

**Documents For  
Sheridan Parc  
Owners  
Association**

# **Articles of Incorporation**



## Office of the Secretary of State

MAY 3 2006

### CERTIFICATE OF FILING OF

Sheridan Parc Owners Association  
File Number: 800647918

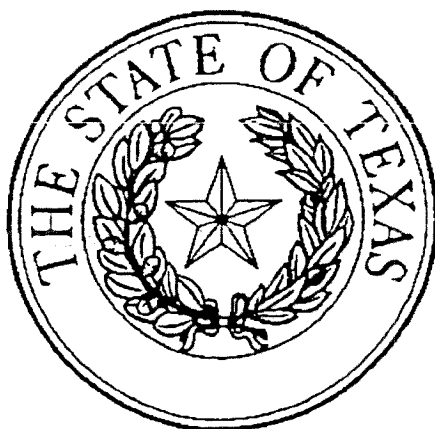
The undersigned, as Secretary of State of Texas, hereby certifies that a Certificate of Formation for the above named Domestic Nonprofit Corporation has been received in this office and has been found to conform to the applicable provisions of law.

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

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

Dated: 04/28/2006

Effective: 04/28/2006



A handwritten signature in black ink that reads "Roger Williams".

Roger Williams  
Secretary of State

APR 28 2006

Corporations Section

**ARTICLES OF ASSOCIATION  
OF  
SHERIDAN PARC OWNERS ASSOCIATION**

---

MAY BE FILED WITH THE SECRETARY OF STATE OF TEXAS AS  
A CERTIFICATE OF FORMATION FOR A DOMESTIC NONPROFIT CORPORATION

---

**REAL PROPERTY**

These Articles of Association pertain to Sheridan Parc, an addition to the City of DeSoto, Texas, according to the plat thereof recorded on November 21, 2005, as Document No. 200503590921, Real Property Records, Dallas County, Texas, and which is subject to the Declaration of Covenants, Conditions & Restrictions for Sheridan Parc, recorded on April 18, 2005, in Volume 2005075, Page 00063, Real Property Records, Dallas County, Texas, as it may be amended and restated from time to time, such as the City Requirements Amendment, recorded on November 8, 2005, as Document No. 200503573859, Real Property Records, Dallas County, Texas (collectively, the "**Declaration**").

---

**ARTICLE 1. NAME & TYPE.** The name of this domestic nonprofit entity is **Sheridan Parc Owners Association** (hereafter, the "**Association**"). This entity is the mandatory nonprofit property owners association created by the Declaration to govern the above-referenced Real Property. The filing of these Articles of Association with the Secretary of State as a certificate of formation creates a nonprofit corporation status for the Association.

**ARTICLE 2. REGISTERED AGENT & ADDRESS.** See Articles 20 and 21.

**ARTICLE 3. MANAGEMENT BY BOARD.** The management and affairs of the Association are vested in the board of directors, except for those matters expressly reserved to others in the Governing Documents. The Declaration or Bylaws may determine the number and qualification of directors; the term of office of directors; the methods of electing, removing, and replacing directors; and the methods of holding a board meeting and obtaining consents. Directors may not vote by proxy at meetings of the board. See Article 19 for the names and addresses of the initial directors.

**ARTICLE 4. MEMBERSHIP.** The Association is a nonstock membership organization - the owners of lots in Sheridan Parc being the members of the Association. The Declaration or Bylaws will determine the number and qualifications of members of the Association; any classes of membership; the voting rights and other privileges of membership; and the obligations and liabilities of members. Cumulative voting is not allowed.

**ARTICLE 5. PURPOSES.** The general purposes for which the Association is formed are (1) to exercise the rights and powers and to perform the duties and obligations of a Texas property owners association, in accordance with the Governing Documents and State law, as each may be amended from time to time, and (2) for any lawful purpose not expressly prohibited under Chapters 2 or 22 of the Texas Business Organizations Code (the "**Code**"), including any purpose described by Section 2.002 of the Code.



**ARTICLE 6. MANNER OF DISTRIBUTION.** The Association is authorized on its winding up to distribute its assets in a manner other than as provided by Section 22.304 of the Code. The manner of distribution is as follows. In the event of winding up, the assets of the Association will belong to the members of the Association at the time of winding up and will be distributed, liquidated, or conveyed in accordance with the terms of a termination agreement approved by owners to whom 80 percent or more of the votes in the Association are allocated at the time of winding up.

**ARTICLE 7. DURATION.** The duration of the Association is perpetual.

**ARTICLE 8. POWERS.** In furtherance of its purposes, the Association has the following powers which, unless indicated otherwise by the Governing Documents or State law, may be exercised by the board of directors: (1) all rights and powers conferred on nonprofit entities by State law in effect from time to time; (2) all rights and powers conferred on property owners associations by State law, in effect from time to time; (3) all powers necessary, appropriate, or advisable to perform any purpose or duty of the Association as set out in the Governing Documents or State law.

**ARTICLE 9. MEETING LOCATION.** Unless the Declaration or Bylaws provides otherwise, meetings of members of the Association will be held at a suitable place convenient to the members, as determined by the board.

**ARTICLE 10. LIMITATIONS ON LIABILITY.** A director of the Association is not liable to the Association or its members for monetary damages for acts or omissions that occur in the person's capacity as a director, except to the extent a person is found liable for (1) a breach of the director's duty of loyalty to the Association or its members; (2) an act or omission not in good faith that constitutes a breach of duty of the director to the Association; (3) an act or omission that involves intentional misconduct or a knowing violation of the law; (4) a transaction from which the director receives an improper benefit, whether or not the benefit resulted from an action taken within the scope of the person's office; or (5) an act or omission for which the liability of a director is expressly provided by an applicable statute. If the director is a member of the Association, this limitation on liability does not eliminate or modify that person's pro rata share of the Association's liability as a member of the Association.

**ARTICLE 11. INDEMNIFICATION.** As provided by the Bylaws, the Association will indemnify a person who was, is, or is threatened to be made a named defendant or respondent in a proceeding because the person is or was a director, officer, committee chair, or committee member of the Association. Additionally, the Association may indemnify a person who is or was an employee, trustee, agent, or attorney of the Association, against any liability asserted against him and incurred by him in that capacity and arising out of that capacity.

**ARTICLE 12. IMMUNITY FOR VOLUNTEERS.** To preserve the protections for Association volunteers afforded by the Charitable Immunity and Liability Act of 1987 (Chapter 84, Texas Civil Practice & Remedies Code), the Association will operate in a manner that preserves the Association's status as a homeowners association as defined by Section 528(c) of the Internal Revenue Code of 1986, as amended.

**ARTICLE 13. AMENDMENT OF ARTICLES.** These Articles may be amended or restated subject to the following:

**Section 13.1. General Provisions.** (1) An amendment may not conflict with the Declaration, the Bylaws, or applicable State law. (2) An amendment may not impair or dilute a right granted to a person by the Declaration, without that person's written consent. (3) If the

Association is incorporated by the State of Texas at the time of amendment, an amendment must be in accordance with applicable provisions of the Code.

**Section 13.2. Amendment by Board.** The board of directors may unilaterally amend or restate these Articles, without a vote of the owners, for the following limited purposes: (1) to delete the names and addresses of the initial directors, (2) to delete the name and address of the initial registered agent or office, provided a statement of change is on file with the Secretary of State, and (3) to change the name of the Association with the Secretary of State by adding, deleting, or changing a geographical attribute to the name.

**Section 13.3. Amendment by Members.** For all other purposes, an amendment must be approved by the board and by at least two-thirds of the votes or voting interests present, in person or by proxy, at a properly called meeting of the Association for which a quorum is obtained.

**ARTICLE 14. AMENDMENT OF BYLAWS.** The Bylaws of the Association may be amended or repealed according to the amendment provision of the Bylaws, which reserve those powers to the members, with limited exceptions for the board acting alone.

**ARTICLE 15. ACTION WITHOUT MEETING.** Subject to the additional requirements of Code Section 6.202, any action required by the Code or by the Governing Documents to be taken at a meeting of members or owners may be taken without a meeting if a consent in writing, setting forth the action to be taken, is signed by a sufficient number of members or owners as would be necessary to take that action at a meeting at which the required number of owners or members were present and voted.

**ARTICLE 16. DECLARANT CONTROL PERIOD.** The Declaration provides for a Declarant Control Period during which Declarant determines the number and qualification of officers and directors, who serve at the pleasure of Declarant, who is empowered by the Declaration to appoint, remove, and replace the officers and directors of the Association. The Declaration also determines the weight or numbers of votes allocated to lots owned by Declarant. Because Declarant has powers, rights, and duties in addition to those of other members, Declarant may constitute a membership "class" as described by the Code, the other lot owners constituting a different "class."

**ARTICLE 17. CHANGE OF STATUS.** The continuing existence of the Association as described in its Governing Documents is vested in its members - the owners of the Real Property - not in its corporate status, its name, or its filing number. During any period in which the Association is not incorporated, it will be subject to the Texas Uniform Unincorporated Nonprofit Association Act (Chapter 252 of the Code), and these Articles of Association will continue to be effective as a Governing Document of the Association.

**ARTICLE 18. TERMINOLOGY.** Capitalized terms used in these Articles, such as Association, Declarant, Declarant Control Period, Declaration, and Governing Documents, have the same meanings as defined in Article 1 of the Declaration. "Articles of Association" has the same meaning as "Articles of Incorporation," wherever used. As applied to this Association, the following terms which are defined or used in the Code are construed as follows:

**Section 18.1. "Governing Documents,"** as defined by the Code, is construed by the Association to mean the "Governing Documents," as defined by the Declaration, even though Governing Documents may have been initially adopted by the Declarant of the Real Property for

the benefit and use of the members of the Association, rather than having been adopted by the Association, as indicated by the Code's definition of Governing Documents.

**Section 18.2.** "each member entitled to vote at the meeting," as used in the Code, is construed by the Association to mean that if a lot is co-owned, even though all the co-owners are members of the Association, the co-owners share one membership per lot for notification and voting purposes. Therefore, votes and memberships are tabulated on a lot basis, rather than on a headcount of owners and co-owners.

**ARTICLE 19. INITIAL BOARD OF DIRECTORS.** The initial board consists of three directors who serve at the pleasure of Declarant during the Declarant Control Period, and who will serve as directors until the earlier of (1) their successors are appointed by Declarant, or (2) their successors are elected by the members of the Association after the Declarant Control Period. The number of directors after the Declarant Control Period is determined by the Bylaws, and may be changed from time to time by amendment of the Bylaws. The name and address of each initial director are as follows:

<u>Name</u>	<u>Address</u>
Don E. Allen	6751 North Freeway, Building A, Fort Worth, Texas 76131
Jacqueline C. Tow	6751 North Freeway, Building A, Fort Worth, Texas 76131
Judy M. Snedeker	6751 North Freeway, Building A, Fort Worth, Texas 76131

**ARTICLE 20. INITIAL REGISTERED AGENT.** The name of the Association's initial registered agent is CT Corporation System.

**ARTICLE 21. OFFICE OF INITIAL REGISTERED AGENT.** The address of the Association's initial registered agent is 350 N. St. Paul, Suite 2900, Dallas, Texas 75201.

**ARTICLE 22. ORGANIZER.** The name of the organizer is Sharon Reuler. The organizer's address is c/o SETTLEPOU, 3333 Lee Parkway, Eighth Floor, Dallas, Texas 75219.

**ARTICLE 23. EFFECTIVENESS OF FILING.** This document becomes effective as a certificate of filing for a nonprofit corporation when the document is filed by the Secretary of State.

*(Executed on next page.)*

**EXECUTION**

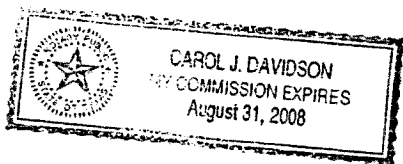
The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument.

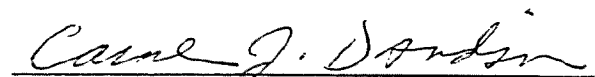
SIGNED this 27th day of April 2006.

  
\_\_\_\_\_  
Sharon Reuler

THE STATE OF TEXAS §  
  §  
COUNTY OF DALLAS §

This instrument was acknowledged before me on this 27th day of April 2006 by Sharon Reuler.



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

**AFTER RECORDING, PLEASE RETURN TO:**

Ms. Sharon Reuler ■ SettlePou • Attorneys  
3333 Lee Parkway, Eighth Floor  
Dallas, Texas 75219

# Bylaws



CONDO 200600160285

3 PGS

**BYLAWS  
OF  
SHERIDAN PARC  
OWNERS ASSOCIATION**

(A Texas Property Owners Association)

**PROPERTY**

These Bylaws pertain to Sheridan Parc, a planned community in the City of DeSoto, Texas, according to the plat thereof recorded on November 21, 2005, as Document No. 200503590921, Real Property Records, Dallas County, Texas. These Bylaws are to be recorded in the Real Property Records of Dallas County, Texas.

**BYLAWS  
OF  
SHERIDAN PARC OWNERS ASSOCIATION**  
(A Texas Property Owners Association)

TABLE OF CONTENTS

	<u>Page</u>
<b>ARTICLE 1 - <u>INTRODUCTION</u></b> .....	1
1.1. PROPERTY .....	1
1.2. DECLARATION .....	1
1.3. DEFINITIONS .....	1
1.4. DECLARANT CONTROL .....	1
1.5. PARTIES TO BYLAWS .....	1
1.6. TYPE OF ORGANIZATION .....	1
1.7. APPLICABLE LAW .....	1
1.8. GENERAL POWERS AND DUTIES .....	2
<b>ARTICLE 2 - <u>BOARD OF DIRECTORS</u></b> .....	2
2.1. NUMBER AND TERM OF OFFICE .....	2
2.2. STAGGERED TERMS .....	2
2.3. QUALIFICATION .....	2
2.4. ELECTION .....	3
2.5. VACANCIES .....	3
2.6. REMOVAL OF DIRECTORS .....	3
2.7. MEETINGS OF THE BOARD .....	4
2.8. ACTION WITHOUT MEETING .....	6
2.9. POWERS AND DUTIES .....	6
2.10. FIDELITY BONDS .....	7
<b>ARTICLE 3 - <u>OFFICERS</u></b> .....	7
3.1. DESIGNATION .....	7
3.2. ELECTION OF OFFICERS .....	7
3.3. REMOVAL AND RESIGNATION OF OFFICERS .....	7
3.4. DESCRIPTION OF PRINCIPAL OFFICES .....	8
3.5. AUTHORIZED AGENTS .....	8
<b>ARTICLE 4 - <u>STANDARDS</u></b> .....	8
4.1. SEPARATE LIABILITY .....	8
4.2. GENERAL STANDARDS .....	8
4.3. RELIANCE .....	9
4.4. COMPENSATION .....	9
4.5. LOANS .....	9
4.6. CONFLICT OF INTERESTS .....	9

ARTICLE 5 - <u>MEETINGS OF THE ASSOCIATION</u> .....	10
5.1. ANNUAL MEETING .....	10
5.2. SPECIAL MEETINGS .....	10
5.3. PLACE OF MEETINGS .....	10
5.4. NOTICE OF MEETINGS .....	10
5.5. RECORD DATE .....	10
5.6. ELIGIBILITY .....	11
5.7. QUORUM .....	11
5.8. LACK OF QUORUM .....	11
5.9. VOTES .....	11
5.10. PARTICIPATION .....	12
5.11. PROXIES .....	12
5.12. CONDUCT OF MEETINGS .....	12
5.13. ORDER OF BUSINESS .....	12
5.14. ADJOURNMENT OF MEETING .....	13
5.15. ACTION WITHOUT MEETING .....	13
5.16. MEETINGS BY REMOTE COMMUNICATIONS .....	13
ARTICLE 6 - <u>RULES</u> .....	13
6.1. RULES .....	13
6.2. ADOPTION AND AMENDMENT .....	13
6.3. NOTICE AND COMMENT .....	13
6.4. DISTRIBUTION .....	14
ARTICLE 7 - <u>ENFORCEMENT</u> .....	14
7.1. ACTIONS REQUIRING NOTICE AND HEARING .....	14
7.2. NOTICE .....	14
7.3. HEARING .....	15
7.4. ACTIONS EXEMPT FROM NOTICE AND HEARING REQUIREMENTS .....	15
7.5. IMPOSITION OF FINE .....	16
7.6. REIMBURSEMENT OF EXPENSES AND LEGAL FEES .....	16
7.7. ADDITIONAL ENFORCEMENT RIGHTS .....	17
ARTICLE 8 - <u>OBLIGATIONS OF THE OWNERS</u> .....	17
8.1. NOTICE OF SALE .....	17
8.2. PROOF OF OWNERSHIP .....	17
8.3. OWNERS' INFORMATION .....	17
8.4. MAILING ADDRESS .....	17
8.5. REGISTRATION OF MORTGAGEES .....	17
8.6. ASSESSMENTS .....	18
8.7. COMPLIANCE WITH DOCUMENTS .....	18
ARTICLE 9 - <u>ASSOCIATION RECORDS</u> .....	18
9.1. INSPECTION OF BOOKS AND RECORDS .....	18
9.2. RESALE CERTIFICATES .....	18
9.3. MANAGEMENT CERTIFICATE .....	18
9.4. MEMBERSHIP LIST .....	19



ARTICLE 10 - <u>NOTICES</u> .....	20
10.1. CO-OWNERS .....	20
10.2. DELIVERY OF NOTICES .....	20
10.3. WAIVER OF NOTICE .....	20
ARTICLE 11 - <u>INDEMNIFICATION</u> .....	20
11.1. GENERAL .....	20
11.2. MANDATORY INDEMNIFICATION .....	20
11.3. EXCEPTIONS TO MANDATORY INDEMNIFICATION .....	21
11.4. EXPENSES .....	21
11.5. INDEMNIFICATION OF OTHER PERSONS .....	22
ARTICLE 12 - <u>DECLARANT PROVISIONS</u> .....	22
12.1. CONFLICT .....	22
12.2. BOARD OF DIRECTORS .....	22
12.3. TRANSITION MEETING .....	22
ARTICLE 13 - <u>AMENDMENTS TO BYLAWS</u> .....	22
13.1. AUTHORITY .....	22
13.2. AMENDMENTS BY MEMBERS .....	23
13.3. EFFECTIVE .....	23
13.4. MORTGAGEE PROTECTION .....	23
13.5. DECLARANT PROTECTION .....	23
ARTICLE 14 - <u>GENERAL PROVISIONS</u> .....	23
14.1. DRAFTER'S INTENT .....	23
14.2. CONFLICTING PROVISIONS .....	24
14.3. SEVERABILITY .....	24
14.4. CONSTRUCTION .....	24
14.5. EFFECTIVE COMMUNICATIONS .....	24
14.6. FISCAL YEAR .....	24
14.7. WAIVER .....	24
14.8. PREPARER .....	25
CERTIFICATION & ACKNOWLEDGMENT .....	25
EXHIBIT A - NOTICE OF GOVERNANCE AND PURCHASER'S COVENANTS DURING DECLARANT CONTROL PERIOD	

**BYLAWS  
OF  
SHERIDAN PARC OWNERS ASSOCIATION**

(A Texas Property Owners Association)

---

**ARTICLE 1  
INTRODUCTION**

1.1. **PROPERTY.** These Bylaws provide for the governance of Sheridan Parc, a planned community located in the City of DeSoto, Texas, according to the plat thereof recorded on November 21, 2005, as Document No. 200503590921, Real Property Records, Dallas County, Texas (the "**Property**").

1.2. **DECLARATION.** The Property is subject to a number of publicly recorded documents, including the Declaration of Covenants, Conditions & Restrictions for Sheridan Parc, recorded on April 18, 2005, in Volume 2005075, Page 00063, Real Property Records, Dallas County, Texas, as it may be amended and restated from time to time, including the City Requirements Amendment recorded on November 8, 2005, as Document No. 200503573859, Real Property Records, Dallas County, Texas (collectively, the "**Declaration**").

1.3. **DEFINITIONS.** Words and phrases defined in the Declaration have the same meanings when used in these Bylaws.

*During the Declarant Control & Development Periods,  
Appendix C of the Declaration has priority over these Bylaws.*

1.4. **DECLARANT CONTROL.** Notwithstanding anything to the contrary in these Bylaws, a number of provisions in these Bylaws are modified by Declarant's rights and reservations under the Declaration during the Declarant Control Period and the Development Period, such as the number, qualification, appointment, removal, and replacement of directors, as well as the weight of votes allocated to lots owned by Declarant.

1.5. **PARTIES TO BYLAWS.** All present or future lot owners and all other persons who use or occupy the Property in any manner are subject to these Bylaws, the Declaration, and the other Governing Documents as defined in the Declaration. The mere acquisition of a lot or occupancy of a dwelling will signify that these Bylaws are accepted, ratified, and will be strictly followed.

1.6. **TYPE OF ORGANIZATION.** As an organization of lot owners, the Association is created by the Declaration and these Bylaws. The Association is a nonprofit organization, and may be incorporated or unincorporated.

1.7. **APPLICABLE LAW.** The Association is a legal entity governed by the Texas Business Organizations Code (the "**Code**"). If the Association is not incorporated, it is an unincorporated nonprofit association subject to Chapter 252 of Title 6 of the Code, the Texas Uniform Unincorporated Nonprofit Association Act. If the Association is incorporated, it is a domestic nonprofit corporation

*During the Development & Declarant Control Periods, Appendix C of the Declaration has priority over these Bylaws.*

subject to Chapter 22 of Title 2 of the Code, the Texas Nonprofit Corporation Law. If not incorporated, the Association, at its discretion, may use the Texas Nonprofit Corporation Law for guidance in governing the Association. Sections of the Code that are cited in these Bylaws are incorporated herein by reference, whether or not the Association is incorporated.

1.8. **GENERAL POWERS AND DUTIES.** The Association, acting through the board, has the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of the Property as may be required or permitted by the Governing Documents and applicable law. The Association may do any and all things that are lawful and which are necessary, proper, or desirable in operating for the best interests of its members, subject only to limitations upon the exercise of such powers as may be contained in applicable law or the Governing Documents.

## **ARTICLE 2** **BOARD OF DIRECTORS**

2.1. **NUMBER AND TERM OF OFFICE.** After the Declarant Control Period, the board will consist of 3 persons. The number of directors may be changed by amendment of these Bylaws, but may not be less than three. Upon election, each director will serve a term of 2 years. A director takes office upon the adjournment of the meeting or balloting at which he is elected or appointed and, absent death, ineligibility, resignation, or removal, will hold office until his successor is elected or appointed.

2.2. **STAGGERED TERMS.** To maintain staggered terms, two directors will be elected in even-numbered years, and one director will be elected in odd-numbered years. To establish staggered terms, at the first election after the transition meeting, the candidates receiving the most votes will serve 2-year terms, and the candidates receiving the next-highest votes will serve initial terms of one year. In an odd-numbered year, the highest vote getter will serve a 2-year term, and the next two highest vote getters will serve 1-year terms. In an even-numbered year, the two highest vote getters will serve 2-year terms, and the third highest vote getter will serve a 1-year term. Thereafter, their successors will serve 2-year terms. If the board is ever elected en masse, the same method will be used to re-establish staggered terms.

*See Appendix C of the Declaration for the number  
and qualifications of directors during the Declarant Control Period.*

2.3. **QUALIFICATION.** The following qualifications apply to the election or appointment of persons to the board to the extent candidates are available and qualified. The following qualifications may be waived or modified on an election by election basis only if an insufficient number of qualified candidates are available.

2.3.1. **Owners.** At least a majority of the directors must be members of the Association, spouses of members, or residents of the Property.

2.3.2. **Entity Member.** If a lot is owned by a legal entity, such as a partnership or corporation, any officer, partner, agent, or employee of that entity member is eligible to serve as a director and is deemed to be a member for the purposes of this Section. If the relationship between the entity member and the director representing it terminates, that directorship will be deemed vacant.

*During the Development & Declarant Control Periods, Appendix C of the Declaration has priority over these Bylaws.*

2.3.3. Co-Owners. Co-owners of a lot, such as spouses, may not serve on the board at the same time.

2.3.4. Delinquency. No person may be elected or appointed as a director if any assessment against the person or his lot is more than 30 days' delinquent at the time of election or appointment, provided he has been given notice of the delinquency and a reasonable opportunity to cure it.

2.3.5. Violations. No person may be elected or appointed as a director if the person or his lot - at the time of election or appointment - has not cured a violation of the Governing Documents for which the Association has given notice and a reasonable opportunity to cure.

2.3.6. Litigation. No person may be elected or appointed as a director if the person is a party adverse to the Association, the board, or a committee of the Association in pending litigation to which the Association, board, or committee is a party.

2.4. ELECTION. Directors will be elected by the members of the Association. The election of directors will be conducted at the annual meeting of the Association, at any special meeting called for that purpose, or by any method permitted by applicable law, such as Section 22.160(d) of the Code, which may include, without limitation, mail, facsimile transmission, electronic mail, or a combination of any of these.

2.5. VACANCIES. Subject to the exceptions below, vacancies on the board caused by any reason are filled by a vote of the majority of the remaining directors, even though less than a quorum, at any meeting of the board. Each director so elected serves until the next meeting of the Association, at which time a successor will be elected to fill the remainder (if any) of the term that was vacated. The exceptions to board-elected replacements are (1) the removal of a director by a vote of the Association's members, who will elect a replacement, and (2) a vacancy occurring because of an increase in the number of directors, which also will be filled by election of the members.

## 2.6. REMOVAL OF DIRECTORS.

2.6.1. Removal by Members. At any annual meeting of the Association or at any special meeting of the Association called for the purpose of removing a director, any one or more of the directors may be removed with or without cause by members representing at least two-thirds of the votes present in person or by proxy at the meeting, and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by the members must be given an opportunity to be heard at the meeting.

2.6.2. Removal by Directors. A director may not be removed by the officers or by the remaining directors, except for the following limited reasons for which a director may be removed by at least a majority of the other directors at a meeting of the board called for that purpose:

- a. The director is a party adverse to the Association, the board, or a committee of the Association in pending litigation to which the Association, board, or committee is a party, provided the Association did not file suit to effect removal of the director.
- b. The director's account with the Association has been delinquent for at least 90 days or has been delinquent at least 3 times during the preceding 12 months, provided he was given notice of the default and a reasonable opportunity to cure.

*During the Development & Declarant Control Periods, Appendix C of the Declaration has priority over these Bylaws.*

- c. The director has refused or failed to attend 3 or more meetings of the board during the preceding 12 months, provided he was given proper notice of the meetings.
- d. The director has refused or failed to cure a violation of the Governing Documents for which he has been given notice, a reasonable opportunity to cure, and an opportunity to request a hearing before the board.
- e. The director was an "interested person" in the outcome of a contract, decision, or transaction considered by the board, and (1) failed to fully or timely disclose same to the board, or (2) failed to abstain from voting on the matter.

2.6.3. No Removal by Officers. A director may not be removed by officers of the Association, acting in their capacity of officers of the Association, under any circumstance.

## 2.7. MEETINGS OF THE BOARD.

2.7.1. Organizational Meeting of the Board. Within 10 days after the annual meeting, the directors will convene an organizational meeting for the purpose of electing officers. The time and place of the meeting will be fixed by the board and announced to the directors.

2.7.2. Place of Board Meetings. The board will conduct its meetings at a location that is reasonably convenient for the greatest number of directors, and at a place or facility that is sufficiently large to accommodate the number of owners who typically attend board meetings as observers. The decision of where to meet may be made on a meeting by meeting basis by the officer or director who calls the meeting, by board resolution, or by any other practice that is customary for property owners associations. The board is not required (1) to conduct its meetings at the Property, (2) to maintain a fixed place for its meetings, (3) to select a location that is convenient to owners, or (4) to select a facility that accommodates a larger number of spectator members than is customary.

2.7.3. Types of Board Meetings. Regular meetings of the board may be held at a time and place that the board determines, from time to time, but at least one such meeting must be held each calendar quarter, with or without notice. Special meetings of the board may be called, with notice, by the president or, if he is absent or refuses to act, by the secretary, or by any 2 directors. In case of emergency, the board may convene an emergency meeting to the purpose of dealing with the emergency after making a diligent attempt to notify each director by any practical method.

2.7.4. Notice to Directors of Board Meetings. Notice is not required for regular meetings of the board, provided all directors have actual or constructive knowledge of the meeting date, time, and place. Notice of a special meeting must be given at least one day in advance of the meeting. If notice is given, it may be given by any method or combination of methods that is likely to impart the information to the directors.

2.7.5. Informing Members of Board Meetings. The board will try to inform Association members of the time and place of each board meeting. The information may be imparted by any method or combination of methods that is likely to be available or communicated to most if not all members in a timely manner, such as by posting on the Association's website, by broadcast email, by signs posted at the Property, or by hand-delivered fliers. On the written request of an owner, the Association will provide the owner with the time and place of the next regular or special meeting of the board. The failure of the Association to disseminate and the failure of an

*During the Development & Declarant Control Periods, Appendix C of the Declaration has priority over these Bylaws.*

owner to receive timely or accurate information about the date, time, and place of a meeting does not invalidate the meeting.

2.7.6. Conduct of Meetings. The president presides over meetings of the board and the secretary keeps, or causes to be kept, a record of resolutions adopted by the board and a record of transactions and proceedings occurring at meetings. When not in conflict with applicable law or the Governing Documents, the then current edition of Robert's Rules of Order governs the conduct of the meetings of the board.

2.7.7. Quorum. At meetings of the board, a majority of directors constitutes a quorum for the transaction of business, and the acts of the majority of the directors present at a meeting at which a quorum is present are the acts of the board. If less than a quorum is present at a meeting of the board, the majority of those present may adjourn the meeting from time to time. At any reconvened meeting at which a quorum is present, any business that may have been transacted at the meeting as originally called may be transacted without further notice.

2.7.8. Minutes. The written report of a board meeting is not the minutes of the meeting until approved by the directors at a future meeting. The minutes must report actions taken by the board, but need not report the substance of discussion. The board is not required to distribute minutes of its meetings to the members.

2.7.9. Voting. A director who is also an officer of the Association, even the presiding officer, is expected to participate and to vote in the manner of every other director. The president of the Association is not prohibited from voting and is not limited to tie-breaking votes. Directors may not participate by proxy at meetings of the board.

2.7.10. Open Meetings. Regular and special meetings of the board are open to members of the Association, subject to the following provisions to the extent permitted or required by applicable law:

- a. No audio or video recording of the meeting may be made, except by the board or with the board's prior express consent.
- b. Members who are not directors may not participate in board deliberations under any circumstances, and may not participate in board discussions unless the board expressly so authorizes at the meeting.
- c. Executive sessions are not open to members.
- d. The board may prohibit attendance by non-members, including representatives, proxies, agents, and attorneys of members.
- e. The board may prohibit attendance by any member who disrupts meetings or interferes with the conduct of board business.
- f. The board may but is not required to publish to members the time, date, and place of board meetings, but will provide the information if requested in writing by a member on a meeting by meeting basis.

2.7.11. Executive Session. The board may adjourn any regular or special meeting of the board and reconvene in executive session, subject to the following conditions:

*During the Development & Declarant Control Periods, Appendix C of the Declaration has priority over these Bylaws.*

- a. The nature of business to be considered in executive session will first be announced in open session.
- b. No action may be taken nor decision made in executive session, which is for discussion and informational purposes only.
- c. The limited purposes for which the board may convene in executive session are (1) to confer with the Association's legal counsel, (2) to discuss litigation or resolution of claims with which the Association is threatened or involved, (3) to discuss labor or personnel matters, (4) to discuss a complaint from or an alleged violation by an owner when the board determines that public knowledge would be injurious to the owner, and (5) on advice of counsel, to discuss matters of a particularly sensitive nature.
- d. At the end of the executive session, the board must return to the open meeting and announce the general nature of the business that was considered in executive session. Any vote, act, or decision that would have been made in executive session (but for this requirement) must be made in the open meeting.
- e. The board is not required to make or maintain minutes of executive sessions.

2.7.10. Telephone Meetings. Members of the board or any committee of the Association may participate in and hold meetings of the board or committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in such meeting constitutes presence in person at the meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

2.8. ACTION WITHOUT MEETING. Any action required or permitted to be taken by the board at a meeting may be taken without a meeting, subject to the following requirements:

2.8.1. Unanimous Consents. If all directors individually or collectively consent in writing to such action, the written consents have the same force and effect as the unanimous approval of directors at a meeting.

2.8.2. Majority Consents. If at least a majority of the directors, individually or collectively, consent in writing to such action, the written consents have the same force and effect as approval by a majority of the directors at a meeting. Prompt notice of the action so approved must be delivered to each non-consenting director.

2.8.3. Procedures. Written consents must state the date of each director's signature. The required number of written consents must be received by the Association within 60 days after the date of the earliest dated consent. Written consents must be filed with the minutes of board meetings. Additional procedures may be required by the Code.

2.9. POWERS AND DUTIES. The board has all the powers and duties necessary for the administration of the Association and for the operation and maintenance of the Property. The board may do all acts and things except those which, by applicable law or the Governing Documents, are reserved to the members and may not be delegated to the board. Without prejudice to the general and specific powers and duties set forth in applicable law or the Governing Documents, or powers and duties

*During the Development & Declarant Control Periods, Appendix C of the Declaration has priority over these Bylaws.*

as may hereafter be imposed on the board by resolution of the Association, the powers and duties of the board include, but are not limited to, the following:

2.9.1. Appointment of Committees. The board, by resolution, may from time to time designate standing or ad hoc committees to advise or assist the board with its responsibilities. The resolution may establish the purposes and powers of the committee created, provide for the appointment of a chair and committee members, and may provide for reports, termination, and other administrative matters deemed appropriate by the board. Members of committees will be appointed from among the owners and residents. The board may not appoint a committee to act in its place in managing the affairs of the Association.

2.9.2. Manager. The board may employ a manager or managing agent for the Association, at a compensation established by the board, to perform duties and services authorized by the board.

2.9.3. Emergency Powers. An emergency exists for purposes of this Section if a local, state, or national government or governmental entity declares a disaster or state of emergency in the area in which the Property is located, or declares a state of war. In anticipation of, during, or in the aftermath of an emergency, the officers and directors may take or authorize any action they deem necessary or advisable to protect lives and property. A decision or action made in good faith under emergency conditions may not be used to impose liability on an officer, director, employee, or agent of the Association.

2.10. FIDELITY BONDS. Any person handling or responsible for Association funds, including officers, agents, and employees of the Association, must furnish adequate fidelity bonds. The premiums on the bonds may be a common expense of the Association.

### **ARTICLE 3** **OFFICERS**

3.1. DESIGNATION. The principal officers of the Association are the president, the vice-president, the secretary, and the treasurer. The board may appoint one or more vice-presidents and other officers and assistant officers as it deems necessary. The president and secretary must be directors. Other officers may, but need not, be members or directors. Any two offices may be held by the same person, except the offices of president and secretary. If an officer is absent or unable to act, the board may appoint a director or a committee to perform the duties of that officer and to act in place of that officer, on an interim basis.

3.2. ELECTION OF OFFICERS. The officers are elected no less than annually by the directors at the organizational meeting of the board and hold office at the pleasure of the board. Except for resignation or removal, officers hold office until their respective successors have been designated by the board.

3.3. REMOVAL AND RESIGNATION OF OFFICERS. A majority of directors may remove any officer, with or without cause, at any regular meeting of the board or at any special meeting of the board called for that purpose. A successor may be elected at any regular or special meeting of the board called for that purpose. An officer may resign at any time by giving written notice to the board. Unless the notice of resignation states otherwise, it is effective when received by the board and does not require acceptance by the board. The resignation or removal of an officer who is also a director does not constitute resignation or removal from the board.

*During the Development & Declarant Control Periods, Appendix C of the Declaration has priority over these Bylaws.*



### 3.4. DESCRIPTION OF PRINCIPAL OFFICES.

3.4.1. President. As the chief executive officer of the Association, the president: (1) presides at all meetings of the Association and of the board; (2) has all the general powers and duties which are usually vested in the office of president of an organization; (3) has general supervision, direction, and control of the business of the Association, subject to the control of the board; and (4) sees that all orders and resolutions of the board are carried into effect.

3.4.2. Vice-President. The vice-president acts in place of the president in event of the president's absence, inability, or refusal to act. The vice-president also exercises and discharges any duty required of the vice-president by the board.

3.4.3. Secretary. The secretary: (1) keeps the minutes of all meetings of the board and of the Association; (2) has charge of such books, papers, and records as the board may direct; (3) maintains a record of the names and addresses of the members for the mailing of notices; and (4) in general, performs all duties incident to the office of secretary.

