of all landscaping, improvements and other Structures situated on the Common Property or other property designated by Declarant to be maintained by the Association. The Association shall specifically endeavor to preserve and maintain all pecan and other large native trees and natural features in the Common Area. In addition, the Association shall maintain grass and other landscaping located along or in dedicated rights of way which were installed and maintained by Declarant, to the extent permitted by the applicable governmental authority. The foregoing maintenance shall be performed consistent with the Development-Wide Standard.

3.07 Water Run-off Property. The Association will maintain, repair and replace the natural or artificial features or Structures on the Water Run-off Property as necessary to collect and manage surface water run-off from the Property and from other real property granted surface water easement over the Water Run-off Property. The Association shall establish written rules and regulations regarding access to and recreational use of all or parts of the Water Run-off Property, subject to the approval of the Declarant. Declarant hereby reserves the right to grant easements over the Water Run-off Property for surface water run-off to benefit property that is not part of the Development, both before or after the Declarant conveys the Water Run-off Property to the Association.

3.08 Rights of Governing City or County. The Association shall not by act or omission seek to abandon its obligations as established by this Declaration. However, in the event that:

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

(b) The Association, its successors or assigns, shall fail or refuse to adequately maintain the appearance and condition of the Common Property which it is obligated to maintain hereunder; then, in either such event, the City of Fort Worth, Texas, and Tarrant County, Texas shall have the right, but not the obligation, to assume the duty of performing all such maintenance obligations of the Association at any time after such dissolution, upon giving written notice to the Owners, or at any time after the expiration of twenty-one (21) days after receipt by the Association, its successors or assigns, of

written notice specifying in detail the nature and extent of the failure to maintain without such failure being remedied. (The city or county assuming such duties is referred to herein as the "Governing Authority.") Upon assuming such maintenance obligations, the Governing Authority may collect, when the same become due, all assessments, annual or special, levied by the Association pursuant to the provisions hereof for the purposes of repairing, replacing, maintaining or caring for the Common Property applicable to the property within its jurisdiction; and, if necessary, enforce the payment of delinquent assessments in the manner set forth herein. In the alternative, upon assuming such maintenance obligations, the Governing Authority may levy an assessment upon each Lot within its jurisdiction on a pro-rata basis for the cost of such maintenance, notwithstanding any other provisions contained in this Declaration, which assessment shall constitute a lien upon the Lot against which each assessment is made. During any period that the Governing Authority assumes the obligations to maintain and care for the Common Property, the Association shall have no obligation or authority with respect to such maintenance. The right and authority of the Governing Authority to maintain the Common Property shall cease and terminate when the Association, its successors, or its assigns shall present to the Governing Authority reasonable evidence of its willingness and ability to resume maintenance of the Common Property. In the event the Governing Authority assumes the duty of performing the maintenance obligations of the Association as provided herein, then the Governing Authority, its agents, representatives and employees shall have the right of access, ingress and egress to and over the Common Property for the purpose of maintaining, improving and preserving the same.

ARTICLE IV MONTRACHET HOMEOWNERS' ASSOCIATION

4.01 Purposes, Powers and Duties of the Association. The Association shall have all of the powers of a Texas non-profit corporation, organized under Chapter 22 of the Texas Business Organizations Code, and shall have the power and duty to exercise all of the rights, powers and privileges and to perform all of the duties and obligations of the Association as set forth in this Declaration and in Section 204.010 of the Texas Property Code.

4.02 Membership in the Association. Every Owner shall automatically be a member of the Association and such membership shall terminate only as provided in this Declaration. For purposes of voting, there shall be two (2) classes of Members as set forth in Section 4.03.

4.03 Voting Rights.

(a) Each Owner of a Lot, with the exception of Declarant, shall be a Class A Member and shall be entitled to one (1) Class A vote per Lot. Where such Owner is a group or entity other than one individual person, the vote on behalf of such Owner shall be exercised only by such individual person as shall be designated in a proxy instrument duly executed by or on behalf of such group or entity and delivered to the secretary of the Association.

(b) The Declarant shall be the sole Class B Member and shall be entitled to three (3) votes for each Lot owned; provided, however, in no event shall the Class B Member have less than the total number of Class A votes plus one (1). The Class B Membership shall cease and convert to a Class A Membership when the Declarant no longer retains the right to appoint and remove members of the Board and officers of the Association under Section 4.08 hereof.

4.04 Board of Directors. The affairs of the Association shall be conducted by a Board of Directors. At least one or more, but not all Directors, may be required to live in the Development. The Declarant shall control the Association during the Declarant Control Period. The Board, on behalf of the Association and for the benefit of the Property and the Owners and the Members and occupants, may provide and may pay for, out of the Assessment fund(s), one or more of the following:

(a) care, preservation and maintenance of the Common Property (including without limitation the proper maintenance of the private streets) and the furnishing and upkeep of any desired personal property for use in or on the Common Property;

(b) recreational and social programs and activities for the general benefit of the occupants and programs which are designed only for separately identifiable sub-groups of occupants, such as (but not limited to) infants, adolescents, teenagers, students, mothers and senior citizens;

(c) supplementing (to the extent, if any, deemed necessary, appropriate and affordable by the Board) the police, fire, ambulance, garbage and trash collection and similar services within the Property traditionally provided by local governmental agencies;

(d) taxes, insurance and utilities (including, without limitation, electricity, gas, water, sewer and telephone charges) which pertain to the Common Property;

(e) the services of any person or firm (including the Declarant and any affiliates of the Declarant) to manage the Association or any separate portion thereof, to the extent deemed advisable by the Board, and the services of such other personnel as the Board shall determine to be necessary or proper for the operation of the Association, whether such personnel are employed directly by the Board or by the manager of the Association. The Board is specifically authorized to hire and employ one or more managers, secretarial, clerical, staff and support employees. The Board is specifically authorized to engage personnel (such as ad valorem tax consultants and computer operators) and equipment (such as computers, software and electronic communication and transmission devices) for the administration of the collection of Assessments;

(f) legal and accounting services;

(g) architectural and design services; and

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

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

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

(j) to enter into agreements or contracts with insurance companies, taxing authorities, the holders of first mortgage liens on the individual Lots and utility companies with respect to: (i) any taxes on the Common Property; (ii) monthly escrow and impound payments by a mortgagee regarding the assessment, collection and disbursement process envisioned by Article V. herein; (iii) utility installation, consumption and service matters; and (iv) the escrow or impounding of monies sufficient to timely pay the Annual Assessment;

(k) to borrow money (including, without limitation, the borrowing of funds from the Declarant and/or its affiliates) for the purpose of carrying out the activities of the Association, including the acquisition, construction, improvement, equipping and maintenance of Common Property, and in aid thereof to encumber by deed of trust, mortgage or other security interest any or all of the Association's property including Common Property and revenues from assessments, user fees and other sources and

provided, however, that during the Declarant Control Period, the Association shall not grant or convey to anyone any mortgage, deed of trust or other security interest on or in Common Property without the written approval of Declarant;

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

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

(n) to make reasonable rules and regulations for the operation of the Common Property, charge reasonable expense reimbursements and/or deposits relating to the use, operation and maintenance of the Common Property, to amend any of the foregoing from time to time, and to enter into concession agreements regarding food, beverage, vending and other products and services within the Common Properties;

(o) to prepare the Annual Operating Budget and to make available for review by each Owner at the Association offices within ninety (90) days after the end of each Fiscal Year an annual report;

(p) to adjust the amount, collect and use any insurance proceeds to repair damage or replace lost property; and if proceeds are insufficient to repair damage or replace lost property, to assess the Owners in proportionate amounts to cover the deficiency;

(q) to enforce the provisions of this Declaration and any rules made hereunder and to enjoin and seek damages from any Owner, Occupant or Member for violation of such provisions or rules. The Board is specifically authorized and empowered to establish (and to revise and amend from time to time) a monetary "fines" system which may include component steps such as warning citations, ticketing, due process hearings and appeals and a flat rate or discretionary range or geometric progression of fine amounts, which, when pronounced, shall constitute a permitted individual Lot Owner assessment secured by the continuing lien herein established;

(r) grant easements or rights of way over Common Property to any municipality or other governmental body, agency or authority, to any quasi-public agency or to any utility company or cable television system or to any owner of land contiguous to the property;

(s) suspend the right of use and enjoyment granted or permitted by Section 3.02;

(t) enter into and enforce all applicable provisions of valid agreements of the Association relating to the Common Property or any part thereof for the purpose of providing management, maintenance, materials, services or other matters consistent with the purposes of the Association or these Declarations;

(u) install, maintain, improve and replace any and all landscaping treatments or other Structures on the Common Property previously installed by the Declarant or installed by the Association to the extent that such landscaping or Structure is not otherwise maintained by the appropriate county and/or municipal entity having jurisdiction over the roads for Tarrant County, Texas; and

(v) install, maintain, improve and replace any and all fencing around the perimeter of the Property previously installed by the Declarant or installed by the Association.

The Association may: (i) borrow monies from the Declarant; (ii) lease equipment from the Declarant; (iii) contract with the Declarant concerning the provision of any personnel, labor, supplies, materials and services, provided such contract terms and conditions are: generally comparable (in terms of price, quality and timeliness) with those that might be otherwise obtained from unrelated third parties; and, as to professional management contracts, terminable by the Association at any time for any reason whatsoever and without penalty upon furnishing at least ninety (90) days advance notice thereof to Declarant. The Board shall not be required to solicit bids from unrelated third parties before entering into any contract with the Declarant and the reasonable judgment and resolution of the Board to enter into any such contract with the Declarant (absent fraud, gross negligence or willful misconduct) shall be final and conclusive and binding upon the Association and all of its Members.

4.05 Suspension of Membership Rights. The Board may suspend the right of use and enjoyment of the Common Property of any person who:

(a) is subject to the Right of Abatement by reason of having failed to take reasonable steps to remedy a violation or breach of either the Restrictions or the Design Standards;

(b) is delinquent in the payment of any Assessment levied by the Association; or

(c) is in violation of the rules and regulations of the Association relating to the use, operation and maintenance of Common Property.

Such suspension shall be for the balance of the period in which said Member or person shall remain in violation, breach or default, as aforesaid, except that in the case of a violation described in subsection (c) of this Section 4.05, the suspension may be for a period not to exceed sixty (60) days after the cure or termination of such violation. No such suspension shall prevent an Owner's ingress to or egress from his Lot.

4.06 Termination of Membership. Membership in the Association terminates only when a person ceases to be an Owner.

4.07 Voting Procedures. The procedures for the election of Directors of the Association and the resolution of such other issues as may be brought before the membership of the Association shall be governed by this Declaration, the Texas Property Code, the Texas Business Organizations Code and other applicable law, the Certificate of Formation of the Association, and the Bylaws of the Association, as each shall from time to time be in force and effect.

4.08 Control by Declarant.

(a) Notwithstanding any other language or provision to the contrary in this Declaration or in the Certificate of Formation or the Bylaws of the Association, Declarant hereby retains the right to appoint and remove any Director of the Board of the Association, any officer or officers of the Association and members of any committee during the Declarant Control Period. After the expiration of the Declarant Control Period, at least one-third (1/3) of the Directors of the Board must be elected by Owners other than the Declarant.

(b) Upon the expiration of the Declarant Control Period, the Declarant shall deliver the books, accounts, and records, if any, which Declarant has kept on behalf of the Association and any agreements or contracts executed by or on behalf of the Association during such period and that Declarant has in its possession.

4.09 LIABILITY LIMITATIONS. THE DECLARANT AND ITS OWNERS, DIRECTORS, OFFICERS, AGENTS AND EMPLOYEES, AND THE DIRECTORS, OFFICERS, COMMITTEE MEMBERS, AGENTS AND EMPLOYEES OF THE

ASSOCIATION (FOR PURPOSES OF THIS PARAGRAPH, COLLECTIVELY THE "DECLARANT AND ASSOCIATION PARTIES") SHALL NOT BE LIABLE FOR DEBTS CONTRACTED FOR OR OTHERWISE INCURRED BY THE ASSOCIATION OR FOR ANY TORTS COMMITTED BY OR ON BEHALF OF THE ASSOCIATION OR FOR A TORT OF AN OWNER OR ANY OCCUPANT, WHETHER SUCH OTHER OWNER OR OCCUPANT WAS ACTING ON BEHALF OF THE ASSOCIATION OR OTHERWISE, EVEN IF ARISING FROM ANY OF THEIR SOLE OR CONCURRENT NEGLIGENCE OR STRICT LIABILITY OF THE DECLARANT AND ASSOCIATION PARTIES. FURTHERMORE, THE DECLARANT AND ASSOCIATION PARTIES SHALL NOT BE LIABLE FOR ANY ACTUAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES FOR FAILURE TO INSPECT OR MAINTAIN ANY RESIDENCE OR OTHER STRUCTURE, IMPROVEMENT OR PORTION OF THE PROPERTY, OR FOR FAILURE TO REPAIR OR MAINTAIN ANY STRUCTURE OR PORTION OF THE PROPERTY, OR FOR FAILURE TO DESIGN, ESTABLISH, CONSTRUCT, REPAIR OR MAINTAIN ANY COMMON PROPERTY OR WATER RUN-OFF PROPERTY, OR FOR ANY PERSONAL INJURY, DEATH OR DAMAGE TO PERSONAL PROPERTY RESULTING FROM SUCH FAILURES AS DESCRIBED ABOVE, EVEN IF ARISING FROM ANY OF THEIR SOLE OR CONCURRENT NEGLIGENCE OR STRICT LIABILITY.

4.10 Insurance; Security Arrangements.

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

(i) property insurance for loss or damage by fire and other hazards covered by a standard extended coverage endorsement in an amount equal to the maximum insurable replacement value, as determined annually by the insurance carrier;

(ii) public liability and third-party property damage insurance on a broad form basis;

(iii) fidelity bond for all officers and employees of the Association having control over the receipt or disbursement of funds; and

(iv) officers' and directors' liability insurance.

(b) Neither Declarant nor the Association warrant or guarantee that: (i) security is sufficient and adequate to diminish or eliminate the commission of crimes against persons or property; and (ii) such acts will not be attempted or actually occur within the Property. Any security arrangements provided are not designed or intended to replace the conventional police and fire protection and paramedical services.

THE ASSOCIATION AND DECLARANT DO NOT HAVE A DUTY TO INSURE OR GUARANTEE THE SAFETY OF THE OWNERS IN THE DEVELOPMENT OR TO BE A PROVIDER OF SECURITY SERVICES. WHETHER OR NOT THESE SERVICES ARE PROVIDED BY THE ASSOCIATION OR DECLARANT, THE ASSOCIATION AND DECLARANT SHALL NOT BE HELD LIABLE FOR ANY LOSS, DAMAGE OR INJURY TO PERSON OR PROPERTY BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR THE INEFFECTIVENESS OF SECURITY MEASURES AND SERVICES TAKEN OR PROVIDED. EACH OWNER, TENANT, GUEST OR INVITEE ACKNOWLEDGES AND UNDERSTANDS THAT THE ASSOCIATION AND DECLARANT, THEIR DIRECTORS, OFFICERS AND COMMITTEE MEMBERS HAVE MADE NO REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, RELATIVE TO ANY SECURITY MEASURES UNDERTAKEN WITHIN THE DEVELOPMENT.

THE ASSOCIATION WILL NOT CARRY ANY INSURANCE PERTAINING TO, NOR DOES IT ASSUME ANY LIABILITY OR RESPONSIBILITY FOR, THE REAL OR PERSONAL PROPERTY OF THE OWNERS AND OCCUPANTS (AND THEIR RESPECTIVE FAMILY MEMBERS AND GUESTS).

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

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

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

(iii) each Owner releases and holds Declarant and the Association harmless from any liability, claims, causes of action or damage of any kind or character whatsoever arising out of or related (directly or indirectly) to any and all aspects of security and private streets within the Property, including, without limitation:

(1) the interviewing, hiring, training, licensing, bonding and employment of security personnel (if any);

(2) the instructions, directions and guidelines issued to or by the security personnel (if any); and

(3) the duties, performances, actions, inactions or omissions of or by the security personnel (if any);

(iv) each Owner releases and holds Declarant and the Association harmless from any liability, claims, causes of action or damages of any kind or character whatsoever arising out of or related (directly or indirectly) to any and all aspects of occurrences, such as but not limited to the following: soil erosion, soil composition, groundwater, surface water, unstable slopes, ground shift, sink holes, winds, earthquakes, fires, flooding, and all other natural disasters or occurrences and water run-off or drainage within the Property; and

(d) each Owner will cooperate with Declarant and the Association in connection with the establishment, evolution and maintenance of reasonable controls on the pedestrian and vehicular traffic into and within the Property and abide by any and all rules and regulations of the Association, as adopted and promulgated from time to time, related to the entry upon and use of any private streets and other Common Property within the Property.

4.11 Use of Insurance and Condemnation Proceeds.

(a) The Association shall be the exclusive representative of the Members in any proceedings, negotiations, settlements or agreements concerning insurance covering or condemnation of Common Property. The Association and the Members shall use the net casualty insurance or condemnation proceeds to repair and replace damage or destruction of Common Property covered by such insurance or condemnation. Any balance from the proceeds of insurance or condemnation paid to the Association remaining after satisfactory completion of repair and replacement, shall be

retained by the Association as part of a general reserve fund for repair and replacement of the Common Property.

(b) If the insurance or condemnation proceeds are insufficient to repair or replace any loss or damage to Common Property, the Association may levy a special assessment as provided for in Article V of this Declaration to cover the deficiency.

(c) If the Association owns any Lot, through foreclosure or otherwise, the Association shall be entitled as an Owner to all rights related to insurance coverage and condemnation of such Lot. The Association may, but is not obligated to, repair or replace any damage to a Lot owned by the Association; provided, however, the Association must exercise its discretion with regard thereto for the benefit of the Owners.

ARTICLE V ASSESSMENTS

5.01 Covenant for Assessments and Creation of Lien and Personal Obligation. This Declaration creates a continuing lien on each Lot to secure the payment and performance of the obligations of Owners. Each Owner of a Lot other than Declarant, jointly and severally, for himself, his heirs, distributees, legal representatives, successors and assigns, by acceptance of a deed for a Lot, whether or not the covenants contained herein shall be expressed in any such deed, hereby covenants and agrees as follows:

(a) to timely pay to the Association the Annual Assessments levied by the Association pursuant to this Declaration against all owned Lots;

(b) to timely pay to the Association any Special Assessments which may be levied by the Association pursuant to this Declaration against all owned Lots;

(c) that there is hereby created a continuing charge and lien upon all Lots owned by him against which all such Assessments are made to secure payment of (i) such Assessments and any interest thereon as provided in Section 5.07 hereof and costs of collection including reasonable attorneys' fees; (ii) payment of the costs related to the exercise by the Association of the Right of Abatement under Article IX hereof; and (iii) any other amounts due from the Owner to the Association under these Declarations, including late charges and fines;

(d) that such continuing charge and lien on such Lot binds such Lot in the hands of the then Owner, and the Owner's heirs, devisees, legal representatives, successors and assigns. Such charge and lien is superior to any and all charges, liens or

encumbrances which may hereafter in any manner arise or be imposed upon any such Lot whether arising from or imposed by judgment or decree or by any agreement, contract, mortgage, deed of trust or other instrument, except (i) such liens for taxes or other public charges as are by applicable law made superior, and (ii) all deeds of trust, mortgages, vendors liens and other liens to secure debt given to secure a loan the proceeds of which are used (1) to purchase such Lot or Lots (together with any and all Structures which may from time to time be placed or located thereon) or (2) to finance the construction, repair or alteration of Structures on such Lot or (3) to finance the equity of an Owner in such Lot in accordance with the Texas Constitution Article XVI, Section 50(a)(6). A person or entity acquiring a lien or encumbrance on a Lot after this Declaration is recorded shall acknowledge, by the act of filing an instrument creating such lien, that such lien or encumbrance is inferior to the continuing lien for the charge and lien provided herein, whether or not such acknowledgment is specifically stated in the instrument creating the lien or encumbrance, except as provided by Subsections (i) and (ii) above. Notwithstanding the foregoing, however, subordination of the continuing charge and lien provided herein applies only to Assessments due and payable prior to the foreclosure sale of superior liens referenced above, and such foreclosure sale will not relieve future liability for Assessments thereafter due nor the continuing charge and lien securing payment thereof;

(e) that no sale or transfer at foreclosure or in lieu of foreclosure shall relieve any Lot from liability for any assessment thereafter assessed;

(f) that all Assessments (together with interest thereon as provided in Section 5.07 of this Declaration and costs of collection including reasonable attorneys' fees) levied against any Lot owned by him during the period that he is an Owner shall be (in addition to being a continuing charge and lien against such Lot as provided in Section 5.01(c) of this Declaration) a personal obligation which will survive any sale or transfer of the Lot owned by him; and

(g) failure to pay any Assessment when due shall constitute a default of the Owner's obligations hereunder, and shall entitle the Association to exercise the remedies provided under the terms of this Declaration.

