

**Documents For
The Villages of
Carmel
Homeowners'
Association, Inc.**

Articles of Incorporation

**CERTIFICATE OF FORMATION
OF
THE VILLAGES OF CARMEL HOMEOWNERS' ASSOCIATION, INC.**

Corporations Section

This Certificate of Formation, dated August 3, 2006, has been duly executed and is filed pursuant to the Texas Business Organizations Code (the "TBOC") to form a non-profit corporation under the TBOC.

1. **Entity Type and Name.** The entity being formed is a non-profit corporation. The name of the non-profit corporation (the "Association") is The Villages of Carmel Homeowners' Association, Inc.

2. **Registered Agent; Registered Office.** The name of the initial registered agent of the Association in the State of Texas is Wallace Creel. The address of the initial registered office of the Association is 15950 N. Dallas Parkway, Suite 750, Dallas, Texas 75248.

3. **Purpose.** The purpose for which the Association is organized is to be and constitute, and to exercise all powers and privileges and perform all duties and obligations of, the Association to which reference is made in the "Master Declaration of Covenants, Conditions, and Restrictions for The Villages of Carmel" (the "Declaration") instrument pertaining to the single-family subdivision within the City of Denton, Denton County, Texas, as recorded or to be recorded (and amended or supplemented from time to time) in the Real Property Records of Denton County, Texas. The Association shall not engage in any purpose, action or activity that is prohibited by the Texas Nonprofit Corporation Law and by other applicable law. The Association does not contemplate pecuniary gain or profit, direct or indirect, to its members.

4. **Duration.** The period of the Association's duration is perpetual.

5. **Members.** The Association shall have one or more classes of members. The designation of such class or classes, the manner of election or appointment and the qualifications and rights of the members of each class are set forth within the Declaration and the Bylaws of the Association.

6. **Indemnification.** To the full extent permitted by applicable law, no director or officer of this Association shall be liable to this Association or its members for monetary damages for an act or omission in such director's or officer's capacity as a director or officer of this Association, except that this Article 6 does not eliminate or limit the liability of a director or officer of this Association for:

- A. a breach of such director's or officer's duty of loyalty to this Association or its members;

- B. an act or omission not in good faith that constitutes a breach of duty of such director or officer to the Association or that involves intentional misconduct or a knowing violation of the law;
- C. a transaction from which such director or officer received an improper benefit, whether or not the benefit resulted from an action taken within the scope of such director's or officer's office;
- D. an act or omission for which the liability of such director or officer is expressly provided for by statute; or
- E. an act related to an unlawful stock repurchase or payment of a dividend.

Any repeal or amendment of this Article by the members of this Association shall be prospective only, and shall not adversely affect any limitation on the personal liability of a director or officer of this Association existing at the time of such repeal or amendment. In addition to the circumstances in which a director or officer of this Association is not personally liable as set forth in the foregoing provisions of this Article 6, a director or officer shall not be liable to the full extent permitted by the provisions of the TBOC that further limit the liability of a director or officer as the same may be amended from time to time.

To the full extent permitted by applicable law, the Association shall indemnify any director or officer against judgments, penalties (including excise and similar taxes), fines, settlements and reasonable expenses (including court costs and attorney's fees) actually incurred by any such 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 or officer and shall advance to such person such reasonable expenses as are incurred by him in connection therewith. The rights of directors and officers set forth in this Article 6 shall not be exclusive of any other right which directors or officers may have or hereafter acquire relating to the subject matter hereof. As used in this Article 6, the terms "director" and "officer" shall mean any person who is or was a director or officer of the Association and any person who, while a director or officer of the Association, is or was serving at the request of the Association as a director, officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise. As used in this Article 6, the term "proceeding" means any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitral or investigative, any appeal in any such action, suit or proceeding and any inquiry or investigation that could lead to such an action, suit or proceeding.

7. **Action Without a Meeting.** Any action authorized or required by the Texas Nonprofit Corporation Law to be taken at any annual or special meeting of members, board of directors, or any committee thereof, or any action that may be taken at any annual or special meeting of members, may be taken without a meeting, without prior notice, and without a vote, if a consent or consents in writing, setting forth the action so taken, shall have been signed by a sufficient number of members, directors, or committee members as would be necessary to take

that action at a meeting at which all of the members, directors, or members of the committee were present and voted.

8. **Initial Directors.** The number of directors constituting the initial Board of Directors is three (3), and the names and address of the persons who are to serve as directors are:

Steve Buttry
15950 N. Dallas Parkway, Suite 750
Dallas, Texas 75248

Brett Cormier
15950 N. Dallas Parkway, Suite 750
Dallas, Texas 75248

Wallace Creel
15950 N. Dallas Parkway, Suite 750
Dallas, Texas 75248

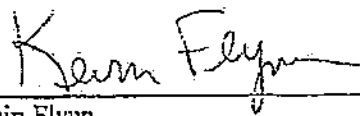
The number of directors may be changed as provided in the Bylaws of the Association, provided, however, that the number of directors may never be less than three (3).

9. **Distribution of Assets Upon Winding Up.** Upon the winding up of the Association, the Association's assets shall be distributed in the manner provided by Section 22.304 of the TBOC.

10. **Organizer.** The name and address of the sole organizer of the Association is Jeffrey A. Mullins, Scheef & Stone, L.L.P., 5956 Sherry Lane, Suite 1400, Dallas, Texas 75225.

IN WITNESS WHEREOF, this Certificate of Formation has been executed on the 3rd day of August 2006 by the undersigned, and the undersigned sole organizer does hereby disclaim any and all interests in the Association.

SOLE ORGANIZER



Kevin Flynn

Bylaws

**UNANIMOUS CONSENT OF THE
BOARD OF DIRECTORS
OF
THE VILLAGES OF CARMEL HOMEOWNERS' ASSOCIATION, INC.**

The undersigned, being all of the directors named in the Certificate of Formation of THE VILLAGES OF CARMEL HOMEOWNERS' ASSOCIATION, INC., a Texas non-profit corporation (herein called the "Corporation"), hereby waive the requirement of holding a Meeting of the Board of Directors of the Corporation and hereby unanimously consent to the adoption by the Board of Directors of the Corporation of the following resolutions:

RESOLVED: That Harold Holigan hereby resigns from the positions of Director and in all officer capacities of the Corporation, such resignation to be effective immediately.

RESOLVED, FURTHER: That, Brady Giddens, being the sole remaining Director of the Corporation, hereby appoints Justin Bono to act as the successor Director of Harold Holigan, pursuant to the terms and conditions of the Bylaws of the Corporation

RESOLVED, FURTHER: That any and all action taken in good faith by the officers and directors of the Corporation prior to the date hereof on behalf of the Corporation and in furtherance of the transactions contemplated by the foregoing resolution are in all respects ratified, confirmed, and approved by the Corporation as its own act and deed, and shall be conclusively deemed to be such corporate act and deed for all purposes.

RESOLVED, FURTHER: That the officers and directors of the Corporation be and they are hereby authorized and directed to execute any and all further instruments and to do and perform any and all such other acts and things that may be necessary or proper to carry out the purposes and intent of the foregoing resolutions.

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IN WITNESS WHEREOF, the undersigned members of the Board of Directors of the Corporation have set their hands to be effective as of the 2nd day of July, 2014.


Justin Bond


Harold Holgan


Brady Giddens

**UNANIMOUS CONSENT OF THE
BOARD OF DIRECTORS
OF
THE VILLAGES OF CARMEL HOMEOWNERS' ASSOCIATION, INC.**

The undersigned, being all of the directors named in the Certificate of Formation of THE VILLAGES OF CARMEL HOMEOWNERS' ASSOCIATION, INC., a Texas non-profit corporation (herein called the "Corporation"), hereby waive the requirement of holding a Meeting of the Board of Directors of the Corporation and hereby unanimously consent to the adoption by the Board of Directors of the Corporation of the following resolutions:

RESOLVED: That Brady Giddens hereby resigns from the positions of Director and in all officer capacities of the Corporation, such resignation to be effective immediately.

RESOLVED, FURTHER: That, Justin Bono, being the sole remaining Director of the Corporation, hereby appoints Glen A. Bellinger to act as the successor Director of Brady Giddens, pursuant to the terms and conditions of the Bylaws of the Corporation

RESOLVED, FURTHER: That any and all action taken in good faith by the officers and directors of the Corporation prior to the date hereof on behalf of the Corporation and in furtherance of the transactions contemplated by the foregoing resolution are in all respects ratified, confirmed, and approved by the Corporation as its own act and deed, and shall be conclusively deemed to be such corporate act and deed for all purposes.

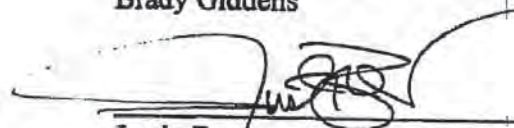
RESOLVED, FURTHER: That the officers and directors of the Corporation be and they are hereby authorized and directed to execute any and all further instruments and to do and perform any and all such other acts and things that may be necessary or proper to carry out the purposes and intent of the foregoing resolutions.

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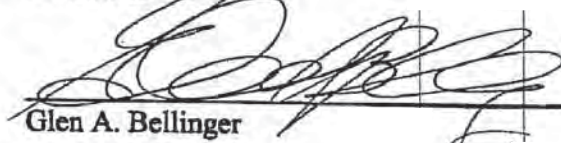
IN WITNESS WHEREOF, the undersigned members of the Board of Directors of the Corporation have set their hands to be effective as of the 7ND day of JULY, 2014.



Brady Giddens



Justin Bonn



Glen A. Bellinger

**BYLAWS
OF
THE VILLAGES OF CARMEL HOMEOWNERS' ASSOCIATION, INC.
A TEXAS NON-PROFIT CORPORATION**

Organized: August 3, 2006

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**BYLAWS
OF
THE VILLAGES OF CARMEL HOMEOWNERS' ASSOCIATION, INC.
A TEXAS NON-PROFIT CORPORATION**

**ARTICLE I
NAME AND LOCATION**

The name of the association is **THE VILLAGES OF CARMEL HOMEOWNERS' ASSOCIATION, INC.** (the "Association"). The Association is a non-profit corporation organized under the Texas Nonprofit Corporation Law. The principal office of the Association shall be located at 15950 N. Dallas Parkway, Suite 750, Dallas, Texas 75248, but meetings of members and directors may be held at such places within the State of Texas as may be designated by the Board of Directors.

**ARTICLE II
PURPOSE AND PARTIES**

Section 2.01. Purpose. The purpose for which the Association is formed is to govern The Villages of Carmel subdivision ("Subdivision"), situated in the City of Denton, County of Denton, State of Texas, which property is described in that certain Master Declaration of Covenants, Conditions, and Restrictions for The Villages of Carmel (as the same may be hereafter amended or supplemented, the "Declaration"), and recorded in the Real Property Records of Denton County, Texas.

Section 2.02. Parties. All present or future owners ("Owners") of the lots in the Subdivision ("Lots"), tenants or future tenants of any Lot, or any other person who might use in any manner the facilities of the properties owned, managed or controlled by the Association ("Properties") are subject to the provisions and the regulations set forth in these Bylaws. The mere acquisition, lease or rental of any Lot or the mere act of occupancy of a Lot will signify that these Bylaws are accepted, approved, ratified, and will be complied with.

**ARTICLE III
DEFINITIONS**

The definitions contained in the Declaration are incorporated herein by reference.

**ARTICLE IV
MEMBERSHIP AND VOTING RIGHTS**

Section 4.01. Membership. Each and every Owner shall automatically be a member of the Association ("Member") without the necessity of any further action on his part, subject to the terms of the Declaration, the Certificate of Formation, these Bylaws, and the rules and regulations with respect to the Properties from time to time promulgated by the Association. Membership shall be appurtenant to and may not be separated from the interest of such Owner in and to any portion of the Lot owned by such Owner. Ownership of any portion of the Lots shall be the sole qualification for being a Member; provided, however, a Member's voting rights may

be regulated or suspended as provided in the Declaration, these Bylaws, and/or the rules and regulations promulgated thereunder. Persons or entities shall be Members by reason of ownership of land dedicated and accepted by the local public authority and devoted to public use and such land shall be owned subject to all of the terms and provisions of the Declaration except that: (i) ownership of land devoted to purposes described in this sentence shall not create any votes in the Members owning such land, and (ii) such non-voting Members shall not be required to pay any assessments other than special individual assessments as described and authorized in the Declaration. No person or entity shall be a Member by reason of ownership of any easement, right-of-way, or mineral interest. In addition, any person or entity that holds an interest in and to all or any part of the Lots merely as security for the performance of an obligation shall not be a Member.

Section 4.02. Transfer. Membership may not be severed from the Lots nor may it be in any way transferred, pledged, mortgaged or alienated except upon the sale or assignment of the Owner's interest in all or any part of the Lots and then only to the purchaser or assignee as the new Owner thereof. Membership shall not be severed by the encumbrance by an Owner of all or any part of the Lots. Any attempt to make a prohibited severance, transfer, pledge, mortgage or alienation shall be void and of no further force or effect, and will be so reflected upon the books and records of the Association. Any transfer of the fee title to a Lot shall automatically operate to transfer membership to the new Owner thereof. In the event an Owner should fail or refuse to transfer the membership registered in such Owner's name to the transferee, the Association shall have the right to record the transfer upon its books and records.

Section 4.03. Voting Rights. The provisions dealing with the voting rights are set forth in the Declaration.

Section 4.04. Multiple Owner Votes. Where there are multiple Owners of a Lot it is not intended by any provision of the Declaration or these Bylaws that each of said Owners shall be entitled to cast the votes allocated to such Lot nor may fractional votes be cast. When more than one person or entity owns the interest or interests in and to any Lot, as required for membership in the Association, each and every person or entity shall be a Class A Member, and the votes for any such Lot shall be exercised as they, among themselves, collectively determine and they shall designate one person to cast the votes or execute a written consent, as applicable. The Owners of such Lot will notify the Association, in writing, of the person so designated. Such notice will not be valid unless signed by all Owners of such Lot. The Association shall not be required to recognize the vote or written assent of any such multiple Owners except the vote or written assent of the Owner designated in writing executed by all of such multiple Owners and delivered to the Association.

If such Owners are unable to agree among themselves as to how the one vote per Lot shall be cast, they shall forfeit the right to vote on the matter in question. If more than one person or entity purports to exercise the voting rights with respect to any such Lot on any matter in question, none of such votes shall be counted in tabulating the vote on such matter and such votes shall be deemed void.

Section 4.05. Suspension of Voting Rights. The voting rights of any Member may be suspended by the Board for any period during which any assessment levied by the Association

remains past due, unless the Member is in good faith contesting the validity or amount of the Assessment. The voting rights of any Member may also be suspended by the Board for a period not to exceed sixty (60) days for an infraction of the rules and regulations set forth in the Declaration.

Section 4.06. Quorum, Notice and Voting Requirements.

(a) Subject to the provisions of Paragraph (d) of this Section, any action taken at a meeting of the Members for which voting requirements are not specifically addressed by the Declaration shall require the assent of the majority of all of the votes of those who are voting in person or by proxy, regardless of class, at a duly called meeting at which a quorum is present.

(b) The presence at the initial meeting of Members entitled to cast, or of proxies entitled to cast, sixty percent (60%) of the votes of all Owners, regardless of class, shall constitute a quorum for any action except as otherwise provided in the Certificate of Formation, the Declaration or these Bylaws. If the required quorum is not present or represented at the meeting, subsequent meetings may be called, subject to the notice requirements set forth below, and the required quorum at each subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting; provided, however, that no such subsequent meeting shall be held more than sixty (60) days following the preceding meeting, and provided that once the required quorum for the subsequent meeting is present or represented at the meeting, no further subsequent meetings with reduced requirements for a quorum shall be held.

(c) Written notice of each meeting of the Members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least ten (10) but not more than fifty (50) days before such meeting to each Member, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

(d) As an alternative to the procedure set forth above, any action referred to in this Section may be taken without a meeting if a consent in writing, approving of the action to be taken, shall be signed by all Members or the percentage of Members required by the Declaration to take such action.

(e) In the event of a conflict between these Bylaws, the Declaration and the Certificate of Formation in the notice, voting and quorum requirements for actions to be taken by the Association, the requirements under the Declaration shall control.

Section 4.07. Annual Meeting. The first annual meeting of the Members shall be held within one (1) year after the date of formation of the Association. Thereafter, annual meetings shall be set by the Board so as to occur not later than ninety (90) days after the close of the Association's prior fiscal year. The time and place of all annual meetings shall be determined by

the Board. The Board shall give written notice of the place of holding of the meeting to all Members.

Section 4.08. Special Meetings. Special meetings of the Members may be called at any time by the Declarant, by the President, by the Board, or upon the written request for a special meeting from Members who are entitled to vote at least sixty percent (60%) of the outstanding votes of the Members (all classes counted together).

Section 4.09. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary before the appointed time of each meeting. Proxies shall be revocable and shall automatically cease upon conveyance by the Member of his Lot, or upon receipt by the Secretary of the Association of notice of the death or judicially declared incompetence of such Member. Unless otherwise provided in the proxy, no proxy shall be valid after the expiration of eleven (11) months from the date thereof unless otherwise provided therein, except that the maximum term of any proxy shall be three (3) years from the date of execution.

Section 4.10. Action Without Meeting By Written Consent. Any action which may be taken by the Members at a regular or special meeting, other than the election of directors, may be taken without a meeting if done in compliance with relevant provisions of the Texas Nonprofit Corporation Law and these Bylaws.

ARTICLE V BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

Section 5.01. Number. The affairs of this Association shall be managed by a Board of not less than three (3) or more than five (5) directors (herein, the "Board"). The number of directors may be changed by amendment of these Bylaws. The members of the initial Board or their successors, shall serve until the first annual meeting of the Members.

Section 5.02. Term of Office. At the first duly called meeting at which a quorum is present, the Members, voting regardless of class, shall elect two (2) directors for a term of two (2) years each and one (1) director for a term of three (3) years. At each annual duly called meeting thereafter at which a quorum is present, the Members, voting regardless of class, shall elect to replace those directors whose terms have expired. With the exception of the director elected at the first meeting to serve for a term of three (3) years, all directors shall serve for a term of two (2) years.

Section 5.03. Removal. So long as there exists any Class B Memberships, the entire Board may be removed from office, with the prior approval of the Declarant, with or without cause, by a vote of Members holding a majority of the votes. When Class B Memberships no longer exist, the entire Board may be removed from office, with or without cause, by a vote of Members holding a majority of the votes.

Section 5.04. Vacancies. Vacancies on the Board shall be filled subject to the following provisions:

(a) Vacancies by Death or Resignation. In the event of the death or resignation of a director, a successor director shall be selected by a majority of the remaining members of the Board and shall serve for the unexpired term of such director.

(b) Vacancies by Removal. Vacancies created by the removal of a director shall be filled only by a vote of Members holding a majority of the votes. Such director shall serve for the unexpired term of the removed director.

(c) Vacancies by Increase in Directorships. Any vacancy to be filled by reason of an increase in the number of directors shall be filled by election at an annual meeting or at a special meeting of Members called for that purpose.

Section 5.05. Indemnification of Officers and Directors. Except in cases of fraud, willful malfeasance, gross negligence or bad faith of the director or officer in the performance of duties, and subject to the provisions of applicable Texas law, each director and officer shall be indemnified by the Association and the Members against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed upon him or her by judgment or settlement in connection with any proceeding to which he or she may be a party, or may become involved by reason of being or having been a director or officer of the Association. The Association may indemnify its officers and directors to the extent permitted by the Texas Business Organizations Code.

The Association may purchase and maintain insurance on behalf of any director or officer or may enter into other arrangements, such as creating a trust fund, establishing a form of self-insurance, or establishing a letter of credit, guaranty or surety arrangement, in connection with indemnification of directors and officers, provided, however, that in no event shall the grant of a security interest or other lien on the assets of the Association ever be given to secure an indemnity obligation under this Section 5.05.

Section 5.06. Compensation and Loans. No director shall receive compensation for any service such director may render to the Association. However, directors shall be reimbursed for actual expenses incurred in the performance of his or her duties of office. No loans may be made by the Association to any officer or director of the Association.

Section 5.07. Action Without Meeting and Telephone Meetings. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of the number of directors necessary to take that action at a meeting at which all of the directors are present and voting. Any action so approved shall have the same effect as though taken at a meeting of the directors. The Board may hold duly called meetings between directors by conference, telephone or other similar communications equipment by means of which all participants in the meeting can hear each other.

ARTICLE VI NOMINATION AND ELECTION OF DIRECTORS

Section 6.01. Nominations. Nominations for election to the Board shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board,

and two or more Members. The Nominating Committee shall be appointed by the Board not less than thirty (30) days prior to each annual meeting of the Members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board as it in its discretion shall determine, but not less than the number of vacancies that are to be filled. Such nominations must be made from Owners or, where such Owner is not an individual person, an officer, director, shareholder, partner or representative of an Owner.

Section 6.02. Election of Board. The initial Board shall be set forth in the Certificate of Formation of the Association. The first election of the Board shall be conducted at the first meeting of the Association. All positions on the Board shall be filled at that election. Thereafter, directors shall be elected by Members at the annual meeting. At such elections the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VII MEETINGS OF DIRECTORS

Section 7.01. Regular Meetings. Regular meetings of the Board shall be held quarterly annually at such place within the State of Texas, and at such hour as may be fixed from time to time by resolution of the Board. If the meeting date falls upon a Saturday, Sunday or legal holiday, then that meeting shall be held at the same time on the next day which is not a Saturday, Sunday or legal holiday. Notice of the agenda and place of meeting shall be delivered either personally, by mail, by telephone, telegraph or facsimile communication equipment to the Board members not less than four (4) days prior to the meeting. However, notice of a meeting need not be given to Board members who have signed a waiver of notice or a written consent to the holding of the meeting. Attendance in person at a meeting, except where such director attends for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened, shall constitute waiver of notice and such director's consent to the holding of said meeting. Participation by a director in a meeting by telephone or similar communication equipment shall constitute waiver of notice and attendance in person at such meeting.

Section 7.02. Special Meetings. Special meetings of the Board shall be held when called by written notice signed by the President or by any two (2) directors other than the President. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be sent to all directors by mail not less than three (3) days prior to the scheduled time of the meeting, provided that notice of the meeting need not be given to Board members who have signed a waiver of notice or a written consent to the holding of the meeting. An officer of the Association shall make reasonable efforts to notify all directors of the meeting by telephone. Attendance in person at a meeting, except where such director attends for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened, shall constitute waiver of notice and such director's consent to the holding of said meeting. Participation by a director in a meeting

by telephone or similar communication equipment shall constitute waiver of notice and attendance in person at such meeting.

Section 7.03. Quorum. A majority of the total number of directors constituting the Board shall constitute a quorum for the transaction of business. Every act performed or decision made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

Section 7.04. Open Meetings. All meetings of the Board shall be open to all Members, but Members other than directors may not participate in any discussion or deliberation unless expressly so authorized by a majority of a quorum of the Board.

Section 7.05. Executive Session. The Board may, with approval of a majority of a quorum of the Board, adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved, disciplinary matters, and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

ARTICLE VIII GENERAL POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 8.01. Powers and Duties. The affairs of the Association shall be conducted by the Board. In addition to the powers and duties enumerated in the Declaration or elsewhere herein, and without limiting the generality thereof, the Board, for the mutual benefit of the Members, shall have the powers and/or duties set forth in the Declaration and the following powers and/or duties:

(a) If, as and when the Board, in its sole discretion, deems necessary it may take such action to enforce the terms and provisions of the Declaration, the Certificate of Formation and these Bylaws by appropriate means and carry out the obligations of the Association thereunder, including, without limitation, the expenditure of funds of the Association, the employment of legal counsel and accounting services, the commencement of legal causes of action, the promulgation and enforcement of the Association rules which may include the establishment of a system of fines and/or penalties enforceable as special individual assessments as provided in the Declaration and to enjoin and/or seek legal damages from any Owner for violation of such provisions or rules;

(b) To contract for and maintain such policy or policies of insurance as may be required by the Declaration or as the Board deems necessary or desirable in furthering the purposes of and protecting the interest of the Association and its Members;

(c) To enter into contracts for legal and accounting services, maintain one or more bank accounts, and generally, to have the powers necessary or incidental to the operation and management of the Association;

(d) If, as and when the Board, in its sole discretion, deems it necessary it may, but shall not be obligated to, sue and defend in any court of law on behalf of the Association or one (1) or more of its Members;

(e) To establish and maintain a working capital and/or contingency fund in an amount to be determined by the Board;

(f) To make reasonable rules and regulations for the use of the Common Areas and to amend same from time to time;

(g) To make an unaudited annual report available (within one hundred twenty (120) days after the end of each fiscal year) to each Owner;

(h) Subject to the terms of the Declaration, to adjust the amount, collect and use any insurance proceeds to cover any insured liability of the Association;

(i) To delegate its powers and duties to committees, officers or employees as provided in these Bylaws, employ a manager or other persons and contract with independent contractors or managing agents who have professional experience to perform all or any part of the duties and responsibilities of the Association, provided that any contract with a person or entity appointed as a manager or managing agent shall be terminable with or without cause on not more than ninety (90) days written notice by the Association and shall have a term of not more than one (1) year with successive one (1) year renewal periods upon the mutual agreement of the parties;

(j) To suspend the voting rights of any Owners who have failed to pay their assessments or who have otherwise violated the Declaration, these Bylaws or the rules and regulations of the Association;

(k) To cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by twenty-five percent (25%) or more of the outstanding votes of the Members, regardless of class;

(l) To elect the officers of the Association, as provided in these Bylaws;

(m) To fill vacancies on the Board, in accordance with **Section 5.04(a)** hereof;
and

(n) Generally, to have the powers necessary or incidental to the operation and management of the Association.

Section 8.02. Contracts Terminable. So long as there exists any Class B Memberships, the Board shall not enter into any contracts or agreements unless such contracts or agreements are terminable by the Board upon ninety (90) days prior written notice or less.

ARTICLE IX OFFICERS AND THEIR DUTIES

Section 9.01. Enumeration of Officers. The officers of the Association shall be as follows:

- (a) A President, who shall at all times be a member of the Board;
- (b) A Vice President, who shall at all times be a member of the Board;
- (c) A Secretary, who may or may not be a member of the Board;
- (d) A Treasurer, who may or may not be a member of the Board; and
- (e) Such other officers, who may or may not be members of the Board, as the Board may from time to time by resolution create.

Section 9.02. Multiple Offices. The offices of President and Secretary may be held by the same person.

Section 9.03. Election of Officers. At its organizational meeting following the formation of the Association, the directors shall elect officers. Thereafter, the election of officers shall take place at the first meeting of the Board following each annual meeting of the Members.

Section 9.04. Term. The officers shall be elected annually by the Board and each shall hold office for one (1) year unless an officer shall sooner resign, be removed, or otherwise become disqualified to serve.

Section 9.05. Special Appointments. The Board may elect such other officers or appoint such other agents as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 9.06. Resignation and Removal. Any officer may be removed from office by the Board with or without cause. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 9.07. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the replaced officer.

Section 9.08. Duties. The duties of the officers are as follows:

- (a) President. The President shall (i) preside at all meetings of the Board; (ii) see that orders and resolutions of the Board are carried out; (iii) sign all contracts, leases, mortgages, deeds and other written instruments; provided, however, that any duly

authorized officer may sign checks and promissory notes; and (iv) shall perform such other duties as may be required by the Board.

(b) Vice President. The Vice President shall (i) act in the place and stead of the President in the event of the President's absence, inability or refusal to act; and (ii) shall exercise and discharge such other duties as may be required by the Board.

(c) Secretary. The Secretary shall (i) record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; (ii) keep the corporate seal of the Association and affix it on all papers requiring said seal; (iii) serve notice of meetings of the Board and of the Members; (iv) keep appropriate current records showing the Members of the Association together with their addresses; and (v) perform such other duties as required by the Board.

(d) Treasurer. The Treasurer shall (i) receive and deposit in appropriate bank accounts all monies of the Association; (ii) disburse such funds as directed by resolution of the Board; (iii) maintain the financial records of the Association; and (iv) perform such other duties of a similar nature as may be required by the Board.

ARTICLE X COMMITTEES

The Board and/or the Declarant shall appoint a New Construction Review Board and a Modifications Committee, as provided in the Declaration. The provisions of Article VI of the Declaration specifically set forth the rights, duties, obligations, responsibilities and liabilities of the New Construction Review Board and its members and of the Modifications Committee and its members and those provisions are incorporated herein by reference for all purposes. In addition, the Board shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE XI CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the name of the Association.

ARTICLE XII BOOKS AND RECORDS

Section 12.01. Inspection by Members. The membership register, books of account and minutes of meetings of the Members, of the Board and of committees shall be made available for inspection and copying by any Member or by the Member's appointed representative, at any reasonable time and for a purpose reasonably related to the Member's interest, at the office of the Association or at such other place as the Board may designate.

Section 12.02. Rules for Inspection. The Board shall establish reasonable rules with respect to:

- (a) Notice to be given to the custodian of the records by the Member desiring to make the inspection;
- (b) Hours and days of the week when such an inspection may be made; and
- (c) Payment of the cost of reproducing copies of requested documents.

Section 12.03. Inspection by Directors. Every director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical property owned by the Association. The rights of inspection by a director includes the right to make extra copies of documents.

ARTICLE XIII ASSESSMENTS

The provisions of the Declaration specifically set forth the rights, obligations and liabilities of the Association and its Members relative to the levy, collection and use of assessments and those provisions are incorporated herein by reference for all purposes.

ARTICLE XIV INDEMNIFICATION

Subject to the provisions of Title 1, Chapter 8 of the Texas Business Organizations Code, the Association may indemnify directors, officers, agents and employees as follows:

1. Extent.

(a) Statutorily Required Indemnification. The Association shall indemnify its directors and officers against reasonable expenses incurred in connection with a proceeding in which the director or officer is named as a defendant or respondent because he is or was a director or officer of the Association if he has been wholly successful, on the merits or otherwise, in the defense of the proceeding. The Association may, at the direction and in the sole discretion of the Board, pay for or reimburse the director or officer for the payment of his reasonable expenses in advance of the final disposition of the proceeding, provided that the Association receives in writing (i) an affirmation by the director or officer of his good faith belief that he has met the standards of conduct necessary for indemnification under Section 8.101 of the Texas Business Organizations Code, and (ii) an undertaking by or on behalf of the director or officer to repay the amount paid or reimbursed if it is ultimately determined such standards of conduct have not been met or that indemnification is prohibited by the Texas Business Organizations Code.

(b) Permitted Indemnification. The Association, at the direction of and in the sole discretion of the Board, shall have the right, to such further extent

as permitted by law, but not the obligation, to indemnify any person who (i) is or was a director, officer, employee, or agent of the Association, or (ii) while a director, officer, employee, or agent of the Association, is or was serving at its request as a director, officer, partner, venturer, proprietor, trustee, employee, agent, or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan, or other enterprise.

2. Insurance. The Association may purchase and maintain insurance or another arrangement on behalf of any person who is or was a director, officer, employee, or agent of the corporation or who is or was serving at its request as a director, officer, partner, venturer, proprietor, trustee, employee, agent, or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan, or other enterprise against any liability asserted against him and incurred by him in such a capacity or arising out of his status as such a person, whether or not the Association would have the power to indemnify him against that liability pursuant to the provisions of the Texas Business Organizations Code. Furthermore, the Association may, for the benefit of persons indemnified by the Association, (i) create a trust fund; (ii) establish any form of self-insurance, (iii) secure its indemnity obligation by grant of a security interest or other lien on the assets of the Association; or (iv) establish a letter of credit, guaranty, or surety arrangement.

ARTICLE XV AMENDMENTS

These Bylaws or the Certificate of Formation may be amended at a regular or special meeting of the Members by a vote (in person or by proxy) or written consent, as provided in **Section 4.06** of these Bylaws; provided, however, until such time as the Declarant shall have agreed in writing, the Association shall not amend these Bylaws or the Certificate of Formation.

Further provided, Declarant, at its sole discretion and without a vote or the consent of any other party, may modify, amend or repeal these Bylaws or the Certificate of Formation: (i) at any time prior to the conveyance of the first Lot; (ii) as necessary to bring any provision into compliance with any applicable governmental statutes, rule, regulation or judicial determination; (iii) as necessary to comply with the requirements of the VA, HUD (Federal Housing Administration), FHLMC or FNMA or any other applicable governmental agency or secondary mortgage market entity; or (iv) as necessary to clarify or to correct technical, typographical or scrivener's errors; provided, however, any amendment pursuant to clause (ii), (iii) and/or (iv) immediately above must not have a material adverse effect upon any right of any Owner. Any amendment to these Bylaws or the Certificate of Formation shall be effective upon Recording.

ARTICLE XVI MISCELLANEOUS


Section 16.01. Fiscal Year. The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of formation of the Association.

Section 16.02. Interpretation. In the case of any conflict between the Certificate of Formation and these Bylaws, the Certificate of Formation shall control; in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control; and in the case of any conflict between the Declaration and the laws of the State of Texas governing non-profit corporations, the laws of the State of Texas shall control; provided, however, to the extent reasonably practical, the Certificate of Formation, Bylaws and Declaration shall be construed and interpreted together as consistent and non-conflicting documents, such being the intent thereof.

CERTIFICATION

I, the undersigned, am the duly elected and acting President of THE VILLAGES OF CARMEL HOMEOWNERS' ASSOCIATION, INC., a non-profit corporation, and I do hereby certify:

That the within and foregoing Bylaws were adopted as the Bylaws of said corporation, that the same do now constitute the Bylaws of said corporation, and that they have not been modified, amended nor rescinded.


Wallace Creel

Declaration of CC&R's



70 2015 00075856

Denton County
Juli Luke
County Clerk
Denton, TX 76202

Instrument Number: 2015-75856

Recorded On: July 07, 2015

As
Warranty Deed

Parties: VOC1B LLC

To

Billable Pages: 3

Number of Pages: 3

Comment:

(Parties listed above are for Clerks reference only)

**** THIS IS NOT A BILL ****

Warranty Deed	34.00
Total Recording:	34.00

***** DO NOT REMOVE. THIS PAGE IS PART OF THE INSTRUMENT *****

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

File Information:

Document Number: 2015-75856
Receipt Number: 1310250
Recorded Date/Time: July 07, 2015 12:40:21P

Record and Return To:

FIRSTSERVICE MANAGEMENT
3102 OAK LAWN AVE
DALLAS TX 75219

User / Station: J Baker - Cash Station 4



THE STATE OF TEXAS }
COUNTY OF DENTON }

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

Juli Luke

County Clerk
Denton County, Texas

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

SPECIAL WARRANTY DEED

Date: July 6, 2015

Grantor: VOC1B, LLC

Grantor's Mailing Address: 9001 Airport Freeway, Suite 400, North Richland Hills, Texas 76180

Grantee: THE VILLAGES OF CARMEL HOMEOWNERS' ASSOCIATION, INC.

Grantee's Mailing Address: 3102 Oak Lawn Avenue, Suite 202, Dallas, Texas 75219

Consideration: Ten and no/100 Dollars (\$10.00) for valuable consideration in hand paid by Grantee to Grantor, the receipt of which is hereby acknowledged.

Property (including any improvements): Lot 8, Block 16, Lots 1 and 8, Block 21, Lot 1, Block 25 VILLAGES OF CARMEL PHASE 2B, an Addition to the City of Denton, Denton County, Texas according to the Plat thereof recorded in Clerks File No. 2014-3, Plat Records, Denton County, Texas.

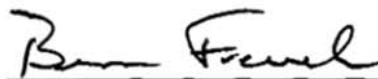
Reservations from Conveyance: None

Exceptions to Conveyance and Warranty:

Easements, rights-of-way, and prescriptive rights, whether of record or not; all presently recorded restrictions, reservations, covenants, conditions, oil and gas leases, mineral severances, and other instruments, other than liens and conveyances, that affect the property; rights of adjoining owners in all walls and fences situated on a common boundary; any discrepancies, conflicts, or shortages in area or boundary lines; any encroachments or overlapping of improvements; all rights obligations, and other matters emanating from and existing by reason of the creation, establishment, maintenance, and operation of the water and irrigation district; taxes for the current year, the payment of which Grantee assumes; and subsequent assessments for the current and subsequent years due to change in land usage, ownership, or both, the payment of which Grantee assumes.

Grantor, for the Consideration and subject to the Reservations from Conveyance and the Exceptions to Conveyance and Warranty, grants, sells, and conveys to Grantee the Property, together with all and singular the rights and appurtenances thereto in any way belonging, to have and to hold it to Grantee and Grantee's heirs, successors, and assigns forever. Grantor binds Grantor and Grantor's heirs and successors to warrant and forever defend all and singular the Property to Grantee and Grantee's heirs, successors, and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof when the claim is by, through, or under Grantor but not otherwise, except as to the Reservations from Conveyance and the Exceptions to Conveyance and Warranty.

When the context requires, singular nouns and pronouns include the plural.



Bruce French, Manager

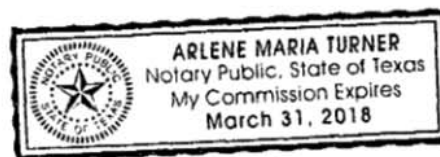
VOC1B, LLC

THE STATE OF TEXAS
COUNTY OF DENTON

This instrument was acknowledged before me on this 6th of July, 2015, by Bruce French, Manager of VOC1B, LLC.



NOTARY PUBLIC STATE OF TEXAS



After Recording return to:

Roxana Portillo
FirstService Management
3102 Oak Lawn Avenue
Dallas, Texas 75219

**** Electronically Filed Document ****

Denton County
Cynthia Mitchell
County Clerk

Document Number: 2014-120547
Recorded As : ERX-RESTRICTIONS

Recorded On: November 26, 2014
Recorded At: 02:10:49 pm
Number of Pages: 4

Recording Fee: \$38.00

Parties:

Direct- ASTRA CARMEL LLC
Indirect-

Receipt Number: 1229514
Processed By: Carmen Robinson

***** THIS PAGE IS PART OF THE INSTRUMENT *****

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



THE STATE OF TEXAS)
COUNTY OF DENTON]

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

C Mitchell

County Clerk
Denton County, Texas

AFTER RECORDING RETURN TO:

Bellinger & Suberg, L.L.P.
Attn: Glen A. Bellinger
10000 N. Central Expressway, Suite 900
Dallas, Texas 75231

1978011765

**FIFTH SUPPLEMENTAL
MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
THE VILLAGES OF CARMEL**

STATE OF TEXAS §
 §
COUNTY OF DENTON §

KNOW ALL MEN BY THESE PRESENTS:

This FIFTH SUPPLEMENTAL MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE VILLAGES OF CARMEL (this "**Fifth Supplemental Declaration**"), is made and entered into to be effective as of the 21st day of November, 2014 (the "**Effective Date**") by Astra Carmel, LLC, as the successor "Declarant" to HOLIGAN LAND DEVELOPMENT, LTD., a Texas limited partnership ("**Holigan**").

RECITALS:

WHEREAS, Holigan filed for record that certain Master Declaration of Covenants, Conditions and Restrictions for The Villages of Carmel, recorded as Instrument Number 2006-101525 in the Official Records of Denton County, Texas (the "**Initial Declaration**"), as amended and/or supplemented by that certain First Supplemental Declaration of Covenants, Conditions and Restrictions for The Villages of Carmel (The Villages of Carmel Phase III), recorded as Instrument Number 2006-150332 in the Official Records of Denton County, Texas (the "**First Supplemental Declaration**"), that certain Second Supplemental Declaration of Covenants, Conditions and Restrictions for The Villages of Carmel, recorded as Instrument Number 2007-54404 in the Official Records of Denton County, Texas (the "**Second Supplemental Declaration**"), that certain Third Supplemental Declaration of Covenants, Conditions and Restrictions for The Villages of Carmel, recorded as Instrument Number 2012-138510 in the Official Records of Denton County, Texas (the "**Third Supplemental Declaration**"), and that certain Fourth Supplemental Declaration of Covenants, Conditions and Restrictions for The Villages of Carmel, recorded as Instrument Number 2014-56338 in the Official Records of Denton County, Texas (the "**Fourth Supplemental Declaration**"); the Initial Declaration, First Supplemental Declaration, Second Supplemental Declaration, Third Supplemental Declaration and Fourth Supplemental Declaration are hereinafter collectively referred to as the "**Original Declaration**").

