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Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY because of color or race is invalid and unenforceable under federal law.



THE STATE OF TEXAS)  
COUNTY OF DENTON)

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

*C Mitchell*

County Clerk  
Denton County, Texas

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**DECLARATION OF  
COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR  
CANTERBURY HILLS HOA  
TOWN OF TROPHY CLUB,  
DENTON COUNTY, TEXAS**

**October 13, 2013**

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**After Recorded Return to  
Judd A. Austin, Jr.  
Henry Oddo Austin & Fletcher, P.C.  
1700 Pacific Avenue  
Suite 2700  
Dallas, Texas 75201**

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**DECLARATION OF COVENANTS, CONDITIONS  
AND RESTRICTIONS  
FOR CANTERBURY HILLS HOA**

STATE OF TEXAS           §  
  §  
COUNTY OF DENTON       §

KNOW BY ALL THESE PRESENT:

This Declaration of Covenants, Conditions and Restrictions for Canterbury Hills HOA is executed effective as of October 14, 2013, by BDMR Development, LLC, a Texas Limited Liability Company (the "Declarant").

**RECITALS:**

A. BDMR Development, LLC is the owner of the real property in Denton County, Texas described on Exhibit A attached hereto, which Declarant is developing as an addition to the Town of Trophy Club to be known as The Highlands at Trophy Club (the "Property").

B. Declarant desires to establish a planned residential community of single family detached homes on the Property and, accordingly, has executed this Declaration to impose the covenants, conditions, restrictions, and easements herein described upon the Property.

**ARTICLE 1  
ESTABLISHMENT**

Section 1.1 **Establishment of Covenants, Conditions and Restrictions.** Declarant hereby imposes upon the Property the covenants, conditions, restrictions, liens and easements set forth in this Declaration (the "Covenants") for the purposes of establishing a general scheme for development of the Property, enhancing the value of the Lots and Residences (defined below), and establishing restrictions for residential use for the benefit of Declarant and the Owners (defined below). Declarant does not guarantee that all of these purposes will be accomplished through the creation and imposition of the Covenants. The Covenants touch and concern title to the Property, run with the land and shall be binding upon all persons hereafter acquiring any portion of the Property.

Section 1.2 **Definitions.** The terms set forth below shall have indicated meanings when used in this Declaration; other terms are defined elsewhere herein and shall have the meaning given to them in this Declaration.

"ACC" means the Architectural Control Committee established pursuant to this Declaration.

**“Assessments”** means the Maintenance Assessments and Special Assessments provided for in Article 6.

**“Association”** means, “Canterbury Hills HOA”, a Texas non-profit corporation, or such other homeowners’ association name selected and available at the time of formation and established as provided in this Declaration.

**“Board”** means the Board of Directors of the Association.

**“Builder”** means any homebuilder constructing the initial Residence upon a Lot in the normal course of conducting its business for profit.

**“Common Area”** means those portions of the Property as described in or on the Plat that do not constitute Lots, Streets, roads, or alleys. Accordingly, the Common Area means those portions of the Property designated as such on the Plat, including any recreational centers or similar areas. The Common Area also includes: (i) any areas within the Property owned by the Town, the Association, or any other governmental entity, but which are required to be maintained by the Association; (ii) any landscape, wall maintenance, pedestrian access or maintenance easements reflected on the Plat, required by the Town or recorded by separate instrument; and (iii) those areas, if any, which are owned by an Owner, but on which are located monuments, signs, fences, landscaping, retaining walls, berms, sidewalks, irrigation systems or other improvements that may be maintained by the Town or the Association but only to the extent the Town or the Association have agreed to assume said obligation to maintain and repair. The Common Area shall also include all improvements on or to any portion of any of the areas described in the preceding sentence. Notwithstanding anything contained herein to the contrary, if and when the Town decides to take ownership of or agrees to maintain any screening walls within the Property, the Association will be released of any obligation whatsoever to maintain, repair or replace the screening walls. Declarant and/or the Association shall have the right to enter into agreements with the Town with respect to the maintenance, repair or replacement of any Common Area including the improvements thereon. Declarant shall at all times have and retain the right, but without obligation whatsoever, to effect minor redesigns or reconfigurations of the Common Area and to execute any open space declarations applicable to the Common Area which may be permitted in order to reduce property taxes, and to take whatever steps as may be appropriate to lawfully avoid or minimize the imposition of federal and state ad valorem and/or income taxes.

**“Declarant”** means BDMR Development, LLC, a Texas Limited Liability Company, including any affiliate of any Partner thereof and any other person or entity who is designated as a successor Declarant in writing pursuant to the provisions of this Declaration.

**“Design Guidelines”** shall mean and refer to those particular standards, restrictions, guidelines, recommendations and specifications applicable to all aspects of construction, placement, location, alteration, maintenance and design of any improvements within the Property, and all amendments, modifications, supplements and interpretations thereof, which may be established pursuant to Section 3.3(d).



**"HUD"** means the U.S. Department of Housing and Urban Development.

**"Lot"** means any of the individual platted building lots reflected, or to be reflected, on the Plat that are to be used for residential purposes as herein described.

**"Managing Agent"** means any Person who has been engaged and designated by the Board to manage the daily affairs and operations of the Association.

**"Owner"** means any Person owning fee title to any Lot, but excluding any mortgagee or beneficiary under a deed of trust until such time as it acquires legal title to a Lot.

**"Person"** means any individual, corporation, limited liability company, partnership or other entity of any kind or type whatsoever.

**"Phase"** means a particular phase developed upon the Property. Declarant may impose, as provided in Section 3.3(d), additional or different restrictions on each Phase. If Declarant annexes additional property into the Property as provided in Section 8.1, it may designate the area annexed as a particular Phase, and may impose, as provided in Section 3.3(d), additional or different restrictions on such Phase.

**"Plat"** means (i) initially, the Preliminary Plat, and thereafter the Final Plat, for any Phase of the Property submitted to and approved by the Town, or any other applicable governmental entity; (ii) after the recording thereof, the final Plat for any Phase of the Property as recorded in the Real Property Records of Denton County, Texas; and, (iii) any replat of, or amendment to, the foregoing made by Declarant in accordance with this Declaration. The term "Plat" shall also include the final recorded plat of any additional property annexed into the Property pursuant to Section 8.1.

**"Residence"** means a single family detached residence constructed upon a Lot in conformance with this Declaration.

**"Street"** means any paved road, but not alleys, that is typically within a fifty foot (50') or sixty foot (60') right-of-way and serves the front of a Lot upon which a Residence is constructed.

**"Structure"** means any structure (other than a Residence), fence, driveway, sidewalk, planting, landscaping, irrigation system, wall, tennis court, swimming pool, outbuilding, playground equipment, or other improvement of any kind or type.

**"Town"** means the Town of Trophy Club, Texas.

**"VA"** means the U.S. Department of Veterans Affairs.

**"Vehicle"** means any vehicle of any kind or type whatsoever, including any automobile, truck, motorcycle, boat, mobile home, motor home, boat trailer, or other kind of trailer.

**ARTICLE 2**  
**USE PROVISIONS**

**Section 2.1 Permitted Uses.**

(a) **Lots Limited to Residential Use.** Except as otherwise provided in this Declaration, Lots shall be used only for single family, private residential purposes and activities reasonably related thereto. Additional uses for purposes such as schools, churches, or similar activities may be permitted within the Property, provided such use has received prior written approval from the Declarant (if the Class B membership status exists) or the Board.

(b) **Common Area Uses.** The Common Area shall be used only for recreational and other similar purposes as approved by the Declarant or the Board. The Common Area consisting of landscaping, screening walls, access easements, wall maintenance easements, or similar areas shall be used for such purposes or similar purposes as approved in writing by the Declarant ( if the Class B membership status exists), or the Board.

(c) **Sales Offices and Similar Uses.** Declarant may maintain one or more signs, sales offices, or trailers on Lots for the purpose of facilitating sales of Residences on the Property. Declarant or the ACC may also grant the right to maintain construction trailers on the Lots and to use Lots for signage, sales offices, and similar purposes to other Persons constructing Residences on the Property by written designation.

**Section 2.2 Prohibited Uses and Activities.**

(a) **No Further Subdivision.** No Lot may be further subdivided without the written consent of the Declarant or the ACC. Lots may be combined for the purpose of constructing a single residence on more than one Lot but only upon written approval of the Declarant or the ACC. Without regard to any such permitted subdivision or combination, the Lots involved shall continue to be treated as single individual Lots hereunder for all other purposes, including voting in the Association and assessing and collecting Assessments.

(b) **Parking and Vehicle Restrictions.** No Vehicles shall be parked within the Property except on a paved parking surface, driveway or within a garage. No trucks or vehicles that are primarily used for commercial purposes, other than those temporarily present on business, nor any trailers, may be parked within the Property other than in enclosed garages or other areas concealed from public view. Boats, boat trailers, campers, travel trailers, mobile homes, recreational vehicles and the like, and any vehicles not in operable condition or validly licensed or registered, shall only be permitted to be kept within the Property if such are kept inside a garage and concealed from public view. Any other vehicle that is not required to be kept in a garage or concealed from public view (as provided above) may not be parked on the street for more than twenty-four (24) hours. Parking on the streets shall be restricted in accordance with the laws, statutes, ordinances and rules of the state and municipal governments applicable to the Property. However, the Board shall have no obligation to take action to enforce such laws, statutes, ordinances and rules. The Board may adopt reasonable rules and regulations governing the parking and operation of vehicles on the Property.

(c) **Specific Use Restrictions.** The Property is restricted solely to residential and related uses; accordingly, no industrial, business, commercial, professional, manufacturing, mineral or other similar use shall be permitted on any part of the Property. This Section shall not be construed so as to prohibit the conduct of a reasonable amount of in-home work, such as computer work or similar activities, provided that such work or activity does not involve the

parking of Vehicles of employees, consultants, or other parties other than the occupants of the Residences in question, unreasonable increase in pedestrian traffic, and does not involve the delivery or pick-up of any materials or services. Unless expressly permitted by the Declarant or the Board, no church may be maintained on the Property. No direct sales activities (excluding, however, activities of the Declarant, approved homebuilders and community activities specifically approved by the Board), patio sales, flea markets, bazaars, sample sales, or similar activities shall be conducted on any portion of the Properties. Garage sales are permitted within municipal guidelines and with prior approval from the Board.

(d) **Pet and Animal Restrictions.** Only regular household pets such as cats and dogs shall be permitted on the Property and then only for personal use and not for any business use such as breeding, kennel operations and the like. No other animals shall be permitted to be maintained upon the Property, including the following: cows, horses, bees, hogs, sheep, goats, poultry, or skunks. No more than four (4) domesticated, household pets are permitted in any Residence. All pets shall be kept within the fenced-in area of an Owner's Lot and shall not be permitted to run free through the Property.

(e) **Outdoor Burning Restrictions.** Outdoor burning of trash, leaves, and other items is prohibited. This restriction shall not be construed as prohibiting outdoor cooking on barbecue grills in connection with use of a Residence.

(f) **Trash/Garbage Disposal.** Trash, garbage and other waste shall at all times be kept in clean, well maintained, sanitary containers for regular scheduled pickup for removal of such items. Trash, garbage or other waste shall not be dumped on the ground of any Lot or in any Common Area.

(g) **Occupancy.** Each Lot shall be improved with a single family detached Residence. No Person shall occupy any garage or other outbuilding at any time as a residence.

(h) **Projections from Structures.** Window air conditioning units and other similar projections are prohibited. Any projection through the roof of any structure on the Property shall require the prior written approval of the Declarant or the ACC.

(i) **Private Water/Sewer Systems.** Each Residence shall be connected to the Town's water and sanitary sewer system, and no private water well or water, sanitary or storm sewer system is permitted within the Property unless the Declarant constructs same. If Declarant uses private drainage easements in areas that necessitate or contain a private sub-surface storm sewer drainage system, then such sewer lines are to be kept freely running and unobstructed at all times. If the lines become obstructed, all parties that benefit from their function shall be required to equally and promptly share in the cost of repair or replacement of the lines.

(j) **Changes in Grade.** Except for such changes as are reasonably necessary to facilitate construction of a Residence on a Lot, no Owner shall change the grade of any Lot except in compliance with all applicable laws. After Declarant has developed the Lots, the general grading, slope and drainage plan of a Lot may not be altered, and no dams, berms, channels or swales may be constructed or excavated without the prior written approval of Declarant (or the ACC), the Town (if applicable) and other appropriate agencies having authority to grant such approval.

(k) **Visible Activities - Outdoors.** Outdoor drying of clothes is prohibited. Lawn mowers, rakes, carts, and other yard equipment shall be stored from view from adjoining Lots and Streets when not in use.

(l) **General Restriction - Nuisances.** In general, no condition shall be allowed to exist on a Lot which, by sight or smell, as determined exclusively by the ACC, shall

constitute a public or private nuisance or unreasonably disturbs any other Owner in the use and enjoyment of its Lot or the Common Area.

(m) **Window Treatments or Coverings.** Window treatments, coverings and screens must be compatible with the design and color of the residence and the overall appearance of the Property. The ACC shall have the sole authority to determine whether particular window treatments, coverings or screens are compatible with the design and color of the residence and the overall appearance of the Property. No window in any residential dwelling or other approved improvement that is visible from any other Lot, Street or Common Area may be covered with bed sheets, any type of paper, poster board, aluminum foil or other reflective material.

### **ARTICLE 3 CONSTRUCTION PROVISIONS**

**Section 3.1 Plan Approval Required.** No Residence or Structure shall be constructed, placed, or installed within the Property until the plans have been approved in writing by the ACC or Declarant as provided in this Article 3.

**Section 3.2 Establishment of ACC.**

(a) **Initial Appointment.** The ACC shall consist of three (3) members; the initial members of the ACC shall be appointed by the Declarant.

(b) **Term and Subsequent Appointments.** The members of the ACC shall serve until they resign or are removed by the party appointing them to the ACC (which the appointing party may do at any time, with or without cause). Subsequent appointments to the ACC shall be made by the Declarant until such time as the Declarant either relinquishes such power by written notice to the Board, or the Declarant no longer owns any Lot; thereafter appointments to and removals from the ACC shall be made by the Board. The ACC or Declarant may engage the services of a third party to review plans and specifications pursuant to this Article.

(c) **Compensation; Fee for Review.** No member of the ACC shall be entitled to compensation for its services. The ACC may impose a reasonable charge for reviewing plans or to cover the expenses incurred for the services of any third party engaged to review plans or consult with the ACC.

**Section 3.3 Approval Process.**

(a) **Submission of Plans.** Any party wishing to construct a Residence or any Structure on the Property shall submit two (2) copies of complete plans and specifications no larger than 11x17 to the ACC for its approval prior to commencing construction. Such plans and specifications shall include engineering information, landscaping description, and construction plans showing the location and elevations of the proposed Residence or Structure and the materials to be used in constructing the same, all in sufficient detail to enable the ACC to evaluate the proposed Structure or Residence. The ACC may request additional information, including samples of proposed materials to aid it in its decision process. After receipt of a complete set of plans and specifications, the ACC shall promptly review the same and notify the Person submitting whether it approves the plans or whether it requires changes thereto. Alternately, the ACC may disapprove a set of plans by so noting thereon and returning it to the Person submitting, accompanied by a statement of the reasons for disapproval. No construction

shall be commenced on any portion of the Property unless and until the plans for the Residence or Structure in question have been approved in writing by the ACC or Declarant, if an ACC has not been appointed. All work shall be completed within (9) months of commencement of construction or such shorter period as the ACC may specify in the notice of approval, unless completion within such time is delayed due to causes beyond the reasonable control of the Owner, as determined in the sole discretion of the ACC. Any construction not commenced within (3) months of approval from the ACC shall be deemed to have been disapproved and must be resubmitted to the Committee for approval.

(b) **Time for Review/Approval.** The ACC shall approve or disapprove all plans submitted for construction within thirty (30) days after the date it receives a complete set of plans and specifications. If the ACC fails to specifically approve or disapprove of any plans within such thirty (30) day period, then the ACC shall be deemed to have approved the plans submitted but only to the extent the plans and specification conform in all material respects to the Covenants and the Design Guidelines. Under no circumstances shall the ACC's failure to respond within the thirty (30) day period constitute deemed approval of, or the granting of a variance for any aspect of construction, use of materials, or location of improvements, which would otherwise constitute a violation of the Covenants or the Design Guidelines.

(c) **Review Standards.** The ACC, in reviewing and approving plans for construction of Structures or Residences, shall use commercially reasonable efforts to promote and ensure a high level of taste, design quality, aesthetic harmony, and conformity throughout the Property, consistent with the standards established by this Declaration and any Design Guidelines.

(d) **Design Guidelines/Building Standards.** The Declarant or the ACC may, but is not required to, from time to time, establish specific guidelines and building standards to assist Persons in determining the type of Structures and Residences, which may be constructed on the Property. Pursuant to Section 8.1, Declarant may annex additional Property to become a portion of the Property, and may develop the overall Property in various Phases. Declarant may establish differing restrictions, guidelines and building standards for each such Phase of the Property, which may impose more restrictive or less onerous building standards with respect to a particular Phase. The ACC or Declarant may amend or modify such guidelines or standards from time to time in its sole discretion. Such guidelines or standards shall supplement this Declaration and be general guides to permitted construction within the Property, but shall not diminish the authority of the ACC and Declarant to approve plans as otherwise herein provided.

(e) **Failure to Obtain Approval.** The construction, repair, replacement, installation, or placement of any Residence, Structure or improvement of any type on a Lot without the prior written approval from the ACC shall constitute grounds for the imposition by the ACC or the Association of a fine or fines against the Owner of said Lot per the Association's deed restriction enforcement policy. A fine levied under this Section shall be charged to the Owner's assessment account, payable upon demand and secured by the lien created in Article 6.

(f) **Limitation of Liability.** Neither the Declarant, its officers, directors, partners, agents, employees, representatives, parent or subsidiaries, nor the Association, the Board, the ACC, including any of its respective members, or the Managing Agent shall be liable to any Person for any official act of the ACC in connection with submitted plans and specifications. Notwithstanding any approval by the Declarant or the ACC, neither the Declarant nor the ACC shall be responsible or liable to any Person with respect to any loss, liability, claim or expense which may arise by reason of such approval or the construction of a Residence or

Structure related thereto. Neither the Declarant, the Association, the Board nor the ACC shall be responsible in any way for any defects in any plans or specifications submitted, reviewed or approved in accordance with the provisions of this Declaration, nor for any structural or other defects in any work done according to such plans or specifications. No approval of any plans by either the ACC or the Declarant shall be construed to mean that the plans comply with any applicable law, building code, or governmental regulation, it being the responsibility of the Person submitting any plans to assure compliance with all applicable laws. Conversely, the issuance of a building permit or any approval from any governmental authority shall not, under any circumstance, constitute any evidence that construction of a Residence or a Structure complies with the terms and conditions contained in this Declaration or any Design Guidelines. Declarant and members of the ACC shall have no liability for decisions made by them regarding the approval or disapproval of plans, so long as the decisions are made in good faith and are not discriminatory, arbitrary, or capricious.

**Section 3.4 Specific Construction Provisions.**

(a) **Setbacks.** All Residences and other Structures shall be constructed in conformity with the setback requirements of the Town and the building lines reflected on the Plat.

(b) **Structure Size and Type.** Each Residence shall have the minimum number of square feet of enclosed air-conditioned area as set forth by the Town in the applicable zoning ordinance. Each Residence shall be of new construction on a Lot and no mobile homes or manufactured housing shall be permitted on the Property except on a temporary basis in connection with construction or sales activities.

(c) **Garage Requirements.** Each Residence shall have at least a two car attached garage constructed as a part thereof.

(d) **Drive/Walkway Requirements.** All driveways and sidewalks shall conform to applicable Town and other governmental specifications and regulations.

(e) **Ancillary Structure Provisions.** All ancillary Structures (as described below) shall conform to the requirements of this Section:

(1) **Antennae/Satellite Dishes.** The erection, construction, placement or installation of any television, radio, or other electronic tower, serial, antenna, satellite dish or device of any type for the reception or transmission of radio or television broadcasts or for any means of communication upon a Lot or upon any improvement thereon is prohibited except as provided for herein. This prohibition shall not apply to those antennae specifically covered by 47 C.F.R. Part 1, Subpart S, Section 1.4000 (or any successor provision) promulgated pursuant to the Telecommunications Act of 1996, as amended from time to time. The ACC or the Declarant shall be empowered to adopt rules governing the types of antennae that are permissible hereunder and establishing reasonable, non-discriminatory restrictions relating to safety, location and maintenance of antennae. All television antennas and other antennas and aerials shall be located inside the attic of the residence constructed on the Lot. Amateur radio towers and antennas (whether for reception or transmission) are specifically prohibited. No exterior television, radio or other antenna of any type shall be placed, allowed or maintained upon any Lot, Residence, or Structure without prior written approval and authorization of the ACC.

(2) **Fences and Walls.** All fences and walls (excluding retaining walls described in (6) below) shall be at least six feet (6') in height and shall have a maximum height of eight feet (8'), and shall be located in an area and constructed of materials as approved by the ACC (if there are no Design Guidelines) or in accordance with the provisions contained in the Design Guidelines. In addition to the standards contained in the Design Guidelines, fencing on corner Lots facing side streets shall be enhanced wooden fences (board-on-board design, with a top-cap). No fence or wall may be constructed, repaired, rebuilt, or relocated if it impedes or obstructs drainage. Prior written approval from the ACC is required for any construction, placement or repair of fences or walls on any Lot. All fence stain and sealant colors must be approved by the ACC prior to application. All stains and sealants must be applied in uniform coats according to the manufacturer's recommendations and instructions. Lots adjacent to open spaces or Town park land as shown on any Plat (Exhibit B) are required to have a four-foot (4') wrought iron fence along the property line adjacent to the open space or Town park land. When wood fencing intersects with wrought iron fencing, the wood fencing will transition to the height of the iron fencing over a distance of eight feet (8').

(3) **Outbuildings.** Outbuildings shall not extend above the fence such that these may not be visible from any front street elevation. The location, installation and screening of an outbuilding requires, without exception, the prior written approval from the ACC.

(4) **Trash Containers.** All trash containers shall be screened from view from Streets.

(5) **Hedges.** Hedges shall be maintained at a height that is in conformity with the height of fences and walls. No hedge shall be maintained in a manner that obstructs any sidewalk or the visibility of intersections of Streets and/or alleys.

(6) **Retaining Walls.** Retaining walls, other than those constructed by the Declarant, require prior written approval by the ACC to ensure conformity with the requirements contained in any Design Guidelines with respect to location, construction, and materials. Except for those built by Declarant or its affiliates, any retaining walls which generally face an alley or are either between Residences or along or adjacent to the side or rear property lines of Lots shall be constructed of stone materials unless the ACC has otherwise provided prior written approval. Except for those built by Declarant or its affiliates, any retaining walls which generally face a Street or are along or adjacent to the front property lines of Lots shall be constructed of stone materials unless the ACC has otherwise provided prior written approval. The ACC has absolute discretion in determining what constitutes "stone materials."