3.4.4. Treasurer. The treasurer: (1) is responsible for Association funds; (2) keeps full and accurate financial records and books of account showing all receipts and disbursements; (3) prepares all required financial data and tax returns; (4) deposits all monies or other valuable effects in the name of the Association in depositories as may from time to time be designated by the board; (5) prepares the annual and supplemental budgets of the Association; (6) reviews the accounts of the managing agent on a monthly basis in the event a managing agent is responsible for collecting and disbursing Association funds; and (7) performs all the duties incident to the office of treasurer.

3.5. AUTHORIZED AGENTS. Except when the Governing Documents require execution of certain instruments by certain individuals, the board may authorize any person to execute instruments on behalf of the Association. In the absence of board designation, the president and the secretary are the only persons authorized to execute instruments on behalf of the Association.

## **ARTICLE 4** **STANDARDS**

4.1. SEPARATE LIABILITY. The Association is a legal entity separate from its members for the purposes of determining and enforcing rights, duties, and liabilities in contract and tort. Members, directors, and officers of the Association are not personally and individually liable for the Association's breach of a contract or for the Association's tort or omission merely because they are members, directors, or officers of the Association. A member has the right to assert a claim against the Association, and the Association has the right to assert a claim against a member.

4.2. GENERAL STANDARDS. The general standards of duty for an officer or director of the Association are the State's standards for officers and directors of a nonprofit corporation, as stated in the Code as it may be amended. On the date of this document, Sections 22.221 and 22.235 of the Code provide the following standards:

- a. A director will discharge the director's duties in good faith, with ordinary care, and in a manner the director reasonably believes to be in the best interest of the Association.
- b. An officer or director is not liable to the Association, its members, or another person for an action taken or not taken as a director if the director acted in compliance with the above-

*During the Development & Declarant Control Periods, Appendix C of the Declaration has priority over these Bylaws.*

stated standard for discharging duties. A person seeking to establish liability of an officer or director must prove that the officer or director did not act (1) in good faith, (2) with ordinary care, and (3) in a manner the officer or director reasonably believed to be in the best interests of the Association.

4.3. **RELIANCE.** An officer or director may rely on information prepared or presented by (1) an officer or employee of the Association, (2) an attorney licensed by the State of Texas, (3) a certified public accountant, (4) an investment banker, or (5) a person whom the officer or director reasonably believes to possess professional expertise in the matter, and (6) in the case of a director, a committee of the Association of which the director is not a member. Such reliance must be exercised in good faith and with ordinary care. An officer or director may not rely on such information if he has actual knowledge that makes the reliance unwarranted.

4.4. **COMPENSATION.** Except as permitted below, a director, officer, member, or resident is not entitled to receive financial or monetary profit from the operation of the Association, and no funds or assets of the Association may be paid as salary or compensation to, or be distributed to, or inure to the benefit of a director, officer, member, or resident. Nevertheless,

- a. Reasonable compensation may be paid to a director, officer, member, or resident for services rendered to the Association in other capacities.
- b. A director, officer, member, or resident may, from time to time, be reimbursed for his actual and reasonable expenses incurred on behalf of the Association in connection with the administration of the affairs of the Association, provided the expense has been approved by the board.
- c. The board may budget and use Association funds to purchase awards, certificates, a celebratory meal, or other customary tokens or demonstrations of appreciation for volunteer activities.
- d. This Section does not apply to distributions to lot owners permitted or required by the Declaration, applicable law, or a court order.

4.5. **LOANS.** The Association may not loan money to or guaranty a loan for an officer or director of the Association.

4.6. **CONFLICT OF INTERESTS.** If a contract or transaction is fair to the Association, it is not disallowed merely because an officer, director, or member of the Association has a financial interest in the transaction, provided (1) the "interested" officer, director, or member fully and accurately discloses the nature of his interest to the board in a manner that is timely for the board's consideration of the contract or transaction, and (2) the "interested" officer or director does not participate in the vote to approve the contract or transaction, although the "interested" director may be counted toward a quorum at the meeting. Nothing in this Section may be construed to prevent the board from adopting policies and procedures that are more stringent than the requirements of this Section, or of applicable law, such as Sections 1.003, 1.004, and 22.230 of the Code.

*During the Development & Declarant Control Periods, Appendix C of the Declaration has priority over these Bylaws.*

**ARTICLE 5**  
**MEETINGS OF THE ASSOCIATION**

5.1. **ANNUAL MEETING.** An annual meeting of the Association will be held during the month of October of each year. At annual meetings the members will elect directors in accordance with these Bylaws and may transact such other business of the Association as may properly come before them.

5.2. **SPECIAL MEETINGS.** It is the duty of the president to call a special meeting of the Association if directed to do so by a majority of the board or by one or more petitions signed by owners of at least 20 percent of the lots in the Property. If the petition process is used, petitions may be in any form that is customary for the time. The board may not require a specific form of petition, nor require that the petition be offered to every member of the Association. Signatures on petitions need not be notarized or witnessed. An electronic or faxed petition is acceptable if the "signer's" identity is reasonably discernible.

5.3. **PLACE OF MEETINGS.** Meetings of the Association may be held at the Property or at a suitable place convenient to the members, as determined by the board.

5.4. **NOTICE OF MEETINGS.** Subject to the provisions below, at the direction of the board, written notice of meetings of the Association will be given to an owner of each lot at least 10 days but not more than 60 days prior to the meeting. Notices of meetings will state the date, time, and place the meeting is to be held. Notices will identify the type of meeting as annual or special, and will state the particular purpose of a special meeting. Notices may also set forth any other items of information deemed appropriate by the board.

5.4.1. **Notice Exception.** Individual notice of the regular annual meeting of the Association is not required if (1) the time and place of the meeting is largely unchanged from year to year and (2) information about the time and place is routinely available to all members, such as by year-long posting on the Association's official website or repetitive announcements in the Association's newsletter. This exception does not apply to special meetings of the Association, or to changes in the time and place of the regular annual meeting.

5.4.2. **Special Meeting Notice.** Within 30 days after the board resolution or receipt of petition, the board must give all members notice of the special meeting. If the board fails or refuses to call the special meeting in a timely manner, an ad hoc committee of owners may do so provided the notice of meeting names the ad hoc committee and its individual members, and further provided that the notice is delivered to an owner of every lot in accordance with these Bylaws. The notice of any special meeting must state the time, place, and purpose of the meeting. No business, except the purpose stated in the notice of the meeting, may be transacted at a special meeting.

5.5. **RECORD DATE.** Before each meeting of the Association, the board will establish a list of all members for purposes of receiving a meeting notice, and a list or way of identifying members who are ineligible to vote at the meeting because of a delinquent account. These membership lists are described in the Association Records Article below. The "cut off" date on which these lists are based is referred to in the Code as the "Record Date." The Record Date for an Association meeting for which notice is given is 10 calendar days before the date the notice is distributed or published to the members. The Record Date for an Association meeting for which no notice is given is 45 calendar days before the meeting.

*During the Development & Declarant Control Periods, Appendix C of the Declaration has priority over these Bylaws.*

5.6. **ELIGIBILITY.** Every member is entitled to receive notice of Association meetings, to attend Association meetings, and to be counted towards a quorum, even if the member is ineligible to vote or to stand for election to the board.

5.6.1. **Meeting Notice.** An owner of each lot in the Property as of the Record Date is eligible to receive notices of meetings of the Association. Because the ownership of lots may change during a year, the ownership as of the Record Date is used to produce the membership list for use in connection with the meeting.

5.6.2. **Voting.** The board may determine that a member may not vote at a meeting of the Association if the member's financial account with the Association is in arrears on the Record Date, provided (1) the ineligibility applies to every member whose financial account is delinquent, and (2) each ineligible member is given notice of the arrearage and an opportunity to become eligible. The board may specify the manner, place, and time for payment for purposes of restoring eligibility. The Record Date determination of members entitled to vote at a meeting of the Association is effective for any adjournment of the meeting, provided the date of the adjourned meeting is not more than 30 days after the original meeting. The board is not required to disqualify owners with delinquent accounts, and may allow all owners to vote regardless of arrearages.

***Every member may attend Association meetings.***

5.7. **QUORUM.** At any meeting of the Association, the presence in person or by proxy of owners of at least 20 percent of the lots in the Property constitutes a quorum. Members present at a meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal, during the course of the meeting, of members constituting a quorum.

5.8. **LACK OF QUORUM.** If a quorum is not present at any meeting of the Association for which proper notice was given, members representing at least a majority of the votes present at the meeting, although not constituting a quorum, may vote to recess the meeting for not more than 24 hours in order to attain a quorum, provided the place of the meeting remains as stated in the notice. If the meeting is adjourned without attainment of a quorum, notice of a new meeting for the same purposes within 15 to 30 days may be given to an owner of each lot, at which re-called meeting the quorum requirement is lowered to two-thirds of the number of lots required for the first call of the meeting.

5.9. **VOTES.** The vote of members representing at least a majority of the votes cast at any meeting at which a quorum is present binds all members for all purposes, except when a higher percentage is required by these Bylaws, the Declaration, or by applicable law. Cumulative voting is prohibited.

5.9.1. **Co-Owned Lots.** If a lot is owned by more than one member, the vote appurtenant to that lot is cast as follows. If only one of the multiple owners of a lot is present at a meeting of the Association, that person may cast the vote allocated to that lot. If more than one of the multiple owners is present, the vote allocated to that lot may be cast only in accordance with the owners' unanimous agreement. Multiple owners are in unanimous agreement if one of the multiple owners casts the vote allocated to a lot and none of the other owners makes prompt protest to the person presiding over the meeting.

*During the Development & Declarant Control Periods, Appendix C of the Declaration has priority over these Bylaws.*

5.9.2. Entity-Owned Lots. If a lot is owned by an entity, such as a corporation or partnership, the vote appurtenant to that lot may be cast by any officer, manager, or partner of the entity in the absence of the entity's written appointment of a specific person to exercise its vote. The person presiding over a meeting or vote may require reasonable evidence that a person voting on behalf of an entity is qualified to vote.

5.9.3. Association-Owned Lots. Votes allocated to a lot owned by the Association may be counted towards a quorum only, and may not be voted.

5.9.4. Lots Owned by Declarant or Builders. Appendix C of the Declaration may establish different voting rights during the Development Period.

5.10. PARTICIPATION. Members may participate in person or by proxy at meetings of the Association. A member who participates is deemed "present" and may be counted towards a quorum unless the member participates for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

5.11. PROXIES. A member may participate in the affairs of the Association through a power of attorney or through a proxy. To be valid, each proxy must (1) be signed and dated by a member or his attorney-in-fact; (2) identify the lot to which the vote is appurtenant; (3) designate the person or position (such as "presiding officer") in favor of whom the proxy is granted, such person having agreed to exercise the proxy; (4) identify the meeting for which the proxy is given; (5) not purport to be revocable without notice; and (6) be delivered to the secretary, to the person presiding over the Association meeting for which the proxy is designated, or to a person or company designated by the board. Unless the proxy specifies a shorter or longer time, it terminates 11 months after the date of its execution. Perpetual or self-renewing proxies are permitted, provided they are revocable. To revoke a proxy, the granting member must give actual notice of revocation to the person presiding over the Association meeting for which the proxy is designated. Unless revoked, any proxy designated for a meeting which is adjourned, recessed, or rescheduled is valid when the meeting reconvenes. A proxy delivered by email or by fax may be counted if any of the following occurs: (1) the proxy's authenticity can be confirmed to the reasonable satisfaction of the board, (2) the proxy has been acknowledged or sworn to by the member, before and certified by an officer authorized to take acknowledgments and oaths, or (3) the Association also receives the original proxy within 5 days after the vote.

5.12. CONDUCT OF MEETINGS. The president, or any person designated by the board, presides over meetings of the Association. The secretary keeps, or causes to be kept, the minutes of the meeting which should record all resolutions adopted and all transactions occurring at the meeting, as well as a record of any votes taken at the meeting. The person presiding over the meeting may appoint a parliamentarian. The then current edition of Robert's Rules of Order governs the conduct of meetings of the Association when not in conflict with the Governing Documents. Votes should be tallied by tellers appointed by the person presiding over the meeting.

5.13. ORDER OF BUSINESS. Unless the notice of meeting states otherwise, or the assembly adopts a different agenda at the meeting, the order of business at meetings of the Association is as follows:

- Determine votes present by roll call or check-in procedure
- Announcement of quorum
- Proof of notice of meeting
- Approval of minutes of preceding meeting
- Reports

*During the Development & Declarant Control Periods, Appendix C of the Declaration has priority over these Bylaws.*

- Election of directors (when required)
- Unfinished or old business
- New business

5.14. ADJOURNMENT OF MEETING. At any meeting of the Association, a majority of the members present at that meeting, either in person or by proxy, may adjourn the meeting to another time and place.

5.15. ACTION WITHOUT MEETING. Subject to board approval, any action which may be taken by a vote of the members at a meeting of the Association may also be taken without a meeting by written consents. The board may permit members to vote by ballots delivered by any method allowed by applicable law, which may include hand delivery, mail, fax, email, electronic balloting, or any combination of these. Written consents by members representing at least a majority of votes in the Association, or such higher percentage as may be required by the Governing Documents, constitutes approval by written consent. This Section may not be used to avoid the requirement of an annual meeting.

5.16. MEETINGS BY REMOTE COMMUNICATIONS. Members of the Association may participate in and hold meetings of the Association by means of electronic town halls, conference telephone or similar communications equipment by means of which all persons participating in the meeting can communicate concurrently. Participation in the meeting constitutes presence in person at the meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened. By acquiring an interest in a lot, each owner automatically consents to the use of communication technology to effect meetings of the Association, provided the owners of at least 85 percent of the lots in the Property have access to the form of technology chosen by the board, and further provided that the Association arranges a place or method of participation for those who do not have the technology.

## **ARTICLE 6**

### **RULES**

6.1. RULES. The board has the right to establish and amend, from time to time, reasonable rules and regulations for: (1) the administration of the Association and the Governing Documents; (2) the maintenance, management, operation, use, conservation, and beautification of the Property; and (3) the health, comfort, and general welfare of the residents; provided, however, that such rules may not be in conflict with applicable law or the Governing Documents. The board will, at all times, maintain the then current and complete rules in a written form which can be copied and distributed to the members.

6.2. ADOPTION AND AMENDMENT. Any rule may be adopted, amended, or terminated by the board, provided that the rule and the requisite board approval are properly recorded as a resolution in the minutes of the meeting of the board.

6.3. NOTICE AND COMMENT. At least 10 days before the effective date, the board will give written notice to an owner of each lot of any amendment, termination, or adoption of a rule, or will publish same in a newsletter, on the Association's website, or in any form or medium that is circulated or available to the members. The board may, but is not required to, give similar notice to residents who are not members. Any member or resident so notified has the right to comment orally or in writing to the board on the proposed action.

*During the Development & Declarant Control Periods, Appendix C of the Declaration has priority over these Bylaws.*

6.4. **DISTRIBUTION.** On request from any member or resident, the board will provide a current and complete copy of rules. Additionally, the board will, from time to time, distribute copies of the current and complete rules to owners and, if the board so chooses, to non-member residents.

## **ARTICLE 7** **ENFORCEMENT**

7.1. **ACTIONS REQUIRING NOTICE AND HEARING.** Before taking any of the below-described actions, the Association must give written notice and an opportunity for a hearing according to the requirements of this Article and the notice and hearing requirements of applicable law, such as Chapter 209 Texas Property Code. The following actions by or with the approval of the board, the Association, or the Architectural Reviewer, require notice and hearing as provided by this Article:

- a. Suspension of use of a common area.
- b. Imposition of a fine for violation of any provision of the Governing Documents, other than fines, interest, or collection fees charged for delinquent accounts.
- c. Charging an owner or a lot for property damage.
- d. Filing suit against an owner other than a suit related to the collection of assessments or foreclosure of the Association's assessment lien.

7.2. **NOTICE.** The required written notice must contain (1) the date the violation notice is prepared or mailed; (2) a statement that not later than the 30th day after the date the owner receives the notice, the owner may request a hearing to discuss and verify facts and resolve the matter in issue, pursuant to this Article and applicable law, such as Section 209.007 Texas Property Code; (3) a statement of how or where the request for hearing should be made or delivered; (4) a statement that if the hearing is before a committee or any body other than the board, the owner has the right to appeal the decision to the board by written notice to the board; (5) a statement that the owner may be liable for reimbursement of attorneys fees and costs if the violation continues or the damage is not paid by a stated date; and (6) the following contents applicable to violations or damage claims, as the case may be:

7.2.1. **Notice of Violation.** In the case of a violation of a provision of the Governing Documents, the written notice must also contain the following: (1) a description of the violation; (2) a reference to the rule or provision of the Governing Documents that is being violated, if applicable; (3) a description of the action required to cure the violation; (4) the amount of the fine or charge to be levied, the nature of the common area suspension, and/or the abatement action to be taken; (5) unless the owner was given notice and a reasonable opportunity to cure a similar violation within the preceding 6 months, a statement that the owner may avoid the fine or suspension by curing the violation in a reasonable period of time, which may be specified in the notice.

7.2.2. **Notice of Damage.** In the case of property damage for which the Association seeks reimbursement or imposition of a charge on the owner or the lot, the written notice must also contain (1) a description of the property damage and (2) the amount of the Association's claim against the owner or the lot.

*During the Development & Declarant Control Periods, Appendix C of the Declaration has priority over these Bylaws.*

7.2.3. Notice to Resident. In addition to giving the violation notice to the owner, the board may also give a copy of the notice to the non-owner resident, if the board deems it appropriate.

7.2.4. Receipt of Notice. Unless applicable law provides otherwise, any notice given to an owner pursuant to this Article will be deemed received by the owner (1) on personal delivery to the owner or to a person at the owner's address, or (2) on the third business day after the notice is deposited with the U.S. Postal Service, addressed to the owner at the most recent address shown on the Association's records, whether or not the owner actually receives the notice.

### 7.3. HEARING.

7.3.1. Request for Hearing. To request a hearing, an owner must submit a written request within 30 days after receiving the Association's written notice. Within 10 days after receiving the owner's request for a hearing, and at least 10 days before the hearing date, the Association will give the owner notice of the date, time, and place of the hearing. If the Association or the owner requests a postponement of the hearing, the hearing will be postponed for up to 10 days. Additional postponements may be granted by agreement of the parties.

7.3.2. Pending Hearing. Pending the hearing, the board may continue to exercise the Association's other rights and remedies for the violation, as if the declared violation were valid. The owner's request for a hearing suspends only the action described in the Association's written notice.

7.3.3. Attendance. The hearing may be held with or without the presence of the owner or the owner's representative.

7.3.4. Hearing. The hearing may be held in a closed or executive session of the board. 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.

7.3.5. Minutes of Hearing. The minutes of the hearing must contain a statement of the results of the hearing and the amount of fine or charge, if any, imposed, or abatement or suspension action, if any, authorized. A copy of the notice and request for hearing should be placed in the minutes of the hearing. If the owner appears at the hearing, the notice requirement will be deemed satisfied.

7.4. ACTIONS EXEMPT FROM NOTICE AND HEARING REQUIREMENTS. As a general rule, every action other than the above-described actions requiring notice and hearing are impliedly exempt from the requirements of this Article. As permitted by applicable law, such as Section 209.007 of Texas Property Code, the following actions are expressly exempt:

- a. A temporary suspension of a person's right to use common areas if the temporary suspension is the result of a violation that occurred in a common area and involved a significant and immediate risk of harm to others in the Property. The temporary suspension is effective until the board makes a final determination on the suspension action after following the notice and hearing procedures prescribed by this Article.

*During the Development & Declarant Control Periods, Appendix C of the Declaration has priority over these Bylaws.*



- b. A lawsuit in which the Association seeks a temporary restraining order or temporary injunctive relief.
- c. A lawsuit filed by the Association that includes foreclosure as a cause of action.
- d. The collection of delinquent assessments.

7.5. **IMPOSITION OF FINE.** Within 30 days after levying the fine or authorizing the abatement, the board must give the owner notice of the levied fine or abatement action. If the fine or action is announced at the hearing at which the owner is actually present, the notice requirement will be satisfied. Otherwise, the notice must be in writing.

7.5.1. **Amount.** The board may set fine amounts on a case by case basis, provided the fine is reasonable in light of the nature, frequency, and effects of the violation. The board may establish a schedule of fines for certain types of violations. The amount and cumulative total of a fine must be reasonable in comparison to the violation. If the board allows fines to accumulate, it may establish a maximum amount for a particular fine, at which point the total fine will be capped.

7.5.2. **Type of Fine.** If the violation is ongoing or continuous, the fine may be levied on a periodic basis (such as daily, weekly, or monthly). If the violation is not ongoing, but is instead sporadic or periodic, the fine may be levied on a per occurrence basis.

7.5.3. **Other Fine-Related.** The Association is not entitled to collect a fine from an owner to whom it has not given notice and an opportunity to be heard. The Association may not charge interest on unpaid fines. The Association may not foreclose its assessment lien on a debt consisting solely of fines. The board may adopt a collection policy that applies owners' payments to unpaid fines before retiring other types of assessments.

7.6. **REIMBURSEMENT OF EXPENSES AND LEGAL FEES.** In addition to any other rights set forth in the Governing Documents for violation of a provision of the Governing Documents, the board may levy and collect individual assessments for reimbursement of reasonable fees and expenses, including without limitation legal fees, incurred by the Association to enforce the Governing Documents, including the collection of delinquent assessments, subject to the following conditions:

7.6.1. **Notice.** The Association must give the owner written notice that the owner will be liable for reimbursement of any such fees and expenses incurred by the Association if the delinquency or violation continues after a date certain that is stated in the notice. This notice requirement does not apply to legal fees incurred by the Association in connection with the Association's counterclaim in a lawsuit to which an owner is a plaintiff.

7.6.2. **Hearing.** If legal fees are incurred by the Association for an action requiring notice and hearing, the owner is not liable for reimbursement of legal fees incurred (1) before the date by which the owner must request a hearing, if the owner does not request a hearing, or (2) before conclusion of the hearing, if the owner does request a hearing.

7.6.3. **Records.** By written request, an owner may obtain from the Association copies of any invoices for charges, including legal fees, for which the Association seeks reimbursement.

*During the Development & Declarant Control Periods, Appendix C of the Declaration has priority over these Bylaws.*

7.6.4. Foreclosure. In connection with a nonjudicial foreclosure of the Association's assessment lien, applicable law, such as Chapter 209 of the Texas Property Code, may establish a limit for the amount of attorneys fees that the Association may include in its lien.

7.7. ADDITIONAL ENFORCEMENT RIGHTS. Notwithstanding the notice and hearing requirement, the board may take immediate and appropriate action, without giving the notices required in this Article, against violations of the Governing Documents which, in the board's opinion, are (1) self-evident, such as vehicles parked illegally or in violation of posted signs; (2) threatening to life or property; or (3) repeat violations of the same provision by the same owner to whom prior notices and demands have been given for the same violation. Further, the provisions of this Article do not apply to specific remedies provided in the Governing Documents for certain violations, such as nonpayment of assessments.

## **ARTICLE 8** **OBLIGATIONS OF THE OWNERS**

8.1. NOTICE OF SALE. Any owner intending to sell or convey his lot or any interest therein must give written notice to the board of his intention, together with (1) the address or legal description of the lot being conveyed, (2) the name and address of the intended purchaser, (3) the name, address, and phone number of the title company or attorney designated to close the transaction, (4) names and phone numbers of real estate agents, if any, representing seller and purchaser, and (5) scheduled date of closing. An owner will furnish this information to the board at least 10 business days before the scheduled date of closing or conveyance. The requirements of this Section may be satisfied by giving the Association a copy of an accepted resale contract in connection with the owner's request to the Association for a resale certificate.

8.2. PROOF OF OWNERSHIP. Except for those owners who initially purchase a lot from Declarant, any person, on becoming an owner of a lot, must furnish to the board evidence of ownership in the lot, which copy will remain in the files of the Association. A copy of the recorded deed is the customary evidence. The Association may refuse to recognize a person as a member unless this requirement is first met. This requirement may be satisfied by receipt of a board-approved form that is completed and acknowledged by a title company or attorney at time of conveyance of the lot or any interest therein.

8.3. OWNERS' INFORMATION. Within 30 days after acquiring an ownership interest in a lot, the owner must provide the Association with the owner's mailing address, telephone number, and driver's license number, if any; the name and telephone number of any resident other than the owner; and the name, address, and telephone number of any person managing the lot as agent of the lot owner. An owner must notify the Association within 30 days after he has notice of a change in any information required by this Section, and must provide the information on request by the Association from time to time.

8.4. MAILING ADDRESS. The owner or the several co-owners of a lot must register and maintain one mailing address to be used by the Association for mailing of notices, demands, and all other communications. If an owner fails to maintain a current mailing address with the Association, the address of the owner's lot is deemed to be his mailing address.

8.5. REGISTRATION OF MORTGAGEES. Within 30 days after granting a lien against his lot, the owner must provide the Association with the name and address of the holder of the lien and the loan number. The owner must notify the Association within 30 days after he has notice of a change in the

*During the Development & Declarant Control Periods, Appendix C of the Declaration has priority over these Bylaws.*

information required by this Section. Also, the owner will provide the information on request by the Association from time to time.

8.6. **ASSESSMENTS**. All owners are obligated to pay assessments imposed by the Association to meet the common expenses as defined in the Declaration. A member is deemed to be in good standing and entitled to vote at any meeting of the Association if he is current in the assessments made or levied against him and his lot.

8.7. **COMPLIANCE WITH DOCUMENTS**. Each owner will comply with the provisions and terms of the Governing Documents, and any amendments thereto. Further, each owner will always endeavor to observe and promote the cooperative purposes for which the Property was established.

## **ARTICLE 9** **ASSOCIATION RECORDS**

9.1. **INSPECTION OF BOOKS AND RECORDS**. Books and records of the Association will be made available for inspection and copying pursuant to applicable law, such as Section 22.351 of the Code and Section 209.005 Texas Property Code.

9.1.1. **Proper Purpose**. The board may require a member to submit a written demand for inspection, stating the purpose for which the member will inspect the books and records. The board has the following rights: (1) to determine whether the member's purpose for inspection is proper; (2) to deny the request if the board determines that the member's purpose is not proper; (3) if granting the request, to identify which books and records are relevant to the member's stated purpose for inspection.

9.1.2. **Copies**. A member, at member's expense, may obtain photocopies of books and records for which the board grants the right of inspection. The board has the right to retain possession of the original books and records, to make copies requested by the member, and to charge the member a reasonable fee for copying.

9.1.3. **Member's Agent**. A member's inspection of the books and records may be assisted or performed by the member's agent, accountant, or attorney.

9.1.4. **Records of Attorneys and Accountants**. The files and records of an attorney or accountant who performs services for the Association are not records of the Association, are not subject to inspection by members, and are not subject to production in a legal proceeding.

9.2. **RESALE CERTIFICATES**. Any officer may prepare, or cause to be prepared, assessment estoppel certificates or resale certificates pursuant to applicable law, such as Chapter 207 of the Texas Property Code, titled Disclosure of Information by Property Owners Association. The Association may charge a reasonable fee for preparing such certificates, and may refuse to furnish such certificates until the fee is paid. Any unpaid fees may be assessed against the lot for which the certificate is furnished. The Association may delegate the responsibility for a resale certificate to its managing agent, if any.

9.3. **MANAGEMENT CERTIFICATE**. As required by applicable law, such as Section 209.004 of the Texas Property Code, the Association will maintain a current management certificate in the county's public records. When the Association has notice of a change in any information in the recorded certificate, the Association will prepare a restated or amended certificate and deliver it to the county clerk for filing. Absent gross negligence, the Association is not liable for a delay or failure to record a

*During the Development & Declarant Control Periods, Appendix C of the Declaration has priority over these Bylaws.*

certificate. The Association may delegate the responsibility for a management certificate to its managing agent, if any.

9.4. **MEMBERSHIP LIST.** The board must maintain a comprehensive list of Association members for compliance with the Code as well as the Governing Documents. The Association must make the membership list available to any owner on written request, and may charge a reasonable fee for cost of copying and delivering the owners list.

9.4.1. **Types of Information.** At a minimum, the Association must maintain for each lot the name and mailing address of at least one owner, and a description of the lot owned (if different from the mailing address). The Association may also maintain, as an Association record, additional contact information for owners, such as phone numbers, fax numbers, email addresses, places of employment, emergency contact information, mortgage information, and any other items of information provided by owners or obtained by the Association.

9.4.2. **Source of Ownership Information.** In compiling the ownership or membership list, the Association may rely on any combination of (1) public records, such as tax rolls, (2) documentation provided by title insurance companies, (3) self-reporting by owners and residents, and (4) any other reasonably reliable and customary source of ownership information. The requirement of maintaining ownership records may not be construed to require the Association to affirmatively investigate or research title to a lot.

9.4.3. **Information Available to Members.** Membership information to be maintained by the Association is similar to what is typically available to the public on the website of the appraisal district, and may not be considered confidential, private, or protected information as between the Association and its members. Neither the Association nor a member of the Association may sell or otherwise market the Association's membership information without the express prior consent of the owners. Each owner, by acquiring an ownership interest in a lot, acknowledges that the owner's contact information is a record of the Association that is available to all members of the Association.

9.4.4. **Inspection List.** In accordance with applicable law, the Association will prepare a list of owners of all lots in the Property for inspection by the members prior to the meeting. The purpose of the list is to enable members to communicate with each other about the meeting. The inspection list must be available for inspection by the members from the second business day after the date notice of the meeting is given until adjournment of the meeting for which it was prepared. The list may be inspected or copied by an owner or the owner's attorney or agent. The inspection list must have the following characteristics:

- a. The list must be in alphabetical order of owners' surnames, or in numerical order of street addresses.
- b. The list must contain the name of at least one owner of each lot, or an indication that the current ownership cannot be determined and the identify of the last known owner.
- c. The list must contain an address for each member.
- d. The list must identify how many lots are owned by each owner, if that cannot otherwise be determined from the list.

*During the Development & Declarant Control Periods, Appendix C of the Declaration has priority over these Bylaws.*

- e. If all lots do not have uniform votes, such as lots owned by Declarant during the Declarant Control Period, the list must identify the number or weight of votes attached to each lot.
- f. The list must identify which owners or lots are ineligible to vote at the meeting due to an assessment delinquency or other disqualifying condition.

## **ARTICLE 10** **NOTICES**

10.1. **CO-OWNERS**. If a lot is owned by more than one person, notice to one co-owner is deemed notice to all co-owners. Similarly, notice to one resident of a lot is deemed notice to all residents of the lot.

10.2. **DELIVERY OF NOTICES**. Any written notice required or permitted by these Bylaws may be given personally, by mail, by fax, by email, or by any other method permitted by applicable law, such as the Texas Business Organizations Code. If mailed, the notice is deemed delivered when deposited in the U.S. mail addressed to the member at the address shown on the Association's records. If transmitted by fax or email, the notice is deemed delivered on successful transmission of the facsimile or electronic correspondence. The notice must be sent to the party's last known address as it appears on the records of the Association at the time of transmission. If an owner fails to give the Association an effective address, the notice may be sent (1) to the address of the owner's lot and/or (2) to the owner's address shown on the then-current property tax rolls for the lot. If the Association properly transmits the notice, the owner is deemed to have been given notice whether or not he actually receives it.

10.3. **WAIVER OF NOTICE**. Whenever a notice is required to be given to an owner, member, or director, a written waiver of the notice, signed by the person entitled to the notice, whether before or after the time stated in the notice, is equivalent to giving the notice. Attendance by a member or director at any meeting of the Association or board, respectively, constitutes a waiver of notice by the member or director of the time, place, and purpose of the meeting. If all members or directors are present at any meeting of the Association or board, respectively, no notice is required and any business may be transacted at the meeting.

## **ARTICLE 11** **INDEMNIFICATION**

11.1. **GENERAL**. The purpose of this Article is to mandate some of the permissive provisions of Chapter 8 of the Code, and to indemnify Association Leaders whether or not the Association is incorporated at the time indemnification is needed. The definitions of Chapter 8 of the Code are hereby incorporated by reference, without regard to the corporate status of the Association. As used in this Article, "**Association Leader**" means a person who is a current or former officer or director of the Association, or a current or former committee chair or committee member of the Association.

11.2. **MANDATORY INDEMNIFICATION**. The Association will indemnify an Association Leader who was, is, or is threatened to be made a named defendant or respondent in a proceeding because the person is or was an Association Leader, if the following determinations are made.

11.2.1. **Determinations**. It must be determined that the person acted in good faith, and that:

*During the Development & Declarant Control Periods, Appendix C of the Declaration has priority over these Bylaws.*

- a. the person reasonably believed (1) in the case of conduct in the person's official capacity, that the person's conduct was in the Association's best interest, or (2) in any other case, that the person's conduct was not opposed to the Association's best interests;
- b. in the case of a criminal proceeding, the person did not have a reasonable cause to believe the person's conduct was unlawful;
- c. with respect to expenses, the amount of expenses other than a judgment is reasonable; and
- d. indemnification should be paid.

11.2.2. Effect of Proceeding Termination. A person does not fail to meet the determination standard solely because of the termination of a proceeding by judgment, order, settlement, conviction, or a plea of nolo contendere or its equivalent.

11.2.3. How Determinations Are Made. If all of the directors are disinterested and independent, as defined in the Code, the determinations required under this Section will be made by a special legal counsel selected by the board. Otherwise, the determinations will be made by the owners of a majority of lots in the Property, other than lots owned by persons who are not disinterested and independent as defined in the Code, or by a special legal counsel selected by those owners.

11.3. EXCEPTIONS TO MANDATORY INDEMNIFICATION. A person who is found liable to the Association or is found liable because the person improperly received a personal benefit is not entitled to indemnification under this Article if, in a legal proceeding, the person has been found liable for (1) wilful or intentional misconduct in the performance of the person's duty to the Association, (2) breach of the person's duty of loyalty owed to the Association, or (3) an act or omission not committed in good faith that constitutes a breach of a duty owed by the person to the Association. In all other instances, indemnification of a person who is found liable to the Association is limited to reasonable expenses actually incurred by the person in connection with the proceeding, excluding a judgment, a penalty, a fine, or any other type of sanction. A person indemnified by the Association is considered to have been found liable in relation to a claim, issue, or matter only if the liability is established by an order, including a judgment or decree of a court, and all appeals of the order are exhausted or foreclosed by applicable law.

11.4. EXPENSES. The indemnification provided by this Article covers reasonable expenses and costs, such as legal fees, actually and necessarily incurred by the indemnified person in connection with a qualified claim.

11.4.1. Advancement of Expenses. The Association may pay or reimburse reasonable expenses incurred by an indemnified person who was, is, or is threatened to be made a respondent in a proceeding in advance of the final disposition of the proceeding without making the determinations required under the Section above titled "Mandatory Indemnification," after the Association receives a written affirmation by the person of the person's good faith belief that the person has met the standard of conduct necessary for indemnification under this Article, and a written undertaking by or on behalf of the person to repay the amount paid or reimbursed if the final determination is that the person has not met that standard or that indemnification is prohibited by this Article. The required written undertaking must be an unlimited general

*During the Development & Declarant Control Periods, Appendix C of the Declaration has priority over these Bylaws.*

obligation of the person but need not be secured and may be accepted by the Association without regard to the person's ability to make repayment.

11.4.2. Witness Expenses. The Association may pay or reimburse reasonable expenses incurred by an Association Leader, member, employee, agent, or other person in connection with that person's appearance as a witness or other participation in a proceeding at a time when the person is not a respondent in the proceeding.

11.5. INDEMNIFICATION OF OTHER PERSONS. Subject to the same limitations, determinations, and exceptions for Association Leaders, the Association may indemnify and advance expenses to a person who is not otherwise covered by this Article's indemnification as provided by (1) a provision in a Governing Document of the Association, (2) a contract to which the Association is a party, (3) common law, (4) a board resolution, or (5) a resolution approved by the Association's members. A person indemnified under this Section may seek indemnification or advancement of expenses from the Association to the same extent that an Association Leader may seek indemnification or advancement of expenses under this Article.

## **ARTICLE 12 DECLARANT PROVISIONS**

12.1. CONFLICT. The provisions of this Article control over any provision to the contrary elsewhere in these Bylaws.

12.2. BOARD OF DIRECTORS. During the Declarant Control Period, Appendix C of the Declaration governs the number, qualification, and appointment of directors. The initial directors will be appointed by Declarant and need not be owners or residents. Directors appointed by Declarant may not be removed by the owners and may be removed by Declarant only. Declarant has the right to fill vacancies in any directorship vacated by a Declarant appointee.