5.02 Purpose of Assessment. The assessments levied by the Association shall be used exclusively for providing for the common good and general welfare of the Owners and occupants, as determined by the Association in its sole discretion, including, but not limited to (and not requiring), security, the acquisition, construction, improvement, maintenance and equipping of Common Property, maintenance of private driveways which are designated by Declarant to be maintenance obligations of the Association, the

enforcement of the Restrictions contained in this Declaration, the enforcement of the Design Standards, the payment of operating costs and expenses of the Association and the payment of all principal and interest when due on all debts owed by the Association. Notwithstanding any other provision hereof, Lots owned by Declarant shall not be charged with any Assessment.

5.03 Accumulation of Funds Permitted. The Association shall not be obliged to spend in any calendar year all the sums collected in such year by way of annual assessments or otherwise, and may carry forward, as surplus, any balances remaining; nor shall the Association be obligated to apply such surplus to the reduction of the amount of the Annual Assessments in any succeeding year, but may carry forward from year to year such surplus as the Board may deem to be desirable for the greater financial security of the Association and the effectuation of its purposes.

5.04 Annual Assessment.

(a) Beginning on the Commencement Date and continuing thereafter, each Lot (other than Lots owned by the Declarant) shall be subject to an Annual Assessment (the "Annual Assessment"). The amount of the Annual Assessment shall be determined by the Association. The amount of the Annual Assessment may vary depending on the Division in which a Lot is located. In the event that the transfer of a Lot from Declarant, thereby causing such Lot to be subject to the Annual Assessment, falls on a day other than January 1, the Annual Assessment for such year shall be prorated so that such Owner pays an Annual Assessment proportional to the number of days remaining in the calendar year. The words "Assessment Year" as used herein shall mean the calendar year. The prorated annual assessment for the first year shall be paid by each Owner at the time of closing on the Lot purchase.

(b) The Annual Assessment may be increased at any time and from time to time during each Assessment Year by the Association.

(c) In the event more than one (1) contiguous Lot(s) are owned by the same individual with the intent to use the contiguous Lot(s) as an extension of the construction of its Residence, assessments for the contiguous Lot(s) shall be one-half (1/2) of the regular rate upon completion of the improvements on the contiguous Lot(s) in a manner that is consistent with the extension of the Residence, as determined by the Committee.

5.05 Special Assessments. In addition to the Annual Assessments authorized by this Article V, the Association may levy, in any Assessment Year and with such

frequency as the Association shall deem necessary, special assessments ("Special Assessments") for each Lot (other than Lots owned by Declarant) for the purpose of paying, in whole or in part, any unanticipated operating expenses, as well as the cost of any acquisition, construction, reconstruction, repair or replacement of a capital improvement on the Common Property and any fixtures and personal property related thereto. Such Special Assessments may be levied by the Association in any Assessment Year without the approval of the Members, which Special Assessments in the aggregate do not exceed an amount equal to the Annual Assessment then in effect. Special Assessments exceeding said amount shall require the approval of three-fourths (3/4) of the Members who are present in person or by proxy at a meeting of Members duly held in accordance with the provisions of the Bylaws of the Association and this Declaration.

5.06 Assessment Procedure and Due Dates.

(a) The Board shall establish Annual Assessments for each Assessment Year at an amount determined according to the provisions of this Article V. The Board may allow the Annual Assessments to be paid in quarterly installments by passing a resolution or adopting a policy for such a payment plan. The Board may also establish payment procedures for payment of any Special Assessments levied in accordance with the provisions of this Article V.

(b) All Members of the Association shall be given written notice by the Board not less than thirty (30) nor more than sixty (60) days in advance of any meeting of the Members of the Association at which the Board will propose a Special Assessment.

5.07 Effect of Non-payment of Assessments. Any Assessment which is not paid on or before the date it is due will bear interest after the date it is due at the lower of (i) the highest legal rate of interest which can be charged or (ii) the rate of eighteen percent (18%) per annum or (iii) at such rate as the Board may from time to time establish; provided, however, that in no event shall the Board have the power to establish a rate of interest in violation of the laws of the State of Texas. In the event of default in the payment of any one or more installments of an Assessment, the Board may declare any remaining unpaid balance of the Assessment at once due and payable. All unpaid Assessments, together with any interest and costs of collection including reasonable attorneys' fees, shall be the personal obligation of such Owner, as well as a lien on the applicable Owner's Lot enforceable in accordance with the provisions of this Declaration.

5.08 Binding Effect of Declarations. Each Owner by acceptance of a deed for a Lot, whether or not it is expressed in such deed, is deemed, as part of the consideration for such deed (i) to agree to pay and be personally liable for all Assessments applicable to

the Lot or Lots owned by such Owner, and (ii) to agree to be bound by all of the other terms, conditions, obligations and agreements applicable to Owners in this Declaration and all amendments thereto.

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

- (a) All properties dedicated and accepted by the local public authority and devoted to public use;
- (b) All Common Property;
- (c) Any and all areas which may be reserved by the Declarant on the recorded plat(s) of the Property; and
- (d) Lots owned by Declarant, unless such Lots have been improved with a Residence.

ARTICLE VI DESIGN STANDARDS

The intent of the Design Standards set forth in this Declaration and incorporated by the Design Guidelines as hereinafter described is to enhance and preserve the quality of the community while maintaining the natural beauty of the Development. Residences and Structures should preserve the natural features of each Lot such as significant trees, views, and topography and be sited so as to minimize disruption of the site. Accordingly, a house plan, site plan, landscape plan for the entire Lot, and any other documentation requested must be submitted for approval to the Committee in accordance with the Design Guidelines. Any changes or additions to the Lot after construction of the Residence is complete must also be approved by the Committee. The Committee may determine that what was found acceptable in one situation may not be acceptable in another as the intent is to ensure each design is appropriate to the specific Lot and does not dominate or contrast sharply with the surroundings.

6.01 Design Guidelines. Detailed Design Standards and guidelines for all Lots and improvements thereon are set forth in a separate document entitled "Montrachet Design Guidelines" and herein referred to as the "Design Guidelines". The Design Guidelines are incorporated into this Declaration in their entirety as if expressly set forth. Each Owner will be provided with a copy of the Design Guidelines in connection with the purchase of a Lot. In addition, a current version of the Design Guidelines will be

promulgated on the Association's website once created. The Committee may, from time to time, publish and promulgate amendments or supplements to the Design Guidelines and any revisions and updates are deemed to be automatically incorporated into this Declaration. Any amendments or supplements to the Design Guidelines will be consistent with the overall quality, general architectural style and design of the Development.

6.02 Authority of Committee. The Committee has the authority to make final decisions in interpreting the general intent, effect and purpose of those matters for which it is responsible in accordance with this Declaration. The Committee will endeavor to promulgate the Design Guidelines in such a manner that only materials complying with all applicable laws and regulations are specified therein, but each Owner of a Lot (and not the Committee) is responsible for complying with such laws and regulations on his or her respective Lot. If the Committee learns that materials specified by the Design Guidelines do not comply with applicable laws or regulations, the Committee will use reasonable efforts to inquire into the nature of the non-compliance and to make appropriate revisions to the Design Guidelines. The Design Guidelines may include a schedule of fees appropriate to cover expenses incurred in conducting work, including but not limited to fees for non-compliance and fees for reviewing designs, plans and specifications, variance requests, architects, and builders.

6.03 Setback Lines. In addition to setback lines or building lines that are established by any plat or survey of the Property creating the Lots, other setback or building lines that pertain to a certain Division or sub-division of a Division are described in Section 8.07 below and **Exhibit B** attached hereto and incorporated herein.

6.04. Grading and Drainage. Slopes on any Lot may not exceed a 4 to 1 ratio unless it can be determined that a steeper slope will not erode. All slopes are to be re-vegetated as soon as possible with planting appropriate to the site. A drainage plan for the entire Lot(s) upon which the residence is constructed shall be prepared by a professional engineer or licensed landscape architect and submitted to the Committee before implementation of the plan. The Committee will verify that a drainage plan has been submitted but will not approve the plan. Drainage design is the responsibility of the Owner and is required to reduce erosion and water run-off to adjacent property. No grading of any kind is to be started until all plans for the Lot including plans for drainage, the Residence, and any other Structures, has been approved by the Committee and adequate anti-erosion measures have been installed.

6.05 Inspection Rights. Any employee or agent of the Association may, after reasonable notice, at any reasonable time or times, enter upon any Lot and Structure thereon for the purpose of ascertaining whether the installation, construction, alteration or

maintenance of any Structure or the use of any Lot or Structure is in compliance with the provisions of this Declaration. The Association and any such agent will not have committed a trespass or other wrongful act solely by reason of such entry or inspection, provided the inspection is carried out in accordance with the terms of this Section.

6.06 Violations. If any Structure shall be erected, placed, maintained or altered upon any Lot in violation of the provisions of this Declaration, the Association shall provide written notice to the Owner by certified mail, setting forth in reasonable detail the nature of the violation and the specific action or actions required to remedy the violation. If the Owner has not taken reasonable steps toward the required remedial action within thirty (30) days after the mailing of the notice of violation, then the Association shall have the Right of Abatement as provided in Section 10.02 hereof, in addition to any and all other remedies available at law or in equity.

6.07 Release. NEITHER THE ASSOCIATION NOR THE OFFICERS, DIRECTORS, MANAGERS, MEMBERS, EMPLOYEES AND AGENTS OF THE ASSOCIATION SHALL BE LIABLE IN DAMAGES OR OTHERWISE TO ANYONE SUBMITTING PLANS AND SPECIFICATIONS TO ANY OF THEM FOR AN APPROVAL OR CONSENT REQUIRED OR ALLOWED HEREUNDER, OR TO ANY OWNER OF PROPERTY AFFECTED BY THESE DECLARATIONS BY REASON OF MISTAKE IN JUDGMENT, NEGLIGENCE, OR DISAPPROVAL OR FAILURE TO APPROVE, OR CONSENT TO ANY SUCH PLANS OR SPECIFICATIONS. NO CONSENT OR APPROVAL OF PLANS AND SPECIFICATIONS AND NO PUBLICATION OF ANY STANDARDS, BULLETINS OR INFORMATION SHEETS SHALL BE CONSTRUED AS REPRESENTING OR IMPLYING THAT SUCH PLANS, SPECIFICATIONS, GUIDELINES, BULLETINS OR SHEETS WILL, IF FOLLOWED, RESULT IN PROPERLY DESIGNED IMPROVEMENTS AND/OR IMPROVEMENTS BUILT IN A GOOD AND WORKMANLIKE MANNER. EVERY PERSON OR ENTITY WHO SUBMITS PLANS OR SPECIFICATIONS OR OTHERWISE REQUESTS A CONSENT, AND EVERY OWNER OF EACH AND EVERY LOT, AGREES THAT: THE OWNER WILL NOT BRING ANY ACTION OR LAW SUIT AGAINST THE ASSOCIATION OR THE OFFICERS, DIRECTORS, MANAGERS, MEMBERS, EMPLOYEES AND AGENTS OF THE ASSOCIATION, TO RECOVER ANY SUCH DAMAGES; HE OR SHE HEREBY RELEASES ALL CLAIMS, DEMANDS AND CAUSES OF ACTION ARISING OUT OF OR IN CONNECTION WITH ANY ACTION, JUDGMENT, NEGLIGENCE, MALFEASANCE OR NONFEASANCE OF THE ASSOCIATION OR THE OFFICERS, DIRECTORS, MANAGERS, MEMBERS, EMPLOYEES OR AGENTS OF ANY OF THE ASSOCIATION INCLUDING CLAIMS BASED IN PART OR IN WHOLE ON THE NEGLIGENCE OF THE ASSOCIATION OR ITS

OFFICERS, DIRECTORS, MANAGERS, MEMBERS, EMPLOYEES OR AGENTS; AND HE OR SHE HEREBY WAIVES THE PROVISIONS OF ANY LAW WHICH PROVIDES THAT A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS, DEMANDS AND CAUSES OF ACTION NOT KNOWN AT THE TIME THE RELEASE IS GIVEN. NOTWITHSTANDING THE FOREGOING, THE FOLLOWING CLAIM, DEMAND AND CAUSE OF ACTION IS EXPRESSLY RELEASED: ALL CLAIMS, DEMANDS AND CAUSES OF ACTION ARISING OUT OF OR IN CONNECTION WITH DAMAGES SUFFERED BY ANY OWNER AS A RESULT OF THE ALTERATION BY ANY OTHER OWNER OF THE NATURAL FLOW OF SURFACE WATERS FROM, UPON OR ACROSS ANY LOT, COMMON PROPERTY OR WATER RUN-OFF PROPERTY, OR WHICH AFFECTS OR ALTERS THE FLOW OF ANY WATERS IN ANY NATURAL OR ARTIFICIAL POND, CREEK, STREAM, WATERWAY, DITCH, WASH, CULVERT OR DRAINAGE CHANNEL FROM, UPON OR ACROSS ANY LOT OR COMMON PROPERTY.

ARTICLE VII
ARCHITECTURAL CONTROL

(a) Architectural control shall be supervised and implemented by an Architectural Control Committee, herein called the "Committee", composed of three (3) or more individuals selected and appointed by Declarant. The Committee is vested with the authority in the Association to and shall use its best efforts to promote and ensure a high level of quality, harmony and conformity throughout the Property by setting guidelines and standards that are interpretive of the Design Standards described in this Declaration, some of which may be promulgated in the Design Guidelines. A majority of the Committee's members may act on the behalf of the entire Committee. In the event of the death or resignation of any member of the Committee, the Association shall have full authority to designate and appoint a successor; provided however, if a death or resignation occurs during the Declarant Control Period, the Declarant must approve any successor. No member of the Committee shall be entitled to any compensation for services performed hereunder and neither the Committee nor any of its members shall be liable to any Owner, for any claims, causes of action or damages of whatever kind (except where occasioned by gross negligence) arising out of service performed, actions taken, or inaction in connection with any undertaking, responsibility, or activity hereunder or request for same.

(b) No improvement of any kind may be erected on any Lot until all plans and specifications and/or plot plan have been submitted to and approved in writing

by the Committee as being in compliance with the Design Guidelines and with the following:

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

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

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

(iv) the other standards set forth within this Declaration, the Design Guidelines (and any amendments thereto), or as may be set forth within bulletins promulgated by the Committee or the Association, or matters in which the Committee has been vested with the authority to render a final interpretation and decision. The specific steps required for plan submittal and approval are detailed in the Design Guidelines.

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

(d) The Committee may from time to time publish and promulgate updates to the Design Guidelines which shall be fair, reasonable and uniformly applied and shall carry forward the spirit and intention of these Restrictions. Such bulletins shall supplement these Restrictions and are incorporated herein by reference. Although the Committee shall not have unbridled discretion with respect to taste, design and any absolute standards specified herein, the Committee shall be responsive to technological advances or general changes in architectural designs and related conditions in future years and use its best efforts to balance the equities between matters of taste and design (on the one hand) and use of private property (on the other hand).

(e) The Committee may, subject to the consent of Declarant, delegate some or all of its authority to a third-party architectural/design professional or so called "Town Architect" and agree to pay such professional a reasonable fee for its services on behalf of the Committee.

(f) The Committee has the authority to set reasonable fees to be paid by each Lot Owner in connection with submitting original and amended plans and specifications for review by the Committee.

ARTICLE VIII GENERAL COVENANTS AND RESTRICTIONS

8.01 Application. The covenants and restrictions contained in this Article VIII and elsewhere in these Declarations shall pertain and apply to all Lots and to all Structures erected or placed thereon.

8.02 Restrictions of Use. All Lots and Residences are to be used only for a single-family residence or purposes incidental thereto. No garage or Structure may be used as a Residence or living quarters, temporarily or otherwise, except by guests or domestic employees of the Lot Owner. No dwelling shall be occupied in any manner at any time prior to completion. No business of any kind shall be conducted on any Lot with the exception of the business of the Association and the Declarant and its transferees. No garage sales shall be permitted within the Development.

8.03 Resubdivision or Replatting of the Property. No Lot may be split, divided, or subdivided for sale, resale, gift, transfer, or otherwise, except by Declarant. Notwithstanding the foregoing, nothing herein shall prevent Declarant or the owners of any Lots from replatting two or more Lots into one Lot for construction of a single Residence thereon subject to the prior approval of Declarant if occurring during the Declarant Control Period or the Association after the Declarant Control Period. If two

(2) or more Lots are combined into one (1) Lot for construction of a single Residence, such combined Lot shall be entitled to only one (1) vote under Section 4.03 hereof but will still owe dues for the previously separate Lots as detailed in 5.04(c) hereof.

8.04 Construction and Reconstruction Completion Time.

(a) The work of constructing the Residence and related Structures and landscaping the Lot, as well as construction of any approved remodels or additions to improved Lots shall be prosecuted diligently from the commencement of dirtwork thereon until completion. All construction and landscaping must be completed within a reasonable time frame for the size of Structure. If construction and landscaping are not completed in a timely manner or are not progressing diligently, in the sole determination of the Committee, the Association may impose progressive fines in accordance with a promulgated policy for progressive fines until construction is completed.

(b) In the event that a Residence is partially or totally damaged by fire or other causes, the Owner of such Residence must either rebuild the Residence or completely clear the Lot. In the event the Owner desires to rebuild, the construction or restoration of the damaged Residence, or portion thereof, must commence within one-hundred twenty (120) days after the occurrence causing the damage. No construction or restoration shall commence however, until plans and specifications have been submitted to the Committee (and are subsequently approved). In the event the Owner does not desire to rebuild, the Owner must clear away all remaining debris and restore the Lot to the condition in which it existed prior to the initial construction of the damaged Residence.

8.05 Trailer Houses, Movable Structures and Temporary Buildings. No temporary building, trailer, trailer house, mobile home, garage or building under construction shall be used, temporarily or permanently, as a residence on any Lot. No contractor or builder shall erect on any Lot any temporary building or shed for use in connection with construction on such Lot or as a sales office, unless approved by the Association or Declarant. Declarant may erect and maintain a temporary structure for sales or construction purposes.

8.06 Utilities. Water (except well water), electric and sanitary sewer facilities are located on or at the edge of each of the Lots covered by this Declaration except as noted below; and the owner of any such Lot must tie onto these facilities unless written permission for different treatment is obtained from the undersigned or as allowed for Water-well Lots.

(a) Water-well Lots are the only lots permitted to drill a water well and in some cases a water well may currently be the ONLY source of water service to the Lot and/or Residence due to the elevation of the Lot or proposed elevation of the Residence. In these cases, it is mandatory for a well to be utilized. If public water service is also available to any of the Water-well Lots or becomes available in the future, the Lot in question will have the option to utilize the public water service, well water, or both. It is the responsibility of the Owner and their builder to drill and maintain any water wells and ensure the depth and output of the well is sufficient for their needs. The Declarant makes no warranties as to the quality or longevity of the water table. If the Water-well Lot has the option of public water service and elects not to drill a well, it is the responsibility of the Owner and their builder to ensure their Residence is able to obtain sufficient water pressure from the public water service for the size and location of the Residence.

(b) In some cases, sewer facilities are located at the rear of the Lot rather than at the street as would typically be the case due to elevation and terrain constraints. These facilities may require additional cost and expertise to connect to and maintain due to the possible distance or depth of the line from the Residence.