(7) **Mailboxes.** Mailboxes shall be of a design and constructed of materials approved by the ACC and shall conform to the United States Postal Service regulations and any Design Guidelines. Address numbers must remain visible at all times.

(8) **Tennis Court/Swimming Pool/Recreational Facilities.** A tennis court, swimming pool, and/or recreational facilities may be constructed within any Lot provided the plans are approved by the ACC prior to commencement of construction to ensure compliance with the requirements contained in any Design Guidelines with respect to location and screening. Above ground pools are prohibited.

(9) **Signage.** Except for Declarant's signs, no signage may be maintained on any Lot other than the following: (a) a maximum of one (1) "For Sale" sign not exceeding twenty-four inches (24") by thirty-six (36") in size; (b) no more than one (1) political sign per candidate or ballot item, not to exceed four feet by six feet in size, may be displayed no earlier than ninety (90) days prior to an election and not later than ten (10) days following the conclusion of the election; (c) spirit signs (announcing the involvement of teenagers in athletics or school programs) shall only be allowed if provided for and in strict compliance with any Design Guidelines. Such advertising and spirit signs shall be subject to approval of the ACC. All signs must be professionally produced and manufactured. Each Owner hereby grants permission to the ACC (or its duly authorized agents) to enter upon a Lot or any part of the Property and remove any sign, billboard or advertising structure that does not comply with the above requirements and, in doing so, shall not be subject to any liability to any Person whatsoever for civil or criminal trespass, conversion, or any claim for damages in connection with such removal. The ACC's cost to remove any sign shall be added to the Owner's assessment account, is payable upon demand and secured by the lien created in Article 6.

(10) **Playground and Recreational Equipment.** No jungle gyms, swing sets, basketball goals, trampolines or similar playground equipment shall be erected or installed on any Lot without prior written approval of the ACC in accordance with Article 3 hereof, including the type of construction materials, colors and location. Upon the installation of any such recreational equipment without the prior written approval of the ACC, the Board of Directors, on behalf of the Association, shall have the right but not the obligation to demand and cause the removal of any such installation. Any playground or other play areas or equipment furnished by the Association or erected within the Property shall be used at the risk of the user. Temporary or permanent basketball goals may not be placed or used on the Street or a cul-de-sac. The Association shall not be liable to any Person for any claim, damage or injury occurring thereon or related to the use thereof. All recreational or playground equipment must be kept in a well maintained, attractive condition and in working order.

**Section 3.5 Construction Materials.** All construction materials shall conform to the following provisions:

(a) **Exterior Materials.** All exterior construction materials shall be subject to approval by the ACC in accordance with the provisions in any Design Guidelines as to aesthetic appearance and shall conform to any and all Town ordinances.

(b) **Roof Materials.** Minimum 40 year warranty shingle or equivalent is required. Color of shingles shall be "weathered wood." All roofing materials must be fireproof and conform to Town requirements, and are subject to ACC approval.

**Section 3.6 Height Restrictions.** All Structures shall conform to the height restrictions of the Town.

**Section 3.7 Roof Restrictions.** All roofs shall have at least a 6:12 pitch on the main structure and on garage structures unless otherwise approved by the ACC.



**Section 3.8 Construction Period and Process.** Construction of any Residence shall be pursued with all due diligence and, in any event, shall be completed within nine (9) months after commencement. Construction of any other Structure shall be completed within the time periods specified in the plan approval process. All areas under construction shall be maintained in a clean, safe condition, and debris, trash, and rubble shall be stored in appropriate containers and promptly removed from the Property.

(a) **Landscaping.** All Lots shall be appropriately landscaped in accordance with Town requirements, including installing underground water sprinkling system and planting of grass and other plants in conformity with any Design Guidelines and other improvements on the Property.

(b) **Right to Waive or Modify Specific Instruction Provisions.** The ACC shall have the right, in its discretion, to grant reasonable waivers of the construction provisions set forth in this Declaration or the Design Guidelines, and any such waiver shall not entitle any other person to a similar waiver.

**Section 3.9 Declarant Rights.** So long as Declarant owns any Lot, Declarant may exercise any of the rights of the ACC under this Article 3.

#### **ARTICLE 4 MAINTENANCE PROVISIONS**

**Section 4.1 Owner's Obligation to Maintain.** Each Owner shall maintain its Lot and the Residence and other Structures thereon in a clean, first class condition. Each Owner shall regularly mow and edge grass and maintain the landscaping on its Lot in good condition at all times. Each Owner shall maintain the exterior of all Residences and Structures in good condition and shall make such repairs and replacements as necessary to maintain good order and the aesthetic harmony of the Property.

**Section 4.2 Damaged Improvements.** If any Residence or Structure is damaged in any way, the Owner shall immediately repair such damage or, in the case of substantial damage when the Owner does not wish to rebuild, raze the damaged Structure or Residence and remove the same and leave the surface of the Lot in good order.

**Section 4.3 Declarant/Association Right to Perform.** If any Owner fails to maintain the condition of the Residence or other Structures on the Lot, the landscaping thereon, including the prompt removal of deceased trees and shrubs, as contemplated by this Article 4 and fails to take action to correct such defect within ten (10) days after the Declarant or the Association has furnished written notice thereof to such Owner, then the Owner of such Lot hereby grants permission to and an easement in favor of the Declarant or Association (or its duly authorized agents) to enter upon such Lot and perform those duties which the Owner failed to perform without liability whatsoever to such Owner or any Person for trespass, conversion, or any claim for damages. The cost of performing such duties shall be added to the Owner's assessment account and shall bear interest at the rate of eighteen percent (18%) per annum (but not in excess of the lawful maximum rate), be payable upon demand, and shall be secured by the lien provided for in Article 6.

**Section 4.4 Easement for Maintenance.** Each Owner grants to the Association, the Board, and the Declarant the right to access, repair, and maintain all facilities and improvements within any wall, entry, fence, landscape, or other similar easement as recorded on any Plat (including, but not limited to, any Plat attached hereto as Exhibit B). By acquisition of a Lot, each Owner hereby grants, creates and conveys unto the Association, the other adjacent Owners and the Declarant a perpetual Drainage Easement (herein so called) over, through, under and across the Owner's Lot for the purpose of permitting runoff and/or storm water to drain from other adjacent Lots over, through, under and across the Owner's Lot(s). Without limiting the foregoing, in order to facilitate drainage from the Property subject to the Declaration over, through, under and across the Owner's Lot, each Owner hereby agrees that the Declarant or the Association, as the case may be, shall have the right to enter onto the Owner's Lot at any time to (i) prevent possible interference with the Drainage Easement and to remove possible hazards from the Drainage Easement area, (ii) prevent the construction or placement of any building, structure or other obstruction within the Drainage Easement area which may endanger or interfere with the efficient and convenient use of the Drainage Easement, (iii) grade, improve, construct, reconstruct, repair and perpetually maintain swales within the Drainage Easement area, and (iv) or regrade portions of the Drainage Easement area necessary or appropriate to permit drainage as generally described herein or as approved or required by appropriate governmental authorities. Notwithstanding any of the foregoing rights of the Association or the Declarant, each Owner hereby agrees to maintain the Drainage Easement area at such Owner's sole cost and expense. If any structures or other obstructions are constructed, created or placed by any Owner within the Drainage Easement area without the prior written consent of the Board or the Declarant, the Declarant or the Association shall have the right to remove such structure or obstruction at the sole cost of such Owner. The cost to remove the structure or the obstruction shall be charged to the Owner's assessment account, be payable on demand, and shall be secured by the lien provided for in Article 6.

There shall be reciprocal appurtenant easements for maintenance of retaining walls and fences between each Lot on which any such retaining wall or fence is constructed and such portion or portions of the Common area adjacent thereto and between adjacent Lots for purposes of repairing and/or replacing all or any portion of such retaining walls or fence to a distance of not more than five (5) feet, as measured from any point on the common boundary between each Lot and the adjacent portion of the Common Area or between adjacent Lots, as the case may be, along a line perpendicular to such boundary at such point. Unless it is specifically provided for herein, or on the Plat, that the Association has the sole responsibility to maintain, repair or replace the retaining wall or fence at issue, the Association shall have no liability, obligation or responsibility whatsoever for such repairs, maintenance and/or replacement, it being the specific intent of this provision to place such obligation and responsibility on the Owners of the Lots upon which such retaining walls or fences are built or are located.

## **ARTICLE 5**

### **OWNER'S ASSOCIATION**

**Section 5.1 Establishment.** The Association has heretofore been created as a Texas non-profit corporation by or at the direction of Declarant. Each Owner of a Lot shall be a member of the Association and such membership is appurtenant to and shall not be separated from ownership of a Lot. Upon the transfer of a Lot, the new Owner shall automatically become

a member of the Association. The term of existence of the Association and other matters pertaining to its operation are set forth in its Articles of Incorporation and the By-Laws. The Association is established to enforce this Declaration and the Covenants, to promote the interests of the Owners as residents of the Property, and to enhance the value of the Lots as a part of a harmonious, high quality, residential subdivision.

**Section 5.2 Voting Power.** The Association shall have two classes of voting membership as follows:

(a) **Class A.** The Class A Member shall be all Owners other than Declarant and shall be entitled to one (1) vote for each Lot owned. If more than one person owns an interest in a Lot, they shall combine their vote in such way as they see fit, but there shall be no fractional votes, and no more than one vote may be cast with respect to any Lot.

(b) **Class B.** The Class B Member shall be the Declarant who shall be entitled to fifteen (15) votes for each Lot owned by Declarant. Subject to the conditions set forth in the remainder of this paragraph, the Class B membership shall be converted to Class A membership upon the earlier of (i) the total votes outstanding in the Class A membership equaling the total votes outstanding in the Class B membership, (ii) December 31, 2017, or (iii) the recording in the Official Public Records of Denton County, Texas of a notice signed by Declarant terminating the Class B membership. In determining the number of Lots owned by Declarant for the purpose of Class B membership status hereunder, the total number of Lots covered by this Declaration, including all Lots annexed thereto in accordance with Section 8.1 herein, shall be considered. In the event the Class B membership has previously lapsed as provided in (i) above, but annexation of additional property restores the ratio of Lots owned by Declarant to the number required for Class B membership status, such Class B membership shall be reinstated until it expires pursuant to the terms hereof.

(c) **Board of Directors Election.** The Board shall be elected as provided in the Articles of Incorporation and Bylaws of the Association. The Board shall act by majority vote as provided in the bylaws.

(d) **Specific Powers of Board.** Without limiting the authority granted to a Board under Chapter 22 of the Texas Business Organizations Code titled "Nonprofit Corporations", the Board shall have the following specific powers on behalf of the Association:

- (1) to enforce the provisions of this Declaration;
- (2) to enter into contracts;
- (3) to retain third parties, as necessary, to assist the Board in carrying on the Association's activities, including engineers, accountants, lawyers, architects, land planners, professional management, and other consultants;
- (4) to take such action as necessary to maintain the Common Area in good order and condition;
- (5) to acquire property, services and materials to carry out its duties;
- (6) to purchase insurance covering potential liability for use of the Common Area and for other risks;
- (7) to borrow money for Association purposes secured by assignment of assessments and lien rights;
- (8) to initiate and defend litigation, arbitration and other similar proceedings;

(9) to promulgate reasonable rules and regulations for access to and use of Common Areas and governance of the Association, as well as a policy establishing a schedule and procedures by which the Board may assess violation fines against Owners or invoke self-help remedies for violations of the Covenants, the Bylaws, rules and regulations or any Design Guidelines;

(10) to establish and collect reasonable fees for the use of any recreational facilities on the Common Area; and

(11) to establish and collect a reasonable fee for copying and furnishing copies of the Association's governing documents and furnishing a Resale Certificate as required by law. This function and the authority to collect and receive such fees may be delegated or assigned by the Board to the Association's Managing Agent.

(12) to enforce any provision of the Declaration, the Bylaws, the Design Guidelines, or the rules and regulations of the Association through self-help procedures, after prior written notice to the Owner of the Lot at issue, or by suit at law or in equity to enjoin any violation or to recover monetary damages or both or an action to foreclose the lien against any Lot without the necessity or compliance with the procedure set forth above. In any such action, to the maximum extent permissible, the Owner or occupant responsible for the violation of which abatement is sought shall pay all costs, including reasonable attorneys' fees and expenses actually incurred.

**Section 5.3 Officers.** The Association will have such officers as are set forth in the Bylaws.

**Section 5.4 Dissolution.** So long as Declarant owns record title to any Lot, the Association shall not be dissolved. Once Declarant is divested of all ownership interest in the Property, the Association may be dissolved upon the written consent of Owners owning at least seventy-five percent (75%) of the Lots. Upon such dissolution, the assets of the Association shall be donated to a nonprofit organization with purposes similar to the Association and selected by a majority of the Board.

## **ARTICLE 6** **ASSESSMENTS**

**Section 6.1 Power to Establish Assessments.** The Association is empowered to establish and collect Assessments as provided in this Article 6 for the purpose of obtaining funds to maintain the Common Area, perform its other duties, and otherwise preserve and further the operation of the Property as a first quality residential subdivision. The purposes for which Assessments may be used include, without limitation, maintaining, operating, managing, repairing, replacing or improving the Common Area or any improvements thereon; mowing grass and maintaining grades and signs; paying legal fees and expenses incurred in enforcing this Declaration; paying expenses incurred in collecting and administering assessments; paying insurance premiums for liability and fidelity coverage for the ACC, the Board and the Association; satisfying any indemnity obligation under the articles or bylaws; and for any other purpose that furthers or serves the interests of the Association. The Board, in accordance with state law, may reject partial payments and demand payment in full of all amounts due and owing

the Association. The Board is specifically authorized to establish a policy governing how Owner's payments are to be applied.

**Section 6.2 Commencement of Assessments.**

(a) **Owner other than Declarant.** Unless otherwise provided by separate agreement by and between Declarant and any Person, the Assessments shall commence as to each Lot upon its conveyance by Declarant to any Person that is not an affiliate of Declarant.

(b) **Declarant.** Declarant shall not be liable for Assessments for any Lots that it owns. Declarant may, but shall have no obligation to, subsidize the Association from time to time. In the event Declarant decides to subsidize the Association and any shortfall in the operating budget of the Association is due in part to the failure of the Association to collect delinquent Assessments, then the Association shall immediately and vigorously pursue collection of such delinquent Assessments through foreclosure, if necessary, and shall reimburse the Declarant the amounts, if any, so collected.

**Section 6.3 Regular Annual Maintenance Assessments.**

(a) **Annual Budget.** For each calendar year or a part thereof during the term of this Declaration, the Board shall establish an estimated budget of the expenses to be incurred by the Association for the forthcoming year in performing its duties. Based upon such budget, the Association shall then assess each Lot an annual fee (the "**Maintenance Assessment**") which shall be paid by each Owner in advance as follows: quarterly on the first day of each January, April, July and October, unless the Board determines a different schedule. The Association shall notify each Owner of the Maintenance Assessment for the ensuing year by December 15 of the preceding year, but failure to give such notice shall not relieve any Owner from its obligation to pay Maintenance Assessments. Any Maintenance Assessment not paid within thirty (30) days of the date due shall be delinquent and shall thereafter bear interest as provided in Section 6.5(f). As to any partial year, Maintenance Assessments on any Lot shall be appropriately prorated.

(b) **Limits on Maintenance Assessments.** The initial Maintenance Assessment for each Lot shall not exceed Fifty Dollars and No Cents (\$50.00) per month. Thereafter the Board may increase the Maintenance Assessment annually to meet the anticipated needs of the appropriate budget, but the Maintenance Assessment may not be increased in any year by an amount in excess of twenty percent (20%) above the previous year's Maintenance Assessment, unless such increase is approved by a majority vote of those members of the Association present at a meeting, in person or by proxy, where a quorum exists.

(c) **Uniform Assessments.** Maintenance Assessments for all Lots shall be uniform.

**Section 6.4 Special Assessments.** The Association may impose special assessments ("**Special Assessments**") to make capital improvements to the Common Area, to satisfy its indemnity obligations under the Articles or Bylaws, or for other similar purposes. Any Special Assessment proposed by the Association must be approved by a majority vote of those members of the Association present at a meeting, in person or by proxy, at which a quorum exists. At least fifteen (15) days prior to any meeting of the Association called to consider any Special Assessment, the Board shall notify each Owner thereof by written notice specifying the total amount of the Special Assessment required, the amount thereof imposed on each Lot (which

shall be uniform), the purpose for such Special Assessment, and the time and method of payment thereof. The time for paying any Special Assessment (which may be in installments) shall be as specified in the approved proposal.

**Section 6.5 Liability for and Enforcement of Assessments.**

(a) **Personal Liability.** Each Owner, and each prospective Owner, is hereby placed on notice that the covenant to pay any assessment provided for herein, and any other charge levied pursuant to this Declaration, shall operate to place upon him or her the responsibility for payment of any Assessment or other amount due the Association which arose prior to the date of conveyance. Whether by voluntary or involuntary conveyance, the purchasing Owner ("Grantee") shall be jointly and severally liable with the selling Owner ("Grantor") for all unpaid assessments or amounts levied by the Association against Grantor or his/her Lot prior to conveyance of such Lot, without prejudice to Grantee's right to obtain reimbursement from Grantor. Any prospective purchaser may request and is entitled to a statement from the Association stating the amount of unpaid assessments and other charges owed by Grantor or his/her Lot.

(b) **Reservation, Subordination, and Enforcement of Assessment Lien.** Declarant hereby reserves for the benefit of itself and the Association, a lien (the "**Assessment Lien**") against each Lot to secure payment of (1) the Assessments imposed hereunder, including interest, late charges, collection fees and any cost of collection; (2) the payment of fines imposed under Section 3.3 (e) and Section 9.2 hereof or the enforcement policy; (3) the cost to remove unauthorized signage under Section 3.4 (9) hereof; (4) the cost to perform a defaulting Owner's obligations under Section 4.3 hereof; (5) the cost to remove any structure or obstruction from the Drainage Easement area under Section 4.4 hereof; and (6) attorneys' fees incurred by the Association in collecting Assessments or other charges added to an Owner's account and to enforce the Declaration. Each Owner, by accepting conveyance of a Lot, shall be deemed to have agreed to pay the Assessments, including interest, late charges, collection fees and any cost of collection, along with fines, costs for remedial measures and attorneys' fees as herein provided for and to the reservation of the Assessment Lien. The Assessment Lien shall be subordinate to the liens of any valid first lien mortgage or deed of trust encumbering a particular Lot. Sale or transfer of any Lot shall not affect the Assessment Lien. However, the sale or transfer of any Lot pursuant to a first mortgage or deed of trust foreclosure (whether by exercise of power of sale or otherwise) or any proceeding in lieu thereof, shall only extinguish the Assessment Lien as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from Liability and the Assessment Lien for any Assessments thereafter becoming due. The Assessment Lien may be non-judicially foreclosed by private power of sale in accordance with the provisions of Section 51.002 of the *Texas Property Code* (or any successor provision) or may be enforced judicially. Each Owner, by accepting conveyance of a Lot, expressly grants the Association a private power of sale in connection with the foreclosure of the Assessment Lien. The Board is empowered, but is not required, to appoint a trustee, who may be a member of the Board, to exercise the powers of the Association to non-judicially foreclose the Assessments Lien in the manner provided for in Section 51.002 of the *Texas Property Code* (or any successor statute). The Association, through duly authorized agents, shall have the power to bid on the Lot at foreclosure sale and to acquire and hold, lease, mortgage and convey the same.

(c) **Notices of Delinquency or Payment.** The Association, the Association's attorney, as authorized by the Declarant or Board, may file notice of any delinquency in payment of any Assessment in the Official Public Records of Denton County, Texas. Upon the timely curing of any default for which a notice was recorded by the Association, the Association through its attorney is hereby authorized to file of record a release of such notice upon payment by the defaulting Owner of a fee, to be determined by the Board or its agents but not to exceed the actual cost of preparing and filing a release. Upon request of any Owner, any title company on behalf of such Owner or any Owner's mortgagee, the Board, through its agents, may also issue certificates evidencing the status of payments of Assessments as to any particular Lot (i.e., whether they are current or delinquent and if delinquent, the amount thereof). The Association or its Managing Agent may impose a reasonable fee for furnishing such certificates or statements.

(d) **Suit to Recover.** The Association may file suit to recover any unpaid Assessment and, in addition to collecting such Assessment and interest thereon, may also recover all expenses reasonably expended in enforcing such obligation, including reasonable attorneys' fees and court costs.

(e) **Late Charges and Collection Fees.** If any Assessment or any part thereof remains unpaid after thirty (30) calendar days from and after the due date established by the Board, a late charge shall be assessed against the non-paying Owner for each quarter or any part thereof, that any portion of any Assessment remains unpaid. Should any Assessment be payable in installments, the Association is authorized to accelerate the entire Assessment and demand immediate payment thereof. The late charge shall be in the amount of Fifty and No/100 Dollars (\$50.00) per quarter. The Association's Managing Agent shall be entitled to charge an Owner a quarterly collection fee to compensate Managing Agent for its administrative costs and efforts to collect and process the late payment of Assessments. A service charge in the amount of Twenty and No/100 Dollars (\$20.00) shall be charged for each check that is returned because of insufficient funds or any other reason. The amount of collection fees, late charges and service charges may be adjusted, from time to time, by the Board consistent with any changes in the administrative costs to collect unpaid Assessments or the Association's bank charges. All late charges, collection fees, service charges and attorneys' fees assessed or incurred due to late payment of Assessments shall be charged to an Owner's Assessment account which shall be part of the delinquent Assessment and shall be payable and secured in the same manner as herein provided with regard to Assessments.

(f) **Interest on Past Due Amounts.** All Assessments past due more than thirty (30) days, unpaid fines and other amounts owed to the Association by any Owner which are not paid when due shall bear interest from the date due until paid at the rate of eighteen percent (18%) per annum, but not in excess of the maximum rate allowed by applicable law.

(g) **Suspension of Right to Use Common Area.** In addition to the other powers herein granted, and after following the notice and hearing requirements contained in Sections 209.006 and 209.007 of the Texas Property Code, as amended, the Board may suspend the right of Owner to use any of the Common Area during the time that such Owner is indebted to the Association for any Assessment or other charges levied to the Owner's account pursuant to the terms of this Declaration.

(h) **Working Capital Contributions.** Upon acquisition of record title to a Lot by any Owner other than Declarant or an affiliate of Declarant, a contribution shall be made by or on behalf of such Owner to the working capital of the Association in an amount equal to

One Hundred Fifty Dollars and No Cents (\$150.00). This amount is not refundable, shall be in addition to, not in lieu of, the Maintenance Assessment levied on the Lot and shall not be considered an advance payment of any portion thereof. This amount shall be deposited into escrow and disbursed therefrom to the Association or to the Declarant if the Association is not yet established and shall be used for covering operating and other expenses incurred by the Association pursuant to the terms of this Declaration and the bylaws of the Association.

