

**AMENDED AND RESTATED
DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
SAPPHIRE ENCLAVE
CITY OF COLLEYVILLE
TARRANT COUNTY, TEXAS**

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**AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS FOR SAPPHIRE ENCLAVE**

STATE OF TEXAS §
 § KNOW BY ALL THESE PRESENT:
COUNTY OF TARRANT §

This **Amended and Restated Declaration** (herein so called) is executed effective as of June 24, 2015, by **SAPPHIRE ENCLAVE HOMEOWNERS ASSOCIATION**, a Texas non-profit corporation (hereinafter also referred to as the "**Association**").

RECITALS:

- A. Pulte Homes of Texas, LP (hereafter referred to as "Pulte" and also known herein as "Original Declarant") was the owner of the real property in Tarrant County, Texas, described on Exhibit A attached hereto (the "**Property**") Pulte was the Original Declarant and declared that it developed the property as an addition to the City of Colleyville and it was to be known as Sapphire Enclave.
- B. Original Declarant desired to establish a residential community of single family detached homes on the Property and, accordingly, executed and recorded under instrument number D202048465 recorded in the Official Records of Tarrant County Texas an Original Declaration of Covenants, Conditions and Restrictions (hereinafter referred to as "Original Declaration") for the purpose to impose the covenants, conditions, restrictions, and easements herein described upon the Property.
- C. The Association now desires to establish an updated, revised, and restated version of the original Declaration of Covenants, Conditions and Restrictions. This updated version of the original Declaration includes amended and restated sections of the Original Declaration. If any provision in this Amended and Restated Declaration of Covenants, Conditions and Restrictions for Sapphire Enclave proves to be invalid by law, then, the applicable provisions of the Texas Property Code shall control.

ARTICLE 1: ESTABLISHMENT

Section 1.1 Establishment and Restatement of Covenants, Conditions and Restrictions. The Original Declarant imposed upon the Property the covenants, conditions, restrictions, liens and easements set forth in the Original Declaration 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 the Original Declarant, and now as Amended and Restated, the Association and the Owners (defined below). The Original Declarant did not guarantee that all of these purposes would 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 the 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” shall mean Architectural Control Committee.

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

“Association” means the Sapphire Enclave Homeowners Association, 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.

“City” means the City of Colleyville, Texas.

“Common Area” means those portions of the Property as depicted or described in or on the Plat (defined below) that do not constitute Lots, Streets (defined below), or roads. Accordingly, the Common Area means those portions of the Property designated as such on the Plat, including the Recreational Facilities (defined below), Community Center Property (defined below) (unless and until a tract of the Community Center Property shall be deemed a “Lot” pursuant to the terms of this Declaration at which time such tract shall no longer constitute a portion of the Common Area), any recreational centers or other recreational areas. The Common Area also includes: monuments, signs, fences, landscaping, berms, sidewalks, irrigation systems, streets, common lighting or other improvements. The Common Area shall also include all improvements on or to any portion of any of the areas described in the preceding sentence. The Declarant shall at all times have and retain the right, but without obligation whatsoever, to effect minor redesigns or reconfigurations of the Common Area located on such Declarant’s portion of the Property and to execute any open space declarations applicable to such 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 the Sapphire Enclave Homeowners Association, or as originally stated and whereas applies to past actions only, Pulte Homes of Texas, LP.

“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.

“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 construction of a Residence (defined below) thereon as herein described. In the event that the Association dissolves and the Community Center Property and/or other Common Area is conveyed to a Declarant or another third party, then such conveyed property shall be included in the definition of a “Lot”.

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

“Original Declarant” means Pulte Homes of Texas, LP

“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 area of the Property designated by a Declarant for development. A Declarant may impose, as provided in Section 3.3(d), additional or different restrictions on each Phase within such Declarant’s portion of the Property. If the Declarants annex additional property into the Property as provided in Section 8.1, they may designate the area annexed as a particular Phase, and the applicable Declarant may impose, as provided in Section 3.3(d), additional or different restrictions on such area.

“Plat” means (i) initially, the preliminary plat, and thereafter the final plat, for any Phase of the Property submitted to and approved by the City, or any other applicable governmental entity; (ii) after recordation thereof, the final Plat for any Phase of the Property as recorded in the Records of Tarrant County, Texas; and, (iii) any replat of, or amendment to, the foregoing made by a 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.

