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Document Number: 2019-0016303 -
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DECLARATION/DESIGNATION
Grantor: SARATOGA AT GRANBURY
Pages: 79
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Hood County, Texas

COUNTY CLERK OF HOOD COUNTY TEXAS

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GRAN DEVELOPMENT

FIRST AMENDED SUPPLEMENTAL AND RESTATED IN ITS ENTIRETY DECLARATION OF COVENANTS, CONDITIONS, EASEMENTS AND RESTRICTIONS aka FIRST AMENDED PROTECTIVE COVENANTS FOR

SARATOGA AT GRANBURY, PHASE 1A AND 2A AKA SARATOGA PHASES 1A & 2A

A Single-Family, Detached Residential Subdivision an Addition to the City of Granbury, Including provisions relating to

SARATOGA AT GRANBURY HOMEOWNERS ASSOCIATION, INC.

Aka SARATOGA HOMEOWNERS ASSOCIATION, INC.

(A Texas Property Owners Association)

PROPERTY AFFECTED

SARATOGA – PHASE 1A

A tract of land situated in the Joshua Minett Survey, Abstract No. 351, City of Granbury, Hood County, Texas, containing 1,329,031 Square Feet or 30.510 Acres of land more or less, as described on the Final Plat of Saratoga, Phase 1A recorded on the 27th day of December, 2018 as Slide P-682 in the Hood County, Texas Plat Records, same being Lots 1 – 16, Block 1; Lots 1, 2, 4 – 10 & Common Area C, Block 2; Lots 1 – 7, Block 3, Lots 1 – 11, Block 4; Lots 1 – 35, Block 5; Lots 1 – 19 & Common Area B, Block 6, Lots 1 – 15, Block 7 & Lots 1 – 21 & Common Area A, Block 8, & being a RePlat of Eastwood Village Lot 1A, Slide A – 123-B, P.R.H.C.T. situated within the Joshua Minett Survey, Abstract No. 351 & U. Martin Survey, Abstract No. 384, Cith of Granbury, Hood County, Texas; and

SARATOGA – PHASE 2A

A tract of land situated in the Joshua Minett Survey, Abstract No. 351, City of Granbury, Hood County, Texas, containing 866,084 Square Feet or 19.883 Acres of land more or less, as described on the Final Plat of Saratoga, Phase 2A recorded on the 27th day of December, 2018 as Slide P-683 in the Hood County, Texas Plat Records, same being Lots 1 – 8, Block 9; Lots 1 – 21 & Common Area D, Block 10; Lots 1 – 7, Block 3, Lots 1 – 15, Block 13, Lots 1 – 38, Block 14.

FOR
SARATOGA AT GRANBURY, PHASES 1A AND 2A
AKA SARATOGA PHASES 1A & 2A

STATE OF TEXAS §
§ KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF HOOD §

This First Amended Supplemental And Restated In Its Entirety Declaration of Covenants, Conditions, Easements and Restrictions (referred to herein as the "Declaration") for Saratoga at Granbury, Phases 1A and 2A, aka "Saratoga", a single-family, detached residential subdivision Addition to the City of Granbury, Hood County, Texas, is made on the day this Declaration is executed by CJB Development, LLC ("Declarant"), the owner of the single family residential Lots and Common Areas (the "Property") within the subdivision described in Appendix B (the "Subdivision"), and by Saratoga At Granbury Homeowners Association, Inc., (alternatively referred to herein as "Saratoga Homeowners Association, Inc." of the "Association"), the intended owner of the Common Areas within the subdivision, which shall obtain legal title to ownership of such Common Areas as provided herein. This Declaration shall be effective on the day this Declaration is recorded in the Hood County, Texas Real Property Records by CJB Development, LLC ("Declarant").

WITNESSETH:

WHEREAS, the Declarant has devised a general plan for the entire Subdivision as a whole, with specific provisions for particular lots and parcels of the Subdivision. The general plan provides a common scheme of development designed to protect and safeguard the Property over a long period of time; and

WHEREAS, this general plan will benefit the Subdivision in general, the lots and parcels that constitute the Subdivision, the Declarant and each successive owner of an interest in the Subdivision; and

WHEREAS, in accordance with both the doctrines of restrictive covenant and implied equitable servitude, the Declarant desires to restrict the Subdivision according to these covenants, conditions and restrictions in furtherance of this general development plan and also intends to provide herein for certain obligations and restrictions with respect to the operation, use, maintenance, and appearance of the Subdivision. Such covenants, conditions and restrictions are intended for the benefit of and shall bind the Declarant and Declarant's respective successors in ownership of lots within the Subdivision from time to time, and shall constitute covenants running with the land; and

WHEREAS, Declarant further desires to provide for the preservation, administration, and maintenance of portions of Saratoga, and to protect the value, desirability, and attractiveness of Saratoga; and, as an integral part of the development plan, Declarant deems it advisable to create a Homeowners Association to perform these functions and

activities, more fully described in the documents described below; and

WHEREAS, Declarant declares that the Property described herein, and as described in more detail in Appendix B, attached hereto and incorporated by reference herein, will be owned, held, transferred, sold, conveyed, leased, occupied, used, insured, and encumbered subject to the terms, covenants, conditions, restrictions, stipulations, reservations, and easements of this Declaration, which run with the real property and bind all parties having or acquiring any right, title, or interest in any part of the Property, their heirs, successors, and assigns, and inure to the benefit of each Owner of any part of the Property. Declarant also declares that the Saratoga Subdivision shall be subject to the jurisdiction of the "Association" (as hereinafter defined).

NOW, THEREFORE, it is declared that all of the Subdivision shall be held, sold, and conveyed subject to the covenants, conditions and restrictions set forth herein.

ARTICLE 1
DEFINITIONS AND TERMS

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

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

1.2. "**Architectural Control Committee**" means the entity having jurisdiction over a particular application for architectural approval. During the Development Period, the Architectural Control Committee is Declarant, Declarant's designee, or Declarant's delegatee. Thereafter, the board-appointed Architectural Control Committee is the Architectural Control Committee.

1.3. "**Assessment**" means any charge levied against a Lot or Owner by the Association, pursuant to the Documents or State law, including but not limited to Regular Assessments, Special Assessments, Individual Assessments, and Deficiency Assessments, as defined in Article 9 of this Declaration, including, but not limited to:

A. Regular and Special Assessments for:

1. All sums lawfully assessed for maintenance and improvement of the Common Area, as such term is defined herein;

2. All expenses of administration and management, maintenance, operation, repair or replacement and improvements to the Common Area;

3. Expenses agreed upon as Common Maintenance Items by the Board of Directors; and

4. Expenses declared to be either Common Expenses or Common Maintenance Items by this Declaration or by the Bylaws of the Association.

B. Individual Assessments assessed by the Association for reasons and purposes set out in the Bylaws of the Association.

1.4. "**Association**" means the association of Owners of all Lots in the Saratoga Subdivision, or their successors or assigns, initially organized as "Saratoga at Granbury Homeowners Association, Inc." a Texas nonprofit corporation, having recorded an Assumed Name Certificate in Hood County, Texas as "Saratoga Homeowners Association, Inc." and serving as the "Homeowners' Association" or simply the "Association" defined in Section 202.001(2) of the Texas Property Code, the Bylaws of which shall govern the administration of this single family residential property and the membership of which shall be composed of all the Owners of the Lots according to such Bylaws. The failure of the Association to maintain its corporate charter from time to time does not affect the existence or legitimacy of the Association, which derives its authority from this Declaration and the Bylaws of the Association.

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

1.6. "**Builders**" means and refers to persons or entities that purchase Lots and build speculative or custom homes thereon for third party purchasers.

1.7. "**City**" means the City of Granbury, Texas, in which the Property is located.

1.8. "**Common Area**" means all real property, improvements thereon, and personal property within the Subdivision that are owned and/or maintained by the Association for the common use and enjoyment of the Owners, as described in Article 4 below and as referenced in Appendix A of this Declaration. Any conveyance of Common Area to the association pursuant to this Article 1.8 shall be effective only upon acceptance in writing by the Association, and free and clear of any liens or similar encumbrances.

1.9. "**Common Expenses**" means and includes:

A. All sums lawfully assessed for maintenance and improvement of the Common Area, as such term is defined herein;

B. All expenses of administration and management, maintenance, operation, repair or replacement and improvements to the Common Area;

C. Expenses agreed upon as Common Maintenance Items by the Board of Directors; and

D. Expenses declared to be either Common Expenses or Common Maintenance Items by this Declaration or by the Bylaws of the Association.

1.10. **"Common Maintenance Items"** means and includes those common maintenance expenses that the Board finds and determines are necessary in order to provide for the improvement of the overall appearance of the property within the Subdivision and such other maintenance issues for which the Board of Directors, in its sole discretion, determines are in the best interest of the Association Members.

1.11. **"Contractor"** means and refers to the person or entity with whom an Owner contracts to construct a residential dwelling on such Owner's Lot.

1.12. **"Declarant"** means CJB Development, LLC, a Texas limited liability company, which is developing the Property, or their respective successors and assigns, which acquire any portion of the Property for the purpose of development and which are designated a Successor Declarant by CJB Development, LLC in a recorded document.

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

1.14. **"Developer"** means and refers to CJB Development, LLC, a Texas limited liability company, and its successors and assigns.

1.15. **"Development Period"** means the 10-year period beginning the date this Declaration is recorded, during which Declarant has certain rights pursuant to Appendix B hereto, including rights relating to development, construction, expansion, and marketing of the Property. The Development Period is for a term of years and does not require that Declarant own land described in Appendix B. Declarant may terminate the Development Period at any time by recording a notice of termination. **During the Development Period, Appendix A has priority over the main body of this Declaration.**

1.16. **"Documents"** means, singly or collectively as the case may be, this Declaration, the Plat, the Association's Articles of Incorporation and Bylaws and the Rules, Regulations and Policies of the Association, as any of these may be approved by the Association and amended from time to time. An Appendix, Exhibit, Schedule, or Certification accompanying a Document is a part of that Document.

1.17. **"Dwelling"** means a detached single family residential building constructed in **Phase 1A** of the Saratoga Subdivision in Granbury, Texas on a minimum **7,000 square foot Lot**, designed and constructed in compliance with **Section 5.7 of the City**

of Granbury, Texas Zoning Ordinance, R-7 Single Family Residential District, and **Phase 2A** of the Saratoga Subdivision in Granbury, Texas on a minimum **8,400 square foot Lot**, designed and constructed in compliance with **Section 5.6 of the City of Granbury, Texas Zoning Ordinance, R-8.4 Single Family Residential District**, each dwelling in both Phases 1A and 2A having accommodations for and occupied by not more than one Family (as hereinafter defined), and titled in individual ownership for each such dwelling.

1.18. "**Front Yard**" shall mean and refer to a space on a Lot facing a Street (as hereinafter defined) and extending across the front of the Lot between the Side Lines (as hereinafter defined) and being the horizontal distance between the Street Line (as hereinafter defined) and the dwelling or any projection thereof other than the projection of the usual steps and eave overhangs.

1.19. "**Garage**" shall mean and refer to a portion of a dwelling in which motor-driven vehicles are stored.

1.20. "**Height**" means the measurement from the average established grade at the Street Line abutting the Lot or, if higher, from the highest natural ground level of the two points where the Front Setback Line (as hereinafter defined) intersects the Side Lines of the Lot, to the highest point of the Improvement being measured.

1.21. "**Lot**" means a portion of the Property intended for independent ownership, on which there is or will be constructed a detached, single family residential dwelling, as shown on the Plat. As a defined term, "Lot" does not refer to Common Areas, even if platted and numbered as a Lot. Where the context indicates or requires, "Lot" includes all improvements thereon and any portion of a right-of-way that customarily is used exclusively by and in connection with the Lot. Unplatted tracts may be included in the meaning of "Lot" pursuant to Section B.3.1 of Appendix B of this Declaration.

1.22. "**Majority**" means more than half. A reference to "a majority of Owners" in any Document or applicable law means "Owners of at least a majority of the Lots," unless a different meaning is specified. A reference to a "2/3rds Majority of Owners" in any Document or applicable law means "Owners of at least a two-thirds (2/3rds) majority of the Lots," unless a different meaning is specified.

1.23. "**Member**" means a Member of the Association, each Member being an Owner of a Lot, unless the context indicates that member means a member of the Board or a member of a committee of the Association. In the context of votes and decision-making, each Lot has only one Membership, although it may be shared by Co-Owners of a Lot.

1.24 "**Occupant**" means a person or persons in possession of a single family home, regardless of whether said person is a home owner.

1.25. "**Saratoga Homes**" means all phases of the Saratoga Subdivision and the

"Additional Land" hereafter made subject to the jurisdiction of the Association.

1.26. **"Owner"** means a person, firm, corporation, partnership, association, trust or other legal entity or any combination thereof, who is a holder of fee simple title to one (1) or more Lots in the Saratoga Subdivision, recorded in the Deed Records of Hood County, Texas, including contract sellers (a seller under a Contract-for-Deed). Declarant is the initial Owner of all Lots in the Saratoga Subdivision. Contract sellers and mortgagees, who acquire title to a Lot through a deed in lieu of foreclosure or through judicial or nonjudicial foreclosure, are Owners. Persons or entities having ownership interests merely as security for the performance of an obligation are not Owners. Every Owner is a Member of the Association. A reference in any Document or applicable law to a percentage or share of Owners or Members means Owners of at least that percentage or share of the Lots, unless a different meaning is specified. For example, a "Majority of Owners" means Owners of at least a majority of the Lots.

1.27. **"Party Fence"** shall mean and refer to the exterior fences separating two lots. Any matters concerning Party Fences which are not covered by the terms of this Agreement shall be governed by the general rules of law concerning party fences.

1.28. **"Plat"** means the Saratoga Subdivision (an addition to the City of Granbury, Hood County, Texas) Final Plats and all plat amendments, singly and collectively, recorded in the Real Property Records of Hood County, Texas, and pertaining to the real property described in Appendix B of these Protective Covenants, including all dedications, limitations, restrictions, protective covenants, easements, conditions, liens, notes, and reservations shown on the Plat, as it may be amended from time to time. The Phases 1A and 2A Plats of the Saratoga Subdivision include 84 single family residential Lots in Phase 1A, the Final Plat of Saratoga Phase 1A having been recorded on the 27th day of December, 2018 as Slide P-682 in the Hood County, Texas Plat Records; and include 84 single family residential Lots in Phase 2A, the Final Plat of Saratoga Phase 2A having been recorded on the 27th day of December, 2018 as Slide P-683 in the Hood County, Texas Plat Records.