12.3. TRANSITION MEETING. As provided by Appendix C of the Declaration, within 60 days after the end of the Declarant Control Period, or sooner at Declarant's option, Declarant will call a meeting of the members of the Association for the purpose of electing directors, by ballot of members. Notice of the transition meeting will be given as if it were notice of an annual meeting.

## **ARTICLE 13 AMENDMENTS TO BYLAWS**

13.1. AUTHORITY. Although the general authority for amending the Bylaws resides with the members of the Association, certain amendments may be made by the board or by Declarant, without a vote of the members.

13.1.1. Amendments by Board. For the following limited purposes, the board may amend these Bylaws with or without approval by the members, provided the proposed amendment has the prior unanimous approval of the directors:

- a. To correct mistakes in the Bylaws.
- b. To conform the Bylaws to changes in controlling law applicable to any topic addressed in these Bylaws.
- c. To change the name of the Association.

*During the Development & Declarant Control Periods, Appendix C of the Declaration has priority over these Bylaws.*

- d. To restate previously amended Bylaws for the sole purpose of incorporating the amendments into the body of the Bylaws.

13.1.2. Amendments by Declarant. As provided by Appendix C of the Declaration, during the Development Period, Declarant may amend these Bylaws with or without approval by the board or the members, **for any purpose.**

13.1.3. Amendments by Members. All other amendments of these Bylaws must be approved by the members according to the terms of this Article.

### 13.2. AMENDMENTS BY MEMBERS.

13.2.1. Proposal. The Association will provide or make available to an owner of each lot a description, if not exact wording, of any proposed amendment. The proposed amendment, description of the proposed amendment, or instructions for obtaining a copy of the proposed amendment at no cost will be included in the notice of any annual or special meeting of the Association at which the proposed amendment is to be considered.

13.2.2. Consents. Subject to the following limitation, an amendment of these Bylaws must be approved by members representing at least a majority of the votes present (in person or by proxy) at a properly called meeting of the Association for which a quorum is obtained. In other words, if a quorum is present (in person or by proxy) at an Association meeting, the owners of a majority of the lots represented at the meeting (in person or by proxy) -- even if less than a majority of the total lots -- may approve an amendment to these Bylaws. This Section, however, may not be amended without the approval of owners representing at least a majority of the total lots in the Property.

13.3. EFFECTIVE. To be effective, an amendment must be in the form of a written instrument (1) referencing the name of the Property, the name of the Association, and the recording data of these Bylaws and any amendments hereto; (2) signed and acknowledged by at least one officer of the Association, certifying the requisite authority and/or approvals; and (3) recorded in the Real Property Records of Dallas County, Texas. An amendment may be effective immediately if adopted at an Association meeting at which owners of two-thirds of the lots are represented. Otherwise, an amendment is not effective until 10 days after an owner of each lot is notified of the amendment and provided with a copy of the amendment or instructions for obtaining a copy.

13.4. MORTGAGEE PROTECTION. If a provision in a Governing Document or applicable law requires notices to and consent of mortgagees for certain actions and amendments, the Association must give the required notices to and obtain the required approvals from applicable mortgagees.

13.5. DECLARANT PROTECTION. During the Development Period, no amendment of these Bylaws may affect Declarant's rights herein without Declarant's written and acknowledged consent. Specifically, this Section, the article titled "Declarant Provisions," and the sections titled "Declarant Control" and "Drafter's Intent" may not be amended during the Development Period without prior written approval of Declarant. Declarant's written consent must be part of the amendment instrument.

## **ARTICLE 14** **GENERAL PROVISIONS**

14.1. DRAFTER'S INTENT. Because Declarant intends these Bylaws to serve the Association for many years beyond the initial development, construction, and marketing of the Property, Declarant

*During the Development & Declarant Control Periods, Appendix C of the Declaration has priority over these Bylaws.*



purposefully did not draft these Bylaws from its own perspective. Instead, as a courtesy to future users of these Bylaws, Declarant compiled most of the Declarant-related provisions in Appendix C of the Declaration. Although Declarant is initially an owner and a member of the Association, Declarant is intentionally exempt from a number of obligations that apply to other owners, and has a number of rights that other owners do not have. These Bylaws are to be construed liberally to give effect to the drafter's intent of favorable and preferential treatment of Declarant.

**DRAFTER'S DICTUM**

*Users of this document should periodically review statutes and court rulings that may modify or nullify provisions of this document or its enforcement, or may create rights or duties not anticipated by this document.*

14.2. **CONFLICTING PROVISIONS.** If any provision of these Bylaws conflicts with any provision of the applicable laws of the State of Texas, the conflicting Bylaws provision is null and void, but all other provisions of these Bylaws remains in full force and effect. If a provision of the Association's certificate of formation or Articles of Association conflicts with these Bylaws, the certificate of formation or Articles controls. In the case of any conflict between the Declaration and these Bylaws, the Declaration controls.

14.3. **SEVERABILITY.** Whenever possible, each provision of these Bylaws will be interpreted in a manner as to be effective and valid. Invalidation of any provision of these Bylaws, by judgment or court order, does not affect any other provision which remains in full force and effect.

14.4. **CONSTRUCTION.** The effect of a general statement is not limited by the enumerations of specific matters similar to the general. The captions of articles and sections are inserted only for convenience and are in no way to be construed as defining or modifying the text to which they refer. The singular is construed to mean the plural, when applicable, and the use of masculine or neuter pronouns includes the feminine.

14.5. **EFFECTIVE COMMUNICATIONS.** These Bylaws are drafted in an era of expanding and distracting modes of communication - written, voice, visual, and electronic - with emerging security and screening technologies that impede some transmissions without the sender's knowledge. In such an era, the burden may be on the sender (1) to bring important pieces of information to the attention of the recipient in a manner that helps the recipient recognize the importance and purpose of the communication, and (2) to confirm that the message was received and its importance recognized. For example, a change of address that is buried in the fifth paragraph of an owner's letter about a potpourri of issues may be overlooked by the Association. Similarly, a notice of assessment increase that is buried in a chatty Association newsletter or website may be overlooked by the owner. Although there is no way to guaranty what will be noticed by another person, each sender should try to communicate effectively. If the Association specifies a mode of communications for a certain purpose, it benefits the owner to use the specified mode for the intended purpose.

14.6. **FISCAL YEAR.** The fiscal year of the Association will be set by resolution of the board, and is subject to change from time to time as the board determines. In the absence of a resolution by the board, the fiscal year begins July 1 and ends June 30 of each year.

14.7. **WAIVER.** No restriction, condition, obligation, or covenant contained in these Bylaws may be deemed to have been abrogated or waived by reason of failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

*During the Development & Declarant Control Periods, Appendix C of the Declaration has priority over these Bylaws.*

14.8. PREPARER. These Bylaws were prepared in the law offices of Sharon Reuler of SETTLEPOU, 3333 Lee Parkway, Eighth Floor, Dallas, Texas 75219.

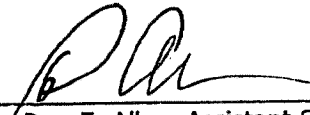
**CERTIFICATION & ACKNOWLEDGMENT**

As the Declarant of Sheridan Parc, I certify that the foregoing Bylaws of Sheridan Parc Owners Association were adopted for the benefit of the Association by the Initial Board of Directors of Sheridan Parc Owners Association at the organization meeting of the Board called by a majority of the Directors for the purpose of adopting these Bylaws.

SIGNED this 28 day of April 2006.


**D. R. HORTON - TEXAS, LTD.**, a Texas limited partnership

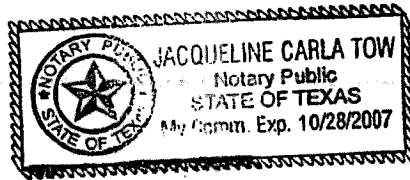
By: D. R. HORTON, INC., a Delaware corporation, its authorized agent

By:   
Don E. Allen, Assistant Secretary

THE STATE OF TEXAS §  
  §  
COUNTY OF TARRANT §

This Instrument was acknowledged before me on this 28 day of April 2006 by Don E. Allen, Assistant Secretary of D. R. Horton, Inc., a Delaware corporation, on behalf of said corporation in its capacity as authorized agent for D. R. Horton - Texas, Ltd., a Texas limited partnership, on behalf of the limited partnership.

  
Notary Public, The State of Texas



*During the Development & Declarant Control Periods, Appendix C of the Declaration has priority over these Bylaws.*

**EXHIBIT A TO BYLAWS  
NOTICE OF GOVERNANCE AND  
PURCHASER'S COVENANTS DURING DECLARANT CONTROL PERIOD**

---

Each owner of a home in Sheridan Parc, by the act of accepting an interest in or title to a lot during the Declarant Control Period, whether or not it is so expressed in the instrument of conveyance, acknowledges, understand, covenants, and agrees to each of the following statements:

**NOTICE OF GOVERNANCE**

1. Sheridan Parc is a planned community, the development and marketing of which may extend over several years, even decades. Declarant has reserved for itself the right to control the Association until Sheridan Parc is fully phased, substantially complete, and close to being "sold out" and closed to homebuyers.
2. Because the Declarant Control Period is a short span of time in the potentially perpetual life of the Property and the Association, Declarant intentionally adopted Governing Documents designed for the long era in which homeowners will control the Association, instead of tailoring the Governing Documents for the relatively brief Declarant Control Period.
3. Written for a homeowner-controlled Association, some provisions in these Bylaws are inapplicable or inappropriate for the Declarant Control Period. For example, Association directors appointed by Declarant are likely to be Declarant's employees or officers, who make decisions for the Association in the ordinary course of their daily work - without formality of called meetings, notices, and minutes.
4. Because neither State law nor the Governing Documents require incorporation of the Association, Declarant may or may not incorporate the Association during the Declarant Control Period.

**PURCHASER'S COVENANTS**

1. Purchaser has read and understands the significance of this Exhibit to the Bylaws, and Appendix C of the Declaration of Covenants, Conditions & Restrictions for Sheridan Parc, both of which contain important information about how the Association will be governed during the Declarant Control Period.
2. Purchaser understands that a provision in Appendix C of the Declaration controls over a provision in these Bylaws that addresses the same topic.
3. Purchaser understands that the Association may not be incorporated, and that it may operate as a unincorporated nonprofit association pursuant to the Texas Uniform Unincorporated Nonprofit Association Act of the Business Organizations Code.
4. Purchaser understands that owners will not have a voice in the operation and governance of the Association during the Declarant Control Period, except to the extent (if any) granted by Declarant.
5. Purchaser will execute a version of this Exhibit at or prior to closing if so requested by Declarant, although failure to execute the document does not affect the validity of this Exhibit, these Bylaws, or the application of this Exhibit and these Bylaws to Purchaser and his lot.

**AFTER RECORDING, PLEASE RETURN TO:**  
Ms. Sharon Reuler • SettlePou Attorneys  
3333 Lee Parkway, Eighth Floor  
Dallas, Texas 75219

**FILED AND RECORDED**



OFFICIAL PUBLIC RECORDS

*Cynthia Figueroa Calhoun*

Cynthia Figueroa Calhoun, County Clerk  
Dallas County TEXAS

May 02, 2006 12:55:01

FEE: \$132.00

200600160285

# **Declaration of CC&R's**

**Sheridan Parc Owners Association  
3102 Oak Lawn, Suite 202  
Dallas, TX 75219**

**Dedicatory Instruments**

**Guidelines for Rainwater Recovery Systems**

**WHEREAS**, Lots in Sheridan Parc are subject to Declaration of Covenants, Conditions and Restrictions for Sheridan Parc, recorded on April 18, 2005, in Volume 2005075, Page 00063, Real Property Records, Dallas County Texas as amended or supplemented from time to time as:

- Amendment Recorded as Document No. 200503573859, on November 8, 2005

**The Association wishes to adopt reasonable guidelines for Rainwater Recovery Systems; and**

**WHEREAS**, the Board wishes to update and adopt these reasonable guidelines to be in compliance with Section 209.0062 of the Texas Property Code; and

**WHEREAS**, the Board intends to file these guidelines in the real property records of each county in which the subdivision is located, in compliance with Section 209.0062 of the Texas Property Code; and

**NOW, THEREFORE, IT IS RESOLVED** that the attached guidelines for rainwater recovery systems have been established by the Board and are to be recorded with the Real Property Records.



201400148750 ✓  
DEDICATION 1/14



**SHERIDAN PARC OWNERS ASSOCIATION  
GUIDELINES FOR RAINWATER RECOVERY SYSTEMS**

STATE OF TEXAS  
COUNTY OF DALLAS

§  
§  
§

KNOW ALL PERSONS BY THESE PRESENTS:

WHEREAS the Sheridan Parc Owners Association (“Association”) is charged with administering and enforcing those certain covenants, conditions and restrictions contained in the recorded Declarations for the various sections of the community (referred to collectively as “Declarations”); and

WHEREAS chapter 202 of the Texas Property Code was amended effective September 1, 2011, to amend Section 202.007(d) (“Section 202.007”) thereto dealing with rain barrels and rainwater harvesting systems (referred to collectively as “Rainwater Recovery Systems”); and

WHEREAS, the Board of Directors (“Board”) of the Association has determined that in connection with maintaining the aesthetics and architectural harmony of the community, and to provide clear and definitive guidance regarding the installation and maintenance of Rainwater Recovery Systems therein, it is appropriate for the Association to adopt guidelines regarding Rainwater Recovery Systems.

NOW, THEREFORE, the Board has duly adopted the following *Guidelines for Rainwater Recovery Systems* within the community.

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

containers are not allowed, however, where space allows and where appropriate, ponds may be used for water storage.

- 4) Harvested water must be used and not allowed to become stagnant or a threat to health.
- 5) All Systems must be maintained in good repair. Unused Systems should be drained and disconnected from the gutters. Any unused Systems in public view must be removed if they can be seen from any street or common area.

The guidelines are effective upon recordation in the Public Records of Dallas County, and supersede any guidelines for rainwater recovery systems which may have previously been in effect. Except as affected by Section 202.007 and/or by these guidelines, all other provisions contained in the Declarations or any other dedicatory instruments of the Association shall remain in full force and effect.

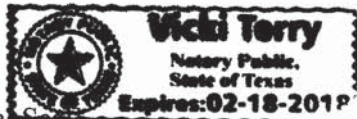
Approved and adopted by the Board on this 14 day of March 2014.

[Signature]  
 Name of Board Member  
 Title  
 Sheridan Parc Owners Association

STATE OF TEXAS           §  
    §  
 COUNTY OF DALLAS       §

Before me, the undersigned authority, on this day personally appeared James Dollar, Managing Partner (title), of Sheridan Parc Owners Association, a Texas corporation, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that he/she had executed the same as the act of said corporation for the purpose and consideration therein expressed, and in the capacity therein stated.

Given under my hand and seal of office this 14<sup>th</sup> day of March, 2014.



[Notarial Seal]

[Signature]  
 Notary Public, State of Texas

Printed Name  
 My commission expires: 2/8/18

**AFTER RECORDING RETURN TO:**  
**FirstService Residential**  
**3102 Oak Lawn Avenue, Suite 202**  
**Dallas, Texas 75219**



**Sheridan Parc Owners Association  
3102 Oak Lawn, Suite 202  
Dallas, TX 75219**

**Dedicatory Instruments**

**Guidelines for Display of Certain Religious Items**

**WHEREAS**, Lots in Sheridan Parc are subject to Declaration of Covenants, Conditions and Restrictions for Sheridan Parc, recorded on April 18, 2005, in Volume 2005075, Page 00063, Real Property Records, Dallas County Texas as amended or supplemented from time to time as:

- Amendment Recorded as Document No. 200503573859, on November 8, 2005

**The Association wishes to adopt reasonable guidelines for Display of Certain Religious Items; and**

**WHEREAS**, the Board wishes to update and adopt these reasonable guidelines to be in compliance with Section 209.0062 of the Texas Property Code; and

**WHEREAS**, the Board intends to file these guidelines in the real property records of each county in which the subdivision is located, in compliance with Section 209.0062 of the Texas Property Code; and

**NOW, THEREFORE, IT IS RESOLVED** that the attached guidelines for display of certain religious items have been established by the Board and are to be recorded with the Real Property Records.

**SHERIDAN PARC OWNERS ASSOCIATION  
GUIDELINES FOR DISPLAY OF CERTAIN RELIGIOUS ITEMS**

STATE OF TEXAS  
COUNTY OF DALLAS

§  
§  
§

KNOW ALL PERSONS BY THESE PRESENTS:

WHEREAS the Sheridan Parc Owners Association (“Association”) is charged with administering and enforcing those certain covenants, conditions and restrictions contained in the recorded Declarations for the various sections of the community (referred to collectively as “Declarations”); and

WHEREAS chapter 202 of the Texas Property Code was amended effective June 17, 2011, to add Section 202.018 (“Section 202.018”) thereto dealing with the regulation of display of certain religious items; and

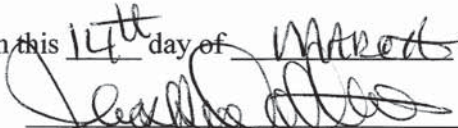
WHEREAS, the Board of Directors (“Board”) of the Association has determined that in connection with maintaining the aesthetics and architectural harmony of the community, and to provide clear and definitive guidance regarding the display of certain religious items therein, it is appropriate for the Association to adopt guidelines regarding the display of certain religious items within the community.

NOW, THEREFORE, the Board has duly adopted the following *Guidelines for Display of Certain Religious Items* within the community.

5. A property owner or resident may display or attach one or more religious items to the entry to their dwelling. Such items include anything related to any faith that is motivated by the resident’s sincere religious belief or tradition.
6. Individually or in combination with each other, the items at any entry may not exceed 25 square inches total in size.
7. The items may only be displayed on or attached to the entry door or frame and may not extend beyond the outside edge of the door frame.
8. To the extent allowed by the Texas state constitution and the United States constitution, any such displayed or affixed religious items may not:
  - a. threaten public health or safety; or
  - b. violate any law; or
  - c. contain language, graphics or any display that is patently offensive to a passerby.
9. Approval from the Architectural Control Committee (“ACC”) is not required for displaying religious items in compliance with these guidelines.
10. As provided by Section 202.018, the Association may remove any items displayed in violation of these guidelines.

The guidelines are effective upon recordation in the Public Records of Dallas County, and supersede any guidelines for certain religious items which may have previously been in effect. Except as affected by Section 202.018 and/or by these guidelines, all other provisions contained in the Declarations or any other dedicatory instruments of the Association shall remain in full force and effect.

Approved and adopted by the Board on this 14<sup>th</sup> day of MARCH 2014.

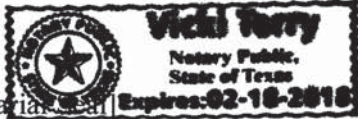
  
\_\_\_\_\_  
Name of Board Member  
Title  
Sheridan Parc Owners Association

STATE OF TEXAS  
COUNTY OF DALLAS

§  
§  
§

Before me, the undersigned authority, on this day personally appeared James Dollar,  
Managing Partner (title), of Sheridan Parc Owners Association, a Texas corporation, known to me to be the person  
and officer whose name is subscribed to the foregoing instrument and acknowledged to me that he/she had executed  
the same as the act of said corporation for the purpose and consideration therein expressed, and in the capacity therein  
stated.

Given under my hand and seal of office this 14<sup>th</sup> day of March, 2014.



[Notary Seal]

Vicki Terry  
Notary Public, State of Texas

Printed Name \_\_\_\_\_  
My commission expires: \_\_\_\_\_

**AFTER RECORDING RETURN TO:**  
**FirstService Residential**  
**3102 Oak Lawn Avenue, Suite 202**  
**Dallas, Texas 75219**



**Sheridan Parc Owners Association  
3102 Oak Lawn, Suite 202  
Dallas, TX 75219**

**Dedicatory Instruments**

**Guidelines for Solar Energy Devices**

**WHEREAS**, Lots in Sheridan Parc are subject to Declaration of Covenants, Conditions and Restrictions for Sheridan Parc, recorded on April 18, 2005, in Volume 2005075, Page 00063, Real Property Records, Dallas County Texas as amended or supplemented from time to time as:

- Amendment Recorded as Document No. 200503573859, on November 8, 2005

**The Association wishes to adopt reasonable guidelines for Solar Energy Devices; and**

**WHEREAS**, the Board wishes to update and adopt these reasonable guidelines to be in compliance with Section 209.0062 of the Texas Property Code; and

**WHEREAS**, the Board intends to file these guidelines in the real property records of each county in which the subdivision is located, in compliance with Section 209.0062 of the Texas Property Code; and

**NOW, THEREFORE, IT IS RESOLVED** that the attached guidelines for solar energy devices have been established by the Board and are to be recorded with the Real Property Records.

**SHERIDAN PARC OWNERS ASSOCIATION  
GUIDELINES FOR SOLAR ENERGY DEVICES**

STATE OF TEXAS  
COUNTY OF DALLAS

§  
§  
§

KNOW ALL PERSONS BY THESE PRESENTS:

WHEREAS the Sheridan Parc Owners Association (“Association”) is charged with administering and enforcing those certain covenants, conditions and restrictions contained in the recorded Declarations for the various sections of the community (referred to collectively as “Declarations”); and

WHEREAS chapter 202 of the Texas Property Code was amended effective June 17, 2011, to add Section 202.010 (“Section 202.010”) thereto dealing with the regulation of solar energy devices; and

WHEREAS, the Board of Directors (“Board”) of the Association has determined that in connection with maintaining the aesthetics and architectural harmony of the community, and to provide clear and definitive guidance regarding solar energy devices therein, it is appropriate for the Association to adopt guidelines regarding solar energy devices within the community.

NOW, THEREFORE, the Board has duly adopted the following *Guidelines for Solar Energy Devices* within the community.

11. These guidelines apply to solar energy devices (“Devices”) as defined in Section 171.107(a) of the Texas Tax Code. A solar energy device means a system or series of mechanisms designed primarily to provide heating or cooling or to produce electrical or mechanical power by collecting and transferring solar-generated energy. The term includes a mechanical or chemical device that has the ability to store solar-generated energy for use in heating or cooling or in the production of power.
12. Such Devices may be installed with advance approval of the Architectural Control Committee (“ACC”) subject to these guidelines.
13. Any such Device must be installed on land or structures owned by the property owner. No portion of the Device may encroach on adjacent properties or common areas.
14. Such Devices may only be installed in the following locations:
  - a. on the roof of the main residential dwelling; or
  - b. on the roof of any other approved structure; or
  - c. within a fenced yard or patio.
15. For Devices mounted on a roof, the Device must:
  - a. have no portion of the Device higher than the roof section to which it is attached; and
  - b. have no portion of the Device extend beyond the perimeter boundary of the roof section to which it is attached; and
  - c. conform to the slope of the roof; and
  - d. be aligned so that the top edge of the Device is parallel to the roof ridge line for the roof section to which it is attached; and
  - e. have a frame, brackets, and visible piping or wiring that is a color that matches the roof shingles or a silver, bronze or black tone commonly available in the marketplace; and
  - f. be located in a position on the roof which is least visible from any street or common area which does not reduce estimated annual energy production more than ten percent (10%), as determined by a publically available modeling tool provided by the National

Renewable Energy Laboratory ([www.nrel.gov](http://www.nrel.gov)) or equivalent entity over alternative roof locations.

16. For Devices located in a fenced yard or patio, no portion of the Device may extend above the fence. If the fence is not a solid fence which blocks view of the Device, the ACC may require the Device be placed in a location behind a structure or otherwise require visual screening. The ACC may consider installation of Devices on properties without a fenced yard if there is adequate screening from public view from any street or common area.
17. All Devices must be installed in compliance with manufacturer's instruction and in a manner which does not void material warranties. Licensed craftsmen must be used where required by law. Permits must be obtained where required by law.
18. Installed Devices may not:
  - a. threaten public health or safety; or
  - b. violate any law; or
  - c. substantially interfere with the use and enjoyment of land by causing unreasonable discomfort or annoyance to any adjoining property owner of ordinary sensibilities.
19. All Devices must be maintained in good repair. Unused or inoperable Devices must be removed if they can be seen from any street or common area.

The guidelines are effective upon recordation in the Public Records of Dallas County, and supersede any guidelines for solar energy devices which may have previously been in effect. Except as affected by Section 202.010 and/or by these guidelines, all other provisions contained in the Declarations or any other dedicatory instruments of the Association shall remain in full force and effect.

THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK



Approved and adopted by the Board on this 14<sup>th</sup> day of March 2014.

James Dollar

Name of Board Member  
Title  
Sheridan Parc Owners Association

STATE OF TEXAS

§  
§  
§

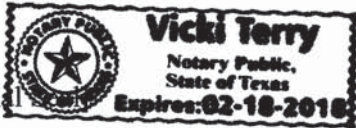
COUNTY OF DALLAS

Before me, the undersigned authority, on this day personally appeared James Dollar, Managing Partner (title), of Sheridan Parc Owners Association, a Texas corporation, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that he/she had executed the same as the act of said corporation for the purpose and consideration therein expressed, and in the capacity therein stated.

Given under my hand and seal of office this 14<sup>th</sup> day of March, 2014.

Vicki Terry

Notary Public, State of Texas



[Notarial

Printed Name

My commission expires: \_\_\_\_\_

**AFTER RECORDING RETURN TO:**  
*FirstService Residential*  
3102 Oak Lawn Avenue, Suite 202  
Dallas, Texas 75219

**Sheridan Parc Owners Association  
3102 Oak Lawn, Suite 202  
Dallas, TX 75219**

**Dedicatory Instruments**

**Guidelines for Display of Flags**

**WHEREAS**, Lots in Sheridan Parc are subject to Declaration of Covenants, Conditions and Restrictions for Sheridan Parc, recorded on April 18, 2005, in Volume 2005075, Page 00063, Real Property Records, Dallas County Texas as amended or supplemented from time to time as:

- Amendment Recorded as Document No. 200503573859, on November 8, 2005

**The Association wishes to adopt reasonable guidelines for Display of Flags; and**

**WHEREAS**, the Board wishes to update and adopt these reasonable guidelines to be in compliance with Section 209.0062 of the Texas Property Code; and

**WHEREAS**, the Board intends to file these guidelines in the real property records of each county in which the subdivision is located, in compliance with Section 209.0062 of the Texas Property Code; and

**NOW, THEREFORE, IT IS RESOLVED** that the attached guidelines for display of flags have been established by the Board and are to be recorded with the Real Property Records.



**SHERIDAN PARC OWNERS ASSOCIATION  
GUIDELINES FOR DISPLAY OF FLAGS**

STATE OF TEXAS  
COUNTY OF DALLAS

§  
§  
§

KNOW ALL PERSONS BY THESE PRESENTS:

WHEREAS the Sheridan Parc Owners Association (“Association”) is charged with administering and enforcing those certain covenants, conditions and restrictions contained in the recorded Declarations for the various sections of the community (referred to collectively as “Declarations”); and

WHEREAS chapter 202 of the Texas Property Code was amended effective June 17, 2011, to add Section 202.011 (“Section 202.011”) thereto regarding the display of flags; and

WHEREAS, the Board of Directors (“Board”) of the Association has determined that in connection with maintaining the aesthetics and architectural harmony of the community, and to provide clear and definitive guidance regarding the display of flags therein, it is appropriate for the Association to adopt guidelines regarding the display of flags.

NOW, THEREFORE, the Board has duly adopted the following *Guidelines for Display of Flags* within the community.

20. These Guidelines apply to the display of (“Permitted Flags”):
  - a) the flag of the United States; and
  - b) the flag of the State of Texas; and
  - c) the official flag of any branch of the United States armed forces.
21. These Guidelines do not apply to any flags other than the Permitted Flags listed in section 1 above including, but not limited to:
  - a) flags for schools, sports teams, businesses or foreign countries; or
  - b) flags with marketing, seasonal, historical, commemorative, nautical, political or religious themes; or
  - c) historical versions of the flags permitted in section 1 above.
22. Permitted Flags may be displayed subject to these guidelines. Advance approval of the Architectural Control Committee (“ACC”) is required for any free-standing flagpole associated with the display of Permitted Flags.
23. Permitted Flags must be displayed in a respectful manner in accordance with the current relevant federal, state or military code.
24. Permitted Flags must be displayed from a pole attached to a structure or to a free-standing pole. Permitted Flags may not be draped over or directly attached to structures. For example, a Permitted Flag may not be laid across a fence or stapled to a garage door.
25. Permitted Flags may be up to three foot (3’) by five foot (5’) in size.
26. Only one Permitted Flag may be displayed on a flagpole attached to a structure. Up to two Permitted Flags may be displayed on an approved free-standing flagpole that is at least fourteen feet (14’) tall and up to twenty feet (20’) tall.
27. Flagpoles must be constructed of permanent, long-lasting materials with an appropriate finish that is harmonious with the dwelling.
28. A flagpole attached to a structure may be up to six feet (6’) long and must be securely attached with a bracket with an angle of 30 to 45 degrees down from vertical. The flagpole must be

attached in such a manner as to not damage the structure. One attached flagpole is allowed on any portion of a structure facing a street and one attached flagpole is allowed on the rear or backyard portion of a structure. Brackets which accommodate multiple flagpoles are not allowed.

29. Free-standing flagpoles may be up to twenty feet (20') tall, including any ornamental caps. Free-standing flagpoles must be permanently installed in the ground according to manufacturer's instructions. One free-standing flagpole is allowed in the portion of the property between the main residential structure and any street and one free-standing flagpole is allowed in the rear or backyard portion of a property.
30. Free-standing flagpoles may not be installed in any location described below:
  - a) in any location other than the Owner's property; or
  - b) within a ground utility easement or encroaching into an aerial easement; or
  - c) beyond the side or rear setback lines (for example, on a lot with a 10' side setback line, a flagpole may not be installed closer than 10' from the side property line); or
  - d) beyond half the distance of the front setback line (for example, on a lot with a 30' front setback line, a flagpole may not be installed closer than 15' from the front property line); or
  - e) closer to a dwelling on an adjacent lot than the height of the flagpole (for example, a 20' flagpole cannot be installed closer than 20' from an adjacent house).
31. Lighting may be installed to illuminate Permitted Flags if they are going to be displayed at night and if existing ambient lighting does not provide proper illumination. Flag lighting must:
  - a) be ground mounted in the vicinity of the flag; and
  - b) utilize a fixture that screens the bulb and directs light in the intended direction with minimal spillover; and
  - c) points towards the flag and faces the main structure on the property or to the center of the property if there is no structure; and
  - d) provides illumination not to exceed the equivalent of a 60 watt incandescent bulb.
32. Flagpoles must not generate unreasonable noise levels which would disturb the quiet enjoyment of other residents. Each flagpole owner should take steps to reduce noise levels by using vinyl or plastic snap hooks, installing snap hook covers or securing a loose halyard (rope) around the flagpole with a flagpole clasp.
33. Flagpoles are allowed solely for the purpose of displaying Permitted Flags. If a flagpole is no longer used on a daily basis, it must be removed.
34. All flags and flagpoles must be maintained in good condition. Deteriorated flags must be removed and promptly replaced. Deteriorated or structurally unsafe flagpoles must be promptly repaired, replaced or removed.

The guidelines are effective upon recordation in the Public Records of Dallas County, and supersede any guidelines for display of flags which may have previously been in effect. Except as affected by Section 202.007(d) and/or by these guidelines, all other provisions contained in the Declarations or any other dedicatory instruments of the Association shall remain in full force and effect.



Approved and adopted by the Board on this 14<sup>th</sup> day of March, 2014.

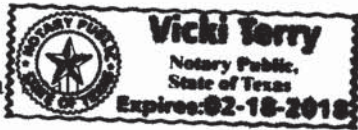
James Dollar  
Name of Board Member  
Title  
Sheridan Parc Owners Association

STATE OF TEXAS           §  
  §  
COUNTY OF DALLAS       §

Before me, the undersigned authority, on this day personally appeared James Dollar, Managing Partner (title), of Sheridan Parc Owners Association, a Texas corporation, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that he/she had executed the same as the act of said corporation for the purpose and consideration therein expressed, and in the capacity therein stated.

Given under my hand and seal of office this 14<sup>th</sup> day of March, 2014.

Vicki Terry  
Notary Public, State of Texas



[Notaria

\_\_\_\_\_  
Printed Name  
My commission expires: \_\_\_\_\_

**AFTER RECORDING RETURN TO:**  
**FirstService Residential**  
**3102 Oak Lawn Avenue, Suite 202**  
**Dallas, Texas 75219**

Filed and Recorded  
Official Public Records  
John F. Warren, County Clerk  
Dallas County, TEXAS  
06/16/2014 09:50:52 AM  
\$78.00



JF

201400148750



201100327333  
DEDICATION 1/4

**Sheridan Parc Owners Homeowners Association, Inc.  
3102 Oak Lawn, Suite 202  
Dallas, TX 75219**

**Dedicatory Instruments**

**Collection Policy**

**WHEREAS, Sheridan Parc Owners Association, Inc.** (the "Association") is an addition in Dallas County, Texas. The final plats were recorded in the Real Property Records of Dallas County, Texas as; Volume 2000-220, Page 1500. Lots in Chapel Creek are subject to the Declaration of Covenants, Conditions & Restrictions for Chapel Creek Homeowners Association, recorded on April 18, 2005 as Document Number 07500118 in the Real Property Records, Dallas County, Texas. **The Association wishes to adopt reasonable guidelines to establish a collection policy for the Association for delinquent regular or special assessments or any other amount owed to the Association; and**

**WHEREAS,** the Board wishes to update and adopt these reasonable guidelines to be in compliance with Section 209.0062 of the Texas Property Code; and

**WHEREAS,** the Board intends to file these guidelines in the real property records of each county in which the subdivision is located, in compliance with Section 209.0062 of the Texas Property Code; and

**NOW, THEREFORE, IT IS RESOLVED** that the attached collection policy has been established by the Board and is to be recorded with the Real Property Records.

Sheridan Parc Owners Association  
 3102 Oak Lawn, Suite 202  
 Dallas, TX 75219

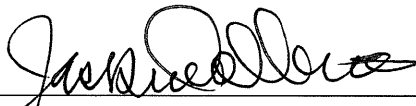
**Sheridan Parc Owners Association COLLECTION POLICY**

**Sheridan Parc Owners Association collection process includes the following steps *unless authorized exceptions to this process are communicated in writing from the Board of Directors through the Association Manager.***

Notice	Description	Fees
1 <sup>st</sup> Friendly Notice	<ul style="list-style-type: none"> <li>• Issued by the billing department after the Association’s late date as a statement showing the total amount due. The late date is the 10<sup>th</sup>.</li> <li>• Only issued to owners <u>with a balance of \$10 or more.</u> <ul style="list-style-type: none"> <li>○ Late/interest fees may vary based on governing documents.</li> <li>○ Interest is not calculated on balances under \$2.</li> <li>○ Late date may vary based on governing documents.</li> </ul> </li> </ul>	18% per annum + \$8.00 processing fee
2 <sup>nd</sup> Formal Notice	<ul style="list-style-type: none"> <li>• Issued by the billing department as a late letter (typically 30 days after the Friendly Notice).</li> <li>• Includes the Fair Debt Collections verbiage and allows the account holder 30 days from receipt of notice to address the delinquent account.           <ul style="list-style-type: none"> <li>○ Per the Texas Property Code, these notices must be mailed certified (also mailed first class) and include language regarding restricted access to amenities and the right to cure.</li> </ul> </li> <li>• Only issued to owners <u>with a balance of \$50 or more.</u> <ul style="list-style-type: none"> <li>○ A second late statement may be sent to owners in lieu of or in addition to the second notice, but the processing fees and collateral costs (print, envelopes, postage, etc.) still apply to each review and mailing.</li> </ul> </li> </ul>	\$18.00 processing fee
Demand Letter	<ul style="list-style-type: none"> <li>○ This is a second 30-day collection notice (similar to the 2<sup>nd</sup> Formal Notice); sent via certified mail.</li> <li>○ The billing department will automatically proceed with referring an account for demand <b><i>unless the Manager or Board of Directors stipulates otherwise.</i></b></li> <li>○ Association collection policies may require demand letter processing through an attorney’s office.</li> <li>○ <b><i>NOTE:</i></b> For Associations under developer control, builder referral for advanced collection action requires approval from the divisional Director in addition to the Manager.</li> </ul>	\$35.00 request for demand + collection agency/attorney fees <i>(fees vary by office/agency)</i>
Lien	<ul style="list-style-type: none"> <li>• If an account is referred directly to an attorney’s office, the billing department will automatically proceed with an Authorization to Lien <b><i>unless the Manager or Board of Directors stipulates otherwise.</i></b></li> <li>• If an account is referred to a collection agency (e.g., Red Rock), the account is automatically processed for a lien subsequent to the 30-day timeline referenced in the demand letter.</li> <li>• The lien is filed with the county clerk where the property is located and is a legal record that a debt is owed and is secured against the property in question.</li> </ul>	\$20.00 request for lien + collection agency/attorney fees <i>(fees vary by office/agency and county)</i>

	<ul style="list-style-type: none"> <li>Processing and filing a lien with the county clerk can take up to 30 (thirty) days.</li> </ul>	
Foreclosure	<ul style="list-style-type: none"> <li><b>Authorization for Foreclosure must be Board-approved in writing.</b> <ul style="list-style-type: none"> <li>The approval should be in the form of Board-approved meeting minutes or a signature on an approved form.</li> <li>The collection agency or attorney's office requires the Board to sign an Assignment of Substitute Trustee (AST) that allows the chosen representative to post and settle a foreclosure on behalf of the Board.</li> </ul> </li> <li>Processing an account for foreclosure can take up to ninety (90) days</li> <li>A homeowner has a six-month (180 day) period to redeem property that has been foreclosed by paying the amount owed in full, including all dues, legal, and collection fees; a condominium owner has a three month (90-day) right of redemption. <ul style="list-style-type: none"> <li>If the property is not redeemed, the next step is Authorization to Sell or Authorization to Evict.</li> <li>The Association can proceed with Authorization to Evict once the property has been foreclosed.</li> </ul> </li> <li><b>NOTE 1:</b> The Association lien is subordinate to the first lien holder (mortgage company). If the mortgage company forecloses on the property, the Association lien is relinquished and the amount owed is written off to unrecovered assessments. The mortgage company is responsible for all dues and fees incurred after the date of foreclosure, as they are the new legal owners of the property.</li> <li><b>NOTE 2:</b> There are two types of foreclosure available to Associations, judicial and expedited non-judicial. The governing documents for each community will specify which methods of foreclosure are available to the Association. <ul style="list-style-type: none"> <li>Expedited non-judicial foreclosure is a new requirement for Associations that do not require judicial foreclosure per HB 1228 effective 1/1/2012.</li> </ul> </li> </ul>	\$20.00 request for foreclosure + collection agency/attorney fees (fees vary by office and county)

This is to certify that the foregoing Collection Policy was adopted by the Board of Directors.