“Recreational Facilities” means the improvements, furniture, equipment and landscaping that a Declarant or the Association may install or construct on the Community Center Property or a portion thereof.

“Street” means any paved road, but not alleys, which is located within a right-of-way and serves the front of a Lot upon which a Residence is constructed. All streets within this community are private and the maintenance of these streets is the responsibility of the association (defined above).

“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.

“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 the prior written approval from the Association.

(b) **Common Area Uses.** The Common Area designated as the Community Center Property, open space and playground area on the Plat shall be used only for recreational and other similar purposes as approved by the Association. The Common Area consisting of landscaping, maintenance, wall maintenance easements, or similar areas shall be used for such purposes or similar purposes as approved by the Association.

Section 2.2 Prohibited Uses and Activities.

(a) **No Further Subdivision.** No Lot may be further subdivided without the written consent of the Association or the ACC; provided, however, this restriction shall not be applicable to a tract comprising the Community Center Property in the event that such tract ceases to be owned by the Association. Lots may be combined for the purpose of constructing a single residence on more than one Lot only upon written approval of the Association 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.** All Vehicles shall be parked, stored or placed so as not to be visible from any Street or from ground level view from an adjoining Lot, except for temporary parking in the driveway constructed on a Lot. On-street parking shall be limited to temporary parking of guests or invitees of Owners during parties, delivery of services, and similar limited (no more than twelve (12) hours) time periods. Trucks with tonnage in excess of one ton and Vehicles with signage or advertising displays shall not be permitted to park overnight on the Streets, driveways, or other areas within the Property. No inoperative or unlicensed Vehicles may be parked or stored, other than in an enclosed garage, within the Property. All work on Vehicles

(other than routine maintenance) shall be performed only in an enclosed garage. The foregoing provisions shall not restrict the parking of trucks and other Vehicles as necessary in connection with construction of Residences or other permitted Structures on Lots.

(c) **Specific Use Restrictions.** No Lot or improvement shall be used for business, professional, commercial or manufacturing purposes of any kind. No activity, whether for profit or not, shall be conducted on the Property which is not related to single-family residential purposes. No noxious or offensive activity (as determined by the ACC) shall be undertaken on the Property, and nothing shall be done which is or may become an annoyance or nuisance to the neighborhood. Nothing in this subparagraph shall prohibit a Builder's temporary use of a Residence as a sales office until such Builder's last Residence on the Property is sold. Nothing in this subparagraph shall prohibit an Owner's use of a Residence for quiet, inoffensive activities such as tutoring or giving art or music lessons so long as such activities do not materially increase the number of cars parked on the street or interfere with adjoining homeowners' use and enjoyment of their Residences and yards.

(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 or the use of approved firepits and fireplaces.

(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 as a dwelling unit at any time. No Structure of a temporary character, such as a trailer, basement, tent, shack, barn or other outbuilding, shall be used on any of the Property at any time as a dwelling; provided, however, that any Builder may maintain and occupy model houses, sales offices and construction trailers during construction periods.

(h) **Projections from Structures.** Window air conditioning units attached to a Residence and other similar projections visible from a street are prohibited. Any projection through the roof of any outbuilding on the Property shall require the prior written approval of the Association or ACC.

(i) **Private Water/Sewer Systems.** Each Residence shall be connected to the City water and sanitary sewer system, and no private water well or water, sanitary or storm sewer system is permitted within the Property unless constructed or caused to be constructed by the Declarant on the Declarant's Property. If a 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 and the requirements of the grading plan. After the Declarant has developed the Lots on its portion of the Property, the general grading and slope 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 the Association (or the ACC), the City (if applicable) and other appropriate agencies having authority to grant such approval. Notwithstanding anything to the contrary contained herein, the drainage plan of a Lot shall not be altered in a manner which is inconsistent with the Lot Grading Plan, unless such alteration is first approved by the City in writing.