WHEREAS, pursuant to Section 12.2 of the Original Declaration, Declarant, in its sole discretion and without a vote or the consent of any Owners or other parties, has the right to amend the Original Declaration for any purpose; and

WHEREAS, Declarant desires to amend the Declaration for the purposes set forth herein.

A M E N D M E N T:

NOW, THEREFORE, Declarant hereby amends the Original Declaration as follows:

1. The definition of "Class "B" Control Period" in the Original Declaration is hereby deleted in its entirety, and the following definition is substituted and inserted in the Original Declaration for all purposes:

1.9 "Class "B" Control Period" means the period commencing upon the date of the Declaration and expiring upon the earliest of: (i) fifteen (15) years after conveyance of the first Lot to a person or entity other than an affiliate of Declarant or a Builder, (ii) a date that Declarant elects in writing to terminate the Class "B" Control Period, or (iii) when 85% of the Lots (as herein defined) within all Phases (hereinafter defined) of the Development have been improved with a Dwelling thereon and conveyed to persons or entities other than an affiliate of Declarant or a Builder. For purposes of determining the number of Lots within the Development, the final subdivision plats, when Recorded against the Development or any Phase showing each residential building site, shall be the determining documentation. In the event the Class "B" Control Period has previously lapsed as provided in subsection (iii) above, but annexation of additional property restores the ratio of Lots owned by Declarant, an affiliate of Declarant, or a Builder to the percentage required for the Class "B" Control Period to be in effect, the Class "B" Control Period shall be restored until it expires again pursuant to the terms hereof.

2. Except as amended herein, the terms and conditions of the Original Declaration shall continue in full force and effect and are hereby ratified in their entirety.

3. In the event of any conflict or inconsistency between the provisions of this Fifth Supplemental Declaration and the provision of the Original Declaration, the provisions of this Fifth Supplemental Declaration shall govern and control to the extent of such conflict or inconsistency.

4. All references to "Declaration" set forth in the Original Declaration shall mean the Original Declaration as amended by this Fifth Supplemental Declaration.

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EXECUTED to be effective as of the Effective Date.

DECLARANT:

ASTRA CARMEL, LLC,
a Texas limited liability company

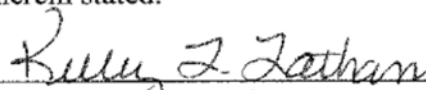
By: 
Justin Bono, Manager

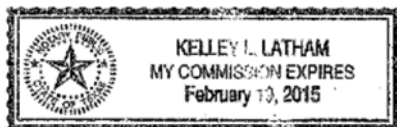
STATE OF TEXAS

COUNTY OF Dallas

§
§
§

The foregoing instrument was acknowledged before me on this the 2nd day of November, 2014, by Justin Bono, Manager of Astra Carmel, LLC, a Texas limited liability company, on behalf of such partnership and in the capacity therein stated.


Notary Public in and for the State of Texas



**** Electronically Filed Document ****

Denton County
Cynthia Mitchell
County Clerk

Document Number: 2014-64321
Recorded As : ERX-ASSIGNMENT

Recorded On: July 02, 2014
Recorded At: 04:15:36 pm
Number of Pages: 5

Recording Fee: \$42.00

Parties:

Direct- HOLIGAN LAND DEVELOPMENT LTD
Indirect-

Receipt Number: 1181468
Processed By: Patsy Sallee

***** THIS PAGE IS PART OF THE INSTRUMENT *****

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



THE STATE OF TEXAS)
COUNTY OF DENTON]

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

C Mitchell

County Clerk
Denton County, Texas

1978010940

ASSIGNMENT OF DECLARANT RIGHTS

STATE OF TEXAS

§

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF DENTON

§

§

THIS ASSIGNMENT OF DECLARANT RIGHTS (this "**Assignment**") is made and entered into as of June ~~20~~, 2014 (the "**Effective Date**"), by and between HOLIGAN LAND DEVELOPMENT, LTD., a Texas limited partnership ("**Assignor**"), and ASTRA CARMEL, LLC, a Texas limited liability company ("**Assignee**").

WITNESSETH:

WHEREAS, Assignor is "Declarant" under that certain Master Declaration of Covenants, Conditions and Restrictions for The Villages of Carmel, recorded as Instrument Number 2006-101525 in the Official Records of Denton County, Texas (the "**Original Declaration**"), as amended and/or supplemented by that certain First Supplemental Declaration of Covenants, Conditions and Restrictions for The Villages of Carmel (The Villages of Carmel Phase III), recorded as Instrument Number 2006-150332 in the Official Records of Denton County, Texas (the "**First Supplemental Declaration**"), that certain Second Supplemental Declaration of Covenants, Conditions and Restrictions for The Villages of Carmel, recorded as Instrument Number 2007-54404 in the Official Records of Denton County, Texas (the "**Second Supplemental Declaration**"), that certain Third Supplemental Declaration of Covenants, Conditions and Restrictions for The Villages of Carmel, recorded as Instrument Number 2012-138510 in the Official Records of Denton County, Texas (the "**Third Supplemental Declaration**"), and that certain Fourth Supplemental Declaration of Covenants, Conditions and Restrictions for The Villages of Carmel, recorded as Instrument Number 2014-56338 in the Official Records of Denton County, Texas (the "**Fourth Supplemental Declaration**"); the Original Declaration, First Supplemental Declaration, Second Supplemental Declaration, Third Supplemental Declaration and Fourth Supplemental Declaration are hereinafter collectively referred to as the "**Declaration**"); and

WHEREAS, Assignor now desires to assign to Assignee, and Assignee desires to accept the assignment of, all of Assignor's rights, title and interests as "Declarant" under the Declaration.

NOW, THEREFORE, for and in consideration of the premises, the covenants and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Assignor hereby transfers and assigns to Assignee all of Assignor's rights, title and interests as "Declarant" arising under the Declaration from and after the Effective Date, including, without limitation, any and all rights to (a) appoint, remove and replace members to the NCRB (as defined in the Declaration), (b) amend the Declaration, and/or (c) subject additional real property to the Declaration. Assignee is hereby designated and declared to be the sole "Declarant" under the Declaration.

2. Assignee hereby accepts the foregoing assignment from Assignor and assumes all of the obligations of Assignor as "Declarant" arising under the Declaration from and after the Effective Date of this Assignment.

3. Assignor hereby represents and warrants the following:

(a) The Declaration is in full force and effect and has not been assigned, modified, or amended in any way, except as expressly set forth herein.

(b) There are no uncured defaults of Assignor under the Declaration, nor has any event occurred which, with the passage of time or the giving of notice or both, would constitute a default of Assignor.

(c) Assignor has paid all of its dues and assessments required to be paid by Assignor under the Declaration, and Assignor owes no further amounts under the Declaration.

4. Assignor agrees that it shall be responsible for, and Assignee and Assignee's successors and assigns are released from and indemnified for and against, any and all claims, actions, demands, damages, costs, expenses, and other liabilities, including but not limited to attorney's fees, which in any way relate to, arise from, or are connected with, directly or indirectly, any act, omission, obligation, duty, debt, or liability of Assignor as Declarant under the Declaration which accrued prior to the Effective Date.

5. This Assignment may be executed in multiple counterparts, each of which together shall constitute one instrument.

6. This Assignment shall be binding upon and inure to the benefit of Assignor, Assignee and their respective successors and assigns. This Assignment shall not be modified, except in writing executed by both parties hereto. This Assignment shall be governed by and construed and enforced in accordance with the laws of the State of Texas. This Assignment constitutes the entire agreement of the parties hereto with respect to the assignment of Declarant's rights under the Declaration and supersedes all prior and contemporaneous understandings and agreements between the parties with respect to the assignment of Declarant's rights under the Declaration.


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EXECUTED to be effective as of the Effective Date.

ASSIGNOR:

HOLIGAN LAND DEVELOPMENT, LTD.,
a Texas limited partnership

By: HL Development, LLC,
a Texas limited liability company,
its General Partner

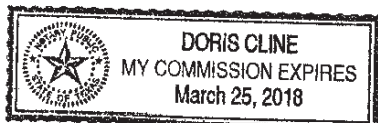
By: 
Brady Giddens, President

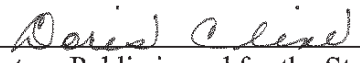
STATE OF TEXAS §
 §
COUNTY OF Dallas §

BEFORE ME, the undersigned authority, on this day personally appeared Brady Giddens, President of HL Development, LLC, a Texas limited liability company, the General Partner of HOLIGAN LAND DEVELOPMENT, LTD., a Texas limited partnership, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.

Given under my hand and seal of office this 30 day of June, 2014.

SEAL




Notary Public in and for the State of Texas

[ASSIGNEE'S SIGNATURE PAGE FOLLOWS]

ASSIGNEE:

ASTRA CARMEL, LLC,
a Texas limited liability company

By: Astra Development, LLC
a Texas limited liability company,
its Manager

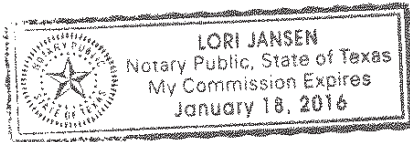
By: 
Justin Bono, Manager

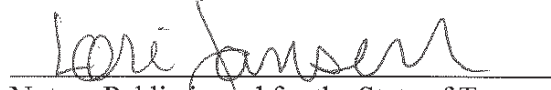
STATE OF TEXAS §
 §
COUNTY OF Dallas §

BEFORE ME, the undersigned authority, on this day personally appeared Justin Bono, Manager of Astra Development, LLC, a Texas limited liability company, as manager of ASTRA CARMEL, LLC, a Texas limited liability company, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.

Given under my hand and seal of office this 1 day of ^{July}~~June~~, 2014.

SEAL




Notary Public in and for the State of Texas

AFTER RECORDING, RETURN TO:

Astra Carmel, LLC
9219 Arbor Trail Drive
Dallas, Texas 75243
Attention: Justin Bono

**** Electronically Filed Document ****

Denton County
Cynthia Mitchell
County Clerk

Document Number: 2014-56338
Recorded As : ERX-DECLARATION

Recorded On: June 16, 2014
Recorded At: 10:45:16 am
Number of Pages: 6

Recording Fee: \$46.00

Parties:

Direct- HOLIGAN LAND DEVELOPMENT LTD
Indirect-

Receipt Number: 1174656
Processed By: Jane Kline

***** THIS PAGE IS PART OF THE INSTRUMENT *****

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



THE STATE OF TEXAS)
COUNTY OF DENTON]

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

C Mitchell
County Clerk
Denton County, Texas

Lawyers Title GF# 1978010940

**FOURTH SUPPLEMENTAL DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
THE VILLAGES OF CARMEL**

[Annexation]

THIS FOURTH SUPPLEMENTAL DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR VILLAGES OF CARMEL (hereinafter the "**Annexation Supplement**") is made by Holigan Land Development, Ltd., a Texas limited partnership ("**Declarant**"), effective as of the date upon which this instrument is recorded in the Real Property Records of Denton County, Texas.

Recitals

WHEREAS, Declarant executed that certain Master Declaration of Covenants, Conditions and Restrictions for the Villages of Carmel ("**Master Declaration**"), dated August 10, 2006, and recorded August 17, 2006, in the Real Property Records of Denton County, Texas, as Instrument No. 2006-101525; and

WHEREAS, Declarant has executed and recorded those certain First and Second Supplements to the Declaration of Covenants, Conditions and Restrictions for The Villages of Carmel, the First being dated December 11, 2006, recorded in the Real Property Records of Denton County, Texas, as Instrument Number 2006-150332, and the Second being dated May 9, 2007, recorded in the Real Property Records of Denton County, Texas, as Instrument Number 2007-54404, said supplements establishing building criteria, development standards, use restrictions, and other covenants governing The Villages of Carmel; and

WHEREAS, Section 11.1 of the Master Declaration provides that Declarant may, at its sole option, annex Annexable Property, as defined in Section 1.1 of the Master Declaration, or any portion thereof, into The Villages of Carmel and subject such property to the terms of the Master Declaration and the First and Second Supplements, and to such other terms, covenants, conditions, easements and restrictions as Declarant may determine whether same are more restrictive or less onerous than those to which such property is now subject; and

WHEREAS, Declarant is the owner of the real property described in Exhibit "A" attached hereto and made a part hereof for all purposes (hereafter called the ("**Property**"), and the Property is within the description of Annexable Property as defined in the Master Declaration; and

WHEREAS, to the extent Declarant shall sold any of the Lots in the Property, as of the date of recording hereof, a Lot Owner Joinder Agreement shall be attached to this Annexation Supplement or recorded separately evidencing the owner's agreement to join and to subject the described property and any other Lots it may own in the Property to the terms and provisions hereof; and

WHEREAS, Declarant desires to add the Property to the scheme of the Master Declaration and the First and Second Supplements and such other dedicatory documents as may govern The Villages of Carmel, to be governed by the terms and conditions thereof except to the extent stated otherwise herein;

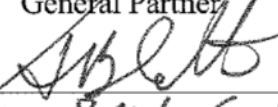
NOW, THEREFORE, Declarant, joined herein by other owners of Lots or parcels within the Property, if any, declare that the Property is and shall be annexed into The Villages of Carmel and be subject to the scheme of the Master Declaration and is and shall be held, transferred, sold, conveyed, used and occupied subject to the covenants, conditions, restrictions, easements, charges, assessments, and liens set forth in the Master Declaration and the First and Second Supplements, as same may be hereafter amended in accordance with their terms; provided, that Declarant shall have the right and authority to change development and building standards and criteria, and other provisions to fit the specific scheme of development for the Property. The Property must be platted and developed to include a minimum of 190 lots.

This Annexation Supplement complements the covenants and restrictions set forth in the Master Declaration and modify same to the extent necessary to accommodate the unique character of the Property. Nothing in this Fourth Supplemental Declaration (Annexation Supplement) is materially inconsistent with the Master Declaration in any manner which would adversely affect the concept of the Master Declaration.

DECLARANT:

HOLIGAN LAND DEVELOPMENT, LTD.,
a Texas limited partnership

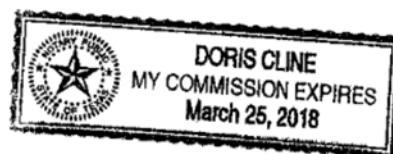
By: HL Development, LLC,
a Texas limited liability company,
General Partner

By: 
Name: Brady Giddens
Title: President

STATE OF TEXAS §
 §
COUNTY OF Dallas §

This instrument was acknowledged before me on this 10 day of June, 2014, by Bredy Giddens, the President of HL Development, LLC, a Texas limited liability company, general partner of Holigan Land Development Company, Ltd., a Texas limited partnership, on behalf of said entities.

Doris Cline
Notary Public in and for the State of Texas



AFTER RECORDING RETURN TO:
The Villages of Carmel Homeowners Association
3102 Oak Lawn Avenue, Suite 202
Dallas, TX 75219

Exhibit "A"

Being a tract of land situated in the G. WALKER SURVEY, ABSTRACT N O. 1330, in the City of Denton, Denton County, Texas, and being a called 8.834 acre tract of land conveyed to Holigan Land Development, LTD. as recorded in Document # 2003-138818 of the Real Property, Records of Denton County, Texas (R.P.R.D.C.T.), and all of a called 17.401 acre tract being known as tract A and a part of a called 19.554 acre tract of land known as tract B conveyed to Holigan Land Development, LTD, recorded in Doc #2004-50045 R.P.R.D.C.T. and being more particularly described as follows;

BEGINNING at a X cut found at the Southwest corner of said 19.554 acre tract and being at the Southeast corner of the Villages of Carmel Phase 1 addition an addition to the City of Denton, Denton County, Texas as recorded in Cabinet X, Pages 444-446 of the Plat Records of Denton County, Texas, said corner being in the North right-of-way line of Pockrus Page Road (a variable width right-of-way);

THENCE North 01 degrees 15 minutes 12 seconds East, (basis of bearing) with the West line of said 19.554 acre tract and the East line of said Carmel addition, and with the East right-of-way line of Monte Verde Way (a 50' right-of-way) and along the East side of a concrete sidewalk a distance of 999.51 feet to the Southwest corner of a tract of land conveyed to VOC1B, LLC. as recorded in Document #12013-6738 R.P.R.D.C.T., a X cut set for corner in the East side of said sidewalk;

THENCE South 87 degrees 13 minutes 12 seconds East, across the said 19.554 acre tract and the South line of said VOC1B tract a distance of 609.75 feet to a Southeast ell corner of said VOC1B tract, a 1/2" iron rod set for corner;

THENCE North 02 degrees 23 minutes 16 seconds East, with said East line of VOC1B tract a distance of 323.36 feet to a 1/2" iron rod set in the North line of the 19.554 acre tract and be in the South line of a called 21.903 acre tract of land known as tract 3 conveyed to Mary L. Mason Children's Trust as recorded in Volume 4074, Page 1822 Deed Records of Denton County, Texas (D.R.D.C.T.);

THENCE South 87 degrees 23 minutes 23 seconds East, with the North line of said 19.554 acre tract and the North line of said Holigan 17.401 acre tract and the North line of said Holigan 8.834 acre tract and with the South line of said Mason tract 3 a distance of 743.31 feet to a 1/2" iron rod found at the Southeast corner of Mason tract 3 and being at the Southwest corner of a called 6.4291 acre tract of land conveyed to Mary L. Mason Children's Trust known as tract 2;

THENCE South 86 degrees 57 minutes 37 seconds East, with the North line of said Holigan 8.834 acre tract and the South line of said Mason tract 2 a distance of 211.51 feet to the Northwest corner of a called 1.319 acre tract of land conveyed to Georgina Nunez as recorded in Document No. 95-R0033684 R.P.R.D.C.T.;

THENCE South 02 degrees 36 minutes 38 seconds West, with the East line of Holigan 8.834 acres and the West line of said 1.319 acre Nunez tract and with the East line of a 20' Easement Estate as recorded in Doc#2009-123713 R.P.R.D.C.T. passing the Southwest corner of the 1.319 acre Nunez tract and the Northwest corner of a called 2.637 acre tract of land conveyed to The General Assembly and Church of the Firstborn as recorded in DOC#2009-123713 R.P.R.D.C.T. at a distance of 139.70 feet and passing the Southwest corner of the said 2.637 acre tract and the Northwest corner of a called 2.656 acre tract of land conveyed to Danny Lee Smith as recorded in Doc#98-R0035011 R.P.R.D.C.T. at a distance of 442.33 feet continuing in all a total distance of 557.62 feet to a 1/2" iron rod found at the Southwest corner of Smith 2.656 acre tract and being at the Northwest corner of a tract of land conveyed to Danny Lee Smith as recorded in Doc# 94-R0062458 R.P.R.D.C.T. and at the Northeast corner of a tract of land

conveyed to Joy Powell as recorded in Volume 1695, Page 921 D.R.D.C.T.;

THENCE North 86 degrees 35 minutes 20 seconds West, with the South line of said Holigan 8.834 acre tract and the North line of said Powell tract a distance of 73.32 feet to a 1/2" iron rod found at a ell corner of said Holigan 8.834 acre tract, and being at the Northwest corner of said Powell tract;

THENCE South 02 degrees 33 minutes 20 seconds West, with the East line of Holigan 8.834 acre tract and the West line of said Powell tract a distance of 166.95 feet to a 1/2" iron rod found at the Southwest corner of said Powell tract and being at the Northwest corner of a tract of land conveyed to Robert W. and Paige Smith as recorded in Doc#2000-R0111539 R.P.R.D.C.T.;

THENCE South 02 degrees 33 minutes 51 seconds West, with the East line of said Holigan 8.834 acre tract and the West line of said Robert Smith tract and with a wire fence a distance of 595.96 feet to a 1/2" iron rod found at the Southwest corner of said Robert Smith tract and at the Southeast corner of said Holigan 8.834 acre tract, said corner being in the North right-of-way line of Pockrus Page Road (a variable width right-of-way);

THENCE North 88 degrees 08 minutes 42 seconds West, with the South line of said Holigan 8.834 acre tract and the North right-of-way line of Pockrus Page Road a distance of 208.69 feet to a 30" oak tree found at the Southwest corner of Holigan 8.834 acre tract and being at the Southeast corner of Holigan 17.401 acre tract, from which a 1/2" iron rod found for witness bears North 75 degrees 27 minutes 16 seconds East, a distance of 4.97 feet from 30" oak tree;

THENCE North 87 degrees 15 minutes 02 seconds West, with the South line of said Holigan 17.401 acre tract and Holigan 19.554 acre tract and the North right-of-way line of Pockrus Page Road a distance of 1258.29 feet to the POINT OF BEGINNING containing 1,803,033 square feet or 41.3919 acres of land.



70 2014 00030812

Denton County
Cynthia Mitchell
County Clerk
Denton, TX 76202

Instrument Number: 2014-30812

As

Recorded On: April 08, 2014

Misc General Fee Doc

Parties: THE VILLAGES OF CARMEL HOA INC

To

Billable Pages: 15

Number of Pages: 15

Comment:

(Parties listed above are for Clerks reference only)

**** Examined and Charged as Follows: ****

Misc General Fee Doc	82.00
Total Recording:	82.00

***** DO NOT REMOVE. THIS PAGE IS PART OF THE INSTRUMENT *****

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

File Information:

Document Number: 2014-30812
Receipt Number: 1150501
Recorded Date/Time: April 08, 2014 03:16:55P

User / Station: C Robinson - Cash Station 1

Record and Return To:

FIRSTSERVICE RESIDENTIAL
3102 OAK LAWN AVE STE 202
DALLAS TX 75219



THE STATE OF TEXAS }
COUNTY OF DENTON }

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

C Mitchell

County Clerk
Denton County, Texas

**The Villages of Carmel Homeowners' Association, Inc.
3102 Oak Lawn, Suite 202
Dallas, TX 75219**

Dedicatory Instruments

Guidelines for Display of Flags

WHEREAS, Lots in The Villages of Carmel Homeowners' Association, Inc. are subject to the Declaration of Covenants, Conditions & Restrictions for The Villages of Carmel Homeowners' Association, Inc., recorded on Aug. 17, 2006 as Document Number 2006-101525 in the Real Property Records, Denton County, Texas. **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.

THE VILLAGES OF CARMEL HOMEOWNERS' ASSOCIATION, INC.
GUIDELINES FOR DISPLAY OF FLAGS

STATE OF TEXAS

§
§
§

COUNTY OF Denton

KNOW ALL PERSONS BY THESE PRESENTS:

WHEREAS the The Villages of Carmel Homeowners' Association, Inc. ("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 Denton 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 16th day of September 2013.

[Signature]
Name of Board Member

Title
The Villages of Carmel Homeowners' Association, Inc.

STATE OF TEXAS

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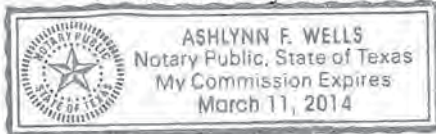
COUNTY OF Denton

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Before me, the undersigned authority, on this day personally appeared Brady Giddens
Director (title), of The Villages of Carmel Homeowners' Association, Inc., 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 16th day of September, 2013.



[Notarial Seal]

[Signature]
Notary Public, State of Texas

Ashlynn Wells
Printed Name

My commission expires: 3/11/14

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

**The Villages of Carmel Homeowners' Association, Inc.
3102 Oak Lawn, Suite 202
Dallas, TX 75219**

Dedictory Instruments

Guidelines for Solar Energy Devices

WHEREAS, Lots in The Villages of Carmel Homeowners' Association, Inc. are subject to the Declaration of Covenants, Conditions & Restrictions for The Villages of Carmel Homeowners' Association, Inc., recorded on Aug. 17, 2006 as Document Number 2006-101525 in the Real Property Records, Denton County, Texas. **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.

**THE VILLAGES OF CARMEL HOMEOWNERS' ASSOCIATION, INC.
GUIDELINES FOR SOLAR ENERGY DEVICES**

STATE OF TEXAS

§

COUNTY OF Denton

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KNOW ALL PERSONS BY THESE PRESENTS:

WHEREAS the The Villages of Carmel Homeowners' Association, Inc. ("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) 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 Denton 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.

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Approved and adopted by the Board on this 16th day of September 2013.

[Signature]

Name of Board Member

Title

The Villages of Carmel Homeowners' Association, Inc.

STATE OF TEXAS

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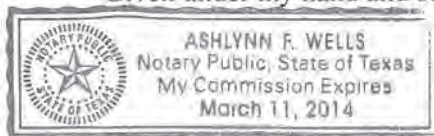
COUNTY OF Denton

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Before me, the undersigned authority, on this day personally appeared Brady Giddens
Director (title), of The Villages of Carmel Homeowners' Association, Inc., 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 16th day of September, 2013.



[Notarial Seal]

[Signature]
Notary Public, State of Texas

Ashlynn wells

Printed Name

My commission expires: 3/11/14

AFTER RECORDING RETURN TO:

FirstService Residential

3102 Oak Lawn Avenue, Suite 202

Dallas, Texas 75219

**The Villages of Carmel Homeowners' Association, Inc.
3102 Oak Lawn, Suite 202
Dallas, TX 75219**

Dedicatory Instruments

Guidelines for Display of Certain Religious Items

WHEREAS, Lots in The Villages of Carmel Homeowners' Association, Inc. are subject to the Declaration of Covenants, Conditions & Restrictions for The Villages of Carmel Homeowners' Association, Inc., recorded on Aug. 17, 2006 as Document Number 2006-101525 in the Real Property Records, Denton County, Texas. **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.

**THE VILLAGES OF CARMEL HOMEOWNERS' ASSOCIATION, INC.
GUIDELINES FOR DISPLAY OF CERTAIN RELIGIOUS ITEMS**

STATE OF TEXAS

§
§
§

KNOW ALL PERSONS BY THESE PRESENTS:

COUNTY OF Denton

WHEREAS the The Villages of Carmel Homeowners' Association, Inc. ("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 Denton 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 16th day of September 2013.



Name of Board Member

Title

The Villages of Carmel Homeowners' Association, Inc.

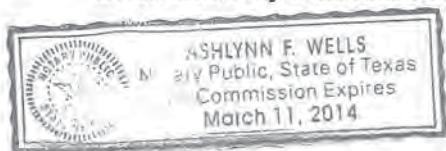
STATE OF TEXAS

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COUNTY OF Denton

Before me, the undersigned authority, on this day personally appeared Brady Bidden
(title), of The Villages of Carmel Homeowners' Association, Inc., 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 16th day of September, 2013.



[Notarial Seal]

Ashlynn Wells
Notary Public, State of Texas

Printed Name

My commission expires: 3/11/14

AFTER RECORDING RETURN TO:

FirstService Residential

3102 Oak Lawn Avenue, Suite 202

Dallas, Texas 75219

**The Villages of Carmel Homeowners' Association, Inc.
3102 Oak Lawn, Suite 202
Dallas, TX 75219**

Dedicatory Instruments

Guidelines for Rainwater Recovery Systems

WHEREAS, Lots in The Villages of Carmel Homeowners' Association, Inc. are subject to the Declaration of Covenants, Conditions & Restrictions for The Villages of Carmel Homeowners' Association, Inc., recorded on Aug. 17, 2006 as Document Number 2006-101525 in the Real Property Records, Denton County, Texas. **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.

**THE VILLAGES OF CARMEL HOMEOWNERS' ASSOCIATION, INC.
GUIDELINES FOR RAINWATER RECOVERY SYSTEMS**

STATE OF TEXAS

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KNOW ALL PERSONS BY THESE PRESENTS:

COUNTY OF Denton

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WHEREAS the The Villages of Carmel Homeowners' Association, Inc. ("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 Denton 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 16th day of September 2013.

[Signature]

Name of Board Member

Title

The Villages of Carmel Homeowners' Association, Inc.

STATE OF TEXAS

§

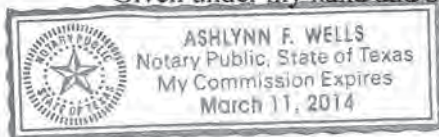
COUNTY OF Denton

§

§

Before me, the undersigned authority, on this day personally appeared Brady Diddens Director (title), of The Villages of Carmel Homeowners' Association, Inc., 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 16th day of September 2013



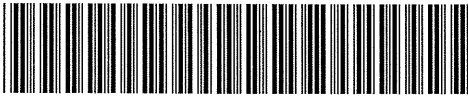
[Notarial Seal]

[Signature]
Notary Public, State of Texas

Ashlynn Wells
Printed Name
My commission expires: 3/11/14

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

Denton County
Cynthia Mitchell
County Clerk
Denton, TX 76202



70 2012 00138510

Instrument Number: 2012-138510

Recorded On: December 06, 2012
As
Declaration

Parties: HOLIGAN LAND DEVELOPMENT LTD
To

Billable Pages: 6
Number of Pages: 6

Comment:

(Parties listed above are for Clerks reference only)

**** Examined and Charged as Follows: ****

Declaration	36.00
Total Recording:	36.00

***** DO NOT REMOVE. THIS PAGE IS PART OF THE INSTRUMENT *****

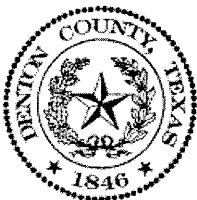
Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY
because of color or race is invalid and unenforceable under federal law.

File Information:

Document Number: 2012-138510
Receipt Number: 978860
Recorded Date/Time: December 06, 2012 01:38:58P
User / Station: D Kitzmiller - Cash Station 2

Record and Return To:

THE VILLAGES OF CARMEL HOA
3102 OAK LAWN AVE
STE 202
DALLAS TX 75219



THE STATE OF TEXAS }
COUNTY OF DENTON }

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

C Mitchell

County Clerk
Denton County, Texas

The Villages of Carmel Homeowners' Association, Inc.
3102 Oak Lawn, Suite 202
Dallas, TX 75219

Dedictory Instruments

Third Supplement Declaration of CC&Rs

WHEREAS, Lots in The Villages of Carmel Phase III are subject to the Declaration of Covenants, Conditions & Restrictions for The Villages of Carmel Homeowners' Association Inc., recorded on Aug. 17, 2006 as Document Number 2006-101525 in the Real Property Records, Denton 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.

**THIRD SUPPLEMENTAL DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
THE VILLAGES OF CARMEL**

REC'D SEP 25 2012

THIS THIRD SUPPLEMENTAL DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR VILLAGES OF CARMEL (hereafter called the "Annexation Supplement") is made by Holigan Land Development, Ltd., a Texas limited partnership ("Declarant"), effective as of the date upon which this instrument is recorded in the Real Property Records of Denton County, Texas.

WHEREAS, Declarant executed that certain Master Declaration of Covenants, Conditions and Restrictions for The Villages of Carmel ("Master Declaration"), dated August 10, 2006, and recorded August 17, 2006, in the Real Property Records of Denton County, Texas, as Instrument Number 2006-101525; and

WHEREAS, Declarant has executed and recorded that certain First and Second Supplements to the Declaration of Covenants, Conditions and Restrictions for The Villages of Carmel ("First Supplement") dated December 11, 2006, in the Real Property Records of Denton County, Texas, as Instrument Number 2006-150332 and ("Second Supplement") dated May 9, 2007, in the Real Property Records of Denton County, Texas, as Instrument Number 2007-54404, establishing building criteria, development standards, use restrictions, and other covenants governing The Villages of Carmel; and

WHEREAS, Section 11.1 of the Master Declaration provides that Declarant may, at its sole option, annex the Annexable Property, as defined in Section 1.1 of the Master Declaration, or any portion thereof, into The Villages of Carmel and subject such property to the terms of the Master Declaration and First and Second Supplements and to such other terms, covenants, conditions, easements and restrictions as Declarant may determine whether same are more restrictive or less onerous than those to which such property is now subject; and

WHEREAS, Declarant is the owner of the real property described on Exhibit " A " attached hereto and made a part hereof for all purposes (hereafter called the "Property"), and the Property is within the description of Annexable Property as defined in the Declaration; and

WHEREAS, to the extent Declarant has sold any of the Lots in the Property as of the date of recording hereof, a Lot Owner Joinder Agreement shall be attached to this Annexation Supplement or recorded separately evidencing the owner's agreement to join and to subject the described property and any other Lots it may own in the Property to the terms and provisions hereof; and

WHEREAS, Declarant desires to add the Property to the scheme of the Master Declaration and the First and Second Supplements to be governed by the terms and conditions thereof except to the extent stated otherwise herein;

NOW, THEREFORE, Declarant, joined herein by other owners of Lots within the Property, if any, declare that the Property is and shall be annexed into The Villages of Carmel and be subject to the scheme of the Master Declaration and is and shall be held, transferred, sold, conveyed, used and occupied subject to the covenants, conditions, restrictions, easements, charges, assessments and liens set forth in the Master Declaration and the First and Second Supplements, as same may be hereafter amended in accordance with their terms; provided, that Declarant shall have the right and authority to change development and

building standards and criteria and other provisions to fit the specific scheme of development for the Property.

Effect on Master Declaration and First Supplement. This Annexation Supplement complements the covenants and restrictions set forth in the Master Declaration and modify same to the extent necessary to accommodate the unique character of the Property. Nothing in this Third Supplemental Declaration (Annexation Supplement) is materially inconsistent with the Master Declaration in any manner which would adversely affect the concept of the Master Declaration.

DECLARANT:

HOLIGAN LAND DEVELOPMENT, LTD.
a Texas limited partnership

By: HL Development, LLC,
a Texas limited liability company,
General Partner

By: [Signature]
Name: J. Brady Giddens
Title: President

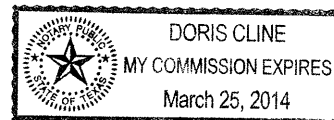
STATE OF TEXAS §

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COUNTY OF ~~DALLAS~~ § Deaton

This instrument was acknowledged before me on this 2 day of May 2012, by J. Brady Giddens President of HL Development, LLC, a Texas limited liability, general partner of Holigan Land Development Company, Ltd., a Texas limited partnership, on behalf of said entities.

[Signature]
Notary Public in and for the State of Texas



AFTER RECORDING RETURN TO:

The Villages of Carmel Homeowners Association.
3102 Oak Lawn Ave. Ste. 202
Dallas, TX 75219

“EXHIBIT A”

Tract 1 – Villages of Carmel, Phase 1B

BEING a tract of land situated in the Gideon Walker Survey, Abstract No. 1330, Denton County, Texas, and being all of those tracts conveyed to Holigan Land Development, Ltd. by deeds recorded in Instrument Numbers 03-135346, 04-9230, 03-207472, 03-166531 and 03-150512, all in Denton County Land Records, Texas, and being all of Block 14, Village of Carmel, Phase I, an Addition to the City of Denton, Texas, as recorded by plat in Cabinet X, Page 445, Plat Records, Denton County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at a corner in the east line of Monte Verde Way (50' R.O.W.), said corner being N 01°15' 12" E, a distance of 1305.62 feet from the southeast corner of said Village of Carmel, Phase I, said southeast corner being on the new north line of Pockrus Page Road as dedicated by said plat;

THENCE N 01°15'12" E, along said east line of Monte Verde Way, a distance of 105.40 feet to a corner at the beginning of a curve to the left having a radius of 225.00 feet;

THENCE continuing along said east line of Monte Verde Way and with said curve to the left, through a central angle of 43°22'01", an arc distance of 170.30 feet and a chord which bears N20°25'48"W, 166.26 feet to a corner;

THENCE N42°04'43"W, a distance of 51.38 feet to the southeast corner of a corner clip at the intersection of the northeast line of said Monte Verde Way and the southeast line of San Lucas Lane (50' R.O.W.);

THENCE N02°53'11"E, continuing along said corner clip a distance of 14.10 feet to a corner;

THENCE N47°53'11"E, along said southeast line of San Lucas Lane a distance of 149.16 to a corner at the beginning of a tangent curve to the left, having a radius of 710.00 feet;

THENCE continuing along said southeast line of San Lucas Lane and with said curve to the left, through a central angle of 17°44'10", an arc distance of 219.78 feet and a chord which bears N39°01'06"E, 218.91 feet to a corner;

THENCE N59°50'59"W, departing said southeast line of San Lucas Lane a distance of 50.00 feet to a corner in the northwest line of said San Lucas Lane, same being the beginning of a non-tangent curve to the right, having a radius of 660.00 feet;

THENCE continuing along said southeast line of San Lucas Lane and with said curve to the left, through a central angle of 17°44'10", an arc distance of 204.31 feet and a chord which bears S39°01'06"W, 203.49 feet to a corner;

THENCE S47°53'11"W, a distance of 149.10 feet to the northwest corner of a corner clip at the intersection of said northwest line of San Lucas Lane and the northeast line of aforesaid Monte Verde Way;

THENCE S87°05'39"E, continuing along said corner clip a distance of 14.12 feet to a corner;

THENCE N42°04'43"W, continuing along said northeast line of Monte Verde Way a distance of 202.71 feet to a corner;

THENCE N02°53'11"E, a distance of 20.94 feet to a corner;

THENCE N42°06'49"W, a distance of 65.00 feet to a corner;

THENCE S47°53'11"W, a distance of 177.79 feet to a corner;

THENCE N85°37'24"W, a distance of 20.65 feet to a corner;

THENCE S47°53'11"W, a distance of 50.07 feet to a corner;

THENCE S04°22'36"W, a distance of 21.76 feet to a corner;

THENCE S47°53'11"W, a distance of 157.90 feet to a corner at the beginning of a curve to the left which has a central angle of 09°28'45", a radius of 341.14 feet and a chord which bears S44°23'32"W, 56.37 feet;

THENCE along said curve to the left an arc distance of 56.44 feet to a corner;

THENCE S86°27'35"W, a distance of 13.80 feet to a corner;

THENCE S36°09'08"W, a distance of 50.35 feet to a corner;

THENCE S07°30'17"E, a distance of 15.69 feet to a corner at the beginning of a curve to the left having a central angle of 28°45'44", a radius of 432.50 feet and a which bears S16°55'37"W, 214.84 feet;

THENCE along said curve to the left an arc distance of 217.11 feet to a corner;

THENCE S02°32'45"W, a distance of 59.64 feet to a corner;

THENCE S47°32'37"W, a distance of 14.14 feet to a corner;

THENCE N87°27'31"W, a distance of 200.04 feet to a corner;

THENCE N42°27'31"W, a distance of 14.14 feet to a corner;

THENCE N02°32'29"E, a distance of 105.06 feet to a corner;

THENCE N87°28'05"W, a distance of 284.07 feet to a corner;

THENCE N02°55'11"E, a distance of 971.63 feet to a corner;

THENCE S86°47'46"E, a distance of 507.13 feet to a corner;

THENCE N03°08'52"E, a distance of 115.74 feet to a corner;

THENCE S87°22'21"E, a distance of 312.07 feet to a corner;

THENCE N02°10'32"E, a distance of 568.77 feet to a corner;

THENCE S87°13'12"E, a distance of 1052.28 feet to a corner;

THENCE S02°23'16"W, a distance of 1648.43 feet to a corner;

THENCE N87°13'12"W, a distance of 609.73 feet to the POINT OF BEGINNING and containing 2,305,589 square feet or 52.93 acres of land, more or less.



70 2011 00125309

Denton County
Cynthia Mitchell
County Clerk
Denton, Tx 76202

Instrument Number: 2011-125309

As

Recorded On: December 30, 2011

Misc General Fee Doc

Parties: THE VILLAGES OF CARMEL HOMEOWNERS ASSOC INC

To

Billable Pages: 5

Number of Pages: 5

Comment:

(Parties listed above are for Clerks reference only)

**** Examined and Charged as Follows: ****

Misc General Fee Doc	27.00
Total Recording:	27.00

***** DO NOT REMOVE. THIS PAGE IS PART OF THE INSTRUMENT *****

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

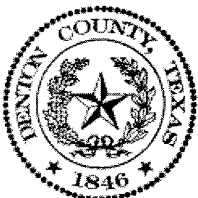
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Document Number: 2011-125309
Receipt Number: 860084
Recorded Date/Time: December 30, 2011 03:24:14P

User / Station: H Dunn - Cash Station 4

Record and Return To:

PREMIER COMMUNITIES MANAGEMENT
3102 OAKLAWN AVE STE 202
DALLAS TX 75219



THE STATE OF TEXAS }
COUNTY OF DENTON }

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

C Mitchell

County Clerk
Denton County, Texas

**The Villages of Carmel Homeowners' Association, Inc.
3102 Oak Lawn, Suite 202
Dallas, TX 75219**

Dedictory Instruments

Collection Policy

WHEREAS, Lots in The Villages of Carmel Phase III are subject to the Declaration of Covenants, Conditions & Restrictions for The Villages of Carmel Homeowners' Association Inc., recorded on Aug. 17, 2006 as Document Number 2006-101525 in the Real Property Records, Denton 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

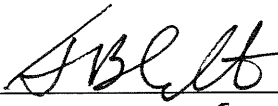
NOW, THEREFORE, IT IS RESOLVED that the attached collection policy has been established by the Board and is to be recorded with the Real Property Records.