(i) **Transfer Fees and Fees for Issuance of Resale Certificates.** The Board may, at its sole discretion, enter into contracts with third parties to oversee the daily operation and management of the association. These third parties may, and probably will, have fees, which will be charged to an Owner for the transfer of a significant estate or fee simple title to a Lot and the issuance of a Resale Certificate. The Association or its agent shall not be required to issue a Resale Certificate until payment for the cost thereof has been received by the Association or its agent. Transfer fees and fees for the issuance of a Resale Certificate are not refundable and may not be regarded as a prepayment of or credit against regular or special assessments, and are in addition to the Working Capital Contribution in Section 6.5(i) above. This Section does not obligate the Board or any third party to levy such fees.

**Section 6.6 Working Capital Fund.** If the Association is holding working capital funds that have been collected from the proceeds of Lot sales after the final Lot owned by Declarant has been sold for development,, then such monies shall be used by the Association only for the following purposes and in the following order of priority: (I) to cover deficits, if any, from operations; and, (ii) to make further improvements to Common Area.

## **ARTICLE 7** **COMMON AREA**

**Section 7.1 Right to Use Common Areas.** Each Owner, the members of that Owner's immediate family, and the Owner's guests (provided guests are accompanied by an Owner) shall have the right to use the Common Area for its intended purposes as herein provided. The Declarant and the Association shall have the right to enter on and use the Common Areas at all times to exercise their rights or (in the case of the Association) perform its duties hereunder.

**Section 7.2 Specific Facilities.** Specific facilities, if any, to be located in the Common Area shall be determined by Declarant. The Declarant and the Board may promulgate reasonable rules and regulations for use of these facilities.

**Section 7.3 Maintenance of Common Areas.** The Association, or the Town, shall be solely responsible for all maintenance, repair, replacement, and improvement of the Common Areas. Declarant shall have no responsibility for maintenance, repair, replacement, or improvement of the Common Area after initial construction.

**Section 7.4 Risk of Loss - Use of Common Areas.** Each Owner shall be individually responsible and assume all risk of loss associated with its use of the Common Area and use by its family members and guests. Neither the Association, the Board, its members or officers, the Managing Agent nor Declarant shall have any liability to any Owner or their family members or



guests, or to any other Person, arising out of or in connection with the use, in any manner whatsoever, of the Common Area or any improvements comprising a part thereof from time to time. Each Owner and/or occupant of a Residence shall be liable to the Association for any damage to any portion of the Common Properties caused by the negligence or willful misconduct of the Owner or such occupant or their family, guests or invitees. Any cost of repair incurred by the Association as a result of such damage shall be charged to the Owner's assessment account, payable upon demand, and secured by the lien provided for in Article 6.

**Section 7.5 Conveyance of Common Area to Association.** Declarant shall convey the Common Area to the Association, free and clear of any liens, claims or encumbrances, not later than sixty (60) days after Declarant no longer owns a Lot in the Property.

## **ARTICLE 8** **SPECIFIC DECLARANT RIGHTS**

**Section 8.1 Rights to Annex.** Declarant may annex additional property to become a portion of the Property and thereafter be subject to the terms, provisions and conditions of these Covenants, provided that so long as the Class B membership provided for in Section 5.2(b) exists, any such annexation by Declarant may require the prior approval of HUD or VA. Declarant may exercise such right by recording a supplement to this Declaration in the Official Public Records of Denton County, Texas, subjecting such additional property to the terms and conditions hereof. No further action or approval shall be required or necessary for the Declarant to annex additional properties into the Property for the purpose of subjecting it to the Covenants. Any document subjecting additional property to the Declaration may also impose additional restrictions not found in this Declaration upon such additional property. Upon the annexation and platting of any additional property as herein provided, each lot described therein shall become a "Lot" for all purposes hereunder.

**Section 8.2 No Duty to Annex.** Nothing herein contained shall establish any duty or obligation on the part of Declarant or any member to annex any property to this Declaration and no owner of the property excluded from this Declaration shall have any right to have such property annexed thereto.

**Section 8.3 Effect of Annexation on Class B Membership.** In determining the number of Lots owned by Declarant for the purpose of Class B membership status according to Section 5.2 hereof, the total number of Lots covered by this Declaration, including all Lots annexed thereto, shall be considered. If Class B membership has previously lapsed but annexation of additional property restores the ratio of Lots owned by Declarant to the number required by Class B membership, such Class B membership shall be reinstated until it expires pursuant to the terms of Section 5.2.

**Section 8.4 Specific Declarant Rights to Amend Declaration.** So long as Declarant owns a Lot, Declarant, without joinder of the Board, the Association, or the other Owners, may amend this Declaration for any purpose including but without limitation, to correct any errors or to cause the Declaration to be in compliance with any Town or other governmental requirement

(including any requirements imposed by the Federal Housing Administration, the Veterans Administration, the Department of Housing and Urban Affairs, the Federal Home Loan Mortgage Corporation, or the Government National Mortgage Association).

**Section 8.5 Easement/Access Right.** Declarant reserves a general easement over all Streets, roads, rights of way, alleys and utility, maintenance, landscaping, wall and other easements in the Property and over the balance of the Common Area for access for the purpose of finishing development of the Property as a subdivision and as otherwise reasonably necessary to effect Declarant's rights hereunder. Such easements and rights shall expire at such time that Declarant no longer owns a Lot.

**Section 8.6 Assignment of Declarant Rights.** Declarant may assign its rights to a successor Declarant hereunder by execution of a written document, recorded in Official Public Records of Denton County, Texas, specifically stating that Declarant has assigned its rights as such to a designated assignee and declaring such assignee to be the new "Declarant" hereunder.

**Section 8.7 Declarant's Right to Install Improvements in Setback and Other Areas.** Declarant, in connection with development of the Property and construction of homes thereon, reserves the right but shall have no obligation to install or construct walls, fences, irrigation systems and other improvements in the setback areas (being the area on, along and/or between the boundary line of a Lot and the building or setback lines applicable to such Lot) and/or the following described areas: Adjacent to any Right-Of-Way greater than 50' wide. If Declarant exercises such right in a setback area, then such wall, fence, irrigation system, or other improvement shall be the property of the Owner (s) of the Lot(s) upon which or adjacent to these are located, and such Owner(s) shall maintain and repair any such improvement unless Declarant or the Association, by and through the Board, shall advise the Owner(s) in writing of its intent to assume such maintenance and repair obligations. If Declarant exercises such right in the above-described non-setback areas, then such wall, fence, irrigation system, or other improvement shall be the property of the Association. So long as it owns any Lot, Declarant shall have the right, but not the obligation, to maintain and repair any such non-setback area improvements; otherwise, the Association shall assume the maintenance and repair or it may abandon such improvements at its discretion. If the Town requires the maintenance, repair, or removal of any such non-setback area improvements, the Association shall assume such responsibility at its expense. If the Association so abandons such non-setback area improvements or is properly dissolved, then the Owner(s) of the Lot(s) on or adjacent to which such improvements are located shall assume maintenance and repair at its expense.

**Section 8.8 Replatting or Modification of Plat.** From time to time, Declarant reserves the right to replat the Property or to amend or modify the Plat in order to assure a harmonious and orderly development of the Property as herein provided. Declarant may exercise such rights so long as it owns any Lot and no joinder of any other Owner shall be required to give effect to such rights, each Owner consenting to Declarant's execution of any replat on such Owner's behalf. However, any such replatting or amendment of the Plat shall be with the purpose of efficiently and economically developing the Property for the purposes herein provided or for compliance with any applicable governmental regulation. Declarant's rights under this Section 8.8 shall expire at such time Declarant no longer owns a Lot.

**Section 8.9 Limitation of Declarant Liability.** The Declarant shall not be responsible or liable for any deficit in the Association's funds. Declarant may, but is under no obligation to, subsidize any liabilities incurred by the Association and the Declarant may, but is not obligated to, lend funds to the Association to enable it to defray its expenses, provided the terms of such loans are on reasonable market conditions at the time.

**Section 8.10 Termination of Declarant's Responsibilities.** In consideration of Declarant's deficit funding of the Association, if any, upon the occurrence of any of the following events: (i) conversion of Declarant's Class B membership status to Class A membership status; (ii) completion of any facilities in the Common Area by Declarant; or (iii) assignment of Declarant's rights hereunder pursuant to Section 8.6, then and in such event Declarant shall be fully released, relieved and forever discharged from any further duty or obligation to the Association or any of its members as Declarant by reason of the terms and conditions of this Declaration including any amendments thereof or supplements thereto, save and except the duties and obligations, if any, of Declarant as a Class A member by reason of Declarant's continued ownership of one or more Lots, but not otherwise. Further, and without regard to whether or not Declarant has been released from obligations and duties to the Association, so long as Declarant holds record title to at least one (1) Lot and holds same for sale in the ordinary course of business, neither the Association nor its Board, nor any member of the Association shall take any action that will impair or adversely affect the rights of the Declarant or cause the Declarant to suffer any financial, legal or other detriment, including but not limited to, any direct or indirect interference with the sale of Lots. In the event there is a breach of this Section, it is acknowledged that any monetary award which may be available would be an insufficient remedy and therefore, in addition to all other remedies, the Declarant shall be entitled to injunctive relief restraining the Association, its Board or any member of the Association from further breach of this Section.

## **ARTICLE 9** **MISCELLANEOUS PROVISIONS**

**Section 9.1 Term and Renewal.** These Covenants shall commence on the date hereof and shall continue in effect for a period of thirty (30) years. Thereafter these Covenants shall automatically renew for subsequent periods of ten (10) years each unless Owners owning at least seventy percent (70%) of the Lots elect to terminate these Covenants by written instrument recorded in the Official Public Records of Denton County, Texas.

**Section 9.2 Enforcement.** The terms, provisions and conditions of this Declaration, any Design Guidelines, rule or regulation of the Association shall be enforceable by Declarant, the ACC, the Association, and each Owner in accordance with the enforcement policy. The Board shall have the power and authority to impose reasonable fines for violation of this Declaration, any Design Guidelines or any rule or regulation of the Association, which shall constitute a lien upon the Lot of the violating Owner as provided in the Declaration, and to suspend the Owner's right to vote or any Person's right to use of the Common Area. Each day the violation continues to exist shall constitute a separate violation. If any occupant, guest, or invitee of a Lot violates the Declaration, any Design Guidelines or a rule or regulation of the

Association and a fine is imposed, the fine shall first be assessed against such occupant, guest, or invitee; provided, however, if such occupant, guest, or invitee does not pay the fine within thirty (30) days after written demand for payment from the Association, the Owner shall pay the fine upon notice from the Association. The failure of the Board to enforce any provision of the Declaration, any Design Guidelines or any rule or regulation of the Association shall not operate as a waiver of the right of the Board to do so thereafter.

**Section 9.3 General Easement for Encroachments, Access, Maintenance and Utilities.** Each Owner grants to the Association, the Board, the Declarant and the other Owners a general easement for the maintenance of any minor encroachments of Common Area facilities over adjoining Lots and for access to and from each Owner's Lot through driveways, rights of way and easements as reflected on the Plat for the purpose of giving effect to the provisions of these Covenants.

**Section 9.4 Amendment of Declaration.** These Covenants may be amended by Declarant as provided in Section 8.4. In addition, the Declaration may be amended at any time and in any respect with the approval of Owners owning at least sixty seven percent (67%) of the Lots; provided, however, that no such amendment shall be effective unless joined in by Declarant until such time as Declarant no longer owns a Lot. In addition, so long as the Class B membership provided for in Section 5.2(b) exists, any amendment of these Covenants may, at Declarant's discretion, require the prior approval of HUD or VA.

**Section 9.5 Town Provisions.** All construction within the Property shall also comply with all applicable Town ordinances and regulations. If any ordinance or regulation imposed by the Town imposes more demanding, extensive or restrictive requirements than those set forth in this Declaration, such requirements shall govern. No ordinance or regulations adopted by the Town shall lessen the requirements set forth in these Covenants.

**Section 9.6 HUD/VA Approval.** Should any approval from HUD or VA be required under the terms of this Declaration, Declarant shall forward such request for approval to HUD and/or VA. If neither HUD nor VA notify Declarant of any objection to the request for approval within twenty (20) days of the date such request for approval was forwarded to HUD or VA, then such approval shall be deemed to have been granted.

**Section 9.7 Notices.** Any notice required to be given to any Owner under the terms of this Declaration shall be deemed to have been properly delivered when deposited with the United States Postal Service, postage prepaid, properly addressed to the addressee. Each Lot Owner's address for purpose of notice hereunder shall be deemed to be the Residence located on its Lot. If at any time a Lot is sold, the new Owner shall have the sole obligation to promptly notify the Association and its Managing Agent of the name and mailing address of the new Owner and shall be responsible for any cost, charge or expense added to the account after such Owner obtained title which may have otherwise been avoided if the above information was promptly delivered to the Association and the Managing Agent.

**Section 9.8 Indemnification.** Neither the Declarant, including any of its officers, directors, employees or agents, nor any officer, director or agent of the Association, nor any

member of the ACC or the Managing Agent shall be liable to any Person, Owner or any person claiming by or through any Owner or otherwise for any act or omission in the performance of the duties of such Declarant or officer, director or agent of the Association, the Managing Agent, or member of the ACC except only if such act or omission should be judicially declared to constitute fraud or intentional willful misconduct. The Association shall and does hereby agree to indemnify the Declarant, including any of its officers, directors, agents or employees, the officers, directors and agents of the Association, the Managing Agent and the members of the ACC against all claims, demands, actions and proceedings and all expenses in connection therewith arising from the good faith exercise of their duties pursuant to this Declaration.

**Section 9.9 Severability.** If any of the terms hereof shall be invalid by a court of competent jurisdiction, such invalidity shall not affect the other provisions of these Covenants, which shall be in full force and effect.

**Section 9.10 Acceptance by Owners of Rights and Obligations.** By the recording of a deed or other conveyance transferring all or part of an interest in a Lot subject to this Declaration, the person or entity to whom such Lot or interest is conveyed shall be deemed to accept and agree to be bound by and subject to all the provisions of the Declaration, any Design Guidelines, the articles and bylaws of the Association, including any rules or regulations adopted or promulgated by the Association, whether or not mention thereof is made in said deed.

**Section 9.11 Arbitration of Disputes Involving Declarant.**

(a) **Dispute Resolution Procedure.** The Declarant and any Owner or Builder will attempt in good faith to resolve promptly by negotiation any and all decisions, controversies and disputes arising under, out of or relating to the Declaration or the relationships contemplated hereby. If such negotiation is unsuccessful, any party by written demand on the other party may request that the dispute be mediated, and all parties agree to participate in good faith in such mediation. The mediation shall be scheduled within fourteen (14) days after the requesting party's written demand. The mediation shall take place in Dallas, Texas, and the mediator shall be an attorney practicing mediation in Dallas, Texas. If the parties are unable to jointly select a mediator, one shall be appointed by the Attorney-Mediators Institute. The parties shall share equally any mediation fees and expenses. If such mediation does not result in a resolution of the decision, controversy or dispute, such decision, controversy or dispute shall be settled by binding arbitration in accordance with the procedures and conditions set further herein.

(b) Except as modified herein, the Federal Arbitration Act, 9 U.S.C. § 1, et seq., shall apply to any arbitration hereunder.

(c) Any arbitration proceedings hereunder shall be conducted in the City of Dallas, Texas; provided, however, the location of any depositions conducted in connection with any arbitration proceeding hereunder shall be governed by the Federal Rules of Civil Procedure as provided in Paragraph (h) hereof. The arbitration shall be administered by the American Arbitration Association ("AAA"), or its successor, pursuant to the expedited procedures (irrespective of the amount in controversy) of the AAA's then-prevailing Commercial Arbitration Rules (the "Rules"), subject to the limitations and modifications set forth herein.

(d) Notice of a demand for arbitration pursuant to this Procedure (the "Notice to Arbitrate") shall be made in writing and delivered to the other party by personal delivery or by certified or registered mail, return receipt requested. The Notice to Arbitrate shall be accompanied by a short and plain statement of the party's claim(s), the grounds for same and the relief sought. Within seven (7) days of receipt of the Notice to Arbitrate, the other party shall set forth in writing and deliver to the other party by personal delivery or certified or registered mail, return receipt requested, an answer setting forth its response to the claim for relief, as well as any affirmative defenses and counterclaims.

(e) The arbitration shall be before one neutral arbitrator (the "Arbitrator") to be selected in accordance with the Rules (as modified herein). In the event the parties cannot agree upon an Arbitrator within ten (10) business days from receipt of the Notice to Arbitrate, the Arbitrator shall be selected in the following manner:

(i) The AAA shall submit to the parties an initial (or if needed subsequent) list of five (5) proposed arbitrators drawn from the AAA National Panel of Commercial Arbitrators. Each party may, within five (5) business days, exercise challenges for cause and up to two (2) peremptory strikes of the names appearing on the list.

(ii) In the event more than one name remains after the exercise of all strikes and challenges for cause, the AAA shall select the Arbitrator from among the remaining names.

(iii) In any event, no person shall serve as Arbitrator who has a bias, or financial or personal interest, in the result of the arbitration or any past or present relationship with the parties or their representatives, parents, subsidiaries or related entities, unless such relationship is disclosed in writing to the parties and all parties nevertheless approve in writing such person as Arbitrator.

(f) It is the express intention of the parties hereto that, except as otherwise expressly provided herein and subject to the terms and provisions of the Contract, the Arbitrator shall be authorized and empowered to award any and all relief, at law or in equity, that could be granted by a court of competent jurisdiction. By way of example and not limitation, the Arbitrator may order or grant damages, specific performance of any obligation of a party, injunctive relief, pre- and post-judgment interest, attorneys' fees, costs and/or sanctions for abuse or frustration of the arbitration process.

(g) It shall be the responsibility of each party to timely comply with the Arbitrator's requests for payment of his or her fees. Any party who has not complied with any such request within ten (10) calendar days thereof shall be deemed in default of this Contract and the Arbitrator may enter a default judgment against such party on the merits.

(h) The parties shall have the right to conduct and enforce pre-hearing discovery in accordance with the Federal Rules of Civil Procedure then in effect for the Northern District of Texas, including any Local Rules (collectively, the "Court Rules"), subject to the following:

- (i) The parties shall make the voluntary disclosures described in the Court Rules (except those applicable to expert witnesses) within thirty (30) days after the appointment of the Arbitrator. The identity and report of each expert witness, as well as all other disclosures described in the Court Rules, shall be disclosed to the other party no later than forty-five (45) days after the appointment of the Arbitrator.
- (ii) Each party may serve a request for production of tangible and documentary evidence. Responses to a request for production shall be due fifteen (15) days after receipt.
- (iii) Each party may serve no more than one set of interrogatories limited to no more than thirty (30) questions, including subparts. Answers to interrogatories shall be due fifteen (15) days after receipt.
- (iv) Each party may depose each expert witness and up to, but no more than, three (3) other witnesses; provided, however, each party will be limited to no more than a total of eighteen (18) hours of deposition time in the aggregate for non-expert witnesses.
- (v) All discoveries must be completed within forty-five (45) days after appointment of the Arbitrator (the "Discovery Deadline").
- (vi) The Arbitrator, for good cause shown, may, upon motion and three (3) days' notice to all parties, extend any of the discovery deadlines set forth herein for a period not to exceed fourteen (14) days.
- (vii) The Arbitrator shall have the right and authority to decide any and all discovery disputes. The Arbitrator shall be empowered to issue subpoenas and any and all process and orders permitted under the Rules to compel cooperation in the discovery and otherwise enforce the discovery rights and obligations of the parties.
- (l) The Arbitrator, within ten (10) days of his or her appointment, shall conduct a pre-hearing conference (the "Pre-Hearing Conference"). The parties shall be prepared to discuss discovery matters, schedule the Additional Conference and Arbitration Hearing, decide procedural matters and address all other questions that may be presented.
- (j) Within ten (10) days after the Discovery Deadline, the Arbitrator shall hold an additional conference (the "Additional Conference") to set dates for the exchange of witness and exhibit lists, deposition testimony designations, testimony summaries and arbitration briefs, determine the length of the Arbitration Hearing, and address any and all other questions that may be presented.
- (k) The arbitration hearing (the "Arbitration Hearing") shall commence within twenty (20) days after the date of the Additional Conference, unless otherwise agreed by the parties. For good cause shown, the Arbitrator may grant no more than one (1) continuance per party of a duration not to exceed twenty (20) days each. Unless otherwise agreed by the parties or ordered by the Arbitrator for good cause shown, the Arbitration Hearing shall continue from day-to-day

for such period of time (not to exceed five (5) days) as may be set by the Arbitrator. Each party shall have equal time for presentation and rebuttal, unless otherwise agreed by the parties. The parties may present evidence, at their option, in the form of testimony (live and/or by deposition), documents and other tangible evidence, or testimony summaries, or any combination thereof, provided, however, that the testimony of expert witnesses (other than rebuttal testimony) shall be presented solely in the form of written reports. The Arbitrator shall, upon timely request by a party or if otherwise required by law, require witnesses to testify under oath administered by a duly qualified person. Any party may, at its own cost and three (3) days notice to all other parties, arrange for a stenographic record of the proceedings. Such record shall be made available for inspection and copying by all other parties and the Arbitrator.

(l) The Arbitrator shall issue and deliver to each party a written and signed award (the "Arbitration Award") within fourteen (14) days after the conclusion of the Arbitration Hearing. The arbitration Award shall contain the factual and legal basis for such award. The Arbitration Award shall, in addition to the relief granted therein, award attorneys' fees and costs to the prevailing party as the Arbitrator may determine in light of all of the circumstances. The term "costs" shall include, but is not necessarily limited to, court costs, the Arbitrator's fees, administrative fees, travel expenses and out-of-pocket expenses such as copying charges, telephone expenses and witness fees (including expert witness fees). The Arbitration Award shall be binding upon the parties in accordance with its terms provided that the Arbitration Award is rendered, and the Arbitration proceedings are conducted, in accordance with the terms and provisions of this Contract.

(m) The Arbitration Award shall be presented by any party to the United States District Court for the Northern District of Texas for entry of a judgment thereon, or to vacate all or any portion thereof, in accordance with the Federal Arbitration Act. In the event that the Arbitration Award is vacated in part or in whole, then the parties each agree to promptly resubmit such vacated matters to the Arbitrator who issued the original Arbitration Award, provided, however, that if a basis for such vacatur is the Arbitrator's partiality, corruption or failure to follow the terms and provisions of this Contract, or if the original Arbitrator is not able to continue to serve, then the parties shall select a new Arbitrator in the manner provided in Paragraph (c) hereof.