(c) Electric service was designed, installed, paid, and maintained by a public utility provider for Montrachet using an estimated size, placement, and quality of expected homes for a neighborhood like Montrachet. If the size of a particular Residence, distance from the transformer, or electrical needs of the Owner are unusually large so as to require upgrading the electrical facilities, such costs, if any are charged by the utility provider, shall be borne by the Owner of the Lot or builder of the Residence.

(d) Telephone, cable, data service is all provided and maintained by third parties and not within the control of the Declarant or Association.

8.07 Setbacks. Setback lines or building lines for the street-facing side of the Lots are established by the plat of the Property. Each Lot is subject to other setback and building line requirements on the side and back of the Lot set forth on Exhibit B. In the event of a conflict among the plat, the Design Guidelines and Exhibit B, a resolution incorporating the more restrictive application will prevail unless a variance is granted in writing by the Association, Declarant, or Governing Authority, as appropriate.

The Declarant reserves the right to change in writing any building lines shown on the recorded plat of the Property, if any, or the setbacks set out on Exhibit B or in the Design Guidelines for any Lot so long as it holds legal title to such Lot, and likewise reserves the right to make such changes with the consent of the Owner of the Lot involved after it has parted with the title to such Lot.

8.08 Maintenance. Each Owner shall, at all times, both prior to commencement of construction of a Residence and subsequent thereto, keep and maintain each Lot and Structure owned by him, as well as all landscaping located thereon, in good condition and repair, including, but not limited to (i) the repairing and painting (and other appropriate external care) of all Structures such that the Development is characterized by a uniformly high level of home maintenance consistent with the Association's standard of maintenance for the Common Property; (ii) the seeding, watering and mowing of all lawns; (iii) the pruning and trimming of all trees, hedges and shrubbery so that the same are not obstructive of a view by motorists or pedestrians; and (iv) the removal of all trash and debris. Notwithstanding the foregoing, the maintenance required hereunder shall also extend from the boundary of a Lot to the curbing of the right-of-way bordering said Lot. If in the opinion of the Association, any Owner shall fail to perform the duties imposed by this Section, then the Association shall give written notice to the Owner to remedy the condition in question, setting forth in reasonable detail the nature of the condition and the specific action or actions needed to be taken to remedy such condition. If the Owner shall fail to take reasonable steps to remedy the condition within thirty (30) days after the mailing of said written notice by certified mail, then the Association shall have the Right of Abatement as provided in Section 10.02 hereof. Additional guidelines relating to the maintenance of Structures and landscaping may be established.

8.09 Commercial and Recreational Vehicles and Trailers. No commercial vehicle, house trailer, mobile home, motor home, recreational vehicle, camper, truck with camper top, boat or boat trailer or like equipment shall be permitted on any Lot on a permanent basis, but shall be allowed on a temporary basis not to exceed forty-eight (48) consecutive hours. Notwithstanding the foregoing, any such vehicle or equipment may be stored on a Lot, provided such vehicle or equipment is kept in an enclosed space and is concealed from view by neighboring residences and streets. No street parking.

8.10 On-Street Parking. All vehicles shall be parked only upon the driveways and inside garages/auto courts of each Lot and the design of each Residence should account for parking for all driving residents as well as all household employees of the Owner as defined in the Design Guidelines. Limited on-street parking is permitted to provide for temporary overflow/guest parking subject to the following conditions.

(a) No street parking at any time or for any reason shall be permitted on Montrachet Boulevard, Meursault Drive, or Terroir Drive north of Meursault Drive.

(b) Street parking on Grand Cru Terrace, Esprit Avenue, Santenay Court, and Saint Estephe Court is permitted only during construction of the applicable

Residence and in cases where a resident of that street is hosting a gathering with more than two guest vehicles.

(c) On all other streets, street parking is permitted during construction and for temporary periods of time not to exceed four (4) hours. Overnight parking on the street may be allowed for temporary guests of the Owner for a limited number of nights to the extent parking is not available in driveways or garages.

(d) No vehicle of any size which normally transports inflammatory or explosive cargo may be kept in the Development at any time.

8.11 Non-Discrimination. No Owner or person authorized to act for an Owner shall refuse to sell or rent, after receiving a bona fide offer, or refuse to negotiate for the sale or rental of, or otherwise make unavailable or deny the purchase or rental of any Lot to any persons because of race, color, religion, sex, age or national origin. Anything in this Declaration to the contrary notwithstanding, this covenant shall run with the land and shall remain in effect without any limitation in time.

8.12 Offensive Activities; Pets.

(a) No noxious, dangerous, or offensive activity shall be conducted on any Lot or Common Area nor shall anything be done thereon which is or may become an annoyance or nuisance within the Property or any portion thereof.

(b) Dogs, cats or other household pets may be kept.

(c) Large Animals may be kept under the following conditions:

(i) Lots 20-37 of Block 1 are allowed to keep Large Animals. The Association, or Declarant during the Declarant Control Period, may grant permission on other Lots on a case by case basis. Large Animals will not be allowed on Lots less than one acre in size.

(ii) One Large Animal may be kept per 20,000 square feet of suitable Pasture Land, except as noted in (iii) below.

(iii) Miniature horses, sheep and goats require 10,000 square feet of Pasture Land per animal.

(iv) Breeding of animals is not allowed and no animal shall be kept or maintained for commercial purposes.

(v) All fencing and Structures related to the keeping of Large Animals must be approved by the Committee through the normal design review process and maintained in good condition.

(vi) Any accessories related to the care of Large Animals (such as feed and water troughs) must be high quality and maintained in a good condition. All Pasture Land must be maintained in an attractive and suitable condition and not be overgrazed or allowed to get too tall. The Owner must take appropriate and timely steps to remedy any adverse conditions such as bare spots; old hay; excessive weeds, manure, or flies. Pasture Land with no animals must be mowed regularly to an even height.

(d) All Owners shall comply with the applicable ordinances of the City of Fort Worth, Texas and if this Declaration sets forth Restrictions that are more restrictive, all Owners shall comply with the Restrictions.

(e) Should a particular animal or Lot become offensive or a nuisance to neighbors or other residents, the Association will have the right to impose fines and sanctions, up to and including demanding the animal(s) be removed from the Property. The Association's assessment may consider, but not be limited to, the safety of residents and animals, the general appearance of the Lot from Common Areas and other Lots, offensive noise and odors.

(f) The Association, or Declarant during the Declarant Control Period, may promulgate additional rules or conditions pertaining to the care and maintenance of animals and specifying the manner in which animals may be allowed off their Lot (such as for dog walking or horseback riding in the Common Area).

8.13 Signs. No sign or signs shall be displayed to the public view on any Lot, except that: (1) any builder, during the applicable initial construction and sales period, may utilize one professional sign (of not more than sixteen (16) square feet in size) per Lot for advertising and sales purposes, provided that such sign must be approved by the Committee; (2) thereafter, a dignified "for sale" sign (of not more than nine (9) square feet in size) may be utilized by the Owner of the respective Lot; (3) development-related signs owned or erected by Declarant shall be permitted; (4) signs displaying the name of a security company or the resident's school or sports affiliation shall be permitted, provided that such signs are (i) ground mounted, (ii) limited to two (2) in number; (iii) of a reasonable size; and (iv) are removable at the reasonable discretion of the Association

if they are found to be objectionable in any way; and (5) materials board(s) erected by any builder during the period of construction only. No other signs will be permitted, except upon approval by the Committee. All signs must be constructed of metal or wood and be professionally designed and constructed. Political signs, billboards, poster boards, and/or advertising structures of any kind on any part of any Lot is expressly prohibited.

8.14 Solid Waste/Weeds.

(a) No person shall dump rubbish, garbage, or any other form of solid waste on any Lot or on Common Property.

(b) No person shall burn rubbish, garbage, or any other form of solid waste on any Lot or on Common Property.

(c) Except for building materials employed during the course of construction of any Structure, no lumber, metals, building materials or solid waste of any kind shall be kept, stored or allowed to accumulate on any Lot unless screened or otherwise handled in a manner set forth by the Association.

(d) If rubbish, garbage, or any other form of solid waste is to be disposed of by being collected on a regular and recurring basis, containers may be placed in the open after sunset on the day prior to the day that a pick-up is to be made, in order to provide access to persons making such pick-up. All other times such containers shall be screened or enclosed such that they are not visible from the front of the Residence. Guidelines relating to the type of containers permitted, the manner of storage and the place of pick-up may be established by the Association.

(e) If after ten (10) days prior written notice an Owner shall fail to (i) control weeds, grass and/or other unsightly growth; (ii) remove trash, rubble, building and construction debris; or (iii) exercise reasonable care or conduct to prevent or remedy an unclean, untidy or unsightly condition, then Declarant, the Association or their designees shall have the authority and right to go onto said Lot for the purpose of mowing and cleaning said Lot and shall have the authority and right to assess and collect from the Owner of such Lot a fine for mowing or cleaning said Lot on each respective occasion of such mowing or cleaning. The assessments, together with interest (at the highest permitted lawful rate per annum) thereon and any costs of collection thereof, shall be a charge on the Lot and shall be a continuing lien upon the Lot against which such assessment is made. Each such assessment, together with interest thereon and costs of collection thereof, shall also be the continuing personal obligation of the Owner of such Lot at the time when the assessment occurred. The lien securing any such assessment

shall be subordinate and inferior to the lien of any mortgage and any renewals or extensions thereof existing prior to the assessment date.

8.15 Architect and Builder Approval and Builder Escrow Deposits. All builders, including those that are also Lot owners, intending on constructing a Residence on any Lot must be approved by the Committee prior to commencing construction on any Lot. The Committee may require each builder to complete a builder qualification application and escrow agreement and submit additional documents as may be reasonably required to ascertain the Builder's qualifications to build within the Development and place funds in Escrow in accordance with the escrow agreement. The Committee retains the sole authority to restrict construction on any Lot to qualified builders only. The Committee may also require that architects, designers, engineers, landscape architects and similar experts be approved in advance of designing improvements that will be constructed on any Lot and to promulgate a process and criteria for such approval; or the Committee may require that only those experts who have obtained a particular professional certification or experience level may be permitted to design or construct Lot improvements. The Committee retains the right to ban any builders, subcontractors, vendors, architects, engineers, and so forth from performing work in the Development should they be found to have violated this Declaration or the Design Guidelines, or are otherwise not in good standing with the Committee or Association.

8.16 Oil and Gas Equipment and Operations. No tank of oil or inflammable fluid may be constructed or maintained on any Lot above the surface thereof. No oil drilling, oil development operations, oil refining, gas exploration, drilling and operations or quarrying shall be permitted on any residential Lot in the Development, except for (a) those in connection with the rights of the owner of the previously existing pipeline that crosses the Development as indicated on the plat of the Property (the "Pipeline Easement"), and (b) existing or abandoned horizontal wells which may exist below the surface. **Lots adjacent to or near the Pipeline Easement are on notice that the owner of the Pipeline Easement has rights to the area within the Pipeline Easement as well as areas adjacent to the Pipeline Easement, including but not limited to the following rights: (i) to extend the width of the Pipeline Easement for construction or maintenance purposes; (ii) to use the surface of the Pipeline Easement for any purpose that is not restricted by the instrument creating the Pipeline Easement; (iii) to bury pipeline a minimum of 36 inches below the surface, except where solid rock is encountered, in which case the minimum is 18 inches; the right to clear trees, undergrowth and other obstructions on the Pipeline Easement area.**

8.17 Lots Adjacent to Waterways. Any Lot that is adjacent to a waterway or in a designated floodway or floodplain must be in compliance with all applicable state and

federal laws, including but not limited to restrictions on Structures which may impede or alter the flow of water and removal or disturbance of the natural vegetation or terrain. It is the responsibility of each Owner to understand the laws applicable to his or her property.

8.18 Retaining Wall Lots. Owners of Retaining Wall Lots understand and agree to maintain in good condition any retaining wall on its Lot and that such maintenance obligation includes the obligation to cooperate with the adjoining Retaining Wall Lot owner in performing the maintenance.

8.19 Other Restrictions. The Declarant may include restrictions other than those set out in this document in any contract or deed to any Lots or plots without otherwise modifying the general plan above outlined.

The restrictions herein set out shall be deemed to be referred to, adopted and made a part of each and every contract and deed executed by and on behalf of the Declarant, any Owner or any other person or entity conveying all or any of the Property, as though incorporated in full therein; and each such contract and/or deed shall be conclusively held to have been so executed, delivered and accepted upon the express conditions herein stated.

All of the restrictions, covenants, reservations, liens and charges appearing in these Declarations and the Design Guidelines, as well as those appearing in any contract, deed, or other conveyance to or covering any part of the Property, shall be construed together, but if any one of the same shall be held to be invalid, or for any reason is not enforceable, none of the other shall be affected or impaired thereby, but shall remain in full force and effect.

ARTICLE IX EASEMENTS, ZONING AND RESTRICTIONS

9.01 Zoning and Private Restrictions. None of the covenants, restrictions or easements created or imposed by this Declaration shall be construed as permitting any action prohibited by the recorded subdivision plat of the Development, applicable zoning laws, or by the laws, rules or regulations of any governmental body that are applicable to the Development. In the event of any conflict between such laws, rules or regulations and the covenants, restrictions and easements created or imposed by this Declaration, the most restrictive provision shall govern and control.

9.02 Easements.

(a) Easement for Perimeter Fencing. The Declarant (during the Development Period) and the Association shall have an easement and full rights of access, ingress, egress and use over the Property (including any and all Lots in the Development) to construct, maintain and replace (but shall not be required to do so) a fence around the perimeter of the Property. Should an adjacent Lot Owner damage the portion of the perimeter fencing on their property, it will be their responsibility to repair and restore it to its previous state.

(b) Easement for Common Property Construction and Maintenance. The Declarant (during the Development Period) and the Association shall have an easement and full rights of access, ingress, egress and use over a five feet (5') wide strip on each Lot extending along the boundary of all Common Property or perimeter of the Property to facilitate the construction, maintenance and replacement of any improvement along any streets or on the Common Property, including any retaining walls or improvements along the perimeter of the Property; provided, however, the Association must repair any damage to a Lot caused by the construction, maintenance or replacement of any improvement on the Common Property or perimeter of the Property.

(c) Utility and Pipeline Easements. The recorded plat of the Property shows utility and gas pipeline easements over the Lots and the Common Property. All such utility and pipeline easement areas are hereby reserved for the benefit of any and all bonafide public utility and oil and gas service companies, cable companies and telephone companies which shall have the right of access, ingress, egress and use of the areas for the installation and maintenance of utility facilities to serve the Development or the third-party owners or operators of such facilities. Additionally, the Declarant (during the Development Period) and the Association shall have full rights of access, ingress, egress and use of such utility easement areas for the installation, operation, maintenance, repair or removal of any utility or obstruction that may be placed on such easement.

(d) Police Power Easement. With respect to the common properties and streets, easements and right-of-ways within the Property, all governmental agencies and authorities shall have full rights of ingress, egress, and access for personnel and emergency vehicles for maintenance, police and fire protection, drainage and other lawful police powers designed to promote the health, safety and general welfare of the residents within the Development.

(e) Surface Water Run-off Easement. The Water Run-off Property shall be burdened with such easements as may be granted in accordance with Section 3.07.

(f) Slope Easement. Slope easement located on the Property are those that are naturally occurring, obvious to the naked eye, and shown in **Exhibits C-1 and C-2.** The Design Guidelines may also identify protected areas within the Development containing Slope Easements and other environmental easements which are further burdened with the following restrictions. Slope Easements are very restrictive and should be disturbed as minimally as possible to protect and maintain areas with steep slopes and natural foliage, avoid potential erosion or unstable ground, and to protect those areas downhill from increased water run-off. Other environmental easements may be established along waterways or with significant trees to protect the unique natural features, wildlife, and waterflow in an area as well as maintain the tree canopy of the Property while still being outdoor areas enjoyed by the Owners and residents.

(i) No improvements of any kind shall be constructed or maintained within the perimeter of any Slope Easement, the intent being to maintain all of the area within the easement in its natural state,

(ii) No tree removal, trimming or clearing of brush or other natural vegetation shall be allowed in the Slope Easements except where necessary to prevent wildfires or reduce the incidence of infestation of snakes, rodents or other disease born animals, etc. An Owner may remove dead trees and branches and trim underbrush and grasses to a height no shorter than six inches (6"), but any other work or removal of living trees must be submitted and approved by the Committee. No movable objects (such as furniture) should be placed in these areas. Notwithstanding, the Committee shall permit these areas to be crossed as necessary (such as by a path or underground sewer line) with as minimal disturbance as possible. A plan for such crossings must identify the area to be disturbed, any trees which will be impacted, and a plan to control erosion during and after construction.

(iii) Any Owner wishing to use the easement area in violation of the above may apply to the Committee for a variance subject to the policies for same herein provided.

(g) Pecan Orchard Easement. An easement restricting the removal of trees from the Pecan Orchard is created by this Declaration. The term of this easement is perpetual and may be terminated or changed only by a vote of at least 76% of the Members. Prior to the end of the Declarant Control Period, the Association or a designated committee of the Association will have established a written policy for the use of the Pecan Orchard by the Members and the public.

ARTICLE X
ENFORCEMENT

10.01 Right of Enforcement. This Declaration and the Restrictions contained herein shall inure to the benefit of and shall be enforceable by (i) the Declarant so long as it is an Owner, (ii) the Association, and (iii) each Owner, his legal representatives, heirs, successors and assigns.

10.02 Right of Abatement.

(a) Except where different notice provisions are provided herein, in the event of a violation or breach of any Restriction contained in this Declaration, the Association shall give written notice by certified mail to the Owner setting forth in reasonable detail the nature of such violation or breach and the specific action or actions needed to be taken to remedy such violation or breach. If the Owner shall fail to take reasonable steps to remedy such violation or breach within thirty (30) days after the mailing of said written notice, then the Association shall have the right of abatement ("Right of Abatement") set forth below in addition to any and all other remedies available at law or in equity.

(b) The Right of Abatement, as used in this Section and elsewhere in these Declarations, means the right of the Association to enter at all reasonable times upon any Lot or Structure, as to which a violation, breach or other condition to be remedied exists, and to take the actions specified in the notice (referenced above) to the Owner to abate, extinguish, remove or repair or otherwise cure such violation, breach or other condition which may exist thereon contrary to the provisions hereof, without being deemed to have committed a trespass or wrongful act solely by reason of such entry and such actions, provided such entry and such actions are carried out in accordance with the provisions of this Section. The costs of the Association related to the exercise of the Right of Abatement (including the costs of collection, including reasonable attorneys' fees), together with interest thereon at the lower of the highest rate permitted by Law or eighteen percent (18%), shall be a binding personal obligation of the Owner of the Lot subject to the Right of Abatement, enforceable in law, and the lien granted under Article V hereof on such Owner's Lot, enforceable pursuant to the provisions of Section 10.04 hereof shall secure such costs.

10.03 Specific Performance. Nothing contained in this Declaration shall be deemed to affect or limit the rights of the Declarant, the Association or any Owner to enforce the Restrictions by appropriate judicial proceedings or to recover damages or any other relief available at law or in equity. However, it is hereby declared that it may be

impossible to measure accurately in money the damages which will accrue to a beneficiary hereof, its transferees, successors or assigns, by reason of a violation of, or failure to perform any of the obligations provided by, this Declaration; and, therefore, any beneficiary hereof shall be entitled to relief by way of injunction or specific performance as well as any other relief available at law or in equity, to enforce the provisions hereof.

10.04 Collection of Assessments and Enforcement of Lien.

(a) If any Assessment, interest, cost or other charge is not paid as required by this Declaration, the Association may bring an action at law against the Owner personally obligated to pay the same.

(b) As an additional remedy, if any Assessment, interest, cost or other charge is not paid as required by this Declaration, each Owner hereby grants to the Association the right to foreclose the lien created by this Declaration against the Lot or Lots subject to this lien in accordance with Section 209.0092 of the Texas Property Code. These rights and remedies are in addition to all other remedies available at law or in equity.