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

(l) **Structures and Storage.** No temporary dwelling, shop, trailer, mobile home or above-ground swimming pools of any kind or any improvement of a temporary character (except children's wading pools and playhouses, treehouses, dog houses, greenhouses, gazebos and buildings for storage of lawn maintenance equipment which may be placed on a Lot only in places which are not visible from any street unless otherwise approved in writing by the ACC) shall be permitted on any Lot, except that a Builder or contractor may have temporary improvements (such as a sales office, parking lot and/or a construction trailer) on a Lot during construction of the Residence on that Lot. No building material of any kind or character shall be placed or stored upon a Lot until the Owner thereof is ready to commence construction of improvements, and then such material shall be placed only within the property lines of the Lot upon which the improvements are to be erected during construction so long as construction progresses without undue delay. Unless approved in writing by the ACC, storage buildings must match or complement the materials and color of the Residence on the Lot. Storage buildings may contain (a) a maximum of 100 square feet if placed on a Lot containing more than 7200 square feet or (b) a maximum of 64 square feet if placed on a Lot containing less than 7200 square feet. Unless otherwise approved in writing by the applicable ACC, the roof peak of such building is limited to a maximum height of seven feet (7'0"), as measured from the ground and may not be gambrel (barn) style unless otherwise approved in writing by the applicable ACC.

(m) **Recreational Vehicles.** No boat, trailer, marine craft, hovercraft, aircraft, recreational vehicle, travel trailer, motor home, camper body or similar vehicle or equipment may be stored, parked or kept on any driveway in the front yard or in the Street in front of a Lot for

more than 48 hours nor more frequently than two times per month, nor shall any such vehicle or equipment be parked for storage in the side or rear yard of any Residence. No such vehicle or equipment shall be used as a residence or office temporarily or permanently. This restriction shall not apply to any vehicle, machinery or equipment temporarily parked and in use for the construction, maintenance or repair of a Residence in the immediate vicinity.

(n) **Transportation of Hazardous Materials.** No vehicle of any size which transports inflammatory or explosive cargo may be kept on the Property at any time.

(o) **Drilling or Mining.** No oil drilling, oil development operation, oil refining, quarrying or mining operations of any kind shall be permitted on the surface of the Property. No oil wells, tanks, tunnels, mineral excavations or shafts shall be permitted upon or in any part of the surface of the Property. No derrick or other structure designed for use in quarrying or boring for oil, natural gas or other minerals shall be erected, maintained or permitted on the surface of the Property.

(p) **Prefabricated Structures.** Except for children's playhouses, treehouses, dog houses, greenhouses, gazebos and buildings for storage of lawn maintenance equipment placed at locations on a Lot that are not visible from any street, no building previously constructed elsewhere shall be moved onto any Lot, it being the intention that only new construction be placed and erected thereon, except that a Builder or contractor may have temporary improvements (such as a sales office or construction trailer) on a Lot during construction of the Residence on that Lot.

ARTICLE 3: CONSTRUCTION PROVISIONS

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

Section 3.2 Establishment of the ACCs.

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

(b) **Term and Subsequent Appointments.** The members of each 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). Subsequent appointments to each ACC shall be made by the Board and thereafter appointments to and removals from an ACC shall be made by the Board. Both ACCs and the Board, individually or jointly, 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 an ACC shall be entitled to compensation for its services.

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 to the applicable 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 applicable ACC or the Board

(b) **Time for Review/Approval.** The ACC shall approve or disapprove all plans properly submitted to it for construction within thirty (30) days after the date it receives a complete set of plans and specifications therefor; if an 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.

(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 the Design Guidelines.

(d) **Design Guidelines/Building Standards.** A Declarant or an 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, the Declarants may annex additional property to become a part of the Property, and a Declarant may develop its portion of the Property in various Phases. A 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 the 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 Declarant's Property, but shall not diminish the authority of the ACC and the Declarant to approve plans as otherwise herein provided.

(e) **Failure to Obtain Approval.** The construction, repair, replacement, installation, or placement of any 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 an automatic fine against the Owner of said Lot not to exceed Five Hundred and No/100 Dollars (\$500.00). 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, or the ACC, including any of its respective members, shall be liable to any Person for any official act of an ACC in connection with submitted plans and specifications. Notwithstanding any approval by the Declarant or the ACC, neither a Declarant nor an 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 a Declarant, the Association, the Board nor an 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 an ACC or a 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 the Design Guidelines. No Declarant or members of an ACC shall have 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 City and the building lines reflected on the Plat.