The Villages of Carmel Homeowners' Association, Inc.
3102 Oak Lawn, Suite 202
Dallas, TX 75219

The Villages of Carmel Homeowners' Association, Inc. COLLECTION POLICY		
The Villages of Carmel Homeowners' Association, Inc. collection process includes the following steps <i>unless authorized exceptions to this process are communicated in writing from the Board of Directors</i> through the Association Manager.		
Notice	Description	Fees
1 st Friendly Notice	<ul style="list-style-type: none"> Issued by the billing department after the Association's late date as a statement showing the total amount due. The late date is the 15th. Only issued to owners <u>with a balance of \$10 or more</u>. <ul style="list-style-type: none"> Late/interest fees may vary based on governing documents. Late date may vary based on governing documents. 	\$25.00 + \$8.00 processing fee
2 nd Formal Notice	<ul style="list-style-type: none"> Issued by the billing department as a late letter (typically 30 days after the Friendly Notice). 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"> 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. Only issued to owners <u>with a balance of \$50 or more</u>. <ul style="list-style-type: none"> 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. 	\$18.00 processing fee
Demand Letter	<ul style="list-style-type: none"> This is a second 30-day collection notice (similar to the 2nd Formal Notice); sent via certified mail. The billing department will automatically proceed with referring an account for demand <i>unless the Manager or Board of Directors stipulates otherwise</i>. Association collection policies may require demand letter processing through an attorney's office. NOTE: For Associations under developer control, builder referral for advanced collection action requires approval from the divisional Director in addition to the Manager. 	\$35.00 request for demand + collection agency/attorney fees (fees vary by office/agency)
Lien	<ul style="list-style-type: none"> If an account is referred directly to an attorney's office, the billing department will automatically proceed with an Authorization to Lien <i>unless the Manager or Board of Directors stipulates otherwise</i>. 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. 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. 	\$20.00 request for lien + collection agency/attorney fees (fees vary by office/agency and county)

	<ul style="list-style-type: none"> Processing and filing a lien with the county clerk can take up to 30 (thirty) days. 	
Foreclosure	<ul style="list-style-type: none"> Authorization for Foreclosure must be Board-approved in writing. <ul style="list-style-type: none"> The approval should be in the form of Board-approved meeting minutes or a signature on an approved form. 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. Processing an account for foreclosure can take up to ninety (90) days 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"> If the property is not redeemed, the next step is Authorization to Sell or Authorization to Evict. The Association can proceed with Authorization to Evict once the property has been foreclosed. NOTE 1: 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. NOTE 2: 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"> Expedited non-judicial foreclosure is a new requirement for Associations that do not require judicial foreclosure per HB 1228 effective 1/1/2012. 	<p>\$20.00 request for foreclosure + collection agency/attorney fees (fees vary by office and county)</p>

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


Name: J. Brady Giddens
Title: Director
Date: 12/11/11

STATE OF TEXAS

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§
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COUNTY OF Benton

This instrument was acknowledged before me on the 11 day of Oct,
20 11, by Shady Giddens, Director of
The Village of Carmel HOA Inc., a Texas non-profit corporation, on behalf of said
corporation.

Doris Cline
Notary Public, State of Texas



AFTER RECORDING RETURN TO:

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



70 2011 00125308

Denton County
Cynthia Mitchell
County Clerk
Denton, Tx 76202

Instrument Number: 2011-125308

As

Recorded On: December 30, 2011

Misc General Fee Doc

Parties: THE VILLAGES OF CARMEL HOMEOWNERS ASSOC INC

To

Billable Pages: 4

Number of Pages: 4

Comment:

(Parties listed above are for Clerks reference only)

**** Examined and Charged as Follows: ****

Misc General Fee Doc	23.00
Total Recording:	23.00

***** DO NOT REMOVE. THIS PAGE IS PART OF THE INSTRUMENT *****

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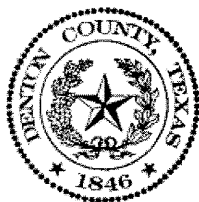
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User / Station: H Dunn - Cash Station 4

Record and Return To:

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3102 OAKLAWN AVE STE 202
DALLAS TX 75219



THE STATE OF TEXAS }
COUNTY OF DENTON }

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

C Mitchell

County Clerk
Denton County, Texas

**The Villages of Carmel Homeowners' Association, Inc.
3102 Oak Lawn, Suite 202
Dallas, TX 75219**

Dedicatory Instruments

Alternative Payment Schedule Guidelines for Certain Assessments

WHEREAS, Lots in The Villages of Carmel Phase III are subject to the Declaration of Covenants, Conditions & Restrictions for The Villages of Carmel Homeowners' Association Inc., recorded on Aug. 17, 2006 as Document Number 2006-101525 in the Real Property Records, Denton 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.

The Villages of Carmel Homeowners' Association, Inc.
3102 Oak Lawn, Suite 202
Dallas, TX 75219

Alternative Payment Schedule Guidelines for Certain Assessments

WHEREAS, the Board of Directors (the "Board") of The Villages of Carmel Homeowners' Association, Inc. (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.

J. Brady Giddens
Name: J. Brady Giddens
Title: Director
Date: 10/11/11

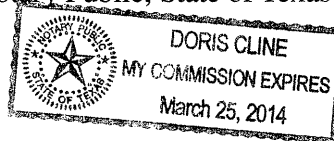
STATE OF TEXAS

COUNTY OF Denton

§
§
§

This instrument was acknowledged before me on the 11 day of Oct,
20 11, by Grady Giddens, Director of
The Village of Coppel HOA, Inc, a Texas non-profit corporation, on
behalf of said corporation.

Doris Cline
Notary Public, State of Texas



AFTER RECORDING RETURN TO:

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



70 2011 00125307

Denton County
Cynthia Mitchell
County Clerk
Denton, Tx 76202

Instrument Number: 2011-125307

As

Recorded On: December 30, 2011

Misc General Fee Doc

Parties: THE VILLAGES OF CARMEL HOMEOWNERS ASSOC INC

To

Billable Pages: 4

Number of Pages: 4

Comment:

(Parties listed above are for Clerks reference only)

**** Examined and Charged as Follows: ****

Misc General Fee Doc 23.00

Total Recording: 23.00

***** DO NOT REMOVE. THIS PAGE IS PART OF THE INSTRUMENT *****

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

File Information:

Document Number: 2011-125307

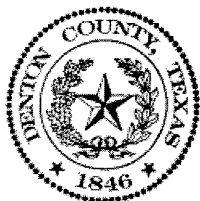
Receipt Number: 860084

Recorded Date/Time: December 30, 2011 03:24:14P

User / Station: H Dunn - Cash Station 4

Record and Return To:

PREMIER COMMUNITIES MANAGEMENT
3102 OAKLAWN AVE STE 202
DALLAS TX 75219



THE STATE OF TEXAS }
COUNTY OF DENTON }

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

C Mitchell

County Clerk
Denton County, Texas

**The Villages of Carmel Homeowners' Association, Inc.
3102 Oak Lawn, Suite 202
Dallas, TX 75219**

Dedictory Instruments

Policy for Priority of Payments

WHEREAS, Lots in The Villages of Carmel Phase III are subject to the Declaration of Covenants, Conditions & Restrictions for The Villages of Carmel Homeowners' Association Inc., recorded on Aug. 17, 2006 as Document Number 2006-101525 in the Real Property Records, Denton 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.

The Villages of Carmel Homeowners' Association, Inc.
3102 Oak Lawn, Suite 202
Dallas, TX 75219

Policy for Priority of Payments

WHEREAS, the Board of Directors (the "Board") of The Villages of Carmel Homeowners' Association, Inc. (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.

J. Brady Giddens
Name: J. Brady Giddens
Title: Director
Date: 10/11/11

STATE OF TEXAS

§
§
§

COUNTY OF Denton

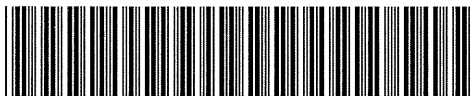
This instrument was acknowledged before me on the 11 day of Oct. 20 11, by Brady Giddens, Director of The Village of Carmel HOA, Inc., a Texas non-profit corporation, on behalf of said corporation.

Doris Cline
Notary Public, State of Texas

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



Priority of Payments Policy



70 2011 00125306

Denton County
Cynthia Mitchell
County Clerk
Denton, Tx 76202

Instrument Number: 2011-125306

As

Recorded On: December 30, 2011

Misc General Fee Doc

Parties: THE VILLAGES OF CARMEL HOMEOWNERS ASSOC INC

Billable Pages: 9

To

Number of Pages: 9

Comment:

(Parties listed above are for Clerks reference only)

**** Examined and Charged as Follows: ****

Misc General Fee Doc	43.00
Total Recording:	43.00

***** DO NOT REMOVE. THIS PAGE IS PART OF THE INSTRUMENT *****

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

File Information:

Document Number: 2011-125306

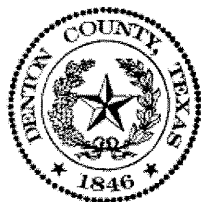
Receipt Number: 860084

Recorded Date/Time: December 30, 2011 03:24:14P

User / Station: H Dunn - Cash Station 4

Record and Return To:

PREMIER COMMUNITIES MANAGEMENT
3102 OAKLAWN AVE STE 202
DALLAS TX 75219



THE STATE OF TEXAS }
COUNTY OF DENTON }

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

Cynthia Mitchell

County Clerk
Denton County, Texas

**The Villages of Carmel Homeowners' Association, Inc.
3102 Oak Lawn, Suite 202
Dallas, TX 75219**

Dedictory Instruments

Policy for Records Production and Copying

WHEREAS, Lots in The Villages of Carmel Phase III are subject to the Declaration of Covenants, Conditions & Restrictions for The Villages of Carmel Homeowners' Association Inc., recorded on Aug. 17, 2006 as Document Number 2006-101525 in the Real Property Records, Denton 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.

The Villages of Carmel Homeowners' Association, Inc.
3102 Oak Lawn, Suite 202
Dallas, TX 75219

Records Production and Copying Policy

WHEREAS, the Board of Directors (the "Board") of The Villages of Carmel Homeowners' Association, Inc. (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 30th 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 30th 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 30th 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.

J. Brady Giddens
Name: J. Brady Giddens
Title: Director
Date: 10/11/11

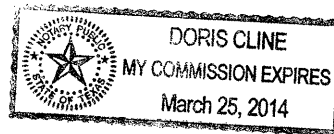
STATE OF TEXAS

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COUNTY OF Denton

This instrument was acknowledged before me on the 11 day of Oct.
20 11, by Brady Giddens, Director of
The Village of Carmel HOA, Inc., a Texas non-profit corporation, on
behalf of said corporation.

Doris Cline
Notary Public, State of Texas



AFTER RECORDING RETURN TO:

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

Records Production and Copying Policy



70 2011 00125310

Denton County
Cynthia Mitchell
County Clerk
Denton, Tx 76202

Instrument Number: 2011-125310

As

Recorded On: December 30, 2011

Misc General Fee Doc

Parties: THE VILLAGES OF CARMEL HOMEOWNERS ASSOC INC

Billable Pages: 4

To

Number of Pages: 4

Comment:

(Parties listed above are for Clerks reference only)

**** Examined and Charged as Follows: ****

Misc General Fee Doc	23.00
Total Recording:	23.00

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

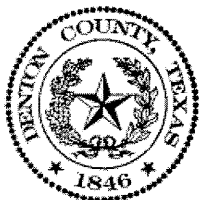
File Information:

Document Number: 2011-125310
Receipt Number: 860084
Recorded Date/Time: December 30, 2011 03:24:14P

User / Station: H Dunn - Cash Station 4

Record and Return To:

PREMIER COMMUNITIES MANAGEMENT
3102 OAKLAWN AVE STE 202
DALLAS TX 75219



THE STATE OF TEXAS }
COUNTY OF DENTON }

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

C Mitchell

County Clerk
Denton County, Texas

**The Villages of Carmel Homeowners' Association, Inc.
3102 Oak Lawn, Suite 202
Dallas, TX 75219**

Dedicatory Instruments

Policy for Document Retention

WHEREAS, Lots in The Villages of Carmel Phase III are subject to the Declaration of Covenants, Conditions & Restrictions for The Villages of Carmel Homeowners' Association Inc., recorded on Aug. 17, 2006 as Document Number 2006-101525 in the Real Property Records, Denton 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.

The Villages of Carmel Homeowners' Association, Inc.
3102 Oak Lawn, Suite 202
Dallas, TX 75219

Document Retention Policy

WHEREAS, the Board of Directors (the "Board") of The Villages of Carmel Homeowners' Association, Inc. (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]

Document Retention Policy

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.

JBLH
Name: J. Brady Giddens
Title: Director
Date: 10/11/11

STATE OF TEXAS

§

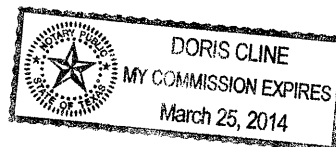
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COUNTY OF Denton

§

This instrument was acknowledged before me on the 11 day of Oct, 20 11, by J. Brady Giddens, Director of The Village of Carmel HOA, Inc., a Texas non-profit corporation, on behalf of said corporation.

Doris Cline
Notary Public, State of Texas



AFTER RECORDING RETURN TO:

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



Denton County
Cynthia Mitchell
County Clerk
Denton, Tx 76202

Instrument Number: 2009-101116

As

Recorded On: August 20, 2009

Declaration

Parties: HOLIGAN LAND DEVELOPMENT LTD

To

Billable Pages: 18

Number of Pages: 18

Comment:

(Parties listed above are for Clerks reference only)

**** Examined and Charged as Follows: ****

Declaration	79.00
Total Recording:	79.00

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

File Information:

Document Number: 2009-101116

Receipt Number: 614522

Recorded Date/Time: August 20, 2009 12:08:41P

User / Station: J Morris - Cash Station 1

Record and Return To:

FREEHOLD CAPITAL PARTNERS

PO BOX 6193

ROUND ROCK TX 78683



THE STATE OF TEXAS }
COUNTY OF DENTON }

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

C. Mitchell

County Clerk
Denton County, Texas

NOTICE OF CONFIDENTIALITY RIGHTS. IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

DECLARATION OF COVENANT

This Declaration of Covenant was designed to comply with Tex. Prop. Code §5.017.

NOTICE TO CLOSING AGENT, GRANTOR AND GRANTEE

THIS DECLARATION OF COVENANT MAY REQUIRE COLLECTION OF A FEE,
CHARGE OR ASSESSMENT IN CONNECTION WITH CONVEYANCE OF TITLE.
THIS DOCUMENT HAS IMPORTANT LEGAL CONSEQUENCES.

Instructions to Closing Agent: Check the official public records for subsequent amendments to this Declaration. See ¶6 of this Declaration for exempt sales. For non-exempt sales made before termination of this Declaration (see ¶2), collect from Grantor one percent (1%) of the Consideration paid by the Grantee (see ¶5), retain Closing Agent fee (see ¶13d) and remit balance to Trustee (see ¶9, ¶14). Contact Trustee with inquiries related to this Declaration and for assistance with closing. See also ¶13.

STATE OF TEXAS

KNOW ALL MEN BY THESE PRESENTS

COUNTY OF DENTON

This Declaration of Covenant (this "Declaration") is made by **HOLIGAN LAND DEVELOPMENT, LTD., A TEXAS LIMITED PARTNERSHIP**, whose mailing address is 6505 W Park Blvd, Ste 306, LB 342, Plano, TX 75093 (hereinafter "Declarant") for the purposes herein set forth as follows:

WITNESSETH:

WHEREAS, Declarant is the owner of that certain real property ("Property") located in Denton County, State of Texas, described as follows:

The real property described in Exhibit "A" attached hereto and incorporated herein for all purposes.

NOW THEREFORE, Declarant hereby declares that the Property shall be transferred, held, sold and conveyed subject to this Declaration and all matters set forth in this Declaration, which shall be deemed covenants running with the land and the title to the Property and shall be binding upon all parties having or acquiring any right, title or interest in the Property or any part thereof:

1. **DEFINITIONS.** In addition to words and phrases defined elsewhere in this Declaration, the following words when used in this Declaration shall have the following meanings:

- a. "Beneficiary" and "Beneficiaries" shall refer to each party listed in Paragraph 17 of this Declaration, including all successors and assigns thereof.
- b. "Closing Agent" or "Settlement Agent" shall have its customary meaning within the real estate industry, and generally shall refer to the party responsible for conducting and/or facilitating a closing of a conveyance of all or any portion of the Property; usually either a title company, attorney or escrow agent who prepares paperwork and conducts a closing related to the Conveyance.

c. "Consideration" means the price actually paid or required to be paid for the real property or interest therein, including payment for an option or contract to purchase real property, whether or not expressed in the Conveyance Instrument and whether paid or required to be paid by money, property, or any other thing of value. It shall include the cancellation or discharge of an indebtedness or obligation. It shall also include the amount of any mortgage, purchase money mortgage, lien or other encumbrance, whether or not the underlying indebtedness is assumed or taken subject to.

(i) In the case of a creation of a leasehold interest or the granting of an option with use and occupancy of real property, Consideration shall include (without limitation) the value of the rental and other payments attributable to the use and occupancy of the real property or interest therein, the value of any amount paid for an option to purchase or renew and the value of rental or other payments attributable to the exercise of any option to renew.

(ii) In the case of a creation of a subleasehold interest, Consideration shall include (without limitation) the value of the sublease rental payments attributable to the use and occupancy of the real property, the value of any amount paid for an option to renew and the value of rental or other payments attributable to the exercise of any option to renew less the value of the remaining prime lease rental payments required to be made.

(iii) In the case of a Controlling Interest in any entity that owns real property, Consideration shall mean the fair market value of the real property or interest therein, apportioned based on the percentage of the ownership interest transferred or acquired in the entity.

(iv) In the case of an assignment or surrender of a leasehold interest or the assignment or surrender of an option or contract to purchase real property, Consideration shall not include the value of the remaining rental payments required to be made pursuant to the terms of such lease or the amount to be paid for the real property pursuant to the terms of the option or contract being assigned or surrendered.

(v) In the case of (i) the original conveyance of shares of stock in a cooperative housing corporation in connection with the grant or transfer of a proprietary leasehold by the cooperative corporation or cooperative plan sponsor and (ii) the subsequent conveyance by the owner thereof of such stock in a cooperative housing corporation in connection with the grant or transfer of a proprietary leasehold for a cooperative unit other than an individual residential unit, Consideration shall include a proportionate share of the unpaid principal of any mortgage on the real property of the cooperative housing corporation comprising the cooperative dwelling or dwellings. Such share shall be determined by multiplying the total unpaid principal of the mortgage by a fraction, the numerator of which shall be the number of shares of stock being conveyed in the cooperative housing corporation in connection with the grant or transfer of a proprietary leasehold and the denominator of which shall be the total number of shares of stock in the cooperative housing corporation.

d. "Controlling Interest" means (i) in the case of a corporation, either fifty percent or more of the total combined voting power of all classes of stock of such corporation, or fifty percent or more of the capital, profits or beneficial interest in such voting stock of such corporation, and (ii) in the case of a partnership, association, trust or other entity, fifty percent or more of the capital, profits or beneficial interest in such partnership, association, trust or other entity.

e. "Conveyance" means the transfer or transfers of any Real Property Interest by any method, including but not limited to sale, exchange, assignment, surrender, mortgage foreclosure, transfer in lieu of foreclosure, option, trust indenture, taking by eminent domain, conveyance upon liquidation or by a receiver, or transfer or acquisition of a Controlling Interest in any entity with a Real Property Interest. Transfer of a Real Property Interest shall include the creation of a leasehold or sublease only where (i) the sum of the term of the lease or sublease and any options for renewal exceeds forty-nine years, (ii) substantial capital improvements are or may be made by or for the benefit of the lessee or sublessee, and (iii) the lease or sublease is for substantially all of the premises constituting the portion of the Property that is the subject of the conveyance. Notwithstanding the foregoing, Conveyance shall not include a conveyance pursuant to devise, bequest or inheritance; the creation, modification, extension, spreading, severance, consolidation, assignment, transfer, release or satisfaction of a mortgage; a mortgage subordination agreement, a mortgage severance agreement, an instrument given to perfect or correct a recorded mortgage; or a release of lien of tax.

f. "Conveyance Instrument" shall mean the instrument of Conveyance, which shall include (without limitation): warranty deed; trustee deed; quit claim deed; executor's deed; administrator's deed; court order; lease; assignment; or other instrument of Conveyance.

g. "Estoppel Certificate" shall mean a document, in recordable form, signed by the Trustee, that sets forth whether or not there exists, at the time of issuance of the Estoppel Certificate, any amount due under, or defaults in connection with, this Declaration, as the same relates to the Property that is the subject of the Estoppel Certificate.

- h. "Grantor" means the Person making the Conveyance. Where the Conveyance consists of a transfer or an acquisition of a Controlling Interest in an entity with a Real Property Interest, "Grantor" means the entity with a Real Property Interest or a shareholder or partner transferring stock or partnership interest, respectively.
- i. "Grantee" means the Person who obtains the Real Property Interest as a result of a Conveyance.
- j. "Of Record" shall mean filed in the OPR.
- k. "OPR" shall mean the Office of Public Records (also known as, and also referred to herein as, "official public records", "real property records", "deed records", "county recorder's office", "county clerk's office" and "public records") of the county, municipality, parish, township, town or similar political subdivision in which the Property is located; the recorder's office for recording of deeds, liens and similar real property records. All documents required under this Declaration to be filed in the OPR shall be filed in recordable form, with all filing fees paid, and with a copy to the Trustee by certified mail.
- l. "Owner" shall mean the record owner(s) holding fee simple title to all or any part of the Property that is subject to this Declaration.
- m. "Parties to this Declaration" shall mean persons, firms and entities then holding rights or having obligations under this Declaration and their successors and assigns.
- n. "Person" means an individual, partnership, limited liability company, society, association, joint stock company, corporation, estate, receiver, trustee, assignee, referee or any other person acting in a fiduciary or representative capacity, whether appointed by a court or otherwise, any combination of individuals, and any other form of unincorporated enterprise owned or conducted by two or more persons.
- p. "Property" shall mean the real property described on page one of this Declaration, together with (i) any and all buildings, structures, improvements, alterations or appurtenances now or hereafter situated or to be situated on the real property (collectively the "Improvements"); and (ii) all right, title and interest of Owner, now owned or hereafter acquired, in and to (1) all streets, roads, alleys, easements, rights-of-way, licenses, rights of ingress and egress, existing or proposed, abutting, adjacent, used in connection with or pertaining to the real property or the Improvements; and (2) all water and water rights, timber, and mineral interests on or pertaining to the real property. and SAVE AND EXCEPT any portion of the Property that is owned by a governmental entity (whether state, local, federal, or otherwise, hereinafter "Public Property"). This Covenant shall not apply to Public Property. Where the context requires it, the term Property shall refer to that portion of the Property that is sold or acquired in connection with a Conveyance.
- q. "Real Property Interest" includes title in fee, a leasehold interest, a beneficial interest, an encumbrance, development rights, air space and air rights, or any other interest with the right to use or occupancy of all or any portion of the Property or the right to receive rents, profits or other income derived from all or any portion of the Property. It shall also include an option or contract to purchase all or any portion of the Property, to the extent that such option or contract gives the Grantee use and occupancy rights of the real property. It shall not include a right of first refusal to purchase all or any portion of the Property.
- r. "Reconveyance Fee" shall mean the fee described in paragraph 5 of this Declaration, together with interest, costs and fees associated with an Unpaid Reconveyance Fee as otherwise described in this Declaration.
2. **TERM.** Except as otherwise provided herein, this Declaration and the covenants contained herein shall become binding upon the Property and the Parties to this Declaration upon filing of this Declaration in the OPR and shall expire at midnight ninety nine (99) years following the date referenced in paragraph 6(j) of this Declaration.
3. **CONSENT.** By acceptance of the Conveyance Instrument or Conveyance, each Owner of such Real Property Interest covenants, acknowledges, consents and agrees to the terms, conditions, promises, stipulations, grant of rights and authority, covenants, charges, liens, obligations, duties and restrictions contained in this Declaration, intending to be legally bound by same to the maximum extent allowed by law, and to the same extent as if expressed in the Conveyance Instrument, and takes and conveys such Real Property Interest subject to the provisions of this Declaration. Each Owner acquiring the Real Property Interest, whether expressed in the Conveyance Instrument or not, covenants and agrees to payment of the Reconveyance Fee upon a Conveyance by such Owner of such Real Property Interest, in whole or in part.
4. **CONSIDERATION FOR BENEFITS AND BURDENS.** By acceptance of a Conveyance Instrument or Conveyance, whether expressed therein or not, each Owner consents and agrees (a) that Declarant has caused one or more tangible and intangible improvements to, impressed benefits upon, or created common areas and easements appurtenant to, the Property; and/or (b) this Declaration is an essential component to the future viability of the community and the Property and will allow the Property to be used for other purposes by initial and subsequent owners;

(c) the Consideration paid by Owner was based in whole or in part upon the existence of this Declaration; (d) that this Declaration benefits the land within the community in which the Property is located, and, by extension, the Property itself and (e) that the foregoing and this Declaration benefit the Property and the Owner, (said benefits and consideration in "a-e" jointly and singularly "Property Benefits"). In addition, each Owner expressly covenants, acknowledges and agrees (i) that the Property Benefits all and singularly, jointly and severally, are appurtenant to the Property; (ii) the Reconveyance Fee is, in whole or in part, compensation for the Property Benefits, the Consideration paid for the Property, and for the rights granted herein and the benefits flowing therefrom, and (iii) that in consideration therefore, and for other good, valuable, independent and adequate consideration, the receipt and sufficiency of which is intended, acknowledged, stipulated and accepted by Owner's acceptance of a Conveyance Instrument, and as a covenant running with the Property and any portion thereof, the Owner shall be bound by the terms and conditions of this Declaration.

5. AMOUNT DUE. Except as otherwise provided herein, contemporaneous with, and as an encumbrance in connection with a Conveyance, the Grantor shall pay to Trustee, as trustee for Beneficiaries, a fee (the "Reconveyance Fee") equal to one percent (1%) of the Consideration (as defined in section 1(c)) paid by or on behalf of the Grantee in connection with the Conveyance.

6. EXEMPTIONS. The Reconveyance Fee shall not be assessed or payable in connection with a Conveyance (a) by the Declarant; (b) made by the Owner in connection with a mortgage where the conveyance is for the sole purpose of securing the mortgage or similar indebtedness of the Owner; (c) resulting from death or legal disability of an Owner, including transfers by will or probate; (d) by or to an Institutional Lender or trustee under a deed of trust made in connection with a judicial or non-judicial foreclosure of a mortgage; (e) by or to a governmental entity or agency (whether local, state, federal or otherwise) or a 501(c)(3) entity; (f) made by a Grantor with a Controlling Interest in the Grantee, or where the Grantor owns a Controlling Interest in the Grantor (an "Affiliate Transaction"); (g) made by order of a court (whether in connection with bankruptcy, divorce or otherwise); (h) where the Trustee cannot be identified by reference to the OPR; (i) where imposition of the Reconveyance Fee is prohibited by applicable law or (j) occurring prior to 01/01/2014. "Institutional Lender" shall mean any bank, government sponsored entity, savings and loan association or other lender that is licensed by state or federal government to engage in the business of owning, servicing or providing mortgage financing on real property.

7. RESERVATION: This Declaration and the premises and promises contained herein are intended to be a covenant running with the land and title to the real property and as a deed restriction (whether stated in the deed or not) and be binding upon each Owner and its successors and assigns. Whether expressed therein or not, a Conveyance Instrument conveying a Real Property Interest shall be deemed to contain therein a reservation providing that the Conveyance is expressly subject to this Declaration. Parties acquiring any portion of the Real Property Interest take title subject to this Declaration and the reservation heretofore provided. In the event of any conflict between the provisions of this Declaration and any Conveyance Instrument, this Declaration shall control.

8. LIEN AND PRIORITY; LIABILITY; COLLECTION. To the extent permitted by law, a Reconveyance Fee that is not paid when due ("Unpaid Reconveyance Fee") shall thereupon become a continuing lien and charge ("Lien") upon the portion of the Property that was the subject of the Conveyance giving rise to the Unpaid Reconveyance Fee ("Lien Property"), which Lien shall thereafter be binding upon such Lien Property and a personal obligation of such Lien Property's Owner, and:

- a. The Lien is effective from and shall relate back to the most recent of the date of recording in the OPR of (1) this Declaration, (2) an Estoppel Certificate or (3) a Substitute Estoppel Certificate.
- b. The Lien shall secure the Unpaid Reconveyance Fee as well as interest and all reasonable costs and attorney's fees incurred incident to the collection process.
- c. The liability of an Institutional Lender mortgage (including its successor or assignees) for any Unpaid Reconveyance Fee is limited to one percent (1%) of the original first lien mortgage debt.
- d. With the prior written consent of the Beneficiaries then holding a majority interest in this Declaration (which consent shall include instructions pertaining to payment of enforcement costs and disposition of Property ultimately acquired at any foreclosure) the Trustee may bring an action, in its name or on behalf of one or more Beneficiaries, to foreclose the Lien for Unpaid Reconveyance Fees, together with such other sums incident thereto, in the manner a mortgage of real property is foreclosed in the jurisdiction where the property is located (including a power of sale and non-judicial foreclosure if applicable) and may also bring an action to recover a money judgment for such unpaid amounts. The Trustee is entitled to recover from the Owner of the Lien Property (including from the proceeds of the sale, if any) reasonable attorney's fees incurred in either a foreclosure action or an action to recover a money

judgment for Unpaid Reconveyance Fees.

e. For the benefit of the Beneficiaries, the Trustee has the power to purchase the Lien Property at the foreclosure sale and to then hold, lease, mortgage, or convey it.

f. Except as otherwise set forth herein, the Lien Property shall remain subject to Unpaid Reconveyance Fees and any party acquiring title to Lien Property is liable for, and shall promptly pay to the Trustee, all Unpaid Reconveyance Fees accrued prior to the acquisition of the Lien Property by such party. This liability is without prejudice to any right that such party may have to seek contribution or indemnity from prior Grantor(s) or owner(s) of the Lien Property.

g. An Institutional Lender (or its successor or assignees) who acquires title to Lien Property by foreclosure (including by an instrument of conveyance in lieu of foreclosure) shall have no liability for Unpaid Reconveyance Fees that became due prior to the mortgagee's acquisition of title to such Lien Property.

h. For purposes of this subsection, the term "successor or assignee" as used with respect to an Institutional Lender includes only a subsequent holder of the first mortgage.

i. The Trustee shall be a proper party to intervene in any foreclosure proceeding related to Lien Property.

j. A foreclosure by the Trustee shall not extinguish this Declaration with respect to the Lien Property.

k. Any proceeding under one remedy shall not constitute an election of remedies. Failure to proceed under any remedy shall not be deemed a waiver of that remedy.

l. Unpaid sums due under this Declaration shall bear interest at the lesser of the maximum non-usurious lawful rate allowed by law or 18 percent per year. Interest shall not exceed the maximum amount of nonusurious interest that may be contracted for, taken, reserved, charged, or received under law; any interest in excess of that maximum amount shall be credited on the principal of the debt or, if that has been paid, refunded. This provision overrides other provisions, demands or actions to the contrary.

m. Payment received by the Trustee in connection with exercising its rights against the Lien Property shall be applied first to any permissible accrued interest, then to any costs and reasonable attorney's fees incurred in collection, and then to the Unpaid Reconveyance Fee. The foregoing shall be applicable notwithstanding any restrictive endorsement, designation, or instruction placed on or accompanying a payment.

n. Within 10 business days after Trustee's receipt of a written request ("Estoppel Request") from an Owner or their designated representative, including any mortgagee or closing agent (the "Requesting Party"), the Trustee shall furnish to such Requesting Party an Estoppel Certificate. All Estoppel Requests shall include a copy of this Declaration and shall describe with reasonable particularity (i) the Owner; (ii) the approximate date of and Consideration for the Conveyance; and (iii) the Requesting Party's name, address and contact information. An Estoppel Certificate delivered by the Trustee shall be conclusive and binding upon the Trustee and Beneficiaries, and the Property described in the Estoppel Certificate shall not be subject to liens or claims arising out of this Declaration for any amounts or defaults (including, without limitation, Unpaid Reconveyance Fees) that may have accrued prior to the date of the Estoppel Certificate and which are not otherwise described within the Estoppel Certificate. If the Trustee fails to timely respond to a written request made pursuant to this provision, then after an additional five (5) days notice of intent to file a Substitute Estoppel Certificate ("Substitute Estoppel Notice") with a copy of said Substitute Estoppel Certificate contained therein, delivered to Trustee by certified mail, return receipt requested, it shall be conclusively deemed that there are no unpaid amounts or defaults as of the date of the request, and the Requesting Party shall have the right to record an affidavit (attaching all prior requests for an Estoppel Certificate) to such effect (a "Substitute Estoppel Certificate") in the OPR, provided that same is recorded within fourteen (14) days from date of mailing of the Substitute Estoppel Notice.

p. Within ten (10) business days from date of receipt of a written request from Trustee, an Owner or Closing Agent shall promptly provide information reasonably requested by the Trustee related to a Conveyance to or from an Owner, including date of Conveyance, the Grantor and Grantee, the Consideration, and a copy of any closing statement prepared in connection therewith (redacted as to each social security number, tax identification number, date of birth and financial account information appearing therein). By acceptance of a Conveyance Instrument, each Owner does thereby irrevocably authorize and instruct each Closing Agent involved in closing a Conveyance to comply with the foregoing, and does release said Closing Agent(s) from liability of whatever kind and of whatever nature arising out of or related to a Closing Agent's compliance with this provision.

q. The Trustee shall be entitled to charge a reasonable fee for Estoppel Certificates.

r. To the extent the foregoing conflicts with any applicable statute, the statute shall apply.

9. TRUSTEE AND SUCCESSORS. The following shall serve as Trustee:

National Covenant Clearinghouse, Attn: Rjon Robins, Esq., 6300 NW 5th Way, Ft. Lauderdale, FL 33309 (including any successor trustee, the "Trustee"). The Trustee shall serve as a neutral third party acting as a fiduciary to the Beneficiaries. Licensor and Trustee, and their successors and assigns, jointly or severally, shall be entitled to appoint a successor Trustee, succeeding to all rights and responsibilities of Trustee. In the event neither Licensor nor Trustee should be in existence, Beneficiaries holding a majority interest in this Declaration, acting jointly, or upon application of any Beneficiary a court of competent jurisdiction in Denton County, Texas, shall appoint a Trustee. Upon Trustee's request, parties to this Declaration shall promptly join in execution of any appointment made pursuant to this provision together with any documents necessary to effectuate same. However, failure of one or more party to provide written consent shall not invalidate an appointment. Appointment of a substitute Trustee shall be in writing and filed Of Record. To the extent permitted by law, all Parties to this Declaration jointly and severally waive any and all claims against Licensor and Trustee which arise out of or which are related to acts undertaken pursuant to this section.

10. **NON-JUDICIAL FORECLOSURE.** To the extent permitted by law, each Owner, by acceptance of the Conveyance Instrument, whether expressed therein or not, hereby expressly vests in the Trustee the power to bring all actions against such Owner personally for the collection of unpaid amounts due hereunder and the power to enforce any Liens by all methods available for enforcement of such Liens, including judicial and non-judicial foreclosure of Lien Property by an action or proceeding brought in the name of the Trustee or Beneficiaries in the manner provided for in the laws of the jurisdiction where the Lien Property is located for mortgage or deed of trust liens on real property, and Owner expressly grants the Trustee a power of sale of the Lien Property. In connection with a non-judicial foreclosure, and subject to any requirements imposed by applicable law, the Trustee shall:

- a. give notice of default, and notice of the foreclosure sale, to the Owner of the Lien Property;
- b. sell and convey the Lien Property to the highest bidder for cash, with conveyance subject to valid prior liens, and other valid and prior exceptions to conveyance and warranty, and to this Declaration; and
- c. from the proceeds of the sale, pay, in this order:
 - i. expenses of foreclosure, including a commission to the Trustee of 3% of the bid;
 - ii. five percent of the sums remaining after deducting 10(c)(i-iii) to a non-profit made pursuant to 12(b)
 - iii. to Beneficiaries, all sums due and unpaid, in accordance with their respective interest;
 - iii. any amounts required by law to be paid before payment to Owner; and
 - iv. to the Owner of the Lien Property prior to foreclosure, any balance.

Recitals in any Trustee's deed conveying the Lien Property will be presumed true. Foreclosure of sums due and secured by the Lien shall not discharge this Declaration. Trustee is authorized to undertake any lawful action necessary to effectuate this provision.

11. **TRUSTEE RIGHTS.** To the maximum extent permitted by law, Beneficiaries jointly and severally grant unto Trustee the right to undertake on behalf of Beneficiaries, as agent thereof, any action Trustee deems reasonably necessary or appropriate to prosecute, defend and exercise rights and obligations arising out of or related to this Declaration, including, but not limited to, the right to:

- a. collect and disburse sums in connection with this Declaration;
- b. undertake or defend, including retaining others to undertake and defend, legal, arbitration and administrative proceedings;
- c. execute Estoppel Certificates and similar documents;
- d. re-file this Declaration (or a document containing the terms and conditions thereof, including any abstract or similar document) if necessary to comply with any statutes (including recording statutes) that limit the duration or validity of, or liability for, this Declaration, provided, however, that the re-filed Declaration shall not extend the original Term. Any Lien arising under the re-filed instrument shall relate back to the most recent of date of recordation in the OPR of (i) this Declaration, (ii) an Estoppel Certificate or (iii) a Substitute Estoppel Certificate.
- e. with respect to each Conveyance retain, as its fee, three percent (3%) of any and all gross Reconveyance Fees and other sums collected and disbursed by the Trustee pursuant to the terms of this Declaration;
- f. retain from any sums due Beneficiaries, on a prorata basis in accordance with each Beneficiaries respective ownership interest in this Declaration, such amounts necessary to reimburse Trustee for reasonable and necessary expenses incurred in initiating or defending legal proceedings in connection with this Declaration;
- g. decline to undertake action under subsection b of this paragraph 11 until such time as the Beneficiaries have made suitable financial arrangements with Trustee for costs and expenses related to same.

12. **TRUSTEE DUTIES.** The Trustee shall, to the maximum extent allowed by law, and as agent for Beneficiaries:

- a. hold in trust for, and not more than ninety days from date of receipt pay to, the Beneficiaries, in proportion to their respective ownership interest, all Reconveyance Fees (after permitted deductions and distributions otherwise described herein), arising out of or related to this Declaration;
- b. retain in a separate escrow account five percent (5%) from all Reconveyance Fees received and within ninety days from date of receipt of same pay said funds to one or more non-profit or not-for-profit entities ('non-profit' or 'charity') engaged in non-political, non-religious activities for the direct or indirect benefit of the community within which the Property is located, it being the intention of this Declaration, the Beneficiaries and each owner that a portion of the Reconveyance Fee arising from the Property be reinvested in the community for the direct or indirect betterment of the Property and land within the community. The Parties to this Declaration, including each Owner (by acceptance of a Conveyance Instrument) acknowledge, agree and stipulate that (i) charities build better communities and enhance property values; (ii) the foregoing charitable allocation is good, independent and sufficient consideration for this Declaration and the Reconveyance Fee due hereunder and (iii) the foregoing touches and concerns the land. In no event shall a non-profit, as a condition of acceptance of funds, be required to segregate or trace the funds to the Property or the community. The Trustee's discretion and determination as to the interpretation and application of this subparagraph "b" shall be conclusive and no Beneficiary shall have a right or claim to the aforementioned funds or authority as to the disbursement of same, provided however that Licensors shall have the superior right (but not the obligation) to designate the non-profit(s) for receipt of funds pursuant to, and for the purposes stated in this subparagraph "b";
- c. exercise the rights and duties assigned hereunder;
- d. maintain records of Trustee's receipts and disbursements related to this Declaration;
- e. execute Estoppel Certificates and similar documents reasonably requested by Requesting Parties;
- f. exercise the Trustee Rights when reasonable or necessary to do so;
- g. comply with any other written agreements between Trustee and Beneficiaries;
- h. accept as agent for each Beneficiary service of process and other notices related to this Declaration; and
- i. have (and is hereby granted) authority to undertake the foregoing as agent for the Beneficiaries.