(n) Other Dispute Resolutions. Notwithstanding Declarant's and Owner's intent to submit any controversy or claim arising out of or relating to this Declaration to arbitration, in the event that a court of competent jurisdiction shall determine or a relevant law shall provide that a particular dispute is not subject to the arbitration provisions in this Section, then the parties agree to the following provisions:

(o) Waiver of Trial by Jury. EACH OWNER ACKNOWLEDGES THAT THIS DECLARATION IS A SOPHISTICATED LEGAL DOCUMENT. ACCORDINGLY, JUSTICE WILL BEST BE SERVED IF ISSUES REGARDING THIS DECLARATION ARE HEARD BY A JUDGE IN A COURT PROCEEDING, AND NOT A JURY. EACH OWNER AGREES THAT ANY CLAIM, DEMAND, ACTION, OR CAUSE OR ACTION, WITH



RESPECT TO ANY ACTION, PROCEEDING, CLAIM, COUNTERCLAIM, OR CROSSCLAIM, WHETHER IN CONTRACT AND/OR IN TORT (REGARDLESS IF THE TORT ACTION IS PRESENTLY RECOGNIZED OR NOT), BASED ON, ARISING OUT OF, IN CONNECTION WITH OR IN ANY WAY RELATED TO THIS DECLARATION, ANY COURSE OF CONDUCT, COURSE OF DEALING, VERBAL OR WRITTEN STATEMENT, VALIDATION, PROTECTION, ENFORCEMENT ACTION OR OMISSION OF ANY PARTY SHALL BE HEARD BY A JUDGE IN A COURT PROCEEDING AND NOT A JURY.

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Executed by Declarant as of the date set forth above.

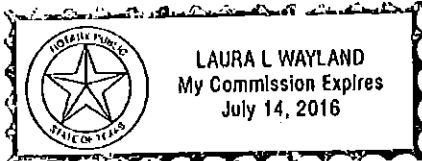
**BDMR DEVELOPMENT, LLC**  
a Texas limited liability company

By: *Mehrdad Moayed*, Manager

STATE OF TEXAS           §  
COUNTY OF DENTON   §

BEFORE ME, the undersigned authority, on this day personally appeared *Mehrdad Moayed* Manager of BDMR DEVELOPMENT, LLC, a Texas limited liability company, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this *28* day of *March*, 2013.



*Laura Wayland*  
Notary Public, State of Texas

My Commission Expires: \_\_\_\_\_

**ACKNOWLEDGMENT AND  
DECLARATION OF RESTRICTIVE COVENANTS**

This Acknowledgment and Declaration of Restrictive Covenants is made by Ashton Dallas Residential, L.L.C., a Texas limited liability company (hereinafter "Ashton Dallas") and First Texas Homes, Inc., a Texas corporation (hereinafter "First Texas") as follows:

Canterbury Hills is an addition to the Town of Trophy Club, Denton County, Texas according to the plat recorded and more fully described in Exhibits A and B hereto (hereinafter "Canterbury Hills");

BDMR DEVELOPMENT, LLC, a Texas limited liability company, as the Declarant, originally owned all the Lots and Blocks within Canterbury Hills. Declarant initiated and proposed the Canterbury Hills development with the intent and understanding of those who purchased properties within any phase of the Canterbury Hills development that each property would be annexed and governed by the general plan or scheme of development contained in the Declaration of Covenants, Conditions and Restrictions for Canterbury Hills HOA ("Declaration"), recorded in or to be recorded in the Real Property Records of Denton County, Texas prior to the conveyance of title to any property in each phase of the Canterbury Hills development. Thus, each and every purchaser or owner in the Canterbury Hills development would be bound by the Declaration and the restrictions and covenants contained therein, including but not limited to, the responsibility and obligation for the payment of assessments.

Ashton Dallas and First Texas were apprised of Declarant's intent to create, implement, and market a general plan or scheme of development for the Canterbury Hills development. Ashton Dallas and First Texas acquired the property from Declarant subject to the terms and conditions of the Declaration. Ashton Dallas and First Texas marketed a general plan or scheme of development to subsequent purchasers and/or owners. Ashton Dallas and First Texas agree and acknowledge that all lots and property purchased from Declarant are bound and subject to the terms and conditions of the Declaration, and that any subsequent conveyance of same shall be subject to the terms and conditions of the Declaration, including any amendments and supplements thereto.

**(SIGNATURE PAGES TO FOLLOW)**

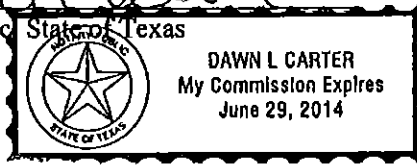
ASHTON DALLAS RESIDENTIAL, L.L.C.,  
a Texas limited liability company

By: [Signature]  
Tom Houser, Division President

STATE OF TEXAS §  
COUNTY OF Dallas §

BEFORE ME, the undersigned authority, on this day personally appeared Tom Houser, Division President of ASHTON DALLAS RESIDENTIAL, L.L.C., a Texas limited liability company, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 28 day of March, 2013.

[Signature]  
Notary Public, State of Texas  


My Commission Expires: June 29, 2014

FIRST TEXAS HOMES, INC.,  
a Texas corporation

By: \_\_\_\_\_  
Randall Van Wolfswinkel, President

STATE OF TEXAS §  
COUNTY OF \_\_\_\_\_ §

BEFORE ME, the undersigned authority, on this day personally appeared Randall Van Wolfswinkel, President of FIRST TEXAS HOMES, INC., a Texas corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this \_\_\_ day of \_\_\_\_\_, 2013.

\_\_\_\_\_  
Notary Public, State of Texas

My Commission Expires: \_\_\_\_\_

ASHTON DALLAS RESIDENTIAL, L.L.C.,  
a Texas limited liability company

By: \_\_\_\_\_  
\_\_\_\_\_, Division President

STATE OF TEXAS §  
COUNTY OF \_\_\_\_\_ §

BEFORE ME, the undersigned authority, on this day personally appeared \_\_\_\_\_, Division President of ASHTON DALLAS RESIDENTIAL, L.L.C., a Texas limited liability company, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this \_\_\_ day of \_\_\_\_\_, 2013.

\_\_\_\_\_  
Notary Public, State of Texas

My Commission Expires: \_\_\_\_\_

FIRST TEXAS HOMES, INC.,  
a Texas corporation

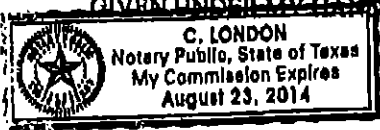
By: [Signature]  
~~Randall Van Wolfswinkel, President~~  
Keith Hardisty, DFW Division President

STATE OF TEXAS §  
COUNTY OF Dallas §

Keith Hardisty

Division President BEFORE ME, the undersigned authority, on this day personally appeared ~~Randall Van Wolfswinkel, President~~ of FIRST TEXAS HOMES, INC., a Texas corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 28 day of March, 2013.



[Signature]  
Notary Public, State of Texas

My Commission Expires: Aug. 23, 2014

**EXHIBIT A  
ZONING DESCRIPTION  
TRACT 1 – 59.225 ACRES**

BEING A 59.225 ACRE TRACT OF LAND SITUATED IN THE M. MEDLIN SURVEY, ABSTRACT NO. 832, TOWN OF TROPHY CLUB, DENTON COUNTY, TEXAS, AND BEING ALL OF A CALLED 64.296 ACRE TRACT OF LAND, CONVEYED AS TRACT III, NEIGHBORHOOD 10 TO BDMR DEVELOPMENT, LLC, BY DEED RECORDED IN COUNTY CLERK'S FILE NO. 2007-82834, REAL PROPERTY RECORDS, DENTON, TEXAS. SAID 59.225 ACRE TRACT, WITH REFERENCE BEARING BASIS BEING GRID NORTH, TEXAS STATE PLANE COORDINATES, NORTH CENTRAL ZONE, NAD83 (CORS96, EPOCH DATE 2002), DETERMINED BY GPS OBSERVATIONS ON JULIAN DAY 213, 2006 CALCULATED FROM ARLINGTON RRP2 CORS ARP (PID-DF5387), SAGINA W TX CORS ARP (PID-DH7149) AND DENTON CORS ARP (PID-DF8986), BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID TRACT III AND A COMMON NORTHWEST CORNER OF LOT 1, BLOCK A OF EAGLES RIDGE, PHASE I, AN ADDITION TO THE TOWN OF TROPHY CLUB ACCORDING TO THE PLAT RECORDED IN CABINET M, PAGE 150, PLAT RECORDS, DENTON COUNTY, TEXAS, SAID POINT BEING ON THE SOUTH LINE OF CALLED 240 ACRE TRACT OF LAND CONVEYED AS TRACT E-405 TO THE UNITED STATES OF AMERICA, BY DEED RECORDED IN VOLUME 370, PAGE 208, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS;

THENCE, ALONG THE EAST LINE OF SAID TRACT III AND THE COMMON WEST LINE OF SAID EAGLES RIDGE, PHASE I, THE FOLLOWING COURSES AND DISTANCES:

SOUTH 24 DEGREES 48 MINUTES 13 SECONDS EAST, A DISTANCE OF 206.44 FEET TO A 1/2" IRON ROD FOUND WITH PLASTIC CAP STAMPED "McCULLAH" FOUND FOR CORNER;

SOUTH 02 DEGREES 42 MINUTES 39 SECONDS WEST, A DISTANCE OF 114.30 FEET TO A 5/8" IRON ROD FOUND WITH PLASTIC CAP STAMPED "NELSON" FOUND FOR CORNER;

NORTH 88 DEGREES 32 MINUTES 42 SECONDS WEST, A DISTANCE OF 136.99 FEET TO A 5/8" IRON ROD FOUND WITH PLASTIC CAP STAMPED "NELSON" FOUND FOR CORNER;

SOUTH 01 DEGREES 27 MINUTES 18 SECONDS WEST, A DISTANCE OF 40.14 FEET TO A 1/2" IRON ROD FOUND WITH PLASTIC CAP STAMPED "McCULLAH" FOUND FOR CORNER;

NORTH 88 DEGREES 32 MINUTES 42 SECONDS WEST, A DISTANCE OF 50.00 FEET TO A 5/8" IRON ROD FOUND WITH PLASTIC CAP STAMPED "NELSON" FOUND FOR CORNER;

SOUTH 01 DEGREES 27 MINUTES 18 SECONDS WEST, A DISTANCE OF 40.00 FEET TO A 1/2" IRON ROD FOUND WITH PLASTIC CAP STAMPED "McCULLAH" FOUND FOR CORNER;

NORTH 88 DEGREES 32 MINUTES 42 SECONDS WEST, A DISTANCE OF 135.00 FEET TO A FENCE CORNER FOUND FOR CORNER;

SOUTH 01 DEGREES 27 MINUTES 18 SECONDS WEST, A DISTANCE OF 90.00 FEET TO A 5/8" IRON ROD FOUND FOR CORNER;

NORTH 88 DEGREES 32 MINUTES 42 SECONDS WEST, A DISTANCE OF 225.00 FEET TO A 1/2" IRON ROD FOUND WITH PLASTIC CAP STAMPED "T. VOOT #1928" FOUND FOR CORNER;

SOUTH 01 DEGREES 27 MINUTES 18 SECONDS WEST, A DISTANCE OF 328.91 FEET TO A 1/2" IRON ROD FOUND FOR THE SOUTHWEST CORNER OF SAID EAGLES RIDGE, PHASE I AND A COMMON NORTHWEST CORNER OF LOT 1, BLOCK 1 OF TROPHY CLUB COUNTRY CLUB, AN ADDITION TO THE TOWN OF TROPHY CLUB, AS RECORDED IN CABINET X, PAGE 454, PLAT RECORDS, DENTON COUNTY, TEXAS;

THENCE, ALONG THE SOUTH LINE OF SAID TRACT III AND THE COMMON NORTH LINE OF SAID LOT 1, BLOCK 1, THE FOLLOWING COURSES AND DISTANCES:

SOUTH 44 DEGREES 34 MINUTES 48 SECONDS WEST, A DISTANCE OF 1034.92 FEET TO A 5/8" IRON ROD FOUND WITH PLASTIC CAP STAMPED "NELSON" FOUND FOR CORNER;

SOUTH 58 DEGREES 58 MINUTES 10 SECONDS WEST, A DISTANCE OF 619.77 FEET TO A 5/8" IRON ROD FOUND WITH PLASTIC CAP STAMPED "NELSON" FOUND FOR CORNER;

NORTH 19 DEGREES 44 MINUTES 33 SECONDS WEST, A DISTANCE OF 586.11 FEET TO A 5/8" IRON ROD FOUND WITH PLASTIC CAP STAMPED "NELSON" FOUND FOR CORNER;

NORTH 46 DEGREES 10 MINUTES 46 SECONDS WEST, A DISTANCE OF 641.45 FEET TO A 5/8" IRON ROD FOUND WITH PLASTIC CAP STAMPED "NELSON" FOUND FOR CORNER;

SOUTH 67 DEGREES 01 MINUTES 50 SECONDS WEST, A DISTANCE OF 262.69 FEET TO A 5/8" IRON ROD FOUND WITH PLASTIC CAP STAMPED "NELSON" FOUND FOR CORNER;

NORTH 13 DEGREES 43 MINUTES 38 SECONDS WEST, A DISTANCE OF 101.79 FEET TO A 5/8" IRON ROD FOUND WITH PLASTIC CAP STAMPED "NELSON" FOUND FOR CORNER;

NORTH 88 DEGREES 01 MINUTES 58 SECONDS WEST, A DISTANCE OF 77.58 FEET TO A 5/8" IRON ROD FOUND WITH PLASTIC CAP STAMPED "NELSON" FOUND FOR CORNER;

SOUTH 84 DEGREES 45 MINUTES 27 SECONDS WEST, A DISTANCE OF 76.46 FEET A POINT FOR A SOUTHWEST CORNER OF SAID TRACT III AND A COMMON SOUTHEAST CORNER OF LOT 2, BLOCK A OF THE GOLF MAINTENANCE FACILITY ADDITION, AN ADDITION TO THE TOWN OF TROPHY CLUB ACCORDING TO THE PLAT RECORDED IN CABINET X, PAGE 813, PLAT RECORDS, DENTON COUNTY, TEXAS;

THENCE, NORTH 18 DEGREES 40 MINUTES 13 SECONDS WEST, ALONG THE WEST LINE OF SAID TRACT III AND THE COMMON EAST LINE OF SAID GOLF MAINTENANCE FACILITY ADDITION, A DISTANCE OF 555.04 FEET TO A POINT FOR THE NORTHEAST CORNER OF LOT 1, BLOCK A OF SAID GOLF MAINTENANCE FACILITY ADDITION;

THENCE, NORTH 00 DEGREES 58 MINUTES 48 SECONDS WEST, OVER AND ACROSS SAID TRACT III, A DISTANCE OF 275.43 FEET TO A POINT FOR CORNER OF THE NORTH LINE OF SAID TRACT III, AND THE COMMON SOUTH LINE OF AFORESAID TRACT E-405;

THENCE, NORTH 89 DEGREES 01 MINUTES 12 SECONDS EAST, ALONG THE NORTH LINE OF SAID TRACT III AND THE COMMON SOUTH LINE OF SAID TRACT E-405, A DISTANCE OF 1025.79 FEET TO A CONCRETE MONUMENT FOUND FOR CORNER;

THENCE, OVER AND ACROSS SAID TRACT III, THE FOLLOWING COURSES AND DISTANCES:

SOUTH 00 DEGREES 58 MINUTES 48 SECONDS EAST, A DISTANCE OF 135.00 FEET TO A POINT FOR CORNER;

NORTH 89 DEGREES 01 MINUTES 12 SECONDS EAST, A DISTANCE OF 126.71 FEET TO A POINT FOR CORNER AND THE BEGINNING OF A CURVE TO THE RIGHT HAVING A RADIUS OF 50.00 FEET, A CENTRAL ANGLE OF 134 DEGREES 22 MINUTES 24 SECONDS, A CHORD THAT BEARS SOUTH 60 DEGREES 39 MINUTES 47 SECONDS EAST, WITH A CHORD DISTANCE OF 92.18 FEET;

ALONG SAID CURVE TO THE RIGHT, AN ARC DISTANCE OF 117.26 FEET TO A POINT FOR CORNER;

NORTH 79 DEGREES 15 MINUTES 20 SECONDS EAST, A DISTANCE OF 127.25 FEET TO A POINT FOR CORNER ON THE NORTH LINE OF SAID TRACT III AND THE COMMON SOUTH LINE OF SAID TRACT E-405;

THENCE, ALONG THE NORTH LINE OF SAID TRACT III AND THE COMMON SOUTH LINE OF SAID TRACT E-405, THE FOLLOWING COURSES AND DISTANCES:

SOUTH 10 DEGREES 44 MINUTES 40 SECONDS EAST, A DISTANCE OF 1040.78 FEET TO A BROKEN CONCRETE MONUMENT FOUND;

NORTH 28 DEGREES 23 MINUTES 01 SECONDS EAST, A DISTANCE OF 1362.65 FEET A 1/2" IRON ROD FOUND WITH PLASTIC CAP STAMPED "McCULLAH" FOUND FOR CORNER;

NORTH 88 DEGREES 57 MINUTES 19 SECONDS EAST, A DISTANCE OF 796.96 FEET TO THE POINT OF BEGINNING AND CONTAINING 59.225 ACRES OF LAND, MORE OR LESS.



**ZONING DESCRIPTION  
TRACT 3 - 2.769 ACRES**

BEING A 2.769 ACRE TRACT OF LAND SITUATED IN THE M. MEDLIN SURVEY, ABSTRACT NO. 832, TOWN OF TROPHY CLUB, DENTON COUNTY, TEXAS, AND BEING ALL OF A 2.769 ACRE TRACT OF LAND, CONVEYED TO BDMR DEVELOPMENT, LLC, BY DEED RECORDED IN COUNTY CLERK'S FILE NO. 2012-79620, REAL PROPERTY RECORDS, DENTON, TEXAS. SAID 2.769 ACRE TRACT, WITH REFERENCE BEARING BASIS BEING GRID NORTH, TEXAS STATE PLANE COORDINATES, NORTH CENTRAL ZONE, NAD83 (CORS96, EPOCH DATE 2002), DETERMINED BY GPS OBSERVATIONS ON JULIAN DAY 213, 2006 CALCULATED FROM ARLINGTON RRP2 CORS ARP (PID-DF5387), SAGINAW TX CORS ARP (PID-DH7149) AND DENTON CORS ARP (PID-DF8986), BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A 5/8" IRON ROD FOUND WITH PLASTIC CAP STAMPED "NELSON" FOUND FOR THE NORTHEAST CORNER OF AFORESAID 2.769 ACRE TRACT AND A COMMON INTERIOR ANGLE POINT ON A SOUTH LINE OF LOT 1, BLOCK 1 OF TROPHY CLUB COUNTRY CLUB, AN ADDITION TO THE TOWN OF TROPHY CLUB, AS RECORDED IN CABINET X, PAGE 454, PLAT RECORDS, DENTON COUNTY, TEXAS;

THENCE, SOUTH 06 DEGREES 01 MINUTES 29 SECONDS WEST, ALONG THE EAST LINE OF SAID 2.769 ACRE TRACT AND A COMMON WEST LINE OF SAID LOT 1, BLOCK 1, A DISTANCE OF 301.03 FEET TO A 1/2" IRON ROD FOUND WITH PLASTIC CAP STAMPED "McCULLAH" FOUND FOR CORNER;

THENCE, ALONG THE SOUTH LINE OF SAID 2.769 ACRE TRACT AND A COMMON NORTH LINE OF SAID LOT 1, BLOCK 1, THE FOLLOWING COURSES AND DISTANCES:

NORTH 81 DEGREES 52 MINUTES 18 SECONDS WEST, A DISTANCE OF 154.59 FEET A 5/8" IRON ROD FOUND WITH PLASTIC CAP STAMPED "NELSON" FOUND FOR CORNER;

SOUTH 46 DEGREES 11 MINUTES 14 SECONDS WEST, A DISTANCE OF 400.33 FEET A 5/8" IRON ROD FOUND WITH PLASTIC CAP STAMPED "NELSON" FOUND FOR CORNER;

NORTH 64 DEGREES 17 MINUTES 27 SECONDS WEST, A DISTANCE OF 33.51 FEET TO A 1/2" IRON ROD FOUND WITH PLASTIC CAP STAMPED "McCULLAH" FOR THE SOUTHWEST CORNER OF SAID 2.769 ACRE TRACT;

THENCE, ALONG THE WEST LINE OF SAID 2.769 ACRE TRACT AND A COMMON EAST LINE OF SAID LOT 1, BLOCK 1, THE FOLLOWING COURSES AND DISTANCES:

NORTH 17 DEGREES 32 MINUTES 17 SECONDS EAST, A DISTANCE OF 221.92 FEET A 5/8" IRON ROD FOUND WITH PLASTIC CAP STAMPED "NELSON" FOUND FOR CORNER;

NORTH 05 DEGREES 40 MINUTES 18 SECONDS WEST, A DISTANCE OF 114.49 FEET A 5/8" IRON ROD FOUND WITH PLASTIC CAP STAMPED "NELSON" FOUND FOR THE NORTHWEST CORNER OF SAID 2.769 ACRE TRACT;

THENCE, ALONG THE NORTH LINE OF SAID 2.769 ACRE TRACT AND A COMMON SOUTH LINE OF SAID LOT 1, BLOCK 1, THE FOLLOWING COURSES AND DISTANCES:

NORTH 58 DEGREES 32 MINUTES 05 SECONDS EAST, A DISTANCE OF 356.37 FEET A  
5/8" IRON ROD FOUND WITH PLASTIC CAP STAMPED "NELSON" FOUND FOR  
CORNER;

NORTH 78 DEGREES 47 MINUTES 18 SECONDS EAST, A DISTANCE OF 146.98 FEET  
TO POINT OF BEGINNING AND CONTAINING 2.769 ACRES OF LAND, MORE OR  
LESS.

SECTION	DATE	REVISIONS

**GENERAL NOTES:**

1. Reference is made to the survey map, Town North, Section 10, Township 10 North, Range 10 East, which shows the location of the survey area.
2. The survey was made by the Surveyor General, State of Michigan, under the authority of the Commission on the Survey of the State of Michigan.
3. The survey was made in accordance with the instructions of the Commission on the Survey of the State of Michigan.
4. The survey was made by the Surveyor General, State of Michigan, under the authority of the Commission on the Survey of the State of Michigan.
5. The survey was made in accordance with the instructions of the Commission on the Survey of the State of Michigan.
6. The survey was made by the Surveyor General, State of Michigan, under the authority of the Commission on the Survey of the State of Michigan.
7. The survey was made in accordance with the instructions of the Commission on the Survey of the State of Michigan.
8. The survey was made by the Surveyor General, State of Michigan, under the authority of the Commission on the Survey of the State of Michigan.
9. The survey was made in accordance with the instructions of the Commission on the Survey of the State of Michigan.
10. The survey was made by the Surveyor General, State of Michigan, under the authority of the Commission on the Survey of the State of Michigan.

**LEGAL DESCRIPTION:**

That certain lot or lots of land, situated in the Township of North, Range 10 East, Section 10, Township 10 North, Range 10 East, State of Michigan, as shown on the survey map, Town North, Section 10, Township 10 North, Range 10 East, which shows the location of the survey area.

The survey was made by the Surveyor General, State of Michigan, under the authority of the Commission on the Survey of the State of Michigan.

The survey was made in accordance with the instructions of the Commission on the Survey of the State of Michigan.

The survey was made by the Surveyor General, State of Michigan, under the authority of the Commission on the Survey of the State of Michigan.

The survey was made in accordance with the instructions of the Commission on the Survey of the State of Michigan.