(b) **Structure Size and Type.** The minimum square footage of enclosed air-conditioned area of each Residence shall be the greater of (i) 1200 square feet or (ii) the minimum square footage required by the City for each Residence. Each Residence shall be of new construction on a Lot and no mobile homes or manufactured housing shall be permitted on the Property except as authorized by the Declarant or Association on a temporary basis in connection with construction.

(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 City 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 ACCs or the Declarants 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 applicable ACC.

(2) **Fences and Walls.** All fences and walls (excluding retaining walls described in (7) below) shall be at least six feet (6'0") in height and shall have a maximum height of eight feet (8'0"), and shall be located in an area and constructed of materials in accordance with the provisions therefore contained in the Design Guidelines, if applicable. 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.

(3) **Outbuildings.** Outbuildings must be approved by the applicable ACC and shall not extend above seven feet (7'0") in height, as measured from the ground, unless otherwise approved by the applicable ACC, and shall be located in an area approved in writing by the applicable ACC. Any outbuilding shall be screened from all sides such that the outbuilding does not extend above the height of any fence.

(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) **Servant's Quarters.** Intentionally omitted.

(7) **Retaining Walls.** Retaining walls other than those constructed by a Declarant on its portion of the Property require prior written approval by the ACC to ensure conformity with the requirements contained in the Design Guidelines with respect to location, construction, and materials. Except for those built by a Declarant or its affiliates on such Declarant's Property, 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 C.C.A. treated lumber or stone materials unless the applicable 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 applicable

ACC has otherwise provided prior written approval.

(8) **Mailboxes.** Mailboxes shall be of a design and constructed of materials approved by the ACC or Board.

(9) **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 the Design Guidelines with respect to location and screening. Above ground pools are prohibited.

(10) **Signage.** No signage may be maintained on any Lot or in the Common Area other than signs which do not exceed five (5) sq. ft., of tasteful design which advertise a Lot or Residence for sale or rent. Political signage is allowed so long as it strictly complies with the conditions set forth in the Design Guidelines as to number, location, when such signs are allowed prior to the election and the time period after the election upon which the signs shall be removed. Spirit signs (announcing the involvement of students in athletics or school programs) shall only be allowed if provided for and in strict compliance with the 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, the ACC (or its duly authorized agents) shall not be subject to any liability to any Person whatsoever for 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, be payable upon demand and secured by the lien created in Article 6.

(f) **Construction Materials.** All construction materials shall conform to the following provisions:

(g) **Exterior Materials.** All exterior construction materials shall be subject to approval by the ACC in accordance with the provisions thereof in the Design Guidelines, if applicable, as to aesthetic appearance and shall conform to any and all City ordinances. Unless otherwise approved by the ACC, the front of a Residence shall be of 100% masonry construction, including first and second floor of each two story building and each Residence shall be of 75% masonry construction overall. Masonry shall include stucco, brick or stone.

(h) **Roof Materials.** Minimum twenty (20) year warranty shingle or equivalent is required. Color of shingles to be weatherwood or similar color. All roofing materials must be fireproof and conform to City requirements, and are subject to approval of the ACC.

Section 3.5 **Height Restrictions.** All Structures shall conform to the height restrictions of the City.

Section 3.6 **Roof Restrictions.** All roofs shall have a minimum pitch of 5:12.

Section 3.7 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.** The Owner of a Lot, at the time of the construction of the Residence thereon, shall establish fully sodded grass on all yards visible from any street. The above landscaping shall be installed by a Builder at the time of and in conjunction with the construction of a Residence on a Lot. Unless otherwise approved in writing by the ACC, no more than 50% of the area of any yard that faces a street may be covered by shrubs or flowers and no vegetables may be grown in any yard that faces a street. Each owner shall maintain its yards in a sanitary and attractive manner and shall edge the street curbs that run along the Lot line. Grass, weeds and vegetation on each Lot must be kept mowed at regular intervals so as to maintain the Lot in a neat and attractive manner. No Owner shall permit weeds or grass on a Lot to grow to a height of greater than six inches. Upon failure of any Owner to maintain its Lot, the Association may, at its option, have the grass, weeds and vegetation cut as often as necessary in its judgment, and such Owner shall be obligated, when presented with an itemized statement, to reimburse the Association for the cost of such work. The amount to be reimbursed, if not paid within ten (10) days after the date of such invoice, shall bear interest from the date of the invoice at the maximum non-usurious rate of interest that can be contracted for under the laws of the State of Texas. The Association is a third-party beneficiary of this Section.