Notwithstanding the foregoing, Trustee shall have no obligation to (i) issue payment to a non-profit or Beneficiary until the gross sum due and unpaid thereto exceeds One Hundred Dollars \$100.00 or (ii) pay or distribute interest accrued or collected on funds held by Trustee in accordance with this Declaration.

13. CLOSING AGENT ADMINISTRATION. In connection with any Conveyance:

- a. a Closing Agent shall have no obligation to investigate or ascertain the location of a Trustee or any other information related to this Declaration by means other than by reference to the OPR.
- b. if for any reason the Trustee cannot be located by reference to the OPR, a Closing Agent shall (1) remit to each Beneficiary that can be located through reference to the OPR each Beneficiary's prorata portion of the Reconveyance Fee, as determined by reference to the OPR, and (2) administer the balance of the Reconveyance Fee applying applicable state escheatment rules.
- c. upon tender of payment to Trustee of sums due under this Declaration, or upon Closing Agent's written agreement to hold the Estoppel Certificate in trust and unrecorded until tender of payment of such sums to the Trustee, a Closing Agent shall be entitled to and Trustee shall issue an Estoppel Certificate;
- d. where permitted by law a Closing Agent shall be and hereby is entitled to withhold from each Reconveyance Fee paid in connection with a Conveyance, and retain as a fee, the greater of \$100.00 or two percent (2%) of the Reconveyance Fee collected;
- e. when in doubt as to duties or liabilities related to disbursement of funds, a Closing Agent shall (i) deposit said funds with the clerk of any court of competent jurisdiction in Denton County, and (ii) provide written notice of same to Trustee, and shall thereafter have no liability with respect to the deposited sums;
- f. a Closing Agent shall be entitled to rely solely upon information contained in the OPR and is hereby released as to claims resulting from information not contained in the OPR; and
- g. it is understood that Closing Agent shall be under no obligation to invest any funds deposited with it, nor shall it be accountable for any incidental benefit attributable to the funds which may be received by Closing Agent while it holds such funds.

14. PAYMENT AND NOTICE. Payment shall be deemed made when tendered to the Trustee in good and collected funds. In order to insure proper credit, payment transmittal must reference the recording information of this Declaration. Except as otherwise provided herein, notices, requests and communications of any kind required under or made in connection with this Declaration shall be deemed made when (1) sent by certified mail, return receipt

requested to the Trustee or (2) acknowledged in writing by the Trustee. An Estoppel Certificate or similar written acknowledgment of payment shall not be required in order to satisfy the then-existing indebtedness but Trustee shall be authorized to provide same, and in accordance with this Declaration shall do so upon request of a Closing Agent.

15. **ADDITIONAL RECONVEYANCE FEES PROHIBITED.** During the term of this Declaration no additional Reconveyance Fee or similar fee payable in connection with a Conveyance shall be imposed upon the Property as a covenant running with the land; provided, however, that the foregoing shall not prohibit fees, charges or assessments of whatever kind or of whatever nature payable to and for the benefit of a homeowner's association, governmental entity or non-profit organization.

16. **MODIFICATIONS.** Trustee shall be entitled to (and upon request of Licensor shall) make technical modifications to this Declaration for the purpose of securing or clarifying rights and obligations intended or contemplated in this Declaration, to correct clerical errors, to clarify ambiguity, to remove any contradiction in the terms hereof, or to make such other changes deemed necessary to comply with applicable law; provided, however, that no such modification shall (i) result in an increase in the total consideration contemplated in paragraph 5 of this Declaration, (ii) affect Owner's rights or obligations under this Declaration, (iii) extend the term of this Declaration nor (iv) make any modifications to substantive terms that change the general intent of this Declaration. Any modification shall be made by recorded instrument. Upon Trustee's request, all parties to this Declaration shall promptly join in execution of any document necessary to effectuate this provision, but failure to do so shall not impair any action taken pursuant to this provision. All parties to this Declaration jointly and severally waive any and all claims against Licensor and Trustee which arise out of or which are related to any modification undertaken in good faith by Trustee or Licensor pursuant to this section. In the event neither Licensor nor any heir, successor or assign thereof should be in existence then the foregoing rights shall automatically vest in the Beneficiaries, acting jointly by the holders of a majority interest in this Declaration. In the event the Declarant listed on page one is a beneficial owner at the time of any modification made pursuant to this paragraph 16, said Declarant's consent thereto shall be required.

17. **BENEFICIARIES.** All rights, interest, ownership and privileges in and to this Declaration, **SAVE AND EXCEPT** "Declarant's Right to Terminate" under paragraph 25, belong to and are hereby vested in the following Beneficiaries, who/which are each hereby declared the owner(s) of an undivided interest in this Declaration in the percentages shown below:

- a. Holigan Land Development, LTD., a Texas limited partnership, 6505 W Park Blvd, Ste 306, LB 342, Plano, TX 75093 (50%)
- b. FCP Holdings I, LLC., a Nevada limited liability company, P.O. Box 6193, Round Rock, TX 78683 (33%)
- c. CBGS, LLC., 10000 N Central Expressway, Suite 900, Dallas, TX 75231 (10%)
- d. OLT Properties, Ltd., a Texas limited partnership, by PDC Properties, Inc., a Texas corporation, its sole general partner, 5225 Village Creek Dr., ste. 300, Plano, TX 75093 (5%)
- e. DTF Holdings Company, LLC., a Texas limited liability company, 600 Congress Avenue, Suite 1300, Austin, TX 78701 (2%)

18. **BENEFICIARY SALE/ASSIGNMENT.** Each Beneficiary is entitled to sell, convey, assign, pledge, subordinate and hypothecate, in whole or in part, their beneficial interest in this Declaration, provided however, that any offer to acquire the beneficial interest described in 17(a), made within five years from the date this Declaration was recorded in the OPR, shall include an equal offer per one percent interest for the remaining beneficial interests described under paragraph 17.

19. **BENEFICIARY DUTIES.** Each Beneficiary shall:

- a. provide notice of a purchase, sale, pledge, assignment or similar conveyance of all or part of Beneficiary's interest in this Declaration by filing notice of same in the OPR, with a copy to Trustee. The foregoing notice shall generally meet the content requirements of a Conveyance Instrument, containing therein a complete description of the parties, the interest conveyed and reference to the recording information of the document by which the grantor/assignor obtained title. Any person, firm or entity who acquires (by sale, assignment or otherwise), in whole or in part, rights in and to this Declaration shall, by taking such assignment, have consented and agreed to the terms of this Declaration.
- b. notify Trustee, in a method and manner reasonably required by Trustee, of any change in Beneficiary's mailing address or other material information and, failing to do, shall be subject to forfeiture to the state of Texas, applying state escheatment rules, all unpaid sums.

20. **LICENSE.** This Declaration was prepared under license from Freehold Capital Partners, Ltd., a Texas limited partnership, a Nevada corporation, (jointly and severally together with it's heirs, successors and assigns "Freehold" and

"Licensor").

21. **LICENSOR'S AUTHORITY.** If Licensor should at any time hold less than a 5% beneficial interest in this Declaration, authority vested in Licensor by this Declaration shall then vest in Beneficiaries (whether one or more) holding a majority beneficial interest in this Declaration.

22. **IMPAIRMENT OF CONSIDERATION.** To the extent that Improvements or Property Benefits form, in whole or in part, the basis for consideration for the benefits and burdens imposed by this Declaration, the parties, by acceptance of a Conveyance Instrument, stipulate and agree to the adequacy of said Improvements and Property Benefits, and further stipulate and agree, by acceptance of a Conveyance Instrument, whether expressed therein or not, that neither destruction nor obsolescence of, nor defect in, said Improvements or Property Benefits shall directly or indirectly diminish, impair or invalidate this Declaration in any way. No party holding rights in and to this Declaration, as a beneficiary thereof, shall have an obligation to construct, maintain, warranty, modify, add to, or transfer additional improvements to the Property beyond the date of recordation of this Declaration, in order for this Declaration to be in full force and effect.

23. **BENEFIT AND BURDEN.** It is the intent of the Parties to this Declaration that this Declaration and the benefits, burdens, premises and promises contained herein run with the land and shall be binding upon and shall inure to the burden and benefit of each Owner and the Beneficiaries, together with their respective successors, heirs and assigns. All burdens and benefits are stipulated to be appurtenant to the land.

24. **SAVINGS CLAUSE.** In the event any provision in this Declaration, including any modification thereto, is adjudicated impermissible or unenforceable, then the offending provision shall be deemed modified to the extent possible and necessary to comply with applicable law and to preserve each Beneficiary's right to compensation equal to compensation originally contemplated under this Declaration.

25. **DECLARANT'S RIGHT TO TERMINATE.** Notwithstanding any provision or term to the contrary herein, this Declaration shall terminate and be rendered null, void and of no force and effect in its entirety with respect to any portion of the Property that is the subject of a Termination (hereinafter defined). As used herein, a "Termination" shall refer to a written document that (i) describes the portion of the Property to be released and exonerated from this Declaration ("Released Property"); (ii) is recorded in the OPR and (iii) is executed SOLELY by Declarant in Declarant's sole and absolute discretion without necessity of joinder of the Beneficiary(ies), the Trustee, an Owner, any non-profit designated in this Declaration or any other party affected by this Declaration (jointly and severally the "Affected Parties"). Declarant shall be free to record a Termination notwithstanding any duty or obligation to the Affected Parties and regardless of any financial or legal effect such Termination may or will have on Affected Parties. Notwithstanding the foregoing, Declarant shall have no right to record a Termination and no Termination shall be valid or effective after the earlier of the sale, conveyance, transfer or assignment of (x) Declarant's interest in the Released Property or (y) Declarant's beneficial interest in this declaration, whether in whole or in part. Within ten (10) days from date of filing a Termination, Declarant shall provide a copy to Trustee, by certified mail. If a Termination is recorded as provided above, the legal description of the Property, for purposes of this Declaration, shall be deemed amended to exclude the Released Property. Upon Declarant's written request, the Trustee and Affected Parties shall execute any document(s) necessary to effectuate this provision. This right to terminate is personal to the Declarant and cannot be conveyed or assigned.

26. **NO GENERAL ASSIGNMENT.** Any purported assignment of rights under this Declaration shall be invalid and of no force and effect unless said assignment specifically references this Declaration and is filed Of Record. In particular, but not by way of limitation, a general assignment by Declarant (whether by Conveyance Instrument, contract for sale, or otherwise), executed in connection with a sale of the Property or otherwise, shall not constitute a valid sale or assignment of Declarant's rights under this Declaration, or invalidate or modify this Declaration in any way.

27. **LOAN REQUIREMENT.** To the extent that any of the provisions of this Declaration shall be found to be contrary to the promulgated rules and regulations of the Federal Housing Administration, the Veterans Administration or any other recognized governmental or quasi-governmental lending institution or agency (public or private) primarily engaged in granting or insuring loans, to such an extent that same unreasonably interferes with a Grantee's or Owner's ability to obtain financing for the Property, Trustee shall have the right and authority to waive or subordinate such provision for purposes of a given loan and, upon request of the Beneficiaries holding a majority interest, shall do so.

28. **CONSTRUCTION.** This Declaration shall be liberally construed in and for the interest, benefit and protection of Beneficiaries.

29. **LIMITATION ON DAMAGES.** Except as otherwise provided herein no party to this Declaration shall be

entitled to recover from another party to the Declaration, costs, including attorney fees, incurred in connection with legal proceedings arising out of or related to this Declaration. Each party to this Declaration, including Owner, Trustee and Beneficiaries, hereby jointly and severally waive all claims against each other for exemplary, punitive, consequential, and emotional damages arising out of or related to this Declaration.

30. APPLICABLE LAW. This Declaration shall be construed according to the laws of the State of Texas as they exist at the time of filing of this Declaration. If any provision of this Declaration is found to be in violation or conflict with applicable law then said provision shall be amended only to the extent necessary to comply with the applicable law, but shall otherwise remain in full force and effect.

IN WITNESS WHEREOF, this Declaration is executed on the date indicated below.

DECLARANT

Holigan Land Development, LTD., a Texas limited partnership
By: HL Development, LLC, a TX LLC (GP)

HH-, Senior Vice President
Harold Holigan

STATE OF TEXAS §

ACKNOWLEDGMENT

COUNTY OF DENTON §

Before me, the Undersigned Notary, on the 11TH day of August, 2009, personally appeared Harold Holigan, Sr. V. P. of HL Development, LLC, signer of the foregoing instrument, proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged that s/he executed the same in the aforementioned capacity for the purposes therein contained.

Cynthia L. Cottrell
Notary Public, State of TEXAS

When Recorded
Return To:
Freehold Capital Partners
P.O. Box 6193
Round Rock, TX 78683
Prepared By:
Robert Wilson, Esq.

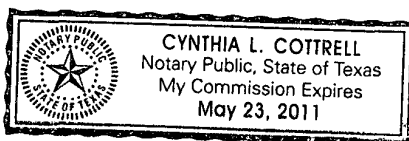


Exhibit "A"

Tract 1 – Villages of Carmel, Phase 1B

BEING a tract of land situated in the Gideon Walker Survey, Abstract No. 1330, Denton County, Texas, and being all of those tracts conveyed to Holigan Land Development, Ltd. by deeds recorded in Instrument Numbers 03-135346, 04-9230, 03-207472, 03-166531 and 03-150512, all in Denton County Land Records, Texas, and being all of Block 14, Village of Carmel, Phase I, an Addition to the City of Denton, Texas, as recorded by plat in Cabinet X, Page 445, Plat Records, Denton County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at a corner in the east line of Monte Verde Way (50' R.O.W.), said corner being N 01°15' 12" E, a distance of 1305.62 feet from the southeast corner of said Village of Carmel, Phase I, said southeast corner being on the new north line of Pockrus Page Road as dedicated by said plat;

THENCE N 01°15'12" E, along said east line of Monte Verde Way, a distance of 105.40 feet to a corner at the beginning of a curve to the left having a radius of 225.00 feet;

THENCE continuing along said east line of Monte Verde Way and with said curve to the left, through a central angle of 43°22'01", an arc distance of 170.30 feet and a chord which bears N20°25'48"W, 166.26 feet to a corner;

THENCE N42°04'43"W, a distance of 51.38 feet to the southeast corner of a corner clip at the intersection of the northeast line of said Monte Verde Way and the southeast line of San Lucas Lane (50' R.O.W.);

THENCE N02°53'11"E, continuing along said corner clip a distance of 14.10 feet to a corner;

THENCE N47°53'11"E, along said southeast line of San Lucas Lane a distance of 149.16 to a corner at the beginning of a tangent curve to the left, having a radius of 710.00 feet;

THENCE continuing along said southeast line of San Lucas Lane and with said curve to the left, through a central angle of 17°44'10", an arc distance of 219.78 feet and a chord which bears N39°01'06"E, 218.91 feet to a corner;

THENCE N59°50'59"W, departing said southeast line of San Lucas Lane a distance of 50.00 feet to a corner in the northwest line of said San Lucas Lane, same being the beginning of a non-tangent curve to the right, having a radius of 660.00 feet;

THENCE continuing along said southeast line of San Lucas Lane and with said curve to the left, through a central angle of 17°44'10", an arc distance of 204.31 feet and a chord which bears S39°01'06"W, 203.49 feet to a corner;

THENCE S47°53'11"W, a distance of 149.10 feet to the northwest corner of a corner clip at the intersection of said northwest line of San Lucas Lane and the northeast line of aforesaid Monte Verde Way;

Exhibit "A"

THENCE S87°05'39"E, continuing along said corner clip a distance of 14.12 feet to a corner;

THENCE N42°04'43"W, continuing along said northeast line of Monte Verde Way a distance of 202.71 feet to a corner;

THENCE N02°53'11"E, a distance of 20.94 feet to a corner;

THENCE N42°06'49"W, a distance of 65.00 feet to a corner;

THENCE S47°53'11"W, a distance of 177.79 feet to a corner;

THENCE N85°37'24"W, a distance of 20.65 feet to a corner;

THENCE S47°53'11"W, a distance of 50.07 feet to a corner;

THENCE S04°22'36"W, a distance of 21.76 feet to a corner;

THENCE S47°53'11"W, a distance of 157.90 feet to a corner at the beginning of a curve to the left which has a central angle of 09°28'45", a radius of 341.14 feet and a chord which bears S44°23'32"W, 56.37 feet;

THENCE along said curve to the left an arc distance of 56.44 feet to a corner;

THENCE S86°27'35"W, a distance of 13.80 feet to a corner;

THENCE S36°09'08"W, a distance of 50.35 feet to a corner;

THENCE S07°30'17"E, a distance of 15.69 feet to a corner at the beginning of a curve to the left having a central angle of 28°45'44", a radius of 432.50 feet and a chord which bears S16°55'37"W, 214.84 feet;

THENCE along said curve to the left an arc distance of 217.11 feet to a corner;

THENCE S02°32'45"W, a distance of 59.64 feet to a corner;

THENCE S47°32'37"W, a distance of 14.14 feet to a corner;

THENCE N87°27'31"W, a distance of 200.04 feet to a corner;

THENCE N42°27'31"W, a distance of 14.14 feet to a corner;

THENCE N02°32'29"E, a distance of 105.06 feet to a corner;

THENCE N87°28'05"W, a distance of 284.07 feet to a corner;

Exhibit "A"

THENCE N02°55'11"E, a distance of 971.63 feet to a corner;

THENCE S86°47'46"E, a distance of 507.13 feet to a corner;

THENCE N03°08'52"E, a distance of 115.74 feet to a corner;

THENCE S87°22'21"E, a distance of 312.07 feet to a corner;

THENCE N02°10'32"E, a distance of 568.77 feet to a corner;

THENCE S87°13'12"E, a distance of 1052.28 feet to a corner;

THENCE S02°23'16"W, a distance of 1648.43 feet to a corner;

THENCE N87°13'12"W, a distance of 609.73 feet to the POINT OF BEGINNING and containing 2,305,589 square feet or 52.93 acres of land, more or less.

Tract 2 – Villages of Carmel, Phase 2

BEING A TRACT OF LAND SITUATED IN THE G. WALKER SURVEY, ABSTRACT NO. 1330, DENTON COUNTY, TEXAS, AND BEING ALL OF THOSE CERTAIN TRACTS OF LAND CONVEYED TO HOLIGAN LAND DEVELOPMENT, LTD. AS RECORDED IN DOC.# 2003-R0138818 AND 2004-117948, DEED RECORDS OF DENTON COUNTY, TEXAS AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT AN "X" CUT SET FOR CORNER SITUATED IN THE NORTH LINE OF POCKRUS PAGE ROAD, SAID IRON ROD ALSO BEING THE SOUTHEAST CORNER OF THE AMENDED PLAT OF VILLAGES OF CARMEL PHASE I AS RECORDED IN CABINET X, PAGES 444-446, PLAT RECORDS OF DENTON COUNTY, TEXAS;

THENCE N01°15'12"E, DEPARTING THE NORTH LINE OF SAID POCKRUS PAGE ROAD AND ALONG THE EAST LINE OF SAID VILLAGES OF CARMEL, A DISTANCE OF 1320.92 FEET TO A 5/8" IRON ROD FOUND FOR CORNER;

THENCE S87°23'32"E, CONTINUING ALONG THE SOUTH LINE OF SAID VILLAGES OF CARMEL, A DISTANCE OF 556.47 FEET TO A 1/2" IRON ROD FOUND FOR CORNER AND BEING THE SOUTHEAST CORNER OF LOT 1, BLOCK 14 OF THE AFOREMENTIONED VILLAGES OF CARMEL;

THENCE S87°07'57"E, ALONG THE SOUTH LINE OF MARY L. MASON CHILDREN'S TRUST TRACT AS, RECORDED IN VOLUME 4074, PAGE 1828, DEED RECORDS OF DENTON COUNTY, TEXAS, A DISTANCE OF 576.06 FEET TO A 19" OAK TREE FOUND FOR CORNER;

Exhibit "A"

THENCE S87°33'04"E, CONTINUING ALONG THE SOUTH LINE OF SAID MARY L. MASON TRACT, A DISTANCE OF 438.39 FEET TO A 1/2" IRON ROD FOUND FOR CORNER;

THENCE S02°36'35"W, ALONG THE WEST LINE OF GEORGINA NUNEZ TRACT AS RECORDED IN DOC.# 95-R0033684, AND THE WEST LINE OF TROUT DRIVE, L.P. TRACT AS RECORDED IN DOC.# 2005-82503, AND THE WEST LINE OF DANNY LEE SMITH TRACT AS RECORDED IN DOC.# 98-R0035011, DEED RECORDS OF DENTON COUNTY, TEXAS, A DISTANCE OF 557.63 FEET TO A 1/2" IRON ROD FOUND FOR CORNER;

THENCE N86°35'20"W, ALONG THE NORTH LINE OF JOY POWELL TRACT AS RECORDED IN VOLUME 1695, PAGE 921, DEED RECORDS OF DENTON COUNTY, TEXAS, A DISTANCE OF 73.32 FEET TO A 1/2" IRON ROD FOUND FOR CORNER;

THENCE S02°33'20"W, ALONG THE WEST LINE OF SAID JOY POWELL TRACT, A DISTANCE OF 166.95 FEET TO A 1/2" IRON ROD FOUND FOR CORNER;

THENCE S02°33'14"W, ALONG THE WEST LINE OF ROBERT W. SMITH TRACT AS RECORDED IN DOC.# 2000-R0111539, DEED RECORDS OF DENTON COUNTY, TEXAS, A DISTANCE OF 595.86 FEET TO A 1/2" IRON ROD FOUND FOR CORNER SITUATED IN THE NORTH LINE OF SAID POCKRUS PAGE ROAD;

THENCE N87°44'04"W, ALONG THE NORTH LINE OF SAID POCKRUS PAGE ROAD, A DISTANCE OF 204.01 FEET TO A 1/2" IRON ROD FOUND FOR CORNER;

THENCE N87°19'30"W, CONTINUING ALONG THE NORTH LINE OF SAID POCKRUS PAGE ROAD, A DISTANCE OF 1263.06 FEET TO THE POINT OF BEGINNING AND CONTAINING 45.861 ACRES OF LAND.

SAVE AND EXCEPT that portion included as Lot 28, Block 27; Lots 1 through 12, Block 28; and Lots 1 through 11, Block 29, proposed final plat of VILLAGES OF CARMEL, PHASE 1B, an addition to the City of Denton, Denton County, Texas.

Tract 3 – Villages of Carmel, Phase 4

ALL THAT CERTAIN TRACT OR PARCEL OF LAND LYING AND BEING SITUATED IN THE G. WALKER SURVEY ABSTRACT NUMBER 1330, DENTON COUNTY, TEXAS, AND BEING PART OF THE CALLED 91.921 ACRE TRACT DESCRIBED IN A DEED TO FLOWERS BAKING CO. OF DENTON, LLC, RECORDED IN COUNTY CLERK'S FILE NUMBER 03-R0159272, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS, AND ALSO BEING DESCRIBED AS ALL OF LOT 2, BLOCK A, FLOWERS FOOD ADDITION, AN ADDITION TO THE CITY OF DENTON, ACCORDING TO THE PLAT THEREOF, RECORDED IN CABINET W, PAGES 333 AND 334, PLAT RECORDS, DENTON COUNTY, TEXAS, AND ALL OF LOT 3, BLOCK A, FLOWERS FOOD ADDITION, AN ADDITION TO THE CITY OF DENTON, ACCORDING TO THE PLAT THEREOF, RECORDED IN CABINET W, PAGES 335 AND 336, PLAT RECORDS, DENTON COUNTY, TEXAS AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

Exhibit "A"

BEGINNING AT A FOUND RAILROAD SPIKE AT A NORTHEAST CORNER OF THE FLOWERS BAKING CO TRACT IN EDWARDS ROAD;

THENCE SOUTH 02 DEGREES 40 MINUTES 55 SECONDS WEST WITH A EAST LINE OF THE FLOWERS BAKING CO. TRACT AND THE WEST LINE OF A CALLED 16.0 ACRE TRACT DESCRIBED IN A DEED TO RICHARD BARIA, RECORDED IN VOLUME 1329, PAGE 202, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS, A DISTANCE OF 698.28 FEET TO A FOUND IRON PIN AT AN ANGLE POINT IN THE EAST LINE OF THE FLOWERS BAKING CO. TRACT AT THE NORTHWEST CORNER OF A CALLED 6.968 ACRE TRACT DESCRIBED IN A DEED TO HOLIGAN LAND DEVELOPMENT, LTD., RECORDED IN DOCUMENT NUMBER 2004-50040, OFFICIAL PUBLIC RECORDS, DENTON COUNTY, TEXAS;

THENCE SOUTH 02 DEGREES 43 MINUTES 42 SECONDS WEST CONTINUING WITH A EAST LINE OF THE FLOWERS BAKING CO. TRACT AND THE WEST LINE OF SAID 6.968 ACRE TRACT, A DISTANCE OF 1249.03 FEET TO A FOUND IRON PIN AT A SOUTHEAST CORNER OF THE FLOWERS BAKING CO TRACT ON THE NORTH LINE OF THE 20.057 ACRE TRACT TO HOLIGAN LAND DEVELOPMENT, LTD. RECORDED IN COUNTY CLERK'S FILE NUMBER 03-R0135346, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS;

THENCE NORTH 87 DEGREES 33 MINUTES 17 SECONDS WEST WITH A SOUTH LINE OF THE FLOWERS BAKING CO. TRACT AND A NORTH LINE OF SAID 20.057 ACRE TRACT, A DISTANCE OF 622.20 FEET TO A FOUND IRON PIN AT AN INNER ELL CORNER OF THE FLOWERS BAKING CO. TRACT, AND THE NORTHWEST CORNER A CALLED 2.846 ACRE TRACT DESCRIBED IN A DEED TO HOLIGAN LAND DEVELOPMENT, LTD. RECORDED IN COUNTY CLERK'S DOCUMENT NUMBER 2004-0230, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS;

THENCE SOUTH 03 DEGREES 19 MINUTES 02 SECONDS WEST WITH A EAST LINE OF THE FLOWERS BAKING CO. TRACT AND A WEST LINE OF THE 2.846 ACRE TRACT A DISTANCE OF 472.97 FEET TO A FOUND FENCE CORNER POST AT AN ANGLE POINT IN A EAST LINE OF THE FLOWERS BAKING CO. TRACT AND THE NORTHWEST CORNER OF THE CALLED 0.942 ACRE TRACT DESCRIBED IN THE DEED TO HOLIGAN LAND DEVELOPMENT, LTD. RECORDED IN COUNTY CLERK'S DOCUMENT NUMBER 2004-0230, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS;

THENCE SOUTH 03 DEGREES 01 MINUTES 21 SECONDS WEST CONTINUING WITH A EAST LINE OF THE FLOWERS BAKING CO. TRACT AND THE WEST LINE OF THE 0.942 ACRE TRACT A DISTANCE OF 224.75 FEET TO A FOUND STEEL PIPE AT A SOUTHEAST CORNER OF THE FLOWERS BAKING CO. TRACT ON THE NORTH RIGHT-OF-WAY LINE OF POCKRUS PAGE ROAD;

THENCE NORTH 87 DEGREES 56 MINUTES 40 SECONDS WEST WITH A SOUTH LINE OF THE FLOWERS BAKING CO. TRACT AND THE NORTH RIGHT-OF-WAY LINE OF POCKRUS PAGE ROAD, A DISTANCE OF 218.61 FEET TO A FOUND STEEL PIPE AT A SOUTHWEST CORNER OF THE FLOWERS BAKING CO. TRACT AND THE SOUTHEAST CORNER OF THE TRACT OF LAND DESCRIBED IN THE DEED TO BETTY JOHN ROBERTSON RECORDED IN VOLUME 2423, PAGE 932 OF THE REAL PROPERTY RECORDS OF DENTON COUNTY, TEXAS;

THENCE NORTH 01 DEGREES 47 MINUTES 13 SECONDS EAST WITH A WEST LINE OF THE FLOWERS BAKING CO. TRACT AND THE EAST LINE OF THE ROBERTSON TRACT A

Exhibit "A"

DISTANCE OF 683.38 FEET TO A FOUND IRON PIPE AT AN INNER ELL CORNER OF THE FLOWERS BAKING CO. TRACT AND A NORTHEAST CORNER OF THE CALLED 3.980 ACRE TRACT TO KENNETH D. OWEN RECORDED IN VOLUME 763, PAGE 137 OF THE DEED RECORDS OF DENTON COUNTY, TEXAS;

THENCE NORTH 87 DEGREES 39 MINUTES 54 SECONDS WEST WITH A SOUTH LINE OF THE FLOWERS BAKING CO. TRACT AND THE NORTH LINE OF THE OWEN TRACT A DISTANCE OF 363.71 FEET TO A FOUND IRON PIN AT AN INNER ELL CORNER OF FLOWERS BAKING CO. TRACT;

THENCE SOUTH 03 DEGREES 03 MINUTES 00 SECONDS WEST WITH AN EAST LINE OF FLOWERS BAKING CO. TRACT AND THE WEST LINE OF THE OWEN TRACT A DISTANCE OF 397.16 FEET TO A FOUND IRON PIN;

THENCE SOUTH 39 DEGREES 11 MINUTES 49 SECONDS EAST WITH AN EAST LINE OF FLOWERS BAKING CO. TRACT AND THE SOUTH LINE OF THE OWEN TRACT A DISTANCE OF 362.08 FEET TO A 1/2 INCH IRON PIN SET WITH A YELLOW PLASTIC CAP STAMPED METROPLEX 1849 AT THE SOUTHERN MOST SOUTHEAST CORNER OF SAID LOT 2, BLOCK A, ON THE NORTH RIGHT-OF-WAY LINE OF POCKRUS PAGE ROAD;

THENCE NORTH 87 DEGREES 29 MINUTES 45 SECONDS WEST WITH A SOUTH LINE OF SAID LOT 2, BLOCK A, AND THE NORTH RIGHT-OF-WAY LINE OF POCKRUS PAGE ROAD A DISTANCE OF 26.69 FEET TO A 1/2 INCH IRON PIN SET WITH A YELLOW PLASTIC CAP STAMPED METROPLEX 1849 AT THE SOUTHERN MOST SOUTHWEST CORNER OF SAID LOT 2, BLOCK A, ON THE EAST RIGHT-OF-WAY LINE OF THE OLD M.K.T. RAILROAD;

THENCE NORTH 39 DEGREES 14 MINUTES 16 SECONDS WEST WITH A WEST LINE OF FLOWERS BAKING CO. TRACT AND THE EAST RIGHT-OF-WAY LINE OF THE OLD M.K.T. RAILROAD, A DISTANCE OF 391.25 FEET TO A FOUND IRON PIN AT THE BEGINNING OF A CURVE TO THE RIGHT;

THENCE WITH THE EAST RIGHT-OF-WAY LINE OF THE OLD M.K.T. RAILROAD ALONG SAID CURVE HAVING A DELTA OF 13 DEGREES 29 MINUTES 38 SECONDS, A RADIUS OF 2814.79 FEET, AN ARC LENGTH OF 662.92 FEET (CHORD OF NORTH 32 DEGREES 31 MINUTES 18 SECONDS WEST A DISTANCE OF 661.39 FEET) TO A 1/2 INCH IRON PIN SET WITH A YELLOW PLASTIC CAP STAMPED METROPLEX 1849;

THENCE SOUTH 87 DEGREES 33 MINUTES 17 SECONDS EAST, A DISTANCE OF 1302.08 FEET TO A 1/2 INCH IRON PIN SET WITH A YELLOW PLASTIC CAP STAMPED METROPLEX 1849;

THENCE NORTH 02 DEGREES 43 MINUTES 42 SECONDS EAST, A DISTANCE OF 1043.62 FEET TO A 1/2 INCH IRON PIN SET WITH A YELLOW PLASTIC CAP STAMPED METROPLEX 1849;

THENCE NORTH 60 DEGREES 11 MINUTES 50 SECONDS WEST, A DISTANCE OF 294.75 FEET TO A 1/2 INCH IRON PIN SET WITH A YELLOW PLASTIC CAP STAMPED METROPLEX 1849;

THENCE NORTH 03 DEGREES 08 MINUTES 54 SECONDS EAST, A DISTANCE OF 587.48 FEET TO A 1/2 INCH IRON PIN SET WITH A YELLOW PLASTIC CAP STAMPED METROPLEX 1849 ON THE SOUTH RIGHT-OF-WAY LINE OF EDWARDS ROAD;

Exhibit "A"

THENCE SOUTH 86 DEGREES 44 MINUTES 08 SECONDS EAST WITH THE SOUTH RIGHT-OF-WAY LINE OF EDWARDS ROAD A DISTANCE OF 434.98 FEET TO A FOUND IRON PIN;

THENCE NORTH 03 DEGREES 30 MINUTES 26 SECONDS EAST A DISTANCE OF 35.49 FEET TO A FOUND RAILROAD SPIKE IN EDWARDS ROAD ON THE NORTH LINE OF THE FLOWERS BAKING CO. TRACT;

THENCE SOUTH 88 DEGREES 03 MINUTES 58 SECONDS EAST WITH THE NORTH LINE OF THE FLOWERS BAKING CO TRACT A DISTANCE OF 172.15 FEET TO THE POINT OF BEGINNING AND CONTAINING IN ALL 29.530 ACRES OF LAND.

**AMENDMENT
TO THE
FIRST SUPPLEMENTAL
DECLARATION
OF
COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR
THE VILLAGES OF CARMEL**

This Amendment to the First Supplemental Declaration of Covenants, Conditions and Restrictions for the Villages of Carmel ("Amendment"), is executed by HOLIGAN LAND DEVELOPMENT, LTD., a Texas limited partnership ("Declarant"), effective as of the date upon which this instrument is recorded in the Real Property Records of Denton County, Texas.

WHEREAS, Declarant executed that certain Master Declaration of Covenants, Conditions and Restrictions for The Villages of Carmel ("Master Declaration"), dated August 10, 2006, and recorded August 17, 2006, in the Real Property Records of Denton County, Texas, as Instrument Number 2006-101525; and

WHEREAS, Declarant executed and recorded that First Supplemental Declaration of Covenants, Conditions and Restrictions for The Villages of Carmel ("First Supplemental Declaration") dated December 11, 2006, and recorded December 12, 2006, in the Real Property Records of Denton County, Texas, as Instrument Number 2006-150332, establishing building criteria, development standards, use restrictions, and other covenants governing The Villages of Carmel; and

WHEREAS, Declarant executed and recorded that Second Supplemental Declaration of Covenants, Conditions and Restrictions for The Villages of Carmel ("Second Supplemental Declaration") dated May 4, 2007, and recorded May 9, 2007, in the Real Property Records of Denton County, Texas, as Instrument Number 2007-54404, annexing The Villages of Carmel, Phase 1; and

WHEREAS, it has become necessary to amend and supplement the First Supplemental Declaration to clarify the type of permitted fences; and

WHEREAS, Section 12.2 of the Master Declaration provides that the Declarant may unilaterally amend the Master Declaration at its discretion without a vote or the consent of any other party at any time prior to the conveyance of the first Lot by a Builder to a homeowner or as may be necessary to comply with any applicable governmental regulation; and

WHEREAS, Declarant desires in accordance with Section 12.2 of the Master Declaration to amend the First Supplemental Declaration to clarify the type of fencing permitted in Section 2.9, Subsection (b), of the First Supplement; with all other provisions of Section 2.9 not specifically named herein to remain unaltered.

AMENDMENT

NOW THEREFORE, Declarant hereby declares that all the Property which property has already been subjected to the Master Declaration, the First Supplemental Declaration, and the Second Supplemental Declaration is hereby additionally subjected to this First Amendment to the First Supplemental Declaration. The First Supplemental Declaration of Covenants, Conditions and Restrictions for The Villages of Carmel is hereby amended as follows:

1. Section 2.9, **Fences**, Subsection (b), **Type of Fencing**, which currently reads in its entirety as follows:

(b) **Type of Fencing.** All perimeter fences will be constructed of synthetic wood, except for the Association Fencing and Special Fencing. All fencing shall comply in all respects (including size and location) with applicable City requirements. All perimeter fences (except Association Fencing, which shall be no less than four feet in height) shall be between six and eight feet in height unless another height is approved by the NCRB or the Modifications Committee and shall be a color approved by the NCRB or the Modifications Committee. No fences may be painted, unless otherwise approved in writing by the NCRB or the Modifications Committee. Except for Association Fencing, no chain-link, metal, cloth or agricultural fences may be built or maintained on any Lot unless such fence is located within the perimeter fence in such a manner that it is not visible from any street, alley, park, Common Area or public area, unless otherwise approved by the NCRB or the Modifications Committee. Except for Association Fencing, the portion of all fences which exterior or side faces a street adjoining such Owner's Lot (front, side or rear streets, but not alleys) or which exterior or side faces a Common Area, open space, park or other recreational area adjoining such Owner's Lot (which area may be separated by an alley) shall have the smooth surface of the fence materials facing the applicable street or Common Area, open space, park or other recreational area unless otherwise approved by the NCRB or the Modifications Committee. The fence posts and bracing boards on such front, side and rear fences shall face the interior of the fenced yard. Owners shall not construct a second fence (a parallel fence) along or near the Common Area Fence or the Association Fencing.

is hereby deleted in its entirety and the following substituted in its place so that Subsection (b) reads as follows:

(b) **Type of Fencing.** All perimeter fences will be constructed of wood from spruce or other acceptable material, except for the Association Fencing and Special Fencing. All fencing shall comply in all respects (including size and location) with applicable City requirements. All perimeter fences (except Association Fencing, which shall be no less than four feet in height) shall be between six and eight feet in height unless another height is approved by the NCRB or the Modifications Committee and shall be a color approved by the NCRB or the Modifications

Committee. No fences may be painted, unless otherwise approved in writing by the NCRB or the Modifications Committee; however, fences may be stained and sealed in a natural wood tint. Except for Association Fencing, no chain-link, metal, cloth or agricultural fences may be built or maintained on any Lot unless such fence is located within the perimeter fence in such a manner that it is not visible from any street, alley, park, Common Area or public area, unless otherwise approved by the NCRB or the Modifications Committee. Except for Association Fencing, the portion of all fences which exterior or side faces a street adjoining such Owner's Lot (front, side or rear streets, but not alleys) or which exterior or side faces a Common Area, open space, park or other recreational area adjoining such Owner's Lot (which area may be separated by an alley) shall have the smooth surface of the fence materials facing the applicable street or Common Area, open space, park or other recreational area unless otherwise approved by the NCRB or the Modifications Committee. The fence posts and bracing boards on such front, side and rear fences shall face the interior of the fenced yard. Owners shall not construct a second fence (a parallel fence) along or near the Common Area Fence or the Association Fencing.

All other covenants, restrictions, easements, conditions, stipulations, reservations and other terms and provisions which have not been changed hereby, either expressly or by necessary implication, shall remain in full force and effect. In the event of any inconsistency, the terms of the Master Declaration shall control, but the terms of this Amendment shall control over any inconsistent language in the First Supplemental Declaration. Any capitalized term used in this First Amendment to First Supplemental Declaration not otherwise defined shall have the meaning assigned to such term as set forth in the Master Declaration or the First Supplemental Declaration.

IN WITNESS WHEREOF, this Amendment to the First Supplemental Declaration of Covenants, Conditions and Restrictions for The Villages of Carmel is hereby executed by Declarant on the date reflected in the acknowledgment below to be effective as of the date of recordation in the Real Property Records of Denton County, Texas.

DECLARANT:

**HOLIGAN LAND DEVELOPMENT, LTD.,
a Texas limited partnership**

**By: HL Development, LLC,
a Texas limited liability company,
Its General Partner**

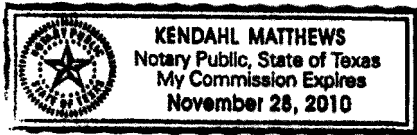
By: 

Name: Wallace Creel

Title: President

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

The foregoing instrument was acknowledged before me on this the 31st day of July, 2007, by Wallace Creel, President of HL Development, LLC, a Texas limited liability company, General Partner of Holigan Land Development, Ltd., a Texas limited partnership, on behalf of said limited partnership.