10.05 No Waiver. The failure of the Declarant, the Association, or the Owner of any Lot, his or its respective legal representatives, heirs, successors and assigns, to enforce any Restrictions herein contained is not a waiver of the right to do so thereafter, as to the same violation or breach or as to any violation or breach occurring prior or subsequent thereto.

ARTICLE XI DURATION AND AMENDMENT

11.01 Duration. This Declaration runs with and binds the Property in perpetuity.

11.02 Amendments by Declarant. During the Declarant Control Period, Declarant may amend this Declaration by an instrument in writing filed and recorded in the deed records of Tarrant County, Texas, without the approval of any Member or mortgagee; provided, however, that (i) in the event that such amendment materially alters or changes any Owner's right to the use and enjoyment of such Owner's Lot as set forth in this Declaration or if such amendment adversely affects the title to any Lot, such amendment shall be valid only upon the written consent thereto by a majority in number of the then existing Members affected thereby, and (ii) in the event that such amendment would materially and adversely affect the lien status, security and interest of any mortgagee, such amendment shall be valid only upon the written consent thereto by the

mortgagee so affected. Any amendment made pursuant to this Section 11.02 shall be certified by Declarant as having been duly approved by Declarant, and such Members and mortgagees if required, and shall be effective only upon recordation or at such later date as shall be specified in the amendment itself. Each Owner, by acceptance of a deed or other conveyance to a Lot, agrees to be bound by such amendments as are permitted by this Section 11.02 and further agrees that, if requested to do so by Declarant, but without implying a requirement to obtain any consent, such Owner will consent to the amendment of this Declaration or any other instruments relating to the Development (i) if such amendment is necessary to bring any provision hereof or thereof into compliance or conformity with the provisions of any applicable governmental statute, rule or regulation or any judicial determination which shall be in conflict therewith, (ii) if such amendment is necessary to enable any reputable title insurance company to issue title insurance coverage with respect to any Lots subject to this Declaration, (iii) if such amendment is required by an institutional or governmental lender, purchaser or guarantor of mortgage loans, including, for example, the Federal National Mortgage Association, or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase mortgage loans on any Lot subject to this Declaration, (iv) if any such amendment is necessary to enable any governmental agency or reputable private insurance company to insure mortgage loans on the Lots subject to this Declaration, or (v) if such amendment is necessary to correct a scrivener's error in the drafting of this Declaration.

11.03 Amendments by Association. Amendments to this Declaration, other than those authorized by Section 11.02 hereof, shall be proposed and adopted in the following manner:

(a) Notice of the subject matter of the proposed amendment shall be included in the notice of the meeting of the Association at which such proposed amendment is to be considered and shall be delivered to each member of the Association.

(b) At such meeting, a resolution adopting a proposed amendment may be proposed by either the Board or by Members of the Association. Such amendment must be approved by Members holding at least sixty-seven (67%) of the total votes allowed to Owners that are entitled to vote; provided, however, (i) that any amendment that materially and adversely affects the lien status, security and interest of any mortgagee must be approved by such mortgagee and (ii) during the Declarant Control Period, such amendment must be approved by Declarant.

(c) The agreement of the required percentage of the Owners and, where required, the Declarant and any mortgagee, to any amendment of this Declaration, shall be evidenced by their execution of such amendment, or, in the alternative, and provided

that Declarant does not then have the right to approve such amendment, the sworn statement of the President and any Vice President or the Secretary of the Association attached to or incorporated in the amendment executed by the Association, which sworn statement shall state unequivocally that the Agreement of the required parties was lawfully obtained. Any such amendment of this Declaration shall become effective only when recorded or at such later date as may be specified in the Amendment itself.

ARTICLE XII
MISCELLANEOUS

12.01 No Reverter. No restriction herein is intended to be, or shall be construed as a condition subsequent or as creating a possibility of a reverter.

12.02 Severability. A determination by a court that any provision hereof is invalid for any reason shall not affect the validity of any other provision hereof.

12.03 Headings. The headings of the Articles and sections hereof are for convenience only and shall not affect the meaning or interpretation of the contents of this Declaration.

12.04 Gender. Throughout this Declaration, where appropriate, the masculine gender shall be deemed to include the feminine and neuter genders, and the singular shall include the plural, and vice versa.

12.05 Notices. All amendments, notices, requests, objections, waivers, rejections, agreements, approvals, disclosure or consent of any kind made pursuant to this Declaration, whether made by the Declarant, the Association, the Owner, or any other person, shall be in writing. All such writings shall be sufficient only if deposited in the United States Mail, certified or registered, return receipt requested, with sufficient postage, and sent to the following addresses:

(a) Declarant: Montserrat Hills, LLC
6000 Western Place, Suite 110
Fort Worth, TX 76107

Attention: Donald L. Siratt, II

(b) Owner: Each Owner's address as registered with the Association in accordance with the Bylaws.

Any written communication with this Section 12.05 shall be deemed received on the third (3rd) day following the day such written notice is deposited in the United States Mail in accordance with this Section.

12.06 NO LIABILITY. DECLARANT HAS, USING BEST EFFORTS AND ALL DUE DILIGENCE, PREPARED AND RECORDED THIS DECLARATION SO THAT EACH AND EVERY OWNER SHALL HAVE THE RIGHT AND THE POWER TO ENFORCE THE TERMS AND PROVISIONS OF THIS DECLARATION AGAINST EVERY OTHER OWNER. HOWEVER, IN THE EVENT THAT THIS DECLARATION IS, FOR ANY REASON WHATSOEVER, UNENFORCEABLE BY AN OWNER (OR ANY OTHER PERSON) IN A COURT OF LAW OR OTHERWISE, DECLARANT SHALL HAVE NO LIABILITY OF ANY KIND AS A RESULT OF SUCH UNENFORCEABILITY, AND EACH AND EVERY OWNER, BY ACCEPTANCE OF A DEED CONVEYING A LOT, ACKNOWLEDGES THAT DECLARANT SHALL HAVE NO SUCH LIABILITY.

ARTICLE XIII MORTGAGEE PROVISIONS

Notwithstanding any other provisions of these Declarations or the Bylaws or Certificate of Formation of the Association, the Declarant, during the Declarant Control Period, and the Association, in each of their sole discretion, have the right (but not the obligation) to amend these Declarations without the vote of the Members to the extent necessary or prudent to meet the minimum requirements of any holder of an Institutional Mortgage to enable the Owners or prospective Owners to take part in any lending transaction to finance or refinance the acquisition of a Lot or construction of a Structure.

ARTICLE XIV NOTICE OF DEDICATORY INSTRUMENTS

Section 202.006 of the Texas Property Code provides that a property owners' association must file each dedicatory instrument governing the association in the real property records of the county in which the dedicatory instruments relate is located. The following dedicatory instruments are attached hereto as Exhibits D-1 through D-9 (regarding guidelines or policies adopted by the Association), Exhibit E (containing the Certificate of Formation of the Association), Exhibit F (containing the Bylaws of the Association), and Exhibit G (containing the Management Certificate of the Association), are hereby filed in the Real Property Records of Tarrant County, Texas in connection with this Declaration.

IN WITNESS WHEREOF, the Declarant has caused this Declaration to be duly executed as provided in the acknowledgment set forth hereinafter but to be effective as of April 17, 2020.

MONTSERRAT HILLS, LLC,
a Texas limited liability company

By: 
Name: Colby D. Siratt

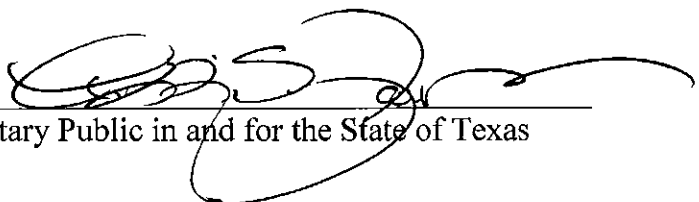
Title: Member Manager for Montserrat
Properties, LLC as Class B Manager for
Montserrat Hills, LLC

THE STATE OF TEXAS ' ,

COUNTY OF TARRANT ' ,

This instrument was acknowledged before me on the 23rd day of April, 2020, by Colby D. Siratt, the Member Manager of Montserrat Properties, LLC, a Texas limited liability company, as Class B Manager for Montserrat Hills, LLC, a Texas limited liability company, on behalf of such limited liability company.

[Seal]


Notary Public in and for the State of Texas

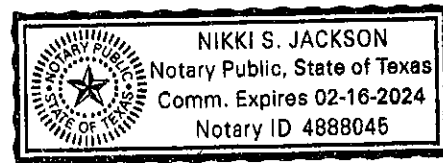
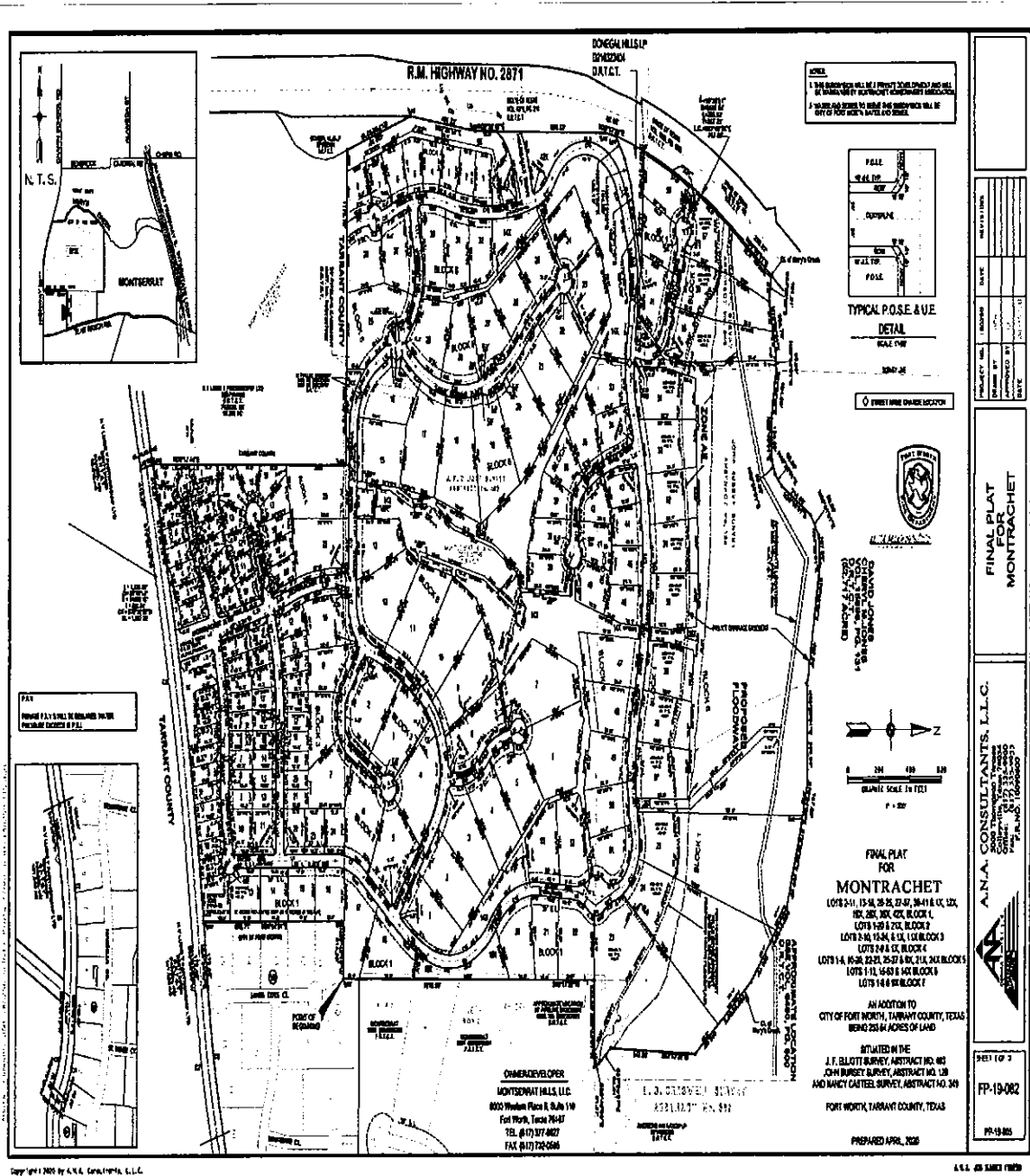


Exhibit A **Plat and Legal Description**



LINE TABLE

| STATION | LINE | BEARING | DISTANCE | POINT |
|---------|------|--------------|----------|-------|
| 1 | 1 | N 0° 0' 0" E | 1.00 | 1 |
| 2 | 1 | N 0° 0' 0" E | 1.00 | 2 |
| 3 | 1 | N 0° 0' 0" E | 1.00 | 3 |
| 4 | 1 | N 0° 0' 0" E | 1.00 | 4 |
| 5 | 1 | N 0° 0' 0" E | 1.00 | 5 |
| 6 | 1 | N 0° 0' 0" E | 1.00 | 6 |
| 7 | 1 | N 0° 0' 0" E | 1.00 | 7 |
| 8 | 1 | N 0° 0' 0" E | 1.00 | 8 |
| 9 | 1 | N 0° 0' 0" E | 1.00 | 9 |
| 10 | 1 | N 0° 0' 0" E | 1.00 | 10 |
| 11 | 1 | N 0° 0' 0" E | 1.00 | 11 |
| 12 | 1 | N 0° 0' 0" E | 1.00 | 12 |
| 13 | 1 | N 0° 0' 0" E | 1.00 | 13 |
| 14 | 1 | N 0° 0' 0" E | 1.00 | 14 |
| 15 | 1 | N 0° 0' 0" E | 1.00 | 15 |
| 16 | 1 | N 0° 0' 0" E | 1.00 | 16 |
| 17 | 1 | N 0° 0' 0" E | 1.00 | 17 |
| 18 | 1 | N 0° 0' 0" E | 1.00 | 18 |
| 19 | 1 | N 0° 0' 0" E | 1.00 | 19 |
| 20 | 1 | N 0° 0' 0" E | 1.00 | 20 |
| 21 | 1 | N 0° 0' 0" E | 1.00 | 21 |
| 22 | 1 | N 0° 0' 0" E | 1.00 | 22 |
| 23 | 1 | N 0° 0' 0" E | 1.00 | 23 |
| 24 | 1 | N 0° 0' 0" E | 1.00 | 24 |
| 25 | 1 | N 0° 0' 0" E | 1.00 | 25 |
| 26 | 1 | N 0° 0' 0" E | 1.00 | 26 |
| 27 | 1 | N 0° 0' 0" E | 1.00 | 27 |
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| 45 | 1 | N 0° 0' 0" E | 1.00 | 45 |
| 46 | 1 | N 0° 0' 0" E | 1.00 | 46 |
| 47 | 1 | N 0° 0' 0" E | 1.00 | 47 |
| 48 | 1 | N 0° 0' 0" E | 1.00 | 48 |
| 49 | 1 | N 0° 0' 0" E | 1.00 | 49 |
| 50 | 1 | N 0° 0' 0" E | 1.00 | 50 |
| 51 | 1 | N 0° 0' 0" E | 1.00 | 51 |
| 52 | 1 | N 0° 0' 0" E | 1.00 | 52 |
| 53 | 1 | N 0° 0' 0" E | 1.00 | 53 |
| 54 | 1 | N 0° 0' 0" E | 1.00 | 54 |
| 55 | 1 | N 0° 0' 0" E | 1.00 | 55 |
| 56 | 1 | N 0° 0' 0" E | 1.00 | 56 |
| 57 | 1 | N 0° 0' 0" E | 1.00 | 57 |
| 58 | 1 | N 0° 0' 0" E | 1.00 | 58 |
| 59 | 1 | N 0° 0' 0" E | 1.00 | 59 |
| 60 | 1 | N 0° 0' 0" E | 1.00 | 60 |
| 61 | 1 | N 0° 0' 0" E | 1.00 | 61 |
| 62 | 1 | N 0° 0' 0" E | 1.00 | 62 |
| 63 | 1 | N 0° 0' 0" E | 1.00 | 63 |
| 64 | 1 | N 0° 0' 0" E | 1.00 | 64 |
| 65 | 1 | N 0° 0' 0" E | 1.00 | 65 |
| 66 | 1 | N 0° 0' 0" E | 1.00 | 66 |
| 67 | 1 | N 0° 0' 0" E | 1.00 | 67 |
| 68 | 1 | N 0° 0' 0" E | 1.00 | 68 |
| 69 | 1 | N 0° 0' 0" E | 1.00 | 69 |
| 70 | 1 | N 0° 0' 0" E | 1.00 | 70 |
| 71 | 1 | N 0° 0' 0" E | 1.00 | 71 |
| 72 | 1 | N 0° 0' 0" E | 1.00 | 72 |
| 73 | 1 | N 0° 0' 0" E | 1.00 | 73 |
| 74 | 1 | N 0° 0' 0" E | 1.00 | 74 |
| 75 | 1 | N 0° 0' 0" E | 1.00 | 75 |
| 76 | 1 | N 0° 0' 0" E | 1.00 | 76 |
| 77 | 1 | N 0° 0' 0" E | 1.00 | 77 |
| 78 | 1 | N 0° 0' 0" E | 1.00 | 78 |
| 79 | 1 | N 0° 0' 0" E | 1.00 | 79 |
| 80 | 1 | N 0° 0' 0" E | | |

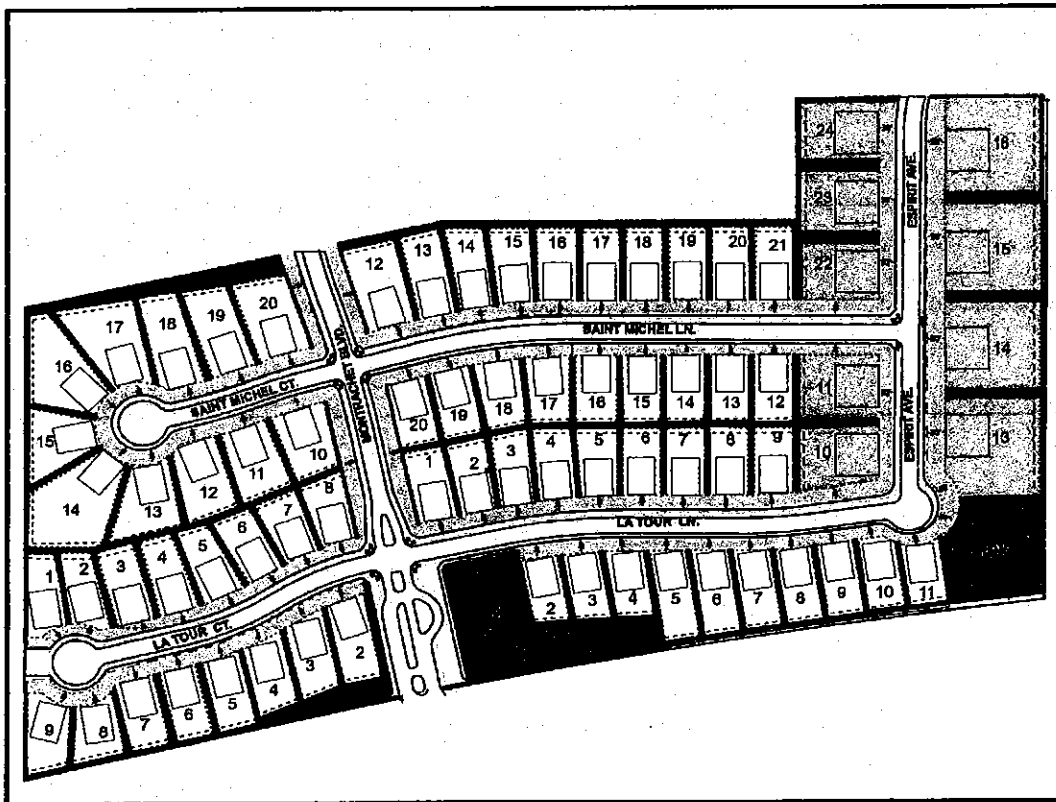
Exhibit B
Building and Setback Lines

MONTRACHET


REGULATING PLAN: THE PARKS

BUILDING SETBACKS

- Front Setback:** 25' Min.
 As illustrated on Regulating Plan.
 30' Min for lots 10, 11, 22-24, 13-16 as illustrated on Regulating Plan.
- Side Setback:** 5' Min.
 As illustrated on Regulating Plan.
 10' Min for lots 10, 11, 22-24, 13-16 as illustrated on Regulating Plan.
- Rear Setback:** 5' for a 1 story structure.
 10' for a 2 story structure.
 10' for a 1 story structure on lots 10, 11, 22-24, 13-16 as illustrated on Regulating Plan.
 20' for a 2 story structure on lots 10, 11, 22-24, 13-16 as illustrated on Regulating Plan.