(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, and any such waiver shall not entitle any other Person to a similar waiver and shall only be granted with respect to portions of the Property for which such ACC is responsible in accordance with the terms of this Declaration.

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 grass and maintain the landscaping on its Lot in good condition at all times. Each Owner shall maintain the exterior of its 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 Association Right to Perform. If any Owner fails to maintain the condition of its Lot, the landscaping thereon, including the prompt removal of rotting or deceased trees and shrubs, or the Residence or other Structures thereon as contemplated by this Article 4 and fails to take action to correct such defect within ten (10) days after the applicable, the Association has furnished written notice thereof to such Owner, then the Owner of such Lot hereby grants permission to the 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 Maintenance. Each Owner grants to the Association and to the Board 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.

By acquisition of a Lot, each Owner hereby grants, creates and conveys unto the Association, the other adjacent Owners and the applicable Declarant a perpetual Drainage Easement (herein so called) over, through, under and across the Owner's Lot as reasonably necessary 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), provided however, drainage that may adversely affect a Residence shall not be permitted. Notwithstanding any of the foregoing rights of the Association or the Developer, 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 Association and the Declarants, the Declarants or the Association shall have the right to remove such structure or obstruction at the sole cost of such Owner.

ARTICLE 5: OWNERS' ASSOCIATION

Section 5.1 Establishment. The Association has heretofore been or will hereafter be created as a Texas non-profit corporation. 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 Bylaws. 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 part of a harmonious, high quality, residential subdivision.

Section 5.2 Voting Power. Each Owner shall be entitled to one vote for each Lot owned. If more than one person owns an interest in a Lot, they shall combine their vote in any such way as they see fit, but there shall be no fractional votes, and no more than one vote with respect to any Lot.

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

(b) **Specific Powers of Board.** Without limiting the authority granted to a board of directors under the Texas Non-Profit Corporation Act, 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;
- (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 Area as well as a policy establishing a schedule and procedures by which the Board may assess fines against Owners for violations of the Covenants or the 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.

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

Section 5.4 Dissolution. The Association may be dissolved upon the written consent of Owners owning at least eighty-five percent (85%) of the Lots. Upon such dissolution, the assets of the Association shall be donated to a nonprofit organization selected by a majority of the Board and with purposes similar to the Association.

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-class, 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 ACCs, the Board and the Association; and satisfying any indemnity obligation under the articles or bylaws. The Board 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 payments are to be applied.

Section 6.2 Commencement of Assessments. The Assessments did commence, as to each Lot located in the Original Declarant's Property, upon conveyance of the Lot by the Original Declarant to any Person that was not an affiliate of the Original Declarant.

The Association shall not be liable for Assessments for any Lots that it owns.

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: semi-annually on the first day of each February and July, 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 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 ten percent (10%) 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 therefor.

Section 6.5 Liability for and Enforcement of Assessments.

(a) **Personal Liability.** Each Owner shall be personally liable for all Assessments imposed against the Owner's Lot during the time it owns a Lot.

(b) **Reservation, Subordination, and Enforcement of Assessment Lien.** Each Declarant hereby reserves for the benefit of itself and the Association, a lien (the "**Assessment Lien**") against each Lot located on such Declarant's or Association's portion of the Property to secure payment of (1) the Assessments imposed hereunder and (2) payment of any amounts expended by the Association in performing a defaulting Owner's obligations as provided for in Section 4.3. Each Owner, by accepting conveyance of a Lot, shall be deemed to have agreed to pay the Assessments 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 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 power of sale in connection with the foreclosure of the Assessment Lien. The Board is empowered 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 or the Declarant may file notice of any delinquency in payment of any Assessment in the Records of Tarrant 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 Association 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 month 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 Twenty-five and No/100 Dollars (\$25.00) per month. The Association's Managing Agent shall be entitled to charge an Owner a monthly 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 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, the Board may suspend the right of an Owner to use any of the Common Area during the time that such Owner is delinquent in paying any Assessment.