Kendahl Matthews
Notary Public, State of Texas

AFTER RECORDING RETURN TO:
Holigan Land Development, Ltd.
15950 Dallas Parkway, Suite 750
Dallas, Texas 75248

Denton County
Cynthia Mitchell
County Clerk
Denton, Tx 76202



70 2007 00095154

RECEIVED AUG 10 2007

Instrument Number: 2007-95154

As

Recorded On: August 08, 2007

Amendment

Parties: HOLIGAN LAND DEVELOPMENT LTD

Billable Pages: 5

To

Number of Pages: 5

Comment:

(Parties listed above are for Clerks reference only)

**** Examined and Charged as Follows: ****

Amendment	32.00
Total Recording:	32.00

***** DO NOT REMOVE THIS PAGE IS PART OF THE INSTRUMENT *****

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

File Information:

Document Number: 2007-95154
Receipt Number: 410741
Recorded Date/Time: August 08, 2007 02:17:14P

Record and Return To:

HOLIGAN FINANCIAL GROUP
15950 N DALLAS PKWY STE 750
DALLAS TX 75248

User / Station: P Sallee - Cash Station 4



THE STATE OF TEXAS }
COUNTY OF DENTON }

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

C. Mitchell

County Clerk
Denton County, Texas

**SECOND SUPPLEMENTAL DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
THE VILLAGES OF CARMEL**

[Annexation of Phase 1]

THIS SECOND SUPPLEMENTAL DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR VILLAGES OF CARMEL (hereafter called the "Annexation Supplement") is made by Holigan Land Development, Ltd., a Texas limited partnership ("Declarant"), effective as of the date upon which this instrument is recorded in the Real Property Records of Denton County, Texas.

WHEREAS, Declarant executed that certain Master Declaration of Covenants, Conditions and Restrictions for The Villages of Carmel ("Master Declaration"), dated August 10, 2006, and recorded August 17, 2006, in the Real Property Records of Denton County, Texas, as Instrument Number 2006-101525; and

WHEREAS, Declarant has executed and recorded that certain First Supplemental Declaration of Covenants, Conditions and Restrictions for The Villages of Carmel ("First Supplement") dated December 11, 2006, in the Real Property Records of Denton County, Texas, as Instrument Number 2006-150332, establishing building criteria, development standards, use restrictions, and other covenants governing The Villages of Carmel; and

WHEREAS, Section 11.1 of the Master Declaration provides that Declarant may, at its sole option, annex the Annexable Property, as defined in Section 1.1 of the Master Declaration, or any portion thereof, into The Villages of Carmel and subject such property to the terms of the Master Declaration and First Supplement and to such other terms, covenants, conditions, easements and restrictions as Declarant may determine whether same are more restrictive or less onerous than those to which such property is now subject; and

WHEREAS, Declarant is the owner of the real property described on Exhibit "A" attached hereto and made a part hereof for all purposes (hereafter called the "Property"), and the Property is within the description of Annexable Property as defined in the Declaration; and

WHEREAS, Declarant has caused the Property to be platted as The Villages of Carmel, Phase 1 in the Plat Records of Denton County, Texas ("Phase 1 Plat"); and

WHEREAS, to the extent Declarant has sold any of the Lots in the Property as of the date of recording hereof, a Lot Owner Joinder Agreement shall be attached to this Annexation Supplement or recorded separately evidencing the owner's agreement to join and to subject the described property and any other Lots it may own in the Property to the terms and provisions hereof; and

WHEREAS, Declarant desires to add the Property to the scheme of the Master Declaration and the First Supplement to be governed by the terms and conditions thereof except to the extent stated otherwise herein;

NOW, THEREFORE, Declarant, joined herein by other owners of Lots within the Property, if any, declare that the Property is and shall be annexed into The Villages of Carmel and be subject to the scheme of the Master Declaration and is and shall be held, transferred, sold, conveyed, used and occupied subject to the covenants, conditions, restrictions, easements, charges, assessments and liens set forth in the Master Declaration and the First Supplement, as same may be hereafter amended in accordance with their terms; provided, that Declarant shall have the right and authority to change development and building standards and criteria and other provisions to fit the specific scheme of development for the Property.

1. Effect on Master Declaration and First Supplement. This Annexation Supplement, and the Townhomes Declaration referenced below, complement the covenants and restrictions set forth in the Master Declaration and modify same to the extent necessary to accommodate the unique character of the Property. Nothing in this Second Supplemental Declaration (Annexation Supplement) is materially inconsistent with the Master Declaration in any manner which would adversely affect the concept of the Master Declaration. If, however, a provision specific to Phase 1A, or a portion thereof, is in conflict with a provision of the Master Declaration or First Supplement, the provision contained herein or in the Townhomes Declaration shall govern.

2. Single Family Detached Dwellings. Those lots designated on the Phase 1A Plat for single family detached dwellings shall be subject to the development standards and building criteria set forth in the First Supplement. These lots are listed on Exhibit "B" hereto.

3. Townhomes. Those lots in the Property designated on the Phase 1A Plat for townhomes are listed on Exhibit "C" hereto ("Townhome Lots"). A Declaration of Covenants, Conditions and Restrictions for The Villages of Carmel Townhomes, ("Townhomes Declaration") has or will be executed and placed of record in the Real Property Records of Denton County, Texas pursuant to which, among other things, (a) special provisions for maintenance and repair of the townhomes are provided; and (b) a subassociation is established. Certain development standards and building criteria applicable only to the Townhome Lots shall be promulgated and recorded in the Real Property Records of Denton County,

Texas, by separate instrument. The subassociation shall be called The Villages of Carmel Townhomes Association, Inc. ("Townhomes Association"). The Townhomes Association shall have the power, duty, and responsibility of maintenance and repair of the Townhome Exteriors (as such term is defined in the Townhomes Declaration), but shall have no responsibility for the Common Areas or Common Maintenance Areas within the Property which shall be the responsibility of the Master Association.

DECLARANT:

HOLIGAN LAND DEVELOPMENT, LTD.
a Texas limited partnership

By: HL Development, LLC,
a Texas limited liability company,
General Partner

By: *Wallace Creel*
Name: Wallace Creel
Title: President

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on this 4th day of May, 2006, by Wallace Creel, President of HL Development, LLC, a Texas limited liability, general partner of Holigan Land Development Company, Ltd., a Texas limited partnership, on behalf of said entities.

Kendahl Matthews
Notary Public in and for the State of Texas

AFTER RECORDING RETURN TO:
HOLIGAN LAND DEVELOPMENT, LTD.
13950 DALLAS PARKWAY, SUITE 750
DALLAS, TEXAS 75248
ATTN: WALLACE CREEL

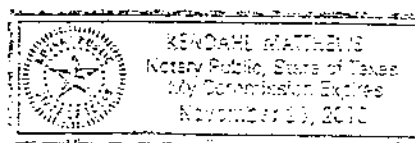


EXHIBIT "A"

PROPERTY DESCRIPTION

THE VILLAGES OF CARMEL

PHASE 1A

**BOUNDARY DESCRIPTION
VILLAGES OF CARMEL
PHASE 1-A
City of Denton, Denton County Texas**

BEING a tract of land situated in the Gideon Walker Survey, Abstract No. 1330, Denton County, Texas, and being all of those tracts conveyed to Holigan Land Development, Ltd. by deeds recorded in Instrument Numbers 03-135346, 04-9230, 03-207472, 03-166531, 03-207472 and 03-150512, and a portion of that tract conveyed to said Holigan Land Development in Instrument Number 03-194979, all in Denton County Land Records, Texas, and a portion of that tract conveyed to Richard A. Baria in Volume 1329, Page 202, Denton County Land Records, Texas, and being more particularly described as follows:

BEGINNING at a 1/2-inch iron rod set for the southeast corner of a called 3.59-acre tract of land conveyed to Andrew Corporation, as evidenced in a deed recorded in Denton County Clerk's File No. 96-R0014833 R.P.R.D.C.T., same being on the north right of way line of Pockrus Page Road (variable width R.O.W.);

THENCE North 03°13'39" East, departing the north right of way line of said Pockrus Page Road, a distance of 225.60 feet to a 1/2-inch iron rod found for corner;

THENCE North 02°38'03" East, a distance of 472.47 feet to a 1/2-inch iron rod found for corner;

THENCE South 87°17'02" East, a distance of 245.15 feet to a 1/2-inch iron rod found for corner;

THENCE South 87°27'31" East, a distance of 384.35 feet to a 1/2-inch iron rod found for corner;

THENCE North 02°55'11" East, a distance of 277.09 feet to a 1/2-inch iron rod found for corner;

THENCE South 87°28'13" East, a distance of 233.76 feet to a 1/2-inch iron rod found for corner;

THENCE South 87°27'31" East, a distance of 50.30 feet to a 1/2-inch iron rod found for corner;

THENCE South 02°32'29" West, a distance of 105.06 feet to a 1/2-inch iron rod found for corner;

THENCE South 42°27'31" East, a distance of 14.14 feet to a 1/2-inch iron rod found for corner;

THENCE South 87°27'31" East, a distance of 200.04 feet to a 1/2-inch iron rod found for corner;

THENCE North 47°32'37" East, a distance of 14.14 feet to a 1/2-inch iron rod found for corner;

EXHIBIT "A"

THENCE North 02°32'45" East, a distance of 59.64 feet to a 1/2-inch iron rod found for corner and the beginning of a curve to the right having a radius of 432.50 feet;

THENCE along said curve to the right, an arc distance of 217.11 feet through a central angle of 28°45'44" and a chord bearing and distance of North 16°55'37" East, 214.84 feet to a 1/2-inch iron rod found for corner;

THENCE North 07°30'17" West, a distance of 15.69 feet to a 1/2-inch iron rod found for corner;

THENCE North 36°09'08" East, a distance of 50.35 feet to a 1/2-inch iron rod found for corner;

THENCE North 86°27'35" East, a distance of 13.80 feet to a 1/2-inch iron rod found for corner and the beginning of a curve to the right having a radius of 341.14 feet;

THENCE along said curve to the right, an arc distance of 56.44 feet through a central angle of 09°28'45" and a chord bearing and distance of North 44°23'32" East, 56.37 feet to a 1/2-inch iron rod found for corner;

THENCE North 47°53'11" East, a distance of 157.90 feet to a 1/2-inch iron rod found for corner;

THENCE North 04°22'36" East, a distance of 21.76 feet to a 1/2" iron rod found for corner;

THENCE North 47°53'11" East, a distance of 50.07 feet to a 1/2-inch iron rod found for corner;

THENCE South 85°37'24" East, a distance of 20.65 feet to a 1/2-inch iron rod found for corner;

THENCE North 47°53'11" East, a distance of 177.79 feet to a 1/2-inch iron rod found for corner;

THENCE South 42°06'49" East, a distance of 65.00 feet to a 1/2-inch iron rod found for corner;

THENCE South 02°53'11" West, a distance of 21.21 feet to a 1/2-inch iron rod found for corner;

THENCE South 42°06'49" East, a distance of 202.50 feet to a 1/2-inch iron rod found for corner;

THENCE South 87°06'49" East, a distance of 14.14 feet to a 1/2-inch iron rod found for corner;

THENCE North 47°53'11" East, a distance of 149.16 feet to a 1/2-inch iron rod found for corner and the beginning of a curve to the left having a radius of 660.00 feet;

THENCE along said curve to the left, an arc distance of 204.31 feet through a central angle of 17°44'10" and a chord bearing and distance of North 39°01'06" East, 203.49 feet to a 1/2-inch iron rod found for corner;

THENCE South $59^{\circ}50'59''$ East, a distance of 50.00 feet to a 1/2-inch iron rod found for corner;

THENCE North $72^{\circ}38'57''$ East, a distance of 14.68 feet to a 1/2-inch iron rod found for corner and the beginning of a curve to the left having a radius of 225.00 feet;

THENCE along said curve to the left, an arc distance of 84.22 feet through a central angle of $21^{\circ}26'47''$ and a chord bearing and distance of South $76^{\circ}29'48''$ East, 83.73 feet to a 1/2-inch iron rod found for corner;

THENCE South $87^{\circ}13'12''$ East, a distance of 320.93 feet to a 1/2-inch iron rod found for corner;

THENCE South $02^{\circ}41'24''$ West, a distance of 257.12 feet to a 1/2-inch iron rod found for corner;

THENCE North $87^{\circ}23'32''$ West, a distance of 556.47 feet to a 1/2-inch iron rod found for corner;

THENCE South $01^{\circ}15'12''$ West, a distance of 1320.92 feet to a 1/2-inch iron rod found for corner;

THENCE North $87^{\circ}19'30''$ West, a distance of 482.63 feet to a 1/2-inch iron rod found for corner;

THENCE North $87^{\circ}23'30''$ West, a distance of 1207.27 feet to a 1/2-inch iron rod found for corner;

THENCE North $03^{\circ}25'31''$ East, a distance of 21.29 feet to a 1/2-inch iron rod found for corner;

THENCE North $87^{\circ}24'50''$ West, a distance of 50.17 feet to a 1/2-inch iron rod found for corner;

THENCE North $86^{\circ}58'07''$ West, a distance of 187.67 feet to the POINT OF BEGINNING and containing 2,133,992 square feet or 48.990 acres of land.

[illegible]

LOT LINE CURVE DATA						
#	DELTA	RADIUS	ARC	DEL	BEA	CHORD
C1	49.2834°	18.500	15.11'	85.71471°	19.16'	19.16'
C2	49.2834°	18.500	63.61'	85.71471°	41.72'	41.72'
C3	41.9081°	30.000	24.48'	148.61301°	35.48'	35.48'
C4	41.9081°	30.000	53.11'	148.61301°	50.15'	50.15'
C5	41.9081°	30.000	23.85'	148.61301°	31.59'	31.59'
C6	41.9081°	30.000	17.900	148.61301°	23.15'	23.15'
C7	41.9081°	30.000	15.17'	148.61301°	19.38'	19.38'
C8	41.9081°	30.000	18.48'	148.61301°	23.82'	23.82'
C9	41.9081°	30.000	36.89'	148.61301°	50.11'	50.11'
C10	41.9081°	30.000	22.28'	148.61301°	33.18'	33.18'
C11	41.9081°	30.000	32.54'	148.61301°	50.18'	50.18'
C12	41.9081°	18.500	1.93'	85.71471°	6.41'	6.41'
C13	41.9081°	18.500	8.42'	148.61301°	8.30'	8.30'
C14	41.9081°	18.500	14.43'	148.61301°	14.48'	14.48'
C15	41.9081°	18.500	18.85'	148.61301°	18.85'	18.85'
C16	41.9081°	30.000	55.22'	148.61301°	52.48'	52.48'
C17	41.9081°	30.000	37.21'	148.61301°	37.85'	37.85'
C18	41.9081°	30.000	33.91'	148.61301°	33.31'	33.31'
C19	41.9081°	30.000	18.49'	148.61301°	18.48'	18.48'
C20	41.9081°	30.000	15.17'	148.61301°	15.18'	15.18'
C21	41.9081°	30.000	17.45'	148.61301°	18.80'	18.80'

LOT LINE CURVE TABLE					CHORD	
STATION	DELTA	CHORD	CHORD BEARS	CHORD	CHORD	
1	90° 00' 00"	100.00	100.00	100.00	100.00	
2	90° 00' 00"	100.00	100.00	100.00	100.00	
3	90° 00' 00"	100.00	100.00	100.00	100.00	
4	90° 00' 00"	100.00	100.00	100.00	100.00	
5	90° 00' 00"	100.00	100.00	100.00	100.00	
6	90° 00' 00"	100.00	100.00	100.00	100.00	
7	90° 00' 00"	100.00	100.00	100.00	100.00	
8	90° 00' 00"	100.00	100.00	100.00	100.00	
9	90° 00' 00"	100.00	100.00	100.00	100.00	
10	90° 00' 00"	100.00	100.00	100.00	100.00	
11	90° 00' 00"	100.00	100.00	100.00	100.00	
12	90° 00' 00"	100.00	100.00	100.00	100.00	
13	90° 00' 00"	100.00	100.00	100.00	100.00	
14	90° 00' 00"	100.00	100.00	100.00	100.00	
15	90° 00' 00"	100.00	100.00	100.00	100.00	
16	90° 00' 00"	100.00	100.00	100.00	100.00	
17	90° 00' 00"	100.00	100.00	100.00	100.00	
18	90° 00' 00"	100.00	100.00	100.00	100.00	
19	90° 00' 00"	100.00	100.00	100.00	100.00	
20	90° 00' 00"	100.00	100.00	100.00	100.00	
21	90° 00' 00"	100.00	100.00	100.00	100.00	
22	90° 00' 00"	100.00	100.00	100.00	100.00	
23	90° 00' 00"	100.00	100.00	100.00	100.00	
24	90° 00' 00"	100.00	100.00	100.00	100.00	
25	90° 00' 00"	100.00	100.00	100.00	100.00	
26	90° 00' 00"	100.00	100.00	100.00	100.00	
27	90° 00' 00"	100.00	100.00	100.00	100.00	
28	90° 00' 00"	100.00	100.00	100.00	100.00	
29	90° 00' 00"	100.00	100.00	100.00	100.00	
30	90° 00' 00"	100.00	100.00	100.00	100.00	
31	90° 00' 00"	100.00	100.00	100.00	100.00	
32	90° 00' 00"	100.00	100.00	100.00	100.00	
33	90° 00' 00"	100.00	100.00	100.00	100.00	
34	90° 00' 00"	100.00	100.00	100.00	100.00	
35	90° 00' 00"	100.00	100.00	100.00	100.00	
36	90° 00' 00"	100.00	100.00	100.00	100.00	
37	90° 00' 00"	100.00	100.00	100.00	100.00	
38	90° 00' 00"	100.00	100.00	100.00	100.00	
39	90° 00' 00"	100.00	100.00	100.00	100.00	
40	90° 00' 00"	100.00	100.00	100.00	100.00	
41	90° 00' 00"	100.00	100.00	100.00	100.00	
42	90° 00' 00"	100.00	100.00	100.00	100.00	
43	90° 00' 00"	100.00	100.00	100.00	100.00	
44	90° 00' 00"	100.00	100.00	100.00	100.00	
45	90° 00' 00"	100.00	100.00	100.00	100.00	
46	90° 00' 00"	100.00	100.00	100.00	100.00	
47	90° 00' 00"	100.00	100.00	100.00	100.00	
48	90° 00' 00"	100.00	100.00	100.00	100.00	
49	90° 00' 00"	100.00	100.00	100.00	100.00	
50	90° 00' 00"	100.00	100.00	100.00	100.00	
51	90° 00' 00"	100.00	100.00	100.00	100.00	

[illegible]

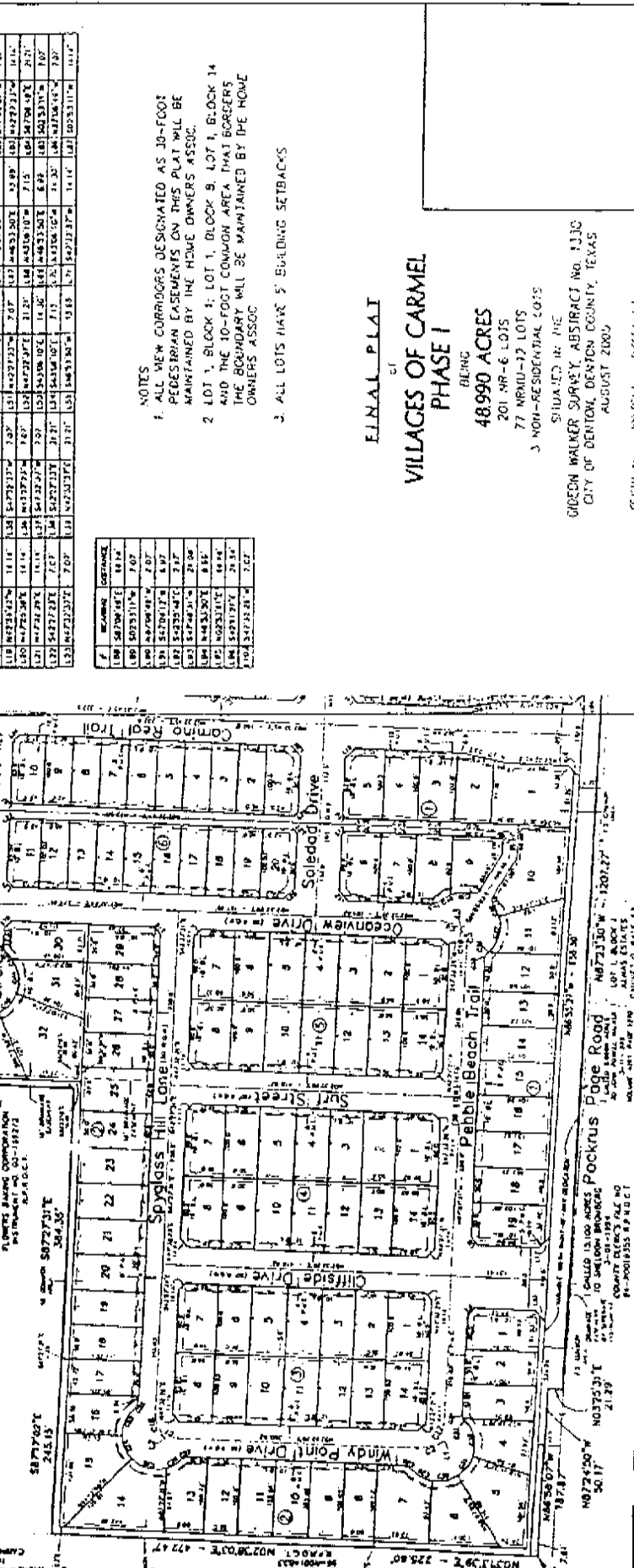
LOT LINE TABLE				
SECTION	ACROSS	ALONG	OF AREA	ORDER
10-10-13	10.00	4.75	47.50/107.1	1-27
2-10-14	20.00	30.38	607.28/31.1	50-51
10-10-18	10.00	22.10	221.00/31.1	24-30
2-10-27	20.00	19.37	387.37/31.1	34-35
2-10-31	20.00	18.57	371.40/31.1	10-14
12-10-3	120.00	10.75	1290.00/27.3	8-10
6-10-3	60.00	10.75	645.00/27.3	8-10
12-10-28	120.00	10.75	1290.00/27.3	10-13
12-10-29	120.00	10.75	1290.00/27.3	14-15
12-10-30	120.00	10.75	1290.00/27.3	16-17
12-10-31	120.00	10.75	1290.00/27.3	18-19
2-10-32	20.00	23.15	463.00/25.3	23-29
2-10-33	20.00	23.15	463.00/25.3	30-36
10-10-34	10.00	20.11	201.10/25.1	20-24
2-10-35	20.00	25.31	506.20/25.1	30-31
4-10-36	40.00	25.31	1012.40/25.1	32-33
4-10-37	40.00	25.31	1012.40/25.1	34-35
2-10-38	20.00	25.31	506.20/25.1	36-37
2-10-39	20.00	25.31	506.20/25.1	38-39
2-10-40	20.00	25.31	506.20/25.1	40-41
2-10-41	20.00	25.31	506.20/25.1	42-43
2-10-42	20.00	25.31	506.20/25.1	44-45
2-10-43	20.00	25.31	506.20/25.1	46-47
2-10-44	20.00	25.31	506.20/25.1	48-49
2-10-45	20.00	25.31	506.20/25.1	50-51

[illegible]

LOT LINE (LINE) TABLE			
P	BEARINGS	DISTANCE	
		BEARINGS	DISTANCE
1	N 14° 17' 31" E	14.14	14.14
2	N 14° 17' 31" E	14.14	14.14
3	N 14° 17' 31" E	14.14	14.14
4	N 14° 17' 31" E	14.14	14.14
5	N 14° 17' 31" E	14.14	14.14
6	N 14° 17' 31" E	14.14	14.14
7	N 14° 17' 31" E	14.14	14.14
8	N 14° 17' 31" E	14.14	14.14
9	N 14° 17' 31" E	14.14	14.14
10	N 14° 17' 31" E	14.14	14.14
11	N 14° 17' 31" E	14.14	14.14
12	N 14° 17' 31" E	14.14	14.14
13	N 14° 17' 31" E	14.14	14.14
14	N 14° 17' 31" E	14.14	14.14
15	N 14° 17' 31" E	14.14	14.14
16	N 14° 17' 31" E	14.14	14.14
17	N 14° 17' 31" E	14.14	14.14
18	N 14° 17' 31" E	14.14	14.14
19	N 14° 17' 31" E	14.14	14.14
20	N 14° 17' 31" E	14.14	14.14
21	N 14° 17' 31" E	14.14	14.14
22	N 14° 17' 31" E	14.14	14.14
23	N 14° 17' 31" E	14.14	14.14
24	N 14° 17' 31" E	14.14	14.14
25	N 14° 17' 31" E	14.14	14.14
26	N 14° 17' 31" E	14.14	14.14
27	N 14° 17' 31" E	14.14	14.14
28	N 14° 17' 31" E	14.14	14.14
29	N 14° 17' 31" E	14.14	14.14
30	N 14° 17' 31" E	14.14	14.14
31	N 14° 17' 31" E	14.14	14.14
32	N 14° 17' 31" E	14.14	14.14
33	N 14° 17' 31" E	14.14	14.14
34	N 14° 17' 31" E	14.14	14.14
35	N 14° 17' 31" E	14.14	14.14
36	N 14° 17' 31" E	14.14	14.14
37	N 14° 17' 31" E	14.14	14.14
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40	N 14° 17' 31" E	14.14	14.14
41	N 14° 17' 31" E	14.14	14.14
42	N 14° 17' 31" E	14.14	14.14
43	N 14° 17' 31" E	14.14	14.14
44	N 14° 17' 31" E	14.14	14.14
45	N 14° 17' 31" E	14.14	14.14
46	N 14° 17' 31" E	14.14	14.14
47	N 14° 17' 31" E	14.14	14.14
48	N 14° 17' 31" E	14.14	14.14
49	N 14° 17' 31" E	14.14	14.14
50	N 14° 17' 31" E	14.14	14.14
51	N 14° 17' 31" E	14.14	14.14
52	N 14° 17' 31" E	14.14	14.14
53	N 14° 17' 31" E	14.14	14.14
54	N 14° 17' 31" E	14.14	14.14
55	N 14° 17' 31" E	14.14	14.14
56	N 14° 17' 31" E	14.14	14.14
57	N 14° 17' 31" E	14.14	14.14
58	N 14° 17' 31" E	14.14	14.14
59	N 14° 17' 31" E	14.14	14.14
60	N 14° 17' 31" E	14.14	14.14
61	N 14° 17' 31" E	14.14	14.14
62	N 14° 17' 31" E	14.14	14.14
63	N 14° 17' 31" E	14.14	14.14
64	N 14° 17' 31" E	14.14	14.14
65	N 14° 17' 31" E	14.14	14.14
66	N 14° 17' 31" E	14.14	14.14
67	N 14° 17' 31" E	14.14	14.14
68	N 14° 17' 31" E	14.14	14.14
69	N 14° 17' 31" E	14.14	14.14
70	N 14° 17' 31" E	14.14	14.14
71	N 14° 17' 31" E	14.14	14.14
72	N 14° 17' 31" E	14.14	14.14

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01/06/2011	2.40	11
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NOTES

1. ALL VIEW CORRIDORS DESIGNATED AS 10-FOOT PEDESTRIAN EASEMENTS ON THIS PLAT WILL BE MAINTAINED BY THE HOME OWNERS ASSOC.

2. LOT 1, BLOCK 1; LOT 1, BLOCK 9, LOT 1, BLOCK 10 AND THE 10-FOOT COMMON AREA THAT BORDERS THE BOUNDARY WILL BE MAINTAINED BY THE HOME OWNERS ASSOC

Denton County
Cynthia Mitchell
County Clerk
Denton, Tx 76202



70 2007 00054404

Instrument Number: 2007-54404

Recorded On: May 09, 2007

As
Declaration

Parties: HOLIGAN LAND DEVELOPMENT LTD

Billable Pages: 11

To

Number of Pages: 11

Comment:

(Parties listed above are for Clerks reference only)

**** Examined and Charged as Follows: ****

Declaration	56.00
Total Recording:	56.00

***** DO NOT REMOVE THIS PAGE IS PART OF THE INSTRUMENT *****

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

File Information:

Document Number: 2007-54404

Receipt Number: 384572

Recorded Date/Time: May 09, 2007 11:06:12A

User / Station: K Lambert - Cash Station 3

Record and Return To:

HOLIGAN LAND DEVELOPMENT LTD
13950 DALLAS PKWY STE 750
DALLAS TX 75248



THE STATE OF TEXAS)
COUNTY OF DENTON }

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

C. Mitchell

County Clerk
Denton County, Texas



70 2006 00150332

Denton County
Cynthia Mitchell
County Clerk
Denton, Tx 76202

Instrument Number: 2006-150332

Recorded On: December 12, 2006

As
Restrictions

Parties: THE VILLAGES OF CARMEL PH III

To

Billable Pages: 15

Number of Pages: 15

Comment:

(Parties listed above are for Clerks reference only)

**** Examined and Charged as Follows: ****

Restrictions	72.00
Total Recording:	72.00

***** DO NOT REMOVE THIS PAGE IS PART OF THE INSTRUMENT *****

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

File Information:

Document Number: 2006-150332
Receipt Number: 343612
Recorded Date/Time: December 12, 2006 09:13:53A
User / Station: J Morris - Cash Station 1

Record and Return To:

HOLIGAN LAND DEV
ATTN WALLACE CREEL
15950 DALLAS PKWY STE 750
DALLAS TX 75248



THE STATE OF TEXAS }
COUNTY OF DENTON }

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

C. Mitchell

County Clerk
Denton County, Texas

**FIRST SUPPLEMENTAL DECLARATION OF
COVENANTS, CONDITIONS, AND RESTRICTIONS FOR
THE VILLAGES OF CARMEL
(THE VILLAGES OF CARMEL PHASE III)**

This First Supplemental Declaration of Covenants, Conditions, and Restrictions for The Village of Carmel (The Villages of Carmel, Phase III) (this "Supplemental Declaration"), is made this 11th day of December 2006 by Holigan Land Development, Ltd., a Texas limited partnership, (hereinafter referred to as "Declarant");

W I T N E S S E T H

Declarant is the owner of The Villages of Carmel, Phase III, a subdivision in the City of Denton, Denton County, Texas, according to the plat recorded in Cabinet W, Slides 640 and 641 of the Plat Records of Denton County, Texas (the "Plat"), and further described on Exhibit "A" attached hereto (the "Property"). Declarant has previously executed a "Master Declaration of Covenants, Conditions, and Restrictions for The Villages of Carmel" (the "Master Declaration"), which Master Declaration is recorded under County Clerk's File No. 2006-101525 in the Official Real Property Records of Denton County, Texas. The Master Declaration subjects the Property to the terms, provisions, covenants, restrictions, easements and conditions of the Master Declaration.

In accordance with the terms of the Master Declaration, Declarant has the right and power to impose such other terms, covenants, conditions, easements and restrictions to be applicable to the Property as Declarant may, in its own discretion, determine.

NOW THEREFORE, Declarant hereby declares that all the Property, which has already been subjected to the Master Declaration and all Property which is hereafter subjected to the Master Declaration (except to the extent the Supplemental Declaration adding such annexed Property may include specific modifications as to the Property subject thereto), is hereby additionally subjected to this Supplemental Declaration. The following easements, restrictions, covenants, and conditions (and those as contained in the Master Declaration) shall run with the real property submitted to this Supplemental Declaration and shall be binding on all parties having any right, title, or interest in the Property or any parts thereof, their heirs, successors in title, and assigns, and shall inure to the benefit of each Owner thereof and of each Owner within The Villages of Carmel. The terms hereof shall be supplemental to the terms of the Master Declaration; in the event of any inconsistency, the terms of the Master Declaration shall control. Any capitalized term used in this Supplemental Declaration not otherwise defined in this Supplemental Declaration shall have the meaning assigned to such term as set forth in the Master Declaration.

ARTICLE I- DEFINITIONS

1.1 **"Interior Lot"** shall mean any lot not located on the corner of the intersection between two streets.

1.2 **“Corner Lot”** shall mean any lot located on the corner of the intersection between two streets.

1.3 **“Master Declaration”** or **“Declaration”** shall mean the Master Declaration of Covenants, Conditions, and Restrictions for The Villages of Carmel as recorded in the Official Real Property Records of Denton County, Texas.

1.4 **“NR-6 Building Requirements”** shall mean those standards for Front Yard Setbacks, Side Yard Setbacks, Rear Yard Setbacks, Maximum Height, Maximum Lot Coverage, Minimum Dwelling Size and Other Standards for the NR-6 (Neighborhood Residential 6) Development Standards of the City of Denton, Denton, Texas.

(a) **NR-6 Development Standards**

(i) **Front Yard Setbacks.** The front yard setback for Dwellings in the NR-6 District shall be ten (10) feet.

(ii) **Side Yard Setbacks.** The side yard setback for Dwellings on interior Lots in the NR-6 District shall be four (4) feet. The side yard setback for Dwellings on corner Lots in the NR-6 District shall be ten (10) feet.

(iii) **Rear Yard Setbacks.** The rear yard setback for Dwellings on Lots in the NR-6 District shall be ten (10) feet.

(iv) **Maximum Height.** The maximum height for Dwellings on Lots in the NR-6 PD District shall be forty (40) feet.

(v) **Maximum Lot Coverage.** The maximum Lot coverage for Dwellings on Lots in the NR-6 District shall be sixty percent (60%) of the total lot area.

(vi) **Minimum Dwelling Size.** The minimum dwelling size for Dwellings on Lots in the NR-6 PD District shall be nine hundred (900) square feet.

(vii) **Minimum Residential Lot Size.** Each residential unit, whether attached or detached, must be built on a Lot that is at least 2 times the square footage of the unit constructed on the Lot. The Lot must be at least 1.5 times the footprint of the unit constructed on the lot.

1.5 **“NR-6 District”** shall mean that district zoned “NR-6” according to the City of Denton.

ARTICLE II- USE RESTRICTIONS AND COVENANTS

2.1 **Single Family Residential Use.** All Lots and Dwellings will be used and occupied for single-family residential purposes only and no trade or business may be conducted in or from any Lot and/or Dwelling, except that an Owner of the Dwelling may conduct business activities from the Dwelling so long as: (i) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside the Dwelling; (ii) the business activity conforms to all zoning requirements for the Property; (iii) the business activity does not involve unreasonable visitation to or from the Dwelling by clients, customers, suppliers or other business invitees; and (iv) the business activity is ancillary to the residential use of the Dwelling and does not diminish the residential character of the Property or constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of the other residents in the Property. The determination of whether a business activity satisfies the foregoing requirements

set forth in clauses (i) through (iv) above shall be made by the Board of Directors in its sole and absolute discretion. The business activity prohibition will not apply to the use of any Dwelling by Declarant or any Builder as a model home, construction office and/or sales office; or the use of any Lot as a site for a selection center trailer, construction office trailer and/or sales office trailer and/or parking lot by Declarant or any Builder.

2.2 Architectural Control. No building shall be erected, placed, or altered on any Lot until the construction plans and specifications and a plot plan showing the location of the structure thereon have been approved in accordance with the Declaration.

2.3 Minimum Dwelling Size, Building Height, Setbacks. The Front Yard Setbacks, Side Yard Setbacks, Rear Yard Setbacks, Maximum Height, Maximum Lot Coverage, Minimum Dwelling Size, must comply with the NR-6 Building Requirements.

2.4 Masonry Requirements. No Dwelling shall have less than the amount of masonry construction on its exterior walls than the amount of masonry required by the applicable ordinances of the City of Denton in effect on the date this Supplemental Declaration is filed of record. Notwithstanding that the applicable ordinances of the City of Denton may allow a wider range of type of construction materials to be considered masonry for purposes of its applicable ordinances, for purposes of this section of the Supplemental Declaration, brick, natural stone and stucco shall be only types of materials considered to be masonry. Combinations of materials and the proportion thereof shall aesthetically and architecturally blend with and enhance the neighboring Dwellings, and shall be subject to approval by the NCRB or Modifications Committee. Fiber cement siding, including but not limited to branded products such as Hardiplank by James Hardie, shall not be considered masonry.

2.5 Roof Pitch. Roof pitch shall be a minimum of 6:12 for all Dwellings.

2.6 Repetition. Dwellings shall vary in elevation according to the following rules (i) a minimum of ten (10) Dwellings must separate adjacent Dwellings of the same elevation; and (ii) Dwellings of the same elevation may not be constructed directly across the street from one another.

2.7 Parking of Motor Vehicles. No vehicles or similar equipment will be parked or stored in an area visible from any street within the Property, except passenger automobiles, motorcycles, passenger vans and pick-up trucks may be parked in any garage or driveway or on the public street in front of the Lot to the extent that such street parking is permitted by the regulations and ordinances of the City of Denton and the State of Texas if such vehicle (i) has less than one ton carrying capacity; (ii) has less than three axles; (iii) is in operating condition; and (iv) is generally in daily use as a motor vehicle on the streets and highways of the State of Texas. Trucks with tonnage in excess of one ton and panel trucks with a painted advertisement shall not be permitted to park overnight within The Villages of Carmel Phase III except those used by a Builder during the construction of improvements. No vehicles, trailers, implements or apparatus may be driven or parked in the Common Areas, the Common Maintenance Areas or any easement unless such vehicle, trailer, implement or apparatus is in use for maintaining such area or easement; provided, however, that this restriction will not apply to any driveways, roads,

parking lots or other areas designated by the Board of Directors as intended for such vehicular use. No abandoned, derelict or inoperable vehicles may be stored or located on any Lot or a street within the Property, except within an enclosed garage. No dismantling or assembling of motor vehicles, boats, trailers, recreational vehicles, or other machinery or equipment will be permitted in any driveway or portions of any Lot that are visible from any street within the Property.

2.8 Trailers, Boats, Commercial and Recreational Vehicles. No campers, boats, marine crafts, hovercraft aircrafts, pick-up campers, trailers, motor homes, travel trailers, camper bodies, golf carts, recreational vehicles, non-passenger vehicles, vehicles with three or more axles or greater than one ton carrying capacity, and/or equipment or accessories related thereto may be kept on any Lot, unless such item is in operable condition and such item is (i) kept fully enclosed within a garage located on such Lot; (ii) kept fully screened from view by a screening structure or fencing approved by the NCRB or Modifications Committee, but in no event shall the item be in front of the Dwelling; (iii) temporarily parked on any street within the Property or on a Lot for the purpose of loading or unloading; or (iv) a commercial vehicle that is in use for the construction, maintenance or repair of a Dwelling or Lot in the immediate vicinity. The Board of Directors will have the absolute authority to determine from time to time whether an item is in operable condition and complies with the requirements in clauses (i) through (iv) above. Upon an adverse determination by the Board of Directors, the Owner will cause the item to be removed and/or otherwise brought into compliance with this paragraph. No such vehicle or equipment shall be used as a residence or office temporarily or permanently. Notwithstanding any provision herein, no trucks or vehicles of any size that transport inflammatory or explosive cargo may be kept in The Villages of Carmel Phase III at any time.

2.9 Fences.

(a) **Required Fencing.** The backyard of each Lot must be enclosed with a perimeter fence.

(b) **Type of Fencing.** All perimeter fences will be constructed of synthetic wood, except for the Association Fencing and Special Fencing. All fencing shall comply in all respects (including size and location) with applicable City requirements. All perimeter fences (except Association Fencing, which shall be no less than four feet in height) shall be between six and eight feet in height unless another height is approved by the NCRB or the Modifications Committee and shall be a color approved by the NCRB or the Modifications Committee. No fences may be painted, unless otherwise approved in writing by the NCRB or the Modifications Committee. Except for Association Fencing, no chain-link, metal, cloth or agricultural fences may be built or maintained on any Lot unless such fence is located within the perimeter fence in such a manner that it is not visible from any street, alley, park, Common Area or public area, unless otherwise approved by the NCRB or the Modifications Committee. Except for Association Fencing, the portion of all fences which exterior or side faces a street adjoining such Owner's Lot (front, side or rear streets, but not alleys) or which exterior or side faces a Common Area, open space, park or other recreational area adjoining such Owner's Lot (which area may be separated by an alley) shall have the smooth surface of the fence

materials facing the applicable street or Common Area, open space, park or other recreational area unless otherwise approved by the NCRB or the Modifications Committee. The fence posts and bracing boards on such front, side and rear fences shall face the interior of the fenced yard. Owners shall not construct a second fence (a parallel fence) along or near the Common Area Fence or the Association Fencing.