**NEIGHBORHOOD-10**

**LEGAL DESCRIPTION:**

That certain lot or lots of land, situated in the Township of North, Range 10 East, Section 10, Township 10 North, Range 10 East, State of Michigan, as shown on the survey map, Town North, Section 10, Township 10 North, Range 10 East, which shows the location of the survey area.

The survey was made by the Surveyor General, State of Michigan, under the authority of the Commission on the Survey of the State of Michigan.

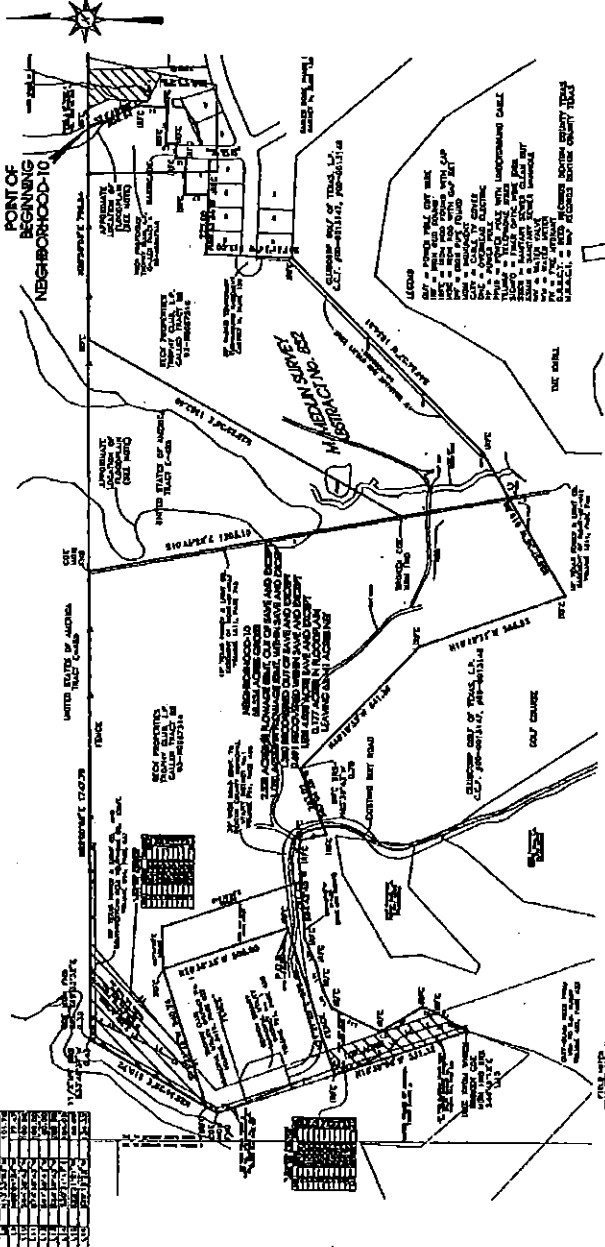
The survey was made in accordance with the instructions of the Commission on the Survey of the State of Michigan.

The survey was made by the Surveyor General, State of Michigan, under the authority of the Commission on the Survey of the State of Michigan.

The survey was made in accordance with the instructions of the Commission on the Survey of the State of Michigan.

**TABLE 1. LOT TABLE**

LOT NO.	ACRES	FRONT FEET	DEPTH FEET	TOTAL AREA
1	0.15	30	100	3000
2	0.15	30	100	3000
3	0.15	30	100	3000
4	0.15	30	100	3000
5	0.15	30	100	3000
6	0.15	30	100	3000
7	0.15	30	100	3000
8	0.15	30	100	3000
9	0.15	30	100	3000
10	0.15	30	100	3000



**LEGAL DESCRIPTION:**

That certain lot or lots of land, situated in the Township of North, Range 10 East, Section 10, Township 10 North, Range 10 East, State of Michigan, as shown on the survey map, Town North, Section 10, Township 10 North, Range 10 East, which shows the location of the survey area.

The survey was made by the Surveyor General, State of Michigan, under the authority of the Commission on the Survey of the State of Michigan.

The survey was made in accordance with the instructions of the Commission on the Survey of the State of Michigan.

The survey was made by the Surveyor General, State of Michigan, under the authority of the Commission on the Survey of the State of Michigan.

The survey was made in accordance with the instructions of the Commission on the Survey of the State of Michigan.

# LAND TITLE SURVEY

## NEIGHBORHOOD-10

### LEGAL DESCRIPTION

**IN THE MARY HELEN SURVEY, ABSTRACT No. 822**

**TOWNSHIP OF NORTH, RANGE 10 EAST, SECTION 10, TOWNSHIP 10 NORTH, RANGE 10 EAST, STATE OF MICHIGAN**



DATE THIS SURVEY MADE BY SURVEYOR: \_\_\_\_\_

DATE THIS SURVEY MADE BY SURVEYOR: \_\_\_\_\_

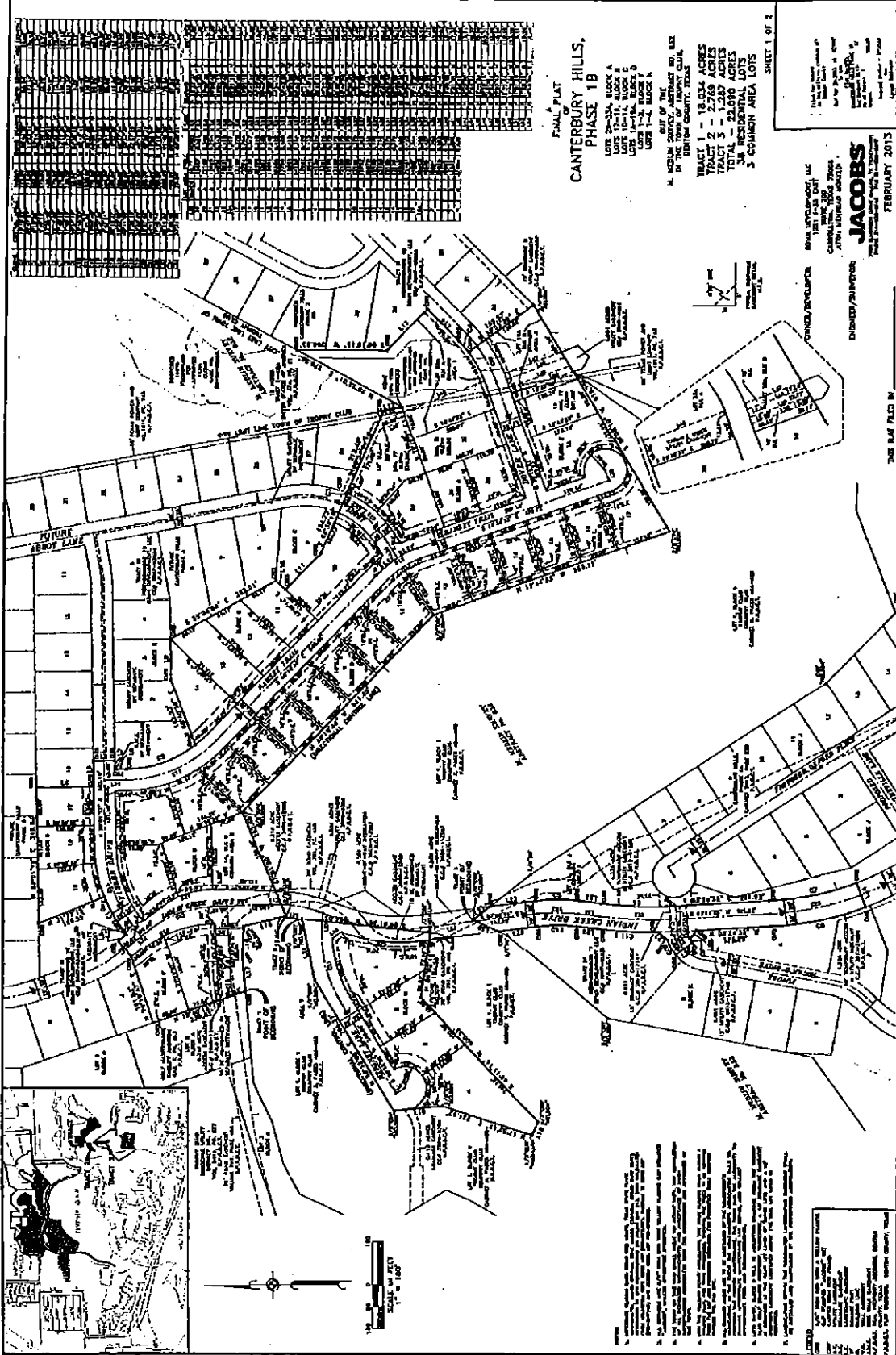
OWNER: \_\_\_\_\_

OWNER: \_\_\_\_\_

OWNER: \_\_\_\_\_

OWNER: \_\_\_\_\_

CANTERBURY HILLS, PHASE 1B



### FINAL PLAT OF CANTERBURY HILLS, PHASE 1B

LOTS 28-34, BLOCK A  
LOTS 35-41, BLOCK B  
LOTS 42-48, BLOCK C  
LOTS 49-55, BLOCK D  
LOTS 56-62, BLOCK E  
LOTS 63-69, BLOCK F  
LOTS 70-76, BLOCK G  
LOTS 77-83, BLOCK H  
LOTS 84-90, BLOCK I  
LOTS 91-97, BLOCK J  
LOTS 98-104, BLOCK K  
LOTS 105-111, BLOCK L  
LOTS 112-118, BLOCK M  
LOTS 119-125, BLOCK N  
LOTS 126-132, BLOCK O  
LOTS 133-139, BLOCK P  
LOTS 140-146, BLOCK Q  
LOTS 147-153, BLOCK R  
LOTS 154-160, BLOCK S  
LOTS 161-167, BLOCK T  
LOTS 168-174, BLOCK U  
LOTS 175-181, BLOCK V  
LOTS 182-188, BLOCK W  
LOTS 189-195, BLOCK X  
LOTS 196-202, BLOCK Y  
LOTS 203-209, BLOCK Z  
LOTS 210-216, BLOCK AA  
LOTS 217-223, BLOCK AB  
LOTS 224-230, BLOCK AC  
LOTS 231-237, BLOCK AD  
LOTS 238-244, BLOCK AE  
LOTS 245-251, BLOCK AF  
LOTS 252-258, BLOCK AG  
LOTS 259-265, BLOCK AH  
LOTS 266-272, BLOCK AI  
LOTS 273-279, BLOCK AJ  
LOTS 280-286, BLOCK AK  
LOTS 287-293, BLOCK AL  
LOTS 294-300, BLOCK AM  
LOTS 301-307, BLOCK AN  
LOTS 308-314, BLOCK AO  
LOTS 315-321, BLOCK AP  
LOTS 322-328, BLOCK AQ  
LOTS 329-335, BLOCK AR  
LOTS 336-342, BLOCK AS  
LOTS 343-349, BLOCK AT  
LOTS 350-356, BLOCK AU  
LOTS 357-363, BLOCK AV  
LOTS 364-370, BLOCK AW  
LOTS 371-377, BLOCK AX  
LOTS 378-384, BLOCK AY  
LOTS 385-391, BLOCK AZ  
LOTS 392-398, BLOCK BA  
LOTS 399-405, BLOCK BB  
LOTS 406-412, BLOCK BC  
LOTS 413-419, BLOCK BD  
LOTS 420-426, BLOCK BE  
LOTS 427-433, BLOCK BF  
LOTS 434-440, BLOCK BG  
LOTS 441-447, BLOCK BH  
LOTS 448-454, BLOCK BI  
LOTS 455-461, BLOCK BJ  
LOTS 462-468, BLOCK BK  
LOTS 469-475, BLOCK BL  
LOTS 476-482, BLOCK BM  
LOTS 483-489, BLOCK BN  
LOTS 490-496, BLOCK BO  
LOTS 497-503, BLOCK BP  
LOTS 504-510, BLOCK BQ  
LOTS 511-517, BLOCK BR  
LOTS 518-524, BLOCK BS  
LOTS 525-531, BLOCK BT  
LOTS 532-538, BLOCK BU  
LOTS 539-545, BLOCK BV  
LOTS 546-552, BLOCK BW  
LOTS 553-559, BLOCK BX  
LOTS 560-566, BLOCK BY  
LOTS 567-573, BLOCK BZ  
LOTS 574-580, BLOCK CA  
LOTS 581-587, BLOCK CB  
LOTS 588-594, BLOCK CC  
LOTS 595-601, BLOCK CD  
LOTS 602-608, BLOCK CE  
LOTS 609-615, BLOCK CF  
LOTS 616-622, BLOCK CG  
LOTS 623-629, BLOCK CH  
LOTS 630-636, BLOCK CI  
LOTS 637-643, BLOCK CJ  
LOTS 644-650, BLOCK CK  
LOTS 651-657, BLOCK CL  
LOTS 658-664, BLOCK CM  
LOTS 665-671, BLOCK CN  
LOTS 672-678, BLOCK CO  
LOTS 679-685, BLOCK CP  
LOTS 686-692, BLOCK CQ  
LOTS 693-699, BLOCK CR  
LOTS 700-706, BLOCK CS  
LOTS 707-713, BLOCK CT  
LOTS 714-720, BLOCK CU  
LOTS 721-727, BLOCK CV  
LOTS 728-734, BLOCK CW  
LOTS 735-741, BLOCK CX  
LOTS 742-748, BLOCK CY  
LOTS 749-755, BLOCK CZ  
LOTS 756-762, BLOCK DA  
LOTS 763-769, BLOCK DB  
LOTS 770-776, BLOCK DC  
LOTS 777-783, BLOCK DD  
LOTS 784-790, BLOCK DE  
LOTS 791-797, BLOCK DF  
LOTS 798-804, BLOCK DG  
LOTS 805-811, BLOCK DH  
LOTS 812-818, BLOCK DI  
LOTS 819-825, BLOCK DJ  
LOTS 826-832, BLOCK DK  
LOTS 833-839, BLOCK DL  
LOTS 840-846, BLOCK DM  
LOTS 847-853, BLOCK DN  
LOTS 854-860, BLOCK DO  
LOTS 861-867, BLOCK DP  
LOTS 868-874, BLOCK DQ  
LOTS 875-881, BLOCK DR  
LOTS 882-888, BLOCK DS  
LOTS 889-895, BLOCK DT  
LOTS 896-902, BLOCK DU  
LOTS 903-909, BLOCK DV  
LOTS 910-916, BLOCK DW  
LOTS 917-923, BLOCK DX  
LOTS 924-930, BLOCK DY  
LOTS 931-937, BLOCK DZ  
LOTS 938-944, BLOCK EA  
LOTS 945-951, BLOCK EB  
LOTS 952-958, BLOCK EC  
LOTS 959-965, BLOCK ED  
LOTS 966-972, BLOCK EE  
LOTS 973-979, BLOCK EF  
LOTS 980-986, BLOCK EG  
LOTS 987-993, BLOCK EH  
LOTS 994-1000, BLOCK EI

ACRES IN THE TRACT OF LANDY QUALITY  
IN THE CITY OF TROY, MICHIGAN

TRACT 1 - 2,306 ACRES  
TRACT 2 - 2,306 ACRES  
TRACT 3 - 2,306 ACRES  
TRACT 4 - 2,306 ACRES  
TRACT 5 - 2,306 ACRES  
TOTAL - 23,090 ACRES

34 RESIDENTIAL LOTS  
5 COMMON AREA LOTS

SHEET 1 OF 2

ENGINEER  
CIVIL ENGINEER  
JACOBS ENGINEERING GROUP, INC.  
FEBRUARY 2013  
THIS MAP FILED IN

PLAT

TO BE FILED WITH THE TOWN CLERK OF TROY, MICHIGAN

BY: JACOBS ENGINEERING GROUP, INC.

DATE: FEBRUARY 2013

**PROJECT DECLARATION**

I, the undersigned, hereby certify that the information furnished in this declaration is true and correct to the best of my knowledge and belief, and that the same has been prepared in accordance with the provisions of the Act.

*[Signature]*

**NOTARIAL CERTIFICATE**

I, the undersigned, a Notary Public for the State of Texas, do hereby certify that the foregoing declaration was read to and signed by the person named therein on the date and at the place stated.

*[Signature]*

**NOTARIAL CERTIFICATE**

I, the undersigned, a Notary Public for the State of Texas, do hereby certify that the foregoing declaration was read to and signed by the person named therein on the date and at the place stated.

*[Signature]*

**NOTARIAL CERTIFICATE**

I, the undersigned, a Notary Public for the State of Texas, do hereby certify that the foregoing declaration was read to and signed by the person named therein on the date and at the place stated.

*[Signature]*

**FINAL PLAY OF THE CANTEBURY HILLS, PHASE 1B**

LOTS 21-24A, BLOCK 8  
 LOTS 17-19, BLOCK 8  
 LOTS 10-16A, BLOCK 5  
 LOTS 1-2, BLOCK 4  
 LOTS 3-9, BLOCK 4

OUT OF THE  
 M. WELSH SURVEY, ABSTRACT NO. 432  
 IN THE COUNTY OF DALLAS, TEXAS

TRACT 1 - 18,034 ACRES  
 TRACT 2 - 2,749 ACRES  
 TRACT 3 - 1,287 ACRES  
 TOTAL - 22,070 ACRES  
 38 INCIDENTAL LOTS  
 3 COMMON AREA LOTS

**JACOBS**

ENGINEER/ARCHITECT

DATE: FEBRUARY 2013

THIS PLAN IS IN ACCORDANCE WITH THE ACT

**TRACT 1**

TRACT 1, BEING THE NORTH 1/4 OF THE NORTH 1/4 OF SECTION 36, TOWNSHIP 10N, RANGE 14E, COUNTY OF DALLAS, TEXAS, CONTAINS 18,034 ACRES, MORE OR LESS, AS SHOWN ON THE ATTACHED MAP.

**TRACT 2**

TRACT 2, BEING THE SOUTH 1/4 OF THE NORTH 1/4 OF SECTION 36, TOWNSHIP 10N, RANGE 14E, COUNTY OF DALLAS, TEXAS, CONTAINS 2,749 ACRES, MORE OR LESS, AS SHOWN ON THE ATTACHED MAP.

**TRACT 3**

TRACT 3, BEING THE WEST 1/4 OF THE NORTH 1/4 OF SECTION 36, TOWNSHIP 10N, RANGE 14E, COUNTY OF DALLAS, TEXAS, CONTAINS 1,287 ACRES, MORE OR LESS, AS SHOWN ON THE ATTACHED MAP.

**TRACT 4**

TRACT 4, BEING THE EAST 1/4 OF THE NORTH 1/4 OF SECTION 36, TOWNSHIP 10N, RANGE 14E, COUNTY OF DALLAS, TEXAS, CONTAINS 1,287 ACRES, MORE OR LESS, AS SHOWN ON THE ATTACHED MAP.

**TRACT 5**

TRACT 5, BEING THE NORTH 1/4 OF SECTION 36, TOWNSHIP 10N, RANGE 14E, COUNTY OF DALLAS, TEXAS, CONTAINS 18,034 ACRES, MORE OR LESS, AS SHOWN ON THE ATTACHED MAP.

**TRACT 6**

TRACT 6, BEING THE SOUTH 1/4 OF SECTION 36, TOWNSHIP 10N, RANGE 14E, COUNTY OF DALLAS, TEXAS, CONTAINS 2,749 ACRES, MORE OR LESS, AS SHOWN ON THE ATTACHED MAP.

**TRACT 7**

TRACT 7, BEING THE WEST 1/4 OF SECTION 36, TOWNSHIP 10N, RANGE 14E, COUNTY OF DALLAS, TEXAS, CONTAINS 1,287 ACRES, MORE OR LESS, AS SHOWN ON THE ATTACHED MAP.

**TRACT 8**

TRACT 8, BEING THE EAST 1/4 OF SECTION 36, TOWNSHIP 10N, RANGE 14E, COUNTY OF DALLAS, TEXAS, CONTAINS 1,287 ACRES, MORE OR LESS, AS SHOWN ON THE ATTACHED MAP.

**TRACT 9**

TRACT 9, BEING THE NORTH 1/4 OF SECTION 36, TOWNSHIP 10N, RANGE 14E, COUNTY OF DALLAS, TEXAS, CONTAINS 18,034 ACRES, MORE OR LESS, AS SHOWN ON THE ATTACHED MAP.

**TRACT 10**

TRACT 10, BEING THE SOUTH 1/4 OF SECTION 36, TOWNSHIP 10N, RANGE 14E, COUNTY OF DALLAS, TEXAS, CONTAINS 2,749 ACRES, MORE OR LESS, AS SHOWN ON THE ATTACHED MAP.

**TRACT 11**

TRACT 11, BEING THE WEST 1/4 OF SECTION 36, TOWNSHIP 10N, RANGE 14E, COUNTY OF DALLAS, TEXAS, CONTAINS 1,287 ACRES, MORE OR LESS, AS SHOWN ON THE ATTACHED MAP.

**TRACT 12**

TRACT 12, BEING THE EAST 1/4 OF SECTION 36, TOWNSHIP 10N, RANGE 14E, COUNTY OF DALLAS, TEXAS, CONTAINS 1,287 ACRES, MORE OR LESS, AS SHOWN ON THE ATTACHED MAP.

**TRACT 13**

TRACT 13, BEING THE NORTH 1/4 OF SECTION 36, TOWNSHIP 10N, RANGE 14E, COUNTY OF DALLAS, TEXAS, CONTAINS 18,034 ACRES, MORE OR LESS, AS SHOWN ON THE ATTACHED MAP.

**TRACT 14**

TRACT 14, BEING THE SOUTH 1/4 OF SECTION 36, TOWNSHIP 10N, RANGE 14E, COUNTY OF DALLAS, TEXAS, CONTAINS 2,749 ACRES, MORE OR LESS, AS SHOWN ON THE ATTACHED MAP.

**TRACT 15**

TRACT 15, BEING THE WEST 1/4 OF SECTION 36, TOWNSHIP 10N, RANGE 14E, COUNTY OF DALLAS, TEXAS, CONTAINS 1,287 ACRES, MORE OR LESS, AS SHOWN ON THE ATTACHED MAP.

**TRACT 16**

TRACT 16, BEING THE EAST 1/4 OF SECTION 36, TOWNSHIP 10N, RANGE 14E, COUNTY OF DALLAS, TEXAS, CONTAINS 1,287 ACRES, MORE OR LESS, AS SHOWN ON THE ATTACHED MAP.

**TRACT 17**

TRACT 17, BEING THE NORTH 1/4 OF SECTION 36, TOWNSHIP 10N, RANGE 14E, COUNTY OF DALLAS, TEXAS, CONTAINS 18,034 ACRES, MORE OR LESS, AS SHOWN ON THE ATTACHED MAP.

**TRACT 18**

TRACT 18, BEING THE SOUTH 1/4 OF SECTION 36, TOWNSHIP 10N, RANGE 14E, COUNTY OF DALLAS, TEXAS, CONTAINS 2,749 ACRES, MORE OR LESS, AS SHOWN ON THE ATTACHED MAP.

**TRACT 19**

TRACT 19, BEING THE WEST 1/4 OF SECTION 36, TOWNSHIP 10N, RANGE 14E, COUNTY OF DALLAS, TEXAS, CONTAINS 1,287 ACRES, MORE OR LESS, AS SHOWN ON THE ATTACHED MAP.