(h) **Suspension of Voting Rights.** No Owner may be barred or suspended from voting in an Association election solely based on the fact that the Owner owes the Association any delinquent assessments, fees, or fines.

(i) **Initiation Fee.** Upon acquisition of record title to a Lot by an Owner other than a Declarant or a Builder, a contribution shall be made by or on behalf of such Owner to the working capital of the Association in an amount equal to Three Hundred and No/100 Dollars (\$300.00). 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 there from to the Association 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.

(j) **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.

ARTICLE 7: COMMON AREA

Section 7.1 Right to Use Common Area. 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 Association shall have the right to enter on and use the Common Area 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 the Declarant. The Board may promulgate reasonable rules and regulations for use of these facilities.

Section 7.3 Maintenance of Common Area. The Association shall be solely responsible for all maintenance, repair, replacement, and improvement of the Common Area, utilizing the Assessments for such purposes as herein provided.

Section 7.4 Risk of Loss - Use of Common Area. 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. The Association shall not 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.

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

ARTICLE 8: SPECIFIC DECLARANT RIGHTS

Section 8.1 Rights to Annex. The Association may annex additional property to become a portion of the Property and thereafter be subject to the terms, provisions and conditions of these Covenants however any such annexation by the Association may require the prior approval of HUD or VA. The Association may exercise such right by recording a supplement to this Declaration in the Records of the County, subjecting such additional property to the terms and conditions hereof. No further action or approval shall be required or necessary for the Association 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 the Association 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 Specific Board Rights to Amend Declaration. The Board, without joinder of the Owners may amend this Declaration to correct any errors or to cause the Declaration to be in compliance with any City 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 8.4 Easement/Access Right. The Original Declarant reserve 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 as reasonably necessary for access for the purpose of finishing development of the Property as a subdivision and as otherwise reasonably necessary to effect each Declarant's rights hereunder. Such easements and rights shall expire at such time as the Original Declarant no longer owns a Lot.

Section 8.5 Declarant's Right to Install Improvements in Setback and Other Areas. A 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). If a 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) adjacent to such improvements or upon which such improvements are located, and such Owner(s) shall maintain and repair any such improvement unless the applicable 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 a 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, a Declarant shall have the right, but not the obligation, to maintain and repair any such

non-setback area improvements located on such Declarant's portion of the Property; otherwise, the Association shall assume the maintenance and repair or it may abandon such improvements at its discretion. If the City 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) adjacent to such improvements or on which such improvements are located shall assume maintenance and repair at its expense.

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 Records of Tarrant County, Texas.

Section 9.2 Enforcement. The terms, provisions and conditions of this Declaration, Dedicatory Instruments, and the Design Guidelines shall be enforceable by the ACC, the Association, and each Owner. The Board shall have the power and authority to impose reasonable fines (which shall not exceed \$500.00 for each separate violation) for violation of this Declaration, the 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 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, the Design Guidelines or a rule or regulation of the Association and a fine is imposed, the Owner shall pay the fine upon notice from the Association. The failure of the Board to enforce any provision of the Declaration, the 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.

a) **Complaints.** The Association may patrol the neighborhood from time to time or may receive complaints sent to the Association's Managing Agent. Upon receipt of or identification of a complaint, the Association or its Managing Agent may investigate the complaint to determine whether or not a violation has occurred and whether enforcement is necessary.

b) **Notice of Violation.** Before levying a fine or suspending an owner's right to use the Association's Common Area, the Association will provide the Owner written notice of the violation, via certified mail, return receipt requested, and an opportunity to be heard. The written notice of the violation shall (a) include a description of the violation or property damage that is the basis for the suspension action, charge or fine and state any amount due to the Association from the Owner; and (b) inform the Owner that the Owner: (i) is entitled to a reasonable period to cure the violation and avoid the fine or suspension unless the Owner was given notice and a reasonable opportunity to cure a similar violation within the preceding six (6) months, in which case the fine attaches from the date of the violation notice; (ii) may request a hearing under Section 209.007 of the Texas Property Code on or before the 30th day after the date the Owner receives the notice; and (iii) may have special rights or relief related to the enforcement action under federal

law, including the Servicemembers Civil Relief Act, if the Owner is serving on active duty. The Violation Notice may include evidence of the violation(s), but evidence is not required.