(c) **Location of Fence.** No fence, wall or hedge will be placed on any Lot in a location nearer the street than the front of the Dwelling constructed thereon. The foregoing shall not limit or restrict fences erected in conjunction with model homes or sales offices. In addition to the foregoing, easements may also restrict the placement of fences.

(d) **Maintenance of Fencing.** Except for the Association Fencing, each Owner shall maintain the portion of fencing on such Owner's Lot in a presentable condition and shall make all repairs and replacements thereto, except that Owners adjoining a Common Fence (as provided in Section 2.9(e)) shall share in the cost of such maintenance as provided in Section 2.9(e). The Association shall be responsible for maintaining the Association Fencing. All repairs and replacements to the perimeter fencing and/or Association Fencing must be done using the same type and color of materials so that such fencing does not appear to have been repaired or replaced, except to the extent of the new appearance of the repaired or replaced materials. Except as provided in the foregoing sentence, perimeter fencing and/or Association Fencing shall not be changed or modified without the prior written consent of the NCRB or the Modifications Committee.

(e) **Common Fencing.** Side and rear yard fences that are installed by Declarant or a Builder of the Dwelling to separate adjacent Lots as a common boundary fence (a "**Common Fence**") shall be maintained jointly by the Owners whose Lots adjoin such Common Fence and the costs associated therewith shall be shared equally by said Owners. If the Owners disagree regarding the timing, cost or other applicable issue related to the repair or replacement of a Common Fence or portion thereof, then either Owner may (i) make the repair or replacement (provided any applicable NCRB or Modifications Committee approval is obtained) and seek collection of one-half of the cost of repair or replacement at Arbitration (as defined herein); and/or (ii) seek payment of one-half of the cost of repair or replacement at Arbitration, subject to the repair or replacement being made. The term "**Arbitration**" shall mean binding arbitration pursuant to the rules of the American Arbitration Association or such other person or entity approved by the applicable Owners.

(f) **Sight Lines.** No fence, wall, hedge or shrub planting which obstructs sight lines at elevations between three and six feet above the roadway shall be placed or permitted to remain on any corner lot within the triangular area formed by the street right-of-way lines and a line connecting them at points ten feet from the intersection of the street right-of-way lines, or in the case of a rounded property corner, from the intersection of the street right-of-way lines as extended. The same sight-line limitations shall apply on any Lot within ten feet from the intersection of a street right-of-way line

with the edge of a private driveway or alley pavement. No tree shall be permitted to remain within such distance of such intersection unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines. Declarant or the Association may direct the Owner to trim any hedge, shrub planting or tree that does not comply with the foregoing provisions, and upon Owner's failure to do so, Declarant or the Association may, at its option, perform such trimming, whereupon the Owner shall be obligated, when presented with an itemized statement, to reimburse Declarant or the Association (as applicable) for the cost of such work.

2.10 Outbuildings, Sheds and Detached Buildings. No accessory building or structure may be located within the required front yard or within an easement. Accessory structures, excluding pools and agricultural buildings, may not total more than 25% of the area or the principal structure on the lot. No detached accessory buildings, including, but not limited to, detached garages, storage buildings and sheds shall be erected, placed or constructed upon any Lot, unless (i) the item is approved by the NCRB or the Modifications Committee prior to the installation or construction of the item; (ii) such item is compatible with the Dwelling to which it is appurtenant in terms of its design and material composition; (iii) the exterior paint and roofing materials of such outbuildings shall be consistent with the existing paint and roofing materials of the Dwelling; (iv) the outbuilding is located within a backyard that has a fence that completely encloses the backyard; (v) the height of the structure at the highest point shall not be greater than eight feet; and (vi) the outbuilding shall not have more than 120 square feet of floor space.

2.11 Animals. No animals, livestock or poultry of any kind will be raised, bred or kept on any Lot, except that so long as they do not exceed four in number in the aggregate, cats, dogs or other generally recognized household pets may be permitted on any Lot; however, those pets that are permitted to roam free or that, in the sole discretion of the Board of Directors, make objectionable noise, endanger the health or safety of, or constitute a nuisance or unreasonable source of annoyance to the occupants of other Lots shall be removed from the Lot upon the request of the Board of Directors. If the animal owner fails to remove the animal from the Lot after the Board of Directors' request, the Board of Directors may remove the animal, in addition to imposing such other sanctions as are authorized by the Declaration and the Bylaws. Animals are not to be raised, bred or kept for commercial purposes or food. It is the purpose of these provisions to restrict the use of the Property so that no person shall quarter on the premises cows, horses, bees, hogs, sheep, goats, guinea fowls, ducks, chickens, turkeys, skunks or any other non-domesticated animals that may interfere with the quietude, health or safety of the community. No more than four domesticated pets will be permitted on each Lot. All animals will be kept in strict accordance with all rules established by the Association. All persons bringing an animal onto the Common Maintenance Areas shall be responsible for immediately removing any solid waste of said animal.

2.12 Signs.

(a) **Sign Restrictions.** Except for Entry Signs (as defined in Section 2.12(b)), no sign or emblem of any kind may be kept or placed upon any Lot or mounted, painted or attached to any Dwelling, fence or other improvement upon such Lot so as to be visible from public view except the following: (i) an Owner may erect one sign on a Lot

advertising the Dwelling for sale or rent, provided that the sign does not exceed two feet by three feet in size; (ii) an Owner may temporarily place one sign on a Lot advertising the "open house" of the Dwelling, provided that the sign does not exceed two feet by three feet in size (or as otherwise approved by the NCRB or the Modifications Committee) and the sign may only be displayed during the actual open house hours; (iii) signs or billboards may be erected by the Declarant or any Builder designated in writing by the Declarant as having the right to erect such signs or billboards; (iv) an Owner may temporarily place on sign on a Lot advertising a "garage sale", provided that the sign does not exceed two feet by three feet in size and the sign may only be displayed during the garage sale hours; or (v) political signs may be erected upon a Lot by the Owner of such Lot advocating the election of one or more political candidates or the sponsorship of a political party, issue or proposal provided that such signs will not be erected more than 90 days in advance of the election to which they pertain and are removed within 15 days after the election and to the extent allowed by law only one sight per candidate is permitted. A permitted or authorized sign may not contain any language or symbols on the sign that are not directly related to the authorized purpose of the sign; (vi) an Owner may erect spirit signs for the purpose of support for youth activities. The NCRB or the Modifications Committee may in the Building Standards permit additional signs and/or place additional restrictions or limitations on the signs permitted in this Declaration, provided that such additional restrictions or limitations do not conflict with the terms herein. No banners are permitted without the prior written approval of the NCRB or the Modifications Committee. The Association will have the right to remove any sign, billboard, banner, or other advertising structure that does not comply with the foregoing. Removal shall not subject the Association to any liability in connection with such removal. Notwithstanding the foregoing, to the extent the provisions of Section 202.009 of the Texas Property Code conflicts with the provisions of this **Section 2.12**, the less restrictive provisions shall control.

(b) **Entry Signs.** The term "Entry Signs" shall mean any entry feature signs for the name of the subdivision that are placed by the Declarant or its agents on the Property. The Association shall be responsible for maintaining the Entry Signs.

2.13 Trash; Containers and Collection. No Lot or other area in the The Villages of Carmel Phase III shall be used as a dumping ground for rubbish. Any compost heaps will be stored in a container acceptable to the NCRB or the Modifications Committee. No garbage or trash shall be placed or kept on any Lot, except in covered sanitary containers. In no event shall such containers be stored, kept, placed, or maintained on any Lot where visible from the location on the street that is immediately in the front of the Dwelling except on the day designated for removal of garbage, provided that the container will be removed from view before the following day. All incinerators or other equipment for the storage or other disposal of garbage or trash shall be kept in a clean and sanitary condition. Materials incident to construction of improvements may be stored on Lots during construction by Declarant or any Builder designated by Declarant.

2.14 Antennae and Satellite Dishes. Except with the written permission of the NCRB or the Modifications Committee or as provided herein, exterior antennae, aerials, satellite dishes or

other apparatus for the transmission or reception of television, radio, satellite or other signals of any kind may not be placed on the exterior of any Dwelling or on any portion of the Lot outside the Dwelling, except that (i) satellite dishes one meter or less in diameter designed to receive transmissions other than television broadcast signals shall be permitted; and (ii) antennas or satellite dishes designed to receive television broadcast signals shall be permitted. Any of the foregoing permitted devices and any other device permitted by the NCRB or the Modifications Committee (a "**Permitted Device**") must be located in an area where such Permitted Device is not visible (for aesthetic reasons) from any portion of the street in front of the applicable Lot with the apparatus. However, if the Owner determines that the Permitted Device cannot be located in compliance with the foregoing non-visibility requirement without precluding reception of an acceptable quality signal, then the Owner may install the Permitted Device in the least conspicuous alternative location on the Lot where an acceptable quality signal can be obtained. In all cases except as may be approved by the NCRB or the Modifications Committee, no Permitted Device of any style shall be (a) erected as a free-standing structure, (b) permitted to extend outside the roof of the main residential structure or (c) maintained on any portion of the Lot forward of the front building line. The NCRB in the Building Standards may include rules or provisions regarding the type of additional Permitted Devices and/or the placement of Permitted Devices, provided that such Building Standards do not conflict with the terms of this **Section 2.14** and do not unreasonably increase the cost of installation, maintenance or use of the Permitted Device. A Permitted Device that complies with the provisions of this paragraph and the Building Standards shall not require the NCRB's or the Modifications Committee's approval prior to installation. However, the NCRB or the Modifications Committee shall be the exclusive authorities for purposes of determining if the item or device complies with the provisions of this paragraph and the Building Standards.

2.15 Air-Conditioning Units. Air-conditioning apparatus must be installed on the ground behind the rear of the Dwelling or on the ground near the side of the Dwelling. No air-conditioning apparatus or evaporative cooler may be attached to any wall, window or roof of any Dwelling.

2.16 No Solar Collectors. Except with the written permission of the NCRB or the Modifications Committee, no solar collector panels or similar devices may be placed on or around any Dwelling.

2.17 No Temporary Structures on Lot. No temporary dwelling, shop, trailer or mobile home of any kind or any improvements of a temporary character (except children's playhouses, dog houses, green houses, gazebos and buildings for storage of lawn maintenance equipment, which may be placed on a Lot only in places which are not visible from any street on which the Lot fronts) shall be permitted on any Lot except that the Builder or contractor may have temporary improvements (such as sales office and/or construction trailer) on a given Lot during the entire time that construction activities within the Development are underway. No building material of any kind or character shall be placed or stored upon the property until the Owner thereof is ready to commence construction of improvements, and then such material shall be placed within the property lines of the Lot upon which the improvements are to be erected.

2.18 **Sidewalks.** The Owner shall be responsible for mowing grass up to the curb of any public street adjacent to Owner's Lot and maintaining any landscaping around any sidewalk located on such Owner's Lot to the extent required by the City.

2.19 **Garages.** Each Dwelling must have a garage that will accommodate a minimum of two (2) automobiles, parked side-by-side. All garages must comply with the City requirements. Garages may be used as Declarant's or a Builder's sales office prior to permanent occupancy of the main structure; however, sales offices must be converted to garages prior to permanent occupancy. With the exception of periods when garages are used by the Declarant or Builder as sales offices, all garages will be maintained for the storage of automobiles, and no garage may be enclosed or otherwise used for habitation. No carports are permitted on a Lot.

2.20 **Clothes Hanging Devices.** No clothes-hanging devices exterior to a Dwelling are to be constructed or placed on the Lot.

2.21 **Window Treatment.** No aluminum foil, newspaper, reflective film or similar treatment will be placed on windows or glass doors of a Dwelling. Bed sheets and similar linens may only be used during the first 30 days after the Owner acquires title to the Lot.

2.22 **Mailboxes.** The standard mailbox originally installed by the Builder must be a brick double box installation, constructed of the same brick material as the first Dwelling constructed on the two adjoining Lots served by the mailbox. Mailboxes are to be installed on the property line between two Dwellings and must be installed by the Builder initially constructing a Dwelling on a Lot unless the mailbox has already been installed on the property line to serve such Lot. Mailboxes shall be maintained jointly by the Owners whose Lots adjoin such mailbox and the costs associated therewith shall be shared equally by said Owners. If the Owners disagree regarding the timing, cost or other applicable issue related to the repair or replacement of a mailbox or portion thereof, then either Owner may (i) make the repair or replacement (provided any applicable NCRB or Modifications Committee approval is obtained) and seek collection of one-half of the cost of repair or replacement at Arbitration (as defined herein); and/or (ii) seek payment of one-half of the cost of repair or replacement at Arbitration, subject to the repair or replacement being made. The term "Arbitration" shall mean binding arbitration pursuant to the rules of the American Arbitration Association or such other person or entity approved by the applicable Owners. Replacement mailboxes shall be of similar type, color, and material as originally installed, unless the NCRB or the Modifications Committee approves additional types of mailboxes.

2.23 **Athletic and Recreational Facilities.** No outdoor athletic and recreational facilities such as plays capes, swing sets and sport courts may be placed on a Lot unless (i) such item is placed within a backyard that has a fence that completely encloses the backyard and the location and the item does not exceed ten feet in height, or (ii) such item is a temporary and movable facility that is stored each night in the garage, the Dwelling or other fully-screened area. Notwithstanding the foregoing, basketball goals and any other recreation equipment designated by the NCRB or the Modifications Committee may be located on any portion of the Lot (including side yards) that is behind any portion of the rear of the Dwelling. No such items shall be otherwise located (including, without limitation, in the any street).

2.24 No Above-Ground Pools. Above ground-level swimming pools shall not be installed on any Lot.

2.25 Lighting; Exterior Holiday Decorations. Lighting and/or decorations on a Lot may not be used or placed in a manner that, in the Board of Directors' sole and absolute discretion, constitutes a nuisance or an unreasonable source of annoyance to the occupants of other Lots. Except for lights and decorations within the interior of a Dwelling that are not displayed in a window, lights and decorations that are erected or displayed on a Lot in commemoration or celebration of publicly observed holidays, may not be displayed more than six weeks in advance of that specific holiday and must be removed within 30 days after the holiday has ended.

2.26 Flags and Flagpoles. Flagpoles that are ground mounted are not permitted on the front portion of any Lot, provided that Declarant or a Builder may install and operate ground mounted flagpoles in connection with the operation of a model home so long as the model home is operated by Declarant or a Builder. A flag may be displayed on the front of a residence by using a wall mounted bracket. Any flag displayed must be maintained in good condition at all times. Flagpoles that are positioned on the rear portion of the Lot may not be visible from the fronting street, are limited to a maximum height of nine (9') feet and must be maintained in good condition at all times.

2.27 Lawn Decorations and Sculptures. The Owner must have the approval of the Modifications Committee to place any decorations, sculptures, fountains, and similar items on any portion of such Owner's Lot except the interior of the Dwelling, unless (i) such item is placed within a backyard completely enclosed by a fence which blocks the view of the item at ground level; and (ii) such item is no taller than the fence.

2.28 Landscaping. The Builder must fully sod or grass prior to the initial conveyance of a Lot with a Dwelling thereon to an Owner other than a Builder (i) each front yard of the Lot to the street curb, (ii) each the side yard of the Lot on the street side of each Corner Lot from the street curb to the perimeter fence line, and (iii) each side yard of the Lot other than the street side of a Corner Lot from the property line to the perimeter fence line. Decorative ground cover rock (excluding flower beds and planters with mulch rather than rock) in the front and side yards may not exceed 10% of the total area of the front and side yards. Unless approved by the NCRB no more than fifty percent (50%) of the area of any yard that faces a street may be covered in shrubs or flowers and no vegetables may be grown in any yard that faces a street. All landscaping located on any Lot, including grass lawns, must be properly maintained at all times by the Owner of such Lot in a trimmed, well-kept and clean condition, as determined by the Board of Directors, in its sole and absolute discretion. Each Owner will keep all shrubs, trees, grass and plantings of every kind on his or her Lot cultivated, pruned and free of trash and other unsightly material. In addition, each Owner shall on a regular basis remove weeds from the yard, including, without limitation, flowerbeds and planter areas. Removal of live native trees is not permitted without the approval of the NCRB or the Modifications Committee.

2.29 Trees. Each Builder initially constructing a Dwelling on a Lot must plant two trees on the Lot prior to closing the sale of the Dwelling. Each of the required trees must be of a variety

required by applicable ordinances of the City and be no less than three inches (3") in caliper. In addition at least one of the required trees must be planted in the front yard of the Dwelling.

IN WITNESS WHEREOF, the Declarant has caused this instrument to be executed on this 11th day of December 2006.

DECLARANT:


**Holigan Land Development, Ltd., a Texas
limited partnership**

**By: HL Development, LLC, a Texas limited
liability company, its general partner**

By: 
Wallace Creel, President

**STATE OF TEXAS §
 §
COUNTY OF DALLAS §**

The foregoing instrument was acknowledged before me on this the 11th day of December 2006, by Wallace Creel, President of HL Development, LLC, a Texas limited liability company, General Partner of Holigan Land Development, Ltd., a Texas limited partnership, on behalf of said limited partnership.


Notary Public, State of Texas

**AFTER RECORDING RETURN TO:
Holigan Land Development, Ltd.
15950 Dallas Parkway, Suite 750
Dallas, Texas 75248
Attn: Wallace Creel**

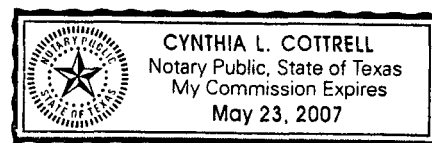


EXHIBIT "A"

The Property

Legal Description – The Villages of Carmel Phase III

Boundary Description
Villages of Carmel
Phase III
City of Denton, Denton County Texas

Lots 1 through 8, in Block 1, Lots 1 through 18, in Block 2, Lots 1 through 14, in Block 3, Lots 1 through 28, in Block 4, Lots 1 through 24, in Block 5, Lots 1 through 19, in Block 6, Lots 1 through 4, in Block 7, and Lot 25, in Block 8 of VILLAGES OF CARMEL, PHASE III, an addition to the City of Denton, Denton County, Texas, according to the Map or Plat thereof recorded in Cabinet W, Slide 640 and 641, Plat Records, Denton County, Texas; more particularly described as follows:

BEGINNING at a railroad spike found in asphalt pavement in Pockrus Page Road at the original northwest corner of the final plat of THE PRESERVE AT PECAN CREEK, SECTION A, PHASE I, an addition to the City of Denton, Denton County, Texas as recorded in Cabinet R, Slide 279 of the Plat Records of Denton County, Texas (P.R.D.C.T.), from which a railroad spike set in asphalt pavement in Pockrus Page Road at an angle point in a north line of said 413.512 acre tract and said called 410.507 acre tract, bears S87°09'13"E, 172.57 feet;

THENCE along the westerly lines of said THE PRESERVE AT PECAN CREEK, SECTION A, PHASE I, the following:

S02°22'57"W, a distance of 686.40 feet to a 5/8" iron rod with a plastic cap set for corner;

N87°37'03"W, a distance of 270.00 feet to a 5/8" iron rod with a plastic cap set for corner;

S02°22'55"W, a distance of 265.54 feet to a 1/2" iron rod found for corner;

S01°51'33"E, a distance of 60.62 feet to a 5/8" iron rod with a plastic cap set for corner;

S10°53'18"E, a distance of 68.49 feet to a 5/8" iron rod with a plastic cap set for corner;

S20°27'34"E, a distance of 68.33 feet to a 5/8" iron rod with a plastic cap set for corner;

S28°58'44"E, a distance of 107.74 feet to a 5/8" iron rod with a plastic cap set for corner at the northern most corner of Lot 10, Block 5 of LAKEVIEW BOULEVARD RIGHT-OF-WAY, LOT 10, BLOCK 5, LOT 2, BLOCK 15 AND LOT 1 & 2, BLOCK 22, THE PRESERVE AT PECAN CREEK, an addition to the City of Denton, Denton County, Texas, as recorded in Cabinet R, Slide 366, P.R.D.C.T., said point being the point of curvature of a non-tangent circular curve to the left having a radius of 1050.00 feet;

THENCE Southwesterly, departing the west line of said THE PRESERVE AT PECAN CREEK, SECTION A, PHASE I, along the northwesterly line of said Lot 10, Block 5 and said circular curve to the left, through a central angle of 09°47'43", an arc distance of 179.50 feet and having a chord that bears S37°05'56"W, a distance of 179.28 feet to a 5/8" iron rod with a plastic cap set for corner;

THENCE N87°37'03"W, departing the northwesterly line of said Lot 10, Block 5, a distance of 635.70 feet to a 5/8" iron rod with a plastic cap set for corner in the west line of said 413.512 acre tract and the east line of a called 15.00 acre tract of land as described in deed to The Preserve at Pecan Creek, Ltd., recorded in County Clerks document 2000-R0107304, R.P.R.D.C.T.;

THENCE N02°22'57"E, along the west line of said 413.512 acre tract and the east line of said called 15.00 acre tract, a distance of 1388.72 feet to a 5/8" iron rod set in aforementioned Pockrus Page Road at the western most northwest corner of said 413.512 acre tract;

THENCE S87°09'13"E, within said Pockrus Page Road, and along a north line of said 413.512 acre tract, a distance of 905.03 feet to the POINT OF BEGINNING and containing 1,082,939 square feet or 24.861 acres of land.

**MASTER DECLARATION OF
COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR
THE VILLAGES OF CARMEL**

Effective: August 10, 2006

**AFTER RECORDING RETURN TO:
Holigan Land Development, Ltd.
15950 Dallas Parkway, Suite 750
Dallas, Texas 75248
Attn: Wallace Creel**

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**MASTER DECLARATION OF
COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR
THE VILLAGES OF CARMEL**

This Master Declaration of Covenants, Conditions and Restrictions for The Villages of Carmel is made on the date hereinafter set forth by the Declarant (hereinafter defined).

Declarant is the owner of the Property (as herein defined). Declarant desires to impose upon the Property mutually beneficial restrictions under a general plan of improvement for the benefit of the owners of each portion of the Property. This Declaration (as defined herein) is intended to provide a flexible and reasonable procedure for the overall development, administration, maintenance and preservation of the Property.

The Declarant's present intention, stated here for information of present intent only and not as a warranty or representation of future fact, is to develop The Villages of Carmel with residential units of different styles, designs, and construction. These may include, by way of example and not limitation, townhouse dwellings and single-family detached dwellings.

In addition, Declarant has caused The Villages of Carmel Homeowners' Association, Inc. to be formed as a Texas nonprofit corporation to own, operate, and maintain Common Areas and Public Improvements (hereinafter defined) within the Property; to administer and enforce the provisions of this Declaration and to perform the other duties and functions set forth in the Declaration, all as more fully set forth below.

Declarant hereby declares that all of the Property shall be held, sold, used and conveyed subject to the easements, restrictions, covenants and conditions contained in this Declaration, which shall run with the title to the Property. This Declaration shall be binding upon all parties having any right, title or interest in any portion of the Property, their heirs, successors, successors-in-title and assigns, and shall inure to the benefit of Declarant, the Association (hereinafter defined), the New Construction Review Board (hereinafter defined), the Modifications Committee (hereinafter defined) and each owner of any portion of the Property.

ARTICLE I - DEFINITIONS

1.1 "Annexable Property" means any real property (i) which is contiguous with, adjacent to, or within five miles of any real property that is subject to this Declaration, (ii) located in any Future Phases of The Villages of Carmel, or (iii) located in a planned development district created by the City for the property subject to this Declaration.

1.2 "Association" means The Villages of Carmel Homeowners' Association, Inc., a Texas nonprofit corporation, established for the purposes set forth herein.

1.3 "Association Documents" shall mean the Certificate of Formation (the "Certificate") of the Association, the Bylaws (the "Bylaws") of the Association and resolutions adopted by the

Association. Copies of the Certificate and Bylaws are attached hereto as "**Exhibit B**" and "**Exhibit C**" respectively.

1.4 "**Association Fencing**" means that certain fencing installed by Declarant, if Declarant so elects.

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

1.6 "**Builder**" means any person or entity who purchases one or more Lots for the purpose of constructing a Dwelling thereon for later sale to consumers in the ordinary course of such person's or entity's business.

1.7 "**Building Standards**" means standards adopted by the NCRB regarding architectural and related matters, including, without limitation, architectural design, placement of improvements, landscaping, color schemes, exterior finishes and materials and similar features which may be either recommended or required by the NCRB for use within the Property.

1.8 "**City**" means the City of Denton, Texas.

1.9 "**Class "B" Control Period**" means the period commencing upon the date of this Declaration and expiring upon the earliest of: (i) ten years after conveyance of the first Lot to a person or entity other than an affiliate of Declarant or a Builder, (ii) a date that Declarant in writing elects to terminate the Class B Control Period, or (iii) when 85% of the Lots (as herein defined) within all Phases (hereinafter defined) of the Development have been improved with a Dwelling thereon and conveyed to persons or entities other than an affiliate of Declarant or a Builder. For purposes of determining the number of Lots within the Development, the final subdivision plats, when Recorded against the Development or any Phase showing each residential building site, shall be the determining documentation. In the event the Class "B" Control Period has previously lapsed as provided in subsection (iii) above, but annexation of additional property restores the ratio of Lots owned by Declarant, an affiliate of Declarant, or a Builder to the percentage required for the Class "B" Control Period to be in effect, the Class "B" Control Period shall be restored until it expires again pursuant to the terms hereof.

1.10 "**Class Vote**" means a vote that is counted or tallied for each separate class of voting Members and requires the specific percentage from each class of Members.

1.11 "**Common Area**" and "**Common Areas**" means all areas (including the improvements thereon) within the Property owned or to be owned by the Association for the common use and enjoyment of the Members.

1.12 **"Common Expenses"** shall mean:

- (a) all costs and expenses incurred by the Association to repair, maintain, operate, and replace the Common Maintenance Areas to the extents and standards of quality determined by the Board to be appropriate; and
- (b) all other costs and expenses necessary to manage, operate, perform the duties, and functions of the Board and the Association as set forth in this Declaration and to establish a reasonable reserve fund as determined by the board.

1.13 **"Common Maintenance Areas"** means the Common Areas, if any, and Public Improvements, if any, and any areas within public rights-of-way, easements (public and private), portions of a Lot, public parks, private streets, landscaping, entry features, fences, walls or similar areas that the Board of Directors deems necessary or appropriate to maintain for the common benefit of the Members.

1.14 **"County"** means the County of Denton, State of Texas.

1.15 **"Declarant"** means Holigan Land Development, Ltd., a Texas limited partnership, and its successors and assigns who are designated as such in writing by Declarant, and who consent in writing to assume the duties and obligations of the Declarant with respect to the Lots acquired by such successor or assign in a document that is Recorded. There may be more than one Declarant if Declarant makes a partial assignment of the Declarant status.

1.16 **"Declaration"** means this Declaration of Covenants, Conditions and Restrictions for The Villages of Carmel and any amendments and supplements hereto made in accordance with its terms..

1.17 **"Designated Interest Rate"** means the interest rate designated by the Board of Directors from time to time, subject to any interest limitations under Texas law. If the Board of Directors fails to designated an interest rate, then the interest rate shall be the lesser of 12% per annum or the highest rate permitted by Texas law.

1.18 **"Development"** means the Property and the Annexable Property (including Future Phases of The Villages of Carmel, hereinafter defined).

1.19 **"Dwelling"** means any Residential Unit situated upon any Lot.

1.20 **"Future Phases of The Villages of Carmel"** shall mean and refer to any tracts of land within five miles of the Property and now or hereafter owned by the Declarant or an affiliate of the Declarant.

1.21 **"Lot"** or **"Lots"** means any separate residential building parcel(s) shown on a Recorded subdivision plat of the Property or any part thereof. Common Areas, Public Improvements, and areas deeded to a governmental authority or utility, together with all improvements thereon, shall not be included as part of a Lot.

1.22 **"Member"** means any person, corporation, partnership, joint venture or other legal entity that is a member of the Association pursuant to the terms in Article III herein.

1.23 **"Modifications Committee"** or **"MC"** shall mean that certain committee of the Association as empowered in Accordance with Article VI Section 6.2 hereof.

1.24 **"New Construction Review Board"** or **"NCRB"** shall mean that certain board as empowered in Accordance with Article VI Section 6.1 hereof.

1.25 **"Occupant"** shall mean and refer to the lessee of a Residential Unit who holds a written lease in conformance with the Association's regulations.

1.26 **"Owner"** means the record owner, whether one or more persons or entities, of fee simple title to any Lot, but excluding in all cases any party holding an interest merely as security for the performance of an obligation. If a Lot is sold under a Recorded contract for sale, then the purchaser (rather than the fee Owner) will be considered the Owner.

1.27 **"Parcel"** shall mean any parcel of land located in the Property, including each Lot.

1.28 **"Phase"** means a particular phase developed upon the Property. Declarant may impose, as provided in Section 6.3, additional or different restrictions on each Phase. If Declarant annexes additional property into the Property as provided in Section 11.1, it may designate the area annexed as a particular Phase, and may impose, as provided in Section 6.3 additional or different restrictions on such area.

1.29 **"Plat"** means (i) initially, the Preliminary Plat, and thereafter the Final Plat, for any Phase of the Property submitted to and approved by the City, or any other applicable governmental entity; (ii) after recordation thereof, the final Plat for any Phase of the Property as recorded in the Records of Denton County, Texas; and, (iii) any replat of, or amendment to, the foregoing made by Declarant in accordance with this Declaration. The term "Plat" shall also include the final recorded plat of any additional property annexed into the Property pursuant to Section 11.1.

1.30 **"Property"** means the real property described on "Exhibit A" attached hereto (other than areas dedicated to the City or County) and such additional property as is brought within the jurisdiction of the Association and made subject to this Declaration.

1.31 **"Public Improvements"** shall mean certain public improvements constructed and installed in the unpaved public rights-of-way of Streets now or hereafter located in the Property. Such improvements may include any landscaping, fencing, screening walls, entry monuments, water features, detention or retention areas and irrigation systems associated with such public rights-of-way, public parks located within the Property, and public open areas located within the Property.

1.32 **"Record", "Recording" or "Recorded"** means the filing of a legal instrument in the Public Records of Denton County, State of Texas, or such other place as may be designated as the official location for filing deeds, plats, and similar documents affecting title to real property.

1.33 **"Residential Unit"** means the improvement located on each Lot that is designed for use as a single family residential dwelling in conformity with this Declaration.

1.34 **"Structure"** means any structure (other than a Dwelling) and includes, without limitation, fence, driveway, sidewalk, planting, landscaping, irrigation system, wall, tennis court, swimming pool, outbuilding, playground equipment, or other improvement of any kind or type.

1.35 **"Supplemental Declaration"** means a Recorded instrument, which subjects additional property to this Declaration and/or imposes additional restrictions and obligations on the land described in the instrument.

1.36 **"Streets"** shall mean any land located in an easement or right-of-way dedicated or conveyed to the City for public use for motor vehicles.

1.37 **"Townhome" or "Townhomes"** shall mean an area of the Property which may be designated for such in a Supplemental Declaration and which is or may be developed as a structure containing two (2) or more Residential Units that (i) is located on two (2) or more adjacent Lots, and (ii) has one (1) or more party walls separating the Residential Units comprising the building.

1.38 **"Vacant Lot"** means a Lot that does not have thereon a Dwelling that has been occupied at any time (past or current) for residential purposes.

Other terms used in the Declaration are defined in various provision hereof.

ARTICLE II- PROPERTY RIGHTS

2.1 **Owner's Easements of Use and Enjoyment.** Every Owner shall have a right and non-exclusive easement of use, access and enjoyment in and to the Common Areas, and such easement shall be appurtenant to and shall pass with the title to every Lot subject to any limitations set forth herein, including, without limitation, the following:

(a) **Rules.** The right of the Association to establish and publish rules and regulations governing the use of the Common Areas and/or the Lots.

(b) **Suspension of Voting Rights.** The right of the Association to suspend the right of use of the Common Areas and the voting rights of an Owner for any period during which any assessment against such Owner's Lot remains unpaid.

(c) **Conveyance of Common Area.** The right of the Association, subject to the provisions hereof, to dedicate, sell or transfer all or any part of the Common Areas. However, no such dedication, sale or transfer will be effective unless there is a 67% or greater Class Vote approving such action.

(d) **Mortgage Common Area.** The right of the Association, subject to the provisions hereof, to mortgage or lien all or any part of the Common Areas. However, the Common Areas cannot be mortgaged or liened without a 67% or greater Class Vote approving such action.

2.2 Prohibitions on Easement of Use and Enjoyment. Each Owner's right and easement of use and enjoyment in and to the Common Areas is further limited as follows:

(a) **No Transfer without Lot.** An Owner's right and easement of use and enjoyment in and to the Common Areas shall not be conveyed, transferred, alienated or encumbered separate and apart from an Owner's Lot and such right and easement of use and enjoyment in and to the Common Areas shall be deemed to be conveyed, transferred, alienated or encumbered upon the sale of any Owner's Lot, notwithstanding that the description in the instrument of conveyance, transfer, alienation or encumbrance may not refer to the Common Areas.

(b) **No Partition.** Except as provided in Section 2.1(c) herein, the Common Areas shall remain undivided and no action for partition or division of any part thereof shall be permitted.

2.3 Right to Delegate Use and Enjoyment of Common Areas. Any Owner may extend his or her right of use and enjoyment of the Common Areas to the members of his or her family, lessees and guests as applicable, subject to the terms in this Declaration, the Bylaws of the Association, and any reasonable rules of the Board of Directors. An Owner who leases his or her Dwelling is deemed to have assigned all such rights to the lessee of such Dwelling.

ARTICLE III – MEMBERSHIP AND VOTING

3.1 Membership – Owners. Every Owner by virtue of ownership of a Lot shall be a member of the Association. Membership shall be appurtenant to and shall not be separated from ownership of any Lot.

3.2 Multiple Owners. No Owner, whether one or more persons, shall have more than (1) membership per Lot owned; provided, however, multiple-use rights for multiple owners may be authorized and regulated by the Board.

3.3 Voting Rights. The Association shall have the following two (2) classes of voting membership:

(a) **Class "A".** Class "A" Members shall be all Owners, with the exception of the Declarant and each affiliate of Declarant during the Class B Control Period. Class "A" Members shall be entitled to one vote for each Lot owned. However, when more than one person holds an interest in any Lot, all such persons shall be members, but only one vote in total may be cast per Lot as the Owners determine among themselves and advise the Secretary of the Association in writing prior to the vote being taken. The Association shall have no affirmative obligation to take any action to determine which Owner is the

person designated to cast the Lot's vote. If the Owners fail to advise the Association of the person designated to cast the Lot's vote, then the Lot's vote shall be suspended if more than one person or entity seeks to exercise it.

(b) **Class "B".** The sole Class "B" Members shall be Declarant and each affiliate of Declarant. The Class "B" Member is entitled to five (5) votes for each Lot owned by the Class "B" Member. The Class "B" membership shall cease and be converted to Class "A" membership upon expiration of the Class "B" Control Period.

3.4 Proxies. During the Class "B" Control Period, Declarant shall serve as the proxy to vote for all Lots owned by each affiliate of Declarant and each Builder in all votes of the Owners as provided in this Section 3.4. By acquiring a Lot from Declarant and for valuable consideration received, each affiliate of Declarant and each Builder (i) appoints Declarant as its proxy during term provided herein, (ii) authorizes Declarant to represent it and to vote on its behalf on any matter upon which such affiliate of Declarant or Builder would be entitled to vote if personally present, and (iii) authorizes Declarant to substitute any other person to act under this proxy. This proxy is made irrevocable for a period of eleven (11) months after the date this Declaration is recorded at which time this proxy shall be revocable, provided that unless the party making the appointment of Declarant as its proxy notifies Declarant in writing no earlier than forty-five (45) days or later than thirty (30) days prior to the expiration of the initial and each succeeding eleven (11) month period the appointment of proxy shall again be irrevocable for an additional period of eleven (11) months without any further action by Declarant or the party appointing Declarant as its proxy. The appointment of Declarant as proxy shall terminate as to a particular Lot when a Builder has improved the Lot with a Dwelling thereon and conveys the Lot to persons or entities other than Declarant, an affiliate of Declarant or another Builder.

ARTICLE IV- ASSESSMENTS

4.1 Obligation to Pay Assessments. Subject to the terms of this Article IV, the Declarant, for each Lot it owns, hereby covenants, and each Owner of any Lot by acceptance of a deed therefore, whether or not such covenant will be so expressed in such deed, is deemed to covenant and agree to pay to the Association, each and all of the following assessments (collectively, the "Assessments"):

- (a) Regular Assessments as provided in Section 4.4 herein;
- (b) Special Group Assessments as provided in Section 4.5 herein;
- (c) Special Owner Assessments as provided in Section 4.6 herein;
- (d) Initiation Fee Assessments as provided in Section 4.7 herein;
- (e) Builder Assessments as provided in Section 4.8 herein; and
- (f) Specific Assessments as provided in Section 4.9 herein.

4.2 Personal Obligation to Pay Assessments. Each such assessment, together with interest at the Designated Interest Rate, late charges, costs and reasonable attorneys' fees, shall be the

personal obligation of the person who was the Owner of such Lot at the time when the assessment arose. Upon a transfer of title to a Lot, the grantee shall be jointly and severally liable for any assessments and other charges due at the time of the conveyance. However, no mortgagee under a Recorded mortgage or beneficiary of a Recorded deed of trust shall be liable for unpaid assessments which accrued prior to such acquisition of title. In addition, no mortgagee shall be required to collect assessments.

4.3 Purpose of Assessments. All Assessments shall be controlled and expended by the Association on behalf of the Owners only for the specified purposes provided in this Declaration. No profit, gain or other benefit is to be derived by the Association from the Assessments, but, instead, such funds shall be expended only as an agent for the Owners, and no part of the net earnings of the Association shall inure (other than by acquiring, constructing, or providing management, maintenance, and care of Association Property, and other that by a rebate of excess membership dues, fees, or Assessments) to the benefit of any individual. All services contemplated to be paid from Assessments shall be obtained by the Association on behalf of the Owners. Upon termination of the Association (and not before), all Assessments held at that time by the Association shall be allocate and returned to the Owners who paid them.

4.4 "Regular Assessments" shall be determined, allocated and expended for 12 month periods and each such 12 month period shall constitute a fiscal year of the Association. Regular Assessments shall be used to pay Common Expenses.

(a) **Date of Commencement of Regular Assessments.** The Regular Assessments provided for herein shall commence as to all Lots on the date of conveyance of the first Lot to an Owner (other than to a Builder or an entity that assumes Declarant status as provided herein), unless the Board of Directors elects to commence the Regular Assessment earlier. The first Regular Assessment shall be adjusted according to the number of months in the fiscal year. The Board of Directors shall fix the amount of the Regular Assessment against each Lot at least 30 days in advance of each assessment period. Written notice of the Regular Assessment shall be sent to an Owner of every Lot subject thereto.

(b) **Maximum and Actual Regular Assessment.** The Board of Directors may fix the actual Regular Assessment at an amount not in excess of the specified maximum Regular Assessment. Until January 1st of the second year immediately following the conveyance of the first Lot to an Owner other than Declarant, an affiliate of Declarant, or a Builder, the maximum Regular Assessment shall be \$385.00 per fiscal year. From and after January 1st of the second year immediately following the conveyance of the first Lot to an Owner other than Declarant, an affiliate of Declarant, or a Builder, the maximum Regular Assessment may be increased as follows:

- (i) **Maximum Assessment.** Until and unless otherwise determined by the Board of Directors, the maximum Regular Assessment Amount shall not exceed \$385.00 per fiscal year.
- (ii) **Maximum Increase Without Vote.** From and after January 1st of the second year immediately following the conveyance of the first Lot to an

Owner other than Declarant, an affiliate of Declarant, or a Builder, without a vote of the Members in accordance with Subsection (iii) below, the Board of Directors may increase the maximum Regular Assessment each fiscal year by up to 20% above the maximum Regular Assessment for the previous year. The Board of Directors may increase the maximum Regular Assessment with or without increasing the actual Regular Assessment.

- (iii) **Maximum Increase With Vote.** From and after January 1st of the second year immediately following the conveyance of the first Lot to an Owner other than Declarant, an affiliate of Declarant, or a Builder, the maximum Regular Assessment may be increased more than 20% above the prior year's maximum Regular Assessment amount by a 67% or greater Class Vote of Members who are voting in person or by proxy at a meeting duly called for this purpose at which a quorum is present approving such action.