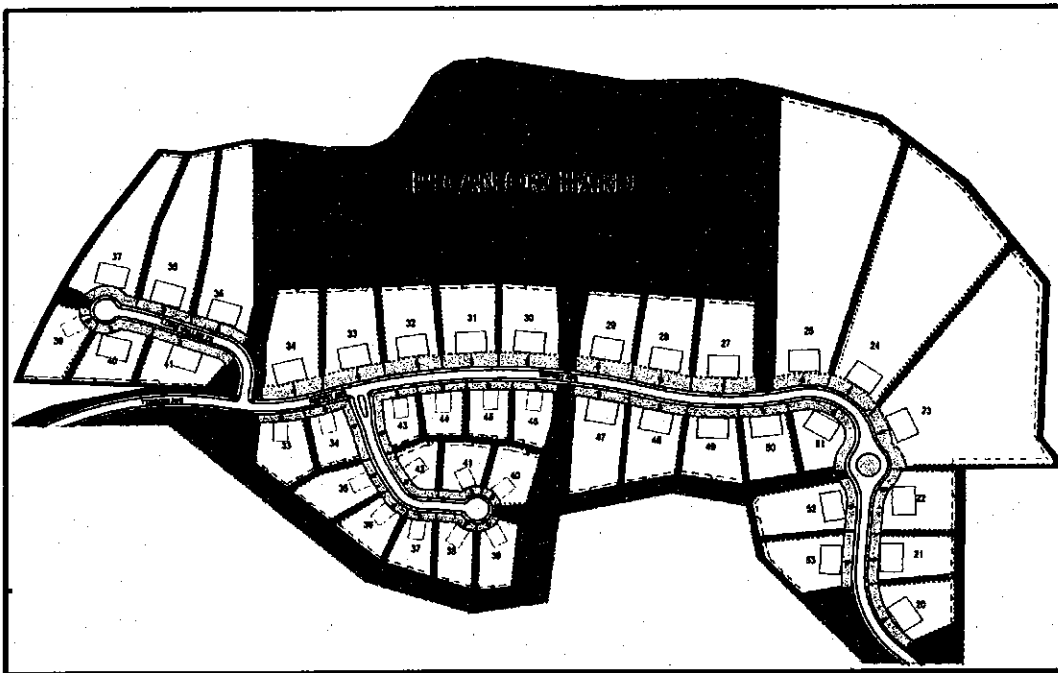




REGULATING PLAN: THE GROVE

BUILDING SETBACKS

| | |
|----------------|---|
| Front Setback: | 35' Min. |
| | As illustrated on Regulating Plan. |
| Front Setback: | 50' Min. for lots 23-34 |
| | As illustrated on Regulating Plan. |
| Side Setback: | 10' Min. as illustrated on Regulating Plan. |
| Rear Setback: | 20' for a 2 Story structure. |
| | 10' for a 1 Story structure. |





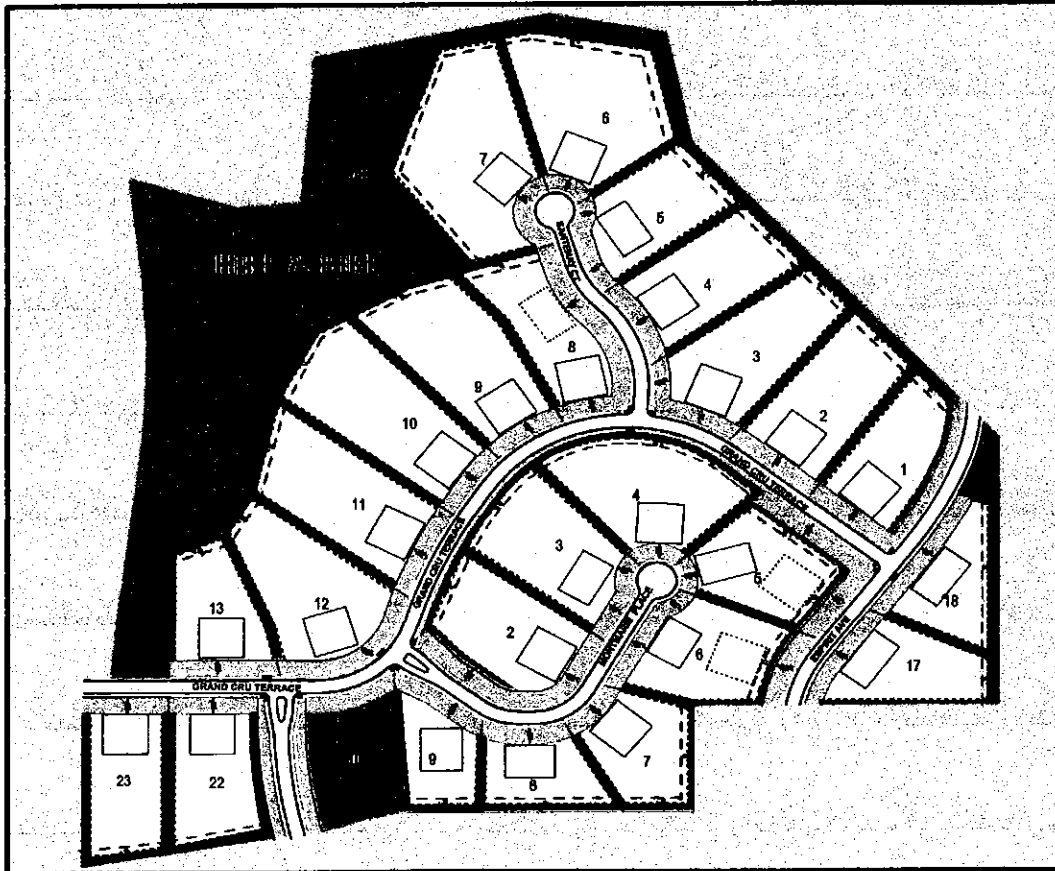
REGULATING PLAN: THE TERRACE

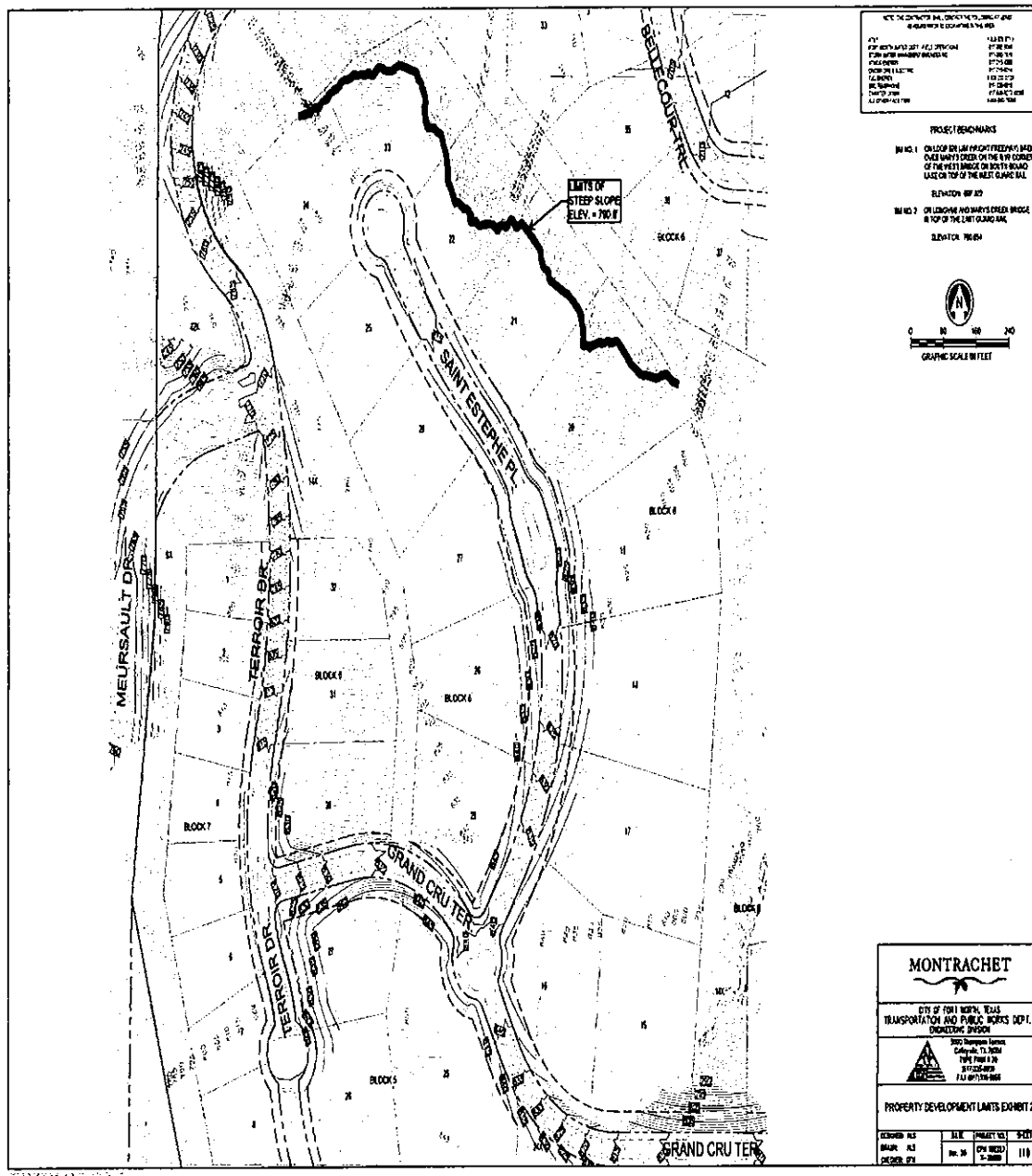
BUILDING SETBACKS

Front Setback: 35' Min.
As Illustrated on Regulating Plan.

Side Setback: 10' Min.
As Illustrated on Regulating Plan

Rear Setback: 20' for a 2 Story structure.
10' for a 1 Story structure.





Exhibits D-1 through D-9
Guidelines

MONTRACHET – Guidelines

- D-1 Records Retention (1055362)
- D-2 Record Inspection and Production (1054933)
- D-3 Assessment Payment Plan (1054934)
- D-4 Rainwater Recovery Systems (1054936)
- D-5 Use of Solar Energy Devices (1054938)
- D-6 Use of Certain Roofing Materials (1054943)
- D-7 Display of Flags (1054921)
- D-8 Display of Religious Items (1054950)
- D-9 Use of Low-Speed, Non-Motorized, and Gas-Powered Recreational
Vehicles (1054911)

1054954-v1/15530-003000

EXHIBIT D-1**MONTRACHET HOMEOWNERS ASSOCIATION, INC.****RECORDS RETENTION**

The Association shall maintain its records as follows:

| <u>Record</u> | <u>Retention Period</u> |
|--|---------------------------------------|
| Certificate of Formation | Permanent |
| Association Bylaws | Permanent |
| Declaration of Covenants, Restrictions and Easements | Permanent |
| Financial books and records | Seven (7) years |
| Account records of current owners | Five (5) years |
| Contracts with a term of more than one year | Four (4) years after contract expires |
| Minutes of Member meetings | Seven (7) years |
| Minutes of Board of Directors meetings | Seven (7) years |
| Tax returns and audit records | Seven (7) years |

Records not listed above may not be retained. Upon expiration of the retention date, the applicable record will be considered not maintained as a part of the Association's books and records.

1055362-v1/15530-003000

EXHIBIT D-2

MONTRACHET HOMEOWNERS ASSOCIATION, INC.

RECORDS INSPECTION AND PRODUCTION

1. Copies of Association records will be available to all Owners upon proper request and at their own expense. A proper request:
 - a. is sent certified mail to the Association's address as reflected in its most recent management certificate;
 - b. is from an Owner, or the Owner's agent, attorney, or certified public accountant; and
 - c. contains sufficient detail to identify the records being requested.
2. Owners may request to inspect the books and records or may request copies of specific records.
 - a. If the Owner makes a request to inspect the books and records, then the Association will respond within 10 business days of the request, providing the dates and times the records will be made available and the location of the records. The Association and the Owner shall arrange for a mutually agreeable time to conduct the inspection. The Association shall provide the Owner with copies of specific documents upon the Owner paying the Association the cost thereof. Copies of books and records will not be delivered to an Owner electronically.
 - b. If an Owner makes a request for copies of records and the Association can provide the records easily or with no cost, then the Association will provide the records to the Owner within 10 business days of the Owner's request.
 - c. If the Association is unable to produce the requested records within 10 business days, the Association shall send a response letter advising that the Association is unable to produce the information on or before the 10th business day after the Association received the request and states a date by which the records will be made available (within 15 business days) and the cost the Owner must pay before the records will be provided. Upon paying the cost to provide the records, the Association shall provide the records to the Owner.

3. The Association hereby adopts the following schedule of costs:

| | |
|------------------|---|
| <u>COPIES</u> | 10 cents per page for a regular 8.5" x 11" page 50 cents per page for pages 11" x 17" or greater Actual cost for specialty paper (color, photograph, map, etc.) \$1.00 for each CD or audio cassette \$3.00 for each DVD. |
| <u>LABOR</u> | \$15.00 per hour for actual time to locate, compile and reproduce the records (can only charge if request is greater than 50 pages in length). |
| <u>OVERHEAD</u> | 20% of the total labor charge (can only charge if request is greater than 50 pages in length). |
| <u>MATERIALS</u> | Actual costs of labels, boxes, folders, and other supplies used in producing the records, along with postage for mailing the records. |

4. The Association hereby adopts the following form of response to an Owner who request to inspect the Association's books and records:

[MONTRACHET LETTERHEAD]

[Date]

[Name and Address]

Re: Response to Request to Inspect Association Records

Dear _____:

On _____, the Montrachet Homeowners' Association, Inc. received your request to inspect the books and records of the Association. The books and records of the Association are available for you to inspect on regular business days, between the hours of 9:00 a.m. and 5:00 p.m. at the office of Montrachet Homeowners' Association located at _____.

Please contact the Association's on-site manager at _____ to arrange for a mutually agreeable time for you to come and inspect the books and records. Please be advised that if you desire copies of specific records during or after the inspection, you must first pay the associated costs before the copies will be provided to you. A schedule of costs is included with this response.

Very truly yours,

MONTRACHET HOMEOWNERS ASSOCIATION

By _____

5. The Association hereby adopts the following form of response to Owners who request copies of specific records:

[MONTRACHET LETTERHEAD]

[Date]

[Name and Address]

Re: Response to Request to Inspect Association Records

Dear _____:

On _____, the Montrachet Homeowners' Association, Inc. received your request for copies of specific Association records. We are unable to provide you with the requested records within 10 business days of your request. However, the requested records will be available to you no later than 15 business days after the date of this letter.

In order to obtain the records, you must first pay the Association the cost of providing the records to you. The estimated cost to obtain the records you requested is \$_____. Upon receiving payment, the Association will mail the requested documents to you. You may also make payment and pick up the documents in person at the office of Montrachet Homeowners' Association located at _____.

Very truly yours,

MONTRACHET HOMEOWNERS ASSOCIATION

By _____

6. If the estimated cost provided to the Owner is more or less than the actual cost of producing the documents, the Association shall, within 30 days after providing the records, submit to the Owner either an invoice for additional amounts owed or a refund of the overages paid by the Owner.
7. Unless authorized in writing by the Association or by court order or requested by law enforcement, the Association will not provide copies of any records or release any information containing personal information of an owner, including restriction violations, delinquent assessments, financial information, contact information (other than an owner's address), an owner's authorized guest lists, access lists or logs of guests entering Montrachet and videotapes of individuals captured on Montrachet security cameras; additionally, no privileged attorney-client

communications or attorney work product documents will be provided; and no employee information (including personnel file) will be released.

8. With regards to the inspection of ballots, only persons who tabulate ballots under 209.00594 (Texas Property Code) may be given access to the ballots cast in an election or vote.

EXHIBIT D-3

MONTRACHET HOMEOWNERS ASSOCIATION, INC.

ASSESSMENT PAYMENT PLAN

1. Owners are entitled to pay their assessments according to the terms of this approved payment plan policy, as long as an Owner has not failed to honor the terms of a previous payment plan during the past two (2) years.
2. All payment plans require a down payment and quarterly payments.
3. Upon request, all owners are automatically approved for a payment plan consisting of 10% down, with the balance paid off in three additional quarterly installments due April 1, July 1, October 1, and January 1, as applicable.
4. If an Owner defaults on any payment plan, the payment plan is automatically terminated and the Association is not obligated to make another payment plan with the Owner for the next two (2) years.
5. Alternative payment plan proposals must be submitted to and approved by the Association. The Association is not obligated to approve alternative payment plan proposals.
6. The Association cannot charge late fees during the course of a payment plan, but can charge interest at the rate it is entitled to under its Governing Documents and can charge reasonable costs of administering the payment plan.

1054934-v1/15530-003000

EXHIBIT D-4

MONTRACHET HOMEOWNERS ASSOCIATION, INC.

RAINWATER RECOVERY SYSTEMS

1. Rainwater Recovery Systems ("Systems") may be installed with advance approval of the Architectural Control Committee ("ACC") subject to these guidelines.
2. All such Systems must be installed on land owned by the Owner. No portion of the System may encroach on adjacent properties or common areas.
3. Other than gutters and downspouts conventionally attached to a dwelling or appurtenant structure, all components of the Systems, such as tanks, barrels, filters, pumps, motors, pressure tanks, pipes and hoses, must be substantially screened from public view from any street or common area. Screening may be accomplished by:
 - a. placement behind a solid fence, a structure or vegetation; or
 - b. burying the tanks or barrels; or
 - c. placing equipment in an outbuilding otherwise approved by the ACC.
4. A rain barrel may be placed in a location visible from public view from any street or common area only if the configuration of the guttering system on the structure precludes screening as described above with the following restrictions:
 - a. the barrel must not exceed 55 gallons; and
 - b. the barrel must be installed in close proximity to the structure on a level base with the guttering downspout leading directly to the barrel inlet at a substantially vertical angle; and
 - c. the barrel must be fully painted in a single color to blend with the adjacent home or vegetation; and
 - d. any hose attached to the barrel discharge must be neatly coiled and stored behind or beside the rain barrel in the least visible position when not in use.
5. Overflow lines from the Systems must not be directed onto or adversely affect adjacent properties or common areas.
6. Inlets, ports, vents and other openings must be sealed or protected with mesh to prevent children, animals and debris from entering the barrels, tanks or other storage devices. Open top storage containers are not allowed; however, where space allows and where appropriate, ponds may be used for water storage.
7. Harvested water must be used and not allowed to become stagnant or a threat to health.
8. All Systems must be maintained in good repair. Unused Systems should be drained and disconnected from the gutters. Any unused Systems in public view must be removed if they can be seen from any street or common area.

1054936-v1/15530-003000

EXHIBIT D-5

MONTRACHET HOMEOWNERS ASSOCIATION, INC.