c) **Violation Hearing.** An Owner may request in writing a hearing before the Board to contest a fine and/or a suspension of rights to use the Association's Common Area. To request a hearing before the Board, an Owner must submit a written request to the Association's Secretary, manager or administrator, if applicable, within thirty (30) days after the date the Owner received the notice. If a written request for a hearing is properly made with the time prescribed, the Association must hold a hearing within thirty (30) days of receiving the written request. The Association must provide the Owner with at least ten (10) day notice of the date, time, and place of the hearing. The hearing will be held in a regular session of the Board, or at an executive session at the Board's discretion. At the hearing, the Board will consider the facts and circumstances surrounding the violation. The Owner may attend the hearing in person, or may be represented by another person or written communication. The minutes of the hearing must contain a statement of the results of the hearing and the fine and/or other action imposed, if any. A copy of the violation notice and request for hearing should be kept in the minutes of the hearing.

d) **Levy of Fine.** Within thirty (30) days of levying any fine, the Board must give the Owner notice of the levied fine. If the fine is levied at the hearing at which the Owner is present, the notice requirement shall be satisfied if the Board announces its decision to the Owner at the hearing. Otherwise, notice may be sent by electronic mail to the Owner's e-mail address on file with the Association. In addition to the initial levy notice, the Association will give the Owner periodic notices by electronic mail of any accruing fine or the application of an Owner's payments to reduce the fine. At any time after 60 days of nonpayment of a fine, the Association may place a lien on the Owner's property to collect the fine. However, the Association's use of fines as a remedy does not preclude it from exercising other rights and remedies for the same violation.

Section 9.3 General Easement for Encroachments, Access, Maintenance and Utilities. Each Owner grants to the Association, the Board, and the other Owners a general easement as reasonably necessary 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 the Board as provided in Section 8.3. In addition, the Declaration may be amended at any time and in any respect with the approval of Owners owning at least seventy percent (70%) of the Lots.

Section 9.5 City Provisions. All construction within the Property shall also comply with all applicable City ordinances and regulations. If any ordinance or regulation imposed by the City 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 City 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, the Association shall forward such request for approval to

HUD and/or VA. If neither HUD nor VA notify the Association 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 either 1) deposited with the United States Postal Service, postage prepaid, properly addressed to the addressee or 2) sent by electronic mail to an email address provided to the Association by the Owner, or 3) by hand delivery and laid or affixed to or at the Owner's front door. Each Owner's address for purposes of notice hereunder shall be deemed to be the Residence located on its Lot.

Section 9.8 Indemnification. No officer, director or agent of the Association, nor any member of the ACC 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 the Association, or duties of any officer, director or agent of the Association, or duties as a 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 employees, the officers, directors and agents of the Association, 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 declared 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, the 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 the Association.

(a) ANY AND ALL DISPUTES ARISING HEREUNDER BETWEEN A MEMBER AND THE ASSOCIATION SHALL BE SUBMITTED TO BINDING ARBITRATION AND NOT TO A COURT FOR DETERMINATION. ARBITRATION SHALL COMMENCE AFTER WRITTEN NOTICE IS GIVEN FROM EITHER PARTY TO THE OTHER, SUCH ARBITRATION SHALL BE ACCOMPLISHED EXPEDITIOUSLY IN TARRANT COUNTY AND SHALL BE CONDUCTED IN ACCORDANCE WITH THE RULES OF THE AMERICAN ARBITRATION ASSOCIATION ("AAA"). THE ARBITRATION SHALL BE CONDUCTED BY THREE (3) ARBITRATORS, ONE OF WHOM SHALL BE APPOINTED BY THE OWNER AND ONE OF WHOM SHALL BE APPOINTED BY THE DECLARANT. THE THIRD ARBITRATOR SHALL BE APPOINTED BY THE FIRST TWO ARBITRATORS UNLESS BOTH PARTIES MUTUALLY AGREE TO A SINGLE ARBITRATOR. THE ARBITRATORS SHALL BE SELECTED FROM A LIST OF ARBITRATORS SUBMITTED