4.5 Special Group Assessments. With the approval of the Majority Vote of the Class A Members, the Board may levy at any time by written notice to the Owners "**Special Group Assessments**" to pay any capital improvements and other unanticipated expenses that would have normally been paid by Regular Assessments but were not included in that year's budget for Regular Assessments. Special Group Assessments shall be assessed equally on each Lot containing a Dwelling at the time of such Special Group Assessment.

4.6 Special Owner Assessments. The Board may levy at any time by written notice to an Owner "**Special Owner Assessments**" against such Owner to pay the costs and expenses resulting from (a) damage to or loss of the Public Improvements, Common Area, or other property in which the Association has an ownership interest if such damage or loss is determined by the Board to have been caused, directly or indirectly, by the acts or omissions of such Owner, or its agents, employees, occupants, or visitor, (b) any charge or cost incurred by an Owner and that Association has agreed to collect, including charges attributable to an Owner's cable bill, telephone bill or service or utility bill or (c) any cost, expense or liability incurred by the Association in enforcing the Declaration against such Owner.

4.7 Initiation Fee Assessment. The Board may levy against a purchaser or transferee of a Lot an initiation fee (the "**Initiation Fee Assessment**") in connection with the sale or resale or transfer of a Dwelling on such Lot. The Initiation Fee Assessment shall initially be \$300.00, until and unless increased by the Board of Directors of the Association. The Initiation Fee Assessment shall be payable to the Association in connection with and upon the sale or resale or transfer of a Dwelling on a Lot.

4.8 Builder Assessment. The Board may levy against an Owner other than the Declarant a fee (the "**Builder Assessment**") in connection with the first conveyance by an Owner other than Declarant of a Lot following the initial recording of the plat designating such a Lot. The Builder Assessment shall initially be \$100.00 per Lot. The Builder Assessment shall be payable to the Association with and upon the closing of such first conveyance.

4.9 Specific Assessments. The Association shall have the power to levy specific assessments against a particular Lot to (i) cover costs incurred in bringing a Lot in compliance with this Declaration, (ii) cover costs incurred as a consequence of the conduct (or the failure to act) of the Owner or occupant of a Lot, their agents, contractors, employees, licensees, invitees, or guests, and/or (iii) collect any sums due by the Owner to the Association (other than Regular Assessments or special assessments or interest or late charges related thereto), including, without limitation, fines and transfer fees.

4.10 Due Date Of Assessment. The due dates of Regular Assessments shall be established by the Board of Directors. Regular Assessments shall be payable annually within 30 days after an invoice is delivered by the Association to an Owner; provided, however, the Board may require payment of Regular Assessments more frequently than annually. The due date of any Special Group Assessment, Special Owner Assessment, or Specific Assessment shall be fixed in a written notice levying such Assessment; provided, however, such due date shall not be earlier than 15 days after the date of such notice. The Initiation Fee Assessment and the Builder Assessment shall be due as provided in Section 4.7 and Section 4.8 respectively, of this Declaration.

4.11 Uniform Rate of Assessment -- Reduced for Vacant Lots -- Reduced Builder's Assessments. Regular Assessments, Special Owner Assessments, and Special Group Assessments shall be fixed at a uniform rate for all Lots, except that Vacant Lots shall be assessed at fifty percent (50%) of the full Regular Assessment rate. Notwithstanding any provision herein to the contrary, a Builder that acquires a Lot from Declarant shall not be obligated to pay Regular Assessments assessed with respect to such Lot during the period commencing on the date the Builder acquired the Lot and ending on the earlier to occur of (i) one (1) year after the date Declarant conveyed the Lot to Builder, or (ii) the date the Lot is conveyed by the Builder to an Owner (the "Builder Abatement Period"). Upon the expiration of the Builder Abatement Period, the Association may collect any prorated amount of the Regular Assessments from the Builder (subject to the provisions providing for the rate of assessment on Vacant Lots).

4.12 Declarant's Payment of Shortfall Amount. During the period that Declarant owns any Vacant Lots, if the Association's revenues are insufficient to pay the expenses of the Association, then Declarant may pay to the Association the difference between the revenues and the expenses. If paid by Declarant, Declarant shall pay such amount within 30 days of receipt of a request for payment thereof from the Association, provided that if the budget deficit is the result of the failure or refusal of an Owner or Owners to pay any Assessments, the Association will diligently pursue (and the Declarant may also pursue at its option) all available remedies against such defaulting Owner or Owners and will promptly reimburse the Declarant the amounts, if any, so collected. Declarant's election to pay more than the amounts required hereunder shall not obligate Declarant to pay any such sums in the future.

4.13 Certificate of Assessment Status. The Association will, promptly after written demand and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether or not the assessment has been paid for the assessment period.

4.14 Failure to Pay Assessments; Remedies of the Association. With respect to any assessment or other sum due herein not paid within ten days after the due date, the Association shall have the right to: (i) charge a late fee, in an amount determined by the Board of Directors; (ii) charge interest on the amount due at the Designated Interest Rate from the due date until the date the sum is paid; and/or (iii) charge costs and fees related to the collection of the sum due. In addition, the Association may bring an action at law against the Owner personally obligated to pay the same. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Maintenance Area or abandonment of his or her Lot. The failure to pay assessments shall not by the terms of this Declaration constitute a default under an insured mortgage, unless otherwise provided by the terms of such mortgage.

4.15 Lien.

(a) **Creation of Lien.** The Association shall hereby have and is hereby granted a continuing lien against each Lot to secure payment of delinquent assessments (Regular Assessments, Special Assessments and Specific Assessments) and capitalization contributions, as well as interest at the Designated Interest Rate, late fees, and costs of collection, including, without limitation, court costs and attorneys' fees. Although no further action is required to create or perfect the lien, the Association may, as further evidence and notice of the lien, execute and Record a document setting forth as to any Lot, the amount of delinquent sums due the Association at the time such document is executed and the fact that a lien exists to secure the payment thereof. However, the failure of the Association to execute and Record any such document shall not, to any extent, affect the validity, enforceability, perfection or priority of the lien.

(b) **Enforcement of Lien – Judicial or Nonjudicial.** The lien may be enforced by judicial or nonjudicial foreclosure. Each Owner by accepting title to a Lot hereby grants to the Association, whether or not it is so expressed in the deed or other instrument conveying such Lot to the Owner, a private power of nonjudicial sale to be exercised in accordance with Texas Property Code Sec. 51.002, as it may be amended. The Board of Directors 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 of Directors' meeting.

(c) **Subordination of Lien.** The lien of the assessments provided for herein is subordinate to the lien of any Recorded first mortgage or first deed of trust against a Lot.

4.16 Effect of Conveyance. An Owner that conveys title to a Lot shall not be liable for assessments that are attributable to the period after the conveyance of the Lot, except as provided in the following paragraph. However, a conveyance of title to a Lot shall not affect the assessment lien or relieve the Owner that conveys the Lot from personal liability for any assessments attributable to the period prior to the date of the conveyance, except as provided in the following paragraph.

4.17 Effect of Foreclosure. The foreclosure of a first mortgage, trustee's sale of a first deed of trust or a deed in lieu thereof will extinguish the lien of such assessment as to payments

attributable to the period prior to the foreclosure, trustee's sale or deed in lieu thereof. However, a foreclosure of a first mortgage, trustee's sale of a first deed of trust or a deed in lieu thereof will not relieve such Lot or Owner thereof from liability for any assessment attributable to the period after the foreclosure, trustee's sale or deed in lieu thereof. The foreclosure of a first mortgage, trustee's sale of a first deed of trust or a deed in lieu thereof shall not release the Owner whose Lot is being foreclosed, sold at a trustee's sale or conveyed pursuant to a deed in lieu from the Owner's obligation to pay assessments attributable to the period prior to the date of such foreclosure, trustee's sale or deed in lieu thereof. For purposes of this Declaration, the use of the term "first" in connection with a mortgage or deed of trust shall refer to the lien priority as compared to other mortgages or deeds of trust.

4.18 Imposition of Violation Fines.

(a) In the event that any Owner fails to cure (or fails to commence and proceed with diligence to completion) the work necessary to cure any violation of the covenants and restrictions contained herein, or fails to request a hearing before the Board of Directors, within thirty (30) days after receipt of written notice from the Board of Directors or its duly authorized agent designating the particular violation and such other matters as required by law, the Board of Directors shall have the power and authority to impose upon that Owner a reasonable fine (the "Violation Fine") not to exceed Five Hundred and No/100 Dollars (\$500.00). If, after the imposition of the first Violation Fine, the violation has not been cured or the Owner has still not commenced the work necessary to cure such violation, the Board of Directors shall have the power and authority, upon ten (10) days written notice, to impose a second Violation Fine which shall also not exceed Five Hundred and No/100 Dollars (\$500.00). Each of the Violation Fines shall be a Special Owner Assessment as described herein, shall be due and payable in accordance with the notice from the Board of Directors, and together with interest at the highest lawful rate per annum and any costs of collection, including attorney's fees, shall be a continuing lien upon the Lot against which such Violation Fine is made.

(b) Upon notification of a violation of this Declaration, the Board of Directors or its duly authorized agent will issue written notice to the Owner of such violation as provided by this Section 4.18, including a copy of this Section 4.18; provided, however, that the failure to provide a copy of this Section 4.18 shall not invalidate any fine levied hereunder.

(c) If a subsequent and separate violation of the same covenant by the same Owner is noted, that being a separate violation of the same covenant within six (6) months from the date the Owner received the first written notice, then the Owner may be assessed a Violation Fine in an amount not to exceed One Hundred and No/100 Dollars (\$100.00) per day that the violation remains uncured as provided and authorized by this Section 4.18 without the necessity of providing the Owner with the written notice requesting corrective action described in Section 4.18 (a) and (b) above.

(d) If a hearing is requested within the allotted thirty (30) day period as described in Section 4.18(a) above, the hearing shall be held before the Board of Directors in

executive session. The hearing shall be held no later than the 30th day after the date the Board of Directors receives the violator's request for a hearing. The Board of Directors or its duly authorized agent shall notify the violator of the date, time and place of the hearing no later than the 10th day before the date of the hearing. The alleged violator shall be afforded a reasonable opportunity to be heard. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed.

ARTICLE V – THE ASSOCIATION

5.1 The Association – Duties and Powers. The Association is a Texas nonprofit corporation charged with the duties and invested with the powers prescribed by law and set forth in the Certificate of the Association, Bylaws, and this Declaration. The Association shall continue to exist until the Association is wound up and terminated, regardless if the corporate status expires or lapses. The Association shall have such rights, duties and powers as set forth herein and in the Certificate of Formation and the Bylaws.

5.2 Board of Directors. The affairs of the Association shall be conducted by the Board of Directors and such officers as the Board of Directors may elect or appoint, in Accordance with the Certificate of Formation and the Bylaws. The Board of Directors shall have the powers granted in this Declaration, the Certificate of Formation and the Bylaws, all powers provided by Texas law and all powers reasonably implied to perform its obligations and/or duties provided herein.

5.3 Limitation on Liability. The liability of an officer, director or committee member of the Association shall be limited as provided in the Certificate of Formation.

5.4 Indemnification. Subject to the limitations and requirements of the Texas Nonprofit Corporation Law, as amended, and of the Bylaws, the Association shall indemnify every officer, director and committee member (including, without limitation, attorneys' fees, reasonably incurred in connection with any threatened, initiated or filed action, suit or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which he or she may be a party by reason of being or having been an officer, director or committee member, except that such obligation to indemnify shall be limited as provided under the Certificate of Formation. Additionally, subject to the limitations and requirements of the Texas Nonprofit Corporation Law, as amended, and of the Bylaws, the Association may voluntarily indemnify a person who is or was an employee, trustee, agent or attorney of the Association, against any liability asserted against such person in that capacity and arising out of that capacity.

5.5 Limitation on Litigation. No judicial or administrative proceeding shall be commenced or prosecuted by the Association unless there is a 75% or greater vote of the Members (all classes counted together) approving such action. This Section 5.5 shall not apply, however, to (a) actions brought by the Association to enforce the provisions of this Declaration (including, without limitation, the foreclosure of liens); (b) the imposition and collection of assessments as provided herein; (c) proceedings involving challenges to ad valorem taxation; (d) counterclaims brought by the Association in proceedings instituted against it; or (e) actions to enforce written

contracts between the Association in proceedings instituted against it; or (e) actions to enforce written contracts between the Association and a third party. Except as authorized by said vote, the Board of Directors shall not be liable for failing or refusing to commence litigation.

5.6 Insurance.

(a) **Required Coverages.** The Association, acting through its Board of Directors or its duly authorized agent, shall obtain and continue in effect, at a minimum, the following insurance coverage, if reasonably available, or, if not, the most nearly equivalent coverages as are reasonably available:

(i) **Property Insurance.** Blanket property insurance covering loss or damage on a "special form" basis (or comparable coverage by whatever name denominated) for all insurable improvements on the Common Areas and within the Common Maintenance Areas to the extent that the Association has assumed responsibility in the event of a casualty, regardless of ownership. All property insurance policies obtained by the Association shall have policy limits and/or endorsements related thereto sufficient to cover the full replacement cost of the insured improvements. The Association shall obtain endorsements to the property insurance policy to the extent the Board of Directors determines that particular endorsements are advisable and reasonably available to the Association. Such endorsements may include, without limitation: (i) a Replacement Cost Endorsement with an Agreed Amount Endorsement; (ii) a waiver of the insurer's right to repair and reconstruct instead of paying cash; if reasonably available; (iii) an Inflation Guard Endorsement; (iv) a Building Ordinance or Law Endorsement; and (v) a Steam Boiler and Machinery Coverage Endorsement.

(ii) **General Liability Insurance.** Commercial general liability insurance on the Common Maintenance Areas, insuring the Association and its Members for damage or injury caused by the negligence of the Association or any of its Members, employees, agents or contractors while acting on the Association's behalf. Such coverage (including primary and any umbrella coverage) shall have a limit of at least \$1,000,000.00 per occurrence with respect to bodily injury, personal injury and property damage. The Board of Directors may obtain a higher policy coverage if the Board of Directors determines that such additional coverage is advisable.

(b) **Additional Insurance.** The Board of Directors may obtain additional insurance as the Board of Directors determines advisable, including, without limitation, the insurance set forth below. In determining whether to obtain additional insurance and/or endorsements thereto that are discretionary, the Board of Directors shall use its own business judgment to determine if such insurance and/or endorsement is advisable based on the cost and availability of the insurance and/or the endorsement compared to the risks associated therewith.

(i) **Directors and Officers Liability Insurance.** Directors and officers liability insurance.

(ii) **Fidelity Insurance.** Fidelity insurance covering all parties responsible for handling Association funds in an amount determined by the Board of Directors. If fidelity insurance coverage is obtained, the policy should contain, if reasonably available, a waiver of all defenses based upon the exclusion of persons serving without compensation.

(iii) **Flood Insurance.** Flood insurance covering any improvements located on the Common Areas to the extent that the Board of Directors determines that the improvements have significant enough value and the risks related thereto justify the cost of such insurance.

(iv) **Workers Compensation Insurance.** Workers compensation insurance and employers liability insurance.

(c) **Policy Requirements.** All insurance coverage obtained by the Association shall: (i) be written in the name of the Association and shall provide for a certificate of insurance to be furnished to the Association; (ii) contain a reasonable deductible; (iii) contain an endorsement requiring at least 30 days' prior written notice to the Association of any cancellation of insurance; (iv) contain a provision or endorsement excluding Owners' individual policies from consideration under any other insurance clause, if reasonably available; and (v) contain a waiver of subrogation as to any claims against the Board of Directors and the Association's officers, employees and manager, and the Owners and their tenants, servants, agents and guests, if reasonably available.

(d) **Review of Policies.** The Board shall annually review the types and amounts of insurance coverage for sufficiency.

(e) **Compliance with Federal Agencies and Secondary Mortgage Market Requirements.** In addition to the foregoing insurance in Section 5.6 the Board of Directors may obtain such insurance coverage that the Board of Directors determines desirable to satisfy any applicable insurance requirements of any federal agency or secondary mortgage market entity, including, without limitation, the Federal Home Loan Mortgage Corporation ("FHLMC"), the Federal National Mortgage Association ("FNMA"), the U.S. Department of Veterans Affairs ("VA"), and the U.S. Department of Housing and Urban Development ("HUD"), to the extent applicable.

5.7 Contracts; Management and Maintenance. The Association shall have the right to contract with any person or entity for the performance of various duties and functions. This right shall include, without limitation, the right to enter into management, operational or other agreements with other persons or entities; provided, any such agreement shall require approval of the Board of Directors. The Board of Directors may employ for the Association a management agent or agents, at such compensation as the Board of Directors may establish, to perform such duties and services as the Board of Directors shall authorize. The Board of Directors may delegate such powers as are necessary to perform the manager's assigned duties but shall not

delegate policymaking authority. The Association may enter into contracts with Declarant or affiliates of Declarant provided that such contracts are on market terms. The Board of Directors may establish and collect a reasonable fee for copying and furnishing copies of the Association's governing documents and furnishing Resale Certificates and other certificates, if any, in connection with the sale of a Lot by Owner. The Board of Directors may direct that such fees are paid to the managing agent of the Association.

5.8 Books and Records. The books and records of the Association shall be made available to the Members for inspection as provided in the Bylaws. In addition, Members may obtain copies, at a reasonable cost, of the books and records of the Association as provided in the Bylaws.

5.9 Winding Up and Termination of Association; Conveyance of Assets. If the Association is wound up and terminated other than incident to a merger or consolidation, the assets both real and personal of the Association shall be conveyed as provided in the Certificate of Formation.

5.10 Enforcement. The Board of Directors may impose sanctions for violation of this Declaration (including any rules, guidelines or standards adopted pursuant to the Declaration) in Accordance with the applicable procedures set forth in the Bylaws. The Bylaws do not provide for an absolute right under all circumstances to notice and/or hearing either prior to or after the imposition of sanctions. Such sanctions may include all remedies available at law and/or in equity and all remedies herein, including, without limitation, the following:

- (a) **Fines.** The Board of Directors may impose reasonable monetary fines, which shall constitute a lien on the Lot, upon the Owner of the Lot related to or connected with the alleged violation. The Owner shall be liable for the actions of any occupant, guest or invitee of the Owner of such Lot.
- (b) **Suspension of Voting Rights.** The Board of Directors may suspend an Owner's right to vote.
- (c) **Suspension of Rights to Use Common Area.** The Board of Directors may suspend any person's or entity's right to use any recreational facilities within the Common Areas; provided, however, nothing herein shall authorize the Board of Directors to limit ingress or egress to or from a Lot.
- (d) **Right of Self-Help.** The Board of Directors may exercise self-help or take action to enter upon the Lot to abate any violation of this Declaration.
- (e) **Right to Require Removal.** The Board of Directors may require an Owner, at the Owner's expense, to remove any structure or improvement on such Owner's Lot in violation of this Declaration and to restore the Lot to its previous condition and, upon failure of the Owner to do so, the Board of Directors or its designee shall have the right to enter the Lot, remove the violation, and restore the property to substantially the same condition as previously existing, without such action being deemed a trespass.

(f) **Levy Specific Assessment.** The Board of Directors may levy a specific assessment to cover costs incurred by the Association in bringing a Lot into compliance with this Declaration.

(g) **Lawsuit; Injunction or Damages.** The Board of Directors has the right, but not the obligation, to bring a suit at law or in equity to enjoin any violation or to recover monetary damages, or both.

(h) **Perform Maintenance.** In addition to any other enforcement rights, if an Owner fails to perform properly such Owner's maintenance responsibility with respect to a Lot and/or Dwelling, the Association may record a notice of violation in the public records of the County and/or enter the Lot and perform such maintenance responsibilities and assess all costs incurred by the Association against the Lot and the Owner as a specific assessment.

The decision to pursue enforcement action, including the commencement of legal proceedings, in any particular case shall be left to the Board of Directors' sole and absolute discretion, except that the Board of Directors shall not be arbitrary or capricious in taking enforcement action. Without limiting the generality of the foregoing sentence, the Board of Directors may determine that, under the circumstances of a particular case, (i) the Association's position is not strong enough to justify taking any or further action; or (ii) the covenant, restriction or rule being enforced is, or is likely to be construed as, inconsistent with applicable law; or (iii) although a technical violation may exist or may have occurred, it is not of such a material nature as to be objectionable to a reasonable person or to justify expending the Association's resources; or (iv) it is not in the Association's best interests, based upon hardship, expense or other reasonable criteria, to pursue enforcement action. Such a decision shall not be construed a waiver of the right of the Association to enforce such provision at a later time under other circumstances or preclude the Association from enforcing any other covenant, restriction or rule.

ARTICLE VI- ARCHITECTURAL CONTROLS

6.1 **New Construction Review Board.** The New Construction Review Board shall have exclusive jurisdiction over all original construction on any portion of the Property. No original construction or development of any kind shall commence or be carried out on any Lot until approved in writing by the NCRB. Approval shall be subject to such regulations, architectural standards, and application procedures as may be promulgated by the NCRB. However, NCRB approval is not required for (i) any improvements constructed, erected, altered, added onto or repaired by Declarant or a Builder designated in writing by Declarant to be exempt from the NCRB approval requirements; (ii) any improvements to the interior of a Dwelling, except as provided herein; (iii) the painting or re-bricking of the exterior of any Dwelling in accordance with the color and design scheme approved by the NCRB; or (iv) improvements for which the Declaration expressly states that the NCRB's prior approval is not required. Any improvements pursuant to clauses (iii) and (iv) immediately preceding must be in compliance with any applicable Building Standards. The NCRB shall make its regulations, standards, and procedures available to Owners, Builder/Owners, and developers who seek to engage in development of or construction upon any portion of the Property and shall conduct its operations in accordance

therewith. The NCRB will have the authority to delegate its duties or to retain the services of a professional engineer, management company, architect, designer, inspector or other person to assist in the performance of its duties. The cost of such services shall be included in the Common Expenses. The Declarant, in its sole discretion, shall appoint the members of the NCRB which shall consist of three (3) members, none of whom shall be required to be residents of The Villages of Carmel or own property in The Villages of Carmel. The NCRB shall and may act independently of the Association and its Board until such time as the Declarant assigns its rights of appointment to the Board of Directors, at which time the NCRB shall function in the same fashion as committees of the Association. This Section may not be amended without the written approval of the Declarant.

6.2 Modifications Committee. The Modifications Committee ("MC") shall consist of at least three (3) members, all of whom shall be appointed by the Declarant until such time as the Declarant assigns its rights of appointment to the Board of Directors. The MC shall have jurisdiction over modifications, additions, or alterations made on or to existing Residential Units or structures containing Residential Units and the open space, if any, throughout the Property; provided, however, the MC may delegate this authority to the appropriate board or committee of any residential association subsequently created or subsequently subjected to this Declaration, so long as the MC has determined that such board or committee has in force written review and enforcement practices, procedures, and appropriate written guidelines and standards at least equal to those of the MC. Such delegation may be revoked and jurisdiction reassumed at any time by written notice; provided, further, the MC shall not have jurisdiction over modifications or alterations made by the Declarant or Builders, and the jurisdiction of the MC shall be subordinate to the NCRB. Decisions of the MC shall be advisory in nature and reported to the Board of Directors no later than thirty (30) days prior to the time the Board's power to deny a proposed modification expires. The MC shall promulgate detailed standards and procedures governing its area of responsibility and practice. In addition thereto, the following shall apply: plans and specifications showing the nature, kind, shape, color, size, materials, and location of such modifications, additions, or alterations, shall be submitted to the MC for approval as to the quality of workmanship and design and harmony of external design with existing structures, topography, and finish grade elevation. Nothing contained herein shall be construed to limit the right of an owner to remodel the interior of his or her Residential Unit or to paint the interior of his or her Residential Unit any color desired. In the event the Board of Directors, after receiving the report of the MC, fails to approve or to disapprove such plans or to request additional information reasonably required in sixty (60) days after submission, the plans shall be deemed approved. The MC may charge a reasonable fee may charge a reasonable fee to cover the administrative expense of its review and comment, such fee payable to the Association.

6.3 Building Standards. The Declarant or NCRB may, but is not required to, establish specific guidelines and building standards to assist Persons in determining the type of Structures and Residential Units, which may be constructed on the Property. Pursuant to Section 11.1, Declarant may annex the Annexable Property to become a portion of the Property, and may develop the overall Property in various Phases. Declarant may establish differing restrictions, guidelines and building standards for the Property and/or each such Phase of the Property, which may impose more restrictive or less onerous restrictions or building standards with respect to the Property and/or a particular Phase. Such differing restrictions, guidelines and building standards may be set forth in one or more supplements to this Declaration. The NCRB or Declarant may

amend or modify such guidelines or standards from time to time in its sole discretion. Such guidelines or standards, if promulgated, shall supplement this Declaration and are general guides to permitted construction within the Property, but shall not diminish the authority of the NCRB and Declarant to approve plans as otherwise herein provided. The NCRB may, from time to time and in its sole and absolute discretion, adopt, amend, and repeal, by unanimous vote or written consent of members of the NCRB, the Building Standards. The Building Standards may not conflict with the terms of this Declaration.

6.4 Submission of Plans. Prior to the initiation of construction of any work required to be approved by the NCRB as provided in Section 6.1 above, the Owner (excluding Declarant and any Builder designated in writing to be exempt from the NCRB approval requirements as provided herein) will first submit to the NCRB a complete set of plans and specifications for the proposed improvements, including site plans, landscape plans, exterior elevations, specifications of materials and exterior colors, and any other information deemed necessary by the NCRB for the performance of its function. In addition, the Owner will submit the identity of the individual or company intended to perform the work and projected commencement and completion dates. This approval process is separate and independent of any approval process required by a governmental entity.

6.5 Plan Review.

(a) **Timing of Review and Response.** Upon receipt by the NCRB of all of the information required by this Article VI, the NCRB will have 30 days in which to review said plans. No correspondence or request for approval will be deemed to have been received until all requested documents have actually been received by the NCRB in form satisfactory to the NCRB. If the NCRB requests additional information and the applicant fails to provide such information prior to the date stated in the NCRB's notice, then the application shall be deemed denied. If the applicable submittal is denied or deemed denied, then the applicant shall be required to re-apply if the applicant still desires to have the NCRB consider the request. If the NCRB fails to issue its written approval within 30 days after the NCRB's receipt of all materials requested by the NCRB to complete the submission, then such failure by the NCRB to issue its written approval shall be deemed approval. The NCRB may charge a reasonable fee for reviewing requests for approval.

(b) **Approval Considerations – Aesthetics.** The proposed improvements will be approved if, in the sole and absolute opinion of the NCRB: (i) the improvements will be of an architectural style, quality, color and material that are aesthetically compatible with the improvements in the Development; (ii) the improvements will not violate any term herein or in the Building Standards; and (iii) the improvements will not result in the reduction in property value, use or enjoyment of any of the Property. Decisions of the NCRB may be based on purely aesthetic considerations. The NCRB shall have the authority to make final conclusive and binding determinations on matters of aesthetic judgment and such determination shall not be subject to review so long as the determination is made in good faith and in accordance with the procedures set forth herein. Each Owner acknowledges that opinions on aesthetic matters are subjective and opinions may vary as to the desirability and/or attractiveness of particular improvements and as the NCRB and its members change over time.

6.6 Timing of Completion of Approved Items. All work approved by the NCRB shall be completed within one year after the approval by the NCRB or such shorter period that the NCRB may specify in the notice of approval, unless the completion is delayed due to causes beyond the reasonable control of the Owner, as determined by the NCRB. All work and related improvements shall be in compliance with the items approved by the NCRB.

6.7 Improvements Impact on Drainage. With respect to any improvements performed on a Lot and/or any alterations to the yard, the Owner shall take proper precautions to insure that such improvements do not (i) alter the surface water drainage flows of a Lot as originally established at the time of the initial construction of the Dwelling, or (ii) allow water to collect near the foundation of the Dwelling. Although the NCRB may comment on and/or deny the approval of plans because of the impact of the proposed improvements or alterations on surface water drainage, the NCRB's comments or approval shall not constitute or be construed as a representation, warranty or guaranty that adverse surface water drainage problems will not occur and shall not be relied upon as such. The Owner is responsible for taking the necessary actions in order to avoid any surface water drainage problems, including, without limitation, engaging the services of a qualified consultant.

6.8 No Waiver. The approval by the NCRB of any plans, drawings or specifications for any work done or proposed, or for any other matter requiring the approval of the NCRB under this Declaration, shall not be deemed to constitute a waiver of any right to withhold approval of any similar plan, drawing specification or matter subsequently submitted for approval.

6.9 Variances. The NCRB may authorize variances from strict compliance with the requirements herein, in any Building Standards or any required procedures: (i) in narrow circumstances where the design meets the intent of the provision from which variances is sought and where granting the variance would enhance design innovation and excellence; or (ii) when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations so require. For purposes of this Section 6.9, the inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing as the sole or primary reason for requesting a variance shall not be considered a hardship warranting a variance. No variance shall be contrary to the terms of this Declaration and no variance shall be effective unless in writing. No variance shall stop the NCRB from denying a variance in other circumstances.

6.10 Enforcement; Non-Conforming and Unapproved Improvements. If there are any significant or material deviations from the approved plans in the completed improvements, as determined by the NCRB in its sole and absolute discretion, such improvements will be in violation of this Article VI to the same extent as if made without prior approval of the NCRB. The Association or any Owner may maintain an action at law or in equity for the removal or correction of (i) the non-conforming improvement or alteration, and/or (ii) any improvement on any Lot that is not approved by the NCRB; (iii) any alteration to any improvement on any Lot that is not approved by the Modifications Committee.

6.11 Limitation of Liability. Neither the Declarant, the Association, the Board of Directors, the NCRB, nor the Modifications Committee shall have any liability, individually or in combination, for (i) decisions made by (or failed to be made by) the Declarant, the Association,

the Board of Directors, the NCRB, or the Modifications Committee or (ii) decisions in connection with the approval or disapproval or failure to disapprove or approve any plans and specifications submitted. Neither the Declarant, the Association, the Board of Directors, the NCRB, nor the Modifications Committee shall bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications or the adequacy of soils or drainage, nor for ensuring compliance with building codes and other governmental requirements. Neither Declarant, the Association, the Board of Directors, the NCRB, the Modifications Committee, nor any member of the foregoing shall be held liable for any injury, damages or loss arising out of the manner or quality of approved construction or modifications to any Dwelling and/or Lot. The NCRB, the Modifications Committee and their respective members shall be deemed defended and indemnified by the Association as provided in Section 5.4 herein.

ARTICLE VII- USE RESTRICTIONS AND COVENANTS

7.1 Nuisances. No noxious or offensive activity, including, without limitation, unreasonable smells, noise or aesthetics, will be carried on upon any Lot, nor will anything be done thereon which the Board of Directors determines, in its sole and absolute discretion, is or may become an unreasonable source of annoyance or nuisance to the Property.

7.2 No Temporary Structures as a Residence. No structure of a temporary character, including, without limiting the generality thereof, any trailer, basement, tent, shack, garage, barn, or other out-building will be used on any Lot at any time as a residence, either temporarily or permanently; except that camping out in a tent that is erected in the back yard behind a fully-screened fence is permitted provided that such activity does not become or constitute a nuisance or unreasonable source of annoyance to the occupants of other Lots as determined by the Board of Directors in its sole and absolute discretion. This restriction will not be interpreted to limit the right of Declarant or any Builder to use trailers or outbuildings as sales offices, selection center offices, construction offices or material storage facilities.

7.3 No Garage as a Residence. No garage, garage house or other out-building (except for sales offices and construction trailers during the construction period) shall be occupied by any Owner, tenant or other person as a residence.

7.4 Exterior Improvement Maintenance. All improvements upon any Lot will at all times be kept in good condition and repair and adequately painted or otherwise maintained by the Owner of such Lot in a presentable well-kept and clean condition, as determined by the Board of Directors, in its sole and absolute discretion.

7.5 Mining. No oil drilling, oil development operations, oil refining, quarrying or mining operation of any kind will be permitted in the Development, nor will oil wells, tanks, tunnels, mineral excavations or shafts be permitted in the Development, except subsurface operations that have no effect upon the surface of the Property. No derrick or other structure designed for use in boring for oil or natural gas will be erected, maintained or permitted in the Development. No tank for the storage of oil or other fluids may be maintained on any of the Lots above the surface of the ground.

7.6 No Lot Consolidation or Division. No Owner, other than Declarant, may divide any Lot and/or consolidate any adjoining Lots and/or any portion thereof.

7.7 Drainage Alteration Prohibited. Unless approved by the NCRB, no Owner will: (i) alter the surface water drainage flows of a Lot as originally established at the time of the initial construction of the Dwelling; or (ii) install landscaping or other improvements that may interfere with, obstruct or divert drainage flows established by the Declarant or any Builder. The foregoing shall not prevent or limit the Declarant from performing any grading work and/or changing any surface water drainage flow on any Lot.

7.8 Construction Activities. This Declaration will not be construed so as to unreasonably interfere with or prevent normal construction activities during the construction or remodeling of or making of additions to improvements by an Owner (including Declarant) upon any Lot within the Property. Specifically, no such construction activities will be deemed to constitute a nuisance or a violation of this Declaration by reason of noise, dust, presence of vehicles or construction machinery, posting of signs or similar activities, provided that such construction is pursued to completion with diligence and conforms to usual construction practices in the area. If construction upon any Lot does not conform to usual practices in the area as determined by the Board of Directors in its sole good faith judgment, the Board of Directors will have the authority to obtain an injunction to stop such construction. In addition, if during the course of construction upon any Lot, there is an excessive accumulation of debris of any kind that is offensive or detrimental to the Property or any portion thereof, then the Board of Directors may contract for or cause such debris to be removed, and the Owner of such Lot will be liable for all expenses incurred in connection therewith.

7.9 No Individual Water Supply System. No individual water supply system shall be permitted in the Development.

7.10 No Individual Sewage Disposal System. No individual sewage disposal systems shall be permitted in the Development.

7.11 New Construction Only. Except for children's playhouses, dog houses, greenhouses, gazebos and buildings for storage of lawn maintenance equipment (no higher than six feet and not visible from street level), no building previously constructed elsewhere shall be moved onto any Lot, it being the intention that only new construction be placed and erected thereon.

7.12 No Burning. Except within fireplaces in the Dwelling and except for outdoor cooking, no person shall be permitted to burn anything within the Development.

7.13 No Interference with Easements. Within easements on each Lot, no structure, planting or materials shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities.

7.14 Declarant and Builder Development and Construction. Notwithstanding any other provision herein, Declarant, and its successors and assigns, and any Builders, will be entitled to conduct on the Property all activities normally associated with, and convenient to, the development of the Property and the construction and sale of Dwellings on the Property.

7.15 **Burglar Bars.** No burglar bars or similar attachments may be made to any Dwelling at any time.

ARTICLE VIII- USE OF THE AMENITY CENTER

8.1 **Amenity Center.** The Association may hold fee simple title or an easement interest in real property. Declarant, at its cost, shall have the right, but not the obligation, to construct an Amenity Center (the "**Amenity Center**") on property within the Property or property to be annexed into the Property in the future owned by Declarant. The Lot on which such Amenity Center is situated shall be referred to as the "**Amenity Center Lot**". Upon completion of the Amenity Center or any phase thereof, Declarant shall convey title to such Amenity Center to the Association. The cost of operation, maintenance, renovation, repair and reconstruction of the Amenity Center shall constitute a Common Expense.

ARTICLE IX- COMMON AREAS

9.1 **Association to Hold and Maintain.** The Association will own all Common Areas in fee simple or easement title. The Association shall maintain the Common Areas and any Public Improvements and landscaping thereon in good repair. The Association shall also maintain the Common Maintenance Areas within the Property.

9.2 **Use of Common Areas at Own Risk.** Each Owner, by Acceptance of a deed to a Lot, acknowledges that the use and enjoyment of any Common Area recreational facility involves risk of personal injury or damage to property. Each Owner acknowledges, understands, and covenants to inform its tenants and all occupants of its Lot that the Association, its Board of Directors and committees, Declarant, and any Builder are not insurers of personal safety and that each person using the Common Areas assumes all risks of personal injury and loss of or damage to property, resulting from the use and enjoyment of any recreational facility or other portion of the Common Areas. Each Owner agrees that neither the Association, the Board of Directors and any committees, any Builder, nor Declarant shall be liable to such Owner or any person claiming any loss or damage arising from personal injury, destruction of property, trespass, loss of enjoyment, or any other wrong or entitlement to remedy based upon, due to, arising from or otherwise relating to the use of any recreational facility or other portions of the Common Areas, including, without limitation, any claim arising in whole or in part from the negligence of the Association, Declarant, or any Builder. **THE FOREGOING RELEASE IS INTENDED TO RELEASE THE SPECIFIED PARTIES FROM LIABILITY FOR THEIR OWN NEGLIGENCE.**

9.3 **Condemnation of Common Areas.** In the event of condemnation or a sale in lieu thereof of all or any portion of the Common Areas, the funds payable with respect thereto will be payable to the Association and will be used by the Association as the Board of Directors determines, in its business judgment, including, without limitation, (i) to purchase additional Common Areas to replace that which has been condemned, (ii) to reconstruct or replace on the remaining Common Areas any public improvements that were on the condemned Common

Areas, (iii) to pay for Common Expenses, or (iv) to be distributed to each Owner on a pro rata basis.

9.4 Damage to Common Areas & Public Improvements. If the Common Areas or public improvements on the Common Maintenance Areas are damaged and if there are insurance proceeds sufficient to repair such damage to its prior condition, then the Association shall cause such damage to be repaired or reconstructed unless there is a 67% or greater vote of Members who are voting in person or by proxy at a meeting duly called for this purpose at which a quorum is present (all classes counted together) within 90 days after the loss not to repair or reconstruct. If said 67% vote is cast not to repair or reconstruct such damage and no alternative improvements are authorized, the damaged property shall be cleared of all debris and ruins and thereafter shall be maintained by the Association in neat and attractive condition. Any insurance proceeds remaining after paying the costs of repair or reconstruction, or after such settlement as is necessary and appropriate, shall be retained by and for the benefit of the Association.

9.5 Conveyance of Common Areas by Declarant to Association. Declarant shall have the right to convey title to any portion of the Property owned by Declarant, as the case may be, or any easement interest therein, to the Association as Common Area, and the Association shall be required to accept such conveyance. Property conveyed by Declarant to the Association as Common Area shall be conveyed free and clear of monetary liens and encumbrances other than taxes and assessments imposed by governmental entities or districts authorized by Texas law. Any such conveyance shall be effective upon recording the deed or instrument of conveyance in the public land records of the County.

ARTICLE X- EASEMENTS

10.1 Easements for Utilities on Common Areas. During the period that Declarant owns any real property within the Development, the Declarant, on behalf of itself, reserves the right to grant perpetual, nonexclusive easements as reasonably necessary for the benefit of Declarant or its designees, upon, across, over, through and under any portion of the Common Areas for the construction, installation, use and maintenance of utilities, including, without limitation, water, sewer, electric, cable television, telephone, natural gas and storm water and drainage related structures and improvements. The Association will also have the right to grant the easements described in this paragraph.

10.2 Easement to Correct Drainage on Property. During the period that Declarant owns any real property within the Development, Declarant hereby reserves for the benefit of Declarant and any Builder, a blanket easement on, over, and under the ground within the Property (excluding the area where the Dwelling is located) as reasonably necessary to maintain and correct drainage of surface waters and other erosion controls in order to maintain reasonable standards of health, safety and appearance, and will be entitled to remove trees or vegetation, without liability for replacement or damages, as may be necessary to provide adequate drainage facilities. Notwithstanding the foregoing, nothing herein will be interpreted to impose any duty upon Declarant or any Builder to correct or maintain any drainage facilities within the Property. Any damage to a Lot caused by or due to the exercise of the foregoing drainage easement rights

shall be promptly repaired by the party exercising such easement rights after completing its construction activities in the damaged area.

10.3 Easement for Right to Enter Lot. If an Owner fails to maintain the Lot as required herein, or in the event of emergency, the Association will have the right to enter upon the Lot to make emergency repairs and to do other work reasonably necessary for the proper maintenance and operation of the Property. Entry upon the Lot as provided herein will not be deemed a trespass, and the Association will not be liable for any damage so created unless such damage is caused by the Association's willful misconduct or gross negligence. **THE FOREGOING RELEASE IS INTENDED TO RELEASE THE ASSOCIATION FROM LIABILITY FOR ITS OWN NEGLIGENCE.**

10.4 Temporary Easement to Complete Construction. All Lots will be subject to an easement of ingress and egress for the benefit of Declarant, its employees, subcontractors, successors, and assigns, over and upon the front, side and rear yards of the Lots as may be expedient or necessary for the construction, servicing, and completion of Dwellings and landscaping upon adjacent Lots, provided that such easement will terminate as to any Lot 24 months after the date such Lot is conveyed to an Owner other than a Builder. Any damage to a Lot caused by Declarant due to exercise of the foregoing completion easement rights shall be promptly repaired by the party exercising such easement rights after completing its construction activities in the damaged area.