1.29 **"Private Street"** means those certain private streets situated within the Subdivision.

1.30. **"Property"** means all the land in the Plats recorded in the Hood County, Texas Plat Records for Phases 1A and 2A subject to this Declaration and all improvements, easements, rights, and appurtenances to the land. The name of the Property is Saratoga At Granbury, aka "Saratoga." The Property is located on land described in Appendix B to this Declaration, and includes every Lot and any Common Area thereon.

1.31. **"Rear Line"** means that boundary line of a Lot which is opposite the Street Line.

1.32. **"Rear Yard"** means and refers to a space extending across the rear of a Lot

from one Side Line to the other Side Line and being the horizontal distance between the Rear Line and the Dwelling or any projection thereof other than the projection of the usual steps and eave overhangs.

1.33. **"Resident"** means an occupant of a single family residential dwelling, regardless of whether the person owns the Lot.

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

1.35. **"Side Line"** means any boundary line of a Lot which is not a Street Line or a Rear Line.

1.36. **"Street"** means each interior roadway in Saratoga dedicated by the Developer to the City of Granbury, by the Plat and accepted by the City of Granbury, Hood County, Texas as a public street and roadway.

1.37. **"Street Line"** means the boundary line of a Lot which is also the boundary line of a Street.

1.38. **"Subdivision"** means the real property described on the Plats and subdivision map recorded in the Subdivision and Plat Records of Hood County, Texas, according to the legal description as more fully described in Appendix A attached hereto.

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

1.40. **"Verified Mail"** means any method of mailing for which evidence of mailing is provided by the United States Postal Service or a common carrier.

ARTICLE 2
PROPERTY SUBJECT TO DOCUMENTS, ORDINANCES, EASEMENTS AND DEDICATIONS

2.1. **Property**. The real property described in Appendix B is held, transferred, sold, conveyed, leased, occupied, used, insured, and encumbered subject to the terms, covenants, conditions, restrictions, reservations, liens, and easements of this Declaration, including Declarant's representations and reservations in the attached Appendix B, which run with the Property and bind all parties having or acquiring any right, title, or interest in the Property, their heirs, successors, and assigns, and inure to

the benefit of each Owner of the Property. **Each Owner, by accepting an interest in or title to a Lot, whether or not it is so expressed in the instrument of conveyance, covenants and agrees to be bound by this Declaration and the Documents referenced herein, and further agrees to maintain any easement that crosses his Lot and for which the Association does not have express responsibility.**

2.2. **City of Granbury's Subdivision and Zoning Ordinances - General**. The City of Granbury, Hood County, Texas contains subdivision and zoning ordinances pertaining to property owners' associations in the City of Granbury. No amendment of the Documents, nor any act or decision of the Association after the passage of an ordinance or an amendment to an ordinance, which is not in compliance with the ordinance during its period of effectiveness, may violate the requirements of the ordinance. The Association should stay informed about the city's ordinances and requirements.

2.3. **Hood County Regulations.** Notwithstanding the fact that the development of property within the City of Granbury is not regulated by Hood County, Declarant has and will continue to use its "best efforts" to comply with Hood County Regulations, specifically to meet (a) the density requirements for a development served by a public water and wastewater system within the Water Quality District; (b) the planned emergency accessibility, as well as the placement of fire hydrants, as shall be approved by the City of Granbury, and to meet the requirements of Hood County; and (c) the Saratoga Subdivision's engineered drainage plan, along with density reports during roadway construction, meets the requirements of Hood County. Notwithstanding the fact that the development of property within the City of Granbury is not regulated by Hood County, Declarant and the Association shall continue to use their respective "best efforts" to remain in compliance with the Hood County Regulations.

2.4. **Adjacent Land Use**. Declarant makes no representations of any kind as to current or future uses - actual or permitted - of any land that is adjacent to or near the Property.

2.5. **Plat Dedications, Easements & Restrictions**. In addition to the dedications, easements, restrictions and protective covenants contained in this Declaration, the Property is subject to the reservations, dedications, limitations, notes, easements, restrictions, and reservations shown or cited on the Plat, which is incorporated herein by reference. All dedications, easements, restrictions, and reservations created herein or shown on the Plat, replats or amendments of the Plat of the Saratoga Subdivision recorded or hereafter recorded in the Plat records of Hood County, Texas, shall be construed as being included in each contract, deed, or conveyance executed or to be executed by or on behalf of Declarant, and on or behalf of conveyances of Lots executed by Lot Owners, whether specifically referred to therein or not. Each Owner, by accepting an interest in or title to a Lot, whether or not it is so expressed in the instrument of conveyance, covenants and agrees to be bound by the Plat, and further agrees to maintain any easement that crosses his Lot and for which the

Association does not have express responsibility.

A. **Dedication of Utility Easements.** Declarant dedicates to the public, the non-exclusive, utility easements over, under and across areas, as described or shown on the Plat. Further, the Declarant dedicates for public use the easements shown on the Plat for the purpose of constructing, maintaining, repairing, removing and/or replacing a system or systems (including all utilities equipment and facilities) of water, sanitary sewer, drainage, electric lighting, electric power, telegraph and telephone line or lines, storm surface drainage, cable television, or any other utility the Declarant sees fit to install in, across and/or under the Property. All utility easements may be used for the construction of drainage swales in order to provide for improved surface drainage of Common Area and/or Lot(s). Any utility company serving the community shall have the right to enter upon any utility easement for the purpose of installation, repair and maintenance of their respective facilities. Neither Declarant nor any utility company, political subdivision, or other authorized entity, or any of their agents, employees, or servants using the easements herein referred to, shall be liable for any damages done to trees and lawns, fences, shrubbery, or to other property of the Owner on the property covered by said easements. No Improvement or Structure shall be constructed or placed on any such public easement without the express prior written consent of the Architectural Control Committee. Full rights of ingress and egress shall be had by the Declarant, the Association, and all utility and CATV companies serving the Saratoga Subdivision, and their respective successors and assigns, at all times over the subdivision for the installation, operation, maintenance, repair or removal of any utility together with the right to remove any obstruction (excluding, however any driveway, fence or other Improvements or Structures which has been heretofore specifically approved by the Architectural Control Committee) that may be placed in such easement that would constitute interference with the use of such easement, or with the use, maintenance, operation or installation of such utility.

B. **Dedication of Visibility, Access and Maintenance Easements ("VAM").** Declarant gives, grants and dedicates to the City of Granbury, its successors and assigns, the area or areas as described or as shown on the Plat as "VAM" (Visibility, Access and Maintenance) as easement(s) to provide visibility, right of access, and maintenance upon and across said VAM Easement(s). The City shall have the right but not the obligation to maintain any and all landscaping within the VAM Easement(s). Should the City exercise this maintenance right, it shall be permitted to remove and dispose of any and all landscaping improvements, including without limitation, any trees, shrubs, flowers, ground cover and fixtures. The City may withdraw maintenance of the VAM Easement(s) at any time. The ultimate maintenance responsibility for the VAM Easement(s) shall rest with the Association. No structure, object or plant of any type may obstruct vision from and between a height of twenty-four (24) inches to a height of eleven (11) feet above the top of the curb, including but not limited to, buildings, fences, walks, signs, trees, shrubs, cars, trucks, etc., in the VAM Easement(s) as shown on the Plat. The City shall also have the right, but not the obligation, to add any landscape improvements to the VAM Easement(s), to erect any traffic control devices or signs on the VAM Easement(s) and to remove any obstruction thereon. The City, its successors,

assigns, or agents shall have the right and privilege at all times to enter upon the VAM Easement(s) or any part thereof for the purposes and with all rights and privileges set forth herein.

C. **Dedication of Streets within Property.** Declarant dedicates, in fee simple, to the City of Granbury for the public use forever the interior roadways and streets as described on the Plat over, under and across areas of the Property, and as shown on the Plat, unless the streets are shown as private. Further, because the streets and cul-de-sacs within the Property (herein "streets") are capable of being converted from privately owned to publicly dedicated, and vice versa, this Section addresses both conditions. The private streets are part of the Common Area, which is governed by the Association. A public street is part of the Common Area only to the extent that it is not maintained or regulated by the City of Granbury. To the extent not prohibited by public law, the Association, acting through the Board of Directors (herein "Board"), is specifically authorized to adopt, amend, repeal, and enforce rules, regulations, and procedures for use of the streets - whether private or public - including but not limited to:

1. Identification of vehicles used by Owners and residents and their guests.

2. Designation of speed limits and parking or no-parking areas.

3. Limitations or prohibitions on curbside parking.

4. Removal or prohibition of vehicles that violate the Association's applicable rules and regulations.

5. Fines for violations of the Association's applicable rules and regulations.

2.7. **Title Subject to Easements. It is expressly agreed and understood that the title conveyed by Declarant to any of the Lots by contract, deed or other conveyance shall be subject to any easement affecting same for roadways or drainage, electric lighting, electric power, natural gas, television, Internet, telegraph or telephone purposes, and subject to a Party Fence agreement, and other easements hereafter granted affecting the Lots.** The Owners of the respective Lots shall not be deemed to own pipes, wires, conduits or other service lines or equipment running through, or existing on, their Lots which are utilized for their Lots or service other Lots, but each Owner shall have an easement in and to the aforesaid facilities as shall be necessary for the use, maintenance and enjoyment of his Lot.

ARTICLE 3
PROPERTY EASEMENTS, RIGHTS AND RESTRICTIONS

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

3.2. **Public Access Easement**. As noted and shown on the Plat of Saratoga, various Common Areas are burdened by specific public access easements that may be used by emergency personnel.

3.3. **Drainage Easement**. Certain Common Areas are burdened by a "Drainage Easement." The Drainage Easement, including drainage maintenance and related matters thereon, shall be maintained by the Association as a Common Expense. As provided in Sections 9.9.2 and 13.1.D below, the Association will establish, maintain, and accumulate reserves for operations and for replacement and repair, including the fact that a separate Maintenance Reserve bank account shall be established by the Association to accumulate reserves for replacement and repair of the drainage facilities serving the Saratoga subdivision. The Association must budget for reserves and may supplement established reserve funds out of Regular Assessments.

3.4. **Party Fence Easements**. A party fence shall be the shared exterior fences in shared easements separating two adjoining residential Lots, whose owners must share repair and replacement expenses. Any matters concerning party fences of residences on adjoining Lots, which are not covered by the terms of this Declaration, shall be governed by the general rules of law concerning party fences.

3.5 **Easement for Screeing Wall**. The Association is hereby granted a perpetual easement (the **"Screening Wall Easement"**) over, on and along the exterior fencing and common boundaries separating the Saratoga Subdivision property and surrounding contiguous properties owned variously by the City of Granbury, neighboring subdivision property owners' associations, and other property owners. Any Saratoga screening wall, which may be designed, approved and installed in the screening wall easement by Declarant, shall be maintained, in full compliance with the City of Granbury Zoning Ordinance 11.12. The purpose of the Screening Wall Easement, if one or more screening walls are installed, will be to provide for the construction, existence, repair, maintenance, improvement, and replacement of the Property's Entry fencing and gates, subdivision signage, other entry features, and any Saratoga Subdivision perimeter screening walls and landscaping on or as an integral part of any such screening wall, which shall be maintained by the Association as a Common Area. The Association shall coordinate and cooperate with neighboring property owners whereby each such property owner, at its expense, shall be responsible, as necessary, for maintaining, repairing and replacing such Association's side of any common screening wall or fence; and whereby the neighboring property owners shall be responsible for, as necessary, and shall share the expenses of maintaining, repairing and replacing any of the footing, the central support structure, and any stone columns of the Screening Wall or fence.

In exercising this Screening Wall Easement, the Association may repair, maintain, improve, and replace improvements reasonably related to the Subdivision's street frontage fences, the VAM, landscaping, street lamps and all fixtures relating to the Screening Wall and the Property. Any Owners of Lots burdened with the Screening Wall Easement will have the continual use and enjoyment of their Lots for any purpose

that does not interfere with and prevent the Association's use of the Screening Wall Easement. In addition to the easement granted herein, the Declarant and the Association have the temporary right, from time to time, to use as much of the surface of any potentially burdened Lot as may be reasonably necessary for the Association to perform its contemplated work on the Screening Wall Easement. This easement is perpetual. The Screening Wall Easement will terminate when the purpose of the easement ceases to exist, is abandoned by Saratoga Homeowners Association, Inc. and any neighboring property owner, or becomes impossible to perform. The Association may assign this easement, or any portion thereof, to a third party agreeing to accept such assignment.

3.6. **Owner's Easement of Enjoyment**. Every Owner is granted a right and easement of enjoyment over the Common Areas and to use of all improvements therein, subject to other rights and easements contained in the Documents. An Owner who does not occupy a Lot delegates this right of enjoyment to the residents of his Lot.

3.7. **Owner's Ingress/Egress Easements**. Every Owner is granted a perpetual easement over the Property's street, as may be reasonably required, for vehicular ingress to and egress from his Lot. Similarly, every Owner is granted a perpetual easement over the Property's sidewalks and all Common Areas, subject to abiding by the rules of the Association.

3.8. **Rights of City and County**. The City of Granbury and the County of Hood, including their agents and employees, have the right of immediate access to the Common Areas at all times as necessary for the welfare and protection of the public, to enforce city and county ordinances, or for the preservation of public property. If the Association has the responsibility to maintain certain of the Common Areas and fails to maintain such Common Areas to a standard acceptable to the City, the City may give the Association a written demand for maintenance. If the Association fails or refuses to perform the maintenance within a reasonable period of time after receiving the City's written demand (at least 90 days), the City may maintain such Common Areas at the expense of the Association after giving written notice of its intent to do so to the Association. To fund or reimburse the City's cost of maintaining the Common Areas which are the responsibility of the Association to maintain at the Association's expense, the City may levy an assessment against the Association's Common Area property in the same manner as if the Association levied a special assessment against the Lots. The City may give its notices and demands to any officer, director, or agent of the Association. The rights of the City under this Section are in addition to other rights and remedies provided by law.

3.9. **Association's Access Easement**. The Association is granted an easement of access and entry to every Lot and Common Area to perform maintenance, to enforce architectural and use restrictions, to respond to emergencies, and to perform any other duties required by the Documents.