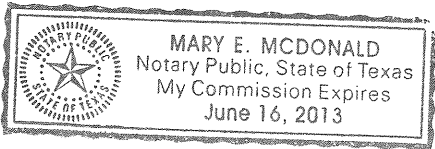
  
Name: JAMES R. DOLLAR  
Title: President  
Date: 9/20/11

STATE OF TEXAS

§  
§  
§

COUNTY OF Dallas

This instrument was acknowledged before me on the 20<sup>th</sup> day of Sept,  
2011, by James R. Dollar, President of  
Shundan Parc Owners Association a Texas non-profit corporation, on behalf of said  
corporation.



Mary McDonald  
Notary Public, State of Texas

AFTER RECORDING RETURN TO:

*Premier Communities Management*  
3102 Oak Lawn Avenue, Suite 202  
Dallas, TX 75219

Filed and Recorded  
Official Public Records  
John F. Warren, County Clerk  
Dallas County, TEXAS  
12/15/2011 02:56:51 PM  
\$28.00



JF

201100327333



201100327334

DEDICATION 1/3

**Sheridan Parc Owners Homeowners Association, Inc.  
3102 Oak Lawn, Suite 202  
Dallas, TX 75219**

**Dedicatory Instruments**

**Alternative Payment Schedule Guidelines for Certain Assessments**

**WHEREAS, Sheridan Parc Owners Association, Inc.** (the "Association") is an addition in Dallas County, Texas. The final plats were recorded in the Real Property Records of Dallas County, Texas as; Volume 2000-220, Page 1500. Lots in Chapel Creek are subject to the Declaration of Covenants, Conditions & Restrictions for Chapel Creek Homeowners Association, recorded on April 18, 2005 as Document Number 07500118 in the Real Property Records, Dallas County, Texas. **The Association wishes to adopt reasonable guidelines to establish an alternative payment schedule by which an owner may make partial payments to the Association for delinquent regular or special assessments or any other amount owed to the Association; and**

**WHEREAS,** the Board wishes to update and adopt these reasonable guidelines to be in compliance with Section 209.0062 of the Texas Property Code; and

**WHEREAS,** the Board intends to file these guidelines in the real property records of each county in which the subdivision is located, in compliance with Section 209.0062 of the Texas Property Code; and

**NOW, THEREFORE, IT IS RESOLVED** that the attached guidelines have been established by the Board and are to be recorded with the Real Property Records.



Sheridan Parc Owners Association  
3102 Oak Lawn, Suite 202  
Dallas, TX 75219

**Alternative Payment Schedule Guidelines for Certain Assessments**

**WHEREAS**, the Board of Directors (the “Board”) of Sheridan Parc Owners Association (the “Association”) wishes to adopt reasonable guidelines to establish an alternative payment schedule by which an owner may make partial payments to the Association for delinquent regular or special assessments or any other amount owed to the Association; and

**WHEREAS**, the Board wishes to adopt these reasonable guidelines in compliance with Section 209.0062 of the Texas Property Code; and

**WHEREAS**, the Board intends to file these guidelines in the real property records of each county in which the subdivision is located, in compliance with Section 209.0062 of the Texas Property Code; and

**NOW, THEREFORE, IT IS RESOLVED** that the following guidelines are established by the Board:

1. Upon the request of a delinquent owner, the Association shall enter into an alternative payment schedule with such owner, subject to the following guidelines:
  - a. An Alternative Payment Schedule is only available to owners who have delinquent regular assessments, special assessments or any other amount owed to the association.
  - b. An Alternative Payment Schedule will not be made available, except in the sole discretion of the Board, to owners who have failed to honor the terms of a previous Alternative Payment Schedule during the two years following the owner’s default of such Alternative Payment Schedule.
  - c. During the course of an Alternative Payment Schedule, additional monetary penalties, other than reasonable costs associated with administering the Alternative Payment Schedule and interest, shall not be charged against an owner.
  - d. The minimum term for an Alternative Payment Schedule is three months from the date of the owner’s request for an Alternative Payment Schedule. The maximum term for an Alternative Payment Schedule is eighteen months from the date of the owner’s request for an Alternative Payment Schedule.
  - e. All other terms of an Alternative Payment Schedule are at the discretion of the Board of Directors.

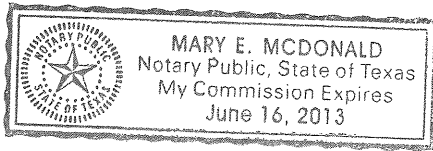
This is to certify that the foregoing Alternative Payment Schedule Guidelines for Certain Assessments was adopted by the Board of Directors, in accordance with Section 209.0062 of the Texas Property Code.

*James R. Dollar*  
Name: JAMES R. DOLLAR  
Title: President  
Date: 9/20/11

STATE OF TEXAS §  
COUNTY OF Dallas §  
§

This instrument was acknowledged before me on the 20<sup>th</sup> day of Sept, 20 11, by James R. Dollar, President of Sheridan's Parc. Owners Association a Texas non-profit corporation, on behalf of said corporation.

*Mary McDonald*  
Notary Public, State of Texas



**AFTER RECORDING RETURN TO:**

*Premier Communities*  
3102 Oak Lawn Avenue, Suite 202  
Dallas, Texas 75219

Filed and Recorded  
Official Public Records  
John F. Warren, County Clerk  
Dallas County, TEXAS  
12/15/2011 02:56:52 PM  
\$24.00



*JH*

201100327334



201100327335

DEDICATION 1/4

**Sheridan Parc Owners Homeowners Association, Inc.  
3102 Oak Lawn, Suite 202  
Dallas, TX 75219**

**Dedicatory Instruments**

**Policy for Priority of Payments**

**WHEREAS, Sheridan Parc Owners Association, Inc. (the "Association") is an addition in Dallas County, Texas. The final plats were recorded in the Real Property Records of Dallas County, Texas as; Volume 2000-220, Page 1500. Lots in Chapel Creek are subject to the Declaration of Covenants, Conditions & Restrictions for Chapel Creek Homeowners Association, recorded on April 18, 2005 as Document Number 07500118 in the Real Property Records, Dallas County, Texas. The Association wishes to adopt reasonable guidelines for priority of payments for the Association for delinquent regular or special assessments or any other amount owed to the Association; and**

**WHEREAS, the Board wishes to update and adopt these reasonable guidelines to be in compliance with Section 209.0062 of the Texas Property Code; and**

**WHEREAS, the Board intends to file these guidelines in the real property records of each county in which the subdivision is located, in compliance with Section 209.0062 of the Texas Property Code; and**

**NOW, THEREFORE, IT IS RESOLVED that the attached priority of payment policy has been established by the Board and is to be recorded with the Real Property Records.**

Sheridan Parc Owners Association  
3102 Oak Lawn, Suite 202  
Dallas, TX 75219

**Policy for Priority of Payments**

**WHEREAS**, the Board of Directors (the “Board”) of Sheridan Parc Owners Association (the “Association”) wishes to establish a Policy for Priority of Payments which shall govern the method in which payments received by the Association from owners are applied; and

**WHEREAS**, the Board wishes to adopt this policy in compliance with Section 209.0063 of the Texas Property Code; and

**WHEREAS**, the Board intends to file this policy in the real property records of each county in which the subdivision is located, in compliance with Sections 209.0063 and 202.006 of the Texas Property Code; and

**NOW, THEREFORE, IT IS RESOLVED** that the following Policy for Priority of Payments is established by the Board:

- A. Except as provided by Section (B), a payment received by the Association from an owner shall be applied to the owner’s debt in the following order of priority:
  1. any delinquent assessment;
  2. any current assessment;
  3. any attorney’s fees or third party collection costs incurred by the Association associated solely with assessments or any other charge that could provide the basis for foreclosure;
  4. any attorney’s fees incurred by the association that are not subject to Subsection (3) above;
  5. any fines assessed by the Association;
  6. any other amount owed to the Association.
- B. If, at the time the Association receives a payment from an owner and the owner is in default under an Alternative Payment Schedule entered into with the Association, the Association is not required to apply the payment in the order of priority outlined in Section (A), in accordance with Section 209.0063 of the Texas Property Code. Instead, in the event that an owner is in default under an Alternative Payment Schedule at the time the Association receives a payment from the property owner, then the payment received by the Association from an owner shall be applied to the

owner's debt in the following order of priority:

1. any attorney's fees or third party collection costs incurred by the Association associated solely with assessments or any other charge that could provide the basis for foreclosure;
2. any attorney's fees incurred by the association that are not subject to the immediately previous Subsection (1);
3. any delinquent assessment;
4. any current assessment;
5. any other amount owed to the Association.
6. any fines assessed by the Association.

This policy shall supersede and render null and void any previously adopted priority of payment/payment plan policy to the extent that the terms of such policy are contradictory.

This is to certify that the foregoing Policy for Priority of Payments was adopted by the Board of Directors, in accordance with Section 209.0063 of the Texas Property Code.

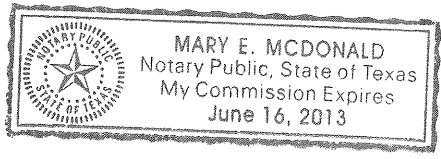
James R. Dolan  
 Name: JAMES R. DOLAN  
 Title: PRESIDENT  
 Date: 9/20/11

STATE OF TEXAS §  
 COUNTY OF Dallas §  
 §

This instrument was acknowledged before me on the 20<sup>th</sup> day of Sept., 2011, by James R. Dolan, President of Sheridan Parc Owners Assoc., a Texas non-profit corporation, on behalf of said corporation.

Mary McDonald  
 Notary Public, State of Texas

AFTER RECORDING RETURN TO:  
 Premier Communities  
 3102 Oak Lawn Avenue, Suite 202  
 Dallas, Texas 75219



Filed and Recorded  
Official Public Records  
John F. Warren, County Clerk  
Dallas County, TEXAS  
12/15/2011 02:56:53 PM  
\$24.00



A handwritten signature in black ink, appearing to be "JFW", is written over the seal.

201100327335





201100327336

DEDICATION 1/8

**Sheridan Parc Owners Homeowners Association, Inc.  
3102 Oak Lawn, Suite 202  
Dallas, TX 75219**

**Dedicatory Instruments**

**Policy for Records Production and Copying**

**WHEREAS, Sheridan Parc Owners Association, Inc.** (the "Association") is an addition in Dallas County, Texas. The final plats were recorded in the Real Property Records of Dallas County, Texas as; Volume 2000-220, Page 1500. Lots in Chapel Creek are subject to the Declaration of Covenants, Conditions & Restrictions for Chapel Creek Homeowners Association, recorded on April 18, 2005 as Document Number 07500118 in the Real Property Records, Dallas County, Texas. **The Association wishes to adopt reasonable guidelines for records production and copying for the Association; and**

**WHEREAS,** the Board wishes to update and adopt these reasonable guidelines to be in compliance with Section 209.0062 of the Texas Property Code; and

**WHEREAS,** the Board intends to file these guidelines in the real property records of each county in which the subdivision is located, in compliance with Section 209.0062 of the Texas Property Code; and

**NOW, THEREFORE, IT IS RESOLVED** that the attached records production and copying policy has been established by the Board and is to be recorded with the Real Property Records.

Sheridan Parc Owners Association  
3102 Oak Lawn, Suite 202  
Dallas, TX 75219

**Records Production and Copying Policy**

**WHEREAS**, the Board of Directors (the “Board”) of Sheridan Parc Owners Association (the “Association”) wishes to establish a Records Production and Copying Policy which shall govern the costs the Association will charge for the compilation, production, and reproduction of information requested under Section 209.005 of the Texas Property Code; and

**WHEREAS**, the Board wishes to adopt this policy in compliance with Section 209.005 of the Texas Property Code; and

**WHEREAS**, the Board intends to file this policy in the real property records of each county in which the subdivision is located, in compliance with Sections 209.005 and 202.006 of the Texas Property Code; and

**NOW, THEREFORE, IT IS RESOLVED** that the following Records Production and Copying Policy is established by the Board:

- A. An owner is responsible for costs related to the compilation, production, and reproduction of the books and records of the Association. Costs shall be the same as all costs under 1 T.A.C. Section 70.3, the pertinent part of which is reproduced in italics below, and are subject to increase in the event 1 T.A.C. Section 70.3 is amended:

1. *Copy charge.*

*(A) Standard paper copy. The charge for standard paper copies reproduced by means of an office machine copier or a computer printer is \$.10 per page or part of a page. Each side that has recorded information is considered a page.*

*(B) Nonstandard copy. The charges in this subsection are to cover the materials onto which information is copied and do not reflect any additional charges, including labor, that may be associated with a particular request. The charges for nonstandard copies are:*

- *Diskette--\$1.00;*
- *Magnetic tape--actual cost;*
- *Data cartridge--actual cost;*
- *Tape cartridge--actual cost;*
- *Rewritable CD (CD-RW)--\$1.00;*



- Non-rewritable CD (CD-R)--\$1.00;
- Digital video disc (DVD)--\$3.00;
- JAZ drive--actual cost;
- Other electronic media--actual cost;
- VHS video cassette--\$2.50;
- Audio cassette--\$1.00;
- Oversize paper copy (e.g.: 11 inches by 17 inches greenbar, bluebar, not including maps and photographs using specialty paper--See also §70.9 of this title)--\$.50;
- Specialty paper (e.g.: Mylar, blueprint, blueline, map, photographic--actual cost.

2. *Labor charge for programming. If a particular request requires the services of a programmer in order to execute an existing program or to create a new program so that requested information may be accessed and copied, the governmental body may charge for the programmer's time.*

*(A) The hourly charge for a programmer is \$28.50 an hour. Only programming services shall be charged at this hourly rate.*

*(B) Governmental bodies that do not have in-house programming capabilities shall comply with requests in accordance with §552.231 of the Texas Government Code.*

*(C) If the charge for providing a copy of public information includes costs of labor, a governmental body shall comply with the requirements of §552.261(b) of the Texas Government Code.*

3. *Labor charge for locating, compiling, manipulating data, and reproducing public information.*

*(A) The charge for labor costs incurred in processing a request for public information is \$15 an hour. The labor charge includes the actual time to locate, compile, manipulate data, and reproduce the requested information.*

*(B) A labor charge shall not be billed in connection with complying with requests that are for 50 or fewer pages of paper records, unless the documents to be copied are located in:*

*(i) Two or more separate buildings that are not physically connected with each other; or*

*(ii) A remote storage facility.*

*(C) A labor charge shall not be recovered for any time spent by an attorney, legal assistant, or any other person who reviews the requested information:*

*(i) To determine whether the governmental body will raise any exceptions to disclosure of the requested information under the Texas Government Code, Subchapter C, Chapter 552; or*

*(ii) To research or prepare a request for a ruling by the attorney general's office pursuant to §552.301 of the Texas Government Code.*

*(D) When confidential information pursuant to a mandatory exception of the Act is mixed with public information in the same page, a labor charge may be recovered for time spent to redact, blackout, or otherwise obscure confidential information in order to release the public information. A labor charge shall not be made for redacting confidential information for requests of 50 or fewer pages, unless the request also qualifies for a labor charge pursuant to Texas Government Code, §552.261(a)(1) or (2).*

*(E) If the charge for providing a copy of public information includes costs of labor, a governmental body shall comply with the requirements of Texas Government Code, Chapter 552, §552.261(b).*

*(F) For purposes of paragraph (2)(A) of this subsection, two buildings connected by a covered or open sidewalk, an elevated or underground passageway, or a similar facility, are not considered to be separate buildings.*

#### *4. Overhead charge.*

*(A) Whenever any labor charge is applicable to a request, a governmental body may include in the charges direct and indirect costs, in addition to the specific labor charge. This overhead charge would cover such costs as depreciation of capital assets, rent, maintenance and repair, utilities, and administrative overhead. If a governmental body chooses to recover such costs, a charge shall be made in accordance with the methodology described in paragraph(3) of this subsection. Although an exact calculation of costs will vary, the use of a standard charge will avoid complication in calculating such costs and will provide uniformity for charges made statewide.*

*(B) An overhead charge shall not be made for requests for copies of 50 or fewer pages of standard paper records unless the request also qualifies for a labor charge pursuant to Texas Government Code, §552.261(a)(1) or (2).*

*(C) The overhead charge shall be computed at 20% of the charge made to cover any labor costs associated with a particular request. Example: if one hour of labor is used for a particular request, the formula would be as follows: Labor charge for locating, compiling, and reproducing,  $\$15.00 \times .20 = \$3.00$ ; or Programming labor charge,  $\$28.50 \times .20 = \$5.70$ . If a request requires one hour of labor charge for locating, compiling, and reproducing information ( $\$15.00$  per hour); and one hour of programming labor charge ( $\$28.50$  per hour), the combined overhead would be:  $\$15.00 + \$28.50 = \$43.50 \times .20 = \$8.70$ .*

5. *Microfiche and microfilm charge.*

*(A) If a governmental body already has information that exists on microfiche or microfilm and has copies available for sale or distribution, the charge for a copy must not exceed the cost of its reproduction. If no copies of the requested microfiche or microfilm are available and the information on the microfiche or microfilm can be released in its entirety, the governmental body should make a copy of the microfiche or microfilm. The charge for a copy shall not exceed the cost of its reproduction. The Texas State Library and Archives Commission has the capacity to reproduce microfiche and microfilm for governmental bodies. Governmental bodies that do not have in-house capability to reproduce microfiche or microfilm are encouraged to contact the Texas State Library before having the reproduction made commercially.*

*(B) If only a master copy of information in microfilm is maintained, the charge is \$.10 per page for standard size paper copies, plus any applicable labor and overhead charge for more than 50 copies.*

6. *Remote document retrieval charge.*

*(A) Due to limited on-site capacity of storage documents, it is frequently necessary to store information that is not in current use in remote storage locations. Every effort should be made by governmental bodies to store current records on-site. State agencies are encouraged to store inactive or non-current records with the Texas State Library and Archives Commission. To the extent that the retrieval of documents results in a charge to comply*

*with a request, it is permissible to recover costs of such services for requests that qualify for labor charges under current law.*

*(B) If a governmental body has a contract with a commercial records storage company, whereby the private company charges a fee to locate, retrieve, deliver, and return to storage the needed record(s), no additional labor charge shall be factored in for time spent locating documents at the storage location by the private company's personnel. If after delivery to the governmental body, the boxes must still be searched for records that are responsive to the request, a labor charge is allowed according to subsection (d)(1) of this section.*

7. *Computer resource charge.*

*(A) The computer resource charge is a utilization charge for computers based on the amortized cost of acquisition, lease, operation, and maintenance of computer resources, which might include, but is not limited to, some or all of the following: central processing units (CPUs), servers, disk drives, local area networks (LANs), printers, tape drives, other peripheral devices, communications devices, software, and system utilities.*

*(B) These computer resource charges are not intended to substitute for cost recovery methodologies or charges made for purposes other than responding to public information requests.*

*(C) The charges in this subsection are averages based on a survey of governmental bodies with a broad range of computer capabilities. Each governmental body using this cost recovery charge shall determine which category(ies) of computer system(s) used to fulfill the public information request most closely fits its existing system(s), and set its charge accordingly. Type of System--Rate: mainframe--\$10 per CPU minute; Midsize--\$1.50 per CPU minute; Client/Server--\$2.20 per clock hour; PC or LAN--\$1.00 per clock hour.*

*(D) The charge made to recover the computer utilization cost is the actual time the computer takes to execute a particular program times the applicable rate. The CPU charge is not meant to apply to programming or printing time; rather it is solely to recover costs associated with the actual time required by the computer to execute a program. This time, called CPU time, can be read directly from the CPU clock, and most frequently will be a matter of seconds. If programming is required to comply with a particular*

*request, the appropriate charge that may be recovered for programming time is set forth in subsection (d) of this section. No charge should be made for computer print-out time. Example: If a mainframe computer is used, and the processing time is 20 seconds, the charges would be as follows:  $\$10 / 3 = \$3.33$ ; or  $\$10 / 60 \times 20 = \$3.33$ .*

*(E) A governmental body that does not have in-house computer capabilities shall comply with requests in accordance with the §552.231 of the Texas Government Code.*

- 8. Miscellaneous supplies. The actual cost of miscellaneous supplies, such as labels, boxes, and other supplies used to produce the requested information, may be added to the total charge for public information.*
  - 9. Postal and shipping charges. Governmental bodies may add any related postal or shipping expenses which are necessary to transmit the reproduced information to the requesting party.*
  - 10. Sales tax. Pursuant to Office of the Comptroller of Public Accounts' rules sales tax shall not be added on charges for public information (34 TAC, Part 1, Chapter 3, Subchapter O, §3.341 and §3.342).*
  - 11. Miscellaneous charges: A governmental body that accepts payment by credit card for copies of public information and that is charged a "transaction fee" by the credit card company may recover that fee.*
- B. Any requesting owner must provide advance payment of the costs of compilation, production, and reproduction for the requested information, as estimated by the Association. If the estimated costs are lesser or greater than the actual costs, the Association shall submit a final invoice to the owner on or before the 30<sup>th</sup> business day after the date the information is delivered. If the final invoice includes additional amounts due from the owner, the additional amounts, if not reimbursed to the Association before the 30<sup>th</sup> business day after the date the invoice is sent to the owner, may be added to the owner's account as an assessment. If the estimated costs exceed the final invoice amount, the owner is entitled to a refund, and the refund shall be issued to the owner not later than the 30<sup>th</sup> business day after the date the invoice is sent to the owner.

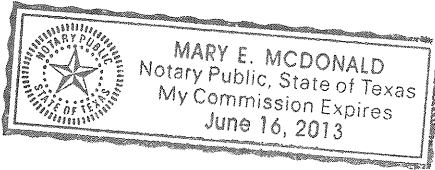
This policy shall supersede and render null and void any previously adopted policy to the extent that the terms of such policy are contradictory.

This is to certify that the foregoing Records Production and Copying Policy was adopted by the Board of Directors, in accordance with Section 209.005 of the Texas Property Code.

James R. Dollar  
Name: JAMES R. Dollar  
Title: President  
Date: 9/20/11

STATE OF TEXAS §  
COUNTY OF Dallas §  
§

This instrument was acknowledged before me on the 20<sup>th</sup> day of Sept, 20 11, by James R. Dollar, President of Sheridan Parc Owner Association, a Texas non-profit corporation, on behalf of said corporation.



Mary E. McDonald  
Notary Public, State of Texas

AFTER RECORDING RETURN TO:  
  
*Premier Communities Management*  
3102 Oak Lawn Avenue, Suite 202  
Dallas, TX 75219

Filed and Recorded  
Official Public Records  
John F. Warren, County Clerk  
Dallas County, TEXAS  
12/15/2011 02:56:54 PM  
\$44.00



JF

201100327336



201100327337

DEDICATION 1/3

**Sheridan Parc Owners Homeowners Association, Inc.  
3102 Oak Lawn, Suite 202  
Dallas, TX 75219**

**Dedicatory Instruments**

**Policy for Document Retention**

**WHEREAS, Sheridan Parc Owners Association, Inc.** (the "Association") is an addition in Dallas County, Texas. The final plats were recorded in the Real Property Records of Dallas County, Texas as; Volume 2000-220, Page 1500. Lots in Chapel Creek are subject to the Declaration of Covenants, Conditions & Restrictions for Chapel Creek Homeowners Association, recorded on April 18, 2005 as Document Number 07500118 in the Real Property Records, Dallas County, Texas. **The Association wishes to adopt reasonable guidelines for document retention for the Association; and**

**WHEREAS,** the Board wishes to update and adopt these reasonable guidelines to be in compliance with Section 209.0062 of the Texas Property Code; and

**WHEREAS,** the Board intends to file these guidelines in the real property records of each county in which the subdivision is located, in compliance with Section 209.0062 of the Texas Property Code; and

**NOW, THEREFORE, IT IS RESOLVED** that the attached document retention policy has been established by the Board and is to be recorded with the Real Property Records.

Sheridan Parc Owners Association  
3102 Oak Lawn, Suite 202  
Dallas, TX 75219

**Document Retention Policy**

**WHEREAS**, the Board of Directors (the “Board”) of Sheridan Parc Owners Association (the “Association”) wishes to adopt a Document Retention Policy in order to be compliant with Section 209.005(m) of the Texas Property Code; and

**WHEREAS**, the Board intends to file this policy in the real property records of each county in which the subdivision is located, in compliance with Sections 209.005 and 202.006 of the Texas Property Code; and

**NOW, THEREFORE, IT IS RESOLVED** that the following Document Retention Policy is established by the Board:

1. Certificates of formation, bylaws, restrictive covenants, and all amendments to the certificates of formation, bylaws, and covenants shall be retained permanently.
2. Financial books and records shall be retained for seven years.
3. Account records of current owners shall be retained for five years.
4. Contracts with a term of one year or more shall be retained for four years after the expiration of the contract term.
5. Minutes of meetings of the owners and the board shall be retained for seven years.
6. Tax returns and audit records shall be retained for seven years.

This policy shall supersede and render null and void any previously adopted policy to the extent that the terms of such policy are contradictory.

[signature page to follow]



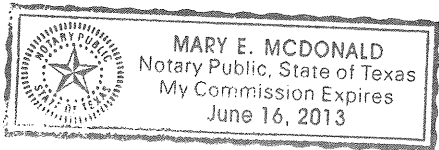
This is to certify that the foregoing Document Retention Policy was adopted by the Board of Directors, in accordance with Section 209.005 of the Texas Property Code.

James R. Dolar  
Name: JAMES R. DOLAR  
Title: President  
Date: 9/20/11

STATE OF TEXAS  
COUNTY OF Dallas

§  
§  
§

This instrument was acknowledged before me on the 20<sup>th</sup> day of Sept, 2011, by James R. Dolar, President of Sheridan Parc. Owner Association, a Texas non-profit corporation, on behalf of said corporation.



Mary E. McDonald  
Notary Public, State of Texas

AFTER RECORDING RETURN TO:

*Premier Communities Management*  
3102 Oak Lawn Avenue, Suite 202  
Dallas, TX 75219

Filed and Recorded  
Official Public Records  
John F. Warren, County Clerk  
Dallas County, TEXAS  
12/15/2011 02:56:55 PM  
\$24.00



JF

201100327337



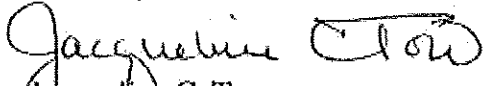
May 31, 2007

RE: Amendment to CCR's

Dear Homeowner,

Please find attached an amendment to the CCRS for your community. We had this amendment drafted to help ensure the best value for your home. If you have any questions or are unsure about anything contained in the amendment, please give your homeowner Association Manager a call.

Sincerely,

  
Jacqueline C. Tow  
Board of Director



# SHERIDAN PARC SIGNS AMENDMENT

## TO DECLARATION OF COVENANTS, CONDITIONS & RESTRICTIONS FOR SHERIDAN PARC

- A. Sheridan Parc is a residential development located in the City of DeSoto, Texas, according to the plats thereof recorded in the Real Property Records of Dallas County, Texas.
- B. Sheridan Parc is subject to the Declaration of Covenants, Conditions & Restrictions for Sheridan Parc, recorded on April 18, 2005, in Volume 2005075, Page 00063, Real Property Records, Dallas County, Texas, as it has been amended (the "**Declaration**").
- C. During the Development Period, which expires on April 17, 2017, D. R. Horton - Texas, Ltd., in its capacity as the "**Declarant**" of Sheridan Parc, has the right to amend the Declaration without joinder of any person, to change the use restrictions of Article 6, pursuant to Section C.3.6. of Appendix C of the Declaration.
- D. Declarant desires to amend and update the "Signs" provision of the Declaration for multiple reasons, such as (1) to address the change in State law regarding political signs, (2) to authorize the use of certain prevalent types of signs, such as school spirit signs and signs advertising security services, and (3) to distinguish between sale signs and lease signs.
- E. Such an amendment is in the best collective interest of the owners of Sheridan Parc.


### AMENDMENT

Section 6.28 of the Declaration, titled "Signs", is hereby amended and restated in its entirety as shown on Exhibit A attached hereto and incorporated herein by reference. This Amendment becomes effective on the date this instrument is recorded in the Real Property Records of Dallas County, Texas.

SIGNED on the 18<sup>th</sup> day of April 2007.

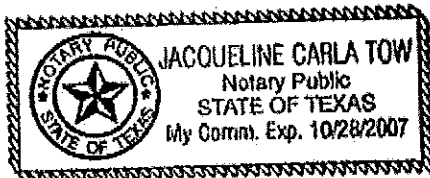
D. R. HORTON - TEXAS, LTD., a Texas limited partnership

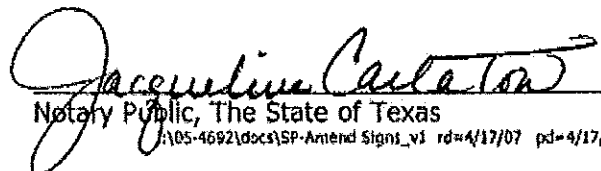
By: D. R. HORTON, INC., a Delaware corporation, its authorized agent

By:   
Don E. Allen, Assistant Secretary

THE STATE OF TEXAS §  
  §  
COUNTY OF TARRANT §

This instrument was acknowledged before me on this 18<sup>th</sup> day of April 2007 by Don E. Allen, Assistant Secretary of D. R. Horton, Inc., a Delaware corporation, on behalf of said corporation in its capacity as authorized agent for D. R. Horton - Texas, Ltd., a Texas limited partnership, on behalf of the limited partnership.



  
Notary Public, The State of Texas  
\\05-4692\docs\SP-Amend Signs\_v1 rd=4/17/07 pd=4/17/07

**EXHIBIT A**

**TO SIGNS AMENDMENT**

**TO**

**DECLARATION OF COVENANTS, CONDITIONS & RESTRICTIONS FOR SHERIDAN PARC**

Section 6.28 of the Declaration of Covenants, Conditions & Restrictions for Sheridan Parc is hereby amended and restated in its entirety as follows:

---

6.28. **SIGNS.** Except as permitted below, no sign or unsightly object may be erected, placed, or permitted to remain on the Property or to be visible from windows in the dwelling without the board's prior written approval. The board's approval may specify the location, nature, appearance, dimensions, number, and time period of a sign or object. Without liability for trespass or any other liability connected with the removal, the board may effect the immediate removal of any sign or object (1) that violates this Section, (2) which the board deems inconsistent with neighborhood standards, or (3) which the board deems an abuse of the below-permitted sign uses. As used in this Section, "sign" includes, without limitation, lettering, images, symbols, pictures, shapes, lights, banners, and any other representation or medium that conveys a message.

6.28.1. **Contractor Signs Prohibited.** If the rules fail to establish standards for temporary signs advertising the contractor or material manufacturer working at a house, all such contractor signs are prohibited without the prior written approval of the board.

6.28.2. **Event Signs.** A resident may erect or install on his lot - for up to 24 hours - one temporary sign identifying his home as the site of a social event.

6.28.3. **Inflammatory Signs Prohibited.** Even among the categories of permitted signs, the board may disallow, prohibit, and remove a particular sign that the Association directors unanimously consider to be (1) provocative, vulgar, or profane for the sensitivities of the Property's residents, (2) likely to incite violence, fear, or disruptive counter-activity, (3) denigrating of a resident or owner, or category of residents or owners, (4) likely to negatively affect the image of the Property as a desirable place to own and occupy, or (5) otherwise unsuitable for the Property.

***NO "FOR RENT" SIGNS - NO SIGNS IN WINDOWS***

6.28.4. **Lease Signs Prohibited.** The right to lease a house is not the right to post a "for lease" sign on the Property - even on the yard of the house that is available for lease. Without the board's prior written permission, which may be withheld for any reason or no reason, a person may not post or maintain a sign anywhere on the Property that advertises a house for rent or for lease. This blanket prohibition includes, without limitation, yard signs, signs in or on windows, and signs on vehicles.

6.28.4.1. **Limited Exception.** Notwithstanding this general prohibition against Lease Signs, an owner or the owner's representative (such as a leasing agent, Realtor, or property manager) may post one standard professionally-made "for lease" yard sign in the Property - in the front yard of a house that is available for lease, provided that the owner or his representative does not post more than one sign at a time in the entire Property, regardless of the number of lots owned by the owner, and regardless of the number of owner clients and their lots served by the representative. An owner or representative's attempt to circumvent the intent of this Limited Exception may result in the board's revocation of the privilege as to that owner or representative. The purpose of this Limited Exception is to benefit the owner of a single lot in the Property.

6.28.5. Political Signs. If public law - such as Texas Property Code Section 202.009 and local ordinances - grants an owner the right to place political signs on the owner's lot, the Association may not prohibit an owner's exercise of such right. The Association may adopt and enforce Rules regulating every aspect of political signs on owners' lots to the extent not prohibited or protected by public law. Unless the Rules or public law provide otherwise (1) a political sign may not be displayed more than 90 days before or 10 days after an election to which the sign relates; (2) a political sign must be ground-mounted; (3) an owner may not display more than one political sign for each candidate or ballot item; and (4) a political sign may not have any of the attributes itemized in Texas Property Code Sec. 202.009(c), to the extent that statute applies to the lot.

6.28.6. Sale Signs. An owner who is actively marketing his lot for sale may place in the front yard one professionally-made traditional yard sign of not more than 5 square feet advertising the lot for sale. Only one such sign is allowed per lot, and only on the lot that is being actively marketed. All aspects of the sign, including the height, shape, color, material, wording, and placement must be customary for the neighborhood.

6.28.7. Security Signs. One professionally made security service sign of not more than one square foot is permitted per lot.

6.28.8. Spirit Signs. A resident may erect or install temporary yard signs celebrating a family event, such as a baby's arrival or a child's school achievement. A spirit sign must be tasteful, modest in size, maintained in good condition, and removed by resident after a reasonable period.

6.28.9. Window Signs Prohibited. A sign in a window, on a window, or visible through a window is prohibited if the sign is visible from the street or from a neighboring home. "Window" includes a door, lite, or pane that is transparent.