10.5 Easement for Association Fencing. Declarant hereby reserves for the benefit of Declarant and the Association an exclusive easement for the purpose of placing and maintaining the Association Fencing on the perimeter boundary of all Lots where Declarant has installed Association Fencing.

ARTICLE XI- ANNEXATION AND WITHDRAWAL

11.1 Annexation by Declarant. Until fifteen (15) years after the Recording of this Declaration, Declarant may, at its sole option, annex the Annexable Property or any portion thereof into the Association and subject such Annexable Property or portions thereof to the terms hereof and to such other terms, covenants, conditions, easements and restrictions as may be imposed thereon by Declarant, in Declarant's sole and absolute discretion, whether such other terms, covenants, conditions, easements and restrictions are more restrictive or less onerous than the terms, covenants, conditions, easements or restrictions to which the Property or any Phase is then subject. The annexation shall not require the approval of any person other than the owner of the Annexable Property being annexed. In the annexation document, Declarant may amend the Declaration to cause the terms Common Area, Entry Signs, Association Fencing and other terms necessary to appropriately address and describe the new applicable areas of land within the real property being annexed. The foregoing amendment shall not require the approvals set forth in Section 11.2 herein.

11.2 Annexation by Association. The Association may annex any portion of the Annexable Property by a 67% or greater Class Vote approving such action and the consent of the owner of such portion of the Annexable Property.

11.3 Recording of Annexation. The annexation of any portion of the Annexable Property shall be evidenced by a Recorded written document. This Declaration shall not burden any portion of the Annexable Property until such time, if any, as the Annexable Property is annexed into the Declaration as herein provided and evidenced by a Recorded written instrument.

11.4 No Duty to Annex. Nothing herein continued shall establish any duty or obligation on the part of the Declarant or any Member to annex any portion of the Annexable Property, and no owner of any property excluded from the Association shall have any right to have such property annexed hereto.

11.5 Withdrawal of Property. Declarant may withdraw real property without a Dwelling thereof from the definition of the Property and from the coverage of this Declaration, provided that (i) the withdrawal is not unequivocally contrary to the overall, uniform scheme of development within the Property; (ii) the owner of real property to be withdrawn must consent; and (iii) FHA or VA must consent to the withdrawal of the real property to the extent that there are FHA or VA insured loans secured by a portion of the Property. Such withdrawal shall not require the consent of any other person, Member or Owner, except a 67% or greater Class Vote approving such action is required if the real property to be withdrawn is a Common Area.

ARTICLE XII- MISCELLANEOUS

12.1 Declaration Term – Perpetual. Unless the Members holding 90% of the votes (all classes counted together) approve the termination of this Declaration, the provisions of this Declaration shall run with and bind the land and shall be and remain in effect perpetually to the extent permitted by law. A written instrument terminating this Declaration shall not be effective unless Recorded.

12.2 Amendments to Declaration. This Declaration may be amended by a written consent by Members holding 67% of the votes (all classes counted together), provided, however, that no such amendment shall be effective without the joinder of Declarant until such time as Declarant no longer owns a Lot or any portion of the Property subject to this Declaration. Declarant, at its sole discretion and without a vote or the consent of any other party, may modify, amend or repeal this Declaration: (i) at any time prior to the expiration of the Class “B” Control Period; (ii) as necessary to bring any provision into compliance with any applicable governmental statute, rule, regulation or judicial determination; (iii) as necessary to comply with the requirements of the VA, HUD (Federal Housing Administration), FHLMC or FNMA or any other applicable governmental agency or secondary mortgage market entity; or (iv) as necessary to clarify or to correct technical, typographical or scrivener’s errors; provided, however, any amendment pursuant to clause (ii), (iii) and/or (iv) immediately above must not have a material adverse effect upon any right of any Owner. Any amendment to this Declaration shall be effective upon Recording.

12.3 Enforcement by Association and/or Owner. The Association or any Owner will have the rights to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges imposed now or in the future by the provisions of this

Declaration. Failure of the Association or any Owner to enforce any covenant or restriction of this Declaration will in no event be deemed a waiver of the right to do so in the future.

12.4 Remedies; Cumulative. In the event any Lot does not comply with the terms herein or any Owner fails to comply with the terms herein, the Association and/or any Owner will have each and all of the rights and remedies which may be provided for in this Declaration, the Bylaws and any rules and regulations, and those which may be available at law or in equity, including, without limitation, enforcement of any lien, damages, injunction, specific performance, judgment for payment of money and collection thereof, or for any combination of remedies, or for any other relief. No remedies herein provided or available at law or in equity will be deemed mutually exclusive of any other such remedy, but instead shall be cumulative.

12.5 Notice to Association of Sale or Transfer. Any Owner (other than Declarant) desiring to sell or otherwise transfer title to his or her Lot shall give the Board of Directors written notice of the name and address of the purchaser or transferee within 30 days after the date of such transfer of title and such other information as the Board of Directors may reasonably require. The Association may charge a transfer fee upon the conveyance of title to a Lot for purposes of covering the reasonable administrative costs to change the records.

12.6 Limitation on Interest. All agreements between the Owner and the Association and/or Declarant are expressly limited so that the amount of interest charged, collected or received on account of such agreement shall never exceed the maximum amount permitted by applicable law. If, under any circumstances, fulfillment of any provision of this Declaration or of any other document requires exceeding the lawful maximum interest rates, then, ipso facto, the obligation shall be reduced to comply with such lawful limits. If an amount received by the Association and/or Declaration should be deemed to be excessive interest, then the amount of such excess shall be applied to reduce the unpaid principal and not to the payment of interest. If such excessive interest exceeds the unpaid balance due to the Association and/or Declarant, then such excess shall be refunded to the Owner.

12.7 Construction and Interpretation. This Declaration shall be liberally construed and interpreted to give effect to its purposes and intent, except as otherwise required by law.

12.8 Notices. Except as otherwise provided in the Bylaws or this Declaration, all notices, demands, bills, statements and other communications under this Declaration shall be in writing and shall be given personally or by mail. Notices that are mailed shall be deemed to have been duly given three days after deposit, unless such mail service can prove receipt at an earlier date. Owners shall maintain one mailing address for a Lot, which address shall be used by the Association for mailing of notices, statements, and demands. If an Owner fails to maintain a current mailing address for a Lot with the Association, then the address of that Owner's Lot is deemed to be such Owner's mailing address. If a Lot is owned by more than one person or entity, then notice to one co-owner is deemed notice to all co-owners. Attendance by a Member at any meeting shall constitute waiver of notice by the Member of the time, place and purpose of the meeting. Written waiver of notice of a meeting, either before or after a meeting, of the Members shall be deemed the equivalent of proper notice.

12.9 Not a Condominium. This document does not and is not intended to create a condominium within the meaning of the Texas Uniform Condominium Act, Tex. Prop. Code Ann., Section 82.001, et seq.

12.10 Severability. Invalidation of any one of these covenants, conditions, easements or restrictions by judgment or court order will in no manner affect any other provisions, which will remain in full force and effect. Any invalidated provision shall be automatically reformed in such a way so as to be legal and to carry out as near as possible such invalidated provision.

12.11 Rights and Obligations Run With Land. The provisions of this Declaration are covenants running with the land and will inure to the benefit of, and be binding upon, each and all of the Owners and their respective heirs, representatives, successors, assigns, purchasers, grantees, and mortgagees. No Lot is exempt from the terms set forth herein. By the recording of the acceptance of a deed conveying a Lot or any ownership interest in the Lot whatsoever, the person to whom such Lot or interest is conveyed will be deemed to accept and agree to be bound by and subject to all of the provisions of this Declaration, whether or not mention thereof is made in said deed.

12.12 Disclaimer Regarding Security. Neither the Association nor Declarant shall in any way be considered insurers or guarantors of security within the Property, nor shall any of them be held liable for any loss or damage by reason of failure to provide adequate security or of ineffectiveness of security measures undertaken. No representation or warranty is made that any fire protection system, burglar alarm system or other security system can not be compromised or circumvented, nor that any such systems or security measures undertaken will in all cases prevent loss or provide the detection or protection for which the system is designed or intended. Each Owner acknowledges, understands and covenants to inform its tenants, invitees and licensees that the Association, its Board of Directors and committees and Declarant are not insurers and that each person using any portion of the Property assumes all risks for loss or damage to persons, to Lots and to the contents of Lots resulting from acts of third parties.

12.13 Street Lights. Street lights within the Property are anticipated to be maintained by the electric utility provider. The operational costs for the street lights are anticipated to be paid by the City. If, at any time in the future, the City adopts an ordinance, regulation, or other mechanism whereby the costs for maintaining and/or operating the street lights within the community are allocated to the Declarant, the Declarant shall have the right to assign all such obligations to the Association, and the Association hereby consents to accept the assignment of all obligations related to maintaining and/or operating said street lights, and the Association shall assume these additional costs as Common Expenses. If, at any time in the future, the City adopts an ordinance, regulation, or other mechanism whereby the costs for maintaining and/or operating the street lights within the community are allocated to the Association, the Association shall assume these additional costs as Common Expenses.

12.14 Attorneys' Fees and Court Costs. If litigation is instituted to enforce any provision herein, then the prevailing party shall be entitled to all attorneys' fees and court costs related to such legal action.

12.15 Gender. All personal pronouns used in this Declaration are for reference purposes only and will not in any way affect the meaning or interpretation of this Declaration.

12.16 Headings. The headings contained in this Declaration are for reference purposes only and will not in any way affect the meaning or interpretation of this Declaration.

12.17 Conflicts. In the event of conflict between this Declaration and any Bylaws, rules, regulations or Certificate of Formation of the Association, this Declaration will control.

12.18 Exhibits. All exhibits referenced in this Declaration as attached hereto are hereby incorporated by reference.

12.19 IN ADDITION, NEITHER DECLARANT NOR THE ASSOCIATION MAKES ANY COMMITMENT THAT THE AMENITY CENTER SHALL BE BUILT OR, IF BUILT, THAT IT SHALL REMAIN IN OPERATION.

IN WITNESS WHEREOF, the Declarant has caused this instrument to be executed on this 10 day of August 2006.

DECLARANT:

Holigan Land Development, Ltd., a Texas limited partnership

By: HL Development, LLC, a Texas limited liability company, its general partner

By: _____

Wallace Creel, President

STATE OF TEXAS §
 Dallas §
COUNTY OF ~~DENTON~~ §

The foregoing instrument was acknowledged before me on this the 10th day of August 2006, by Wallace Creel, President of HL Development, LLC, general partner of Holigan Land Development, Ltd. on behalf of said partnership.



Notary Public, State of Texas

AFTER RECORDING RETURN TO:
Holigan Land Development, Ltd.
15950 Dallas Parkway, Suite 750
Dallas, Texas 75248
Attn: Wallace Creel

EXHIBIT "A"

The Property
Legal Description

Boundary Description
Villages of Carmel
Phase III
City of Denton, Denton County Texas

Lots 1 through 8, in Block 1, Lots 1 through 18, in Block 2, Lots 1 through 14, in Block 3, Lots 1 through 28, in Block 4, Lots 1 through 24, in Block 5, Lots 1 through 19, in Block 6, Lots 1 through 4, in Block 7, and Lot 25, in Block 8 of VILLAGES OF CARMEL, PHASE III, an addition to the City of Denton, Denton County, Texas, according to the Map or Plat thereof recorded in Cabinet W, Slide 640 and 641, Plat Records, Denton County, Texas; more particularly described as follows:

BEGINNING at a railroad spike found in asphalt pavement in Pockrus Page Road at the original northwest corner of the final plat of THE PRESERVE AT PECAN CREEK, SECTION A, PHASE I, an addition to the City of Denton, Denton County, Texas as recorded in Cabinet R, Slide 279 of the Plat Records of Denton County, Texas (P.R.D.C.T.), from which a railroad spike set in asphalt pavement in Pockrus Page Road at an angle point in a north line of said 413.512 acre tract and said called 410.507 acre tract, bears S87°09'13"E, 172.57 feet;

THENCE along the westerly lines of said THE PRESERVE AT PECAN CREEK, SECTION A, PHASE I, the following:

S02°22'57"W, a distance of 686.40 feet to a 5/8" iron rod with a plastic cap set for corner;

N87°37'03"W, a distance of 270.00 feet to a 5/8" iron rod with a plastic cap set for corner;

S02°22'55"W, a distance of 265.54 feet to a 1/2" iron rod found for corner;

S01°51'33"E, a distance of 60.62 feet to a 5/8" iron rod with a plastic cap set for corner;

S10°53'18"E, a distance of 68.49 feet to a 5/8" iron rod with a plastic cap set for corner;

S20°27'34"E, a distance of 68.33 feet to a 5/8" iron rod with a plastic cap set for corner;

S28°58'44"E, a distance of 107.74 feet to a 5/8" iron rod with a plastic cap set for corner at the northern most corner of Lot 10, Block 5 of LAKEVIEW BOULEVARD RIGHT-OF-WAY, LOT 10, BLOCK 5, LOT 2, BLOCK 15 AND LOT 1 & 2, BLOCK 22, THE PRESERVE AT PECAN CREEK, an addition to the City of Denton, Denton County, Texas, as recorded in Cabinet R, Slide 366, P.R.D.C.T., said point being the point of curvature of a non-tangent circular curve to the left having a radius of 1050.00 feet;

THENCE Southwesterly, departing the west line of said THE PRESERVE AT PECAN CREEK, SECTION A, PHASE I, along the northwesterly line of said Lot 10, Block 5 and said circular curve to the left, through a central angle of 09°47'43", an arc distance of 179.50 feet and having a chord that bears S37°05'56"W, a distance of 179.28 feet to a 5/8" iron rod with a plastic cap set for corner;

THENCE N87°37'03"W, departing the northwesterly line of said Lot 10, Block 5, a distance of 635.70 feet to a 5/8" iron rod with a plastic cap set for corner in the west line of said 413.512 acre tract and the east line of a called 15.00 acre tract of land as described in deed to The Preserve at Pecan Creek, Ltd., recorded in County Clerks document 2000-R0107304, R.P.R.D.C.T.;

THENCE N02°22'57"E, along the west line of said 413.512 acre tract and the east line of said called 15.00 acre tract, a distance of 1388.72 feet to a 5/8" iron rod set in aforementioned Pockrus Page Road at the western most northwest corner of said 413.512 acre tract;

THENCE S87°09'13"E, within said Pockrus Page Road, and along a north line of said 413.512 acre tract, a distance of 905.03 feet to the POINT OF BEGINNING and containing 1,082,939 square feet or 24.861 acres of land.

Denton County
Cynthia Mitchell
County Clerk
Denton, TX 76202



70 2006 00101525

Instrument Number: 2006-101525

As

Recorded On: August 17, 2006

Declaration

Parties: HOLIGAN LAND DEVELOPMENT LTD

Billable Pages: 57

To

Number of Pages: 57

Comment:

**** Examined and Charged as Follows: ****

Declaration	240.00
Total Recording:	240.00

***** THIS PAGE IS PART OF THE INSTRUMENT *****

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

File Information:

Document Number: 2006-101525
Receipt Number: 316034
Recorded Date/Time: August 17, 2006 02:50P

Record and Return To:

STEWART TITLE
WILL CALL
DENTON TX 76202

User / Station: P Sallee - Cash Station 4



THE STATE OF TEXAS }
COUNTY OF DENTON }

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

Cynthia Mitchell

County Clerk
Denton County, Texas



70 2004 00116616

Denton County
Cynthia Mitchell
County Clerk
Denton, TX 76202

Instrument Number: 2004-116616

As

Recorded On: September 01, 2004

Agreement

Parties: THE CITY OF DENTON TEXAS

To

Billable Pages: 10

Number of Pages: 10

Comment:

**** Examined and Charged as Follows: ****

Agreement	32.00
Total Recording:	32.00

***** THIS PAGE IS PART OF THE INSTRUMENT *****

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

File Information:

Document Number: 2004-116616

Receipt Number: 135658

Recorded Date/Time: September 01, 2004 01:53P

User / Station: E McCorkle - Cash Station 2

Record and Return To:

CITY OF DENTON TEXAS
215 E MCKINNEY ST
DENTON TX 76201-4299



THE STATE OF TEXAS }
COUNTY OF DENTON }

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

Cynthia Mitchell

County Clerk
Denton County, Texas

AGREEMENT FOR OFF-SITE PUBLIC IMPROVEMENTS
AND
RESTRICTIVE COVENANTS

THIS AGREEMENT (the "Agreement") is made by and between HOLIGAN LAND DEVELOPMENT, LTD., a Texas limited partnership (the "Developer") and the CITY OF DENTON, TEXAS, a home rule municipality, located in the Denton County, Texas (the "City"), as of the Effective Date provided below, upon the terms and conditions set forth herein.

WHEREAS, the Developer is the owner and developer of the Villages of Carmel, a development located in the City of Denton, Texas (the "Development"), an approximate 94 acre portion of which received preliminary plat approval on or about February 25, 2004 as generally depicted on Exhibit "A" (the "Preliminary Plat Property"); and

WHEREAS, the Developer has filed for final plat approval (the "Final Plat") on an approximate 49.268 acre portion of the Preliminary Plat Property called Villages of Carmel, Phase I, which property is generally depicted on Exhibit "A" and more particularly described by metes and bounds on Exhibit "B" (the "Final Plat Property"); and

WHEREAS, the Development and the Final Plat Property are encumbered by certain electric easements that are owned by the City through Denton Municipal Electric ("DME") which easements are more particularly described as follows: That certain easement from Roland Hill and wife, Liffie Ilah Hill to Brazos River Transmission Electric Cooperative, Inc. dated June 3, 1947, recorded in volume 357, page 56 of the Deed Records of Denton County, Texas and that certain easement from J.B. Schmitz to Brazos River Transmission Electric Cooperative, Inc. dated June 4, 1947, recorded in Volume 354, page 394 of the Deed Records of Denton County, Texas, both of which were assigned to the City of Denton, Texas pursuant to that certain Assignment dated October 23, 1987, recorded in Volume 2736, page 825 of the Real Property Records of the Denton County, Texas (the "Existing Easements"); and

WHEREAS, in order to develop the Final Plat Property the Developer is required to obtain certain off-site drainage easements and construct certain off-site drainage improvements therein as more particularly described in the engineering plans submitted by Developer and currently on file in the Engineering Offices of the City (the "Off-Site Drainage Easements and Improvements"); and

WHEREAS, the Developer is in the process of acquiring approximately 20 acres of land from Flowers Foods which is generally located between the Preliminary Plat Property and the Flowers Food property as depicted on Exhibit "A" (the "New Property"); and

WHEREAS, the Developer has agreed that upon consummation of the acquisition of the New Property it will grant to the City, free and clear of all liens and encumbrances, a required 70 foot wide electric easement on the City's standard electric easement form, at a location generally depicted on Exhibit "C" attached hereto and made a part hereof by reference (the "New

Easement”) in exchange for the City’s abandonment of the Existing Easements as they affect the Development (the “City’s Abandonment”); and

WHEREAS, the preferred alignment of the New Easement is designated on Exhibit “C” as “Alternative 1” but if Developer through the use of due diligence is not able to acquire Alternative 1, the alignment designated on Exhibit “C” as “Alternative 2” will be acceptable; and

WHEREAS, nothing herein will preclude another alignment of the New Easement that is acceptable to the City; and

WHEREAS, the Developer is proposing that the required Off-Site Drainage Easements and Improvements be located upon the New Property; and

WHEREAS, the Developer has requested that the City conditionally approve the final plat for the Final Plat Property prior to consummation of the acquisition of the New Property, the granting to the City of the Off-Site Drainage Easements, the abandonment of the Existing Easements and the granting to the City of the New Easement; and

WHEREAS, the Developer has submitted to the City a traffic impact analysis dated March 9, 2004 pertaining to the Preliminary Plat Property (the “TIA”); and

WHEREAS, the Developer and the City have entered into this Agreement to set forth certain restrictions that will be placed upon the Final Plat Property as a result of a conditional approval by the City;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Restrictive Covenants. The Developer understands that final plat approval of the Final Plat Property is within the sole jurisdiction of the City of Denton Planning and Zoning Commission (the “P&Z”). The Developer further understands that if the Final Plat is approved by P&Z it will be subject to the conditions contained in this Agreement as set forth herein below. Developer hereby voluntarily agrees to the following conditions for final plat approval which conditions are covenants touching and running with the land described as the Final Plat Property as particularly described in Exhibit “B”, and shall be binding on all parties having any right, title or interest in the Final Plat Property or any part thereof, either now or in the future (the “Restrictive Covenants”).

No building permits shall be issued for any portion of the Final Plat Property, and Developer specifically authorizes the City to withhold same, unless and until all of the following conditions have been met by the Developer:

1. **Developer has satisfied all requirements for the issuance of a building permit under the ordinances, regulations, manuals and laws applicable to the issuance of a building permit.**

2. **The Existing Easements have been abandoned from the Final Plat Property and the New Easement has been granted to the City. It is understood that the abandonment of the Existing Easements is in the sole discretion of the City Council of the City.**
3. **The Off-Site Drainage Easements have been granted to the City.**
4. **The City has approved the TIA as it relates to the Final Plat Property and provisions have been made that are acceptable to the City for any required off-site transportation improvements.**
5. **The City's standard three development contracts for all required public improvements have been fully signed and approved by the City and the Final Plat has been recorded in the Denton County Real Property Records.**

This Agreement shall be recorded in the Real Property Records of Denton County, Texas. The Developer as the sole owner of the Final Plat Property, hereby declares that the Final Plat Property shall be held, sold and conveyed subject to the Restrictive Covenants and shall be binding upon all owners and future owners of the Final Plat Property and shall inure to the benefit of the City, its successors and assigns. Upon the fulfillment of the conditions contained in these Restrictive Covenants the City shall file in the Real Property Records of Denton County a release releasing the Restrictive Covenants, and it shall not be necessary that the Developer, or its successors or assigns, join in any such release for same to release the Restrictive Covenants.

2. Notices. Any notice, demand or other communication required or permitted to be delivered hereunder (other than invoices to be delivered as hereinafter described) shall be deemed received when sent by United States mail, postage pre-paid, certified mail, return receipt requested, addressed to each respective party, or sent via facsimile to the fax number set forth for each party, as follows:

If to the City:

The City of Denton, Texas
215 E. McKinney
Denton, Texas 76201
Attention: City Manager
Fax No.: (940) 349-8596

With a copy to:

Edwin Snyder, Esq.
Deputy City Attorney
City of Denton, Texas
Denton, Texas 76201
Fax No.: (940) 382-7923

If to the Developer:

Holigan Land Development, Ltd.
Wally Creel, Senior Vice President
15950 North Dallas Parkway

With copies to:

Suite 750
Dallas, Texas 75248
Addison, Texas 75001
Fax No.: (214) 451-6016

Any of the parties hereto may change their respective notice addresses for all communications by a notice delivered in accordance with the terms and conditions of this Section 2.

3. Applicable Law; Venue. This Agreement shall be construed under and in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are fully performable in Denton County, Texas. Exclusive venue for any lawsuit enforcing or interpreting any of the rights and obligations under this agreement shall be a court of competent jurisdiction in Denton County, Texas.

4. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, executors, administrators, legal representatives, successors and assigns where permitted by this Agreement.

5. Rule of Construction. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, said invalidity, illegality, or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if the invalid, illegal, or unenforceable provision had never been contained herein.

6. Sole Agreement. This Agreement constitutes the sole and only agreement of the parties and supersedes any prior understandings or written or oral agreements between the parties respecting the within subject matter.

7. Time of the Essence. Time is of the essence in this Agreement.

8. Number and Gender. Words of any gender used in this Agreement shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, and vice versa, unless the context requires otherwise.

9. Incorporation of Recitals. The recitals in the preamble of this Agreement are substantive and are incorporated into the body of this Agreement by reference.

EFFECTIVE as of the 24 day of August, 2004 (the "Effective Date").

THE CITY OF DENTON, TEXAS

By: 

Michael A. Conduff, City Manager
215 E. McKinney
Denton, Texas 76201
Fax No. (940) 349-8596

Am
CS

ATTEST:
JENNIFER WALTERS, CITY SECRETARY

By: 

APPROVED AS TO LEGAL FORM:
HERBERT L. PROUTY, CITY ATTORNEY

By: 

HOLIGAN LAND DEVELOPMENT, LTD.
A Texas limited partnership

BY: HOLIGAN MANAGEMENT
GROUP, LLC
A Texas limited liability company
Its General Partner

BY: 

Wallace Creel
Senior Vice President

ACKNOWLEDGMENTS

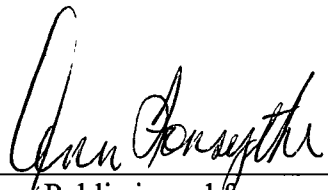
STATE OF TEXAS §

§

§

COUNTY OF DENTON §

August This instrument is acknowledged before me, on this 24 day of August, 2004 by Michael A. Conduff, City Manager of the City of Denton, a municipal corporation, on behalf of said municipal corporation.



Notary Public in and for
State of Texas

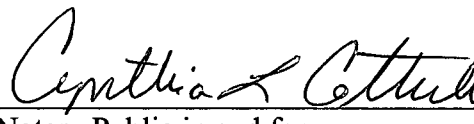
STATE OF TEXAS §

§

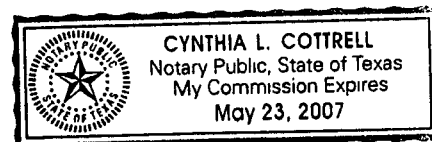
§

COUNTY OF DALLAS §

This instrument was acknowledged before me on this 23rd day of August, 2004 by Wallace Creel, Senior Vice President of Holigan Management Group, LLC, a Texas limited liability company, the general partner of Holigan Land Development, LTD, a Texas limited partnership, on behalf of said limited partnership.



Notary Public in and for
State of Texas



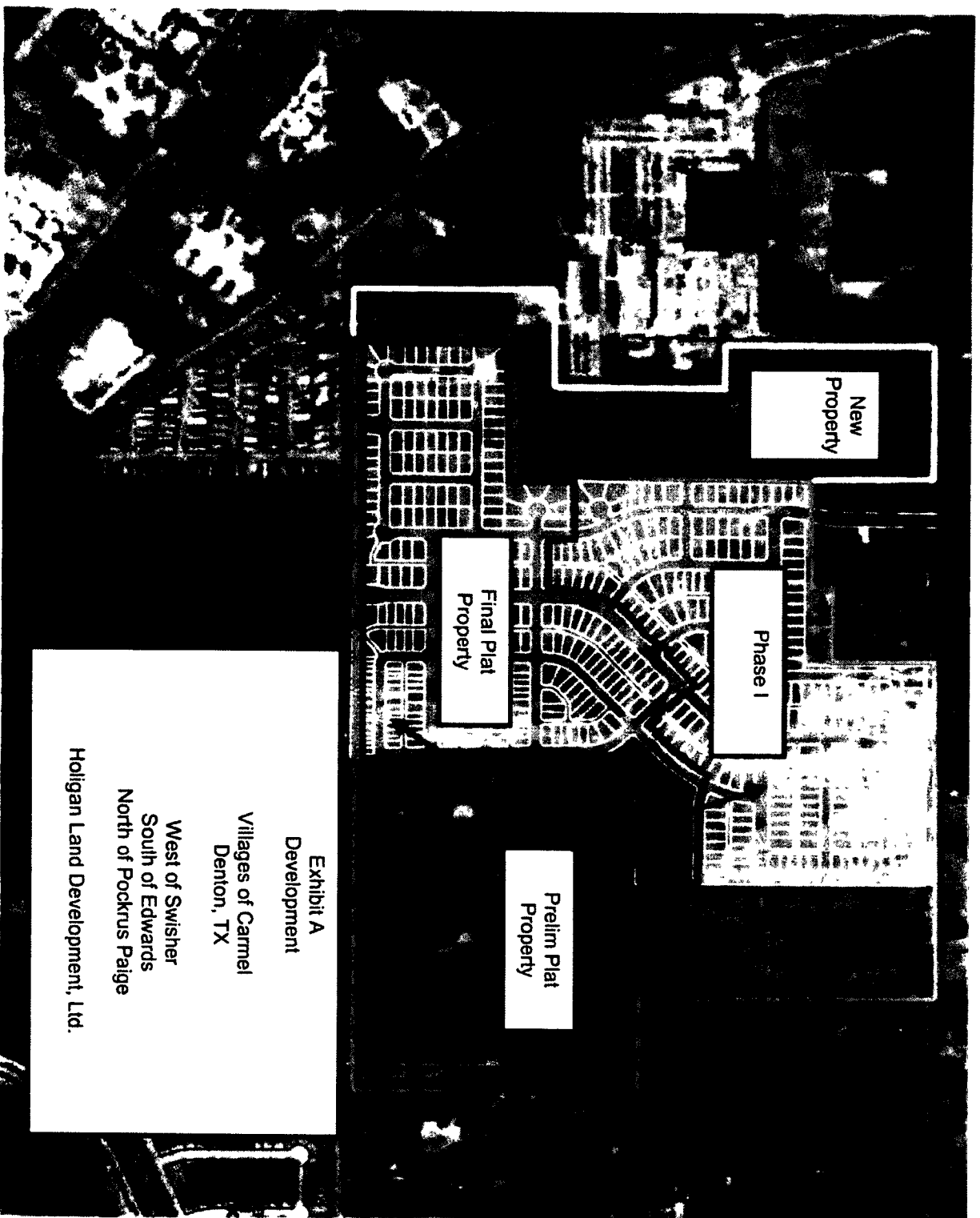


Exhibit A
Development
Villages of Carmel
Denton, TX
West of Swisher
South of Edwards
North of Pockrus Paige
Holigan Land Development, Ltd.

Exhibit B

Metes and Bounds Description The Villages of Carmel, Phase I, 49.268 Acres Gideon Walker Survey, Abstract No. 1330 City of Denton, Denton County, Texas

BEING a tract of land situated in the Gideon Walker Survey, Abstract No. 1330, Denton County, Texas, and being all of those tracts conveyed to Holigan Land Development, Ltd. by deeds recorded in Instrument Numbers 03-135346, 04-8230, 03-207472, 03-188531, 03-207472 and 03-150512, and a portion of that tract conveyed to said Holigan Land Development in Instrument Number 03-194979, all in Denton County Land Records, Texas, and a portion of that tract conveyed to Richard A. Barie in Volume 1328, Page 202, Denton County Land Records, Texas, and being more particularly described as follows:

BEGINNING at a 1/2-inch iron rod set for the southeast corner of a called 3.59-acre tract of land conveyed to Andrew Corporation, as evidenced in a deed recorded in Denton County Clerk's File No. 95-R0014833 R.P.R.D.C.T., same being on the north right of way line of Pockrus Page Road (variable width R.O.W.);

THENCE North 03°13'39" East, departing the north right of way line of said Pockrus Page Road, a distance of 225.60 feet to a 1/2-inch iron rod found for corner;

THENCE North 02°38'03" East, a distance of 472.47 feet to a 1/2-inch iron rod found for corner;

THENCE South 87°17'02" East, a distance of 245.15 feet to a 1/2-inch iron rod found for corner;

THENCE South 87°27'31" East, a distance of 384.35 feet to a 1/2-inch iron rod found for corner;

THENCE North 02°55'11" East, a distance of 277.09 feet to a 1/2-inch iron rod found for corner;

THENCE South 87°28'13" East, a distance of 233.76 feet to a 1/2-inch iron rod found for corner;

THENCE South 87°27'31" East, a distance of 50.30 feet to a 1/2-inch iron rod found for corner;

THENCE South 02°32'29" West, a distance of 105.06 feet to a 1/2-inch iron rod found for corner;

THENCE South 42°27'31" East, a distance of 14.14 feet to a 1/2-inch iron rod found for corner;

THENCE South 87°27'31" East, a distance of 200.04 feet to a 1/2-inch iron rod found for corner;

THENCE North 47°32'37" East, a distance of 14.14 feet to a 1/2-inch iron rod found for corner;

THENCE North 02°32'45" East, a distance of 59.64 feet to a 1/2-inch iron rod found for corner and the beginning of a curve to the right having a radius of 432.50 feet;

THENCE along said curve to the right, an arc distance of 217.11 feet through a central angle of 28°45'44" and a chord bearing and distance of North 16°55'37" East, 214.84 feet to a 1/2-inch iron rod found for corner;

THENCE North 07°30'17" West, a distance of 15.69 feet to a 1/2-inch iron rod found for corner;

THENCE North 36°09'08" East, a distance of 50.35 feet to a 1/2-inch iron rod found for corner;

THENCE North 86°27'35" East, a distance of 13.80 feet to a 1/2-inch iron rod found for corner and the beginning of a curve to the right having a radius of 341.14 feet;

THENCE along said curve to the right, an arc distance of 56.44 feet through a central angle of 08°28'45" and a chord bearing and distance of North 44°23'32" East, 56.37 feet to a 1/2-inch iron rod found for corner;

THENCE North 47°53'11" East, a distance of 157.90 feet to a 1/2-inch iron rod found for corner;

THENCE North 04°22'36" East, a distance of 21.76 feet to a 1/2-inch iron rod found for corner;

THENCE North 47°53'11" East, a distance of 50.07 feet to a 1/2-inch iron rod found for corner;

THENCE South 85°37'24" East, a distance of 20.65 feet to a 1/2-inch iron rod found for corner;

THENCE North 47°53'11" East, a distance of 177.79 feet to a 1/2-inch iron rod found for corner;

THENCE South 42°06'49" East, a distance of 65.00 feet to a 1/2-inch iron rod found for corner;

THENCE South 02°53'11" West, a distance of 21.21 feet to a 1/2-inch iron rod found for corner;

THENCE South 42°06'49" East, a distance of 202.50 feet to a 1/2-inch iron rod found for corner;

THENCE South 87°06'49" East, a distance of 14.14 feet to a 1/2-inch iron rod found for corner;

THENCE North 47°53'11" East, a distance of 149.16 feet to a 1/2-inch iron rod found for corner and the beginning of a curve to the left having a radius of 860.00 feet;

THENCE along said curve to the left, an arc distance of 204.31 feet through a central angle of 17°44'10" and a chord bearing and distance of North 39°01'06" East, 203.49 feet to a 1/2-inch iron rod found for corner;

THENCE South 59°50'59" East, a distance of 50.00 feet to a 1/2-inch iron rod found for corner;

THENCE North 72°38'57" East, a distance of 14.68 feet to a 1/2-inch iron rod found for corner and the beginning of a curve to the left having a radius of 225.00 feet;

THENCE along said curve to the left, an arc distance of 84.22 feet through a central angle of 21°26'47" and a chord bearing and distance of South 76°29'48" East, 83.73 feet to a 1/2-inch iron rod found for corner;

THENCE South 87°13'12" East, a distance of 354.18 feet to a 1/2-inch iron rod found for corner;

THENCE South 02°23'16" West, a distance of 261.61 feet to a 1/2-inch iron rod found for corner;

THENCE North 87°37'08" West, a distance of 590.94 feet to a 1/2-inch iron rod found for corner;

THENCE South 01°15'12" West, a distance of 1314.00 feet to a 1/2-inch iron rod found for corner;

THENCE North 87°19'30" West, a distance of 482.63 feet to a 1/2-inch iron rod found for corner;

THENCE North 87°23'30" West, a distance of 1207.27 feet to a 1/2-inch iron rod found for corner;

THENCE North 03°25'31" East, a distance of 21.29 feet to a 1/2-inch iron rod found for corner;

THENCE North 87°24'50" West, a distance of 60.17 feet to a 1/2-inch iron rod found for corner;

THENCE North 86°38'07" West, a distance of 187.67 feet to the POINT OF BEGINNING and containing 2,146,115 square feet or 49.268 acres of land.

Deeds/Miscellaneous

Denton County
Juli Luke
County Clerk
Denton, TX 76202



70 2015 00075856

Instrument Number: 2015-75856

Recorded On: July 07, 2015

As
Warranty Deed

Parties: VOC1B LLC

To

Billable Pages: 3

Number of Pages: 3

Comment:

(Parties listed above are for Clerks reference only)

**** THIS IS NOT A BILL ****

Warranty Deed	34.00
Total Recording:	34.00

***** DO NOT REMOVE. THIS PAGE IS PART OF THE INSTRUMENT *****

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

File Information:

Document Number: 2015-75856

Receipt Number: 1310250

Recorded Date/Time: July 07, 2015 12:40:21P

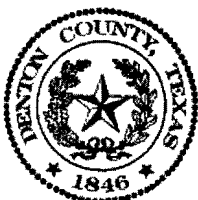
Record and Return To:

FIRSTSERVICE MANAGEMENT

3102 OAK LAWN AVE

DALLAS TX 75219

User / Station: J Baker - Cash Station 4



THE STATE OF TEXAS }
COUNTY OF DENTON }

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

Juli Luke

County Clerk
Denton County, Texas

The Villages of Carmel
REC'D JUL 21 2015
Common area deed

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

SPECIAL WARRANTY DEED

Date: July 6, 2015

Grantor: VOC1B, LLC

Grantor's Mailing Address: 9001 Airport Freeway, Suite 400, North Richland Hills, Texas 76180

Grantee: THE VILLAGES OF CARMEL HOMEOWNERS' ASSOCIATION, INC.

Grantee's Mailing Address: 3102 Oak Lawn Avenue, Suite 202, Dallas, Texas 75219

Consideration: Ten and no/100 Dollars (\$10.00) for valuable consideration in hand paid by Grantee to Grantor, the receipt of which is hereby acknowledged.

Property (including any improvements): Lot 8, Block 16, Lots 1 and 8, Block 21, Lot 1, Block 25 VILLAGES OF CARMEL PHASE 2B, an Addition to the City of Denton, Denton County, Texas according to the Plat thereof recorded in Clerks File No. 2014-3, Plat Records, Denton County, Texas.

Reservations from Conveyance: None


Exceptions to Conveyance and Warranty:

Easements, rights-of-way, and prescriptive rights, whether of record or not; all presently recorded restrictions, reservations, covenants, conditions, oil and gas leases, mineral severances, and other instruments, other than liens and conveyances, that affect the property; rights of adjoining owners in all walls and fences situated on a common boundary; any discrepancies, conflicts, or shortages in area or boundary lines; any encroachments or overlapping of improvements; all rights obligations, and other matters emanating from and existing by reason of the creation, establishment, maintenance, and operation of the water and irrigation district; taxes for the current year, the payment of which Grantee assumes; and subsequent assessments for the current and subsequent years due to change in land usage, ownership, or both, the payment of which Grantee assumes.

*Blk 16, Lot 8 - 3400 Oceanview Dr.
Blk 21, Lot 1 - Common Area - along EDWARDS Rd., between BIRDIE Dr & Camino Real Trl
Lot 8 - 3112 Peninsula Trail
Blk 25, Lot 1 - 3413 Wakecrest Ln.*

Grantor, for the Consideration and subject to the Reservations from Conveyance and the Exceptions to Conveyance and Warranty, grants, sells, and conveys to Grantee the Property, together with all and singular the rights and appurtenances thereto in any way belonging, to have and to hold it to Grantee and Grantee's heirs, successors, and assigns forever. Grantor binds Grantor and Grantor's heirs and successors to warrant and forever defend all and singular the Property to Grantee and Grantee's heirs, successors, and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof when the claim is by, through, or under Grantor but not otherwise, except as to the Reservations from Conveyance and the Exceptions to Conveyance and Warranty.

When the context requires, singular nouns and pronouns include the plural.



Bruce French, Manager

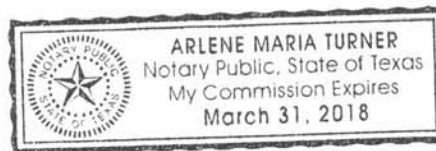
VOC1B, LLC

THE STATE OF TEXAS
COUNTY OF DENTON

This instrument was acknowledged before me on this 6th of July, 2015, by Bruce French, Manager of VOC1B, LLC.



NOTARY PUBLIC STATE OF TEXAS



After Recording return to:

Roxana Portillo
FirstService Management
3102 Oak Lawn Avenue
Dallas, Texas 75219