3.10. **Utility Easements**. The Association may grant permits, licenses, and

easements over Common Areas for utilities, roads, and other purposes necessary for the proper operation of the Property and the Saratoga community. Any company or entity, public or private, furnishing utility service to the Property, is granted an easement over the Property for ingress, egress, meter reading, installation, maintenance, repair, removal or replacement of utility lines and equipment, and to do anything else necessary to properly maintain and furnish utility service to the Property; provided, however, this easement may not be exercised without prior notice to the Board. Utilities may include, but are not limited to, water, sewer, trash removal, electricity, gas, telephone, master or cable television and/or internet, and security.

3.11. **Prohibition Against Water Wells.** The drilling of water wells on any Association Properties or Member Properties without the written consent of both the Association and the Granbury Utility District ("GUD") is prohibited. This Section 3.11 may not be amended by the Association or the Members without the written approval of GUD.

3.12. **Mineral Rights.** No commercial oil or gas drilling, oil or gas development operations or refining, quarrying or mining operation of any kind shall be permitted upon or in any Lot. No derrick or other rigging or structures designed for the use of boring or drilling for oil or natural gas shall be erected, maintained or permitted upon any Lot. Nevertheless, some or all of the Property may be subject to a previous owner's acquisition, reservation, or conveyance of oil, gas, or mineral rights pursuant to one or more deeds recorded in the Real Property Records of Hood County, Texas, including but not limited to rights to all oil, gas, or other minerals lying on, in, or under the Property and surface rights of ingress and egress. Because any deed reserving a mineral interest may have been recorded prior to this Declaration, it would be a superior interest in the Property and is not affected by any provision to the contrary in this Declaration. By accepting title to or interest in a Lot, every Owner acknowledges the existence of the mineral right or reservation referenced in this Section and its attendant rights in favor of the owner of the mineral interest.

3.13. **Association's Duty of Landscape Maintenance.** The Association shall have the duty and responsibility, at its sole cost and expense, funded by the Members of the Association, to keep all the Lots in the Subdivision, including all Common Area improvements and grounds, in a well-maintained, safe, clean and attractive condition at all times. Such maintenance includes, but is not limited to the following:

A. Regularly mowing and edging all Common Areas and blowing grass and weed cuttings off the street, ponds, sidewalks and driveways, and away from flower and shrubbery beds and porches and patios (at least monthly between March and October);

B. Pruning trees and shrubs in all Common Areas, and removing and replacing dead or dying trees, shrubs and lawns in all Common Areas;

3.14. **Lot Owner's Duty of Maintenance.** Lot Owners, jointly and severally, shall have the duty and responsibility, at their sole cost and expense, to keep their Lots,

dwellings and structures on their Lots in a well-maintained, safe, clean and attractive condition at all times. Such maintenance includes, but is not limited to the following:

A. Promptly removing from the exterior of their Lot, and from sight, all litter, trash, debris, refuse and wastes;

B. Regularly watering sufficient to keep grass and plant material alive;

C. Pruning trees and shrubs existing on Owner's Lot, and removing and replacing dead or dying trees, shrubs and lawns on Owners Lot;

D. Keeping exterior lighting and mechanical facilities in working order;

E. Keeping lawn and garden areas alive, free of weeds and attractive;

F. Keeping driveways in good repair;

G. Complying with all government health and policy requirements; and

H. Promptly repairing damage to improvements visible to the public.

3.15. **Notice of Limitation on Liability**. The development of the Property occurs during a period when many local governments are trying to be absolved of liability for flood damage to private property. As a condition of Plat approval, a governmental entity may require a Plat note that not only disavows the entity's liability for flood damage, but affirmatively assigns the liability to the Association. Declarant does not intend or desire to impose such absolute liability on the nonprofit Association of Lot Owners. Notwithstanding Plat notes or public codes or ordinances now in existence or hereafter created, the Association cannot and should not be liable for acts of God or for property damage that is not the result of the Association's negligence or willful misconduct. On behalf of the Association, Declarant hereby gives notice that the Association does not accept liabilities imposed by any governmental entity for which the Association cannot obtain insurance at a reasonable cost, or for which its Members refuse to fund reserve accounts at levels sufficiently high to pay the damages for which the governmental entity may seek to make the Association liable. This notice is not intended to create a liability for any governmental entity. Further, this notice may not be construed to create a duty for the Association to obtain insurance or to fund reserve accounts for damage from rising or flooding waters.

3.16. **Security**. The Association may, but is not obligated to, maintain or support certain activities within the Property designed, either directly or indirectly, to improve safety in or on the Property. Each Owner and resident acknowledges and agrees, for himself and his guests, that Declarant, the Association, and their respective directors, officers, committees, agents, and employees are not providers, insurers, or guarantors of security within the Property. Each Owner and resident acknowledges and accepts his sole responsibility to provide security for his own person and property, and assumes

all risks for loss or damage to same. Each Owner and resident further acknowledges that Declarant, the Association, and their respective directors, officers, committees, agents, and employees have made no representations or warranties, nor has the Owner or resident relied on any representation or warranty, express or implied, including any warranty of merchantability or fitness for any particular purpose, relative to any fire, burglar, and/or intrusion systems recommended or installed, or any security measures undertaken within the Property. Each Owner and resident acknowledges and agrees that Declarant, the Association, and their respective directors, officers, committees, agents, and employees may not be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken.

3.17. **Risk**. Each resident uses the Saratoga Common Areas at his or her own risk. The Common Areas are unattended and unsupervised. Each resident is solely responsible for his own safety and that of his guests. The Association disclaims any and all liability or responsibility for injury or death occurring from use of the Common Areas.

3.18. **Enforcement.** If in the opinion of the Board or the Architectural Control Committee, any such Owner or Resident (including lessees) has failed to comply with any of the foregoing restrictions or has failed in any of the foregoing duties or responsibilities, then the Board or their designated Agent(s) shall deliver to such Owner or Resident (including lessees) written notice of such failure and such Owner or Resident (including lessees) must within ten (10) days from and after delivery of such notice, comply with the restrictions and/or perform the care and maintenance required. Should any such Owner or Resident (including lessees) fail to fulfill this duty and responsibility within such period, then the Board or their designated Agent(s) are hereby authorized to enter onto the premises and correct such violations and perform such care and maintenance as necessary without any liability for damages for wrongful entry trespass or otherwise to any person. The Owner or Resident (including lessees) of any Lot on which such work is performed shall promptly reimburse the Association for such cost, plus interest on such cost at the rate of eighteen percent (18%) per annum and all costs of collection. If such Owner or Resident (including lessees) shall fail to reimburse the Association within thirty (30) days from and after delivery by the Association of an invoice setting forth the costs incurred by the Association for such work, then said indebtedness shall be a debt of the Owner or Resident (including lessees) jointly and severally, subject to a reasonable late payment fine, following proper notice of any such fine, and further subject to an Assessment Lien against the Owner's or Builder's Lot according to the provisions of Article 10 hereinbelow.

ARTICLE 4
COMMON AREA

4.1. **Ownership**. The designation of real property as a Common Area is determined by the Final Plats for Phases 1A and 2A, as amended, and this Declaration, and not by the ownership of the Property. This Declaration contemplates that the Association will eventually hold title to every Common Area capable of independent

ownership by the Association. The Declarant may install, construct, or authorize certain improvements on Common Areas in connection with the initial development of the Property, and the cost thereof may or may not be a common expense of the Association, at the discretion of the Declarant. Thereafter, all costs attributable to Common Areas, not maintained by and at the expense of the City, including general maintenance and road maintenance and repair, sidewalk and Common Area fence maintenance and repair, landscaping and all landscaping features (including all related facilities and equipment) maintenance and repair, the maintenance of Common Area structures and improvements, improvements reasonably related to the entrance, the VAMs, street lamps and fixtures, screening of the residential subdivision, and all signage relating to the Property, property taxes, insurance, and enhancements, are automatically the responsibility of the Association, regardless of the nature of title to the Common Areas, unless this Declaration elsewhere provides for a different allocation for a specific Common Area.

4.2. **Acceptance**. By accepting an interest in or title to a Lot, each Owner is deemed (1) to accept the Common Area of the Property, and any improvement thereon; (2) to acknowledge the authority of the Association, acting through its Board of Directors, for all decisions pertaining to the Common Area; (3) to acknowledge that transfer of a Common Area's title to the Association by or through the Declarant is a ministerial task that does not require acceptance by the Association; and (4) to acknowledge the continuity of maintenance of the Common Area, regardless of changes in the Association's Board of Directors or management.

4.3. **Components**. The Common Area of the Property consists of the following components on or adjacent to the Property, even if located on a Lot or a public right-of-way:

A. All of the Property, save and except the Lots, specifically including but not limited to any community private roadways, ponds, sidewalks, landscaping and all Common Area landscaping features (including all related facilities and equipment), fencing, Common Area structures and improvements, improvements reasonably related to the entrance, the VAMs, street lamps and fixtures, screening of the residential subdivision, and all signage relating to the Property, which may exist and/or be depicted on the Plat.

B. The land described in Appendix B as Common Area and all improvements thereon.

C. Any area shown on the Plat as Common Area or an area to be maintained by the Association.

D. The grounds between any of the public or private streets, or any pond, in Saratoga and any screening wall, fences, berms or landscaping, to the extent that the Association has a right or duty to maintain or regulate that portion of the right-of-way.

E. Any property adjacent to Saratoga if the maintenance of same is deemed to be in the best interests of the Association, and is not prohibited by the Owner or operator of said property.

F. Any modification, replacement, or addition to any of the above-described areas and improvements.

G. Personal property owned by the Association, such as books and records, office equipment, and supplies.

ARTICLE 5
RESIDENTIAL LOTS

5.1. **Purposes**. As a general rule, the Owner or Resident (including lessees) of a Lot has the sole and exclusive use of the Owner's Lot - from boundary to boundary, and has shared responsibility for the maintenance of such Lot and sole maintenance responsibility for all of the improvements on the Lot from boundary to boundary, subject however to the terms and provisions of any Party Fence Agreement between adjoining Lot Owners, or this Agreement, or which may be governed by the general rules of law concerning party fences.

5.2. **City Ordinances**. Ordinances of the City of Granbury affecting the Lots in Saratoga will be provided to Owners and will be complied with if the physical nature of the Property and each Lot permit.

5.3. **Encroachment Reservations and Easements**. Driveways and additional parking pads encroachment reservations and easements are created by this Declaration and are in addition to easements, if any, shown on a Plat or created by separate instrument. The concrete driveways and any additional parking pads are constructed as the initial improvements on the Property without respect for individual Lot lines. A concrete driveway or parking pad that is on a Lot other than the Lot it is intended to serve is hereby deemed to be a permitted perpetual encroachment which may remain undisturbed as long as the driveway or parking pad exists. The Owner of the Lot that is served by the driveway or parking pad has exclusive use of those improvements and is solely responsible for the maintenance, repair, replacement, and reconstruction of same as if it were constructed entirely on the Owner's Lot.

5.4. **Damage to Property**. If a Lot Owner or Resident (including lessees) damages the adjoining Lot, or damages or destroys any improvement or personal property on the adjoining Lot, in exercising the easements and reservation created by this Article, the Owner is obligated to restore the damaged property to its original condition (just prior to the damage), at his or her or its expense, within a reasonable period of time.

ARTICLE 6
ARCHITECTURAL COVENANTS AND CONTROL

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

6.2. **Declarant's Architectural Control During Development Period**. During the Development Period, neither the Association, the Association's Board of Directors, nor a committee appointed by the Association or the Board (no matter how the committee is named) may involve itself with the approval of new homes on vacant Lots. During the Development Period, the Architectural Control Committee for new homes on vacant Lots is the Declarant or its delegates, unless released in writing by Declarant to the Association, the Association's Board of Directors, or a committee appointed by the Association or the Board.

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

6.2.2. **Delegation by Declarant**. During the Development Period, Declarant may from time to time, but is not obligated to, delegate all or a portion of its reserved rights under this Article to (1) an Architectural Control Committee appointed by Declarant or by the Association's Board with Declarant's approval of all such Architectural Control Committee appointed members or to (2) a committee appointed by Declarant or by the Association's Board, with Declarant's approval of all members appointed to the committee, such committee being comprised of architects, engineers, or other qualified persons who may or may not be Members of the Association. Any such delegation

must be in writing and must specify the scope of delegated responsibilities. Any such delegation is at all times subject to the unilateral rights of Declarant (1) to revoke such delegation at any time and reassume jurisdiction over the matters previously delegated and (2) to veto any decision which Declarant in its sole discretion determines to be inappropriate or inadvisable for any reason.

BEFORE MAKING ANY IMPROVEMENT OR ANY ALTERATION TO A LOT OR DWELLING, A BUILDER OR OWNER MUST APPLY TO THE DECLARANT OR TO THE ARCHITECTURAL CONTROL COMMITTEE FOR WRITTEN APPROVAL!

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

6.3.1. **Architectural Control Committee Membership**. The Architectural Control Committee will consist of at least three (3), but not more than seven (7), persons appointed by the Board, pursuant to the Bylaws. Members of the Architectural Control Committee shall serve at the pleasure of the Board and may be removed and replaced at the Board's discretion. At the Board's option, the Board may act as the Architectural Control Committee, in which case all references in the Documents to the Architectural Control Committee are construed to mean the Association's Board. Members of the Architectural Control Committee need not be Owners or residents, and may, but need not, include architects, engineers, and design professionals whose compensation, if any, may be established from time to time by the Association's Board.

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

6.4. **Prohibition of Construction, Alteration & Improvement. Without the Architectural Reviewer[1]s prior written approval, a person may not construct a dwelling or any other structure, or make an addition, alteration, improvement, installation, modification, redecoration, or reconstruction of or to the Property, if it will be visible from a street, another Lot, or the Common Area.** The Architectural Control Committee has the right, but not the duty, to evaluate every aspect of construction, landscaping, and property use that may adversely affect the general value or appearance of the Property.