USE OF SOLAR ENERGY DEVICES

1. These guidelines apply to solar energy devices ("Devices") as defined in Section 171.107 of the Texas Tax Code. A solar energy device means a system or series of mechanisms designed primarily to provide heating or cooling or to produce electrical or mechanical power by collecting and transferring solar-generated energy. The term includes a mechanical or chemical device that has the ability to store solar-generated energy for use in heating or cooling or in the production of power.
2. Such Devices may be installed with advance approval of the Architectural Control Committee ("ACC") subject to these guidelines.
3. Any such Device must be installed on land or structures owned by the Owner. No portion of the Device may encroach on adjacent properties or common areas.
4. Such Devices may only be installed in the following locations:
 - a. on the roof of the Residence; or
 - b. on the roof of any other approved structure; or
 - c. within a fenced yard or patio.
5. For Devices mounted on a roof, the Device must:
 - a. have no portion of the Device higher than the roof section to which it is attached; and
 - b. have no portion of the Device extend beyond the perimeter boundary of the roof section to which it is attached; and
 - c. conform to the slope of the roof; and
 - d. be aligned so that the top edge of the Device is parallel to the roof ridge line for the roof section to which it is attached; and
 - e. have a frame, brackets, and visible piping or wiring that is a color that matches the roof shingles or a silver, bronze or black tone commonly available in the marketplace; and
 - f. be located in a position on the roof which is least visible from any street or common area but does not reduce estimated annual energy production more than ten percent (10%), as determined by a publically available modeling tool provided by the National Renewable Energy Laboratory (www.nrel.gov) or equivalent entity over alternative roof locations.
6. For Devices located in a fenced yard or patio, no portion of the Device may extend above the fence. If the fence is not a solid fence which blocks view of the Device, the ACC may require the Device be placed in a location behind a structure or otherwise require visual screening. The ACC may consider installation of Devices on properties without a fenced yard if there is adequate screening from public view from any street or common area.

7. All Devices must be installed in compliance with manufacturer's instruction and in a manner which does not void material warranties. Licensed craftsmen must be used where required by law. Permits must be obtained where required by law.
8. Installed Devices may not:
 - a. threaten public health or safety; or
 - b. violate any law; or
 - c. substantially interfere with the use and enjoyment of land by causing unreasonable discomfort or annoyance to any adjoining property owner of ordinary sensibilities.
9. All Devices must be maintained in good repair. Unused or inoperable Devices must be removed if they can be seen from any street or common area.

1054894-v1/15530-003000

EXHIBIT D-6

MONTRACHET HOMEOWNERS ASSOCIATION, INC.

USE OF CERTAIN ROOFING MATERIALS

1. The roofing materials described below may not be installed without prior written approval of the Architectural Control Committee.
2. The Association shall not prohibit an Owner who is otherwise authorized to install shingles on the roof of the Residence from installing shingles that:
 - a. Are designed to:
 - i. Be wind and hail resistant;
 - ii. Provide heating and cooling efficiencies greater than those provided by customary composite shingles;
 - iii. Provide solar generation capabilities; and
 - b. When installed:
 - i. Resemble the shingles used or otherwise authorized for use on other Residences;
 - ii. Are more durable than and are of equal or superior quality to the shingles on other Residences; and
 - iii. Match the aesthetics of the property surrounding the Residence.

1054894-v1/15530-003000

EXHIBIT D-7

MONTRACHET HOMEOWNERS ASSOCIATION, INC.

DISPLAY OF PERMITTED FLAGS

1. These guidelines apply to the display of the flag of the United States, the flag of the State of Texas and the official or replica flag of any branch of the United States armed forces, school flags, holiday flags, and others not deemed offensive ("Permitted Flags").
2. Permitted Flags must be displayed in a respectful manner in accordance with the current relevant federal, state or military code.
3. Permitted Flags must be displayed from a pole attached to a Residence or to a free-standing pole. Permitted Flags may not be draped over or directly attached to structures. For example, a Permitted Flag may not be laid across a fence or stapled to a garage door.
4. Advance approval of the Architectural Control Committee ("ACC") is required for any free-standing flagpole associated with the display of Permitted Flags.
5. Permitted Flags may be up to three foot (3') by five foot (5') in size.
6. Only one Permitted Flag may be displayed on a flagpole attached to a Residence. Up to two Permitted Flags may be displayed on an approved free-standing flagpole that is at least fourteen feet (14') tall and up to twenty feet (20') tall.
7. Flagpoles must be constructed of permanent, long-lasting materials with an appropriate finish that is harmonious with the dwelling.
8. A flagpole attached to a Residence may be up to six feet (6') long and must be securely attached with a bracket with an angle of 30 to 45 degrees down from vertical. The flagpole must be attached in such a manner as to not damage the Residence. One attached flagpole is allowed on any portion of a Residence facing a street and one attached flagpole is allowed on the rear or backyard portion of a Residence. Brackets which accommodate multiple flagpoles are not allowed.
9. Free-standing flagpoles may be up to twenty feet (20') tall, including any ornamental caps. Free-standing flagpoles must be permanently installed in the ground according to manufacturer's instructions. One free-standing flagpole is allowed in the portion of the Lot between the Residence and any street and one free-standing flagpole is allowed in the rear or backyard portion of a Lot.
10. Free-standing flagpoles may not be installed in any location described below:
 - a. in any location other than the Owner's property; or
 - b. within a ground utility easement or encroaching into an aerial easement; or
 - c. beyond the side or rear setback lines (for example, on a lot with a 10' side setback line, a flagpole may not be installed closer than 10' from the side property line); or
 - d. beyond the front building line (for example, on a lot with a 20' front setback line, a flagpole may not be installed closer than 20' from the front building line); or

- c. closer to a dwelling on an adjacent lot than the height of the flagpole (for example, a 20' flagpole cannot be installed closer than 20' from an adjacent house).
- 11. Lighting may be installed to illuminate Permitted Flags if they are going to be displayed at night and if existing ambient lighting does not provide proper illumination. Flag lighting must:
 - a. be ground mounted in the vicinity of the flag; and
 - b. utilize a fixture that screens the bulb and directs light in the intended direction with minimal spillover; and
 - c. points towards the flag and faces the main structure on the property or to the center of the property if there is no structure; and
 - d. provides illumination not to exceed the equivalent of a 60 watt incandescent bulb.
- 12. Flagpoles must not generate unreasonable noise levels which would disturb the quiet enjoyment of other residents. Each flagpole owner should take steps to reduce noise levels by using vinyl or plastic snap hooks, installing snap hook covers or securing a loose halyard (rope) around the flagpole with a flagpole clasp.
- 13. Flagpoles are allowed solely for the purpose of displaying Permitted Flags. If a flagpole is no longer used on a daily basis, it must be removed.
- 14. All flags and flagpoles must be maintained in good condition. Deteriorated flags must be removed and promptly replaced. Deteriorated or structurally unsafe flagpoles must be promptly repaired, replaced or removed.

1054894-v1/15530-003000

EXHIBIT D-8

MONTRACHET HOMEOWNERS ASSOCIATION, INC.

DISPLAY OF RELIGIOUS ITEMS

1. An Owner or resident may display one or more religious items by attaching the item(s) to the entry door to their Residence. Such items include anything related to any faith that is motivated by the Owner's or resident's sincere religious belief or tradition.
2. Individually or in combination with each other, the items at the door entry may not exceed 25 square inches total in size.
3. The items may only be displayed on or attached to the entry door or frame and may not extend beyond the outside edge of the door frame.
4. To the extent allowed by the Texas State Constitution and the United States Constitution, any such displayed or affixed religious items may not:
 - a. threaten public health or safety;
 - b. violate any law; or
 - c. contain language, graphics or any display that is patently offensive to a passerby.
5. This Policy may not be interpreted as allowing an Owner or resident to use a material or color for an entry door or door frame of the Residence or make an alteration to the entry door or door frame that is not authorized by the Declaration.
6. Approval from the Architectural Control Committee ("ACC") is not required for displaying religious items in compliance with these guidelines;
7. As provided by Section 202.018 of the Texas Property Code, the Association may remove any items displayed in violation of these guidelines.

1051950-v1/15530-003000

EXHIBIT D-9

MONTRACHET HOMEOWNERS ASSOCIATION, INC.

**USE OF LOW-SPEED,
NON-MOTORIZED, AND GAS-POWERED RECREATIONAL VEHICLES**

1. Definitions.

a. "Low-speed vehicle" means a motorized vehicle with a gas or electric-powered motor which can attain a maximum speed of 35 m.p.h. on a paved, level surface. Low-speed vehicles include gas or electric-powered golf carts, neighborhood electric vehicles, electric bicycles, motor-assisted scooters, and motorized mobility devices.

b. A "non-motorized vehicle" means a bicycle, coaster, sled, a non-motorized toy vehicle, roller skates, or a skateboard.

c. A "gas-powered recreational vehicle" means all-terrain vehicles (ATV's), 3- or 4-wheelers, go-carts, and dirt bikes with a motor-powered gasoline engine.

d. "Child" means any individual under eighteen (18) years of age.

2. Operation of Low-Speed Vehicles.

a. Low-speed vehicles may be driven only on common roadways and the gravel path to and through the Pecan Orchard. The operation of low-speed vehicles is prohibited on sidewalks, common areas not intended for low-speed vehicle use, or the vacant or occupied private property of others.

b. Operators of low-speed vehicles shall abide by all traffic control signs.

c. Persons under the age of sixteen (16) years of age or without a valid driver's license may not operate a low-speed vehicle without adult supervision.

d. Drivers of any low-speed vehicle must have in their possession a valid driver's license unless accompanied by an adult.

e. Low-speed vehicles must be equipped with brakes, brake lights, and a rear-view mirror.

f. Low-speed vehicles operated from dusk until dawn must be equipped with headlights and taillights.

g. The number of passengers per low-speed vehicle must not exceed the passenger limit and load capacity designated by the vehicle's manufacturer.

h. All passengers must be completely seated at all times. All persons are required to be seated in an installed seat specifically designed for such use and are not permitted to stand up or be seated upon the body or framework during operation.

i. Infants or small children must be held securely at all times by another passenger at least age sixteen (16) years or older. The driver may not hold a child or infant while operating the vehicle.

- j. No person shall drive a low-speed vehicle in such a reckless, indifferent, or careless manner as to unreasonably endanger any person or property.
- k. Low-speed vehicles shall not be operated while under the influence of alcohol.
- l. Low-speed vehicles must be stored in the garage and must be insured.
- 3. Operation of Non-Motorized Vehicles.
 - a. No person operating a non-motorized vehicle may cling to or attach either their person or a non-motorized vehicle to any moving low-speed vehicle or car.
 - b. No person shall ride a non-motorized vehicle in such a reckless, indifferent, or careless manner as to unreasonably endanger any person or property.
 - c. Any person who rides a non-motorized vehicle from dusk until dawn must have that vehicle equipped with appropriate lamps or reflectors.
 - d. No child shall operate or ride upon a bicycle, motor-assisted scooter, skateboard or similar device, razor, roller blades, child carrier, or a seat or other device attached to a bicycle unless the child is wearing a helmet.
- 4. Operation of Gas-Powered Recreational Vehicles.
 - a. Go-carts, dirt bikes, 3-wheelers, and any similar gas-powered vehicle designed primarily for recreational purposes is prohibited.
 - b. 4-wheel utility side-by-side ATVs such as a Ranger are permitted. All of the rules under Section 2 "Operation of Low-Speed Vehicles" above shall apply to the operation of permitted ATVs. Additionally, seat belts must be worn by all passengers in the ATV and any cargo must be secured.

1051911-V1/15530-003000

Exhibit E

Certificate of Formation of the Association

Corporations Section
P.O. Box 13697
Austin, Texas 78711-3697



Ruth R. Hughes
Secretary of State

Office of the Secretary of State

March 30, 2020

Attn: Brackett & Ellis PC
Brackett & Ellis PC
100 Main Street
Fort Worth, TX 76102 USA

RE: Montrachet Homeowners Association, Inc.
File Number: 803583432

It has been our pleasure to file the certificate of formation and issue the enclosed certificate of filing evidencing the existence of the newly created nonprofit corporation.

Nonprofit corporations do not automatically qualify for an exemption from federal and state taxes. Shortly, the Comptroller of Public Accounts will be contacting the corporation at its registered office for information that will assist the Comptroller in setting up the franchise tax account for the corporation. Information about franchise tax, and contact information for the Comptroller's office, is available on their web site at <https://window.state.tx.us/taxinfo/franchise/index.html>. For information on state tax exemption, including applications and publications, visit the Comptroller's Exempt Organizations web site at <https://window.state.tx.us/taxinfo/exempt/index.html>. Information on exemption from federal taxes is available from the Internal Revenue Service web site at <https://www.irs.gov>.

Nonprofit corporations do not file annual reports with the Secretary of State, but do file a report not more often than once every four years as requested by the Secretary. It is important for the corporation to continuously maintain a registered agent and office in Texas as this is the address to which the Secretary of State will send a request to file a periodic report. Failure to maintain a registered agent or office in Texas, failure to file a change to the agent or office information, or failure to file a report when requested may result in the involuntary termination of the corporation. Additionally, a nonprofit corporation will file documents with the Secretary of State if the corporation needs to amend one of the provisions in its certificate of formation. If we can be of further service at any time, please let us know.

Sincerely,

Corporations Section
Business & Public Filings Division
(512) 463-5555
Enclosure

Phone: (512) 463-5555
Prepared by: Melissa Kerr

Come visit us on the internet at <https://www.sos.texas.gov/>
Fax: (512) 463-5709
TDD: 10286

Dial: 7-1-1 for Relay Services
Document: 959585830002

Corporations Section
P.O. Box 13697
Austin, Texas 78711-3697



Ruth R. Hughs
Secretary of State

Office of the Secretary of State

**CERTIFICATE OF FILING
OF**

Montrachet Homeowners Association, Inc.
File Number: 803583432

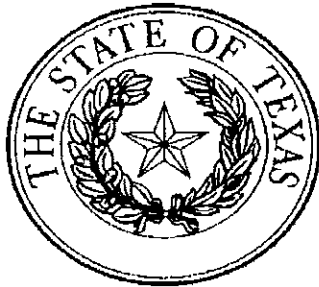
The undersigned, as Secretary of State of Texas, hereby certifies that a Certificate of Formation for the above named Domestic Nonprofit Corporation has been received in this office and has been found to conform to the applicable provisions of law.

ACCORDINGLY, the undersigned, as Secretary of State, and by virtue of the authority vested in the secretary by law, hereby issues this certificate evidencing filing effective on the date shown below.

The issuance of this certificate does not authorize the use of a name in this state in violation of the rights of another under the federal Trademark Act of 1946, the Texas trademark law, the Assumed Business or Professional Name Act, or the common law.

Dated: 03/30/2020

Effective: 03/30/2020



A handwritten signature in black ink, appearing to read "Ruth R. Hughs".

Ruth R. Hughs
Secretary of State

Phone: (512) 463-5555
Prepared by: Melissa Kerr

Come visit us on the internet at <https://www.sos.texas.gov/>

Fax: (512) 463-5709
TID: 10306

Dial: 7-1-1 for Relay Services
Document: 959585830002

Form 202

Secretary of State
P.O. Box 13697
Austin, TX 78711-3697
FAX: 512/463-5709

Filing Fee: \$25



**Certificate of Formation
Nonprofit Corporation**

Filed in the Office of the
Secretary of State of Texas
Filing #: 803583432 03/30/2020
Document #: 959585830002
Image Generated Electronically
for Web Filing

Article 1 - Corporate Name

The filing entity formed is a nonprofit corporation. The name of the entity is :

Montrachet Homeowners Association, Inc.

Article 2 - Registered Agent and Registered Office

☐ A. The initial registered agent is an organization (cannot be corporation named above) by the name of:

OR

☒ B. The initial registered agent is an individual resident of the state whose name is set forth below:

Name:

COLBY D. SIRATT

C. The business address of the registered agent and the registered office address is:

Street Address:

6000 WESTERN PLACE, SUITE 110 FORT WORTH TX 76107

Consent of Registered Agent

☐ A. A copy of the consent of registered agent is attached.

OR

☒ B. The consent of the registered agent is maintained by the entity.

Article 3 - Management

☐ A. Management of the affairs of the corporation is to be vested solely in the members of the corporation.

OR

☒ B. Management of the affairs of the corporation is to be vested in its board of directors. The number of directors, which must be a minimum of three, that constitutes the initial board of directors and the names and addresses of the persons who are to serve as directors until the first annual meeting or until their successors are elected and qualified are set forth below.

Director 1: **COLBY D. SIRATT**

Title: **Director**

Address: **6000 WESTERN PLACE, SUITE 110 FORT WORTH TX, USA 76107**

Director 2: **JULI MASON**

Title: **Director**

Address: **6000 WESTERN PLACE, SUITE 110 FORT WORTH TX, USA 76107**

Director 3: **DONALD L. SIRATT II**

Title: **Director**

Address: **6000 WESTERN PLACE, SUITE 110 FORT WORTH TX, USA 76107**

Article 4 - Organization Structure

☒ A. The corporation will have members.

OR

☐ B. The corporation will not have members.

Article 5 - Purpose

The corporation is organized for the following purpose or purposes:

ANY OR ALL LAWFUL PURPOSES

Supplemental Provisions / Information

[The attached addendum, if any, is incorporated herein by reference.]

Effectiveness of Filing

☒ A. This document becomes effective when the document is filed by the secretary of state.

OR

☐ B. This document becomes effective at a later date, which is not more than ninety (90) days from the date of its signing. The delayed effective date is:

Organizer

The name and address of the organizer are set forth below.

VERONICA C. LAW **100 MAIN STREET, FORT WORTH, TEXAS 76102**

Execution

The undersigned affirms that the person designated as registered agent has consented to the appointment. The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument and certifies under penalty of perjury that the undersigned is authorized under the provisions of law governing the entity to execute the filing instrument.

VERONICA C. LAW

Signature of organizer.

FILING OFFICE COPY

Exhibit F

Bylaws of the Association

BYLAWS OF MONTRACHET HOMEOWNERS ASSOCIATION, INC., A TEXAS NON-PROFIT ASSOCIATION (Approved APRIL 21, 2020)

ARTICLE I

GENERAL

The Montrachet Homeowners Association, Inc. is the "Association" described within the Declaration of Covenants, Restrictions and Easements for Montrachet, recorded in the Real Property Records, Tarrant County, Texas (the "Declaration," as amended hereafter). For convenience, several of the provisions of the Declaration will be repeated or summarized within these Bylaws. The remaining terms and provisions of these Bylaws are intended to complement and supplement the Declaration. In the event of any conflict or ambiguity between the Declaration and these Bylaws, and unless otherwise required by law, the terms and conditions of the Declaration shall control and govern. Capitalized terms used herein, but not otherwise defined, have the meaning given them in the Declaration.

ARTICLE II

OFFICE AND REGISTERED AGENT

The registered office and registered agent of the Association shall be as designated from time to time by the appropriate filing by the Association with the Office of the Secretary of State of the State of Texas.

ARTICLE III

MEMBERS

Section 1. **MEMBERSHIP IN THE ASSOCIATION.** Every Owner (as defined in the Declaration) shall automatically be a member of the Association (a "Member") and such membership shall terminate only as provided in the Declaration. During the Declarant Control Period (as defined in the Declaration), the Association shall be considered to have two classes of membership: one class consist of the Declarant (as defined in the Declaration) and the other class consists of the Owners. Membership in the Association will signify that the Owner has designated the Association as its representative to initiate, defend or intervene in litigation or an administrative proceeding affecting the enforcement of the Declaration or the protection, preservation or operation of the Development (as defined in the Declaration).

Section 2. **VOTING RIGHTS.** Each Owner of a Lot shall be entitled to one (1) vote per Lot; except however, if the Declarant is the Owner, the Declarant may have more than one vote as described in the Declaration. Where such Owner is a group or entity other than one individual person, the vote on behalf of such Owner shall be exercised only by such individual person as shall be designated in a proxy instrument duly executed by or on behalf of such group or entity and delivered to the secretary of the Association, but in no event shall more than one vote be cast with respect to any such Lot. If two (2) or more Lots are re-platted into one (1) Lot as allowed by the Declaration, the Owner of the combined Lot shall be entitled to one (1) vote.

Section 3. TERMINATION OF MEMBERSHIP. Membership shall cease only when a person ceases to be an Owner.