**TRACT 20**

TRACT 20, BEING THE EAST 1/4 OF SECTION 36, TOWNSHIP 10N, RANGE 14E, COUNTY OF DALLAS, TEXAS, CONTAINS 1,287 ACRES, MORE OR LESS, AS SHOWN ON THE ATTACHED MAP.

CANTERBURY HILLS, PHASE 2

FILE NO: 100915

SHEET 1 OF 1

FINAL PLAT  
CANTERBURY HILLS  
PHASE 2  
LOTS 34-56, BLOCK A;  
LOTS 20-34, BLOCK B;  
LOTS 1-11, BLOCK C;  
OUT OF THE N. W. CORNER SWARTY  
BY THE TERMS OF THE W. & C. H.  
DEWITT TRUST, TEXAS  
21,552 ACRES  
49 RESIDENTIAL LOTS  
1 COMMON AREA

**PLAT INDICATIONS**  
This Plat is subject to the following conditions:  
1. The plat is subject to the terms and conditions of the original plat.  
2. The plat is subject to the terms and conditions of the original plat.  
3. The plat is subject to the terms and conditions of the original plat.

**PLAT LOCATION**  
This plat is located in the County of Tarrant, State of Texas, and is bounded by the following:  
North by the original plat, South by the original plat, East by the original plat, West by the original plat.

**PLAT CERTIFICATE**  
I, the undersigned, being a duly qualified and authorized officer of the County of Tarrant, State of Texas, do hereby certify that the foregoing is a true and correct copy of the original plat as the same appears on file in the office of the County Clerk of Tarrant County, Texas.

**PLAT RECORDS**  
This plat is recorded in the County Clerk's Office of Tarrant County, Texas, under the following file number:  
100915

**PLAT DESCRIPTION**  
This plat is a final plat of the Canterbury Hills, Phase 2, and is subject to the terms and conditions of the original plat. The plat is located in the County of Tarrant, State of Texas, and is bounded by the following:  
North by the original plat, South by the original plat, East by the original plat, West by the original plat.

**PLAT CERTIFICATE**  
I, the undersigned, being a duly qualified and authorized officer of the County of Tarrant, State of Texas, do hereby certify that the foregoing is a true and correct copy of the original plat as the same appears on file in the office of the County Clerk of Tarrant County, Texas.

**PLAT RECORDS**  
This plat is recorded in the County Clerk's Office of Tarrant County, Texas, under the following file number:  
100915

**PLAT DESCRIPTION**  
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I, the undersigned, being a duly qualified and authorized officer of the County of Tarrant, State of Texas, do hereby certify that the foregoing is a true and correct copy of the original plat as the same appears on file in the office of the County Clerk of Tarrant County, Texas.

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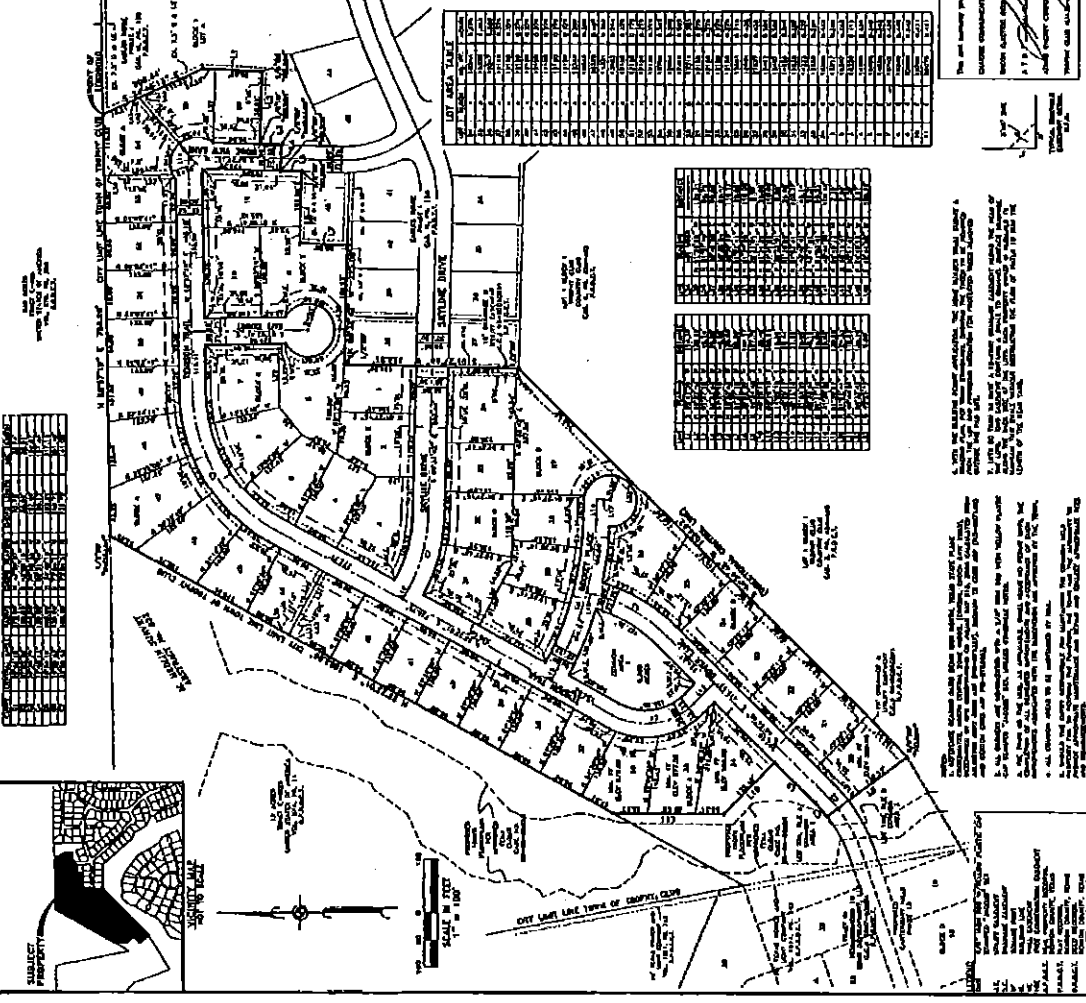
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LOT AREA TABLE

LOT NO.	ACRES	SQ. FT.
1	0.10	6,913
2	0.10	6,913
3	0.10	6,913
4	0.10	6,913
5	0.10	6,913
6	0.10	6,913
7	0.10	6,913
8	0.10	6,913
9	0.10	6,913
10	0.10	6,913
11	0.10	6,913
12	0.10	6,913
13	0.10	6,913
14	0.10	6,913
15	0.10	6,913
16	0.10	6,913
17	0.10	6,913
18	0.10	6,913
19	0.10	6,913
20	0.10	6,913
21	0.10	6,913
22	0.10	6,913
23	0.10	6,913
24	0.10	6,913
25	0.10	6,913
26	0.10	6,913
27	0.10	6,913
28	0.10	6,913
29	0.10	6,913
30	0.10	6,913
31	0.10	6,913
32	0.10	6,913
33	0.10	6,913
34	0.10	6,913
35	0.10	6,913
36	0.10	6,913
37	0.10	6,913
38	0.10	6,913
39	0.10	6,913
40	0.10	6,913
41	0.10	6,913
42	0.10	6,913
43	0.10	6,913
44	0.10	6,913
45	0.10	6,913
46	0.10	6,913
47	0.10	6,913
48	0.10	6,913
49	0.10	6,913



THESE CONDITIONS, PLANNING AND ZONING ORDINANCES APPROVED  
APPROVED: D-15, ...  
TOWN OF CANTERBURY  
COUNTY OF TARRANT, TEXAS  
BY: [Signature]  
ATTEST: [Signature]

**JACOBS**  
ENGINEERS/ARCHITECTS  
1211 W. 14TH STREET, SUITE 200  
DALLAS, TEXAS 75202  
PHONE: 214.760.1234  
FAX: 214.760.1235  
WWW.JACOBS.COM

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100915

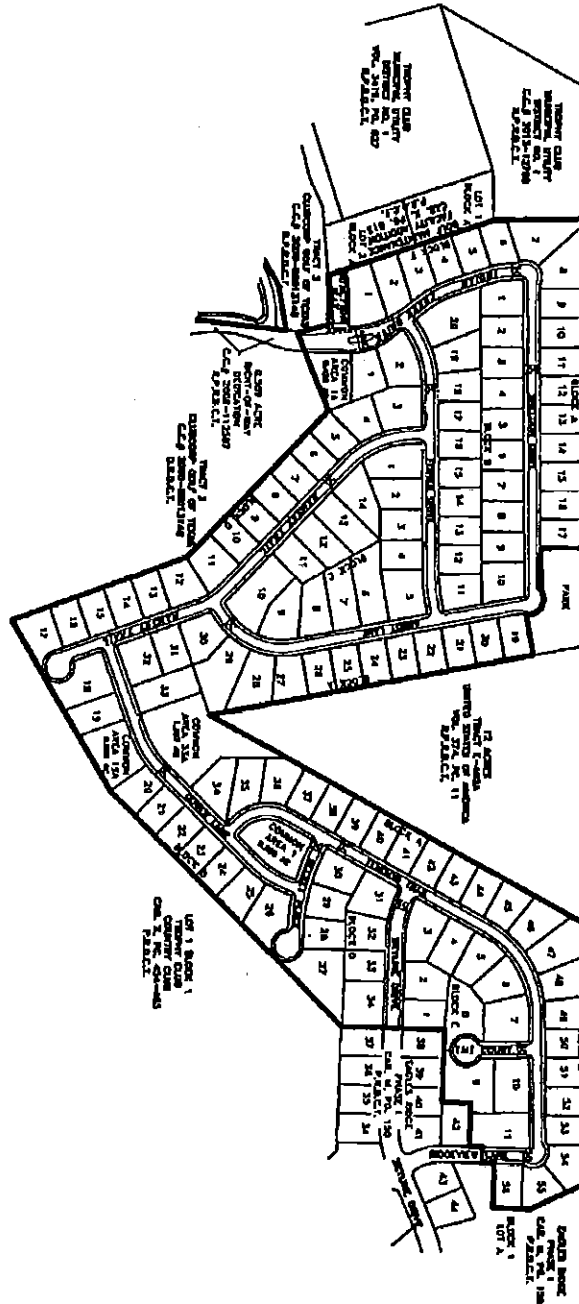
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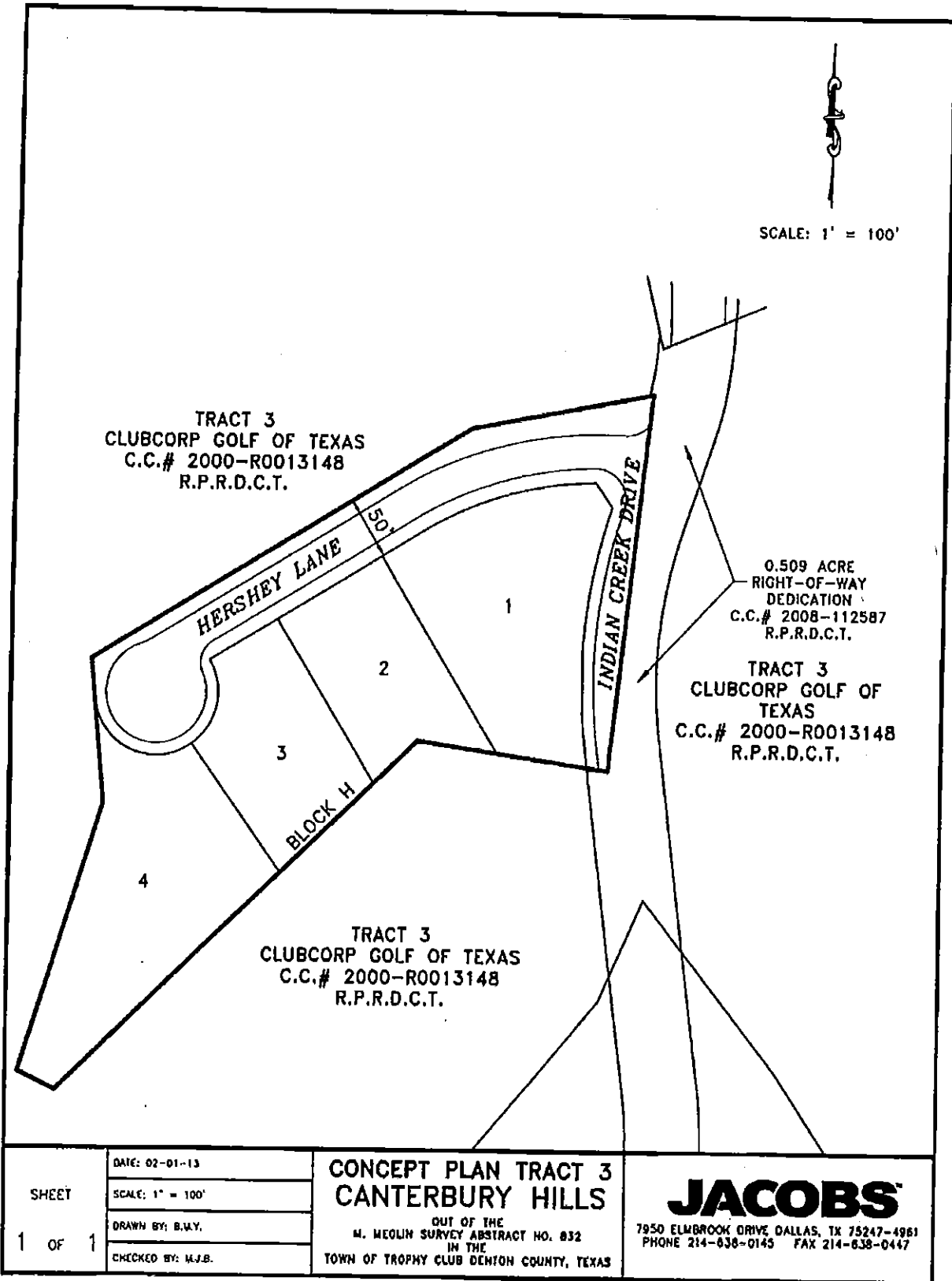
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SCALE: 1" = 500'



SHEET  1 OF 1	DATE: 02-19-13	<b>CONCEPT PLAN TRACT 1 CANTERBURY HILLS</b>  OUT OF THE M. MEDLIN SURVEY ABSTRACT NO. 632 IN THE TOWN OF TROPHY CLUB DENTON COUNTY, TEXAS	<b>JACOBS</b>  7950 ELMBROOK DRIVE DALLAS, TX 75247-4961 PHONE 214-638-0145 FAX 214-638-0447
	SCALE: 1" = 500'		
	DRAWN BY: B.M.Y.		
	CHECKED BY: M.J.B.		



SHEET  1 OF 1	DATE: 02-01-13	<b>CONCEPT PLAN TRACT 3 CANTERBURY HILLS</b>  OUT OF THE M. MEOUIN SURVEY ABSTRACT NO. 832 IN THE TOWN OF TROPHY CLUB DENTON COUNTY, TEXAS	<b>JACOBS</b>  7950 ELMBROOK DRIVE DALLAS, TX 75247-4961 PHONE 214-638-0145 FAX 214-638-0447
	SCALE: 1" = 100'		
	DRAWN BY: B.W.Y.		
	CHECKED BY: M.J.B.		



**CANTERBURY HILLS HOA**

**ARCHITECTURAL GUIDELINES FOR THE  
INSTALLATION OF SOLAR PANELS**

(As provided in Chapter 202 of the Texas Property Code)

1. Solar energy devices, including any related equipment or system components (collectively, "*Solar Panels*") may only be installed after receiving the written approval of the Architectural Control Committee.
2. Solar Panels may not be installed upon or within common area or any area which is maintained by Canterbury Hills HOA ("*Association*").
3. Solar Panels may only be installed on designated locations on the roof of a home, on any structure allowed under any Association dedicatory instrument, or within any fenced rear-yard or fence-in patio of the Owner's property.
4. If located on the roof of a home, Solar Panels shall be located on the roof facing the rear of the home and shall not be visible from the street facing the home unless the Owner demonstrates that the location proposed by the Owner increases the estimated annual energy production of the Solar Panels, as determined by using a publicly available modeling tool provided by the National Renewable Energy Laboratory, by more than 10 percent above the energy production of the Solar Panels if located in an area on the roof requested by the Association.
5. If located on the roof of a home, Solar Panels shall:
  - a. not extend higher than or beyond the roofline;
  - b. conform to the slope of the roof;
  - c. have a top edge that is parallel to the roofline; and
  - d. have a frame, support bracket, or visible piping or wiring that is in a silver, bronze, or black tone commonly available in the marketplace and blends with the color of the roof to the greatest extent possible.
6. If located in the fenced rear-yard or patio, Solar Panels shall not be taller than the fence line.
7. The Architectural Control Committee, may deny a request for the installation of Solar Panels if it determines, and such determination is reduced to writing, that the placement of the Solar Panels as proposed by the Owner constitutes a condition that substantially interferes with the use and enjoyment of land by causing unreasonable discomfort or annoyance to persons of ordinary sensibilities. The Owner may obtain the written approval of the proposed placement of the Solar Panels by all property owners of adjoining property. In this case, the Architectural Control Committee shall approve the installation should it meet all other requirements contained herein unless it determines

that the placement substantially interferes with the use and enjoyment of land of persons other than adjoining landowners.

8. Any installation of Solar Panels which voids material warranties is not permitted and will be cause for the Solar Panels to be removed by the Owner.
9. Solar Panels must be properly maintained at all times or removed by the Owner.
10. Solar Panels which become non-functioning or inoperable must be removed by the Owner of the property.
11. Solar Panels are prohibited if a Court determines that the installation thereof violates any law or threatens the public health or safety.

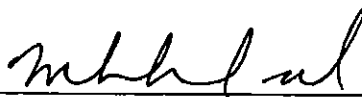
These Architectural Guidelines are promulgated pursuant to and in accordance with Chapter 202 of the Texas Property Code addressing the Regulation of Solar Energy Devices.

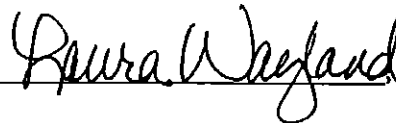
Notice and Recording. Upon recording these Architectural Guidelines with the county record's office, the Association's community manager is authorized and directed to prepare correspondence, in appropriate form and substance, to circulate a copy of same to all Owners.

IT IS RESOLVED that these Architectural Guidelines are effective as of September 1, 2011, being the effective date of Section 202.011, and shall remain in force and effect until revoked, modified or amended by the Board of Directors. These Architectural Guidelines shall be filed of record in the Official Public Records of Denton County, Texas.

Date: 3/28/14

CANTERBURY HILLS HOA

, President

 Secretary

**CANTERBURY HILLS HOA**

**ARCHITECTURAL GUIDELINES FOR THE  
INSTALLATION OF RAIN BARRELS OR RAIN WATER  
HARVESTING SYSTEMS**

(As provided in Section 202.007 of the Texas Property Code)

1. Rain barrels or rain water harvesting systems and related system components (collectively, "*Rain Barrels*") may only be installed after receiving the written approval of Architectural Control Committee.
2. Rain Barrels may not be installed upon or within common area owned or maintained by Canterbury Hills HOA.
3. Under no circumstances shall Rain Barrels be installed or located in or on any area within a Lot that is in-between the front of the Owner's home and an adjoining or adjacent street.
4. The Rain Barrel must be of color that is consistent with the color scheme of the Owner's home and may not contain or display any language or other content that is not typically displayed on such Rain Barrels as manufactured.
5. Rain Barrels may be located in the side-yard or back-yard of an Owner's property so long as these may not be seen from a street, another Lot or any common area of Canterbury Hills HOA.
6. In the event the installation of Rain Barrels in the side-yard or back-yard of an Owner's property in compliance with paragraph 5 above is impossible, the Architectural Control Committee may impose limitations or further requirements regarding the size, number and screening of Rain Barrels with the objective of screening the Rain Barrels from public view to the greatest extent possible.
7. Rain Barrels must be properly maintained at all times or removed by the Owner.
8. Rain Barrels must be enclosed or covered.
9. Rain Barrels which are not properly maintained, become unsightly or could serve as a breeding pool for mosquitoes must be removed by the Owner from the Lot.

These Architectural Guidelines are promulgated pursuant to and in accordance with Section 202.007 of the Texas Property Code.

Notice and Recording. Upon recording these Architectural Guidelines with the county record's office, the Association's community manager is authorized and directed to prepare correspondence, in appropriate form and substance, to circulate a copy of same to all Owners.

IT IS RESOLVED that these Architectural Guidelines are effective as of September 1, 2011, being the effective date of Section 202.007, and shall remain in force and effect until revoked, modified or amended by the Board of Directors. These Architectural Guidelines shall be filed of record in the Official Public Records of Denton County, Texas.

Date: 3/28/14

**CANTERBURY HILLS HOA**

[Signature], President

[Signature], Secretary

## CANTERBURY HILLS HOA

### INSPECTION AND COPYING OF BOOKS AND RECORDS POLICY

WHEREAS Canterbury Hills HOA (the "*Association*") keeps correct and complete books and records of account and minutes of the proceedings of its members and Board of Directors (collectively, the "*Association Records*"); and,

WHEREAS the members of the Association shall have the right, during reasonable business hours, to inspect and obtain copies of the Association Records; and,

WHEREAS it is desirable to impose certain reasonable restrictions on the process of book and record inspecting and copying Association Records;

**NOW THEREFORE BE IT RESOLVED** that the following requirements are hereby established for the inspection and copying of Association Records:

1. An Owner, or a person designated in writing by the owner as the Owner's agent, attorney or certified public accountant may make a request to inspect or obtain copies of Association Records.
2. A request to inspect Association Records must be submitted in writing via certified mail, return receipt requested, to the Association and/or its duly authorized agent by certified mail to the most current management certificate filed under Property Code Section 209.004.
3. The request must identify with sufficient detail the Association Records requested and contain an election to either receive copies of identified Association Records or to inspect the Association Records requested. The Association's governing documents, its membership register, its books of account, and the minutes of the meetings of the members, the Board, and committees may be inspected.
4. The Association, within 10 business days from receipt of a request under paragraph 2, will provide as appropriate:
  - (i) if an inspection is requested, written notice of dates during normal business hours during which Association Records requested, to the extent they are in the possession, custody or control of the Association, may be inspected, or
  - (ii) if copies are requested, produce copies of the requested Association Records to the extent they are in the possession, custody or control of the Association (if prior payment for such records has been received), or
  - (iii) if the Association is unable to produce the Association Records requested, which are in the possession, custody or control of the Association, written notice that it is unable to produce the records within the 10-day period and set forth a date,

within 15 business days of the notice provided under this paragraph 4(iii), by which the Association Records will be made available for inspection to the owner.