6.5. **Architectural Approval**. To request architectural approval, an Owner must make written application to the Architectural Control Committee and submit either a PDF digital of the plans and specifications or two (2) identical sets of plans and specifications showing the nature, kind, shape, color, size, materials, including two (2) sets of plot plans (aka site plans) showing locations on the Lot of the work to be performed, and, if required by the Developer or the Architectural Control Committee, a foundation, storm drainage and landscaping plan, plus a non-refundable fee required at the time of plan submittal to cover administrative costs involving the home plan approval process. In support of the application, the Owner may, but is not required, to submit letters of support or non-opposition from Owners of Lots that may be affected by the proposed change. The application must clearly identify any requirement of this Declaration for which a variance is sought. The Architectural Control Committee will either return one set of plans and specifications to the applicant marked with the Architectural Control Committee's response, such as "Approved," "Denied," or "More Information Required;" or in the event of an applicant's submission by a PDF digital, the Architectural Control Committee will respond by email or U.S. mail to the applicant to inform the applicant of the approval, denial or conditional approval or denial. The Architectural Control Committee will retain either the PDF digital or one set of plans and specifications, together with the application, for the Architectural Control Committee's files. **Verbal approval by the Declarant, an Association director or officer, the Association's manager, the Architectural Control Committee, or a member of the Architectural Control Committee, does not constitute architectural approval by the Declarant or the appropriate Architectural Control Committee, which must be in writing.**

6.5.1. **Deemed Approval**. Under the following limited conditions, the applicant may presume that his request has been approved by the Declarant or the Architectural Control Committee:

A. If the applicant or a person affiliated with the applicant has not received the Architectural Reviewer's written response approving, denying, or requesting additional information within thirty (30) days after delivering his complete application to the Architectural Control Committee; or

B. If the proposed improvement or modification strictly conforms to requirements and construction specifications contained in this Declaration and in any design guidelines for the Property in effect at the time of application.

C. If those conditions are satisfied, the Owner may then proceed with the improvement, provided he adheres to the plans and specifications which accompanied his application, and provided he initiates and completes the improvement in a timely manner. In exercising deemed approval, the burden is on the Owner to document the Board's actual receipt of the Owner's complete application. Under no circumstance may approval of the Declarant or the Architectural Control Committee be deemed, implied, or presumed for an improvement or modification that would require a variance

from the requirements and construction specifications contained in this Declaration and in any design guidelines for the Property in effect at the time of application.

6.5.2. **No Approval Required**. No approval is required to repaint exteriors in accordance with the same color scheme previously approved by the Architectural Control Committee, or to rebuild a dwelling in accordance with any previously approved plans and specifications. Nor is approval required for an Owner to remodel or repaint the interior of a dwelling.

6.5.3. **Building Permit**. If the application is for work that requires a building permit from the City of Granbury, the Architectural Control Committee's approval is conditioned on the issuance of the appropriate permit. The Architectural Control Committee's approval of plans and specifications does not mean that they comply with the requirements of the City of Granbury. Alternatively, the City of Granbury's approval does not ensure Architectural Control Committee approval.

6.5.4. **Neighbor Input**. The Architectural Control Committee may solicit comments on the application, including from Owners or Residents of Lots that may be affected by the proposed change, or from which the proposed change may be visible. Whether to solicit comments, from whom to solicit comments, and whether to make the comments available to the applicant is solely at the discretion of the Architectural Control Committee. The Architectural Control Committee is not required to respond to the commentors in ruling on the application.

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

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

ARTICLE 7
CONSTRUCTION SPECIFICATIONS AND USE RESTRICTIONS

7.1. **Improvements Compliance. All improvements on a lot must (1) comply with any applicable City of Granbury ordinances and codes, (2) have a building permit issued by the City of Granbury if the type of improvement requires a permit, and (3) have the Architectural Control Committee's prior written approval.** These three (3) requirements are independent; that is, one does not ensure or eliminate the need for another. The Lot Owner and/or Owner's Builder or Contractor must comply with all three (3) requirements.

7.2. **Construction Restrictions**. Without the Architectural Control Committee's

prior written approval for a variance, Improvements constructed on every Lot must have the characteristics described in this Article 7, which may be treated as the minimum requirements for improving and using a Lot. The Architectural Control Committee and the Board may promulgate additional rules and restrictions, as well as interpretations, additions, and specifications of the restrictions contained in this Article. An Owner should review the Association's architectural restrictions, if any, before planning improvements, repairs, or replacements to his Lot and dwelling.

7.3. **Variance**. The use of the Property is subject to the restrictions contained in this Article, and subject to rules adopted pursuant to this Article. The Board or the Architectural Control Committee, as the case may be, may grant a variance or waiver of a restriction or rule on a case-by-case basis when unique circumstances dictate, and may limit or condition its grant. The Board or the Architectural Control Committee may authorize variances from compliance with any of the provisions of this Declaration, or from minimum acceptable construction standards or regulations and requirements as promulgated from time to time by the Declarant when circumstances such as topography, natural obstructions, Lot configuration, Lot size, hardship, aesthetic or environmental considerations may require a variance. The Declarant also reserves the right to grant variances as to building set-back lines, minimum square footage of the residence and other items. To be effective, a variance must be in writing. The grant of a variance does not constitute a waiver or estoppel of the Association's right to deny a variance in other circumstances. Approval of a variance or waiver may not be deemed, implied, or presumed under any circumstance. The granting of any variance shall not affect in any way the Owner's obligation to comply with all governmental laws and City of Granbury or Hood County ordinances or regulations affecting the property and the Plats for Phases 1A and 2A.

7.4. **Single Family, Detached, Residential Construction.** The residential improvements on all Lots in Phases 1A and 2A of Saratoga shall be site-constructed single family, detached residences, as such residences are defined, restricted and permitted by the City of Granbury Zoning and Subdivision Ordinances. No building shall be erected, altered, placed or permitted to remain on any Lot other than one dwelling unit per each Lot to be used for residential purposes. All dwellings, detached garages, work shops, and out buildings must be approved in writing by the Architectural Control Committee prior to being erected, altered or placed on the Property. The term "dwelling" does not include single or double wide manufactured homes; and said manufactured homes are not permitted within Saratoga. Any building, structure or improvement commenced on any Lot shall be completed as to exterior finish and appearance within six (6) months from the commencement date. As used herein, the term "residential purposes" shall be construed to prohibit mobile homes or trailers being placed on any Saratoga Lots; and the term "residential purposes" shall be construed to prohibit the use of said Saratoga, Phases 1A or 2A Lots for duplex houses, townhomes, condominiums or apartment houses.

7.5. **Location and Height of the Improvements upon the Lot**. The set-back requirements shall be as designated on the Plats for Phases 1A and 2A. The maximum

height of any improvement shall be two stories.

7.6. **Lot Subdivision, Combination, Replat and Composite Building Site.** Lots may be replatted with the approval of all Owners of the Lots directly affected by the replatting. The size of each Lot and the density of the Lots in the Saratoga Subdivision must comply with the requirements of the City of Granbury Subdivision Ordinance. Combining Lots or portions thereof shall be in compliance with the City of Granbury Subdivision Ordinance, and shall not result in any remaining Lot or remaining portion of any Lot(s) being smaller in size than the smallest of any affected Lot prior to the proposed combination and replatting. The parties executing the Replat will provide a copy of the recorded Replat to the Association. Replatting of Lots may not alter the number of votes and assessments allocated to the Lots as originally platted. If replatting reduces the number of Lots by combining Lots, the joined Lot will have the votes and assessments allocated to the Lots as originally platted.

7.7. **Single Family, Detached Residences (Dwellings) Restrictions.** The principal improvement on a Lot in Saratoga, Phases 1A and 2A must be one single family, detached residential dwelling, as further defined in Section 1.17 herein and by the City of Granbury. The dwelling size, setbacks, and exterior materials must comply with the City of Granbury Subdivision and Zoning Ordinances and with any higher standards established by Declarant or by the Architectural Control Committee. However, notwithstanding any variances hereafter granted by either Declarant or by the Architectural Control Committee, all dwellings shall have at least One Thousand, Six Hundred (1,600) square feet of air conditioned living area, excluding covered porches, and a minimum of a two-car garage, and walkways. Any dwelling with more than one story shall have situated on the first floor at least One Thousand, Five Hundred (1,500) square feet of air conditioned living area. "Living Area" as used herein, is defined as the area measured from outside exterior wall to outside exterior wall, computed in square footage, exclusive however of any square footage contained within the garage, covered porches, and walkways. All single family residences will face the street side front or side yard of each Lot, which "street facing front or side yard" of each Lot shall be determined and designated by the Board or the Architectural Control Committee.

7.8. **New Construction.** The dwelling must be constructed on the Lot. A dwelling or addition constructed elsewhere may not be moved onto a Lot. Factory-built homes are not permitted, even though assembled or finished on the Lot. The construction of a dwelling must be started promptly after the Architectural Control Committee approves the dwelling's plans and specification. At the start of construction, but not before, building material to be used in the construction may be stored on the Lot or with the Declarant's approval, on a nearby Lot. Once started, the dwelling and all improvements on the Lot must be completed with due diligence.

7.9. **Occupancy.** Other than the completed principal dwelling, no thing or structure on a Lot may be occupied as a residence at any time by any person. This provision applies, without limitation, to the garage, mobile homes, recreational vehicles, campers, tents, and storage sheds.

7.10. **Exterior Dwelling Wall Materials**. The type, quality, and color of dwelling exterior wall materials must be approved by the Declarant or the Architectural Control Committee. All improvements, including garages, must be built with new construction material with exteriors being at least ninety percent (90%) of the coverage of the total exterior walls to the top plate, excluding doors and windows, and must be a minimum of 3" thick stone, brick or rock masonry or masonry-like construction or a glass building material of the kind usually used for exterior wall construction, referred to herein as the "Primary Exterior Siding." Other materials of equal or similar characteristics may be approved by the Declarant or the Architectural Control Committee for the Primary Exterior Siding.

7.11. **Roofs**. All roof pitches shall be a minimum of a 6/12 pitch. Roofs must be covered with dimensional shingle material having a manufacturer's warranty of at least thirty (30) years. The use of composition tiles and fiberglass shingles is permitted. The color of roofing material must be weatherwood or an equivalent earth tone color. The Architectural Control Committee may permit or require other weights, materials, and colors.

7.12. **Garages & Driveways**. Each dwelling must have an attached garage for two (2) full-size automobiles. All garages, wherever possible and practical, as determined by the Architectural Control Committee, will be constructed with the entrance into the garage and the garage doors facing and parallel with the front lot lines of the Lot, unless prior permission is obtained in writing from the Architectural Control Committee. Any detached garage approved by the Architectural Control Committee must match the veneer of the house. All driveways must be surfaced with concrete. Driveways that require culverts will be CMP culverts with safety end caps and concrete base. Vehicles shall not be parked on any non-paved portion of any Lot.

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

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

7.15. **Accessories**. Installation of all exterior items and surfaces, including address numbers, decorative hardware, external ornamentation, lights fixtures, and exterior paint and stain, is subject to the Architectural Control Committee's prior approval, including approval of design, color, materials, and location.

7.16. **Carports**. No carport may be installed, constructed, or maintained on any Lot or dwelling, with or without approval of the Architectural Control Committee.

7.17. **Accessory Structures**. Accessory Structures, such as dog houses, gazebos, storage sheds, playhouses, and greenhouses, may not be located in front yards or in unfenced portions of side or rear yards. Accessory Structures in the backyard of any Lot that is visible from any street, or exceeds six (6) feet in height, or contains less than ninety percent (90%) masonry on its exterior walls, or has a footprint of less than eighty (80) square feet, shall only be permitted if it is granted the prior written approval of the Architectural Control Committee. If such a backyard Accessory Structure is installed on a Lot without the prior written approval of the Architectural Control Committee, the Architectural Control Committee reserves the right to determine that the Accessory Structure is not in compliance with this restriction, or is unattractive or inappropriate or otherwise unsuitable for the Property, and may require the Owner to relocate it, screen it, or remove it.

7.18. **Temporary Structures**. No temporary dwelling, shop, portable shed, tent, trailer, mobile home, camper or recreational vehicle of any kind, or any improvements of a temporary character, except as permitted in Section 7.17 above, shall be permitted on any Lot, further except that the Declarant, Builder or Contractor may have temporary improvements (such as a sales office and/or construction trailer and/or a portable toilet) on a given Lot during construction of the residences on that Lot. Dwellings under construction shall be required to have one portable toilet for up to three houses and one trash container (plywood box) per house, which must be onsite before foundation forms are set and continuously until the required final building inspection. No building materials 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 materials shall be placed within the property lines of the Lot upon which the improvements are to be erected.

7.19. **Air Conditioners**. Air conditioning equipment may not be installed in the front yard of a dwelling. Window units are prohibited.

7.20. **Dwelling Address Numbers and Cluster Mailboxes**. All dwellings shall have their own address numbers, with a design and location established by the Architectural Control Committee, mounted in a stone address block on the exterior front wall of each such dwelling facing the street. All dwellings shall have an individually keyed and lockable mail box installed and assigned by the Association, at each Homeowner's cluster mailbox equipment and installation cost of an amount assessed to each Homeowner by and payable to the Developer/Declarant as a condition of and prior to the Homeowner's purchase of a Home or upon the Homeowner's receipt of an Occupancy Permit on the Homeowner's Lot in the Lot's assigned cluster mailbox location, according to United States Postal Service requirements and guidelines. Curbside mailboxes are not permitted by the United States Postal Service.

7.21. **Fences & Walls**. This Article is subject to the Architectural Control Committee's right to adopt additional or different specifications for construction or reconstruction of fences and walls, except that matters concerning party fences and

party walls of adjoining Lots are governed by Section 3.4 of this Declaration, or by a separate Party Fence Agreement, and by the general rules of law concerning party walls and party fences. All fences and walls must be approved prior to construction by the Architectural Control Committee, and shall be no closer to the front street property lines than the front line of the house. Except in circumstances determined by the Architectural Control Committee to be unique, all residences shall have an Architectural Control Committee-approved six foot (6') tall, cedar privacy fence, containing the community's uniform stain, with metal posts on 8-foot centers, with a finished side facing the street. Retaining walls must be constructed entirely with Architectural Control Committee-approved materials; however, railroad ties may not be used for a retaining wall. Fences may not be constructed between a dwelling's front building line and the street. The use of chain link or wire fencing is prohibited.

7.22. **Colors & Color Changes**. The colors of buildings, window treatments visible from the street or from another dwelling, fences, walls, exterior decorative items, and all other Improvements on a Lot are subject to regulation by the Architectural Control Committee. Because the relative merits of any color are subjective matters of taste and preference, the Architectural Control Committee determines the colors that are acceptable to the Association. Lot Owners cannot change or add colors that are visible from the street, a Common Area, or another Lot without the prior written approval of the Architectural Control Committee.

All window treatments within the dwelling that are visible from the street or another dwelling must be maintained in good condition and must not detract from the appearance of the Property. The Architectural Control Committee may require an Owner to change or remove a window treatment that the Architectural Control Committee determines to be inappropriate or unattractive. The Architectural Control Committee in their sole discretion may prohibit the use of certain colors or materials for window treatments.