ARTICLE IV **MEETINGS OF MEMBERS**

Section 1. MEETINGS. All meetings of Members for any purpose shall be held at such times and places, within or without the State of Texas, as shall be stated in the notices of the meetings or in executed waivers of notice thereof. The organizational meeting must be called after the Certificate of Formation of the Association is filed with the Texas Secretary of State to adopt these Bylaws and elect officers. The initial members of the Board as named in the Certificate of Formation must be given three (3) days' notice of the organizational meeting. The first meeting of the Members, the "transitional" meeting, may be held at the call of a majority of the directors with three (3) days' notice stating the purpose of the meeting.

Section 2. ANNUAL MEETING. The annual meeting of Members shall be held at such place as the President, or the Vice-President in the absence of the President, may designate, on the last Monday of the second month following the month in which the Association's fiscal year ends (or, if a holiday, on the first business day thereafter), at 7:00 p.m., or at such other date and time as shall be designated from time to time by the Board and stated in such notice of meeting, at which meeting directors shall be elected and such other business transacted as may properly come before said meeting.

Section 3. SPECIAL MEETINGS. Special meetings of the Members, for any purpose or purposes, may be called at any time by the President, Vice President, a majority of the Board or upon a petition signed by at least one-tenth (1/10th) of the total votes to be cast at such meeting. Only business within the purpose or purposes described in the notice required by Section 5 of this Article may be conducted at a special meeting of the Members.

Section 4. FIXING RECORD DATE. Only persons in whose names a Lot is owned according to records of the Association thirty (30) days before any meeting of the Members shall be entitled to notice of or to vote at such meeting.

Whenever action by Members is proposed to be taken by consent in writing without a meeting of Members, the Board may fix a record date for the purpose of determining Members entitled to consent to that action, which record date shall neither precede nor be more than ten (10) days after the date upon which the resolution fixing the record date is adopted by the Board; provided, however, that the Board may not so fix a record date if a record date shall have previously been fixed or determined pursuant to the provisions of this paragraph below. If no record date has been fixed by the Board and the prior action of the Board is not required by the Texas Business Organizations Code, the record date for determining Members entitled to consent to action in writing without a meeting shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Association by delivery to its registered office, registered agent, principal place of business, or an officer or agent of the Association having custody of the books in which proceedings of meetings of Members are recorded. Delivery shall be by hand or by certified or registered mail, return receipt requested. Delivery to the Association's principal place of business shall be addressed to the President or the principal

executive officer of the Association. If no record date shall have been fixed by the Board and prior action of the Board is required by the Texas Business Organizations Code, the record date for determining Members entitled to consent to action in writing without a meeting shall be at the close of business on the date on which the Board adopts a resolution taking such prior action.

Section 5. NOTICE OF MEMBERS' MEETINGS. Written or printed notice stating the place, day and hour of each meeting of Members, and in the case of a special meeting (or if otherwise required by law), the purpose or purposes for which it is called, shall be delivered (unless otherwise required by law) not less than ten (10) nor more than sixty (60) days before the date of the meeting, either personally, by email or by mail, by or at the direction of the President, the Secretary, or the officer or person calling the meeting, to each Member of record entitled to vote at such meeting.

Section 6. VOTING LIST. The Secretary of the Association shall make, at least ten (10) days before every meeting of Members, a complete list of the Members entitled to vote at the meeting or any adjournment thereof, arranged in alphabetical order, and showing the address of each Member and the number of votes held by each Member. Such list shall be kept on file at the registered office or the principal place of business of the Association and shall be subject to the inspection of any Member during usual business hours, for a period of at least ten (10) days prior to the meeting. The list shall also be produced and kept open at the time and place of the meeting during the whole time thereof, and may be inspected by any Member.

Section 7. VOTING. At any meeting of Members and at each election for directors every Member is entitled to vote as set forth in the Declaration and these Bylaws.

At any meeting of Members, a Member having the right to vote may vote either in person or by proxy executed in writing by the Member. A telegram, telex, cablegram, email or similar transmission by the Member, or photographic, photostatic, facsimile, or similar reproduction of a writing executed by the Member, shall be treated as an execution in writing for purposes of this Section. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy. Each proxy shall be revocable unless the proxy form conspicuously states that the proxy is irrevocable and the proxy is coupled with an interest.

Any vote may be taken by voice or show of hands unless a Member entitled to vote, either in person or by proxy, objects, in which case written ballots shall be used.

Section 8. QUORUM. The holders of twenty-five (25%) of the total votes entitled to be cast at any meeting, present in person, represented by proxy, absentee ballot, or electronic ballot, shall be requisite and shall constitute a quorum at all meetings of Members except as otherwise provided by law, by the Certificate of Formation or in connection with a levy of a Special Assessment in the limited circumstance for which approval of the Members is required under Section 5.05 of the Declaration. Special Assessments exceeding an amount equal to the Annual Assessment then in effect require the approval of three-fourths (3/4) of the Members who are present in person or by proxy at a meeting of Members duly held in accordance with these Bylaws.

If a quorum is present at a meeting of Members, the Members represented in person or by proxy at the meeting may conduct such business as may be properly brought before the meeting

until it is adjourned, and the subsequent withdrawal from the meeting of any Member or the refusal of any Member represented in person or by proxy to vote shall not affect the presence of a quorum at the meeting, except as may otherwise be provided by the Certificate of Formation or by these Bylaws.

If, however, a quorum shall not be present or represented at a meeting of the Members, the holders of a majority of the votes represented in person or by proxy and entitled to vote shall have the power, unless otherwise provided in the Certificate of Formation or these Bylaws, to adjourn the meeting from time to time and to such place, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally called.

Section 9. MAJORITY/PLURALITY VOTE. When a quorum is present at any meeting of Members, the act of the Members relative to any matter (except as to the election of directors, which is discussed in the following paragraph, and except in cases where a different vote is required by express provision of law, the Certificate of Formation or these Bylaws, in which cases such express provision shall govern and control the decision of such matters) shall be decided by the affirmative vote of the holders of a majority of the votes entitled to be cast on that matter and represented in person or by proxy at the meeting.

Directors shall be elected by a plurality of the votes entitled to be cast in the election of directors and represented in person or by proxy at a meeting of Members at which a quorum is present, unless otherwise provided in the Certificate of Formation or these Bylaws.

Section 10. ACTION BY MEMBERS WITHOUT MEETING. Any action required to be taken at an annual or special meeting of Members of the Association, or any action which may be taken at an annual or special meeting of Members, may be taken without a meeting, without prior notice, and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed or approved by an email expressly stating approval for such action, by all the Members entitled to vote with respect to the subject matter thereof, and such consent shall have the same force and effect as a unanimous vote of the Members. The consent may be in more than one counterpart so long as each Member signs one of the counterparts or indicates approval by an email as described above in this Section.

Section 11. TELEPHONIC MEETING. Unless otherwise restricted by the Certificate of Formation, subject to the provisions required or permitted by law and these Bylaws for notice of meetings, Members may participate in and hold a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting by such means shall constitute presence in person at the meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

Section 12. RECOUNT OF VOTES

(a) Within 15 days of the day of the meeting when the election was held, a Member may require a recount if the request is submitted in writing either:

(1) By certified mail or by USPS with signature confirmation to the address in the management certificate; or

(2) In person to the managing agent as reflected in the management certificate or to the address where the proxies are mailed.

(b) At the Member's expense, the Association shall retain the services of a person qualified to tabulate votes. The Association shall enter into a contract for the services of a person who:

(1) Is not a member of the Association or related to a Board member within the third degree of consanguinity or affinity; and

(2) Is a current or former County Judge, County Elections Administrator, Justice of the Peace, or County Voter Registrar; or

(3) A person agreed on by the Association and persons requesting the recount.

(c) The recount must be performed on or before the 30th day after the date of receipt of the request and payment for the recount.

(d) If the recount changes the result of the election, then the Association must reimburse the Member for the costs of the recount.

(e) The Association shall provide the results of the recount to each Member that requested the recount.

(f) Any action taken by the Board in the period between the initial election vote tally and the completion of the recount is not affected by any recount.

Section 13. BALLOTS

(a) Any vote cast in an election or vote by a Member must be in writing and signed by the member.

(1) Electronic votes constitute written and signed ballots.

(2) In an Association-wide election, written and signed ballots are not required for an uncontested race.

Section 14. MANNER OR CASTING VOTES

(a) The voting rights of a Member can be cast in the following manner:

(1) In person or by proxy at a meeting of the Association; or

(2) By absentee ballot; or

(3) By electronic ballot; or

(4) By any method of representative or delegated voting provided by a dedicatory instrument.

(b) Absentee or electronic ballot:

(1) May be counted as a Member present and voting for the purpose of establishing a quorum only for items appearing on the ballot;

(2) May not be counted if the Member attends the meeting to vote in person;

(3) May not be counted on the final vote of a proposal if the motion was amended at the meeting to be different from the exact language on the absentee or election ballot.

(c) Solicitation for votes by absentee ballot must include:

(1) An absentee ballot that contains each proposed action with the opportunity to vote for or against each proposal;

(2) Instructions for delivery of the completed absentee ballot, including delivery location; and

(3) The following language: "By casting your vote via absentee ballot you will forgo the opportunity to consider and vote on any action from the floor on these proposals, if a meeting is held. This means that if there are amendments to these proposals, your votes will not be counted on the final vote on these measures. If you desire to retain this ability, please attend any meeting in person. You may submit an absentee ballot and later choose to attend any meeting in person, in which case any in-person vote will prevail."

(d) Electronic ballot means a ballot given by:

(1) Email, facsimile, or posting on an internet website, for which the identity of the Member submitting the ballot can be confirmed; and

(2) The Member can receive a receipt of the electronic transmission and receipt of the ballot.

(e) If the electronic ballot is posted on an internet website, a notice of the posting shall be sent to each Member that contains instructions on obtaining access to the posting on the website.

Section 15. TABULATION OF AND ACCESS TO BALLOTS

(a) A person who is a candidate in an Association election, or who is otherwise the subject of an Association vote, or a person related to that person within the third degree of consanguinity or affinity, may not tabulate or otherwise be given access to the ballots cast in that election or vote. This person or a person besides the one who tabulated the votes may be given

access to the ballots cast in the election or vote as part of a recount process that is authorized by law.

(b) A person, other than a person described above may tabulate votes in an Association election or vote, but may not disclose to any other person how an individual voted.

ARTICLE V DIRECTORS

Section 1. **BOARD OF DIRECTORS; POWERS.** The affairs of the Association shall be conducted by a Board of Directors (the "Board"). The Board shall have the power and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of the Development as may be required or permitted by the governing documents and state law. The Board may do any and all things that are lawful and which are necessary, proper, or desirable in operating for the best interests of the Members, subject only to the limitations upon the exercise of such powers as are expressly set forth in the governing documents. The Board, on behalf of the Association and for the benefit of the Property and the Owners and the Members and occupants, may provide and may pay for, out of the Assessment fund(s), one or more of the following:

- (a) care, preservation and maintenance of the Common Property (including without limitation the proper maintenance of the private streets) and the furnishing and upkeep of any desired personal property for use in or on the Common Property;
- (b) recreational and social programs and activities for the general benefit of the occupants and programs which are designed only for separately identifiable sub-groups of occupants, such as (but not limited to) infants, adolescents, teenagers, students, mothers and senior citizens;
- (c) supplementing (to the extent, if any, deemed necessary, appropriate and affordable by the Board) the police, fire, ambulance, garbage and trash collection and similar services within the Property traditionally provided by local governmental agencies;
- (d) taxes, insurance and utilities (including, without limitation, electricity, gas, water, sewer and telephone charges) which pertain to the Common Property;
- (e) the services of any person or firm (including the Declarant and any affiliates of the Declarant) to manage the Association or any separate portion thereof, to the extent deemed advisable by the Board, and the services of such other personnel as the Board shall determine to be necessary or proper for the operation of the Association, whether such personnel are employed directly by the Board or by the manager of the Association. The Board is specifically authorized to hire and employ one or more managers, secretarial, clerical, staff and support employees. The Board is specifically authorized to engage personnel (such as ad valorem tax consultants and computer operators) and equipment (such as computers, software and electronic communication and transmission devices) for the administration of the collection of Assessments;

- (f) legal and accounting services;

(g) architectural and design services; and

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

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

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

(j) To enter into agreements or contracts with insurance companies, taxing authorities, the holders of first mortgage liens on the individual Lots and utility companies with respect to: (i) any taxes on the Common Property; (ii) monthly escrow and impound payments by a mortgagee regarding the assessment, collection and disbursement process envisioned by Article V. herein; (iii) utility installation, consumption and service matters; and (iv) the escrow or impounding of monies sufficient to timely pay the Annual Assessment;

(k) To borrow money for the purpose of carrying out the activities of the Association, including the acquisition, construction, improvement, equipping and maintenance of Common Property, and in aid thereof to encumber by deed of trust, mortgage or other security interest any or all of the Association's property including Common Property and revenues from assessments, user fees and other sources and provided, however, that during the Declarant Control Period, the Association shall not grant or convey to anyone any mortgage, deed of trust or other security interest on or in Common Property without the written approval of Declarant;

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

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

(n) To make reasonable rules and regulations for the operation of the Common Property, charge reasonable expense reimbursements and/or deposits relating to the use, operation and maintenance of the Common Property, to amend any of the foregoing from time to time, and to enter into concession agreements regarding food, beverage, vending and other products and services within the Common Properties;

(o) To prepare an annual operating budget and to make available for review by each Member at the Association offices within ninety (90) days after the end of each Fiscal Year an annual report;

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

(q) To enforce the provisions of the Declaration and these Bylaws and any rules made hereunder and to enjoin and seek damages from any Member or occupant for violation of such provisions or rules. The Board is specifically authorized and empowered to establish (and to revise and amend from time to time) a monetary "fines" system which may include component steps such as warning citations, ticketing, due process hearings and appeals and a flat rate or discretionary range or geometric progression of fine amounts, which, when pronounced, shall constitute a permitted individual Lot assessment secured by the continuing lien herein established;

(r) Grant easements or rights of way over Common Property to any municipality or other governmental body, agency or authority, to any quasi-public agency or to any utility company or cable television system or to any owner of land contiguous to the property;

(s) Suspend, pursuant to Section 4.05 of the Declaration, the right of use and enjoyment granted or permitted by Section 3.02 of the Declaration;

(t) Enter into and enforce all applicable provisions of valid agreements of the Association relating to the Common Property or any part thereof for the purpose of providing management, maintenance, materials, services or other matters consistent with the purposes of the Association or the Declarations;

(u) Install, maintain, improve and replace any and all landscaping treatments or other structures on the Common Property previously installed by the Declarant or installed by the Association to the extent that such landscaping or structure is not otherwise maintained by the appropriate county and/or municipal entity having jurisdiction over the roads for Tarrant County, Texas; and

(v) Install, maintain, improve and replace any and all fencing around the perimeter of the Property previously installed by the Declarant or installed by the Association.

Section 2. NUMBER OF DIRECTORS; ELECTION; TERM; QUALIFICATION.
The members of the Board of Directors shall be elected and shall serve as follows:

(a) The number of the Directors shall not be less than three (3). During the Declarant Control Period, the Declarant has the right to appoint and remove any Director of the Board. After the expiration of the Declarant Control Period, at least one-third (1/3) of the Directors of the Board must be elected by the Members other than Declarant. The number of Directors may be increased from time to time by a resolution adopted by the Members at their Annual Meeting, but no decrease shall have the effect of shortening the term of any incumbent Director.

(b) The Directors shall be elected in accordance with the provisions of Sections 7 and 9 of Article IV of these Bylaws at each annual meeting of the Members, except as provided in Section 3 of this Article V, and each Director elected shall hold office until the next succeeding annual meeting of Members and until his successor is elected and qualified or until his earlier death, resignation, retirement, disqualification or removal.

(c) Except as provided herein, the Directors shall be Members or spouses of such Members; provided, however, no person and his or her spouse may serve on the Board at the same time.

(d) At least one or more, but not all Directors, may be required to live in the Development.

Section 3. VACANCIES AND NEWLY CREATED DIRECTORSHIPS. Vacancies occurring on the Board may be filled by election at any annual or special meeting of Members called for that purpose, or by a majority of the remaining Directors, though less than a quorum. A Director elected to fill the vacancy shall be elected for the unexpired term of his predecessor in office.

Any directorship to be filled by reason of any increase in the number of Directors may be filled by election at an annual or special meeting of Members called for that purpose, or by the Board for a term of office continuing only until the next election of one or more Directors by the Members, provided that the Board may not fill more than two such directorships during the period between any two successive annual meetings of Members.

Section 4. REMOVAL OF DIRECTORS. Except to the extent limited by law, or otherwise provided by the Certificate of Formation or these Bylaws, at any meeting of Members called expressly for that purpose, any Director or the entire Board may be removed, with or without cause, by the holders of a majority of votes entitled to be cast at an election of Directors.

Section 5. MEETINGS. Except for electronic or telephonic meetings, the Board of the Association must hold meetings, both regular and special, in Tarrant County.

Section 6. FIRST MEETING. The first meeting of each newly elected Board shall be held without further notice immediately following the annual meeting of Members, and at the same place, unless by the unanimous consent of the Directors, then elected and serving, such time or place shall be changed.

Section 7. REGULAR MEETINGS. Regular meetings of the Board may be held, with or without notice, at such time and place as shall from time to time be determined by the Board. Any action taken without notice to Members must be summarized orally, including an explanation of any known actual or estimated expenditures approved at the meeting, and documented in the minutes of the next regular or special Board meeting.

Section 8. SPECIAL MEETINGS. Special meetings of the Board may be called by the President. Special meetings shall be called by the President or Secretary at the written request of any two of the Directors.

Section 9. QUORUM; MAJORITY VOTE. At all meetings of the Board, a majority of the number of Directors fixed in the manner provided in these Bylaws shall constitute a quorum for the transaction of business, and the act of a majority of the Directors present at any meeting at which there is a quorum shall be the act of the Board, except as may be otherwise specifically provided by law, the Certificate of Formation or these Bylaws. If a quorum shall not be present at

any meeting of the Board, the Directors present may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 10. CONSENT OF DIRECTORS. Unless otherwise restricted by the Certificate of Formation or these Bylaws, any action required or permitted to be taken at any meeting of the Board or of any committee thereof may be taken without a meeting if a majority of the Directors or the committee, as the case may be, execute a written consent (which may be electronically by email) setting forth the action so taken. Such consent must state the date of each Director's or committee member's signature and prompt notice of the taking of an action by Directors or a committee without a meeting by less than unanimous written consent shall be given to each Director or committee member who did not consent in writing to the action. The consent may be in more than one counterpart so long as each Director executes one of the counterparts.

Section 11. TELEPHONIC MEETING. Unless otherwise restricted by the Certificate of Formation, subject to the provisions required or permitted by law or these Bylaws for notice of meetings, members of the Board, or any committee designated by the Board, may participate in and hold a meeting of the Board, or such committee, by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting by such means shall constitute presence in person at the meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

Section 12. COMMITTEES. The Board may, by resolution adopted by a majority of the whole Board, from time to time designate from among the members of the Board one or more committees. Such committees may have and exercise the authority of the Board in the management of the Association to the extent designated in the resolution. Each committee shall consist of one or more members of the Board who are a majority of the members of the committee. Other committees not having and exercising the authority of the Board in the management of the Association may, but need not, be limited to members of the Board. The Board may designate one or more of its members as alternate members of any committee, who may, subject to limitations imposed by the Board, replace absent or disqualified members at any meeting of that committee.

Except as limited by law, the Certificate of Formation, these Bylaws or the resolution establishing such committee, each committee shall have and may exercise all of the authority of the Board as the Board may determine and specify in the respective resolutions appointing each such committee. The designation of any committee and the delegation of any authority to the committee shall not operate to relieve the Board, or any member of the Board, of any responsibility imposed by law.

A majority of all the members of any such committee may fix the time and place of its meetings, unless the Board shall otherwise provide, and meetings of any committee may be held upon such notice, or without notice, as shall from time to time be determined by the member of any such committee.