**AFTER RECORDING, PLEASE RETURN TO:**

Ms. Sharon Reuler ■ SettlePou • Attorneys  
3333 Lee Parkway, Eighth Floor  
Dallas, Texas 75219

**FILED AND RECORDED**



OFFICIAL PUBLIC RECORDS

*[Signature]*  
John F. Warren, County Clerk  
Dallas County TEXAS

April 19, 2007 11:11:42 AM

FEE: \$24.00

20070140684



**SHERIDAN PARC**  
**CITY REQUIREMENTS AMENDMENT**  
**TO DECLARATION OF COVENANTS, CONDITIONS & RESTRICTIONS**

---

A. D. R. Horton - Texas, Ltd., a Texas limited partnership (the "**Declarant**"), is developing Sheridan Parc, a planned development located in the City of DeSoto, Texas, as described on Exhibit A attached hereto and incorporated herein by reference, and which is subject to the Declaration of Covenants, Conditions & Restrictions for Sheridan Parc, recorded on April 18, 2005, in Volume 2005075, Page 00063, Real Property Records, Dallas County, Texas (the "**Declaration**").

B. The Declaration was inadvertently recorded without the prior approval of the City of DeSoto, Texas, as required by Section 10.406 of the City Code.

C. Declarant has the right to amend the Declaration to correct inadvertent omissions, pursuant to Section C.4.2 of Appendix C of the Declaration.

D. By recording this Amendment, Declarant amends certain provisions of the Declaration.

**AMENDMENTS**

1. The first sentence of Section 8.9 of the Declaration, titled "Reserve Funds," is hereby amended and restated as follows:

The Association will establish a reserve fund to ensure the continuous and perpetual use, operation, maintenance and/or supervision of all facilities, structures, improvements, systems, open space or common areas that are the responsibility of the Association.

2. Section C.2.4 of Appendix C of the Declaration, titled "Declarant Reserves," is hereby amended and restated in its entirety as follows:

C.2.4. Declarant Reserves. Prior to the transfer of the control of the Association to the lot owners, Declarant must provide a reserve fund equivalent to two months' dues based on full Association membership.

3. Appendix C of the Declaration is hereby amended by the addition of Section C.8, as stated below.

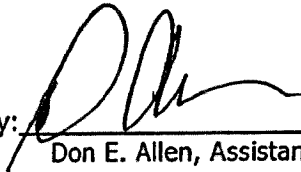
C.8. NOTICE TO PURCHASERS. During the period or periods in which new homes in the Property are being offered for sale, Declarant - or the seller of new homes, if other than Declarant - is required to post a notice stating, at a minimum, that (1) a property owners association has been established, (2) membership in the Association is mandatory for all property owners, and (3) Declarant - or the seller of new homes, if other than Declarant - shall provide the Documents and a 5-year projection of dues, income and Association expenses to any person on their request. The foregoing required notice shall be posted in all of the following places:

- In each model home and sales office (if any)
- On the open space labeled "Detention Basin" on the plat, located at the Property entrance.

SIGNED on the 7 day of November 2005.

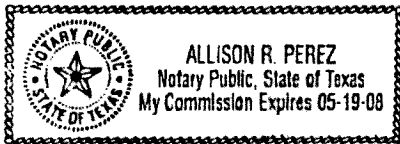
**D. R. HORTON - TEXAS, LTD.**, a Texas limited partnership

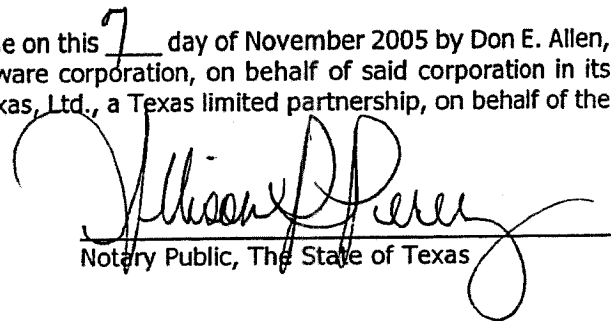
By: D. R. HORTON, INC., a Delaware corporation, its authorized agent

By:   
Don E. Allen, Assistant Secretary

THE STATE OF TEXAS §  
  §  
COUNTY OF TARRANT §

This instrument was acknowledged before me on this 7 day of November 2005 by Don E. Allen, Assistant Secretary of D. R. Horton, Inc., a Delaware corporation, on behalf of said corporation in its capacity as authorized agent for D. R. Horton - Texas, Ltd., a Texas limited partnership, on behalf of the limited partnership.



  
Notary Public, The State of Texas



**EXHIBIT A**  
**DESCRIPTION OF SUBJECT LAND**

Sheridan Parc

BEING a tract of land out of the ZEBEDEE HEATH SURVEY, ABSTRACT No. 562, located in the City of Desoto, Dallas County, Texas, being all of Lot 1 and part of Lot 2, Heath Creek Estates, an addition to the City of Desoto, as recorded in Volume 80238, Page 2316, Dallas County Deed Records, also being all of that tract of land conveyed to William and Betty Coggins, as recorded in Volume 2000220, Page 1500, Dallas County Deed Records, and being more particularly described as follows;

BEGINNING at a point in the south line of Pleasant Run Road, said point being the northwest corner of said Lot 1, also being the southeast corner of a 0.197 acre tract of land conveyed to the City of Desoto as shown on the plat of Westmoreland Junior High Addition recorded in Volume 86114, Page 2332, Dallas County Deed Records:

THENCE North 89 degrees 54 minutes 37 seconds East, 327.72 feet along the south line of said Pleasant Run Road to a point for corner, said point being the northeast corner of said Lot 1, and in the west line of said Coggins tract:

THENCE North 01 degrees 57 minutes 28 seconds West, 20.01 feet to a point for corner, said point being the northwest corner of said Coggins tract, and in the south line of said Pleasant Run Road:

THENCE North 89 degrees 58 minutes 02 seconds East, 328.00 feet along the south line of said Pleasant Run Road to a point for corner, said point being the northeast corner of said Coggins tract, and said point being the northwest corner of Morris Manors Addition, an addition to the City of Desoto, as recorded in Volume 73007, Page 533, Dallas County Deed Records:

THENCE South 01 degrees 47 minutes 58 seconds East, 2130.20 feet along the east line of said Coggins tract to a point for corner, said point being the southeast corner of said Coggins tract and the southwest corner of tract of land conveyed to William and Susan Leftwitch, as recorded in Volume 88045, Page 1451, Dallas County Deed Records, and said point being in the north line of Spinner Road:

THENCE South 89 degrees 13 minutes 02 seconds West, 322.00 feet along the north line of Spinner Road to a point for corner, said point being the southwest corner of said Coggins tract:

THENCE North 01 degrees 57 minutes 28 seconds West, 540.59 feet along the west line of said Coggins tract to a point for corner, said point being the northeast corner of Lot 2A, Replat of Lot 2 in Heath Creek Estates, an addition to the City of Desoto, as recorded in Volume 84160, Page 6700, Dallas County Deed Records:

THENCE South 88 degrees 57 minutes 23 seconds West, 323.38 feet to a point for corner, said point being the northwest corner of Lot 3, in the Heath Creek Estates Addition, an addition to the City of Desoto, as recorded in Volume 2316, Page 80238, Dallas County Deed Records:

THENCE North 02 degrees 06 minutes 38 seconds West, 1579.53 feet along the west line of said Lot 2 and the west line of said Lot 1 to the POINT OF BEGINNING and containing 1, 205, 915 square feet or 27.684 acres of land.

**SAVE AND EXCEPT, AND EXCLUDING**, the land to be platted as the two south-most house lots along Spinner Road, with dimensions of approximately 322 feet (along Spinner Road) by 237 feet, containing approximately 76,443 square feet, and shown on the Detailed Site Plan for Sheridan Parc, prepared by Jones & Boyd, Inc., dated February 27, 2004, as Lots 26 & 27, Block A, Sheridan Parc.

**EXHIBIT B**

**CONSENT TO  
CITY REQUIREMENTS AMENDMENT  
BY OWNER OF LAND**

As the owner of real property in Sheridan Parc, M. R. Development Corporation hereby consents to the City Requirements Amendment to the Declaration of Covenants, Conditions & Restrictions for Sheridan Parc, and acknowledges, agrees, understands, and desires that any and all real property described in Appendix A of the Declaration that is owned by M. R. Development Corporation will become subject to the City Requirements Amendment when the Amendment is recorded in the Real Property Records of Dallas County, Texas.

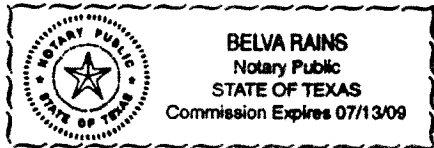
SIGNED this 7th day of November 2005.

**M. R. DEVELOPMENT CORPORATION**, a Texas corporation

By: *Kim McCaslin Schlieker*  
Kim McCaslin Schlieker, Secretary

THE STATE OF TEXAS     §  
  §  
COUNTY OF TARRANT   §

This instrument was acknowledged before me on the 7th day of November 2005, by Kim McCaslin Schlieker, Secretary of M. R. Development Corporation, a Texas corporation, on behalf of the corporation.



*Belva Rains*  
Notary Public, The State of Texas

**FILED AND RECORDED**



OFFICIAL PUBLIC RECORDS

*Cynthia Figueroa Calhoun*

Cynthia Figueroa Calhoun, County Clerk  
Dallas County TEXAS

November 08, 2005 12:28:48

FEE: \$28.00

200503573859

**AFTER RECORDING, PLEASE RETURN TO:**

Ms. Sharon Reuler • SETTLEPOU ▸ Attorneys  
3333 Lee Parkway, Eighth Floor  
Dallas, Texas 75219

5178574  
04/18/05

3320542  
\$117.00 Deed

3349968  
3349968

5218231  
05/10/05

\$.00 No Fee - REAL PROPERTY

**DECLARATION OF  
COVENANTS, CONDITIONS  
& RESTRICTIONS  
FOR  
SHERIDAN PARC**

**DeSoto, Dallas County, Texas**

Declarant

D. R. Horton - Texas, Ltd.

2005091113259

2005 075 00063

# DECLARATION OF COVENANTS, CONDITIONS & RESTRICTIONS FOR SHERIDAN PARC

## TABLE OF CONTENTS

	<u>PAGE</u>
ARTICLE 1 - <u>DEFINITIONS</u> .....	1
ARTICLE 2 - <u>PROPERTY SUBJECT TO DOCUMENTS</u> .....	3
2.1. PROPERTY .....	3
2.2. ADDITIONAL PROPERTY .....	4
2.3. CITY ORDINANCE .....	4
2.4. ADJACENT LAND USE .....	4
2.5. RESTRICTIONS, EASEMENTS & PLAT DEDICATIONS .....	4
2.6. WATER DETENTION AREA .....	4
2.7. STREETS WITHIN PROPERTY .....	4
ARTICLE 3 - <u>PROPERTY EASEMENTS AND RIGHTS</u> .....	5
3.1. GENERAL .....	5
3.2. EASEMENT FOR SCREENING WALL .....	5
3.3. OWNER'S EASEMENT OF ENJOYMENT .....	5
3.4. OWNER'S INGRESS/EGRESS EASEMENT .....	6
3.5. OWNER'S RIGHT TO BUILD .....	6
3.6. RIGHTS OF CITY .....	6
3.7. ASSOCIATION'S ACCESS EASEMENT .....	6
3.8. UTILITY EASEMENT .....	7
3.9. MINERAL RIGHTS .....	7
3.10. NOTICE OF LIMITATION ON LIABILITY .....	7
3.11. SECURITY .....	8
ARTICLE 4 - <u>COMMON AREA</u> .....	8
4.1. OWNERSHIP .....	8
4.2. ACCEPTANCE .....	8
4.3. COMPONENTS .....	8
ARTICLE 5 - <u>ARCHITECTURAL COVENANTS AND CONTROL</u> .....	9
5.1. PURPOSE .....	9
5.2. ARCHITECTURAL CONTROL DURING THE DEVELOPMENT PERIOD .....	9
5.3. ARCHITECTURAL CONTROL BY ASSOCIATION .....	10
5.4. PROHIBITION OF CONSTRUCTION, ALTERATION & IMPROVEMENT .....	10
5.5. ARCHITECTURAL APPROVAL .....	10
5.6. ARCHITECTURAL GUIDELINES .....	12

*During the Development Period, Appendix C has priority over the main body of this Declaration.*

20050913260

ARTICLE 6 - <u>CONSTRUCTION AND USE RESTRICTIONS</u> .....	12
6.1. VARIANCE .....	12
6.2. CONSTRUCTION RESTRICTIONS .....	12
6.3. LIMITS TO RIGHTS .....	12
6.4. ASSOCIATION'S RIGHT TO PROMULGATE RULES .....	13
6.5. ACCESSORY SHEDS .....	13
6.6. ANIMAL RESTRICTIONS .....	14
6.7. ANNOYANCE .....	14
6.8. APPEARANCE .....	14
6.9. BUSINESS USE .....	14
6.10. COLOR CHANGES .....	14
6.11. DECLARANT PRIVILEGES .....	14
6.12. DRAINAGE .....	14
6.13. DRIVEWAYS .....	14
6.14. FENCES .....	15
6.15. FIRES .....	15
6.16. FLAGS .....	15
6.17. GARAGES .....	15
6.18. "GARAGE SALES" .....	16
6.19. GUNS .....	16
6.20. HOOPS .....	16
6.21. LANDSCAPING .....	16
6.22. LEASING OF HOMES .....	16
6.23. LIGHTS .....	16
6.24. NOISE & ODOR .....	16
6.25. OCCUPANCY .....	16
6.26. RESIDENTIAL USE .....	16
6.27. SCREENING .....	17
6.28. SIGNS .....	17
6.29. TELEVISION .....	17
6.30. TEMPORARY STRUCTURES .....	18
6.31. TRASH .....	18
6.32. VEHICLES .....	18
6.33. WINDOW TREATMENTS .....	18
6.34. YARD ART .....	18
ARTICLE 7 - <u>ASSOCIATION AND MEMBERSHIP RIGHTS</u> .....	19
7.1. BOARD .....	19
7.2. THE ASSOCIATION .....	19
7.3. GOVERNANCE .....	19
7.4. MEMBERSHIP .....	19
7.5. COMMUNICATIONS .....	20
7.6. VOTING .....	20
7.7. VOTING BY CO-OWNERS .....	20
7.8. BOOKS & RECORDS .....	20
7.9. INDEMNIFICATION .....	20
7.10. OBLIGATIONS OF OWNERS .....	20

*During the Development Period, Appendix C has priority over the main body of this Declaration.*

2005 075 00065

2005 091 13261

7.11. HOME RESALES .....	21
ARTICLE 8 - <u>COVENANT FOR ASSESSMENTS</u> .....	22
8.1. PURPOSE OF ASSESSMENTS .....	22
8.2. PERSONAL OBLIGATION .....	22
8.3. CONTROL FOR ASSESSMENT INCREASES .....	22
8.4. TYPES OF ASSESSMENTS .....	23
8.5. BASIS & RATE OF ASSESSMENTS .....	24
8.6. DECLARANT OBLIGATION .....	24
8.7. ANNUAL BUDGET .....	24
8.8. DUE DATE .....	24
8.9. RESERVE FUNDS .....	25
8.10. ASSOCIATION'S RIGHT TO BORROW MONEY .....	25
8.11. LIMITATIONS OF INTEREST .....	25
ARTICLE 9 - <u>ASSESSMENT LIEN</u> .....	25
9.1. ASSESSMENT LIEN .....	25
9.2. SUPERIORITY OF ASSESSMENT LIEN .....	25
9.3. EFFECT OF MORTGAGEE'S FORECLOSURE .....	26
9.4. NOTICE AND RELEASE OF NOTICE .....	26
9.5. POWER OF SALE .....	26
9.6. FORECLOSURE OF LIEN .....	26
ARTICLE 10 - <u>EFFECT OF NONPAYMENT OF ASSESSMENTS</u> .....	26
10.1. INTEREST .....	27
10.2. LATE FEES .....	27
10.3. COSTS OF COLLECTION .....	27
10.4. ACCELERATION .....	27
10.5. SUSPENSION OF USE AND VOTE .....	27
10.6. MONEY JUDGMENT .....	27
10.7. NOTICE TO MORTGAGEE .....	27
10.8. FORECLOSURE OF ASSESSMENT LIEN .....	27
10.9. APPLICATION OF PAYMENTS .....	27
ARTICLE 11 - <u>ENFORCING THE DOCUMENTS</u> .....	27
11.1. NOTICE AND HEARING .....	27
11.2. REMEDIES .....	28
11.3. BOARD DISCRETION .....	28
11.4. NO WAIVER .....	29
11.5. RECOVERY OF COSTS .....	29
ARTICLE 12 - <u>MAINTENANCE AND REPAIR OBLIGATIONS</u> .....	29
12.1. ASSOCIATION MAINTAINS .....	29
12.2. OWNER RESPONSIBILITY .....	29
12.3. OWNER'S DEFAULT IN MAINTENANCE .....	30

*During the Development Period, Appendix C has priority over the main body of this Declaration.*

12.4. PARTY WALL FENCES .....	30
ARTICLE 13 - <u>INSURANCE</u> .....	31
13.1. GENERAL PROVISIONS .....	31
13.2. PROPERTY .....	31
13.3. GENERAL LIABILITY .....	31
13.4. DIRECTORS & OFFICERS LIABILITY .....	32
13.5. OTHER COVERAGES .....	32
13.6. OWNER'S RESPONSIBILITY FOR INSURANCE .....	32
ARTICLE 14 - <u>MORTGAGEE PROTECTION</u> .....	32
14.1. INTRODUCTION .....	32
14.2. MORTGAGEE RIGHTS .....	33
14.3. INSURANCE POLICIES .....	33
ARTICLE 15 - <u>AMENDMENTS</u> .....	33
15.1. CONSENTS REQUIRED .....	33
15.2. METHOD OF AMENDMENT .....	34
15.3. EFFECTIVE .....	34
15.4. DECLARANT PROVISIONS .....	34
15.5. CITY ORDINANCE COMPLIANCE .....	34
15.6. MERGER .....	34
15.7. TERMINATION .....	34
15.8. CONDEMNATION .....	35
ARTICLE 16 - <u>DISPUTE RESOLUTION</u> .....	35
16.1. INTRODUCTION & DEFINITIONS .....	35
16.2. MANDATORY PROCEDURES .....	36
16.3. NOTICE .....	36
16.4. NEGOTIATION .....	36
16.5. MEDIATION .....	36
16.6. TERMINATION OF MEDIATION .....	36
16.7. ALLOCATION OF COSTS .....	36
16.8. ENFORCEMENT OF RESOLUTION .....	36
16.9. GENERAL PROVISIONS .....	37
16.10. LITIGATION APPROVAL & SETTLEMENT .....	37
ARTICLE 17 - <u>GENERAL PROVISIONS</u> .....	37
17.1. COMPLIANCE .....	37
17.2. HIGHER AUTHORITY .....	37
17.3. NOTICE .....	37
17.4. LIBERAL CONSTRUCTION .....	38
17.5. SEVERABILITY .....	38
17.6. CAPTIONS .....	38
17.7. APPENDIXES .....	38

*During the Development Period, Appendix C has priority over the main body of this Declaration.*



17.8. INTERPRETATION .....	38
17.9. DURATION .....	38
17.10. PREPARER .....	38
SIGNED AND ACKNOWLEDGED .....	39
APPENDIX A - DESCRIPTION OF SUBJECT LAND	
APPENDIX B - CONSTRUCTION SPECIFICATIONS	
APPENDIX C - <u>DECLARANT REPRESENTATIONS &amp; RESERVATIONS</u> .....	C-1
C.1. GENERAL PROVISIONS .....	C-1
C.2. DECLARANT CONTROL PERIOD RESERVATIONS .....	C-2
C.3. DEVELOPMENT PERIOD RESERVATIONS .....	C-3
C.4. COMMON AREAS .....	C-6
C.5. INITIAL RESERVE FUND .....	C-6
C.6. WORKING CAPITAL FUND .....	C-6
C.7. SUCCESSOR DECLARANT .....	C-6
APPENDIX D - CONSENT TO DECLARATION BY LIENHOLDER	
APPENDIX E - CONSENT TO DECLARATION BY OWNER OF LAND	

200509113264

*During the Development Period, Appendix C has priority over the main body of this Declaration.*

**DECLARATION OF  
COVENANTS, CONDITIONS & RESTRICTIONS  
FOR  
SHERIDAN PARC**

---

This Declaration of Covenants, Conditions & Restrictions for Sheridan Parc is made by D. R. Horton - Texas, Ltd., a Texas limited partnership ("**Declarant**"), on the date signed below. Declarant owns or will own the real property described in Appendix A of this Declaration, together with the improvements thereon. If any part of the Property is not owned by Declarant on the date this Declaration is executed, the owner of the real property will join in this Declaration by consent.

Declarant desires to establish a general plan of development for the planned community to be known as Sheridan Parc. Declarant also desires to provide a reasonable and flexible procedure by which Declarant may expand the Property to include additional real property, and to maintain certain development rights that are essential for the successful completion and marketing of the Property.

Declarant further desires to provide for the preservation, administration, and maintenance of portions of Sheridan Parc, and to protect the value, desirability, and attractiveness of Sheridan Parc. As an integral part of the development plan, Declarant deems it advisable to create a property owners association to perform these functions and activities more fully described in this Declaration and the other Documents described below.

Declarant **DECLARES** that the property described in Appendix A, and any additional property made subject to this Declaration by recording one or more amendments of or supplements to this Declaration, will be owned, held, transferred, sold, conveyed, leased, occupied, used, insured, and encumbered subject to the terms, covenants, conditions, restrictions, and easements of this Declaration, including Declarant's representations and reservations in the attached Appendix C, which run with the real property and bind all parties having or acquiring any right, title, or interest in any part of the property, their heirs, successors, and assigns, and inure to the benefit of each Owner of any part of the property.

**ARTICLE 1  
DEFINITIONS**

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

1.1. "**Applicable Law**" means the statutes and public laws and ordinances in effect at the time a provision of the Documents is applied, and pertaining to the subject matter of the Document provision. Statutes and ordinances specifically referenced in the Documents are "Applicable Law" on the date of the Document, and are not intended to apply to the Project if they cease to be applicable by operation of law, or if they are replaced or superceded by one or more other statutes or ordinances.

1.2. "**Architectural Reviewer**" means the entity having jurisdiction over a particular application for architectural approval. During the Development Period, the Architectural Reviewer is

*During the Development Period, Appendix C has priority over the main body of this Declaration.*

Declarant, Declarant's designee, or Declarant's delegatee. Thereafter, the board-appointed Architectural Control Committee is the Architectural Reviewer.

1.3. **"Assessment"** means any charge levied against a lot or owner by the Association, pursuant to the Documents or State law, including but not limited to Annual Assessments, Special Assessments, Individual Assessments, and Deficiency Assessments, as defined in Article 8 of this Declaration.

1.4. **"Association"** means the association of owners of all lots in the Property, initially organized as Sheridan Parc Owners Association, a Texas nonprofit corporation, and serving as the "property owners' association" defined in Section 202.001(2) of the Texas Property Code. The failure of the Association to maintain its corporate charter from time to time does not affect the existence or legitimacy of the Association, which derives its authority from this Declaration and the bylaws.

1.5. **"Board"** means the board of directors of the Association.

1.6. **"City"** means the City of DeSoto, Texas, in which the Property is located.

1.7. **"Common Area"** means portions of real property and improvements thereon that are owned and/or maintained by the Association, as described in Article 4 below.

1.8. **"Declarant"** means D. R. Horton - Texas, Ltd., a Texas limited partnership, which is developing the Property, or the successors and assigns of D. R. Horton - Texas, Ltd., which acquire any portion of the Property for the purpose of development and which are designated a Successor Declarant by D. R. Horton - Texas, Ltd., or by any such successor and assign, in a recorded document.

1.9. **"Declarant Control Period"** means that period of time during which Declarant controls the operation and management of the Association, pursuant to Appendix C of this Declaration.

1.10. **"Declaration"** means this document, as it may be amended from time to time.

1.11. **"Development Period"** means the 12-year period beginning the date this Declaration is recorded, during which Declarant has certain rights pursuant to Appendix C hereto, including rights relating to development, construction, expansion, and marketing of the Property. The Development Period is for a term of years and does not require that Declarant own land described in Appendix A. Declarant may terminate the Development Period at any time by recording a notice of termination.

**During the Development Period,  
Appendix C has priority over the main body of this Declaration.**

1.12. **"Documents"** means, singly or collectively as the case may be, this Declaration, the Plat, the bylaws, the Association's articles of incorporation, and the rules of the Association, as any of these may be amended from time to time. An appendix, exhibit, schedule, or certification accompanying a Document is a part of that Document.

1.13. **"Lot"** means a portion of the Property intended for independent ownership, on which there is or will be constructed a dwelling, as shown on the Plat. As a defined term, "lot" does not refer to common areas, even if platted and numbered as a lot. Where the context indicates or requires, "lot"

*During the Development Period, Appendix C has priority over the main body of this Declaration.*

2005 091 13266

includes all improvements thereon and any portion of a right-of-way that customarily is used exclusively by and in connection with the lot.

1.14. "**Majority**" means more than half. A reference to "a majority of owners" in any Document or applicable law means "owners of at least a majority of the lots," unless a different meaning is specified.

1.15. "**Member**" means a member of the Association, each member being an owner of a lot, unless the context indicates that member means a member of the board or a member of a committee of the Association. In the context of votes and decision-making, each lot has only one membership, although it may be shared by co-owners of a lot.

1.16. "**Owner**" means a holder of recorded fee simple title to a lot. Declarant is the initial owner of all lots. Contract sellers and mortgagees who acquire title to a lot through a deed in lieu of foreclosure or through judicial or nonjudicial foreclosure are owners. Persons or entities having ownership interests merely as security for the performance of an obligation are not owners. Every owner is a member of the Association. A reference in any Document or applicable law to a percentage or share of owners or members means owners of at least that percentage or share of the lots, unless a different meaning is specified. For example, "a majority of owners" means owners of at least a majority of the lots.

1.17. "**Plat**" means all plats, singly and collectively, recorded in the Real Property Records of Dallas County, Texas, and pertaining to the 27.684-acre tract described in Appendix A, which is platted or to be platted as Sheridan Parc, a subdivision to the City of DeSoto, including all dedications, limitations, restrictions, easements, notes, and reservations shown on the plat, as it may be amended from time to time.

1.18. "**Property**" means all the land subject to this Declaration and all improvements, easements, rights, and appurtenances to the land. The name of the Property is Sheridan Parc. The Property is located on land described in Appendix A to this Declaration, and includes every lot and any common area thereon.

1.19. "**Resident**" means an occupant of a dwelling, regardless of whether the person owns the lot.

1.20. "**Rules**" means rules and regulations of the Association adopted in accordance with the Documents or applicable law. The initial Rules may be adopted by Declarant for the benefit of the Association.

1.21. "**Underwriting Lender**" means Federal Home Loan Mortgage Corporation (Freddie Mac), Federal Housing Administration (HUD/FHA), Federal National Mortgage Association (Fannie Mae), or U. S. Department of Veterans Affairs (VA), singly or collectively. The use of this term and these institutions may not be construed as a limitation on an owner's financing options nor as a representation that the Property is approved by any institution.

## **ARTICLE 2** **PROPERTY SUBJECT TO DOCUMENTS**

2.1. **PROPERTY.** The real property described in Appendix A is held, transferred, sold, conveyed, leased, occupied, used, insured, and encumbered subject to the terms, covenants, conditions,

*During the Development Period, Appendix C has priority over the main body of this Declaration.*

2005 09 11 13267

restrictions, liens, and easements of this Declaration, including Declarant's representations and reservations in the attached Appendix C, which run with the Property and bind all parties having or acquiring any right, title, or interest in the Property, their heirs, successors, and assigns, and inure to the benefit of each owner of the Property.

2.2. ADDITIONAL PROPERTY. Additional real property may be annexed to the Property and subjected to the Declaration and the jurisdiction of the Association on approval of owners representing at least two-thirds of the lots in the Property, or, during the Development Period, by Declarant as permitted in Appendix C. Annexation of additional property is accomplished by recording a declaration of annexation, including an amendment of Appendix A, in the county's Real Property Records.

2.3. CITY ORDINANCE. Among the City ordinances to which the Property is subject is the ordinance by which the City approved development of the Property - Ordinance No. 1576-04, adopted by the City of DeSoto on March 16, 2004.

2.4. ADJACENT LAND USE. Declarant makes no representations of any kind as to current or future uses - actual or permitted - of any land that is adjacent to or near the Property, regardless of what the plat shows as potential uses of adjoining land.

2.5. RESTRICTIONS, EASEMENTS & PLAT DEDICATIONS. In addition to the easements and restrictions contained in this Declaration, the Property is subject to all restrictions, easements, licenses, leases, and encumbrances of record, including any shown or referenced on the plat, each of which is incorporated herein by reference. Each owner, by accepting an interest in or title to a lot, whether or not it is so expressed in the instrument of conveyance, covenants and agrees to be bound by prior-recorded restrictions, easements, licenses, leases, and encumbrances, and further agrees to maintain any easement that crosses his lot and for which the Association does not have express responsibility. One such prior-recorded restriction affecting part of the Property is contained in the deed recorded on February 11, 1957, in Volume 4651, Page 238, Real Property Records, Dallas County, Texas.

***When is a pond not a pond?***  
Water detention areas, by design, are sometimes water-filled and mostly bone-dry.

2.6. WATER DETENTION AREA. The common areas of the Property include a water detention area required by the City for the management of surface water runoff. A water detention area is designed to detain surface water for short periods during heavy rainfalls and to be a "dry pond" the rest of the time. It is not engineered to be a lake or to hold water on a regular basis. It can be challenging to permanently landscape a terrain that purposefully rotates between being a water pond and a dry pond. The water detention area must be maintained by the Association, and may require periodic desilting to remove silt that accumulates during wet periods. Without the City's approval, a water detention area may not be used for any purpose that interferes with its role in surface water management. This explanation is for persons who wonder why those areas are not more extensively improved, landscaped, or used.

2.7. STREETS WITHIN PROPERTY. Because streets and cul de sacs within the Property are capable of being converted from publicly dedicated to privately owned, and vice versa, this Section addresses both conditions. Private streets, if any, are part of the common area which is governed by the Association. Public streets are part of the common area only to the extent a governmental body, such as the or county, authorizes or delegates to the Association.

*During the Development Period, Appendix C has priority over the main body of this Declaration.*

2005 091 13268

2.7.1. Public Streets. As to public streets, the Association, acting through the board, is specifically authorized (1) to accept from a governmental body any delegation of street-related duties, and (2) to act as attorney in fact for the owners in executing instruments required by public ordinance or public law to impose, modify, or remove restrictions or traffic devices (such as speed bumps) on public streets in the Property.

2.7.2. Private Streets. **Only if and when the Property has private streets,** the Association, acting through the board, is specifically authorized to adopt, amend, repeal, and enforce rules, regulations, and procedures for use of any private streets in the Property - including but not limited to (1) designation of parking or no-parking areas, (2) limitations or prohibitions on curbside parking, (3) removal or prohibition of vehicles that violate applicable rules and regulations, (4) fines for violations of applicable rules and regulations, and (5) programs for controlling access through entrance gates, if any.

**ARTICLE 3**  
**PROPERTY EASEMENTS AND RIGHTS**

3.1. GENERAL. In addition to other easements and rights established by the Documents, the Property is subject to the easements and rights contained in this Article.

**NOTICE**  
**LOT 1, BLOCK A + LOT 1, BLOCK D**  
**ARE SUBJECT TO A SCREENING WALL EASEMENT.**

3.2. EASEMENT FOR SCREENING WALL. The Association is hereby granted a perpetual easement (the "**Screening Wall Easement**") over the lots along Pleasant Run Road - specifically, **LOT 1 of BLOCK A and LOT 1 of BLOCK D** - for the purposes stated in this Section, regardless of whether or how the plat shows the easement or screening wall, fence, or berm. The purpose of the Screening Wall Easement is to provide for the existence, repair, improvement, and replacement of the Property's screening wall, fence, or berm, to be maintained by the Association as a common area. In exercising this Screening Wall Easement, the Association may construct, maintain, improve, and replace improvements reasonably related to the screening of a residential subdivision, including: screening walls, fences and/or berms; planter beds, landscaping, and plant material; electrical and water meters and equipment, including light fixtures and sprinkler systems; and signage relating to the Property. The owners of the lots burdened with the Screening Wall Easement will have the continual use and enjoyment of their lots for any purpose that does not interfere with and prevent the Association's use of the Screening Wall Easement. In addition to the easement granted herein, the Association has the temporary right, from time to time, to use as much as the surface of a burdened lot as may be reasonably necessary for the Association to perform its contemplated work on the Screening Wall Easement. This easement is perpetual. The Screening Wall Easement will terminate when the purpose of the easement ceases to exist, is abandoned by the Association, or becomes impossible to perform. The Association may assign this easement, or any portion thereof, to the City if the City agrees to accept the assignment. This Screening Wall Easement applies only to the original screening walls installed by Declarant and replacements thereof, and does not apply or pertain to fences installed on individual lots, even though the lot abuts a major thoroughfare.

3.3. OWNER'S EASEMENT OF ENJOYMENT. Every owner is granted a right and easement of enjoyment over the common areas and to use of improvements therein, subject to other rights and

*During the Development Period, Appendix C has priority over the main body of this Declaration.*

2005 09 1 13269

easements contained in the Documents. An owner who does not occupy a lot delegates this right of enjoyment to the residents of his lot. Notwithstanding the foregoing, if a portion of the common area, such as a recreational area, is designed for private use, the Association may temporarily reserve the use of such area for certain persons and purposes.

3.4. OWNER'S INGRESS/EGRESS EASEMENT. Every owner is granted a perpetual easement over the Property's streets, as may be reasonably required, for vehicular ingress to and egress from his lot.

3.5. OWNER'S RIGHT TO BUILD. That a house lot remains vacant and unimproved for a period of years, even decades, does not diminish the right of the lot owner to construct improvements on the lot. Nor does a vacant lot enlarge the rights of owners of neighboring lots, who may have become so accustomed to the open space that they expect it to remain unimproved forever.

3.6. RIGHTS OF CITY. The City, including its agents and employees, has the right of immediate access to the common areas at all times if necessary for the welfare or protection of the public, to enforce City ordinances, or for the preservation of public property. If the Association fails to maintain the common areas to a standard acceptable to the City, the City may give the Association a written demand for maintenance. If the Association fails or refuses to perform the maintenance within a reasonable period of time after receiving the City's written demand (at least 90 days), the City may maintain the common areas at the expense of the Association after giving written notice of its intent to do so to an owner of every lot. To fund the City's cost of maintaining the common areas, the City may levy an assessment against every lot in the same manner as if the Association levied a special assessment against the lots. The rights of the City under this Section are in addition to other rights and remedies provided by law. The Association hereby indemnifies the City against expenses, including attorney's fees, reasonably incurred by or imposed on the City in connection with an action, suit, or proceeding to which the City is a party by reason of having exercised its rights under this Section or under Ordinance No. 1576-04, adopted by the City of DeSoto on March 16, 2004.

3.7. ASSOCIATION'S ACCESS EASEMENT. Each owner, by accepting an interest in or title to a lot, whether or not it is so expressed in the instrument of conveyance, grants to the Association an easement of access and entry over, across, under, and through the Property, including without limitation all common areas and the owner's lot and all improvements thereon - including the house and yards - for the below-described purposes.

3.7.1. Purposes. Subject to the limitations stated below, the Association may exercise this easement of access and entry for the following express purposes:

- a. To inspect the property for compliance with maintenance and architectural standards.
- b. To perform maintenance that is permitted or required of the Association by the Documents or by applicable law.
- c. To perform maintenance that is permitted or required of the owner by the Documents or by applicable law, if the owner fails or refuses to perform such maintenance.
- d. To enforce architectural standards.

*During the Development Period, Appendix C has priority over the main body of this Declaration.*

- e. To enforce use restrictions.
- f. The exercise of self-help remedies permitted by the Documents or by applicable law.
- g. To enforce any other provision of the Documents.
- h. To respond to emergencies.
- i. To grant easements to utility providers as may be necessary to install, maintain, and inspect utilities serving any portion of the Property.
- j. To perform any and all functions or duties of the Association as permitted or required by the Documents or by applicable law.

3.7.2. No Trespass. In exercising this easement on an owner's lot, the Association is not liable to the owner for trespass.

3.7.3. Limitations. If the exercise of this easement requires entry onto an owner's lot, including into an owner's fenced yard, the entry will be during reasonable hours and after notice to the owner. This Subsection does not apply to situations that - at time of entry - are deemed to be emergencies that may result in imminent damage to or loss of life or property.