7.23. **Utilities**. Except for temporary water and sewage facilities and systems which may be installed and used by Declarant or by Builders (and which must comply with the requirements of the City of Granbury Subdivision Ordinance) prior to having access to city water and sewage systems, all dwellings must be connected to the sewer system provided by the City of Granbury as such systems are available and functional for use by dwellings in Saratoga; and, all such dwellings will be subject to tap and use fees established by the City of Granbury. All temporary water and sewage systems must be removed within 60 days of certification by the City of Granbury that city water and sewage systems are available and functional for use by dwellings in Saratoga. All dwellings must also be served with water and electricity. Individual water supply and sewage disposal systems are not otherwise permitted. All utility lines and equipment must be located underground, except for: (1) elevated or surface lines or equipment required by a public utility or the city; (2) elevated or surface lines or equipment installed by Declarant as part of the development plan; and (3) surface equipment necessary to maintain, operate, or read underground facilities, such as meters, risers, service pedestals, and transformers. The Architectural Control Committee may require that

utility meters, risers, pedestals, and transformers be visually screened from the street and neighboring lots.

7.24. **Annoyance**. No Lot or Common Area may be used in any way that: (1) may reasonably be considered annoying to neighbors; (2) may be calculated to reduce the desirability of the Property *as* a residential neighborhood; (3) may endanger the health or safety of residents of other Lots; (4) may result in the cancellation of insurance on the Property; or (5) violates any law. The Association's Board has the sole authority to determine what constitutes an annoyance.

7.25. **Appearance**. Both the Lot and the dwelling must be maintained in a manner so as not to be unsightly when viewed from the street or neighboring Lots. The Architectural Control Committee is the arbitrator of acceptable appearance standards.

7.26. **Garbage & Trash Disposal and Debris**. No Lot may be used or maintained as a dumping ground for rubbish. Trash, garbage, other waste or debris shall not be allowed to accumulate, shall be kept in sanitary containers and shall be disposed of frequently and regularly. All equipment for storage or disposal of such material shall be kept in a clean and sanitary condition, out-of-public-site location. Garbage and trash or other debris accumulated in Saratoga shall not be permitted to be dumped at any place upon adjoining land where a nuisance to any residence or to a neighbor of a residence in Saratoga is or may be created.

Materials incident to construction or repair of improvements on a Lot may be stored temporarily on the Lot during construction while work progresses and must be removed when construction or repair is complete. However, construction waste materials and debris shall not be allowed to accumulate, shall be kept in sanitary containers and shall be disposed of frequently and regularly.

In the event of the failure of any Owner to comply with the above requirements after ten (10) days written notice thereof, the Association or their designated agents may, without liability to the Owner, Contractor or any occupants of the Lot in trespass or otherwise enter upon (and/or authorize one or more others to enter upon) said Lot, cause to be removed, such garbage, trash, construction waste materials, and any other rubbish and debris, or do any other thing necessary to secure compliance with this Declaration. Payment for the charges by the offending Owner shall be payable on the first day of the next calendar month, and collection of such charges, plus interest and any penalties which may be assessed by the Association shall be subject to a lien which the Association may enforce against the Owner's Lot and the Owner individually.

7.27. **Association's Right to Promulgate Rules**. The Association, acting through its Board, is granted the right to adopt, amend, repeal, and enforce reasonable Rules, and penalties for infractions thereof, regarding the occupancy, use, disposition, maintenance, appearance, and enjoyment of the Property. The Association shall have the sole and absolute discretion to determine what constitutes a nuisance or annoyance. Examples of prohibitions are: (I) No portable basketball goals visible from

any street shall be permitted when not in use; (ii) All windows in a dwelling which face any street must have blinds, draperies or similar coverings acceptable to the Architectural Control Committee installed within thirty (30) days of occupancy, which must remain continuously in place; (iii) Outdoor drying of clothes or clothes lines are prohibited; and (iv) Outdoor cooking or grilling on any Lot visible from any street is prohibited. In addition to the restrictions contained in this Article, each Lot is owned and occupied subject to the right of the Board to establish Rules, and penalties for infractions thereof, governing:

A. Use of Common Areas.

B. Hazardous, illegal, or annoying materials or activities on the Property.

C. The use of Property-wide services provided through the Association.

D. The consumption of utilities billed to the Association.

E. The use and consumption of propane, whether billed to Owners or the Association.

F. The use, maintenance, and appearance of exteriors of dwellings and Lots.

G. Landscaping and maintenance of yards.

H. The occupancy and leasing of dwellings.

I. Animals.

J. Vehicles.

K. Disposition of trash and control of vermin, termites, and pests.

L. Anything that interferes with maintenance of the Property, operation of the Association, administration of the Documents, or the quality of life for residents.

7.28. **Animal Restrictions**. No animal, bird, fish, reptile, or insect of any kind may be kept, maintained, raised, or bred anywhere on the Property for any commercial purpose or for food. Customary domesticated household pets may be kept for personal companionship subject to rules adopted by the Board. The Board may adopt, amend, and repeal rules regulating the types, sizes, numbers, locations, and behavior of animals at the Property. If the rules fail to establish animal occupancy quotas, no more than three (3) domesticated household pets may be maintained on each Lot. Pets must be kept in a manner that does not disturb the peaceful enjoyment of residents of other Lots. Pets must be maintained inside the dwelling, or may be kept in a fenced yard only if they do not disturb residents of other Lots. Any pets permitted by a resident to be outdoors in Saratoga must be strictly controlled by such resident, either on a leash,

physically held by the resident or otherwise physically contained and controlled. Every resident is responsible for the removal of his pet's wastes from the Common Area or the Lot of another Owner. All dogs and cats must be properly vaccinated and tagged for health, safety and identification.

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

7.30. **Drainage**. No person may impair or interfere with the natural established drainage pattern over any part of the Property unless an adequate alternative provision for proper drainage has been approved by the Association Board or the Architectural Control Committee and any applicable governmental authority. Any driveway culverts required must be installed and will be of sufficient size to afford proper drainage of ditches without backing water up onto a residential Lot or into any drainage ditch or diverting the flow. Drainage culvert installation is subject to the inspection and approval of the City of Granbury, and if required, must be installed prior to any construction on the Lot. All driveways must be constructed in accordance with standard detail adopted by the Architectural Control Committee.

7.31. **Landscaping and Yard Maintenance**. Prior to occupancy of any dwelling, each Lot on which a dwelling is constructed shall have landscaping installed and maintained in compliance with the requirements of the City of Granbury, at least including one 3" caliper tree in the front yard, and eight (8) shrubs plus ground cover or mulch in the front yard planting beds, and grass of a sufficient quality, quantity and design in all the residential Lot yards to be compatible with Saratoga, as approved by the Board or the Architectural Review Committee. Lot owners are exclusively responsible for irrigating and otherwise watering their lawns and all plants and trees on their Lots, and are responsible for the prompt replacement of all dead or dying trees or plants. The Lot Owner, at the Lot Owner's sole expense, is obligated to mow, trim, fertilize and otherwise maintain such Owners' or Residents' (including lessees') yards. During the Development Period described in Appendix B, all yard areas on every Lot owned by Declarant and all Common Area grounds shall be regularly mowed, trimmed, fertilized and otherwise maintained by Declarant or the Association, at the expense of the Association. Following the Development Period, all yard areas on every Lot not occupied by Owners or Residents (including lessees) shall be regularly mowed, trimmed, fertilized and otherwise maintained by the Association. Further subject to the provisions in Appendix B, Declarant and the Association shall have a blanket "Yard Power Easement" on and over the yard areas of all Lots in the entire Property. If in the opinion of the Association's Board an Owner or Resident either violates the landscaping or other maintenance rules of this Declaration, or the Bylaws, or other rules promulgated by the Association's Board, or in the sole opinion of the Board causes or allows damage to occur to his yard, plant beds, other landscaping, or sprinkler system,

the Association may perform such landscaping or other maintenance which the Association deems appropriate at the offending Owner's or Resident's expense, and such Owner or Resident shall be liable for the cost of any maintenance, repair or restoration which may be performed by Declarant or by the Association. The Owner of a Lot is liable to the Association for any expenses incurred by the Association in connection with enforcement of the landscaping and yard maintenance requirements of this Article. No person may perform landscaping, planting, or gardening on the Common Area without the Board's prior written authorization.

7.32. **Leasing of Homes**. An Owner may lease the dwelling on his Lot for terms of no less than six months. Whether or not it is so stated in a lease, every lease is subject to the Documents. An Owner is responsible for providing his tenant with copies of the Documents and notifying him of changes thereto. The Owner is also responsible to supply the Association with the names of tenants and all family members of tenants living in the dwelling, plus phone and e-mail contact information. Unless authorized otherwise by the Declarant or the Architectural Control Committee, or otherwise required to be permitted by law, the total number of family members, tenants or guests allowed to occupy any single dwelling in the community is six people. Failure by the tenant or his family members or invitees to comply with the Documents, federal or state law, or local ordinance is deemed to be a default under the lease. When the Association notifies an Owner of his tenant's violation, the Owner will promptly obtain his tenant's compliance or exercise his rights as a landlord for tenant's breach of lease. If the tenant's violation continues or is repeated, and if the Owner is unable, unwilling, or unavailable to obtain his tenant's compliance, then the Association has the power and right to pursue the remedies of a landlord under the lease or state law for the default, including eviction of the tenant. The Owner of a leased Lot is liable to the Association for any expenses incurred by the Association in connection with enforcement of the Documents against his tenant. The Association is not liable to the Owner for any damages, including lost rents, suffered by the Owner in relation to the Association's enforcement of the Documents against the Owner's tenant.

7.33. **Use Restrictions against Home Business, Profession or Hobby**. The use of a Lot is limited exclusively to residential purposes or any other use permitted by this Declaration. No activity whether for profit or not, shall be conducted on any Lot which is not related to single family residential purposes, unless said activity meets the following criteria: No Owner, Resident or Member shall conduct, transmit, permit or allow any type or kind of home business or home profession or hobby on any Lot or within any residence which would:

A. attract automobile, vehicular or pedestrian traffic to the Lot;

B. involve lights, sounds, smells, visual effects, pollution and the like which would adversely affect the peace and tranquility of any one or more of the Residents within Saratoga. The use of outdoor mercury lighting is expressly prohibited, and a Lot's outdoor lighting must not allow a beam or bright light to be directed into the windows of another residence or into street traffic. All residents must exercise

reasonable care to avoid making or permitting noises to be loud, disturbing, or objectionable, and to avoid making or permitting noxious odors, that are likely to disturb or annoy residents of neighboring Lots. The Association's Rules may prohibit the use of loud, disturbing, or objectionable, noise-producing, security devices and wind chimes; or

C. require any signage. Any such advertising signs are prohibited. This restriction is waived in regard to the customary sales activities required to sell townhomes in Saratoga.

This residential restriction does not, however, prohibit a resident from using a dwelling for personal business or professional pursuits provided that: (1) the uses are incidental to the use of the dwelling as a residence; (2) the uses conform to applicable governmental ordinances; (3) there is no external evidence of the uses; (4) the uses do not entail visits to the Lot by employees or the public in quantities that materially increase the number of vehicles parked on the Street; and (5) the uses do not interfere with residents' use and enjoyment of neighboring Lots.

7.34. **Guns**. Hunting, shooting, or the discharge or use of firearms is not permitted anywhere on or from the Property.

7.35. **Fires and Fireworks**. Except for barbecue grills, no exterior fires or fireworks are permitted on the Property.

7.36. **Screening**. The Architectural Control Committee may require that the following items must be screened from the view of the public and neighboring Lots and dwellings, if any of these items exists on the Lot: (1) propane tanks, (2) satellite reception equipment; (3) clotheslines, drying racks, and hanging clothes, linens, rugs, or textiles of any kind; (4) yard maintenance equipment; (5) wood piles and compost piles; (6) accessory structures that do not have prior approval of Architectural Reviewer; (7) the storage of garbage cans and refuse containers other than during scheduled pick-up days and time periods; and (8) anything determined by the board to be unsightly or inappropriate for a residential subdivision. Screening may be achieved with fencing or with plant material, such as trees and bushes, or any combination of these. If plant material is used, a reasonable period of time is permitted for the plants to reach maturity as an effective screen. As used in this Section, "screened from view" refers to the view of a person in a passenger vehicle driving on a Street or alley, or the view of a person of average height standing in the middle of a yard of an adjoining Lot.

7.37. **Signs**. No sign of any kind shall be displayed to the public view on any Lot except one (1) professional security system sign of not more than one (1) square foot, one political election sign displayed during an election, up to four (4) square feet in size and no more than three (3) feet in height above the ground, and one (1) sign conforming to the rules of the Association, of not more than six (6) square feet, advertising the Lot for sale or for rent, or signs approved by the Architectural Control Committee for use by a Builder or supplier to advertise the Lot during the construction and sales period. No other sign or unsightly object may be erected, placed, or permitted to remain on the

Property or to be visible from windows in the dwelling without the Board's prior written approval. The Board's approval may specify the location, nature, appearance, dimensions, number, and time period of a sign or object. The Association may effect the removal of any sign or object that violates this Article or which the Board deems inconsistent with neighborhood standards without liability for trespass or any other liability connected with the removal.

7.38. **Television, Electronic Equipment, Etc**. Each resident of the Property will avoid doing or permitting anything to be done that may unreasonably interfere with the television, radio, telephonic, electronic, microwave, cable, or satellite reception on the Property. Antennas, satellite or microwave dishes, and receiving or transmitting towers that are visible from a street or from another Lot are prohibited within the Property, except that (1) reception-only antennas or satellite dishes designed to receive television broadcast signals, (2) antennas or satellite dishes that are twenty-four inches (24") or less in diameter and designed to receive direct broadcast satellite service (DBS), or (3) antennas or satellite dishes that are twenty-four inches (24") or less in diameter or diagonal measurement and designed to receive video programming services via multipoint distribution services (MDS) (collectively, the "Antenna") are permitted if located (a) inside the structure (such as in an attic or garage) so as not to be visible from outside the structure, (b) in a fenced yard, or (c) attached to or mounted on the rear wall of a structure below the eaves. If an Owner determines that an Antenna cannot be located in compliance with the above guidelines without precluding reception of an acceptable quality signal, the Owner may install the Antenna in the least conspicuous location on or near the roof where an acceptable quality signal can be obtained. The Association may adopt reasonable rules for the location, appearance, camouflaging, installation, maintenance, and use of the Antennas to the extent permitted by public law.