5. The Association will send the requesting party an estimate of the costs to respond, compile, produce, and reproduce information requested. The Association shall require advance payment, in certified funds, of the estimated costs. The requesting party shall be responsible for any costs above the estimate and the full amount due will be added to the requesting party's account as an assessment if not paid in full upon request.
6. Persons requesting to inspect Association Records shall not disrupt the ordinary business activities of the office where Association Records are kept during the inspection.
7. Certain Association Records shall remain confidential and will not be provided in response to a request for copies or inspection of Association Records, to wit: violation histories of Owners, Owners' personal financial information (including records of assessment payment history), Owners' contact information other than address, and Association personnel files. Association Records described in this paragraph 7 shall only be made available with the Owner's written approval or a court orders the Association to release the information.
8. No original books or records may be removed from the premises without the express written consent of the Board.
9. Owners are responsible for the costs of producing and copying Association Records. Costs are \$.10 per page, \$.50 for oversize page, \$15.00 per hour for personnel time spent in responding to a request, overhead of 20% of personnel charge, and must be paid in advance. A personnel charge and overhead charge will not be made for complying with requests that are for 50 or fewer pages of paper records, unless the records are located in a remote storage facility or in two or more separate buildings. To the extent that retrieval of documents from a remote storage facility results in a charge, the Association shall charge the costs of such services to the requesting owner.
10. The Association is under no obligation to provide any additional information other than that which is required by law.

This Policy was duly introduced, seconded and was thereafter adopted at a regular scheduled meeting of the Board of Directors, at which a quorum was present, by a majority vote of the members of the Board of Directors present and eligible to vote on this matter.

Notice and Recording. Upon recording this Policy with the county record's office, the Association's community manager is authorized and directed to prepare correspondence, in appropriate form and substance, to circulate a copy of same to all Owners.

**IT IS FURTHER RESOLVED** that this Policy is effective as of 28<sup>th</sup> March, 2017, being the date it was approved by the Board of Directors, and shall remain in force and effect until revoked, modified or amended by the Board of Directors. This Policy shall be filed of record in the Official Public Records of Denton County, Texas.

Date: 3/28/14

**CANTERBURY HILLS HOA**

M. H. H. H. H., President

Raura W. W. W. Secretary

**CANTERBURY HILLS HOA**

**ARCHITECTURAL GUIDELINES FOR THE INSTALLATION OF  
FLAGPOLES AND THE DISPLAY OF FLAGS**  
(As provided in Chapter 202.012 of the Texas Property Code)

1. The only flags which may be displayed are: (i) the flag of the United States of America; (ii) the flag of the State of Texas; and (iii) an official or replica flag of any branch of the United States armed forces.
2. The flag of the United States must be displayed in accordance with 4 U.S.C. Sections 5-10.
3. The flag of the State of Texas must be displayed in accordance with Chapter 3100 of the Texas Government Code.
4. Any freestanding flagpole, or flagpole attached to a dwelling, shall be constructed of permanent, long-lasting materials. The materials used for the flag pole shall be harmonious with the dwelling and have a finish appropriate to the materials used in the construction of the flagpole.
5. The display of a flag, or the location and construction of the supporting flagpole, shall comply with applicable zoning ordinances, easements, and setbacks of record.
6. A displayed flag, and the flagpole on which it is flown, shall be maintained in good condition at all times. Any flag that is deteriorated must be replaced or removed. Any flagpole that is structurally unsafe or deteriorated shall be repaired, replaced, or removed.
7. Only one flagpole will be allowed per Lot. A flagpole can either be securely attached to the face of the dwelling (no other structure) or be a freestanding flagpole. A flagpole attached to the dwelling may not exceed 6 feet in length. A freestanding flagpole may not exceed 20 feet in height, subject to applicable zoning ordinances, easements, setbacks of records, and may be located in the front yard of the Lot.
8. Any flag flown or displayed on a freestanding flagpole may be no smaller than 3'x5' and no larger than 4'x6'.
9. Any flag flown or displayed on a flagpole attached to the dwelling may be no larger than 3'x5'.



10. A "front yard" is defined as "a yard within a Lot having a front building setback line within a setback of not less than 15 feet extending the full width of the Lot between the front lot line and the front building setback line." Any Owner who has front yard and who otherwise complies with the permitted regulations may, subject to Architectural Control Committee approval, install a flagpole in accordance with these Guidelines.
11. Any freestanding flagpole must be equipped to minimize halyard noise. The preferred method is through the use of an internal halyard system. Alternatively, swivel snap hooks must be covered or "Quiet Halyard" Flag snaps installed. Neighbor complaints of noisy halyards are a basis to have flag removed until Owner resolves the noise complaint.
12. The illumination of a flag is allowed so long as it does not create a disturbance to other residents in the community. Solar powered, pole mounted light fixtures are preferred as opposed to ground mounted light fixtures. Compliance with all municipal requirements for electrical ground mounted installations must be certified by Owner. Flag illumination may not shine into another dwelling. Neighbor complaints regarding flag illumination are a basis to prohibit further illumination until Owner resolves complaint.
13. Flagpoles shall not be installed in Common Area or property maintained by Canterbury Hills HOA.
14. All flagpole installations must receive prior written approval from the Architectural Control Committee.


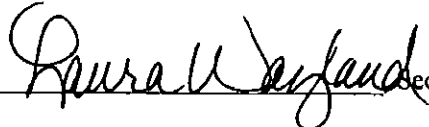
These Architectural Guidelines are promulgated pursuant to and in accordance with Section 202.0012 of the Texas Property Code addressing Flag Displays.

Notice and Recording. Upon recording these Architectural Guidelines with the county record's office, the Association's community manager is authorized and directed to prepare correspondence, in appropriate form and substance, to circulate a copy of same to all Owners.

IT IS RESOLVED that these Architectural Guidelines are effective as of September 1, 2011, being the effective date of Section 202.011, and shall remain in force and effect until revoked, modified or amended by the Board of Directors. These Architectural Guidelines shall be filed of record in the Official Public Records of Denton County, Texas.

Date: 3/28/14

**CANTERBURY HILLS HOA**

, President  
 Secretary

**CANTERBURY HILLS HOA**

**ARCHITECTURAL GUIDELINES FOR THE  
DISPLAY OF CERTAIN RELIGIOUS ITEMS  
(As provided in Chapter 202 of the Texas Property Code)**

- (1) An Owner may display or affix on the entry to the Owner's or resident's dwelling one or more religious items the display of which is motivated by the Owner's or resident's sincere religious belief.
- (2) If displaying or affixing of a religious item on the entry to the Owner's or resident's dwelling violates any of the following covenants, the Canterbury Hills HOA may remove the item displayed –
  - (a) threatens the public health or safety;
  - (b) violates a law;
  - (c) contains language, graphics, or any display that is patently offensive to a passerby;
  - (d) is in a location other than the entry door or door frame or extends past the outer edge of the door frame of the owner's or resident's dwelling; or
  - (e) individually or in combination with each other religious item displayed or affixed on the entry door or door frame has a total size of greater than 25 square inches.
- (3) No Owner or resident is authorized to use a material or color for an entry door or door frame of the Owner's or resident's dwelling or make an alteration to the entry door or door frame that is not authorized by the restrictive covenants or otherwise expressly approved by Canterbury Hills HOA.

These Architectural Guidelines are promulgated pursuant to and in accordance with Section 202.018 of the Texas Property Code addressing the Regulation of Display of Certain Religious Items.

Notice and Recording. Upon recording these Architectural Guidelines with the county record's office, the Association's community manager is authorized and directed to prepare correspondence, in appropriate form and substance, to circulate a copy of same to all Owners.

IT IS RESOLVED that these Architectural Guidelines are effective as of September 1, 2011, being the effective date of Section 202.011, and shall remain in force and effect until revoked, modified or amended by the Board of Directors. These Architectural Guidelines shall be filed of record in the Official Public Records of Denton County, Texas.

Date: 3/28/14

**CANTERBURY HILLS HOA**

[Signature], President

[Signature], Secretary

**CANTERBURY HILLS HOA**

**ARCHITECTURAL GUIDELINES FOR THE  
INSTALLATION OF CERTAIN ROOFING MATERIALS**

(As provided in Chapter 202 of the Texas Property Code)

1. Roofing shingles covered by these Architectural Guidelines are exclusively those designed primarily to: (i) be wind and hail resistant; (ii) provide heating and cooling efficiencies greater than those provided by customary composite shingles; or (iii) provide solar generation capabilities (collectively, "*Roofing Shingles*").
2. Roofing Shingles allowed under these Architectural Guidelines shall:
  - a. resemble the shingles used or otherwise authorized for use in the Canterbury Hills Community;
  - b. be more durable than and are of equal or superior quality to the shingles used or otherwise authorized for use in the Canterbury Hills Community; and
  - c. match the aesthetics of the property surrounding the property of the owner requesting permission to install the Roofing Shingles.
3. The Owner requesting permission to install the Roofing Shingles will be solely responsible for accrediting, certifying and demonstrating to the Architectural Control Committee that the proposed installation is in full compliance with paragraphs 1 and 2 above.
4. Roofing Shingles shall only be installed after receiving the written approval of the Architectural Control Committee.

These Architectural Guidelines are promulgated pursuant to and in accordance with Section 202.011 of the Texas Property Code addressing the Regulation of Certain Roofing Materials.

Notice and Recording. Upon recording these Architectural Guidelines with the county record's office, the Association's community manager is authorized and directed to prepare correspondence, in appropriate form and substance, to circulate a copy of same to all Owners.

IT IS RESOLVED that these Architectural Guidelines are effective as of September 1, 2011, being the effective date of Section 202.011, and shall remain in force and effect until revoked, modified or amended by the Board of Directors. These Architectural Guidelines shall be filed of record in the Official Public Records of Denton County, Texas.

Date: 9/28/14

**CANTERBURY HILLS HOA**

*Michael*, President

*Raura W. Sanford* Secretary

**CANTERBURY HILLS HOA**  
**DOCUMENT RETENTION POLICY**

**WHEREAS** Canterbury Hills HOA (the "*Association*") keeps correct and complete books and records of account and minutes of the proceedings of its members and Board of Directors (the "*Board*"); and,

**WHEREAS** the Board of the Association has determined that it would be in the best interests of the Association to provide a policy establishing guidelines for effectively managing the records of the Association in order to meet legal requirements for record retention and privacy protection, optimizing the use of space, minimizing the cost of record retention, and properly destroying outdated records; and,

**NOW THEREFORE BE IT RESOLVED** that the following requirements are hereby establishes and adopts the following procedures to be observed in furtherance of the Document Retention Policy of the Association:

1. Policy
  - a. It is the Association's policy to maintain complete, accurate and high quality documents. Documents are to be retained for the period of their immediate use, unless longer retention is required for historical reference, contractual or legal requirements, or for other purposes as set forth in this Document Retention Policy.
  - b. Documents that are no longer required, or have satisfied their recommended period of retention, are to be destroyed in an appropriate manner.
  - c. The Manager is responsible for ensuring that Documents within his or her area of assigned responsibility are identified, retained, stored, protected and subsequently disposed of, in accordance with the guidelines set forth in this Document Retention Policy.
2. Compliance - This Document Retention Policy is not intended to be exhaustive and accordingly, will be implemented to meet the specific needs of the Association. The retention periods set forth herein are guidelines based on the current retention periods set forth in federal, state and local statutes and regulations and industry custom and practice.
3. Board Members - The Association does not require Board members to maintain any Documents. Board members, in their discretion, may dispose of Documents generated by the Association because the Association has maintained such Documents in the Official Files. However, if Board members receive Documents relating to the Association, which were not generated by the Association, or not

received through the Association, Board members shall send the originals of such Documents to the Manager to be maintained in the Official Files.

4. Annual Purge of Files
  - a. The Manager and each Board member electing to maintain Documents shall conduct an annual purge of files that are under their control. The annual purge of files shall be completed within the first quarter of each calendar year.
  - b. When a member of the Board ceases to be a member, the Board member shall either destroy or turn over to the Manager, all Documents and files relating to the business of the Association. If the Documents and files are turned over, from that time forward, the Manager shall have the responsibility to conduct the annual purge of files maintained by the former Board member.
5. Destruction Procedure
  - a. If the Documents to be destroyed are of public record, it is recommended that they be recycled. If recycling is not possible, the Documents may be placed in a trash receptacle.
  - b. If the Documents to be destroyed are not of public record, they should be recycled if their confidentiality can be protected or they may be shredded, burned, chemically treated or otherwise made illegible.
6. Certification - Following the annual purge of files, the Manager, if requested by the Board, shall complete a Certification Letter directed to the Association's Board of Directors stating that all Documents under his or her control conform to the retention guidelines.
7. Miscellaneous - There may be immediate destruction of copies of any Document, regardless of age, provided that an original is maintained in the Official Files of the Association.
8. Onset of Litigation - Upon the institution of litigation, or if it is reasonably foreseeable that litigation may be imminent, all Documents potentially relevant to the dispute must be preserved. Therefore, at the direction of legal counsel, the Manager will advise the Board Members, and any other person who may maintain Association Documents, of the facts relating to litigation. Thereafter, all Documents potentially relevant to the dispute shall be deemed "held" until such litigation is concluded and all appeal periods have expired. At the conclusion of the litigation, the "hold" period will cease and the time periods provided in the Records Retention Schedule will be applied.

9. Definitions

- a. "Document" means any documentary material, that is generated or received by the Association in connection with transacting its business, is related to the Association's legal obligations, and is retained for any period of time. The term "Document" includes, among others, writings, drawings, graphs, charts, photographs, tape, disc, audio recordings, microforms, and other electronic documents from which information can be obtained or translated such as electronic mail, voice mail, floppy disks, hard discs and CD ROM.
- b. "Community Manager" means the Manager of the Association.
- c. "Official Files" means the files maintained by the Manager of the Association. Legal documents and documents subject to the attorney-client privilege and the work product privilege maintained by the Association's legal counsel are not part of the "Official Files" of the Association.
- d. "Permanent" means that the retention period for that document is permanent.

10. Record Retention Schedule

- a. The retention periods identified with particular Documents are intended as guidelines. In particular circumstances, the Manager and Board Members have the discretion to determine that either a longer or shorter retention period is warranted.
- b. Although every conceivable Document is not listed below, the following list should serve as a basis for retention schedules for the Association's Documents.



**RECORD RETENTION SCHEDULE**

<b>DOCUMENT TYPE</b>		<b>RETENTION OR TERMINATION PERIOD</b>
Corporate Documents and Governing Instruments	Articles of Incorporation, Certificate of Formation, Bylaws, Restrictive Covenants, Resolutions, Policies, Committee Charters, Rules, Regulations, Guidelines, Dedicatory Instruments, All Amendments and Supplements, Plats/Maps, Easements, Annexation Records, Management Certificates	Permanent
	Insurance Policies, Records, Claims, Disbursements, Settlements	Permanent
	Easement Agreements	Permanent
	Voting Records, Proxies, Ballots, Sign-In Sheet	Four (4) years
	Property Deed for Common Areas	Permanent
	Committee Reports	Four (4) years
Financial Books and Records	Financial Sheets (Balance Statement, Income Statement, Statement of Liabilities), General, General Ledgers, Accounts Receivable, and Accounts Payable Ledgers, Aging Reports, Bank Statements, Approved Budgets, Vendor Invoices/Disbursements, Check Registers, Canceled Checks, Copies of Payments Received, Expense Reports, Investment Information, Signature Cards	Seven (7) years
	Loan Documents	Four (4) years after loan is discharged

Financial Books and Records (cont'd)	Workers' Compensation Records, Accident Reports and Insurance Claims for Workers' Compensation Claims	Permanent
	Depreciation Schedules	Life of Asset Plus Four (4) years
	Correspondence Relating to General Financial Matters	Four (4) years
Account Records of Current Owners	Owner Information, General Owner Correspondence, Violation Correspondence, Architectural Applications, Collection Correspondence, Legal Collection Correspondence, Dispute of Debt,	Period of Ownership Plus Five (5) years
	Architectural or ACC Applications/Submissions, Property Deed,	Period of Ownership Plus Five (5) years
	Judgments/Release of Judgment, Liens/Release of Liens, Law/Legal Correspondence Property Specific	Permanent
	Approved Architectural or ACC Applications/Submissions	Permanent
Vendor or Contract for Labor Records	Vendor Contracts	Four (4) years after the expiration of the contract term
	Bid Proposals/ Specifications (contracts not entered into by the Association)	Two (2) years
	Contract for Labor or Employment	Four (4) years after the expiration of the contract term
	Personnel files, if any including wage rates, job description, etc.	Permanent

Meetings of Owners and Board of Directors	Approved Minutes of Meetings of Owners and Board of Directors, including Executive Sessions	Seven (7) years
	Meeting Audio or Video Recording	If made, destroy prior to next meeting
Tax Returns and Audit Records	Federal, State, and State Franchise Tax Returns	Seven (7) years
	Financial Audits, IRS Notices/Federal Tax ID, Texas Notice of Franchise Exemption	Permanent
Professional Reports	Legal Opinions, Engineering/Structural Reports and other Professional Reports/Opinions	Permanent
	Lawsuits	Permanent
	Reserve Studies Relating to Study of Common Areas	Permanent
Miscellaneous Documents, Correspondence, Statements or Records		Seven (7) years


This Policy was duly introduced, seconded and was thereafter adopted at a regular scheduled meeting of the Board of Directors, at which a quorum was present, by a majority vote of the members of the Board of Directors present and eligible to vote on this matter.

Notice and Recording. Upon recording this Policy with the county record's office, the Association's community manager is authorized and directed to prepare correspondence, in appropriate form and substance, to circulate a copy of same to all Owners.

**IT IS FURTHER RESOLVED** that this Policy is effective as of \_\_\_\_\_, 20\_\_\_\_, being the date it was approved by the Board of Directors, and shall remain in force and effect until revoked, modified or amended by the Board of Directors. This Policy shall be filed of record in the Official Public Records of Denton County, Texas.

Date: 3/28/14

**CANTERBURY HILLS HOA**

, President

, Secretary

**CANTERBURY HILLS HOA**

**ARCHITECTURAL GUIDELINES FOR  
DROUGHT RESISTANT LANDSCAPING**  
(As provided in Chapter 202 of the Texas Property Code)

- (1) Subject to Canterbury Hills HOA's rules and approval from the Architectural Control Committee, an owner may install or use drought-resistant landscaping or water-conserving natural turf.
- (2) Astro turf or similar synthetic landscaping materials do not qualify as water-conserving turf and thus, are not permitted.
- (3) Prior to installation of drought-resistant landscaping or water-conserving natural turf, the Owner must submit a detailed description or a landscaping plan for review and approval by the Architectural Control Committee.
- (4) The Architectural Control Committee, to the extent reasonably practical, will review the xeriscaping application with maximum aesthetic compatibility with other landscaping in the Canterbury Hills Community, provided the determination of aesthetic compatibility shall not be unreasonably determined.

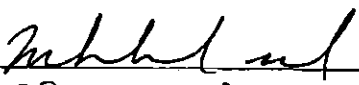
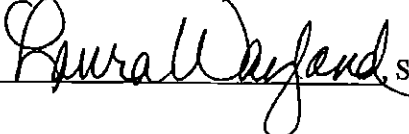
These Architectural Guidelines are promulgated pursuant to and in accordance with Section 202.007 of the Texas Property Code.

Notice and Recording. Upon recording these Architectural Guidelines with the county record's office, the Association's community manager is authorized and directed to prepare correspondence, in appropriate form and substance, to circulate a copy of same to all Owners.

IT IS RESOLVED that these Architectural Guidelines are effective as of September 1, 2013, being the effective date of Section 202.007(d)(8), and shall remain in force and effect until revoked, modified or amended by the Board of Directors. These Architectural Guidelines shall be filed of record in the Official Public Records of Denton County, Texas.

Date: 3/28/14

CANTERBURY HILLS HOA

, President  
, Secretary

**BYLAWS  
OF  
CANTERBURY HILLS HOA**

**ARTICLE 1  
NAME, PRINCIPAL OFFICE, DEFINITIONS**

Section 1.1 **Name**. The name of the Association shall be Canterbury Hills HOA (the "**Association**").

Section 1.2 **Principal Office**. The principal office of the Association in the State of Texas shall be located in either Tarrant or Denton County. The Association may have such other offices, as the Board may determine or as the affairs of the Association may require.

Section 1.3 **Definitions**. Capitalized terms used herein but not defined shall have the same meaning as set forth in the Declaration of Covenants, Conditions and Restrictions for Canterbury Hills HOA recorded in the Official Public Records of Denton County, Texas (the "**Declaration**").

**ARTICLE 2  
ASSOCIATION; MEMBERSHIP, MEETINGS, QUORUM, VOTING, PROXIES**

Section 2.1 **Membership**. The Association shall have two classes of membership, as more fully set forth in the Declaration, the terms of which pertaining to membership are specifically incorporated herein by reference.

Section 2.2 **Place of Meeting**. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the members as may be designated by the Board of Directors of the Association (the "**Board**") either within the Property or as convenient thereto as possible and practical.

Section 2.3 **Annual Meetings**. The first meeting of the Association, whether a regular or special meeting, shall be held within one (1) year from the Association's incorporation date. Meetings shall be of the members entitled to vote or their representatives (the "**Voting Members**"). The date, time and place for subsequent regular Annual Meetings shall be set by the Board.

Section 2.4 **Special Meetings**. The President may call special meetings. In addition, it shall be the duty of the President or Vice-President to call a special meeting of the Association if so directed by resolution of a majority of a quorum of the Board or upon a petition signed by Voting Members representing at least fifty-one percent (51%) of the total Class A votes of the Association. The notice of any special meeting shall state the date, time, and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

**Section 2.5 Notice of Meetings.** Except as otherwise provided in the Declaration, written or printed notice stating the place, day, and hour of the meeting of the Voting Members shall be delivered, either personally or by mail, to each Voting Member, no less than ten (10) or more than sixty (60) days before the date of such meeting, by or at the direction of the President or the Secretary or the officers or persons calling the meeting.

In the case of a special meeting or when required by statute or these Bylaws, the purpose or purposes for which the meeting is called shall be stated in the notice. No business shall be transacted at a special meeting except as stated in the notice.

If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Voting Member at his or her address as it appears on the records of the Association, with postage prepaid.

**Section 2.6 Waiver of Notice.** Waiver of notice of a meeting of the Voting Members shall be deemed the equivalent of proper notice. Any Voting Member may, in writing, waive notice of any meeting of the Voting Members, either before or after such meeting. Attendance at a meeting by a Voting Member shall be deemed waiver of notice of the time, date, and place thereof, unless such Voting Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed waiver of notice of all business transacted at such meeting unless objection to the calling or convening of the meeting, of which proper notice was not given, is raised before the business is put to a vote.

**Section 2.7 Adjournment of Meetings.** If any meeting of the Association cannot be held because a quorum is not present, a majority of the Voting Members who are present at such meeting, either in person or by alternate, may adjourn the meeting to a time no less than ten (10) or more than thirty (30) days from the time the original meeting was called. At the reconvened meeting, a quorum shall constitute ten percent (10%) of the total eligible Class A and Class B votes in the Association, and if such number of votes is present, any business which might have been transacted at the meeting originally called may be transacted. If 10% of the total eligible Class A and Class B votes in the Association are not present at any such reconvened meeting, then a majority of the Voting Members who are present at such reconvened meeting, either in person or by alternate, may adjourn the meeting to a time no less than three (3) or more than ten (10) days from the time the reconvened meeting was called. At the second reconvened meeting, a quorum shall constitute a majority of the Board. If a time and place for reconvening any meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for reconvening the meeting after an adjournment, notice of the time and place for reconvening the meeting shall be given to Voting Members in the manner prescribed for regular meetings.