3.8. UTILITY EASEMENT. The Association may grant permits, licenses, and easements over common areas for utilities, roads, and other purposes necessary for the proper operation of the Property. A company or entity, public or private, furnishing utility service to the Property, is granted an easement over the Property for ingress, egress, meter reading, installation, maintenance, repair, or replacement of utility lines and equipment, and to do anything else necessary to properly maintain and furnish utility service to the Property; provided, however, this easement may not be exercised without prior notice to the board. Utilities may include, but are not limited to, water, sewer, trash removal, electricity, gas, telephone, master or cable television, and security.

3.9. MINERAL RIGHTS. Some or all of the Property may be subject to a previous owner's acquisition, reservation, or conveyance of oil, gas, or mineral rights pursuant to one or more deeds or other instruments recorded in the Real Property Records of Dallas County, Texas, including but not limited to rights to all oil, gas, or other minerals lying on, in, or under the Property and surface rights of ingress and egress. Because the instruments conveying or reserving mineral interests were recorded prior to this Declaration, those interests in the Property are superior and are not affected by any provision to the contrary in this Declaration. By accepting title to or interest in a lot, every owner acknowledges the existence of the mineral rights and/or reservations referenced in this Section and the attendant rights in favor of the owner or owners of the mineral interests.

3.10. NOTICE OF LIMITATION ON LIABILITY. The development of the Property occurs during a period when many local governments are trying to be absolved of liability for flood damage to private property. As a condition of plat approval, a governmental entity may require a plat note that not only disavows the entity's liability for flood damage, but affirmatively assigns the liability to the Association. Declarant does not intend or desire to impose such absolute liability on the nonprofit association of lot owners. Notwithstanding plat notes or public codes or ordinances now in existence or hereafter created, the Association cannot and should not be liable for acts of God or for property damage that is not the result of the Association's negligence or wilful misconduct. On behalf of the Association,

*During the Development Period, Appendix C has priority over the main body of this Declaration.*



Declarant hereby gives notice that the Association does not accept liabilities imposed by any governmental entity for which the Association cannot obtain insurance at a reasonable cost, or for which its members refuse to fund reserve accounts at levels sufficiently high to pay the damages for which the governmental entity may seek to make the Association liable. This notice is not intended to create a liability for any governmental entity. Further, this notice may not be construed to create a duty for the Association to obtain insurance or to fund reserve accounts for damage from rising waters.

**PLEASE READ THE "SECURITY" SECTION**

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

**ARTICLE 4  
COMMON AREA**

4.1. **OWNERSHIP.** The designation of real property as a common area is determined by the plat and this Declaration, and not by the ownership of the property. This Declaration contemplates that the Association will eventually hold title to every common area capable of independent ownership by the Association. The Declarant may install, construct, or authorize certain improvements on common areas in connection with the initial development of the Property, and the cost thereof is not a common expense of the Association. Thereafter, all costs attributable to common areas, including maintenance, property taxes, insurance, and enhancements, are automatically the responsibility of the Association, regardless of the nature of title to the common areas, unless this Declaration elsewhere provides for a different allocation for a specific common area.

4.2. **ACCEPTANCE.** By accepting an interest in or title to a lot, each owner is deemed (1) to accept the common area of the Property, and any improvement thereon, in its then-existing "as is" condition; (2) to acknowledge the authority of the Association, acting through its board of directors, for all decisions pertaining to the common area; (3) to acknowledge that transfer of a common area's title to the Association by or through the Declarant is a ministerial task that does not require acceptance by the Association; and (4) to acknowledge the continuity of maintenance of the common area, regardless of changes in the Association's board of directors or management.

4.3. **COMPONENTS.** The common area of the Property consists of the following components on or adjacent to the Property, even if located on a lot or a public right-of-way:

*During the Development Period, Appendix C has priority over the main body of this Declaration.*

- a. All of the Property, save and except the house Lots.
- b. The land described in Appendix A as common area and all improvements thereon.
- c. Any area shown on the plat as common area or an area to be maintained by the Association.
- d. Any property adjacent to Sheridan Parc if the maintenance of same is deemed to be in the best interests of the Association, and if not prohibited by the owner or operator of said property.
- e. Any modification, replacement, or addition to any of the above-described areas and improvements.
- f. Personal property owned by the Association, such as books and records, office equipment, and supplies.

**ARTICLE 5**  
**ARCHITECTURAL COVENANTS AND CONTROL**

5.1. PURPOSE. Because the lots are part of a single, unified community, this Declaration creates rights to regulate the design, use, and appearance of the lots and common areas in order to preserve and enhance the Property's value and architectural harmony. One purpose of this Article is to promote and ensure the level of taste, design, quality, and harmony by which the Property is developed and maintained. Another purpose is to prevent improvements and modifications that may be widely considered to be radical, curious, odd, bizarre, or peculiar in comparison to then existing improvements. A third purpose is to regulate the appearance of every aspect of proposed or existing improvements on a lot, including but not limited to dwellings, fences, landscaping, retaining walls, yard art, sidewalks and driveways, and further including replacements or modifications of original construction or installation. During the Development Period, a primary purpose of this Article is to reserve and preserve Declarant's right of architectural control.

5.2. ARCHITECTURAL CONTROL DURING THE DEVELOPMENT PERIOD. During the Development Period, neither the Association, the board of directors, nor a committee appointed by the Association or board (no matter how the committee is named) may involve itself with the approval of new homes on vacant lots. During the Development Period, the Architectural Reviewer for new homes on vacant lots is the Declarant or its delegates.

5.2.1. Declarant's Rights Reserved. Each owner, by accepting an interest in or title to a lot, whether or not it is so expressed in the instrument of conveyance, covenants and agrees that Declarant has a substantial interest in ensuring that the improvements within the Property enhance Declarant's reputation as a community developer and do not impair Declarant's ability to market its property or the ability of Builders to sell homes in the Property. Accordingly, each owner agrees that - during the Development Period - no improvements will be started or progressed on owner's lot without the prior written approval of Declarant, which approval may be granted or withheld at Declarant's sole discretion. In reviewing and acting on an application for approval, Declarant may act solely in its self-interest and owes no duty to any other person or any organization. Declarant may designate one or more persons from time to time to act on its behalf in reviewing and responding to applications.

*During the Development Period, Appendix C has priority over the main body of this Declaration.*

5.2.2. Delegation by Declarant. During the Development Period, Declarant may from time to time, but is not obligated to, delegate all or a portion of its reserved rights under this Article to (1) an architectural control committee appointed by the board, or (2) a committee comprised of architects, engineers, or other persons who may or may not be members of the Association. Any such delegation must be in writing and must specify the scope of delegated responsibilities. Any such delegation is at all times subject to the unilateral rights of Declarant (1) to revoke such delegation at any time and reassume jurisdiction over the matters previously delegated and (2) to veto any decision which Declarant in its sole discretion determines to be inappropriate or inadvisable for any reason.

5.3. ARCHITECTURAL CONTROL BY ASSOCIATION. Unless and until such time as Declarant delegates all or a portion of its reserved rights to the Architectural Control Committee (the "ACC"), or the Development Period is terminated or expires, the Association has no jurisdiction over architectural matters. On termination or expiration of the Development Period, or earlier if delegated in writing by Declarant, the Association, acting through the ACC will assume jurisdiction over architectural control.

5.3.1. ACC. The ACC will consist of at least 3 but not more than 7 persons appointed by the board, pursuant to the bylaws. Members of the ACC serve at the pleasure of the board and may be removed and replaced at the board's discretion. At the board's option, the board may act as the ACC, in which case all references in the Documents to the ACC are construed to mean the board. Members of the ACC need not be owners or residents, and may but need not include architects, engineers, and design professionals whose compensation, if any, may be established from time to time by the board.

5.3.2. Limits on Liability. The ACC has sole discretion with respect to taste, design, and all standards specified by this Article. The members of the ACC have no liability for the ACC's decisions made in good faith, and which are not arbitrary or capricious. The ACC is not responsible for: (1) errors in or omissions from the plans and specifications submitted to the ACC, (2) supervising construction for the owner's compliance with approved plans and specifications, or (3) the compliance of the owner's plans and specifications with governmental codes and ordinances, state and federal laws.

**BEFORE MAKING ANY IMPROVEMENT OR ANY ALTERATION  
TO A LOT OR DWELLING, A BUILDER OR OWNER  
MUST APPLY FOR WRITTEN APPROVAL.**

5.4. PROHIBITION OF CONSTRUCTION, ALTERATION & IMPROVEMENT. Without the Architectural Reviewer's prior written approval, a person may not construct a dwelling or make an addition, alteration, improvement, installation, modification, redecoration, or reconstruction of or to the Property, if it will be visible from a street, another lot, or the common area. The Architectural Reviewer has the right but not the duty to evaluate every aspect of construction, landscaping, and property use that may adversely affect the general value or appearance of the Property.

5.5. ARCHITECTURAL APPROVAL. To request architectural approval, an owner must make written application to the Architectural Reviewer and submit 2 identical sets of plans and specifications showing the nature, kind, shape, color, size, materials, and locations of the work to be performed. In support of the application, the owner may but is not required to submit letters of support or non-opposition from owners of lots that may be affected by the proposed change. The application must

*During the Development Period, Appendix C has priority over the main body of this Declaration.*

2005 09 11 3274

clearly identify any requirement of this Declaration for which a variance is sought. The Architectural Reviewer will return one set of plans and specifications to the applicant marked with the Architectural Reviewer's response, such as "Approved," "Denied," or "More Information Required." The Architectural Reviewer will retain the other set of plans and specifications, together with the application, for the Architectural Reviewer's files. Verbal approval by an Architectural Reviewer, the Declarant, an Association director or officer, a member of the ACC, or the Association's manager does not constitute architectural approval by the appropriate Architectural Reviewer, which must be in writing.

5.5.1. Deemed Approval. Under the following limited conditions, the applicant may presume that his request has been approved by the Architectural Reviewer:

- a. If the applicant or a person affiliated with the applicant has not received the Architectural Reviewer's written response - approving, denying, or requesting additional information - within 60 days after delivering his complete application to the Architectural Reviewer.
- b. If the proposed improvement or modification strictly conforms to requirements and construction specifications contained in this Declaration and in any design guidelines for the Property in effect at the time of application.

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

**YES, EVEN YOU MUST GET A WRITTEN OKAY FROM THE  
ARCHITECTURAL REVIEWER FOR CHANGES TO  
YOUR VERY OWN PRIVATE PROPERTY.**

5.5.2. No Approval Required. No approval is required to repaint exteriors in accordance with the color scheme approved by the Architectural Reviewer, or to rebuild a dwelling in accordance with originally approved plans and specifications. Nor is approval required for an owner to remodel or repaint the interior of a dwelling.

5.5.3. Building Permit. If the application is for work that requires a building permit from a governmental body, the Architectural Reviewer's approval is conditioned on the issuance of the appropriate permit. The Architectural Reviewer's approval of plans and specifications does not mean that they comply with the requirements of the governmental body. Alternatively, governmental approval does not ensure Architectural Reviewer approval.

5.5.4. Neighbor Input. The Architectural Reviewer may solicit comments on the application, including from owners or residents of lots that may be affected by the proposed change, or from which the proposed change may be visible. Whether to solicit comments, from whom to solicit comments, and whether to make the comments available to the applicant is solely

*During the Development Period, Appendix C has priority over the main body of this Declaration.*

at the discretion of the Architectural Reviewer. The Architectural Reviewer is not required to respond to the commenters in ruling on the application.

5.5.5. Declarant Approved. Notwithstanding anything to the contrary in this Declaration, any improvement to the Property made or approved by Declarant during the Development Period is deemed to have been approved by the Architectural Reviewer.

5.6. ARCHITECTURAL GUIDELINES. Declarant during the Development Period, and the Association thereafter, may publish architectural restrictions, guidelines, and standards, which may be revised from time to time to reflect changes in technology, style, and taste.

**ARTICLE 6**  
**CONSTRUCTION AND USE RESTRICTIONS**

6.1. VARIANCE. The use of the Property is subject to the restrictions contained in this Article, and subject to rules adopted pursuant to this Article. The board or the Architectural Reviewer, as the case may be, may grant a variance or waiver of a restriction or rule on a case-by-case basis when unique circumstances dictate, and may limit or condition its grant. To be effective, a variance must be in writing. The grant of a variance does not effect a waiver or estoppel of the Association's right to deny a variance in other circumstances. Approval of a variance or waiver may not be deemed, implied, or presumed under any circumstance.

6.2. CONSTRUCTION RESTRICTIONS. Without the Architectural Reviewer's prior written approval for a variance, improvements constructed on every lot must have the characteristics described in Appendix B, which may be treated as the minimum requirements for improving and using a lot. The Architectural Reviewer and the board may promulgate additional rules and restrictions, as well as interpretations, additions, and specifications of the restrictions contained in this Article. An owner should review the Association's architectural restrictions, if any, before planning improvements, repairs, or replacements to his lot and dwelling.

6.3. LIMITS TO RIGHTS. No right granted to an owner by this Article or by any provision of the Documents is absolute. The Documents grant rights with the expectation that the rights will be exercised in ways, places, and times that are customary for the neighborhood. This Article and the Documents as a whole do not try to anticipate and address every creative interpretation of the restrictions. For example, an owner's right to have a sign advertising the home for sale or lease is not the right to mount the sign on the chimney and illuminate it with pulsating neon lights. The right of access to a home is not the right to land helicopters on the lot. The rights granted by this Article and the Documents are at all times subject to the board's determination that a particular interpretation and exercise of a right is significantly inappropriate, unattractive, or otherwise unsuitable for the neighborhood, and thus constitutes a violation of the Documents. In other words, the exercise of a right or restriction must comply with the spirit of the restriction as well as with the letter of the restriction.

**SAME AND TAME IS THE NAME OF THE GAME**

6.4. ASSOCIATION'S RIGHT TO PROMULGATE RULES. The Association, acting through its board, is granted the right to adopt, amend, repeal, and enforce reasonable Rules, and penalties for infractions thereof, regarding the occupancy, use, disposition, maintenance, appearance, and enjoyment

*During the Development Period, Appendix C has priority over the main body of this Declaration.*

200509113276

of the Property. In addition to the restrictions contained in this Article, each lot is owned and occupied subject to the right of the board to establish Rules, and penalties for infractions thereof, governing:

- a. Use of common areas.
- b. Hazardous, illegal, or annoying materials or activities on the Property.
- c. The use of Property-wide services provided through the Association.
- d. The consumption of utilities billed to the Association.
- e. The use, maintenance, and appearance of exteriors of dwellings and lots.
- f. Landscaping and maintenance of yards.
- g. The occupancy and leasing of dwellings.
- h. Animals.
- i. Vehicles.
- j. Disposition of trash and control of vermin, termites, and pests.
- k. Anything that interferes with maintenance of the Property, operation of the Association, administration of the Documents, or the quality of life for residents.

***The HOA can make you remove a backyard storage shed.***

6.5. **ACCESSORY SHEDS.** Without the prior written approval of the Architectural Reviewer, accessory structures - such as dog houses, gazebos, metal storage sheds, playhouses, and greenhouses - are prohibited (not allowed). To be approved by the Architectural Reviewer, an accessory structure must have the following features:

- a. Only one per lot.
- b. Designed for outdoor use.
- c. Less than 6 feet in height at the ridge line of the roof.
- d. Less than 100 square feet of floor space (e.g. 10' x 10').
- e. Visually harmonious with the house or fence to which it is most visually related or physically attached, including matching major materials such as siding and roofing, dominant colors, construction details, and pitch of roof.
- f. Screened by a fence or acceptable landscape material so it is not visible to a person standing on the surface of an adjoining lot or street.
- g. Not located in front yards or in unfenced portions of side yards facing streets.

If an accessory structure is installed in violation of this Section, the Architectural Reviewer reserves the right to determine that the accessory structure is unattractive or inappropriate or otherwise unsuitable for the Property, and may require the owner to screen it or to remove it.

**BETTER SAFE THAN SORRY**  
GET ARCHITECTURAL APPROVAL *BEFORE* YOU SHOP FOR, PURCHASE, OR  
BEGIN CONSTRUCTION OF A STORAGE SHED.

6.6. **ANIMAL RESTRICTIONS.** No animal, bird, fish, reptile, or insect of any kind may be kept, maintained, raised, or bred anywhere on the Property for any commercial purpose or for food. The only animals permitted on the Property are customary domesticated household pets, which may be kept for personal companionship subject to rules adopted by the board. The board may adopt, amend, and repeal rules regulating the types, sizes, numbers, locations, and behavior of animals at the Property. If the rules fail to establish animal occupancy quotas, no more than 4 dogs and/or cats may be

*During the Development Period, Appendix C has priority over the main body of this Declaration.*

2005 091 13277

maintained on each lot. Pets must be kept in a manner that does not disturb the peaceful enjoyment of residents of other lots. Pets must be maintained inside the dwelling, and may be kept in a fenced yard only if they do not disturb residents of other lots. Resident is responsible for the removal of his pet's wastes from the Property. Unless the Rules provide otherwise, a resident must prevent his pet from relieving itself on the common area or the lot of another owner.

6.7. ANNOYANCE. No lot or common area may be used in any way that: (1) may reasonably be considered annoying to neighbors; (2) may be calculated to reduce the desirability of the Property as a residential neighborhood; (3) may endanger the health or safety of residents of other lots; (4) may result in the cancellation of insurance on the Property; or (5) violates any law. The board has the sole authority to determine what constitutes an annoyance.

6.8. APPEARANCE. Both the lot and the dwelling must be maintained in a manner so as not to be unsightly when viewed from the street or neighboring lots. The Architectural Reviewer is the arbitrator of acceptable appearance standards.

6.9. BUSINESS USE. A resident may use a dwelling for personal business or professional pursuits provided that: (1) the uses are incidental to the primary use of the dwelling as a residence; (2) the uses conform to applicable governmental ordinances; (3) the uses do not entail visits to the lot by employees or the public in quantities that materially increase the number of vehicles parked on the street; and (4) the uses do not interfere with residents' use and enjoyment of neighboring lots.

6.10. COLOR CHANGES. The colors of buildings, fences, exterior decorative items, window treatments, and all other improvements on a lot are subject to regulation by the Architectural Reviewer. Because the relative merits of any color are subjective matters of taste and preference, the Architectural Reviewer determines the colors that are acceptable to the Association. Do not change or add colors that are visible from the street, a common area, or another lot without the prior written approval of the Architectural Reviewer.

6.11. DECLARANT PRIVILEGES. In connection with the development and marketing of the Property, Declarant has reserved a number of rights and privileges to use the Property in ways that are not available to other owners and residents, as provided in Appendix C of this Declaration. Declarant's exercise of a Development Period right that appears to violate a rule or a use restriction of this Article does not constitute waiver or abandonment of the restriction by the Association.

6.12. DRAINAGE. No person may interfere with the established drainage pattern over any part of the Property unless an adequate alternative provision for proper drainage has been approved by the board.

6.13. DRIVEWAYS. The driveway portion of a lot may not be used for any purpose that interferes with its ongoing use as a route of vehicular access to the garage. Without the board's prior approval, a driveway may not be used: (1) for storage purposes, including storage of boats, trailers, and inoperable vehicles; or (2) for repair or restoration of vehicles.

6.14. FENCES. This Section is subject to the Architectural Reviewer's right to adopt additional or different specifications for construction or reconstruction of fences. Generally, fences should be approximately 6 feet in height and should not exceed 6 feet. Fences must be made of masonry, wood, or other material approved by the Architectural Reviewer. Retaining walls must be constructed entirely with "milsap stone" with natural mortar, or other materials approved by the Architectural Reviewer. Railroad ties may not be used for a retaining wall visible from a street. Fences may not be constructed

*During the Development Period, Appendix C has priority over the main body of this Declaration.*

2005 091 13278

between a dwelling's front building line and the street. As used in this Declaration, "fence" includes any gate in the fence.

6.14.1. Prohibited Materials. Barbed wire, vinyl fencing, and chain link fencing are prohibited. Barbed wire and chain link are not included within the meaning of "iron," "metal," or "steel" fence materials or components if those terms are used and permitted in the Documents.

6.14.2. Fence Stain. No wood fence may be stained to alter the fence color from a natural wood color. Without prior approval of the Architectural Reviewer, clear sealants may be applied, including, by way of example, Olympic Oil Base Natural Tone Semi-Transparent Stain, Ready Seal OIS, Thompson's Clear Water Seal, Sherwin Williams' Clear Wood Finish, or their equivalents. The use or application of (1) paint or (2) any stain that cures in a solid color is prohibited.

6.14.3. Fences Along Common Area. The Architectural Reviewer may require that all sideyard fences visible from Pleasant Run Road be uniform and continuous in appearance, condition, and maintenance. This Section pertains specifically to Lot 1, Block A; Lots 1 & 8, Block B; and Lot 1, Block D. The side of the fence facing Pleasant Run Road must have a finished appearance.

6.14.4. Fences Along South End. As shown on the plat and as described in City Ordinance No. 1576-04, the rear boundaries of Lots 18 - 25, 28 & 29 of Block A must be a cedar wood fence, with metal posts, at least 6 feet in height. Although the initial fence will be installed by Declarant and may be continuous along the Property boundary, the owner of each lot with the City-required fence is solely responsible for all aspects of the fence portion on his lot.

6.14.5. Violations. If a fence is installed or modified in violation of this Section, the Architectural Reviewer reserves the right to determine that the fence is unattractive or inappropriate or otherwise unsuitable for the Property, and may require the owner to modify it or to remove it.

6.15. FIRES. Except for barbecue grills, no exterior fires on the Property are permitted.

6.16. FLAGS. Each owner and resident of Sheridan Parc has a right to fly the flag on his lot. One United State flag ("Old Glory") and/or one Texas flag ("Lone Star Flag") may be displayed in a respectful manner on each lot, subject to reasonable standards adopted by the Association for the height, size, illumination, location, and number of flagpoles. All flag displays must comply with public flag laws. No other types of flags, pennants, banners, kites, or similar types of displays are permitted on a lot if the display is visible from a street or common area.

6.17. GARAGES. Without the board's prior written approval, the original garage area of a lot may not be enclosed or used for any purpose that prohibits the parking of two standard-size operable vehicles therein. Garage doors are to be kept closed at all times except when a vehicle is entering or leaving.

6.18. "GARAGE SALES". The Association may adopt rules limiting the frequency, location, and signage of garage sales, yard sales, estate sales, rummage sales, and other types of merchandise sales activities that may be expected to attract the public to the Property.

*During the Development Period, Appendix C has priority over the main body of this Declaration.*

2005 091 13279



6.19. GUNS. Hunting and shooting are not permitted anywhere on or from the Property. The Association is not required to enforce this provision by confronting an armed person.

6.20. HOOPS. Without the Architectural Reviewer's prior written approval, basketball goals and other recreational or sporting equipment may not be used, attached, mounted, or installed in a front yard, on a front driveway, in an unfenced portion of a side yard, or on the street side exterior portion of a dwelling. This prohibition also applies to portable goals and equipment. If the Architectural Reviewer grants approval for such equipment, the approval may be revoked if the equipment is not maintained or used, or if it becomes unsightly.

6.21. LANDSCAPING. No person may perform landscaping, planting, or gardening on the common area without the board's prior written authorization.

6.22. LEASING OF HOMES. An owner may lease the dwelling on his lot. Whether or not it is so stated in a lease, every lease is subject to the Documents. An owner is responsible for providing his tenant with copies of the Documents and notifying him of changes thereto. Failure by the tenant or his invitees to comply with the Documents, federal or state law, or local ordinance is deemed to be a default under the lease. When the Association notifies an owner of his tenant's violation, the owner will promptly obtain his tenant's compliance or exercise his rights as a landlord for tenant's breach of lease. If the tenant's violation continues or is repeated, and if the owner is unable, unwilling, or unavailable to obtain his tenant's compliance, then the Association has the power and right to pursue the remedies of a landlord under the lease or state law for the default, including eviction of the tenant. The owner of a leased lot is liable to the Association for any expenses incurred by the Association in connection with enforcement of the Documents against his tenant. The Association is not liable to the owner for any damages, including lost rents, suffered by the owner in relation to the Association's enforcement of the Documents against the owner's tenant.

6.23. LIGHTS. Exterior light sources on a lot should be unobtrusive, shielded to prevent glare, directed away from neighboring homes and yards, with little if any spillover light on neighboring property. All visible exterior light fixtures on a lot should be consistent in style and finish with the architecture of the home. The wattage of building-mounted exterior lighting may not exceed 150 watts per fixture.

6.24. NOISE & ODOR. A resident must exercise reasonable care to avoid making or permitting to be made loud, disturbing, or objectionable noises or noxious odors that are likely to disturb or annoy residents of neighboring lots. The Rules may prohibit the use of noise-producing security devices and windchimes.

6.25. OCCUPANCY. Other than the completed principal dwelling, no thing or structure on a lot may be occupied as a residence at any time by any person. This provision applies, without limitation, to the garage, mobile homes, campers, and storage sheds.

6.26. RESIDENTIAL USE. The use of a house lot is limited exclusively to residential purposes or any other use permitted by this Declaration, including limited business uses described above.

6.27. SCREENING. The Architectural Reviewer may require that the following items must be screened from the view of the public and neighboring lots and dwellings, if any of these items exists on the lot: (1) satellite reception equipment; (2) clotheslines, drying racks, and hanging clothes, linens, rugs, or textiles of any kind; (3) yard maintenance equipment; (4) wood piles and compost piles; (5) accessory structures that do not have prior approval of Architectural Reviewer; (6) garbage cans and

*During the Development Period, Appendix C has priority over the main body of this Declaration.*

2005 091 13280

refuse containers; (7) anything determined by the board to be unsightly or inappropriate for a residential subdivision. Screening may be achieved with fencing or with plant material, such as trees and bushes, or any combination of these. If plant material is used, a reasonable period of time is permitted for the plants to reach maturity as an effective screen. As used in this Section, "screened from view" refers to the view of a person in a passenger vehicle driving on a street, or the view of a person of average height standing in the middle of a yard of an adjoining lot.

***Yes, there are lots of rules!***  
**EVERY RESIDENT OF SHERIDAN PARC  
IS EXPECTED TO COMPLY WITH THESE RULES  
AND WITH RULES ADOPTED BY THE BOARD OF DIRECTORS.**

6.28. **SIGNS.** An owner who is actively marketing his lot for sale or lease may place in the front yard one professionally-made traditional yard sign of not more than 5 square feet advertising the lot for sale or for rent. Only one such sign is allowed per lot, and only on the lot that is being actively marketed. All aspects of the sign, including the height, shape, color, material, wording, and placement must be customary for the neighborhood. No other sign or unsightly object may be erected, placed, or permitted to remain on the Property or to be visible from windows in the dwelling without the board's prior written approval. The board's approval may specify the location, nature, appearance, dimensions, number, and time period of a sign or object. The Association may effect the immediate removal of any sign or object that violates this Section or which the board deems inconsistent with neighborhood standards without liability for trespass or any other liability connected with the removal. As used in this Section, "sign" includes, without limitation, lettering, images, symbols, pictures, shapes, lights, banners, and any other representation or medium that conveys a message.

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

6.30. **TEMPORARY STRUCTURES.** Except for "accessory sheds" as described above, improvements or structures of a temporary or mobile nature, such as tents, portable sheds, and mobile homes, may not be placed on a lot if visible from a street or another lot. However, an owner or owner's contractor may maintain a temporary structure (such as a portable toilet or construction trailer) on the lot during construction of the dwelling.

*During the Development Period, Appendix C has priority over the main body of this Declaration.*

2005 091 13281

2005 075 00085

6.31. **TRASH.** Each resident will endeavor to keep the Property clean and will dispose of all refuse in receptacles designated specifically by the Association or by the City for that purpose. Trash must be placed entirely within the designated receptacle. The board may adopt, amend, and repeal rules regulating the disposal and removal of trash from the Property. If the rules fail to establish hours for curbside trash containers, the container may be in the designated area from dusk on the evening before trash pick-up day until dusk on the day of trash pick-up. At all other times, trash containers must be kept inside the house, garage, or fenced yard and may not be visible from a street or another lot.

6.32. **VEHICLES.** All vehicles on the Property, whether owned or operated by the residents or their families and guests, are subject to this Section and Rules adopted by the board. The board may adopt, amend, and repeal rules regulating the types, sizes, numbers, conditions, uses, appearances, and locations of vehicles on the Property. The board may effect the removal of any vehicle in violation of this Section or the Rules without liability to the owner or operator of the vehicle.

6.32.1. **Parking in Street.** The following subsection may not be construed to prohibit the parking of all vehicles on public streets. Vehicles that are not prohibited below may park on public streets if the City allows curbside parking, subject to the continuing right of the Association to adopt reasonable rules if circumstances warrant.

6.32.2. **Prohibited Vehicles.** Without prior written board approval, the following types of vehicles and vehicular equipment - mobile or otherwise - may not be kept, parked, or stored anywhere on the Property - including overnight parking on streets and driveways - if the vehicle is visible from a street or from another lot: mobile homes, motor homes, buses, trailers, boats, aircraft, inoperable vehicles, commercial truck cabs, trucks with tonnage over one ton, vehicles which are not customary personal passenger vehicles, and any vehicle which the board deems to be a nuisance, unsightly, or inappropriate. This restriction does not apply to vehicles and equipment temporarily on the Property in connection with the construction or maintenance of a dwelling. Vehicles that transport inflammatory or explosive cargo are prohibited from the Property at all times.

6.33. **WINDOW TREATMENTS.** All window treatments within the dwelling that are visible from the street or another dwelling must be maintained in good condition and must not detract from the appearance of the Property. The Architectural Reviewer may require an owner to change or remove a window treatment that the ACC determines to be inappropriate or unattractive. The Architectural Reviewer may prohibit the use of certain colors or materials for window treatments.

***One man's treasure, as another man's trash.***

6.34. **YARD ART.** The Association is interested in the appearance of all portions of a house lot that are visible from the street or from a neighboring lot, including yards, porches, sidewalks, window sills, and chimneys (hereafter, collectively, the "yard"). Some changes or additions to a yard may defy easy categorization as an improvement, a sign, or landscaping. This Section confirms that all aspects of a visible yard are within the purview of the Architectural Reviewer, including, without limitation, the installation of religious, cultural, or educational items; the shape of pruned shrubs; the number, shapes, and uses of flower beds; and the integration of items such as wheelbarrows, boulders, and driftwood into the landscaping. The use of any decoration, sculpture, fountain, flag, and similar items on any portion of the yard is prohibited without the prior written approval of the Architectural Reviewer unless

*During the Development Period, Appendix C has priority over the main body of this Declaration.*

2005 091 13282

(1) the item is expressly permitted by this Declaration, or (2) the item is placed within a fenced yard, (3) the item is no taller than the fence, and (4) the fence blocks the view of the item at ground level.

**ARTICLE 7**  
**ASSOCIATION AND MEMBERSHIP RIGHTS**

7.1. **BOARD.** Unless the Documents expressly reserve a right, action, or decision to the owners, Declarant, or another party, the board acts in all instances on behalf of the Association. Unless the context indicates otherwise, references in the Documents to the "Association" may be construed to mean "the Association acting through its board of directors."

7.2. **THE ASSOCIATION.** The duties and powers of the Association are those set forth in the Documents, together with the general and implied powers of a property owners association and a nonprofit corporation organized under the laws of the State of Texas. Generally, the Association may do any and all things that are lawful and necessary, proper, or desirable in operating for the peace, health, comfort, and general benefit of its members, subject only to the limitations on the exercise of such powers as stated in the Documents. The Association comes into existence on the earlier of (1) issuance of its corporate charter or (2) the initial levy of assessments against the lots and owners. The Association will continue to exist at least as long as the Declaration is effective against the Property, regardless of whether its corporate charter lapses from time to time.

**EVERY OWNER OF A SHERIDAN PARC LOT AUTOMATICALLY  
JOINS A MANDATORY MEMBERSHIP ASSOCIATION.**

7.3. **GOVERNANCE.** The Association will be governed by a board of directors elected by the members. Unless the Association's bylaws or articles of incorporation provide otherwise, the board will consist of at least 3 persons elected at the annual meeting of the Association, or at a special meeting called for that purpose. The Association will be administered in accordance with the bylaws. Unless the Documents provide otherwise, any action requiring approval of the members may be approved in writing by owners of at least a majority of all lots, or at a meeting by owners of at least a majority of the lots that are represented at the meeting.

7.4. **MEMBERSHIP.** Each owner is a member of the Association, ownership of a lot being the sole qualification for membership. Membership is appurtenant to and may not be separated from ownership of the lot. The board may require satisfactory evidence of transfer of ownership before a purported owner is entitled to vote at meetings of the Association. If a lot is owned by more than one person or entity, each co-owner is a member of the Association and may exercise the membership rights appurtenant to the lot. A member who sells his lot under a contract for deed may delegate his membership rights to the contract purchaser, provided a written assignment is delivered to the board. However, the contract seller remains liable for all assessments attributable to his lot until fee title to the lot is transferred.

7.5. **COMMUNICATIONS.** This Declaration is drafted in an era of rapidly changing communication technologies. Declarant does not intend to limit the methods by which the Association, owners, and residents communicate with each other. Such communications may be by any method or methods that are available and customary. For example, if the Association is required by the Documents or applicable law to make information available to owners of all lots, that requirement may be satisfied by posting the information on the Association's website or by using electronic means of

*During the Development Period, Appendix C has priority over the main body of this Declaration.*

disseminating the information, unless applicable law requires a specific method of communication. It is foreseeable that meetings of the Association and voting on issues may eventually be conducted via technology that is not widely available on the date of this Declaration. As communication technologies change, the Association may adopt as its universal standard any technology that is used by owners of at least 85 percent of the lots. Also, the Association may employ multiple methods of communicating with owners and residents.

7.6. VOTING. One vote is appurtenant to each lot. The total number of votes equals the total number of lots in the Property. If additional property is made subject to this Declaration, the total number of votes will be increased automatically by the number of additional lots or tracts. Each vote is uniform and equal to the vote appurtenant to every other lot, except during the Declarant Control Period as permitted in Appendix C. Cumulative voting is not allowed. Votes may be cast by written proxy, according to the requirements of the Association's bylaws.

7.7. VOTING BY CO-OWNERS. The one vote appurtenant to a lot is not divisible. If only one of the multiple co-owners of a lot is present at a meeting of the Association, that person may cast the vote allocated to the lot. If more than one of the co-owners is present, the lot's one vote may be cast with the co-owners' unanimous agreement. Co-owners are in unanimous agreement if one of the co-owners casts the vote and no other co-owner makes prompt protest to the person presiding over the meeting. Any co-owner of a lot may vote by ballot or proxy, and may register protest to the casting of a vote by ballot or proxy by the other co-owners. If the person presiding over the meeting or balloting receives evidence that the co-owners disagree on how the one appurtenant vote will be cast, the vote will not be counted.

7.8. BOOKS & RECORDS. The Association will maintain copies of the Documents and the Association's books, records, and financial statements. Books and records of the Association will be made available for inspection and copying pursuant to Article 1396-2.23.B. of the Texas Nonprofit Corporation Act.

7.9. INDEMNIFICATION. The Association indemnifies every officer, director, committee chair, and committee member (for purposes of this Section, "**Leaders**") against expenses, including attorney's fees, reasonably incurred by or imposed on the Leader in connection with an action, suit, or proceeding to which the Leader is a party by reason of being or having been a Leader. A Leader is not liable for a mistake of judgment, negligent or otherwise. A Leader is liable for his willful misfeasance, malfeasance, misconduct, or bad faith. This right to indemnification does not exclude any other rights to which present or former Leaders may be entitled. The Association may maintain general liability and directors and officers liability insurance to fund this obligation. Additionally, the Association may indemnify a person who is or was an employee, trustee, agent, or attorney of the Association, against any liability asserted against him and incurred by him in that capacity and arising out of that capacity. Additionally, the Association may indemnify a person who is or was an employee, trustee, agent, or attorney of the Association, against any liability asserted against him and incurred by him in that capacity and arising out of that capacity.

7.10. OBLIGATIONS OF OWNERS. Without limiting the obligations of owners under the Documents, each owner has the following obligations:

7.10.1. Pay Assessments. Each owner will pay assessments properly levied by the Association against the owner or his lot, and will pay regular assessments without demand by the Association.

*During the Development Period, Appendix C has priority over the main body of this Declaration.*

2005 09 1 13284

7.10.2. Comply. Each owner will comply with the Documents as amended from time to time.

7.10.3. Reimburse. Each owner will pay for damage to the Property caused by the negligence or willful misconduct of the owner, a resident of the owner's lot, or the owner or resident's family, guests, employees, contractors, agents, or invitees.