7.39. **Vehicles**. All vehicles on the Property, whether owned or operated by the residents or their families and guests, are subject to this Section and Rules adopted by the Board. The Board may adopt, amend, and repeal rules regulating the types, sizes, numbers, conditions, uses, appearances, and locations of vehicles and direction of vehicles' parking on the streets in Saratoga. The Board may effect the removal of any vehicle in violation of this Declaration or the Rules without liability to the Owner or operator of the vehicle.

7.40. **Prohibited Vehicles**. Without prior written Board approval, no boat, marine craft, hovercraft, trailer, aircraft, ATV, recreational vehicle, pick-up camper, camper body, travel trailer, motor home, mobile home, bus, commercial truck cabs, trucks with tonnage over one ton, vehicles which are not customary personal passenger vehicles, and any vehicle or equipment, or unregistered automobile or truck, which the Board deems to be a nuisance, unsightly, or inappropriate, may be parked for storage in a driveway or front yard of any dwelling or parked on any street in Saratoga, nor shall any such vehicle or equipment be parked for storage in the side or rear yard of any residence unless completely concealed from public view. As an exception to this prohibition, recreational vehicles, motor homes, and mobile homes shall be permitted to

temporarily park in an Owner's driveway during loading and unloading for up to forty-eight (48) hours. No such vehicle shall be used as a residence or office temporarily or permanently. This restriction shall not apply to any vehicle, machinery or equipment temporarily parked and in use for the construction, maintenance or repair of a residence in the immediate vicinity. Vehicles that transport inflammatory or explosive cargo, except those used by a Builder during the construction or repair of improvements, are prohibited from the Property at all times.

ARTICLE 8
ASSOCIATION AND MEMBERSHIP RIGHTS

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

8.2. **The Association**. The duties and powers of the Association are those set forth in the Documents, together with the general and implied powers of the Saratoga Homeowners Association, Inc., a nonprofit corporation organized under the laws of the State of Texas. The Association shall come into operating existence on the earlier of (1) the issuance of its corporate charter and full legal formation, or (2) the initial levy of assessments against the Lots and Owners. The Association will continue to exist at least as long as this Declaration is effective against the Property, regardless of whether its corporate charter lapses from time to time. Generally, the Association may do any and all things that are lawful and necessary, proper, or desirable in operating for the peace, health, comfort, and general benefit of its Members, subject only to the limitations on the exercise of such powers as stated in the Documents. Among its duties, the Association levies and collects assessments and maintains the Common Areas and Common Area grounds at the assessed expense of the Owners as set forth in Section 7.31 above, and pays the expenses of the Association, such as those described below.

8.3. **Governance**. The Association will be governed by a Board of Directors elected by the Members. Unless the Association's Bylaws or Articles of Incorporation provide otherwise, the Board will consist of at least three (3) persons elected at the annual meeting of the Association, or at a special meeting called for that purpose. The Association will be administered in accordance with the Bylaws and this Declaration. Unless the Documents provide otherwise, any action requiring approval of the Members may be approved in writing by Owners of at least a majority of all Lots, or at a meeting by Owners of at least a majority of the Lots that are represented at the meeting.

8.4. **Membership**. Each Owner is a Member of the Association, ownership of a Lot being the sole qualification for membership. Membership is appurtenant to and may not be separated from ownership of the Lot. The Board may require satisfactory evidence of transfer of ownership before a purported Owner is entitled to vote at

meetings of the Association. If a Lot is owned by more than one person or entity, each Co-Owner is a Member of the Association and may exercise the membership rights appurtenant to the Lot. A Member who sells his Lot under a Contract for Deed may delegate his membership rights to the contract purchaser, provided a written assignment is delivered to the Board. However, regardless of the existence of the contract, seller remains liable for all assessments attributable to his Lot until fee title to the Lot is transferred.

8.5. **Voting.** One vote is appurtenant to each Lot. The total number of votes equals the total number of Lots in the Property. Each vote is uniform and equal to the vote appurtenant to every other Lot, except during the Declarant Control Period as permitted in Appendix B. Cumulative voting is not allowed. Votes may be cast by written proxy, according to the requirements of the Association's Bylaws.

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

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

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

8.9. **Obligations of Owners**. Without limiting the obligations of Owners under the Documents, each Owner has the following obligations:

8.9.1. **Information**. Within thirty (30) days after acquiring an interest in a Lot, and within thirty (30) days after the Owner has notice of a change in any information required by this Subsection, and on request by the Association from time to time, an Owner will provide the Association with the following information: (1) a copy of the recorded deed by which Owner has title to the Lot; (2) the Owner's Lot address and mailing address, phone number, and e-mail address, and driver's license number, if any; (3) any mortgagee's name, address, and loan number; (4) initial and annual proof of casualty insurance on Owner's dwelling; (5) the name and phone number of any resident other than the Owner; (6) the name, address, and phone number of the Lot Owner's managing agent, if any.

8.9.2. **Pay Assessments**. Each Owner, other than Declarant, will pay assessments properly levied by the Association against the Owner and his Lot, and will pay Regular assessments in advance as set forth in Section 9.4.2. below, without demand by the Association.

8.9.3. **Comply**. Each Owner will comply with the Documents as amended from time to time.

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

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

8.10. **Transfer-Related Fees**. A number of independent fees may be charged in relation to the transfer of title to a Lot, including but not limited to fees charged by a Managing Agent for resale certificates, estoppel certificates, copies of Documents, compliance inspections, ownership record changes, and priority processing, provided the fees are customary in amount, kind, and number for the local marketplace. Transfer-related fees are not refundable and may not be regarded as a prepayment of or credit against regular or special assessments. **A "Regular Transfer Fee" of Five Hundred and no/100 Dollars ($500.00) shall be payable to the Association by the Buyer of a Lot, beginning with transfers of title to a Lot to a third-party purchaser ("Buyer") from the Developer or from a Builder who purchased the Lot from the Developer.** Transfer-related fees do not apply to the following transfers unless a party to the transfer requests the corresponding documentation: (1) foreclosure of a deed of trust lien, tax lien, or the Association's assessment lien; (2) transfer to, from, or by the Association to a residential dwelling Builder; (3) voluntary transfer by an Owner to one

or more Co-Owners, or to the Owner's spouse, child, or parent. Transfer-related fees may be charged by the Association or by the Association's managing agent, provided there is no duplication of fees. Transfer-related fees charged by or paid to a managing agent must have the prior written approval of the Association, are not subject to the Association's assessment lien, and are not payable by the Association.

ARTICLE 9
COVENANT FOR ASSESSMENTS

9.1. **Purpose of Assessments**. The Association will use assessments for the purpose of maintaining the Property values and promoting the health, safety and welfare of the Owners of the Subdivision Property and Additional Property, which hereafter may become subject to the jurisdiction of the Association, and for the general purposes of preserving and enhancing the Property, and for the common benefit of Owners and residents, including but not limited to maintenance, repair or replacement of real and personal Common Area property, drainage easements management and operation of the Association, and any expense reasonably related to the purposes for which the Property was developed. If made in good faith, the Association's Board's decision with respect to the use of assessments is final.

9.2. **Personal Obligation**. Except that a Home Builder shall not be obligated to pay assessments levied by the Board against any Lot owned by the Builder for the first twelve (12) months of the Builder's ownership of a Lot, conditioned upon the Builder obtaining a City of Granbury Building Permit at least by the end of the sixth month of such Builder's ownership of the Lot, all Owners are obligated to pay assessments levied by the Board against the Owner or his Lot. If a Home Builder fails to obtain a City of Granbury Building Permit at least by the end of the sixth month of such Builder's ownership of the Lot, the Builder shall only not be obligated to pay assessments levied by the Board against any Lot owned by a Builder for the first six (6) months of the Builder's ownership of such Lot. An Owner must make payment to the Association at its principal office or at any other place the Board directs. Payments must be made in full regardless of whether an Owner has a dispute with the Association, another Owner, or any other person or entity regarding any matter to which this Declaration pertains. No Owner may exempt himself from his assessment liability by waiver of the use or enjoyment of the Common Area or by abandonment of his Lot. An Owner's obligation is not subject to offset by the Owner, nor is it contingent on the Association's performance of the Association's duties. Payment of assessments is both a continuing affirmative covenant personal to the Owner and a continuing covenant running with the Lot.

9.3. **Control for Assessment Increases**. While the Association's Board of Directors is authorized to assess and collect Regular Assessments and Special Assessments, plus Common Area and Amenities Maintenance, Repair and Replacement Reserve Assessments, in amounts sufficient to meet the maintenance and operating expenses of the Association, this Article of this Declaration may not otherwise be amended without the approval of Owners of at least a majority of the Lots voting by Absentee Ballot or Proxy or by Voting Ballot in a duly called Members Annual

or Special Meeting. In addition to other rights granted to Owners by this Declaration, Owners have the following powers and controls over the Association's budget:

9.3.1. **Veto Increased Dues**. At least thirty (30) days prior to the effective date of an increase in Regular Assessments, the Board will notify an Owner of each Lot of the amount of, the budgetary basis for, and the effective date of the increase. The increase will automatically become effective unless Owners of at least two-thirds (2/3rds) of the Lots disapprove the increase by petition or at a meeting of the Association, except as provided in Section 9.3 above or in Section 9.4.1 below. In the event of Members' disapproval as provided herein, the last-approved budget, adjusted as necessary in compliance with Section 9.3 above, will continue in effect until a revised budget is approved. Consistent with Section 9.3 above, if the revised budget does not provide for sufficient revenues to meet the obligations of the Association or pay the expenses of the Association, a new budget with Regular Assessments only sufficient at an amount to meet the obligations of the Association or pay the maintenance and operating expenses of the Association, will be established with correspondingly sufficient Regular Assessments or a Special Assessment as determined by the Association's Board.

9.3.2. **Veto Special Assessment**. At least thirty (30) days prior to the effective date of a Special Assessment, the board will notify an Owner of each Lot of the amount of, the budgetary basis for, and the effective date of the Special Assessment. The Special Assessment will automatically become effective unless Owners of at least a two-thirds (2/3^{rds}) majority of the Lots disapprove the Special Assessment by petition or at a meeting of the Association.

9.4. **Types of Assessments**. In addition to the Transfer-related fees in Section 8.10 above, there are five (5) types of assessments: One-Time Lot Initiation Fee, Regular, Special, Individual, and Deficiency assessments.

9.4,1. **One-Time Lot Initiation Fee**. A Two Hundred, Fifty and No/100 Dollars ($250.00) one-time per Lot Initiation Fee shall be assessed and collected at the first transfer of title of each Lot sold from Declarant or from a first-time Builder to a first-time Builder Buyer or to a third-party Buyer in the Saratoga subdivision.

9.4.2, **Regular Assessments**. Regular assessments are based on the annual budget established annually in amounts sufficient to meet the reasonable operation expenses and reserve requirements of the Association to allow the Association to carry out its duties. Each Lot is liable for its equal share of the annual budget. Regular Assessments are due in advance for the period of the assessment. The initial Regular Assessment, pro-rated by Declarant for 2019, shall be One Hundred, Fifty and No/100 Dollars ($150.00) per Lot semi-annually, or as otherwise established by the Association, whose Board shall be charged with the responsibility of assessing the Members at least the amount necessary to pay the maintenance and operational expenses of the Association. If the Board does not approve an annual budget or fails to determine new Regular Assessments for any year following the Board's approval of the initial and subsequent annual budgets for the Association, or delays in doing so, Owners will

continue to pay the Regular Assessment as last determined. If during the course of a year the Board determines that Regular Assessments are insufficient to cover the estimated Common Expenses for the remainder of the year, the Board may increase Regular Assessments for the remainder of the fiscal year in an amount that covers the estimated deficiency. Regular Assessments are used for Common Expenses related to the reoccurring, periodic, and anticipated responsibilities of the Association, including but not limited to:

A. maintenance, repair, and replacement, as necessary, and as appropriate, administrative expenses of the Association and operating expenses of the Common Area, specifically including but not limited to all roadways, ponds, street lamps and fixtures, and all visibility, access and maintenance easements, screening fences, the Saratoga Subdivision entrance and traffic signage, and all other common areas and common facilities and amenities defined in this Declaration.

B. utilities billed to the Association.

C. services billed to the Association and serving all Lots.

D. taxes on property owned by the Association and the Association's income taxes.

E. management, legal, accounting, auditing, and professional fees for services to the Association.

F. costs of operating the Association, such as telephone, postage, office supplies, printing, meeting expenses, and educational opportunities of benefit to the Association.

G. premiums and deductibles on insurance policies and bonds deemed by the Board to be necessary or desirable for the benefit of the Association, including any required fidelity bonds and directors' and officers' liability insurance.

H. contributions to the reserve funds.

I. all costs of the Association's performance of its Property (including but not limited to all Lots) landscaping and maintenance obligations.

J. any other expense which the Association is required by law or the Documents to pay, or which in the opinion of the Board is necessary or proper for the operation and maintenance of the Property or for enforcement of the Documents.

9.4.3. **Special Assessments.** In addition to Regular Assessments, and subject to the Owners' control for assessment increases, the Board may levy one or more Special Assessments against all Lots for the purposes of funding Common Expenses not anticipated by the annual budget or reserve funds. Special Assessments shall be

prorated equally among all Lots, and do not require the approval of the Owners. All Special Assessments will automatically become effective unless Owners of at least two-thirds (2/3rds) of the Lots disapprove the Special Assessment by petition or at a meeting of the Association as provided in Section 9.3.1 above. However, the above provisions in Section 9.4.2 notwithstanding, Special Assessments for the following purposes must be approved by Owners of at least a majority of the Lots:

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

B. Construction of additional improvements within the Property, but not replacement of original improvements.

C. Any expenditure that may reasonably be expected to significantly increase the Association's responsibility and financial obligation for operations, insurance, maintenance, repairs, or replacement.

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

9.4.5. **Deficiency Assessments**. The Board may levy a Deficiency Assessment against all Lots for the purpose of defraying, in whole or in part, the cost of repair or restoration of the Property if insurance proceeds or condemnation awards prove insufficient.

9.5. **Basis & Rate of Assessments**. The share of liability for Common Expenses allocated to each Lot is uniform for all Lots, regardless of a Lot's location or the value and size of the Lot or dwelling; subject, however, to the exemption for Declarant provided below and in Appendix B.

9.6. **Declarant Obligation and Declarant's and First Time Builer's Exemption.**. As set forth in Section 9.2 above, a Home Builder shall not be obligated to pay assessments levied by the Board against any Lot owned by the Builder for the first twelve (12) months of the Builder's ownership of a Lot, conditioned upon the Builder obtaining a City of Granbury Building Permit at least by the end of the sixth month of such Builder's ownership of the Lot. Declarant's obligation for and exemption from

assessments is described in Appendix A. Unless Appendix B creates an affirmative assessment obligation for Declarant, a Lot that is owned by Declarant during the Development Period is exempt from mandatory assessment by the Association. Declarant has a right to reimbursement for any assessment paid to the Association by Declarant during the Development Period. This provision may not be construed to prevent Declarant from making a loan or voluntary monetary donation to the Association, provided it is so characterized.