BY THE AAA. JUDGMENT UPON THE AWARD RENDERED BY THE ARBITRATORS MAY BE ENTERED IN ANY COURT HAVING JURISDICTION THEREOF. ARBITRATION SHALL NOT COMMENCE UNTIL THE PARTY REQUESTING IT HAS DEPOSITED ONE THOUSAND FIVE HUNDRED AND NO/100 U. S. DOLLARS (\$1,500.00) WITH THE ARBITRATORS AS A RETAINER FOR THE ARBITRATORS' FEES AND COSTS. THE PARTY REQUESTING ARBITRATION SHALL ADVANCE SUCH SUMS AS ARE REQUIRED FROM TIME TO TIME BY THE ARBITRATORS TO PAY THE ARBITRATORS' FEES AND COSTS, UNTIL THE PREVAILING PARTY IS DETERMINED OR THE PARTIES HAVE AGREED IN WRITING TO AN ALTERNATIVE ALLOCATION OF FEES AND COSTS. EACH PARTY SHALL PAY ITS OWN LEGAL FEES AND COSTS AND ANY OTHER FEES INCURRED IN CONNECTION WITH AN ARBITRATION PROCEEDING WHICH ARISES OUT OF OR RELATES IN ANY WAY TO THIS DECLARATION PROVIDED, HOWEVER, THAT THE ARBITRATION PANEL SHALL AWARD THE ARBITRATORS' FEES AND COSTS TO THE PREVAILING PARTY IN ITS ARBITRATION JUDGMENT.

(b) **Other Dispute Resolutions.** Notwithstanding the Association's and an 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:

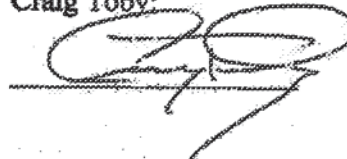
Section 9.12 Waiver of Trial by Jury. EACH OWNER ACKNOWLEDGES THAT JUSTICE WILL BEST BE SERVED IF ISSUES REGARDING THIS DECLARATION ARE HEARD BY A JUDGE IN A COURT PROCEEDING, AND NOT A JURY. EACH OWNER AGREES THAT ANY CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION, WITH RESPECT TO ANY ACTION, PROCEEDING, 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.

Section 9.13 Legal Venue. Venue for any legal dispute shall be in Tarrant County, Texas.

Section 9.14 Validity. If any provision in this Amended and Restated Declaration of Covenants, Conditions and Restrictions for Sapphire Enclave prove to be invalid by law, then, the applicable provisions of the Texas Property Code shall control.

IN WITNESS WHEREOF, we being all of the current Directors of the Sapphire Enclave Homeowners Association, hereby adopt the foregoing Amended and Restated DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR SAPPHIRE ENCLAVE to be effective as of the 24th day of June, 2015.

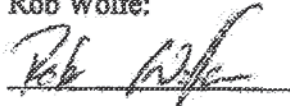
Craig Toby:



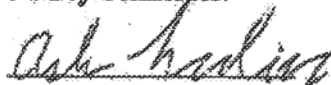
Julie Terhoeve:



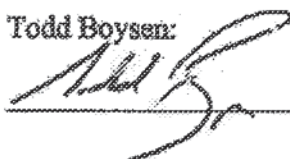
Rob Wolfe:



Ashley Schneider:



Todd Boysen:

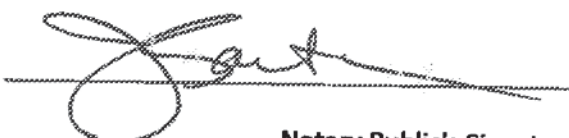


State of Texas

County of Tarrant

This instrument was acknowledged before me on June 24, 2015 by Craig Toby, Julie Terhoeve, Rob Wolfe, Ashley Schneider, and Todd Boysen, all duly elected members of the Board of Directors of Sapphire Enclave Homeowners Association, a nonprofit Corporation of the State of Texas, on behalf of said corporation.

(Notary Seal)



Notary Public's Signature

EXHIBIT A
TO
AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR SAPPHIRE ENCLAVE
AN ADDITION TO THE CITY OF COLLEYVILLE
TARRANT COUNTY, TEXAS
LEGAL/LOT DESCRIPTION

Lots 1 through 29
Lots 31-33