**Section 2.8 Voting.** The voting rights of the members shall be as set forth in the Declaration, and such voting rights provisions are specifically incorporated herein. Except as otherwise specifically provided herein or in the Declaration, the vote allocated to each Lot shall be cast only by the Voting Member.

**Section 2.9 Proxies, Absentee Ballots and Electronic Ballots.** At all meetings of the Association, each Voting Member may vote in person, by proxy, absentee ballot or electronic ballot in accordance with applicable law, as determined by the Board. Any vote cast in an Association election or vote by a Voting Member must be in writing and signed by the Voting Member. An electronic ballot shall be considered a written and signed ballot for purposes of this Section. An electronic ballot may be given by electronic mail, facsimile transmission or posting on an internet website established for the purpose of registering the votes of Voting Members. All proxies shall be in writing and shall be filed with the Secretary of the Association or designated representative. Every proxy shall be revocable and shall automatically cease upon conveyance by a Voting Member of his Lot.

**Section 2.10 Majority.** As used in these Bylaws, the term "majority" shall mean those votes, Owners, or other group as the context may indicate totaling more than fifty percent (50%) of the total eligible number.

**Section 2.11 Quorum.** Except as provided in Section 2.7 with respect to adjourned meetings of the Association, the presence in person or by alternate of the Voting Members representing thirty percent (30%) of the total eligible Class A and Class B votes in the Association shall constitute a quorum at all meetings of the Association.

**Section 2.12 Conduct of Meetings.** The President (or, in his absence, any person so designated by the President) shall preside over all meetings of the Association, and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions occurring at the meeting.

**Section 2.13 Action without a Meeting.** Any action required by law to be taken at a meeting of the Voting Members, or any action which may be taken at a meeting of the Voting Members, may be taken without a meeting if written consent setting forth the action so taken is signed by a number of Voting Members sufficient to take such action as if all Voting Members were present and voted on such action.

**Section 2.14 Tabulation of Votes.** Any person who tabulates ballots in an Association election or vote may not disclose how a Voting Member or individual voted. A person who is a candidate or otherwise the subject of an Association vote, or a person related to that person within the third degree of affinity or consanguinity, may not tabulate or otherwise be given access to the ballots cast in an election or vote.

**Section 2.15 Recounts.** Any Voting Member may, not later than the 15th day after the date of the meeting at which the election was held, require a recount of the votes. A demand for a recount must be submitted in writing either:

- (1) by certified mail, return receipt requested, or by delivery by the



United States Postal Service with signature confirmation service to Association's mailing address as reflected on the latest management certificate filed under Section 209.004 of the Texas Property Code; or

- (2) in person to the Association's managing agent as reflected on the latest management certificate filed under Section 209.004 Texas Property Code or to the address to which absentee and proxy ballots are mailed.

The Association shall, at the expense of the Member requesting the recount, retain for the purpose of performing the recount, the services of a person qualified to conduct a recount. 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 Member of the Association Board within the third degree by consanguinity or affinity, and
- (2) is:
  - (A) a current or former:
    - (i) county judge;
    - (ii) county elections administrator;
    - (iii) justice of the peace; or
    - (iv) county voter registrar; or
  - (B) a person agreed on by the Association and the Member requesting the recount.

Any recount must be performed on or before the 30th day after the date of receipt of a request and payment for a recount. If the recount changes the results of the election, the Association shall reimburse the requesting Voting Member for the cost of the recount. The Association shall provide the results of the recount to each Member who requested the recount. 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.

**ARTICLE 3**  
**BOARD: NUMBER, MEETINGS, POWERS**

**COMPOSITION AND SELECTION**

Section 3.1 **Governing Body; Composition.** The affairs of the Association shall be governed by a Board of directors, each of whom shall have one (1) vote. Except with respect to the initial directors appointed in the Certificate of Formation, the directors shall be members or spouses of members; provided, however, no person and his or her spouse may serve on the Board at the same time. In the case of a member which is a corporation or partnership, the person designated in writing to the Secretary of the

Association as the representative of such corporation or partnership shall be eligible to serve as a director.

**Section 3.2 Number of Directors.** The number of directors in the Association shall be no less than three (3) or more than five (5). The initial Board shall consist of three (3) directors as identified in the Certificate of Formation. The Board may be increased in size to more than five (5) by majority vote of the then-existing board.

**Section 3.3 Election and Term of Office.**

(a) At the first Annual Meeting following the Development Period, which expires on the earlier to occur of the following: (i) the date that Declarant (1) sells its last Lot, or (2) voluntarily terminates its Class B Member status, the Voting Members shall elect five (5) directors, who shall be Members, to replace the existing three (3) directors appointed by the Declarant. At such election, three (3) directors shall be elected for an initial term of two (2) years, and two (2) directors shall be elected for an initial term of one (1) year. After the expiration of the initial terms, successors shall thereafter be elected each to serve a term of two (2) years.

(b) Each Voting Member shall be entitled to cast all votes attributable to the Lots which it represents with respect to each vacancy to be filled from each slate on which such Voting Member is entitled to vote. There shall be no cumulative voting. The candidate(s) receiving the most votes shall be elected. The directors elected by the Voting Members shall hold office until their respective successors have been elected by the Association. Directors may be elected to serve any number of consecutive terms.

**Section 3.4 Removal of Directors and Vacancies.** Any director elected by the Voting Members may be removed, with or without cause, by a majority of both the Class A votes and the Class B votes of the Association. Any director whose removal is sought shall be given notice prior to any meeting called for that purpose. Upon removal of a director, a successor shall then and there be elected by the remaining directors.

Any director elected by the Voting Members who has three (3) consecutive unexcused absences from Board meetings or who is delinquent in the payment of any Assessment or other charge due the Association for more than thirty (30) days may be removed by a majority of the directors present at a regular or special meeting at which a quorum is present, and a successor may be appointed by the Board to fill the vacancy for the remainder of the term. In the event of the death, disability, or resignation of a director, a vacancy may be declared by the Board, and it may appoint a successor to fill the vacancy for the remainder of the term.

## **MEETINGS**

**Section 3.5 Organizational Meetings.** The first meeting of the Board following each annual meeting of the membership shall be held within thirty (30) days thereafter at such time and place as shall be fixed by the Board.

**Section 3.6 Regular Meetings.** Regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of the

directors, but at least one (1) such meeting shall be held during each fiscal year. Notice of the time and place of any regular meeting shall be given to each director by one of the following methods: (a) by electronic mail; (b) by personal delivery; (c) written notice by first class mail, postage prepaid; (d) telephone communication, either directly to the director or to a person at the director's office home who would reasonably be expected to communicate such notice promptly to the director; or (e) by fax, charges prepaid. All such notices shall be given at the director's telephone number or sent to the director's address or electronic mail address as shown on the records of the Association. Notices sent by first class mail shall be deposited into a United States mailbox at least five (5) days before the time set for the meeting. Notices given by electronic mail, personal delivery, telephone, or fax, shall be sent by electronic mail, delivered, telephoned or faxed at least seventy-two (72) hours before the time set for the meeting; provided, however, notice of a meeting need not be given to any director who has signed a waiver of notice or a written consent to the holding of such meeting.

**Section 3.7 Special Meetings.** Special meetings of the Board shall be held when called by written notice signed by the President of the Association or by any two (2) directors. The notice shall specify the time and place of the meeting. The notice shall be given to each director by one of the following methods: (a) by electronic mail; (b) by personal delivery; (c) written notice by first class mail, postage prepaid; (d) telephone communication, either directly to the director or to a person at the director's office home who would reasonably be expected to communicate such notice promptly to the director; or (e) by fax, charges prepaid. All such notices shall be given at the director's telephone number or sent to the director's address or electronic mail address as shown on the records of the Association. Notices sent by first class mail shall be deposited into a United States mailbox at least five (5) days before the time set for the meeting. Notices given by electronic mail, personal delivery, telephone, or fax, shall be sent by electronic mail, delivered, telephoned or faxed at least seventy-two (72) hours before the time set for the meeting.

**Section 3.8 Waiver of Notice.** The transactions of any meeting of the Board, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present, and (b) either before or after the meeting each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

**Section 3.9 Quorum of Board.** At all meetings of the Board, a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board. If any meeting of the Board cannot be held because a quorum is not present, a majority of the directors who are present at such meeting may adjourn the meeting to a time no less than five (5) or more than thirty (30) days from the date the original meeting was called. At the reconvened meeting, if a quorum is present,

any business which might have been transacted at the meeting originally called may be transacted without further notice.

**Section 3.10 Compensation.** No director shall receive any compensation from the Association for acting as such unless approved by Voting Members representing a majority of the total votes of the Association at a regular or special meeting of the Association; provided any director may be reimbursed for expenses incurred on behalf of the Association upon approval of a majority of the other directors.

**Section 3.11 Conduct of Meetings.** The President shall preside over all meetings of the Board, and the Secretary shall keep a minute book of meetings of the Board, recording therein all resolutions adopted by the Board and all transactions and proceedings occurring at such meetings.

**Section 3.12 Action Without a Formal Meeting.** Any action to be taken at a meeting of the directors or any action that may be taken at a meeting of the directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by a number of directors sufficient to take such action if all directors were present and voted on such action. Directors may provide written consent by means of electronic mail which shall be regarded as signed by the director for purpose of this Article. Prompt notice of the taking of any action by directors without a meeting by less than unanimous written consent shall be given to all directors who did not consent in writing or by electronic mail to the action taken.

**Section 3.13 Meeting by Telephonic Means.** Members of the Board may participate in a meeting by means of telephone conference or similar electronic communications equipment including electronic mail by means of which all persons participating in the meeting can hear each other or see what each other is saying or writing, and participation in a meeting pursuant to this Section 3.13 shall constitute presence in person at the meeting.

### **POWERS AND DUTIES**

**Section 3.13 Powers.** The Board shall be responsible for the affairs of the Association and shall have all of the powers and duties necessary for the administration of the Association's affairs, for the operation and maintenance of the Property and the Common Areas in keeping with the character and quality of the area in which it is located, and, as provided by law, may do or cause to be done all acts and things as are not directed to be done and exercised exclusively by the Voting Members or the membership generally by the Declaration, Certificate of Formation, or these Bylaws.

The Board shall delegate to one of its members the authority to act on behalf of the Board on all matters relating to the duties of the managing agent or manager, if any, which might arise between meetings of the Board.

**Section 3.14 Management.** The Board may employ for the Association a professional management agent or agents at a compensation established by the Board to

perform such duties and services as the Board shall authorize; however, such delegation shall not relieve or release the Board of any duty to oversee, manage or direct the business and affairs of the Association. The Board may delegate to the managing agent or manager, subject to the Board's supervision, all of the powers granted to the Board by these Bylaws that can properly be delegated. Declarant, or an affiliate of the Declarant, may be employed as managing agent or manager.

Section 3.15 Accounts and Reports. The following management standards of performance shall be followed unless the Board by resolution specifically determines otherwise:

(a) accrual accounting, as defined by generally accepted accounting principles, shall be employed;

(b) accounting and controls should conform to generally accepted accounting principles;

(c) cash accounts of the Association shall not be commingled with any other accounts;

(d) no remuneration shall be accepted by the managing agent from vendors, independent contractors, or others providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise; anything of value received shall benefit the Association;

(e) any financial or other interest which the managing agent may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board;

(f) financial reports shall be prepared for the Association at least annually containing:

(1) an income statement reflecting all income and expense activity for the preceding period on an accrual basis;

(2) a statement reflecting all cash receipts and disbursements for the preceding period;

(3) a variance report reflecting the status of all accounts in an "actual" versus "approved" budget format;

(4) a balance sheet as of the last day of the preceding period; and

(5) a delinquency report listing all Owners who are delinquent in paying any Assessments at the time of the report and describing the status of any action to collect such Assessments which remain delinquent (any Assessment or installment thereof shall be considered to be delinquent on the thirtieth (30th) day following the due date unless otherwise determined by the Board); and

(g) an annual report consisting of at least the following shall be available to all members within one hundred twenty (120) days after the close of the fiscal year: (1) a balance sheet; (2) an operating (income) statement; and (3) a statement of changes in financial position for the fiscal year.

Section 3.16 Borrowing. The Board shall have the power to borrow money for the purpose of maintenance, repair or restoration of Common Area without the approval

of the Voting Members. The Board shall also have the power to borrow money for other purposes; provided, the Board shall obtain Voting Member approval in the same manner provided in the Declaration for Special Assessments in the event that the proposed borrowing is for the purpose of modifying, improving, or adding amenities and the total amount of such borrowing exceeds or would exceed five percent (5%) of the budgeted gross expenses of the Association for that fiscal year.

Section 3.17 Rights of the Association. With respect to the Common Area, and in accordance with the Articles of Incorporation and the Declaration, the Association shall have the right to contract with any person for the performance of various duties and functions. Such agreements shall require the consent of a majority of the total number of directors of the Association.

Section 3.18 Enforcement. The Board shall have the power to impose reasonable fines (which shall not exceed Five Hundred And No/100 Dollars (\$500.00) per occurrence), which shall constitute a lien upon the Lot of the violating Owner as provided in the Declaration, and to suspend an Owner's right to use the Common Area for violation of any duty, covenant, restriction or obligation imposed under the Declaration, these Bylaws, or any rules and regulations duly adopted by the Association's Board. If any occupant, guest or invitee of a Lot violates the Declaration, Bylaws, or a rule or regulation adopted by the Board, and a fine is imposed, the fine may first be assessed against the occupant; provided, however, if the fine is not paid by such occupant, guest or invitee within the time period designated by the Board, the Owner shall pay the fine upon demand from the Association. The failure of the Board to enforce any provision of the Declaration, Bylaws, or any rule or regulation duly adopted by the Board shall not be a waiver of the right of the Board to do so thereafter.

Section 3.19 Additional Enforcement Rights. The Association, acting through the Board, may elect to enforce any provision of the Declaration, these Bylaws, or the rules and regulations of the Association by self-help, by fines, or by suit at law or in equity to enjoin any violation or to recover monetary damages or both or an action to foreclose the lien against any Lot without the necessity of compliance with the procedure set forth above. In any such action, to the maximum extent permissible, the Owner or occupant responsible for the violation of which abatement is sought shall pay all costs, including reasonable attorneys' fees and expenses actually incurred.

#### **ARTICLE 4** **OFFICERS**

Section 4.1 Officers. The officers of the Association shall be a President, Vice President, Secretary, and Treasurer, to be elected from among the members of the Board. The Board may appoint such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed from time to time by the Board. Any two (2) or more offices may be held by the same person, except the offices of President and Secretary.

Section 4.2 **Election, Term of Office, and Vacancies.** The officers of the Association shall be elected annually by the Board at the first meeting of the Board following each annual meeting of the Voting Members. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board for the unexpired portion of the term.

Section 4.3 **Removal.** Any officer may be removed by majority vote of the Board whenever, in the Board's judgment, the best interests of the Association shall be served thereby.

Section 4.4 **Powers and Duties.** The officers of the Association shall each have such powers and duties as generally associated with their respective offices, as well as such powers and duties as may from time to time specifically be conferred or imposed by the Board. The President shall be the chief executive officer of the Association. The Treasurer shall have primary responsibility for the preparation of the budget and reports as provided for herein and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both.

Section 4.5 **Resignation.** Any officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 4.6 **Agreements, Contracts, Deeds, Leases, Checks, Etc.** All agreements, contracts, deeds, leases, checks, and other instruments of the Association shall be executed by at least two (2) officers or by such other person or persons as may be designated by resolution of the Board.

## **ARTICLE 5** **COMMITTEES**

Section 5.1 **General.** The Board is authorized to establish committees to perform such tasks and to serve for such periods as may be designated by a resolution adopted by a majority of the directors present at a meeting at which a quorum is present. Each committee established by the Board shall operate in accordance with the terms of the resolution of the Board designating the committee and such rules as are adopted by the Board.

Section 5.2 **Covenants Committee.** The Board may appoint, but shall have no obligation to appoint, a "**Covenants Committee**" consisting of at least three (3) and no more than seven (7) Voting Members, who shall be appointed to serve a term of one (1) year and may, in the discretion of the Board, be appointed for any number of consecutive terms of one (1) year each. Acting in accordance with the provisions of the Declaration, these Bylaws, and resolutions the Board may adopt, the Covenants Committee, if

established, shall be the hearing tribunal of the Association and shall conduct all hearings held pursuant to Section 209.007 of the Texas Property Code, as amended.

**ARTICLE 6**  
**MISCELLANEOUS**

Section 6.1 **Fiscal Year.** The fiscal year of the Association shall be set by resolution of the Board. In the absence of a resolution, the fiscal year shall be equal to the calendar year.

Section 6.2 **Parliamentary Rules.** The Board, by resolution, may adopt in whole or in part *Robert's Rules of Order* (current edition) to govern the conduct of Association proceedings when not in conflict with Texas law, the Certificate of Formation, the Declaration, or these Bylaws.

Section 6.3 **Conflicts.** If there are conflicts between the provisions of Texas law, the Certificate of Formation, the Declaration, and/or these Bylaws, then the provisions of Texas law, the Declaration, the Certificate of Formation, and the Bylaws (in that order) shall prevail.

Section 6.4 **Books and Records.**

(a) **Inspection by Members and Mortgagees.** The Declaration, Bylaws, Certificate of Formation, any amendments to the foregoing, the rules and regulations of the Association, the membership register, books of account (not account information for individual Owners), and the minutes of meetings of the members, the Board, and committees shall be made available for inspection and copying by any Owner, or any holder, insurer or guarantor of a first mortgage on a Lot at any reasonable time during reasonable business hours and for a purpose reasonably related to his or her interest in the Lot at the office of the Association or at such other place within the Property as established in the Association's policy regarding the inspection and copying of books and records.

(b) **Rules for Inspection.** The Board shall establish reasonable rules with respect to: (1) notice to be given to the custodian of the records; (2) hours and days of the week when such an inspection may be made; and (3) payment of the costs involved with the inspection and reproducing copies of documents requested.

(c) **Inspection by Directors.** Every director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a director includes the right to make extracts and a copy of relevant documents at the reasonable expense of the Association.

Section 6.5 **Notices.** Unless otherwise provided in these Bylaws, all notices, demands, bills, statements, or other communications under these Bylaws shall be in



writing and shall be deemed to have been duly given if delivered personally or if sent by United States Mail, first class postage prepaid:

(a) if to a member or Voting Member, at the address which the member or Voting Member has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the Lot of such member or Voting Member; or

(b) if to the Association, the Board, or the managing agent, at the principal office of the Association or the managing agent, if any, or at such other address as shall be designated by notice in writing to the members pursuant to this Section.

**Section 6.6 Amendment.** Except as otherwise specifically provided above and elsewhere in these Bylaws, these Bylaws may be amended only by the affirmative vote or written consent, or combination thereof, of Voting Members representing fifty-one (51%) of the total votes of those members present, in person or by proxy, at a duly convened meeting of the Members of the Association. Notwithstanding the above, the percentage of votes or other approval necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes or other approval required for action to be taken under that clause.

In addition, so long as the Class B membership provided for in the Declaration exists, Declarant may determine whether any amendment to these Bylaws shall require the prior written approval of HUD or VA.

If an Owner consents to an amendment to these Bylaws, it will be conclusively presumed that such Owner has the authority to so consent and no contrary provision in any mortgage or contract between Owner and a third party will affect the validity of such amendment.

**Section 6.6 Non-Profit Association.** This Association is not organized for profit. No Voting Member of the Association, member of the Board of Directors, officer or person from whom the Association may receive any property or funds shall receive or shall be lawfully entitled to receive any pecuniary profit from the operation thereof, and in no event shall any part of the funds or assets of the Association be paid as salary or compensation to, or distributed to, or inure to the benefit of, any member of the Board, officer or member; provided, however, that (1) reasonable compensation may be paid to any member, director or officer while acting as an agent or employee of a third party for services rendered to the Association in effecting one or more of the purposes of the Association, and (2) any member, director or officer may, from time to time, be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.

**Section 6.7 Conflicting or Invalid Provisions.** Notwithstanding anything contained herein to the contrary, should all or part of any Article or Section of these Bylaws be in conflict with the provisions of the Non-Profit Act or any other Texas law, such Non-Profit Act or law shall control, and should any part of these Bylaws be invalid or inoperative for any reason, the remaining parts, so far as is possible and reasonable, shall be valid and operative.

Section 6.8 **Proof of Ownership.** Except for those Owners who purchase a lot from Declarant, any person or entity, on becoming an Owner of a Lot, shall furnish to the Board or the Association's managing agent a true and correct copy of the original or a certified copy of the recorded instrument vesting that person or entity with an interest or ownership in the Lot, which copy shall remain in the files of the Association.

Section 6.9 **Registration of Mailing Address.** The Owner or several Owners of a Lot shall have the same registered mailing address to be used by the Association for the mailing of annual or monthly statements, notices, demands and all other communications, and such registered address shall be the only mailing address of a person or persons to be used by the Association. Such registered address of an Owner or Owners shall be deemed to be the mailing address of the Lot owned by said Owner or Owners unless a different registered address is furnished by such Owner(s) in writing to the Board of Directors within fifteen (15) days after transfer of title, or after a change of address. Such registration shall be in written form and signed by all of the Owners of the Lot or by such person(s) as are authorized by law to represent the interest of all of the Owner(s) thereof.

Section 6.10 **Registration of Electronic Mail Address.** The Owner(s) of a Lot may wish to formally register his or her electronic mail address with the Association. The Owner must fully and properly complete a registration form and return same to the Association's managing agent or Association. There shall be one, and only one, electronic mail address that corresponds to a Lot while title to said Lot is held by an Owner who has registered his or her electronic mail address. Once an Owner has enrolled his or her electronic mail address with the E-Mail Registry, neither the Association, the Board nor the Association's managing agent shall have any responsibility whatsoever to ensure that said Owner maintains an updated or correct electronic mail address with the E-Mail Registry. Notifications to be received through the E-Mail Registry, include, but are not limited to, notices of Board Meetings, if required under Section 209.0051 of the Texas Property Code and notices of meetings of the Members of the Association as allowed under the Texas Business Organizations Code. Unless and until an Owner sends in an updated Registration Form, the Association does not consider any electronic mail address it may in its possession or in its records to be part of the official E-Mail Registry by which notices required by law are to be sent via electronic mail.

IN WITNESS WHEREOF, we being all of the current Directors of Canterbury Hills HOA hereby adopt the foregoing Bylaws for the Association to be effective as of the \_\_\_\_ day of \_\_\_\_\_, 2013.

[SIGNATURES TO IMMEDIATELY FOLLOW]

  
Mehrdad Moayedi, Director

  
Laura Wayland, Director

\_\_\_\_\_  
Brad Biber, Director