7.10.4. Liability. Each owner is liable to the Association for violations of the Documents by the owner, a resident of the owner's lot, or the owner or resident's family, guests, employees, agents, or invitees, and for costs incurred by the Association to obtain compliance, including attorney's fees whether or not suit is filed.

7.11. HOME RESALES. This Section applies to every sale or conveyance of a lot or an interest in a lot by an owner other than Declarant or a Builder:

7.11.1. Resale Certificate. An owner intending to sell his home will notify the Association and will request a resale certificate from the Association.

7.11.2. No Right of First Refusal. The Association does not have a right of first refusal and may not compel a selling owner to convey the owner's lot to the Association.

**7.11.3. Reserve Fund Contribution. At time of transfer, a fee in the amount of one-half of the lot's regular annual assessment will be paid to the Association for the Association's reserve funds.** The fee may be paid by the seller or buyer, and will be collected at closing. If the fee is not collected at closing, the buyer remains liable to the Association for the fee until paid. The reserve fund contribution is not refundable and may not be regarded as a prepayment of or credit against regular or special assessments.

7.11.4. Other Transfer-Related Fees. A number of independent fees may be charged in relation to the transfer of title to a lot, including but not limited to fees for resale certificates, estoppel certificates, copies of Documents, compliance inspections, ownership record changes, and priority processing, provided the fees are customary in amount, kind, and number for the local marketplace. Transfer-related fees are not refundable and may not be regarded as a prepayment of or credit against regular or special assessments. Transfer-related fees may be charged by the Association or by the Association's managing agent, provided there is no duplication of fees. Transfer-related fees charged by or paid to a managing agent must have the prior written approval of the Association, are not subject to the Association's assessment lien, and are not payable by the Association. This Section does not obligate the board or the manager to levy transfer-related fees. This exclusion may be waived by a party to a conveyance who requests transfer-related services or documentation for which fees are charged.

7.11.5. Information. Within 30 days after acquiring an interest in a lot, an owner will provide the Association with the following information: a copy of the settlement statement or deed by which owner has title to the lot; the owner's email address (if any), U. S. postal address, and phone number; any mortgagee's name, address, and loan number; the name and phone number of any resident other than the owner; the name, address, and phone number of owner's managing agent, if any.

7.11.6. Exclusions. This requirements of this Section, including the obligation for the reserve fund contribution and other transfer-related fees, do not apply to the following transfers:

*During the Development Period, Appendix C has priority over the main body of this Declaration.*

2005 091 13285

(1) the initial conveyance from Declarant; (2) the conveyance of a new home from a Builder to the first homeowner; (3) foreclosure of a mortgagee's deed of trust lien, a tax lien, or the Association's assessment lien; (4) conveyance by a mortgagee who acquires title by foreclosure or deed in lieu of foreclosure; (5) transfer to, from, or by the Association; (6) voluntary transfer by an owner to one or more co-owners, or to the owner's spouse, child, or parent; (7) a transfer by a fiduciary in the course of administering a decedent's estate, guardianship, conservatorship, or trust; (8) a conveyance pursuant to a court's order, including a transfer by a bankruptcy trustee; or (9) a disposition by a government or governmental agency.

**ARTICLE 8**  
**COVENANT FOR ASSESSMENTS**

8.1. **PURPOSE OF ASSESSMENTS.** The Association will use assessments for the general purposes of preserving and enhancing the Property, and for the common benefit of owners and residents, including but not limited to maintenance of real and personal property, management and operation of the Association, and any expense reasonably related to the purposes for which the Property was developed. If made in good faith, the board's decision with respect to the use of assessments is final.

8.2. **PERSONAL OBLIGATION.** An owner is obligated to pay assessments levied by the board against the owner or his lot. An owner makes payment to the Association at its principal office or at any other place the board directs. Payments must be made in full regardless of whether an owner has a dispute with the Association, another owner, or any other person or entity regarding any matter to which this Declaration pertains. No owner may exempt himself from his assessment liability by waiver of the use or enjoyment of the common area or by abandonment of his lot. An owner's obligation is not subject to offset by the owner, nor is it contingent on the Association's performance of the Association's duties. Payment of assessments is both a continuing affirmative covenant personal to the owner and a continuing covenant running with the lot.

**IF YOU OWN A SHERIDAN PARC LOT, YOU MUST  
PAY ASSESSMENTS TO THE ASSOCIATION.**

8.3. **CONTROL FOR ASSESSMENT INCREASES.** This Section of the Declaration may not be amended without the approval of owners of at least two-thirds of the lots. In addition to other rights granted to owners by this Declaration, owners have the following powers and controls over the Association's budget:

8.3.1. **Veto Increased Dues.** At least 30 days prior to the effective date of an increase in regular assessments, the board will notify an owner of each lot of the amount of, the budgetary basis for, and the effective date of the increase. The increase will automatically become effective unless owners of at least a majority of the lots disapprove the increase by petition or at a meeting of the Association. In that event, the last-approved budget will continue in effect until a revised budget is approved.

8.3.2. **Veto Special Assessment.** At least 30 days prior to the effective date of a special assessment, the board will notify an owner of each lot of the amount of, the budgetary basis for, and the effective date of the special assessment. The special assessment will automatically

*During the Development Period, Appendix C has priority over the main body of this Declaration.*

become effective unless owners of at least majority of the lots disapprove the special assessment by petition or at a meeting of the Association.

8.4. TYPES OF ASSESSMENTS. There are 4 types of assessments: Regular, Special, Individual, and Deficiency.

8.4.1. Regular Assessments. Regular assessments are based on the annual budget. Each lot is liable for its equal share of the annual budget. If the board does not approve an annual budget or fails to determine new regular assessments for any year, or delays in doing so, owners will continue to pay the regular assessment as last determined. If during the course of a year the board determines that regular assessments are insufficient to cover the estimated common expenses for the remainder of the year, the board may increase regular assessments for the remainder of the fiscal year in an amount that covers the estimated deficiency. Regular assessments are used for common expenses related to the reoccurring, periodic, and anticipated responsibilities of the Association, including but not limited to:

- a. Maintenance, repair, and replacement, as necessary, of the common area.
- b. Utilities billed to the Association.
- c. Services billed to the Association and serving all lots.
- d. Taxes on property owned by the Association and the Association's income taxes.
- e. Management, legal, accounting, auditing, and professional fees for services to the Association.
- f. Costs of operating the Association, such as telephone, postage, office supplies, printing, meeting expenses, and educational opportunities of benefit to the Association.
- g. Premiums and deductibles on insurance policies and bonds deemed by the board to be necessary or desirable for the benefit of the Association, including fidelity bonds and directors and officers liability insurance.
- h. Contributions to the reserve funds.
- i. Any other expense which the Association is required by law or the Documents to pay, or which in the opinion of the board is necessary or proper for the operation and maintenance of the Property or for enforcement of the Documents.

8.4.2. Special Assessments. In addition to regular assessments, and subject to the owners' control for assessment increases, the board may levy one or more special assessments against all lots for the purpose of defraying, in whole or in part, common expenses not anticipated by the annual budget or reserve funds. Special assessments do not require the approval of the owners, except that special assessments for the following purposes must be approved by owners of least a majority of the lots:

- a. Acquisition of real property, other than the purchase of a lot at the sale foreclosing the Association's lien against the lot.

*During the Development Period, Appendix C has priority over the main body of this Declaration.*



- b. Construction of additional improvements within the Property, but not replacement of original improvements.
- c. Any expenditure that may reasonably be expected to significantly increase the Association's responsibility and financial obligation for operations, insurance, maintenance, repairs, or replacement.

8.4.3. Individual Assessments. In addition to regular and special assessments, the board may levy an individual assessment against a lot and its owner. Individual assessments may include, but are not limited to: interest, late charges, and collection costs on delinquent assessments; reimbursement for costs incurred in bringing an owner or his lot into compliance with the Documents; fines for violations of the Documents; insurance deductibles; transfer-related fees and resale certificate fees; fees for estoppel letters and project documents; reimbursement for damage or waste caused by willful or negligent acts; common expenses that benefit fewer than all of the lots, which may be assessed according to benefit received; fees or charges levied against the Association on a per-lot basis; and "pass through" expenses for services to lots provided through the Association and which are equitably paid by each lot according to benefit received.

8.4.4. Deficiency Assessments. The board may levy a deficiency assessment against all lots for the purpose of defraying, in whole or in part, the cost of repair or restoration if insurance proceeds or condemnation awards prove insufficient.

8.5. BASIS & RATE OF ASSESSMENTS. The share of liability for common expenses allocated to each lot is uniform for all lots, regardless of a lot's location or the value and size of the lot or dwelling; subject, however, to the exemption for Declarant provided below and in Appendix C.

8.6. DECLARANT OBLIGATION. Declarant's obligation for and exemption from assessments is described in Appendix C. Unless Appendix C creates an affirmative assessment obligation for Declarant, a lot that is owned by Declarant during the Development Period is exempt from mandatory assessment by the Association. Declarant has a right to reimbursement for any assessment paid to the Association by Declarant during the Development Period, but only after the Declarant Control Period. This provision may not be construed to prevent Declarant from making a loan or voluntary monetary donation to the Association, provided it is so characterized.

8.7. ANNUAL BUDGET. The board will prepare and approve an estimated annual budget for each fiscal year. The budget will take into account the estimated income and expenses for the year, contributions to reserve funds, and a projection for uncollected receivables. The board will make the budget or its summary available to an owner of each lot, although failure to receive a budget or summary does not affect an owner's liability for assessments. The board will provide copies of the detailed budget to owners who make written request and pay a reasonable copy charge.

8.8. DUE DATE. The board may levy regular assessments on any periodic basis - annually, semi-annually, quarterly, or monthly. Regular assessments are due on the first day of the period for which levied. Special and individual assessments are due on the date stated in the notice of assessment or, if no date is stated, within 10 days after notice of the assessment is given. Assessments are delinquent if not received by the Association on or before the due date.

*During the Development Period, Appendix C has priority over the main body of this Declaration.*

2005 091 13283

8.9. RESERVE FUNDS. The Association will establish, maintain, and accumulate reserves for operations and for replacement and repair. The Association must budget for reserves and may fund reserves out of regular assessments.

8.9.1. Operations Reserves. The Association will endeavor to maintain operations reserves at a level determined by the board to be sufficient to cover the cost of operational or maintenance emergencies or contingencies, such as the full amount of deductibles on insurance policies maintained by the Association.

8.9.2. Replacement & Repair Reserves. The Association will endeavor to maintain replacement and repair reserves at a level that anticipates the scheduled replacement or major repair of components of the common area.

8.10. ASSOCIATION'S RIGHT TO BORROW MONEY. The Association is granted the right to borrow money, subject to the consent of owners of at least a majority of lots and the ability of the Association to repay the borrowed funds from assessments. To assist its ability to borrow, the Association is granted the right to encumber, mortgage, pledge, or deed in trust any of its real or personal property, and the right to assign its right to future income, as security for money borrowed or debts incurred, provided that the rights of the lender in the pledged property are subordinate and inferior to the rights of the owners hereunder.

8.11. LIMITATIONS OF INTEREST. The Association, and its officers, directors, managers, and attorneys, intend to conform strictly to the applicable usury laws of the State of Texas. Notwithstanding anything to the contrary in the Documents or any other document or agreement executed or made in connection with the Association's collection of assessments, the Association will not in any event be entitled to receive or collect, as interest, a sum greater than the maximum amount permitted by applicable law. If from any circumstances whatsoever, the Association ever receives, collects, or applies as interest a sum in excess of the maximum rate permitted by law, the excess amount will be applied to the reduction of unpaid special and regular assessments, or reimbursed to the owner if those assessments are paid in full.

## **ARTICLE 9 ASSESSMENT LIEN**

9.1. ASSESSMENT LIEN. Each owner, by accepting an interest in or title to a lot, whether or not it is so expressed in the instrument of conveyance, covenants and agrees to pay assessments to the Association. Each assessment is a charge on the lot and is secured by a continuing lien on the lot. Each owner, and each prospective owner, is placed on notice that his title may be subject to the continuing lien for assessments attributable to a period prior to the date he purchased his lot.

9.2. SUPERIORITY OF ASSESSMENT LIEN. The assessment lien is superior to all other liens and encumbrances on a lot, except only for (1) real property taxes and assessments levied by governmental and taxing authorities, (2) a deed of trust or vendor's lien recorded before this Declaration, (3) a recorded deed of trust lien securing a loan for construction of the original dwelling, and (4) a first or senior purchase money vendor's lien or deed of trust lien recorded before the date on which the delinquent assessment became due. The assessment lien is subordinate and inferior to a recorded deed of trust lien that secures a first or senior purchase money mortgage, an FHA-insured mortgage, or a VA-guaranteed mortgage.

*During the Development Period, Appendix C has priority over the main body of this Declaration.*

9.3. **EFFECT OF MORTGAGEE'S FORECLOSURE.** Foreclosure of a superior lien extinguishes the Association's claim against the lot for unpaid assessments that became due before the sale, but does not extinguish the Association's claim against the former owner. The purchaser at the foreclosure sale of a superior lien is liable for assessments coming due from and after the date of the sale, and for the owner's pro rata share of the pre-foreclosure deficiency as an Association expense.

**Yes, the HOA can foreclose!**  
If you fail to pay assessments to the Association, you may lose title to your home if the Association forecloses its assessment lien against your lot.

9.4. **NOTICE AND RELEASE OF NOTICE.** The Association's lien for assessments is created by recordation of this Declaration, which constitutes record notice and perfection of the lien. No other recordation of a lien or notice of lien is required. However, the Association, at its option, may cause a notice of the lien to be recorded in the county's Real Property Records. If the debt is cured after a notice has been recorded, the Association will record a release of the notice at the expense of the curing owner.

9.5. **POWER OF SALE.** By accepting an interest in or title to a lot, each owner grants to the Association a private power of nonjudicial sale in connection with the Association's assessment lien. The board may appoint, from time to time, any person, including an officer, agent, trustee, substitute trustee, or attorney, to exercise the Association's lien rights on behalf of the Association, including the power of sale. The appointment must be in writing and may be in the form of a resolution recorded in the minutes of a board meeting.

9.6. **FORECLOSURE OF LIEN.** The assessment lien may be enforced by judicial or nonjudicial foreclosure. A foreclosure must comply with the requirements of applicable law, such as Chapter 209 of the Texas Property Code. A nonjudicial foreclosure must be conducted in accordance with the provisions applicable to the exercise of powers of sale as set forth in Section 51.002 of the Texas Property Code, or in any manner permitted by law. In any foreclosure, the owner is required to pay the Association's costs and expenses for the proceedings, including reasonable attorneys' fees, subject to applicable provisions of the bylaws and applicable law, such as Chapter 209 of the Texas Property Code. The Association has the power to bid on the lot at foreclosure sale and to acquire, hold, lease, mortgage, and convey same. The Association may not foreclose the assessment lien if the debt consists solely of fines and/or a claim for reimbursement of attorney's fees incurred by the Association.

**ARTICLE 10**  
**EFFECT OF NONPAYMENT OF ASSESSMENTS**

An assessment is delinquent if the Association does not receive payment in full by the assessment's due date. The Association, acting through the board, is responsible for taking action to collect delinquent assessments. The Association's exercise of its remedies is subject to applicable laws, such as Chapter 209 of the Texas Property Code, and pertinent provisions of the bylaws. From time to time, the Association may delegate some or all of the collection procedures and remedies, as the board in its sole discretion deems appropriate, to the Association's manager, an attorney, or a debt collector. Neither the board nor the Association, however, is liable to an owner or other person for its failure or inability to collect or attempt to collect an assessment. The following remedies are in addition to and not in substitution for all other rights and remedies which the Association has.

*During the Development Period, Appendix C has priority over the main body of this Declaration.*

20050911 13290

2005 075 00094

10.1. INTEREST. Delinquent assessments are subject to interest from the due date until paid, at a rate to be determined by the board from time to time, not to exceed the lesser of 18 percent or the maximum permitted by law. If the board fails to establish a rate, the rate is 10 percent per annum.

10.2. LATE FEES. Delinquent assessments are subject to reasonable late fees, at a rate to be determined by the board from time to time.

10.3. COSTS OF COLLECTION. The owner of a lot against which assessments are delinquent is liable to the Association for reimbursement of reasonable costs incurred by the Association to collect the delinquent assessments, including attorneys fees and processing fees charged by the manager.

10.4. ACCELERATION. If an owner defaults in paying an assessment that is payable in installments, the Association may accelerate the remaining installments on 10 days' written notice to the defaulting owner. The entire unpaid balance of the assessment becomes due on the date stated in the notice.

10.5. SUSPENSION OF USE AND VOTE. If an owner's account has been delinquent for at least 30 days, the Association may suspend the right of owners and residents to use common areas and common services during the period of delinquency. The Association may also suspend the right to vote appurtenant to the lot. Suspension does not constitute a waiver or discharge of the owner's obligation to pay assessments.

10.6. MONEY JUDGMENT. The Association may file suit seeking a money judgment against an owner delinquent in the payment of assessments, without foreclosing or waiving the Association's lien for assessments.

10.7. NOTICE TO MORTGAGEE. The Association may notify and communicate with the holder of any lien against a lot regarding the owner's default in payment of assessments.

10.8. FORECLOSURE OF ASSESSMENT LIEN. As provided by this Declaration, the Association may foreclose its lien against the lot by judicial or nonjudicial means.

10.9. APPLICATION OF PAYMENTS. The board may adopt and amend policies regarding the application of payments. The Association may refuse to accept partial payment, i.e., less than the full amount due and payable. The Association may also refuse to accept payments to which the payer attaches conditions or directions contrary to the board's policy for applying payments. The Association's policy may provide that endorsement and deposit of a payment does not constitute acceptance by the Association, and that acceptance occurs when the Association posts the payment to the lot's account.

## **ARTICLE 11** **ENFORCING THE DOCUMENTS**

11.1. NOTICE AND HEARING. Before the Association may exercise certain of its remedies for a violation of the Documents or damage to the Property, the Association must give an owner written notice and an opportunity for a hearing, according to the requirements and procedures in the bylaws and in applicable law, such as Chapter 209 of the Texas Property Code. Notices are also required before an owner is liable to the Association for certain charges, including reimbursement of attorneys fees incurred by the Association.

*During the Development Period, Appendix C has priority over the main body of this Declaration.*

162911605007

11.2. **REMEDIES.** The remedies provided in this Article for breach of the Documents are cumulative and not exclusive. In addition to other rights and remedies provided by the Documents and by law, the Association has the following right to enforce the Documents, subject to applicable notice and hearing requirements (if any):

11.2.1. **Nuisance.** The result of every act or omission that violates any provision of the Documents is a nuisance, and any remedy allowed by law against a nuisance, either public or private, is applicable against the violation.

11.2.2. **Fine.** The Association may levy reasonable charges, as an individual assessment, against an owner and his lot if the owner or resident, or the owner or resident's family, guests, employees, agents, or contractors violate a provision of the Documents. Fines may be levied for each act of violation or for each day a violation continues, and does not constitute a waiver or discharge of the owner's obligations under the Documents.

11.2.3. **Suspension.** The Association may suspend the right of owners and residents to use common areas for any period during which the owner or resident, or the owner or resident's family, guests, employees, agents, or contractors violate the Documents. A suspension does not constitute a waiver or discharge of the owner's obligations under the Documents.

11.2.4. **Self-Help.** The Association has the right to enter any part of the Property, including lots, to abate or remove, using force as may reasonably be necessary, any improvement, thing, animal, person, vehicle, or condition that violates the Documents. In exercising this right, the board is not trespassing and is not liable for damages related to the abatement. The board may levy its costs of abatement against the lot and owner as an individual assessment. The board will make reasonable efforts to give the violating owner prior notice of its intent to exercise self-help. The notice may be given in any manner likely to be received by the owner. Prior notice is not required (1) in the case of emergencies, (2) to remove violative signs, (3) to remove violative debris, or (4) to remove any other violative item or to abate any other violative condition that is easily removed or abated and that is considered a nuisance, dangerous, or an eyesore to the neighborhood.

11.2.5. **Suit.** Failure to comply with the Documents will be grounds for an action to recover damages or for injunctive relief to cause any such violation to be remedied, or both. Prior to commencing any legal proceeding, the Association will give the defaulting party reasonable notice and an opportunity to cure the violation.

**STATE LAW APPLIES**  
**to many of the Association's enforcement rights and remedies.**

11.3. **BOARD DISCRETION.** The board may use its sole discretion in determining whether to pursue a violation of the Documents, provided the board does not act in an arbitrary or capricious manner. In evaluating a particular violation, the board may determine that under the particular circumstances (1) the Association's position is not sufficiently strong to justify taking any or further action; (2) the provision being enforced is or may be construed as inconsistent with applicable law; (3) although a technical violation may exist, it is not of such a material nature as to be objectionable to a reasonable person or to justify expending the Association's resources; or (4) that enforcement is not in the Association's best interests, based on hardship, expense, or other reasonable criteria.

*During the Development Period, Appendix C has priority over the main body of this Declaration.*

200509113292

11.4. NO WAIVER. The Association and every owner has the right to enforce all restrictions, conditions, covenants, liens, and charges now or hereafter imposed by the Documents. Failure by the Association or by any owner to enforce a provision of the Documents is not a waiver of the right to do so thereafter. If the Association does waive the right to enforce a provision, that waiver does not impair the Association's right to enforce any other part of the Documents at any future time. No officer, director, or member of the Association is liable to any owner for the failure to enforce any of the Documents at any time.

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

**ARTICLE 12**  
**MAINTENANCE AND REPAIR OBLIGATIONS**

12.1. ASSOCIATION MAINTAINS. The Association's maintenance obligations will be discharged when and how the board deems appropriate. The Association maintains, repairs, and replaces, as a common expense, the portions of the Property listed below, regardless of whether the portions are on lots or common areas.

- a. The common areas.
- b. Any real and personal property owned by the Association but which is not a common area, such as a lot owned by the Association.
- c. Any property adjacent to Sheridan Parc if maintenance of same is deemed to be in the best interests of the Association, and if not prohibited by the owner or operator of said property.
- d. Any area, item, easement, or service - the maintenance of which is assigned to the Association by this Declaration or by the plat.

12.2. OWNER RESPONSIBILITY. Every owner has the following responsibilities and obligations for the maintenance, repair, and replacement of the Property, subject to the architectural control requirements of Article 5 and the use restrictions of Article 6:

12.2.1. House Maintenance. Each owner, at the owner's expense, must maintain all improvements on the lot, including but not limited to the dwelling, fences, sidewalks, and driveways. Maintenance includes preventative maintenance, repair as needed, and replacement as needed. Each owner is expected to maintain his lot's improvements at a level, to a standard, and with an appearance that is commensurate with the neighborhood. Specifically, each owner must repair and replace worn, rotten, deteriorated, and unattractive materials, and must regularly repaint all painted surfaces.

12.2.2. Yard Maintenance. Each owner, at the owner's expense, must maintain the yards on his lot at a level, to a standard, and with an appearance that is commensurate with the neighborhood. "Yards" means all parts of the lot other than the dwelling, including fenced and

*During the Development Period, Appendix C has priority over the main body of this Declaration.*

unfenced portions of the lot. On the lots with alley access, the area between the alley pavement and the back yard fence, if any, is a yard area for which the owner is responsible, regardless of whether some or all of that area is in the alley right-of-way. Specifically, each owner must:

- a. Maintain an attractive ground cover or lawn on all yards visible from a street.
- b. Edge the street curbs at regular intervals.
- c. Mow the lawns and grounds at regular intervals.
- d. Prevent lawn weeds or grass from exceeding 6 inches in height.
- e. Not plant vegetable gardens that are visible from a street.
- f. Maintain an attractive appearance for shrubs and trees visible from a street.
- g. Replace plant material, as needed, to maintain the minimum landscaping requirements of Appendix B.

12.2.3. Avoid Damage. An owner may not do any work or to fail to do any work which, in the reasonable opinion of the board, would materially jeopardize the soundness and safety of the Property, reduce the value of the Property, adversely affect the appearance of the Property, or impair any easement relating to the Property.

12.2.4. Responsible for Damage. An owner is responsible for his own willful or negligent acts and those of his or the resident's family, guests, agents, employees, or contractors when those acts necessitate maintenance, repair, or replacement to the common areas or the property of another owner.

12.3. OWNER'S DEFAULT IN MAINTENANCE. If the board determines that an owner has failed to properly discharge his obligation to maintain, repair, and replace items for which the owner is responsible, the board may give the owner written notice of the Association's intent to provide the necessary maintenance at owner's expense. The notice must state, with reasonable particularity, the maintenance deemed necessary and a reasonable period of time in which to complete the work. If the owner fails or refuses to timely perform the maintenance, the Association may do so at owner's expense, which is an individual assessment against the owner and his lot. In case of an emergency, however, the board's responsibility to give the owner written notice may be waived and the board may take any action it deems necessary to protect persons or property, the cost of the action being the owner's expense.

12.4. PARTY WALL FENCES. A fence located on or near the dividing line between 2 lots and intended to benefit both lots constitutes a Party Wall Fence and, to the extent not inconsistent with the provisions of this Section, is subject to the general rules of law regarding party walls and liability for property damage due to negligence, willful acts, or omissions.

12.4.1. Encroachments & Easement. If the Party Wall Fence is on one lot or another due to an error in construction, the fence is nevertheless deemed to be on the dividing line for purposes of this Section. Each lot sharing a Party Wall Fence is subject to an easement for the existence and continuance of any encroachment by the fence as a result of construction, repair, shifting, settlement, or movement in any portion of the fence, so that the encroachment may remain undisturbed as long as the fence stands. Each lot is subject to a reciprocal easement for the maintenance, repair, replacement, or reconstruction of the Party Wall Fence.

12.4.2. Right to Repair. If the Party Wall Fence is damaged or destroyed from any cause, the owner of either lot may repair or rebuild the fence to its previous condition, and the owners

*During the Development Period, Appendix C has priority over the main body of this Declaration.*

16090901 13294

of both lots, their successors and assigns, have the right to the full use of the repaired or rebuilt fence.

12.4.3. Maintenance Costs. The owners of the adjoining lots share equally the costs of repair, reconstruction, or replacement of the Party Wall Fence, subject to the right of one owner to call for larger contribution from the other under any rule of law regarding liability for negligence or willful acts or omissions. If an owner is responsible for damage to or destruction of the fence, that owner will bear the entire cost of repair, reconstruction, or replacement. If an owner fails or refuses to pay his share of costs of repair or replacement of the Party Wall Fence, the owner advancing monies has a right to file a claim of lien for the monies advanced in the county's Real Property Records, and has the right to foreclose the lien as if it were a mechanic's lien. The right of an owner to contribution from another owner under this Section is appurtenant to the land and passes to the owner's successors in title.

12.4.4. Alterations. The owner of a lot sharing a Party Wall Fence may not cut openings in the fence or alter or change the fence in any manner that affects the use, condition, or appearance of the fence to the adjoining lot. Unless both owners reach a mutual decision to the contrary, the Party Wall Fence will always remain in the same location as where initially erected.

### **ARTICLE 13** **INSURANCE**

13.1. GENERAL PROVISIONS. All insurance affecting the Property is governed by the provisions of this Article, with which the board will make every reasonable effort to comply. The cost of insurance coverages and bonds maintained by the Association is an expense of the Association. Insurance policies and bonds obtained and maintained by the Association must be issued by responsible insurance companies authorized to do business in the State of Texas. The Association must be the named insured on all policies obtained by the Association. Each owner irrevocably appoints the Association, acting through its board, as his trustee to negotiate, receive, administer, and distribute the proceeds of any claim against an insurance policy maintained by the Association. Additionally:

13.1.1. Notice of Cancellation or Modification. Each insurance policy maintained by the Association should contain a provision requiring the insurer to give at least 10 days' prior written notice to the board before the policy may be canceled, terminated, materially modified, or allowed to expire, by either the insurer or the insured.

13.1.2. Deductibles. An insurance policy obtained by the Association may contain a reasonable deductible, which will be paid by the party who would be liable for the loss or repair in the absence of insurance. If a loss is due wholly or partly to an act or omission of an owner or resident or their invitees, the owner must reimburse the Association for the amount of the deductible that is attributable to the act or omission.

13.2. PROPERTY. To the extent it is reasonably available, the Association will obtain blanket all-risk insurance for insurable common area improvements. If blanket all-risk insurance is not reasonably available, then the Association will obtain an insurance policy providing fire and extended coverage. Also, the Association will insure the improvements on any lot owned by the Association.

13.3. GENERAL LIABILITY. The Association will maintain a commercial general liability insurance policy over the common areas - expressly excluding the liability of each owner and resident within his lot - for bodily injury and property damage resulting from the operation, maintenance, or use of the

*During the Development Period, Appendix C has priority over the main body of this Declaration.*



common areas. If the policy does not contain a severability of interest provision, it should contain an endorsement to preclude the insurer's denial of an owner's claim because of negligent acts of the Association or other owners.

13.4. DIRECTORS & OFFICERS LIABILITY. To the extent it is reasonably available, the Association will maintain directors and officers liability insurance, errors and omissions insurance, indemnity bonds, or other insurance the board deems advisable to insure the Association's directors, officers, committee members, and managers against liability for an act or omission in carrying out their duties in those capacities.

13.5. OTHER COVERAGES. The Association may maintain any insurance policies and bonds deemed by the board to be necessary or desirable for the benefit of the Association, including but not limited to worker's compensation insurance, fidelity coverage, and any insurance and bond requested and required by an Underwriting Lender for planned unit developments as long as an Underwriting Lender is a mortgagee or an owner.

**ARE YOU COVERED?**

The Association does NOT insure the individual houses or their contents.

13.6. OWNER'S RESPONSIBILITY FOR INSURANCE. Each owner will obtain and maintain property insurance on all insurable improvements on his lot, in an amount sufficient to cover 100 percent of the replacement cost of any repair or reconstruction in event of damage or destruction from any insured hazard. Further, each owner will obtain and maintain general liability insurance on his lot. Each owner will provide the Association with proof or a certificate of insurance on request by the Association from time to time. If an owner fails to maintain required insurance, or to provide the Association with proof of same, the board may obtain insurance on behalf of the owner who will be obligated for the cost as an individual assessment. The board may establish additional minimum insurance requirements, including types and minimum amounts of coverage, to be individually obtained and maintained by owners if the insurance is deemed necessary or desirable by the board to reduce potential risks to the Association or other owners. Each owner and resident is solely responsible for insuring his personal property in his dwelling and on the lot, including furnishings, vehicles, and stored items.

**ARTICLE 14**  
**MORTGAGEE PROTECTION**

14.1. INTRODUCTION. This Article establishes certain standards for the benefit of Mortgagees, as defined below. If a Mortgagee requests from the Association compliance with the guidelines of an Underwriting Lender, the board, without approval of owners or mortgagees, may amend this Article and other provisions of the Documents, as necessary, to meet the requirements of the Underwriting Lender. This Article is supplemental to, not a substitution for, any other provision of the Documents. In case of conflict, this Article controls. As used in this Article, a "**Mortgagee**" is a holder, insurer, or guarantor of a purchase money mortgage secured by a recorded senior or first deed of trust lien against a lot. Some sections of this Article apply to all known Mortgagees. Other sections apply to "Eligible Mortgagees," as defined below.

14.1.1. Known Mortgagees. An owner who mortgages his lot will notify the Association, giving the complete name and address of his mortgagee and the loan number. An owner will also

*During the Development Period, Appendix C has priority over the main body of this Declaration.*

200509113295

provide that information on request by the Association from time to time. The Association's obligations to mortgagees under the Documents extend only to those mortgagees known to the Association. All actions and approvals required by mortgagees will be conclusively satisfied by the mortgagees known to the Association, without regard to other holders of liens on lots. The Association may rely on the information provided by owners and mortgagees.

14.1.2. Eligible Mortgagees. "Eligible Mortgagee" means a mortgagee that submits to the Association a written notice containing its name and address, the loan number, the identifying number and street address of the mortgaged lot, and the types of actions for which the Eligible Mortgagee requests timely notice. A single notice per lot will be valid so long as the Eligible Mortgagee holds a mortgage on the lot. The board will maintain this information. A representative of an Eligible Mortgagee may attend and address any meeting which an owner may attend.

#### 14.2. MORTGAGEE RIGHTS.

14.2.1. Termination. An action to terminate the legal status of the Property after substantial destruction or condemnation must be approved by at least 51 percent of Eligible Mortgagees, in addition to the required consents of owners. An action to terminate the legal status for reasons other than substantial destruction or condemnation must be approved by at least two-thirds of Eligible Mortgagees. The approval of an Eligible Mortgagee is implied when the Eligible Mortgagee fails to respond within 30 days after receiving the Association's written request for approval of a proposed amendment, provided the Association's request was delivered by certified or registered mail, return receipt requested.

14.2.2. Inspection of Books. Mortgagees may inspect the Association's books and records, including the Documents, by appointment, during normal business hours.

14.2.3. Financial Statements. If a Mortgagee so requests, the Association will give the Mortgagee an audited statement for the preceding fiscal year within 120 days after the Association's fiscal year-end. A Mortgagee may have an audited statement prepared at its own expense.

14.2.4. Right of First Refusal. Any right of first refusal imposed by the Association with respect to a lease, sale, or transfer of a lot does not apply to a lease, sale, or transfer by a Mortgagee, including transfer by deed in lieu of foreclosure or foreclosure of a deed of trust lien.

14.3. INSURANCE POLICIES. If an Underwriting Lender is a Mortgagee or an owner, at the request of the Underwriting Lender the Association will comply with the Underwriting Lender's insurance requirements to the extent the requirements are reasonable and available, and do not conflict with other insurance requirements of this Declaration.

### **ARTICLE 15** **AMENDMENTS**

15.1. CONSENTS REQUIRED. As permitted by this Declaration, certain amendments of this Declaration may be executed by Declarant alone, or by the board alone. Otherwise, amendments to this Declaration must be approved by owners of at least a majority of the lots. Approval of owners does not require that the amendment be signed by the consenting owners, or that consents be executed and acknowledged by the approving owners.

*During the Development Period, Appendix C has priority over the main body of this Declaration.*

15.2. METHOD OF AMENDMENT. For an amendment that requires the approval of owners, this Declaration may be amended by any method selected by the board from time to time, pursuant to the bylaws, provided the method gives an owner of each lot the substance if not exact wording of the proposed amendment, a description of the effect of the proposed amendment, and an opportunity to vote for or against the proposed amendment.

15.3. EFFECTIVE. To be effective, an amendment approved by the owners or by the board must be in the form of a written instrument (1) referencing the name of the Property, the name of the Association, and the recording data of this Declaration and any amendments hereto; (2) signed and acknowledged by an officer of the Association, certifying the requisite approval of owners or directors and, if required, Eligible Mortgagees; and (3) recorded in the Real Property Records of every county in which the Property is located, except as modified by the following section.

15.4. DECLARANT PROVISIONS. Declarant has an exclusive right to unilaterally amend this Declaration for the purposes stated in Appendix C. An amendment that may be executed by Declarant alone is not required to name the Association or to be signed by an officer of the Association. No amendment may affect Declarant's rights under this Declaration without Declarant's written and acknowledged consent, which must be part of the recorded amendment instrument. This Section may not be amended without Declarant's written and acknowledged consent.

During the Development Period, Appendix C has priority over the main body of this Declaration.

15.5. CITY ORDINANCE COMPLIANCE. When amending the Documents, the Association must consider the validity and enforceability of the amendment in light of current public law, including ordinances of the City of DeSoto. The following amendments of the Documents are not effective without the prior written consent of the City of DeSoto:

- a. A decision to terminate this Declaration, the Association, or the status of the Property as a planned unit development.
- b. Amendments pertaining to the use, operation, maintenance, and/or supervision of the common areas.

15.6. MERGER. Merger or consolidation of the Association with another association must be evidenced by an amendment to this Declaration. The amendment must be approved by owners of at least a majority of the lots. Upon a merger or consolidation of the Association with another association, the property, rights, and obligations of another association may, by operation of law, be added to the properties, rights, and obligations of the Association as a surviving corporation pursuant to the merger. The surviving or consolidated association may administer the provisions of the Documents within the Property, together with the covenants and restrictions established upon any other property under its jurisdiction. No merger or consolidation, however, will effect a revocation, change, or addition to the covenants established by this Declaration within the Property.