9.7. **Annual Budget**. The Board will prepare and approve an estimated Annual Budget for each fiscal year. The budget will take into account the estimated income and expenses for the year, contributions to reserve funds, and a projection for uncollected receivables. The Board will make the budget or its summary available to an Owner of each Lot, although failure to receive a budget or summary does not affect an Owner's liability for assessments. The Board will provide copies of the detailed budget to Owners who make written request and pay a reasonable copy charge.

9.8. **Due Date**. The Board may levy regular assessments on any periodic basis, such as annually, semi-annually, quarterly, or monthly. Regular Assessments are due on the first day of the period for which levied. Special and Individual and Road Fund Assessments are due on the date stated in the Notice of Assessment or, if no date is stated, within ten (10) days after notice of the assessment is given. Unless stated otherwise in the notice of the Assessment, Assessments are delinquent and subject to a late payment fine and interest on the unpaid balance of the Assessment if not received by the Association on or before the due date. If the Association Board approves (prior to the due date of an Assessment) a Member's application for an Alternative Payment Plan to pay the Member/applicant's Assessment, a late payment fine and interest may be waived in the Board's discretion.

9.9. **Reserve Funds**. The Association will establish, maintain, and accumulate reserves for operations and for maintenance, replacement and repair of Common Areas and Amenities. The Association must budget for reserves and may fund reserves out of Regular or Special Assessments. A separate Maintenance Reserve bank account shall be established by the Association to accumulate reserves.

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

9.9.2. **Replacement, Repair and Maintenance Reserves**. The Association will endeavor to maintain replacement, repair and maintenance reserves at a level that anticipates the scheduled replacement or major repair of components of the Common Areas.

9.10. **Association's Right to Borrow Money**. The Association is granted the right to borrow money, subject to the consent of Owners of at least a majority of lots and

the ability of the Association to repay the borrowed funds from assessments. To assist its ability to borrow, the Association is granted the right to encumber, mortgage, pledge, or deed in trust any of its real or personal property, and the right to assign its right to future income, as security for money borrowed or debts incurred, provided that the rights of the lender in the pledged property are subordinate and inferior to the rights of the Owners hereunder.

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

ARTICLE 10
ASSESSMENT LIEN

10.1. **Assessment Lien**. Each Owner, by accepting an interest in or title to a Lot, whether or not it is so expressed in the instrument of conveyance, covenants and agrees to pay assessments to the Association, and hereby grants to the Association a contractual lien on such Lot , which may be foreclosed on by non-judicial foreclosure and pursuant to the provisions of Section 51.002 of the Texas Property Code (and any successor statute); and each such Owner hereby expressly grants the Association a power of sale in connection therewith. Each assessment is a charge on the Lot and is secured by a continuing lien on the Lot. Each Owner, and each prospective Owner, is placed on notice that his title may be subject to the continuing lien for assessments attributable to a period prior to the date he purchased his Lot.

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

10.3. **Effect of Mortgagee's Foreclosure**. Foreclosure of a superior lien extinguishes the Association's claim against the Lot for unpaid assessments that became due before the sale, but does not extinguish the Association's claim against the former Owner. The purchaser at the foreclosure sale of a superior lien is liable for

assessments coming due from and after the date of the sale, and for the Owner's prorata share of the pre-foreclosure deficiency as an Association expense.

10.4. **Notice and Release of Notice**. The Association's Assessment Lien for assessments is created by recordation of this Declaration, which constitutes record notice and perfection of the lien. No other recordation of a lien or notice of lien is required. However, the Association, at its option, may cause a notice of the lien to be recorded in the Hood County's Deed Records. If the debt is cured after a notice has been recorded, the Association will record a release of the notice at the expense of the curing Owner.

10.5. **Power of Sale**. By accepting an interest in or title to a Lot, each Owner grants to the Association a private power of nonjudicial sale in connection with the Association's Assessment Lien. The Board may appoint, from time to time, any person, including an officer, agent, trustee, substitute trustee, or attorney, to exercise the Associations Assessment Lien rights on behalf of the Association, including the power of sale. The appointment must be in writing and may be in the form of a resolution recorded in the minutes of a Board meeting.

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

ARTICLE 11
EFFECT OF NONPAYMENT OF ASSESSMENTS

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

11.1. **Interest**. Delinquent assessments are subject to interest from the due date until paid, at a rate to be determined by the Board from time to time, not to exceed the lesser of eighteen percent (18%) or the maximum permitted by law. If the Board fails to establish a rate, the rate is eighteen percent (18%) per annum, compounded annually.

11.2. **Late Fees**. Delinquent assessments are subject to reasonable late fees, at a rate to be determined by the Board from time to time.

11.3. **Costs of Collection**. The Owner of a Lot against which assessments are delinquent is liable to the Association for reimbursement of reasonable costs incurred by the Association to collect the delinquent assessments, including attorneys fees and processing fees charged by the manager.

11.4. **Acceleration**. If an Owner defaults in paying an assessment that is payable in installments, the Association may accelerate the remaining installments with (10) days' written notice to the defaulting Owner. The entire unpaid balance of the assessment becomes due on the date stated in the notice.

11.5. **Suspension of Use**. If an Owner's account has been delinquent for at least thirty (30) days, the Association may suspend the right of Owners and residents to use Common Areas and Common Services during the period of delinquency. Suspension does not constitute a waiver or discharge of the Owner's obligation to pay assessments.

11.6. **Money Judgment**. The Association may file suit seeking a money judgment against an Owner delinquent in the payment of assessments, without foreclosing or waiving the Association's Lien for assessments.

11.7. **Notice to Mortgagee**. The Association may notify and communicate with the holder of any lien against a Lot regarding the Owner's default in payment of assessments.

11.8. **Foreclosure of Assessment Lien**. As provided by this Declaration, the Association may foreclose its Assessment Lien against the Lot by judicial or nonjudicial means.

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

ARTICLE 12
ENFORCING THE DOCUMENTS

12.1. **Notice and Hearing**. Before the Association may exercise any of its remedies for a violation of the Documents or damage to the Property, the Association must give an Owner written notice and an opportunity for a hearing, according to the requirements and procedures in the Bylaws and in applicable law, such as Chapter 209 of the Texas Property Code. Notices are also required before an Owner is liable to the Association for certain charges, including reimbursement of attorneys' fees incurred by the Association.

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

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

12.2.2. **Violations**. The Association may levy reasonable charges, as an Individual Assessment, against an Owner and his Lot if the Owner or resident including lessees), or the Owner or resident's family, lessees, guests, employees, agents, or contractors violate a provision of the Documents. Fines may be levied for each act of violation or for each day a violation continues, and does not constitute a waiver or discharge of the Owner's obligations under the Documents.

12.2.3. **Suspension**. The Association may suspend the right of Owners and residents to use Common Areas for any period during which the Owner or resident, or the Owner's or resident's family, lessees, guests, employees, agents, or contractors violate the Documents. A suspension does not constitute a waiver or discharge of the Owner's obligations under the Documents.

12.2.4. **Self-Help**. The Association has the right to enter any part of the Property, including Lots, to abate or remove, using force as may reasonably be necessary, any erection, thing, animal, person, vehicle, or condition that violates the Documents. In exercising this right, the Board is not trespassing and is not liable for damages related to the abatement. The Board may levy its costs of abatement against the Lot and Owner as an Individual Assessment. Unless an emergency situation exists in the good faith opinion of the Board, the Board will give the violating Owner ten (10) days' notice of its intent to exercise self-help.

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

the violation.

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

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

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

ARTICLE 13
MAINTENANCE AND REPAIR OBLIGATIONS

13.1. **Association Maintains**. The Association's maintenance obligations will be discharged when and how the Board deems appropriate. The Association maintains, repairs, and replaces, as a Common Expense, the portions of the Property listed below, regardless of whether the portions are on Lots or Common Areas.

A. The Common Areas and all common facilities or amenities thereon.

B. Any real and personal property owned by the Association but which is not a Common Area, such as a Lot owned by Declarant or the Association.

C. Any property adjacent to the Saratoga Property, if maintenance of same is deemed to be in the best interests of the Association, and if not prohibited by the owner or operator of said property.

D. Any area, item, easement, or service, the maintenance of which is assigned to the Association by these Protective Covenants or by the Plat.

13.2. **Owner Responsibility**. Every Owner has the following responsibilities and obligations for the maintenance, repair, and replacement of the Property, subject to the architectural control requirements of Article 6, and the use restrictions of Article 7:

13.2.1. **Owner's Improvements Maintenance**. Except as provided otherwise herein, each Owner, at the Owner's expense, must maintain all improvements on the Lot, including but not limited to the dwelling, fences, sidewalks, and driveways. Maintenance includes preventative maintenance, repair as needed, and replacement as needed. Each Owner is expected to maintain his Lot's improvements at a level, to a standard, and with an appearance that is commensurate with the neighborhood. Specifically, each Owner must repair and replace, or cooperate with the Association at Owner's expense to repair and replace, all worn, rotten, deteriorated, and unattractive materials, and must regularly repaint all painted surfaces.

13.2.2. **Association's and Owner's Grounds Maintenance**. Owners must perform the routine yard maintenance on Owners' Lot. The Association must perform the routine maintenance on the Common Area yards as well as on all the yards on every Lot owned by Declarant at the Association's expense. Each Owner must maintain all trees and the standard plants on Owner's Lot with an appearance that is commensurate with the neighborhood. "Yards" means all parts of the Lot other than the dwelling, including fenced and unfenced portions of the Lot. Each Owner must:

A. Maintain an attractive ground cover or lawn on all areas of Owner's Lot visible from a street. Owners are encouraged to take pride in the Saratoga community by avoiding littering at all times, and assisting in the removal of litter and trash in all areas.

B. Support the Association's edging and trimming throughout the Common Areas and on all the Declarant-owned Lots along the street curbs, and front, side and backyard perimeter edges at regular intervals.

C. Support the Association's mowing of the Common Areas and on all the front, side and backyard lawns on all the Declarant-owned Lots at regular intervals.

D. Prevent weeds from exceeding 6 inches in height in the plant beds.

E. Screen plant vegetable gardens from being visible from a street.

F. Maintain an attractive appearance for trees, shrubs, flowers, other plant material, and all landscaping features and artifacts that are visible from a street.

G. Replace dead or dying trees and plant material, as needed, to maintain the

minimum landscaping requirements prescribed by the Association.

13.2.3. **Avoid Damage**. An Owner may not do any work or fail to do any work which, in the reasonable opinion of the Board, would materially jeopardize the soundness and safety of the Property, reduce the value of the Property, adversely affect the appearance of the Property, or impair any easement relating to the Property.

13.2.4. **Responsible for Damage**. An Owner is responsible for his own willful or negligent acts and those of his or the resident's family, lessees, guests, agents, employees, or contractors when those acts necessitate maintenance, repair, or replacement to the Common Areas or to the property of another Owner.

13.3. **Owner's Default in Maintenance**. If the Board determines that an Owner has failed to properly discharge his obligation to mow, edge and weed his yard and bedding areas, or to maintain, repair, and replace items for which the Owner is responsible, the Board may give the Owner written notice of the Association's intent to provide the necessary maintenance at Owner's expense. The notice must state, with reasonable particularity, the maintenance deemed necessary and a reasonable period of time in which to complete the work. If the Owner fails or refuses to timely perform the maintenance, the Association may do so at Owner's expense, which is an Individual Assessment against the Owner and his Lot. In case of an emergency, however, the Board's responsibility to give the Owner written notice may be waived and the Board may take any action it deems necessary to protect persons or property, the cost of the action being the Owner's expense.

13.4. **Party Wall Fences**. Owners of Lots shall, at their expense, build an Architectural Control Committee-approved six foot (6') tall, cedar privacy fence, containing the community's uniform stain, with metal posts on 8 foot centers, with a finished side facing the street., according to the design, materials and construction specifications set forth in this Declaration, enclosing their side and rear yards. A fence located on or near the dividing line between two Lots and intended to benefit both Lots constitutes a "Party Wall Fence" and, to the extent not inconsistent with the provisions of this Article, is subject to the general rules of law regarding party walls and liability for property damage due to negligence, willful acts, or omissions.

13.4.1. **Encroachments & Easement**. If the Party Wall Fence is on one Lot or another due to an error in construction, the fence is nevertheless deemed to be on the dividing line for purposes of this Article. Each Lot sharing a Party Wall Fence is subject to an easement for the existence and continuance of any encroachment by the fence as a result of construction, repair, shifting, settlement, or movement in any portion of the fence, so that the encroachment may remain undisturbed as long as the fence stands. Each Lot is subject to a reciprocal easement for the maintenance, repair, replacement, or reconstruction of the Party Wall Fence.

13.4.2. **Right to Repair**. If the Party Wall Fence is damaged or destroyed from any cause, the Owner of either Lot may repair or rebuild the fence to its previous

condition, and the Owners of both Lots, their successors and assigns, have the right to the full use of the repaired or rebuilt fence.

13.4.3. **Shared Costs**. The Owners of adjoining Lots shall share equally the costs of repair, reconstruction, or replacement of the Party Wall Fence, subject to the right of one Owner to call for larger contribution from the other under any rule of law regarding liability for negligence or willful acts or omissions. If an Owner is responsible for damage to or destruction of the fence, that Owner will bear the entire cost of repair, reconstruction, or replacement. If an Owner fails or refuses to pay his share of costs of repair or replacement of the Party Wall Fence, the Owner advancing monies has a right to file a claim of lien for the monies advanced in the Hood County's Deed Records, and has the right to foreclose the lien as if it were a mechanic's lien. The right of an Owner to contribution from another Owner under this Article is appurtenant to the land and passes to the Owner's successors in title.

13.4.4. **Alterations**. The Owner of a Lot sharing a Party Wall Fence may not cut openings in the fence or alter or change the fence in any manner that affects the use, condition, or appearance of the fence to the adjoining Lot. Unless both Owners reach a mutual decision to the contrary, the Party Wall Fence will always remain in the same location as where initially erected.