At all meetings of any committee, a majority of its members shall constitute a quorum for the transaction of business, and the act of a majority of the members present shall be the act of any such committee, unless otherwise specifically provided by law, the Certificate of Formation, these

Bylaws or the resolution establishing such committee. The Board shall have power at any time, subject as aforesaid, to change the number and members of any such committee, to fill vacancies and to discharge any such committee.

Section 13. ARCHITECTURAL CONTROL COMMITTEE. Notwithstanding any conflicting provisions in Article V Section 12, above, the Board shall establish an Architectural Control Committee in accordance with Article VII of the Declaration.

Section 14. COMPENSATION OF DIRECTORS. By resolution of the Board, the Directors may be paid their expenses, if any, of attendance at each meeting of the Board and may be paid a fixed sum for attendance at each meeting of the Board or a stated salary as Director. No such payment shall preclude any Director from serving the Association in any other capacity and receiving compensation therefore. Members of committees may be allowed like compensation for attending committee meetings.

Section 15. RESIGNATION. Any Director may resign at any time by written notice to the Association. Any such resignation shall take effect at the date of receipt of such notice or at such other time as may be specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Any Director who does not, for any reason, stand for election at any meeting of Members called for such purpose shall be conclusively deemed to have resigned, effective as of the date of such meeting, for all purposes, and the Association need not receive any written notice to evidence such resignation.

Section 16. OPEN MEETINGS. Regular and special Board meetings will be open to all Members, subject to the right to hold closed executive sessions involving personnel, litigation, contract negotiations, enforcement actions, confidential communications with the Association's attorney, matters involving an invasion of a Member's privacy, or matters that are requested to remain confidential by request of the affected parties and agreement of the Board. After executive sessions, any decisions made during an executive session will be summarized orally and placed in the minutes in general terms, including a general explanation of expenditures approved. Members other than Directors may not participate in any discussion or deliberation except as follows in accordance with a format approved by the Directors from time to time.

ARTICLE VI NOTICES

Section 1. METHOD OF NOTICE. Whenever by law, the Certificate of Formation, or these Bylaws, notice is required to be given to any committee member, Director, or Member, it shall not be construed to mean personal notice, but any such notice may be given (i) in writing, by mail, postage prepaid, addressed to such committee member, Director or Member at his address as it appears in the records of the Association, or (ii) by any other method permitted by law (including, but not limited to, electronically, provided that such committee member, Director or Member has provided a valid email address to the Association or by facsimile). Any notice given by mail shall be deemed to be delivered and given at the time when the same is deposited in the United States mail as aforesaid. Any notice given by email is deemed delivered and given at the time it is correctly sent and any notice given by facsimile is deemed delivered on successful transmission of the facsimile.

Section 2. NOTICE OF DIRECTOR'S MEETINGS. Members shall be given notice of the date, hour, place, and general subject of a regular or special Board meeting, including a general description of any matter to be brought up for deliberation in executive session. The notice shall be:

(a) mailed to each Member not later than the tenth (10th) day or earlier than the sixtieth (60th) day before the date of the meeting, or

(b) provided at least seventy-two (72) hours before the start of the meeting by:

(1) posting the notice on any internet website maintained by the Association, or

(2) the notice shall be sent by e-mail to each Member who has registered an e-mail address with the Association.

Section 3. WAIVER OF NOTICE. Whenever any notice is required to be given under the provisions of law, of the Certificate of Formation or by these Bylaws, a waiver thereof in writing, signed by the person or persons entitled to said notice, or expressly consented to via an email, whether before or after the time stated therein, shall be deemed equivalent thereto. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

ARTICLE VII OFFICERS

Section 1. OFFICERS. The officers of the Association shall be chosen by the Board and shall consist of a President and a Secretary, and may consist of such other officers and agents as the Board may deem necessary, including one or more Vice Presidents (and, in the case of each Vice President, with such descriptive title, if any, as the Board shall determine), a Treasurer, and one or more assistant positions. Two or more offices may be held by the same person, except for the offices of President and Secretary.

In the discharge of any duty imposed or power conferred upon an officer of the Association, the officer may in good faith and ordinary care rely on information, opinions, reports, or statements, including financial statements and other financial data, concerning the Association or another person, that were prepared or presented by (i) one or more other officers or employees of the Association including members of the Board or (ii) legal counsel, public accountants, bookkeepers, investment bankers, or other persons as to matters the officer reasonably believes are within the person's professional or expert competence. An officer is not relying in good faith within the meaning of the preceding sentence if the officer has knowledge concerning the matter in question that makes reliance otherwise permitted by the above sentence unwarranted.

No officer shall execute, acknowledge, verify or countersign any instrument on behalf of the Association in more than one capacity, if such instrument is required by law, the Certificate of Formation, these Bylaws or any act of the Association to be executed, acknowledged, verified or countersigned by two or more officers.

None of the officers need be a Director or a Member of the Association.

Section 2. ELECTION. Without limiting the right of the Board to choose officers of the Association at any time when vacancies occur or when the number of officers is increased, the Board, at its first regular meeting after each annual meeting of Members or as soon thereafter as conveniently practicable, shall elect the officers of the Association and such agents as the Board shall deem necessary or desirable.

Section 3. TERM; REMOVAL; RESIGNATION; VACANCIES; COMPENSATION. The officers of the Association shall hold office until their successors are elected or appointed and qualified, or until their earlier death, resignation, retirement, disqualification or removal. Any officer or agent elected or appointed by the Board may be removed at any time with or without cause by the affirmative vote of a majority of the Board whenever, in its judgment, the best interests of the Association shall be served thereby, but any such removal shall be without prejudice to the contractual rights, if any, of the person so removed. Any officer may resign at any time by giving written notice to the Board. Any such resignation shall take effect at the date of the receipt of such notice or at such other time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Election or appointment of an officer or agent shall not of itself create contract rights. Any vacancy occurring in any office of the Association may be filled by the Board for the unexpired portion of the term.

The compensation of all officers and agents of the Association shall be fixed from time to time by the Board or pursuant to its direction. No officer shall be prevented from receiving such compensation by reason of his also being a Director.

Section 4. PRESIDENT. The President shall be the chief operating officer and chief executive officer of the Association and, subject to the direction of the Board, shall have and exercise direct charge of and general supervision over the business affairs and employees of the Association and have general and active management of the business of the Association. He shall also have such other authority and perform such other duties as may be prescribed from time to time by the Board or these Bylaws. The President shall also preside at all meetings of Members and of the Board and see that all orders and resolutions of the Board are carried into effect.

Section 5. VICE PRESIDENTS. Vice Presidents shall have such authority and perform such duties as may be delegated, permitted or assigned from time to time by the President or the Board and, in the event of the absence, unavailability or disability of the President, or in the event of his inability or refusal to act, shall, in the order of their seniority, perform the duties and have the authority and exercise the powers of the President, unless otherwise determined by the Board.

Section 6. [RESERVED].

Section 7. SECRETARY. The Secretary shall have the duty of recording or causing to be recorded the proceedings of the meetings of Members and Board in a minute book to be kept for that purpose and shall perform all like duties for any committees. The Secretary shall give or cause to be given notice, as required by these Bylaws or by law, of all meetings of the Members and all meetings of the Board and shall perform such other duties as may be prescribed by these

Bylaws or by the Board or President, under whose supervision the Secretary shall serve. The Secretary, shall have safe custody of the seal of the Association and the Secretary when authorized and directed by the Board, shall affix the same to any instrument requiring it and when so affixed, it shall be attested by his signature or by the signature of the Treasurer. The Secretary also shall perform such other duties and have such other powers as may be permitted by law or as the Board or the President may from time to time prescribe or authorize.

In the absence of the Secretary, the minutes of all meetings of the Board and of Members shall be recorded by such person as shall be designated by the Board.

Section 8. TREASURER. If a Treasurer is designated as an officer of the Association by the Board, the Treasurer shall have the custody of the corporate funds and securities and shall keep, or cause to be kept, full and accurate accounts and records of receipts and disbursements and other transactions in books belonging to the Association and shall deposit, or see to the deposit of, all moneys and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by or under the authority of the Board. The Treasurer shall: (i) endorse or cause to be endorsed in the name of the Association for collection the bills, notes, checks or other negotiable instruments received by the Association; (ii) sign or cause to be signed all checks issued by the Association; and (iii) pay out or cause to be paid out money as the Association may require, taking vouchers therefore. In addition, he shall perform such other duties as may be permitted by law or as the Board or the President may from time to time prescribe, authorize or delegate. The Board may by resolution delegate, with or without power to re-delegate, any or all of the foregoing duties of the Treasurer to other officers, employees or agents of the Association, and to provide that other officers, employees and agents shall have the power to sign checks, vouchers, orders or other instruments on behalf of the Association. The Treasurer shall render to the Board, whenever they may require it, an account of his transactions as Treasurer and of the financial condition of the Association. If required by the Board, he shall give the Association a bond of such type, character and amount as the Board may require. The Treasurer shall be in charge of the Association's books of account, records and auditing.

If a Treasurer is not designated as an officer of the Association, the functions of the Treasurer shall be performed by the President, the Secretary or such other officer or officers of the Association as shall be designated by the Board at any time or from time to time.

ARTICLE VIII

INDEMNIFICATION; LIABILITY; INSURANCE; AND SECURITY

Section 1. EXTENT OF INDEMNIFICATION. The Association shall indemnify and advance expenses to any person who is or was a Director, officer, committee member, employee, or agent of the Association to the fullest extent that an Association may or is required to grant indemnification under the Texas Business Organizations Code.

Section 2. LIABILITY LIMITATIONS. THE DECLARANT AND ITS OWNERS, DIRECTORS, OFFICERS, AGENTS AND EMPLOYEES, AND THE DIRECTORS, OFFICERS, COMMITTEE MEMBERS, AGENTS AND EMPLOYEES OF THE

ASSOCIATION (FOR PURPOSES OF THIS PARAGRAPH, COLLECTIVELY THE "DECLARANT AND ASSOCIATION PARTIES") SHALL NOT BE LIABLE FOR DEBT'S CONTRACTED FOR OR OTHERWISE INCURRED BY THE ASSOCIATION OR FOR ANY TORTS COMMITTED BY OR ON BEHALF OF THE ASSOCIATION OR FOR A TORT OF AN OWNER OR ANY OCCUPANT, WHETHER SUCH OTHER OWNER OR OCCUPANT WAS ACTING ON BEHALF OF THE ASSOCIATION OR OTHERWISE, EVEN IF ARISING FROM ANY OF THEIR SOLE OR CONCURRENT NEGLIGENCE OR STRICT LIABILITY OF THE DECLARANT AND ASSOCIATION PARTIES. FURTHERMORE, THE DECLARANT AND ASSOCIATION PARTIES SHALL NOT BE LIABLE FOR ANY ACTUAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES FOR FAILURE TO INSPECT OR MAINTAIN ANY RESIDENCE OR OTHER STRUCTURE, IMPROVEMENT OR PORTION OF THE PROPERTY, OR FOR FAILURE TO REPAIR OR MAINTAIN ANY STRUCTURE OR PORTION OF THE PROPERTY, OR FOR FAILURE TO DESIGN, ESTABLISH, CONSTRUCT, REPAIR OR MAINTAIN ANY COMMON PROPERTY OR WATER RUN-OFF PROPERTY, OR FOR ANY PERSONAL INJURY, DEATH OR DAMAGE TO PERSONAL PROPERTY RESULTING FROM SUCH FAILURES AS DESCRIBED ABOVE, EVEN IF ARISING FROM ANY OF THEIR SOLE OR CONCURRENT NEGLIGENCE OR STRICT LIABILITY.

Section 3. INSURANCE; SECURITY ARRANGEMENTS.

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

- (1) insurance against loss or damage by fire and hazards covered by a standard extended coverage endorsement in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs as determined annually by the insurance carrier;
- (2) public liability and property damage insurance on a broad form basis;
- (3) fidelity bond for all officers and employees of the Association having control over the receipt or disbursement of funds; and
- (4) officers' and directors' liability insurance.

The Association will have the authority and the obligation to provide security measures for the Development.

The Association does not warrant nor guarantee that: (a) security is sufficient and adequate to diminish or eliminate the commission of crimes against persons or property; and (b) such acts

will not be attempted or actually occur within the Property. Any security arrangements provided are not designed or intended to replace the conventional police and fire protection and paramedical services.

The Association will seek to carry public liability insurance generally covering bodily injury and property damage arising out of negligent acts by employees, Members or authorized representatives of the Association. THE ASSOCIATION WILL NOT CARRY ANY INSURANCE PERTAINING TO, NOR DOES IT ASSUME ANY LIABILITY OR RESPONSIBILITY FOR, THE REAL OR PERSONAL PROPERTY OF THE MEMBERS AND OCCUPANTS (AND THEIR RESPECTIVE FAMILY MEMBERS AND GUESTS).

(b) Pursuant to the Declaration and these Bylaws, each Member expressly understands, covenants and agrees with the Association that:

(1) the Association has no responsibility or liability of any kind or character whatsoever regarding or pertaining to the real and personal property of each Member;

(2) each Member shall, from time to time and at various times, consult with reputable insurance industry representatives of each Member's own selection to select, purchase, obtain and maintain appropriate insurance providing the amount, type and kind of insurance deemed satisfactory to each Member covering his or her real and personal property (including automobile liability insurance coverage for all drivers of any vehicle(s) used within the Development);

(3) each Member releases and holds the Declarant and the Association harmless from any liability, claims, causes of action or damage of any kind or character whatsoever arising out of or related (directly or indirectly) to any and all aspects of security and private streets within the Property, including, without limitation:

(i) the interviewing, hiring, training, licensing, bonding and employment of security personnel (if any);

(ii) the instructions, directions and guidelines issued to or by the security personnel (if any);

(iii) the duties, performances, actions, inactions or omissions of or by the security personnel (if any); and

(iv) claims, causes of action or damages of any kind or character whatsoever arising out of or related (directly or indirectly) to any and all aspects of occurrences, such as but not limited to the following: soil erosion, soil composition, groundwater, surface water, unstable slopes, ground shift, sink holes, winds, earthquakes, fires, flooding, and all other natural disasters or occurrences and water run-off or drainage within the Property.

(c) each Member will cooperate with the Declarant and the Association in connection with the establishment, evolution and maintenance of reasonable controls on the pedestrian and vehicular traffic into and within the Property and abide by any and all rules and

regulations of the Association, as adopted and promulgated from time to time, related to the entry upon and use of any private streets and other Common Property within the Property.

Section 4. USE OF INSURANCE AND CONDEMNATION PROCEEDS.

(a) The Association shall be the exclusive representative of the Members in any proceedings, negotiations, settlements or agreements concerning insurance covering or condemnation of Common Property. The Association and the Members shall use the net casualty insurance or condemnation proceeds to repair and replace damage or destruction of Common Property covered by such insurance or condemnation. Any balance from the proceeds of insurance or condemnation paid to the Association remaining after satisfactory completion of repair and replacement, shall be retained by the Association as part of a general reserve fund for repair and replacement of the Common Property.

(b) If the insurance or condemnation proceeds are insufficient to repair or replace any loss or damage to Common Property, the Association may levy a special assessment as provided for in Article V of the Declaration to cover the deficiency.

(c) If the Association owns any Lot, through foreclosure or otherwise, the Association shall be entitled as a Member to all rights related to insurance coverage and condemnation of such Lot. The Association may, but is not obligated to, repair or replace any damage to a Lot owned by the Association; provided, however, the Association must exercise its discretion with regard thereto for the benefit of the Members.

**ARTICLE IX
GENERAL PROVISIONS**

Section 1. **CONTRACTS.** Subject to the provisions of Article IX, the Board may authorize any officer, officers, agent or agents to enter into any contract or agreement of any nature whatsoever, including, without limitation, any contract, deed, bond, mortgage, guaranty, deed of trust, security agreement, pledge agreement, act of pledge, collateral mortgage, collateral chattel mortgage or any other document or instrument of any nature whatsoever, and to execute and deliver any such contract, agreement, document or other instrument of any nature whatsoever for and in the name of and on behalf of the Association, and such authority may be general or confined to specific instances.

Section 2. **ANNUAL STATEMENT.** On request, the Board shall present at each annual meeting, and at any special meeting of the Members, a full and clear statement of the business and condition of the Association.

Section 3. **DEPOSITS.** All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositories as the Board may select.

Section 4. **BOOKS AND RECORDS.** The Association shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its Members, Board and each committee, shall keep at its registered office or principal place of business, a record

of the identity, address and phone number of each Member of each Lot, as noticed to the Association by each Member. Any books, records, minutes and Lot ownership records may be in written form or in any other form capable of being converted into written form within a reasonable time.

Section 5. CHECKS. All checks or demands for money and notes of the Association shall be signed by such officer or officers or such other person or persons as the Board may from time to time designate.

Section 6. FISCAL YEAR. The fiscal year of the Association shall be fixed by resolution of the Board.

Section 7. SEAL. The corporate seal shall be in such form as may be prescribed by the Board. The seal may be used by causing it or a facsimile thereof to be impressed or affixed or in any manner reproduced.

ARTICLE X BYLAWS

Section 1. AMENDMENT, ALTERATION AND REPEAL OF BYLAWS. The power to alter, amend, or repeal these Bylaws or adopt new Bylaws, subject to change by action of the Members, shall be vested in the Board.

Section 2. CONSTRUCTION. Whenever the context so requires, the masculine shall include the feminine and neuter, and the singular shall include the plural, and the converse. If any portion of these Bylaws shall be invalid or inoperative, then, so far as is reasonable and possible:

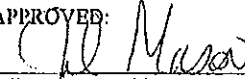
- (a) The remainder of these Bylaws shall be considered valid and operative, and
- (b) Effect shall be given to the intent manifested by the portion held invalid or inoperative.


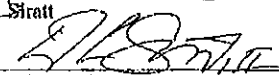
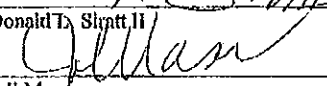
Section 3. HEADINGS. The headings are for organization, convenience and clarity. In interpreting these Bylaws, the headings shall be subordinated in importance to the other written material.

[Signature page to follow]

I, the undersigned, being the Secretary of the Association DO HEREBY CERTIFY THAT the foregoing are the amended bylaws of said Association, as adopted by the Board of said Association on the 21st day of April, 2020.


Donald L. Stratt II, Secretary

APPROVED: 
Juli Mason, President

DIRECTORS:

Colby D. Stratt

Donald L. Stratt II

Juli Mason

1056948-v1/15530-003000

Exhibit G
Management Certificate

PROPERTY OWNERS' ASSOCIATION MANAGEMENT CERTIFICATE

In accordance with Texas Property Code Section 209.004 of the Residential Owners Protection Act, Montrachet Homeowners Association, Inc., a Texas non-profit corporation, certifies as to the following:

1. The name of the subdivision is Montrachet.
2. The name of the association is Montrachet Homeowners Association, Inc.
3. The recording data for the subdivision is the Final Plat for Montrachet filed at D220089825, Real Property Records of Tarrant County, Texas.
4. The recording data for the Declaration is as filed Real Property Records of Tarrant County, Texas and set forth above on the Declaration to which this is attached.
5. The mailing address for the association is as follows:

6000 Western Place, Suite 110
Fort Worth, Texas 76107
Attention: Colby Siratt
6. The name and address of the person managing the association are as follows:

Juli Mason
6000 Western Place, Suite 110
Fort Worth, Texas 76107

MONTRACHET HOMEOWNERS
ASSOCIATION, INC.,
a Texas non-profit corporation


By: _____

Colby D. Siratt, Director

MONTRACHET HOMEOWNERS ASSOCIATION, INC. - MANAGEMENT CERTIFICATE

STATE OF TEXAS §
 §
COUNTY OF TARRANT §

This instrument was acknowledged before me on this 21st day of April, 2020, by Colby Siratt, a Director of Montrachet Homeowners Association, Inc., a Texas non-profit corporation, on behalf of said non-profit corporation.



Notary Public in and for the State of Texas

[seal]



1051868-v1/15530-003000

MONTRACHET HOMEOWNERS ASSOCIATION, INC. - MANAGEMENT CERTIFICATE