15.7. TERMINATION. Termination of the terms of this Declaration and the status of the Property as a planned unit development are according to the following provisions. In the event of substantially total damage, destruction, or public condemnation of the Property, an amendment to terminate must be approved by owners of at least two-thirds of the lots. In the event of public condemnation of the

*During the Development Period, Appendix C has priority over the main body of this Declaration.*

entire Property, an amendment to terminate may be executed by the board without a vote of owners. In all other circumstances, an amendment to terminate must be approved by owners of at least 80 percent of the lots. An amendment to terminate is not effective without the approval of the City of DeSoto.

15.8. **CONDEMNATION.** In any proceeding, negotiation, settlement, or agreement concerning condemnation of the common area, the Association will be the exclusive representative of the owners. The Association may use condemnation proceeds to repair and replace any damage or destruction of the common area, real or personal, caused by the condemnation. Any condemnation proceeds remaining after completion, or waiver, of the repair and replacement will be deposited in the Association's reserve funds.

**ARTICLE 16**  
**DISPUTE RESOLUTION**

16.1. **INTRODUCTION & DEFINITIONS.** The Association, the owners, Declarant, all persons subject to this Declaration, and any person not otherwise subject to this Declaration who agrees to submit to this Article (collectively, the "**Parties**") agree to encourage the amicable resolution of disputes involving the Property and to avoid the emotional and financial costs of litigation if at all possible. Accordingly, each Party hereby covenants and agrees that this Article applies to all claims as hereafter defined. As used in this Article only, the following words, when capitalized, have the following specified meanings:

16.1.1. "**Claim**" means any claim, grievance, or dispute between Parties involving the Properties, except Exempt Claims as defined below, and including without limitation:

- a. Claims arising out of or relating to the interpretation, application, or enforcement of the Documents.
- b. Claims relating to the rights and/or duties of Declarant as Declarant under the Documents.
- c. Claims relating to the design, construction, or maintenance of the Property.

16.1.2. "**Claimant**" means any Party having a Claim against any other Party.

16.1.3. "**Exempt Claims**" means the following claims or actions, which are exempt from this Article:

- a. The Association's claim for assessments, and any action by the Association to collect assessments.
- b. An action by a Party to obtain a temporary restraining order or equivalent emergency equitable relief, and such other ancillary relief as the court deems necessary to maintain the status quo and preserve the Party's ability to enforce the provisions of this Declaration.
- c. Enforcement of the easements, architectural control, maintenance, and use restrictions of this Declaration.

*During the Development Period, Appendix C has priority over the main body of this Declaration.*

200509113299

- d. A suit to which an applicable statute of limitations would expire within the notice period of this Article, unless a Party against whom the Claim is made agrees to toll the statute of limitations as to the Claim for the period reasonably necessary to comply with this Article.

16.1.4. "**Respondent**" means the Party against whom the Claimant has a Claim.

16.2. MANDATORY PROCEDURES. Claimant may not file suit in any court or initiate any proceeding before any administrative tribunal seeking redress or resolution of its Claim until Claimant has complied with the procedures of this Article.

16.3. NOTICE. Claimant must notify Respondent in writing of the Claim (the "**Notice**"), stating plainly and concisely: (1) the nature of the Claim, including date, time, location, persons involved, and Respondent's role in the Claim; (2) the basis of the Claim (i.e., the provision of the Documents or other authority out of which the Claim arises); (3) what Claimant wants Respondent to do or not do to resolve the Claim; and (4) that the Notice is given pursuant to this Section.

16.4. NEGOTIATION. Claimant and Respondent will make every reasonable effort to meet in person to resolve the Claim by good faith negotiation. Within 60 days after Respondent's receipt of the Notice, Respondent and Claimant will meet at a mutually-acceptable place and time to discuss the Claim. At such meeting or at some other mutually-agreeable time, Respondent and Respondent's representatives will have full access to the property that is subject to the Claim for the purposes of inspecting the property. If Respondent elects to take corrective action, Claimant will provide Respondent and Respondent's representatives and agents with full access to the property to take and complete corrective action.

16.5. MEDIATION. If the parties negotiate but do not resolve the Claim through negotiation within 120 days from the date of the Notice (or within such other period as may be agreed on by the parties), Claimant will have 30 additional days within which to submit the Claim to mediation under the auspices of a mediation center or individual mediator on which the parties mutually agree. The mediator must have at least 5 years of experience serving as a mediator and must have technical knowledge or expertise appropriate to the subject matter of the Claim. If Claimant does not submit the Claim to mediation within the 30-day period, Claimant is deemed to have waived the Claim, and Respondent is released and discharged from any and all liability to Claimant on account of the Claim.

16.6. TERMINATION OF MEDIATION. If the Parties do not settle the Claim within 30 days after submission to mediation, or within a time deemed reasonable by the mediator, the mediator will issue a notice of termination of the mediation proceedings indicating that the Parties are at an impasse and the date that mediation was terminated. Thereafter, Claimant may file suit or initiate administrative proceedings on the Claim, as appropriate.

16.7. ALLOCATION OF COSTS. Except as otherwise provided in this Section, each Party bears all of its own costs incurred prior to and during the proceedings described in the Notice, Negotiation, and Mediation sections above, including its attorneys fees. Respondent and Claimant will equally divide all expenses and fees charged by the mediator.

16.8. ENFORCEMENT OF RESOLUTION. Any settlement of the Claim through negotiation or mediation will be documented in writing and signed by the Parties. If any Party thereafter fails to abide by the terms of the agreement, then the other Party may file suit or initiate administrative proceedings to enforce the agreement without the need to again comply with the procedures set forth in this Article.

*During the Development Period, Appendix C has priority over the main body of this Declaration.*

In that event, the Party taking action to enforce the agreement is entitled to recover from the non-complying Party all costs incurred in enforcing the agreement, including, without limitation, attorneys fees and court costs.

16.9. **GENERAL PROVISIONS.** A release or discharge of Respondent from liability to Claimant on account of the Claim does not release Respondent from liability to persons who are not party to Claimant's Claim. A Party having an Exempt Claim may submit it to the procedures of this Article.

16.10. **LITIGATION APPROVAL & SETTLEMENT.** In addition to and notwithstanding the above alternate dispute resolution procedures, the Association may not initiate any judicial or administrative proceeding without the prior approval of owners of at least a majority of the lots, except that no such approval is required (1) to enforce provisions of this Declaration, including collection of assessments; (2) to challenge condemnation proceedings; (3) to enforce a contract against a contractor, vendor, or supplier of goods or services to the Association; (4) to defend claims filed against the Association or to assert counterclaims in a proceedings instituted against the Association; or (5) to obtain a temporary restraining order or equivalent emergency equitable relief when circumstances do not provide sufficient time to obtain the prior consents of owners in order to preserve the status quo. The board, on behalf of the Association and without the consent of owners, is hereby authorized to negotiate settlement of litigation, and may execute any document related thereto, such as settlement agreements and waiver or release of claims. This Section may not be amended without the approval of owners of at least 75 percent of the lots.

## **ARTICLE 17** **GENERAL PROVISIONS**

17.1. **COMPLIANCE.** The owners hereby covenant and agree that the administration of the Association will be in accordance with the provisions of the Documents and applicable laws, regulations, and ordinances, as same may be amended from time to time, of any governmental or quasi-governmental entity having jurisdiction over the Association or Property.

17.2. **HIGHER AUTHORITY.** The Documents are subordinate to federal and state law, and local ordinances. Generally, the terms of the Documents are enforceable to the extent they do not violate or conflict with local, state, or federal law or ordinance. In the event of a conflict between the Documents, the hierarchy of authority is as follows: this Declaration (highest), Association's Articles of Incorporation, Bylaws, and the Rules (lowest).

**DRAFTER'S DICTUM**

*Users of this document should periodically review statutes and court rulings that may modify or nullify provisions of this document or its enforcement, or may create rights or duties not anticipated by this document.*

17.3. **NOTICE.** All demands or other notices required to be sent to an owner or resident by the terms of this Declaration may be sent by electronic, ordinary, or certified mail, postage prepaid, to the party's last known address as it appears on the records of the Association on the date the notice is issued. If an owner fails to give the Association an address for sending notices, all notices may be sent to the owner's lot, and the owner is deemed to have been given notice whether or not he actually receives it.

*During the Development Period, Appendix C has priority over the main body of this Declaration.*

17.4. LIBERAL CONSTRUCTION. The terms and provision of each Document are to be liberally construed to give effect to the purposes and intent of the Document. All doubts regarding a provision, including restrictions on the use or alienability of property, will be resolved in favor of the operation of the Association and its enforcement of the Documents, regardless which party seeks enforcement.

17.5. SEVERABILITY. Invalidation of any provision of this Declaration by judgment or court order does not affect any other provision, which remains in full force and effect. The effect of a general statement is not limited by the enumeration of specific matters similar to the general.

17.6. CAPTIONS. In all Documents, the captions of articles and sections are inserted only for convenience and are in no way to be construed as defining or modifying the text to which they refer. Boxed notices are inserted to alert the reader to certain provisions and are not to be construed as defining or modifying the text.

17.7. APPENDIXES. The following appendixes are attached to this Declaration and incorporated herein by reference:

- A - Description of Subject Land
- B - Construction Specifications
- C - Declarant Representations & Reservations
- D - Consent to Declaration by Lienholder
- E - Consent to Declaration by Land Owner

17.8. INTERPRETATION. Whenever used in the Documents, unless the context provides otherwise, a reference to a gender includes all genders. Similarly, a reference to the singular includes the plural, the plural the singular, where the same would be appropriate.

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

17.10. PREPARER. This Declaration was prepared in the law offices of Sharon Reuler of SETTLEPOU, 3333 Lee Parkway, Eighth Floor, Dallas, Texas 75219.

*(Executed on Next Page)*

200509113302

*During the Development Period, Appendix C has priority over the main body of this Declaration.*





**APPENDIX A**  
**DESCRIPTION OF SUBJECT LAND**

Sheridan Parc

BEING a tract of land out of the ZEBEDEE HEATH SURVEY, ABSTRACT No. 562, located in the City of Desoto, Dallas County, Texas, being all of Lot 1 and part of Lot 2, Heath Creek Estates, an addition to the City of Desoto, as recorded in Volume 80238, Page 2316, Dallas County Deed Records, also being all of that tract of land conveyed to William and Betty Coggins, as recorded in Volume 2000220, Page 1500, Dallas County Deed Records, and being more particularly described as follows;

BEGINNING at a point in the south line of Pleasant Run Road, said point being the northwest corner of said Lot 1, also being the southeast corner of a 0.197 acre tract of land conveyed to the City of Desoto as shown on the plat of Westmoreland Junior High Addition recorded in Volume 86114, Page 2332, Dallas County Deed Records:

THENCE North 89 degrees 54 minutes 37 seconds East, 327.72 feet along the south line of said Pleasant Run Road to a point for corner, said point being the northeast corner of said Lot 1, and in the west line of said Coggins tract:

THENCE North 01 degrees 57 minutes 28 seconds West, 20.01 feet to a point for corner, said point being the northwest corner of said Coggins tract, and in the south line of said Pleasant Run Road:

THENCE North 89 degrees 58 minutes 02 seconds East, 328.00 feet along the south line of said Pleasant Run Road to a point for corner, said point being the northeast corner of said Coggins tract, and said point being the northwest corner of Morris Manors Addition, an addition to the City of Desoto, as recorded in Volume 73007, Page 533, Dallas County Deed Records:

THENCE South 01 degrees 47 minutes 58 seconds East, 2130.20 feet along the east line of said Coggins tract to a point for corner, said point being the southeast corner of said Coggins tract and the southwest corner of tract of land conveyed to William and Susan Leftwitch, as recorded in Volume 88045, Page 1451, Dallas County Deed Records, and said point being in the north line of Spinner Road:

THENCE South 89 degrees 13 minutes 02 seconds West, 322.00 feet along the north line of Spinner Road to a point for corner, said point being the southwest corner of said Coggins tract:

THENCE North 01 degrees 57 minutes 28 seconds West, 540.59 feet along the west line of said Coggins tract to a point for corner, said point being the northeast corner of Lot 2A, Replat of Lot 2 in Heath Creek Estates, an addition to the City of Desoto, as recorded in Volume 84160, Page 6700, Dallas County Deed Records:

THENCE South 88 degrees 57 minutes 23 seconds West, 323.38 feet to a point for corner, said point being the northwest corner of Lot 3, in the Heath Creek Estates Addition, an addition to the City of Desoto, as recorded in Volume 2316, Page 80238, Dallas County Deed Records:

THENCE North 02 degrees 06 minutes 38 seconds West, 1579.53 feet along the west line of said Lot 2 and the west line of said Lot 1 to the POINT OF BEGINNING and containing 1, 205, 915 square feet or 27.684 acres of land.

**SAVE AND EXCEPT, AND EXCLUDING**, the land to be platted as the two south-most house lots along Spinner Road, with dimensions of approximately 322 feet (along Spinner Road) by 237 feet, containing approximately 76,443 square feet, and shown on the Detailed Site Plan for Sheridan Parc, prepared by Jones & Boyd, Inc., dated February 27, 2004, as Lots 26 & 27, Block A, Sheridan Parc.

200509113304

**APPENDIX B**  
**CONSTRUCTION SPECIFICATIONS**

All improvements on a lot must (1) comply with any applicable City ordinances and codes, (2) have a building permit issued by the City, if the type of improvement requires a permit, and (3) have the Architectural Reviewer's prior written approval. These 3 requirements are independent - one does not ensure or eliminate the need for another. The lot owner and/or owner's contractor must comply with all 3 requirements. Without the Architectural Reviewer's prior written approval for a variance, improvements constructed on every lot must have the following characteristics:

B.1. LOTS. The size of each lot must comply with the requirements of applicable ordinances.

B.2. HOUSES. The principal improvement on a lot must be one detached single family dwelling. The dwelling size, setbacks, and exterior materials must comply with the applicable ordinances and with any higher standards established by the Architectural Reviewer.

B.3. NEW CONSTRUCTION. The dwelling must be constructed on the lot. A dwelling or addition constructed elsewhere may not be moved onto a lot. Factory-built homes are not permitted, even though assembled or finished on the lot. However, components of houses (such as roof trusses) may be manufactured off-site. The construction of a dwelling must be started promptly after the Architectural Reviewer approves the dwelling's plans and specifications. At the start of construction - but not before - building material to be used in the construction may be stored on the lot. Once started, the dwelling and all improvements on the lot must be completed with due diligence.

B.4. MASONRY. For purposes of this Appendix, the following materials qualify as masonry: conventional brick and brick veneer, stone and stone veneer, glass block or brick, and lathed or sprayed stucco. The following materials do not qualify as masonry for purposes of this Appendix, subject to the right of the Architectural Reviewer to grant a variance on a case by case basis: pressed or poured concrete forms, concrete block, and cement fiber board products, such as HardiPlank siding.

B.5. EXTERIOR WALL MATERIALS. The type, quality, and color of exterior wall materials must be approved by the Architectural Reviewer. Generally, at least 75 percent of the dwelling's total exterior area, minus windows and doors, must be masonry or masonry veneer, such as brick, stone, or stucco. Any siding used on the remainder of the dwelling's exterior walls must be a cement fiber board product, such as HardiPlank.

B.6. ROOFS. Roofs must be covered with material having a manufacturer's warranty of at least 20 years, such as GAF Sentinel or its equivalent. The use of fiberglass shingles is permitted. The color of roofing material must be weatherwood or an equivalent earth tone color. The Architectural Reviewer may permit or require other weights, materials, and colors.

B.7. GARAGE & DRIVEWAY. Each dwelling must have an attached garage for at least two standard-size cars. If the lot has alley access, the garage must be a rear or side entry using the alley for access. The driveway must be surfaced with concrete.

B.8. CARPORTS. No carport may be installed, constructed, or maintained on the front of any lot or dwelling, with or without approval of the Architectural Reviewer. No carport may be installed, constructed, or maintained on any other portion of a lot without the Architectural Reviewer's prior written consent. In other words, all carports require the written approval of the Architectural Reviewer, and carports on the front sides or front yards of dwellings are expressly prohibited and may not be authorized.

B.9. LANDSCAPING. Landscaping must be installed on the front and side yards of the lot within 90 days after an occupancy permit is issued for the dwelling. The minimum landscaping requirements are:

- a. A fully sodded front yard.
- b. A fully sodded side yard on the street side of each corner lot.
- c. Trees and landscaping as required by City ordinance.

B.10. ACCESSORIES. Installation of all exterior items and surfaces, including address numbers, decorative hardware, external ornamentation, lights fixtures, and exterior paint and stain, is subject to the Architectural Reviewer's prior approval, including approval of design, color, materials, and location.

B.11. MAILBOXES. Each lot improved with a home must have a curbside mailbox on a masonry pedestal with brick or stone surfaces that are compatible with the brick or stone materials used on the front of the house.

B.12. UTILITIES. All utility lines and equipment must be located underground, except for: (1) elevated or surface lines or equipment required by a public utility or the City; (2) elevated or surface lines or equipment installed by Declarant as part of the development plan; and (3) surface equipment necessary to maintain, operate, or read underground facilities, such as meters, risers, service pedestals, and transformers. The Architectural Reviewer may require that utility meters, risers, pedestals, and transformers be visually screened from the street and neighboring lots. Each lot will use city water and sewage systems. Individual water supply and sewage disposal systems are not permitted.

B.13. AIR CONDITIONERS. Air conditioning equipment may not be installed in the front yard of a dwelling. Window units are prohibited. The Architectural Reviewer may require that air-conditioning equipment and apparatus be visually screened from the street and neighboring lots.

B.14. NO SUBDIVISION. No lot may be subdivided. One or more lots may be replatted with the approval of all owners of the lots directly affected by the replatting, and subject to the approval of the City. The parties executing the replat will provide a copy of the recorded replat to the Association. Replatting of lots may not alter the number of votes and assessments allocated to the lots as originally platted. If replatting reduces the number of lots by combining lots, the joined lot will have the votes and assessments allocated to the lots as originally platted.

B.15. DEBRIS. No lot or other part of the Property may be used a dumping ground. Waste materials incident to construction or repair of improvements on a lot may be stored temporarily on the lot during construction while work progresses and must be removed when construction or repair is complete.

*[End of Appendix B]*

2005 09 13 305

**APPENDIX C**  
**DECLARANT REPRESENTATIONS & RESERVATIONS**

C.1. GENERAL PROVISIONS.

C.1.1. Introduction. Declarant intends the Declaration to be perpetual and understands that provisions pertaining to the initial development, construction, marketing, and control of the Property will become obsolete when Declarant's role is complete. As a courtesy to future users of the Declaration, who may be frustrated by then-obsolete terms, Declarant is compiling the Declarant-related provisions in this Appendix.

C.1.2. General Reservation & Construction. Notwithstanding other provisions of the Documents to the contrary, nothing contained therein may be construed to, nor may any mortgagee, other owner, or the Association, prevent or interfere with the rights contained in this Appendix which Declarant hereby reserves exclusively unto itself and its successors and assigns. In case of conflict between this Appendix and any other Document, this Appendix controls. This Appendix may not be amended without the prior written consent of Declarant. The terms and provisions of this Appendix must be construed liberally to give effect to Declarant's intent to protect Declarant's interests in the Property.

C.1.3. Purpose of Development and Declarant Control Periods. This Appendix gives Declarant certain rights during the Development Period and the Declarant Control Period to ensure a complete and orderly buildout and sellout of the Property, which is ultimately for the benefit and protection of owners and mortgagees. Declarant may not use its control of the Association and the Property for an advantage over the owners by way of retention of any residual rights or interests in the Association or through the creation of any contractual agreements which the Association may not terminate without cause with 90 days' notice.

C.1.4. Definitions. As used in this Appendix and elsewhere in the Documents, the following words and phrases, when capitalized, have the following specified meanings:

- a. "**Builder**" means a person or entity which purchases, or contracts to purchase, a lot from Declarant or from a Builder for the purpose of constructing a dwelling for resale or under contract to an owner other than Declarant. As used in this Declaration, Builder does not refer to Declarant or to any home building or home marketing company that is an affiliate of Declarant.
- b. "**Declarant Control Period**" means that period of time during which Declarant controls the operation of the Association. The duration of the Declarant Control Period will be from the date this Declaration is recorded for a maximum period not to exceed the earlier of:
  - (1) Seven years from date this Declaration is recorded.
  - (2) Four months after title to 85 percent of the lots in the Property has been conveyed to owners other than Builders.

C.1.5. Builders. Declarant, in its own name or through its affiliates, intends to construct dwellings on the lots in connection with the sale of the lots. However, Declarant may, without notice, sell some or all of the lots to one or more Builders to improve the lots with dwellings to be sold and occupied.

C.2. DECLARANT CONTROL PERIOD RESERVATIONS. Declarant reserves the following powers, rights, and duties during the Declarant Control Period:

C.2.1. Officers & Directors. During the Declarant Control Period, the Board may consist of 3 persons. During the Declarant Control Period, Declarant may appoint, remove, and replace any officer or director of the Association, none of whom need be members or owners, and each of whom is indemnified by the Association as a "Leader." Declarant's unilateral right to remove and replace officers and directors applies to officers and directors who were elected or designated by lot owners other than Declarant, as well as to Declarant's appointees.

C.2.2. Weighted Votes. During the Declarant Control Period, the vote appurtenant to each lot owned by Declarant is weighted 3 times that of the vote appurtenant to a lot owned by another owner. In other words, during the Declarant Control Period, Declarant may cast the equivalent of 3 votes for each lot owned by Declarant on any issue before the Association. On termination of the Declarant Control Period and thereafter, the vote appurtenant to Declarant's lots is weighted uniformly with all other votes.

C.2.3. Budget Funding. During the Declarant Control Period only, Declarant is responsible for the difference between the Association's actual operating expenses and the regular assessments received from owners other than Declarant, and will provide any additional funds necessary to pay actual cash outlays of the Association. On termination of the Declarant Control Period, Declarant will cease being responsible for the difference between the Association's operating expenses and the assessments received from owners other than Declarant.

C.2.4. Declarant Reserves. During the Declarant Control Period, Declarant is not required to make contributions to the Association's reserve funds for the lots owned by Declarant. Declarant's obligation to fund the difference in the Association's operating expenses may not be construed to require Declarant to fund reserve accounts.

C.2.5. Declarant Assessments. During the Declarant Control Period, any real property owned by Declarant is not subject to assessment by the Association.

C.2.6. Builder Obligations. During the Declarant Control Period only, Declarant has the right but not the duty (1) to reduce or waive the assessment obligation of a Builder, and (2) to exempt a Builder from any or all liabilities for transfer-related fees charged by the Association or its manager, provided the agreement is in writing. Absent such an exemption, any Builder who owns a lot is liable for all assessments and other fees charged by the Association in the same manner as any owner.

C.2.7. Commencement of Assessments. During the initial development of the Property, Declarant may elect to postpone the Association's initial levy of regular assessments until a certain number of lots are sold. During the Declarant Control Period, Declarant will determine when the Association first levies regular assessments against the lots. Prior to the first levy, Declarant will be responsible for all operating expenses of the Association.

C.2.8. Expenses of Declarant. Expenses related to the completion and marketing of the Property will be paid by Declarant and are not expenses of the Association.

C.2.9. Budget Control. During the Declarant Control Period, the right of owners to veto assessment increases or special assessments is not effective and may not be exercised.

C.2.10. Organizational Meeting. Within 60 days after the end of the Declarant Control Period, or sooner at the Declarant's option, Declarant will call an organizational meeting of the members of the Association for the purpose of electing, by vote of the owners, directors to the board. Written notice of the organizational meeting must be given to an owner of each lot at least 10 days before the meeting. For the organizational meeting, owners of 10 percent of the lots constitute a quorum. The directors elected at the organizational meeting will serve until the next annual meeting of the Association or a special meeting of the Association called for the purpose of electing directors, at which time the staggering of terms will begin.

C.3. DEVELOPMENT PERIOD RESERVATIONS. Declarant reserves the following easements and rights, exercisable at Declarant's sole discretion, at any time during the Development Period:

C.3.1. Platting. If the Property includes unplatted parcels, they may be platted in whole or in part, and in phases. The right to plat belongs to the owner of the unplatted parcel, provided, however, that a plat that creates common areas or obligations for the Association must also be approved by Declarant. Declarant's right to have the Property platted, or to approve such plats, is for a term of years and does not require that Declarant own land described in Appendix A at the time or times Declarant exercises its right of platting.

C.3.2. Withdrawal. During the Development Period, Declarant may withdraw real property from the Property and the effect of this Declaration (1) if the owner of the withdrawn property consents to the withdrawal, and (2) if the withdrawal does not significantly and detrimentally change the appearance, character, operation, or use of the Property.

C.3.3. Changes in Development Plan. Declarant may modify the initial development plan to respond to perceived or actual changes and opportunities in the marketplace. Subject to approval by (1) a governmental entity, if applicable, and (2) the owner of the land or lots to which the change would directly apply (if other than Declarant), Declarant may (a) change the sizes, dimensions, and configurations of lots and streets; (b) change the minimum dwelling size; (c) change the building setback requirements; and (d) eliminate or modify any other feature of the Property.

C.3.4. Builder Limitations. Declarant may require its approval (which may not be unreasonably withheld) of all documents and materials used by a Builder in connection with the development and sale of lots, including without limitation promotional materials; deed restrictions; forms for deeds, lot sales, and lot closings. Without Declarant's prior written approval, a Builder other than a Declarant-affiliate may not use a sales office or model in the Property to market houses, lots, or other products located outside the Property.

C.3.5. Architectural Control. During the Development Period, Declarant has the absolute right to serve as the Architectural Reviewer pursuant to Article 5. Declarant may from time to time, but is not obligated to, delegate all or a portion of its reserved rights under Article 5 and this Appendix to (1) an architectural control committee appointed by the board, or (2) a committee comprised of architects, engineers, or other persons who may or may not be members of the Association. Any such delegation must be in writing and must specify the scope of delegated responsibilities. Any such delegation is at all times subject to the unilateral rights of Declarant (1) to revoke such delegation at any time and reassume jurisdiction over the matters previously delegated and (2) to veto any decision which Declarant in its sole discretion determines to be inappropriate or inadvisable for any reason. Declarant also has the unilateral right to exercise architectural control over vacant lots in the Property. Neither the Association, the board of directors, nor a committee appointed by the Association or board (no matter how the

2005 091 13309

committee is named) may involve itself with the approval of new homes and related improvements on vacant lots.

C.3.6. Amendment. During the Development Period, Declarant may amend this Declaration and the other Documents, without consent of other owners or any mortgagee, for any purpose, including without limitation the following purposes:

- a. To add real property to the Property.
- b. To withdraw real property from the Property.
- c. To create lots, easements, and common areas within the Property.
- d. To subdivide, combine, or reconfigure lots.
- e. To convert lots into common areas.
- f. To modify the construction and use restrictions of Article 6 of this Declaration.
- g. To modify the construction specifications of Appendix B of this Declaration.
- h. To merge the Association with another property owners association.
- i. To comply with requirements of an underwriting lender.
- j. To resolve conflicts, clarify ambiguities, and to correct misstatements, errors, or omissions in the Documents.
- k. To enable any reputable title insurance company to issue title insurance coverage on the lots.
- l. To enable an institutional or governmental lender to make or purchase mortgage loans on the lots.
- m. To change the name or entity of Declarant.
- n. To change the name of the addition in which the Property is located.
- o. To change the name of the Association.
- p. For any other purpose, provided the amendment has no material adverse effect on any right of any owner.

C.3.7. Completion. During the Development Period, Declarant has (1) the right to complete or make improvements indicated on the plat; (2) the right to sell or lease any lot owned by Declarant; and (3) an easement and right to erect, construct, and maintain on and in the common area and lots owned or leased by Declarant whatever Declarant determines to be necessary or advisable in connection with the construction, completion, management, maintenance, leasing, and marketing of the Property, including, without limitation, parking areas, temporary buildings, temporary fencing, portable toilets, storage areas, dumpsters, trailers, and commercial vehicles of every type.

C.3.8. Easement to Inspect & Right to Correct. During the Development Period, Declarant reserves for itself the right, but not the duty, to inspect, monitor, test, redesign, correct, and relocate any structure, improvement, or condition that may exist on any portion of the Property, including the lots, and a perpetual nonexclusive easement of access throughout the Property to the extent reasonably necessary to exercise this right. Declarant will promptly repair, at its sole expense, any damage resulting from the exercise of this right. By way of illustration but not limitation, relocation of a screening wall located on a lot may be warranted by a change of circumstance, imprecise siting of the original wall, or desire to comply more fully with public codes and ordinances. This Section may not be construed to create a duty for Declarant or the Association.

C.3.9. Promotion. During the Development Period, Declarant reserves for itself an easement and right to place or install signs, banners, flags, display lighting, potted plants, exterior decorative items, seasonal decorations, temporary window treatments, and seasonal landscaping

on the Property, including items and locations that are prohibited to other owners and residents, for purposes of promoting, identifying, and marketing the Property and/or Declarant's houses, lots, developments, or other products located outside the Property. Declarant reserves an easement and right to maintain, relocate, replace, or remove the same from time to time within the Property. Declarant also reserves the right to sponsor marketing events - such as open houses, MLS tours, and brokers parties - at the Property to promote the sale of lots. During the Development Period, Declarant also reserves (1) the right to permit Builders to place signs and promotional materials on the Property and (2) the right to exempt Builders from the sign restriction in this Declaration.

***DIFFERENT RULES***

The developer has rights and privileges to use the property in ways that are not available to other owners and residents.

C.3.10. Offices. During the Development Period, Declarant reserves for itself the right to use dwellings owned or leased by Declarant as models, storage areas, and offices for the marketing, management, maintenance, customer service, construction, and leasing of the Property and/or Declarant's developments or other products located outside the Property. Also, Declarant reserves for itself the easement and right to make structural changes and alterations on and to lots and dwellings used by Declarant as models, storage areas, and offices, as may be necessary to adapt them to the uses permitted herein.

C.3.11. Access. During the Development Period, Declarant has an easement and right of ingress and egress in and through the Property for purposes of constructing, maintaining, managing, and marketing the Property and for discharging Declarant's obligations under this Declaration. Declarant also has the right to provide a reasonable means of access for the homebuying public through any existing or future gate that restricts vehicular access to the Property in connection with the active marketing of lots and homes by Declarant or Builders, including the right to require that the gate be kept open during certain hours and/or on certain days. This provision may not be construed as an obligation or intent to gate the Property.

C.3.12. Utility Easements. During the Development Period, Declarant may grant permits, licenses, and easements over, in, on, under, and through the Property for utilities, roads, and other purposes necessary for the proper development and operation of the Property. Declarant reserves the right to make changes in and additions to the easements on any lot, as shown on the plat, to more efficiently or economically install utilities or other improvements. Utilities may include, but are not limited to, water, sewer, trash removal, electricity, gas, telephone, television, cable, internet service, and security. To exercise this right as to land that is not a common area of the Property or not owned by Declarant, Declarant must have the prior written consent of the land owner.

C.3.13. Assessments. For the duration of the Development Period, any lot owned by Declarant is not subject to mandatory assessment by the Association until the date Declarant transfers title to an owner other than Declarant. If Declarant owns a lot on the expiration or termination of the Development Period, from that day forward Declarant is liable for assessments on each lot owned by Declarant in the same manner as any owner.

C.3.14. Land Transfers. During the Development Period, any transfer of an interest in the Property to or from Declarant is not subject to any transfer-related provision in the Documents, including without limitation an obligation for transfer or resale certificate fees, and

200509113311



the transfer-related provisions of Article 7 of this Declaration. The application of this provision includes without limitation Declarant's lot take-downs, Declarant's sale of lots to Builders, and Declarant's sale of lots to homebuyers.

C.4. COMMON AREAS. Declarant will convey title to the common areas to the Association by one or more deeds - with or without warranty. Any initial common area improvements will be installed, constructed, or authorized by Declarant, the cost of which is not a common expense of the Association. At the time of conveyance to the Association, the common areas will be free of encumbrance except for the property taxes accruing for the year of conveyance. Declarant's conveyance of title is a ministerial task that does not require and is not subject to acceptance by the Association or the owners. The transfer of control of the Association at the end of the Declarant Control Period is not a transfer of common areas requiring inspection, evaluation, acceptance, or approval of common area improvements by the owners.

C.5. INITIAL RESERVE FUND. As required by City Ordinance No. 1576-04, Declarant will establish an initial reserve fund for the Association, to be funded by initial one-time contributions from homebuyers. The amount of the contribution to this fund will be **\$75.00 per lot**, and will be collected on the closing of the sale of the lot to an owner other than Declarant, a Successor Declarant, a Declarant-affiliate, or a Builder. If a lot's contribution is not collected from the homebuyer at closing, the owner remains liable for the contribution until it is received by the Association. During the period of Declarant Control, the Association may not use this initial reserve fund. Contributions to the fund are not advance payments of regular assessments and are not refundable to the contributor by the Association or by Declarant. This may not be construed to prevent a selling owner from negotiating reimbursement of the contribution from a purchaser.

C.6. WORKING CAPITAL FUND. Declarant will also establish a working capital fund for the Association by requiring homebuyers to make a one-time contribution of **\$75.00 per lot** to the Association, to be collected on the closing of the sale of the lot to an owner other than Declarant, a Successor Declarant, a Declarant-affiliate, or a Builder. If a lot's contribution is not collected from the homebuyer at closing, neither Declarant nor the owner of the lot is thereafter liable for the contribution.

Declarant may not use the fund to defray Declarant's expenses or construction costs. Contributions to the fund are not advance payments of regular assessments and are not refundable to the contributor by the Association or by Declarant. This may not be construed to prevent a selling owner from negotiating reimbursement of the contribution from a purchaser.

C.7. SUCCESSOR DECLARANT. Declarant may designate one or more Successor Declarants for specified designated purposes and/or for specified portions of the Property, or for all purposes and all of the Property. To be effective, the designation must be in writing, signed and acknowledged by Declarant and Successor Declarant, and recorded in the Real Property Records of Dallas County, Texas. Declarant (or Successor Declarant) may subject the designation of Successor Declarant to limitations and reservations. Unless the designation of Successor Declarant provides otherwise, a Successor Declarant has the rights of Declarant under this Section and may designate further Successor Declarants.

*[End of Appendix C]*

**APPENDIX E**

**CONSENT TO DECLARATION  
BY OWNER OF LAND**

M. R. Development Corporation acquired the real property described in Appendix A of this Declaration of Covenants, Conditions & Restrictions for Sheridan Parc by the following instruments:

- Warranty Deed with Vendor's Lien, recorded on September 1, 2004, in Volume 2004169, Page 02066, Real Property Records, Dallas County, Texas.
- Warranty Deed with Vendor's Lien, recorded with Correction Affidavit on March 10, 2005, in Volume 2005051, Page 1268, Real Property Records, Dallas County, Texas, having been previously recorded on September 1, 2004, in Volume 2004169, Page 02052, Real Property Records, Dallas County, Texas.
- Warranty Deed, recorded on December 10, 2004, in Volume 2004238, Page 06553, Real Property Records, Dallas County, Texas.

As the owner of real property in Sheridan Parc, M. R. Development Corporation hereby consents to the Declaration of Covenants, Conditions & Restrictions for Sheridan Parc, and acknowledges, agrees, understands, and desires that any and all real property described in Appendix A that is owned by M. R. Development Corporation will become subject to the Declaration when the Declaration is recorded in the Real Property Records of Dallas County, Texas.

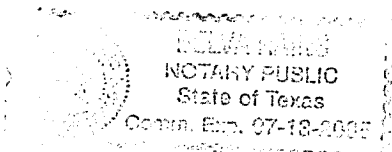
SIGNED this 18<sup>th</sup> day of April 2005.

**M. R. DEVELOPMENT CORPORATION**, a Texas corporation

By: *Kim McCaslin Schlieker*  
Kim McCaslin Schlieker, Secretary

THE STATE OF TEXAS     §  
  §  
COUNTY OF TARRANT   §

This instrument was acknowledged before me on the 18<sup>th</sup> day of April 2005, by Kim McCaslin Schlieker, Secretary of M. R. Development Corporation, a Texas corporation, on behalf of the corporation.



*Selva Rains*  
Notary Public, The State of Texas

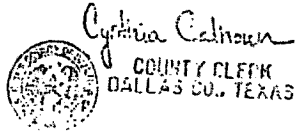
2005091113313

2005 075 00117

2005 APR 18 160500Z

FILED AND RECORDED  
OFFICIAL PUBLIC RECORDS

2005 APR 18 PM 2:41



AFTER RECORDING, PLEASE RETURN TO:

Ms. Sharon Reuler  
SETTLEPOU  
3333 Lee Parkway, Eighth Floor  
Dallas, Texas 75219

2005 075 00118