ARTICLE 14
INSURANCE

14.1. **General Provisions**. All insurance affecting the Property is governed by the provisions of this Article, with which the Board will make every reasonable effort to comply. The cost of insurance coverages and bonds maintained by the Association is an expense of the Association. Insurance policies and bonds obtained and maintained by the Association must be issued by responsible insurance companies authorized to do business in the State of Texas. The Association must be the named insured on all policies obtained by the Association. Each Owner irrevocably appoints the Association, acting through its Board, as his trustee to negotiate, receive, administer, and distribute the proceeds of any claim against an insurance policy maintained by the Association. Additionally:

14.1.1. **Notice of Cancellation or Modification**. Each insurance policy maintained by the Association should contain a provision requiring the insurer to give at least ten (10) days prior written notice to the Board before the policy may be canceled, terminated, materially modified, or allowed to expire, by either the insurer or the insured.

14.1.2. **Deductibles**. An insurance policy obtained by the Association may contain a reasonable deductible, which will be paid by the party who would be liable for the loss or repair in the absence of insurance. If a loss is due wholly or partly to an act or omission of an Owner or resident or their invitees, the Owner must reimburse the Association for the amount of the deductible that is attributable to the act or omission.

14.2. **Property**. To the extent it is reasonably available, the Association will obtain blanket all-risk insurance for insurable Common Area improvements. If blanket all-risk insurance is not reasonably available, then the Association will obtain an insurance policy providing fire and extended coverage. Also, the Association will insure the improvements on any Lot owned by the Association.

14.3. **General Liability**. The Association will maintain a commercial general liability insurance policy over the Common Areas, expressly excluding the liability of each Owner and resident within his lot, for bodily injury and property damage resulting from the operation, maintenance, or use of the Common Areas. If the policy does not contain a severability of interest provision, it should contain an endorsement to preclude the insurer's denial of an Owner's claim because of negligent acts of the Association or other Owners.

14.4. **Directors & Officers Liability**. To the extent it is reasonably available, the Association will maintain directors and officers liability insurance, errors and omissions insurance, indemnity bonds, or other insurance the Board deems advisable to insure the Association's directors, officers, committee members, and managers against liability for an act or omission in carrying out their duties in those capacities.

14.5. **Other Coverages**. The Association may maintain any insurance policies and bonds deemed by the Board to be necessary or desirable for the benefit of the Association, including but not limited to worker's compensation insurance, fidelity coverage, and any insurance and bond requested and required by an Underwriting Lender for planned unit developments as long as an Underwriting Lender is a mortgagee or an Owner.

14.6. **Owner's Responsibility for Insurance**. Each Owner will obtain and maintain fire and extended coverage on all the improvements on his Lot, in an amount sufficient to cover 100 percent of the replacement cost of any repair or reconstruction in event of damage or destruction from any insured hazard. Further, each Owner will obtain and maintain general liability insurance on his Lot. Each Owner will provide the Association with proof or a certificate of insurance on request by the Association from time to time. If an Owner fails to maintain required insurance, or to provide the Association with proof of same, the Board may obtain insurance on behalf of the Owner who will be obligated for the cost as an Individual Assessment. The Board may establish additional minimum insurance requirements, including types and minimum amounts of coverage, to be individually obtained and maintained by Owners if the insurance is deemed necessary or desirable by the Board to reduce potential risks to the Association or other Owners. Each Owner, lessee and resident is solely responsible for insuring his personal property in his dwelling and on the Lot, including furnishings, vehicles, and stored items. This Article may not be construed to require the Association to continually monitor the Owners' insurance coverages.

ARTICLE 15
MORTGAGEE PROTECTION

15.1. **Introduction**. This Article establishes certain standards for the benefit of Mortgagees, as defined below. If a Mortgagee requests from the Association compliance with the guidelines of an Underwriting Lender, the Board, without approval of Owners or mortgagees, may amend this Article and other provisions of the Documents, as necessary, to meet the requirements of the Underwriting Lender. This Article is supplemental to, not a substitution for, any other provision of the Documents. In case of conflict, this Article controls. As used in this Article, a "Mortgagee" is a holder, insurer, or guarantor of a purchase money mortgage secured by a recorded senior or first deed of trust lien against a Lot. Some Sections of this Article apply to all "Known Mortgagees." Other Sections apply to "Eligible Mortgagees," as defined below.

15.1.1. **Known Mortgagees**. An Owner who mortgages his Lot will notify the Association, giving the complete name and address of his mortgagee and the loan number. An Owner will also provide that information on request by the Association from time to time. The Association's obligations to mortgagees under the Documents extend only to those mortgagees known to the Association. All actions and approvals required by mortgagees will be conclusively satisfied by the mortgagees known to the Association, without regard to other holders of liens on Lots. The Association may rely on the information provided by Owners and mortgagees.

15.1.2. **Eligible Mortgagees**. "Eligible Mortgagee" means a mortgagee that submits to the Association a written notice containing its name and address, the loan number, the identifying number and street address of the mortgaged lot, and the types of actions for which the Eligible Mortgagee requests timely notice. A single notice per Lot will be valid so long as the Eligible Mortgagee holds a mortgage on the Lot. The Board will maintain this information. A representative of an Eligible Mortgagee may attend and address any meeting which an Owner may attend.

15.2. **Mortgagee Rights**.

15.2.1. **Termination**. An action to terminate the legal status of the Property after substantial destruction or condemnation must be approved by at least fifty-one percent (51%) of Eligible Mortgagees, in addition to the required consents of Owners. An action to terminate the legal status for reasons other than substantial destruction or condemnation must be approved by at least two-thirds (2/3rds) of the Owners and the Eligible Mortgagees. The approval of an Eligible Mortgagee is implied when the Eligible Mortgagee fails to respond within thirty (30) days after receiving the Association's written request for approval of a proposed amendment, provided the Association's request was delivered by certified or registered mail, return receipt requested.

15.2.2. **Inspection of Books**. Mortgagees may inspect the Association's books and records, including the Documents, by appointment, during normal business hours.

15.2.3. **Financial Statements**. If a Mortgagee so requests, the Association will give the Mortgagee an unaudited financial statement for the preceding fiscal year within

one hundred and twenty (120) days after the Association's fiscal year-end. A Mortgagee may have an audited financial statement prepared at its own expense.

15.2.4. **Right of First Refusal**. Any right of first refusal imposed by the Association with respect to a lease, sale, or transfer of a Lot does not apply to a lease, sale, or transfer by a Mortgagee, including transfer by deed in lieu of foreclosure or foreclosure of a deed of trust lien.

15.3. **Insurance Policies**. If an Underwriting Lender is a Mortgagee, or if an Owner, at the request of the Underwriting Lender requests, the Association will comply with the Underwriting Lender's insurance requirements to the extent the requirements are reasonable and available, and do not conflict with other insurance requirements of these Protective Covenants.

ARTICLE 16
AMENDMENTS

16.1. **Consents Required**. As permitted by this Declaration, certain amendments of this Declaration may be executed by Declarant alone, or by the Board alone. Section 9.3 above, for instance, controls amendments to this Declaration that would increase Assessments. Otherwise, amendments to this Declaration must be approved by Owners of at least two-thirds (2/3rds) of the Lots.

16.2. **Method of Amendment**. For an amendment that requires the approval of Owners, this Declaration may be amended by any method selected by the Board from time to time, pursuant to the Bylaws, provided the method gives an Owner of each Lot the substance, if not exact wording, of the proposed amendment, a description of the effect of the proposed amendment, and an opportunity to vote for or against the proposed amendment.

16.3. **Effective**. To be effective, an amendment approved by the Owners or by the Board must be in the form of a written instrument (1) referencing the name of the Property, the name of the Association, and the recording data of this Declaration and any amendments hereto; (2) signed and acknowledged by an officer of the Association, certifying the requisite approval of Owners or directors and, if required, Eligible Mortgagees; and (3) recorded in the Deed Records of Hood County, except as modified by the following Section.

16.4. **Declarant Provisions**. Declarant has an exclusive right to unilaterally amend this Declaration for the purposes stated in Appendix B. An amendment that may be executed by Declarant alone is not required to name the Association or to be signed by an officer of the Association. No amendment may affect Declarant's rights under this Declaration without Declarant's written and acknowledged consent, which must be part of the recorded amendment instrument. This Section may not be amended without Declarant's written and acknowledged consent.

16.5. **Ordinance Compliance**. When amending the Documents, the Association must consider the validity and enforceability of the amendment in light of current public law, including without limitation any Saratoga Subdivision Ordinance promulgated and in effect.

16.6. **Merger**. Merger or consolidation of the Association with another association must be evidenced by an amendment to this Declaration. The amendment must be approved by at least two-thirds (2/3rds) of the Owners of the Lots. Upon a merger or consolidation of the Association with another association, the property, rights, and obligations of another association may, by operation of law, be added to the properties, rights, and obligations of the Association as a surviving corporation pursuant to the merger. The surviving or consolidated association may administer the provisions of the Documents within the Property, together with the covenants and restrictions established upon any other property under its jurisdiction. No merger or consolidation, however, will effect a revocation, change, or addition to the covenants established by this Declaration within the Property.

16.7. **Termination**. Termination of the terms of this Declaration and the status of the Property as a planned unit development are according to the following provisions. In the event of substantially total damage, destruction, or public condemnation of the Property, an amendment to terminate must be approved by Owners of at least two-thirds of the Lots. In the event of public condemnation of the entire Property, an amendment to terminate may be executed by the Board without a vote of Owners. In all other circumstances, an amendment to terminate must be approved by Owners of at least eighty percent (80%) of the Lots.

16.8. **Condemnation**. In any proceeding, negotiation, settlement, or agreement concerning condemnation of the Common Area, the Association will be the exclusive representative of the Owners. The Association may use condemnation proceeds to repair and replace any damage or destruction of the Common Area, real or personal, caused by the condemnation. Any condemnation proceeds remaining after completion, or waiver, of the repair and replacement will be deposited in the Association's reserve funds.

ARTICLE 17
DISPUTE RESOLUTION

17.1. **Introduction & Definitions**. The Association, the Owners, Declarant, all persons subject to this Declaration, and any person not otherwise subject to this Declaration who agrees to submit to this Article (collectively, the "Parties") agree to encourage the amicable resolution of disputes involving the Property and to avoid the emotional and financial costs of litigation if at all possible. Accordingly, each Party hereby covenants and agrees that this Article applies to all claims as hereafter defined. As used in this Article only, the following words, when capitalized, have the following specified meanings:

17.1.1. **"Claim"** means any claim, grievance, or dispute between Parties involving

the Properties, except Exempt Claims as defined below, and including without limitation:

A. Claims arising out of or relating to the interpretation, application, or enforcement of the Documents.

B. Claims relating to the rights and/or duties of Declarant as Declarant under the Documents.

C. Claims relating to the design, construction, or maintenance of the Property.

17.1.2. **"Claimant"** means any Party having a Claim against any other Party.

17.1.3. **"Exempt Claims"** means the following claims or actions, which are exempt from this Article:

A. The Association's claim for assessments, and any action by the Association to collect assessments.

B. An action by a Party to obtain a temporary restraining order or equivalent emergency equitable relief, and such other ancillary relief as the Court deems necessary to maintain the status quo and preserve the Party's ability to enforce the provisions of this Declaration.

C. Enforcement of the easements, architectural control, maintenance, and use restrictions of this Declaration.

D. A suit to which an applicable statute of limitations would expire within the notice period of this Article, unless a Party against whom the Claim is made agrees to toll the statute of limitations as to the Claim for the period reasonably necessary to comply with this Article.

17.1.4. **"Respondent"** means the Party against whom the Claimant has a Claim.

17.2. **Mandatory Procedures**. Claimant may not file suit in any court or initiate any proceeding before any administrative tribunal seeking redress or resolution of its Claim until Claimant has complied with the procedures of this Article.

17.3. **Notice**. Claimant must notify Respondent in writing of the Claim (the "Notice"), stating plainly and concisely: (1) the nature of the Claim, including date, time, location, persons involved, and Respondent's role in the Claim; (2) the basis of the Claim (i.e., the provision of the Documents or other authority out of which the Claim arises); (3) what Claimant wants Respondent to do or not do to resolve the Claim; and (4) that the Notice is given pursuant to this Section.

17.4. **Negotiation**. Claimant and Respondent will make every reasonable effort to meet in person to resolve the Claim by good faith negotiation. Within sixty (60) days

after Respondent's receipt of the Notice, Respondent and Claimant will meet at a mutually-acceptable place and time to discuss the Claim. At such meeting or at some other mutually agreeable time, Respondent and Respondent's representatives will have full access to the property that is subject to the Claim for the purposes of inspecting the property. If Respondent elects to take corrective action, Claimant will provide Respondent and Respondent's representatives and agents with full access to the property to take and complete corrective action.

17.5. **Mediation**. If the parties negotiate but do not resolve the Claim through negotiation within one hundred, twenty (120) days from the date of the Notice (or within such other period as may be agreed on by the parties), Claimant will have thirty (30) additional days within which to submit the Claim to mediation under the auspices of a mediation center or individual mediator on which the parties mutually agree. The mediator must have at least five (5) years of experience serving as a mediator and must have technical knowledge or expertise appropriate to the subject matter of the Claim. If Claimant does not submit the Claim to mediation within the 30-day period, Claimant is deemed to have waived the Claim, and Respondent is released and discharged from any and all liability to Claimant on account of the Claim.

17.6. **Termination of Mediation**. If the parties do not settle the Claim within thirty (30) days after submission to mediation, or within a time deemed reasonable by the mediator, the mediator will issue a notice of termination of the mediation proceedings indicating that the parties are at an impasse and the date that mediation was terminated. Thereafter, Claimant may file suit or initiate administrative proceedings on the Claim, as appropriate.

17.7. **Allocation of Costs**. Except as otherwise provided in this Section, each party bears all of its own costs incurred prior to and during the proceedings described in the Notice, Negotiation, and Mediation sections above, including its attorneys' fees. Respondent and Claimant will equally divide all expenses and fees charged by the mediator.

17.8. **Enforcement of Resolution**. Settlement of the Claim through negotiation or mediation will be documented in writing and signed by the parties. If any party thereafter fails to abide by the terms of the agreement, then the other party may file suit or initiate administrative proceedings to enforce the agreement without the need to again comply with the procedures set forth in this Article. In that event, the party taking action to enforce the agreement is entitled to recover from the non-complying party all costs incurred in enforcing the agreement, including, without limitation, attorneys fees and court costs.

17.9. **Release Exemptions**. A release or discharge of Respondent from liability to Claimant on account of the Claim does not release Respondent from liability to persons who are not party to Claimant's Claim. A party having an Exempt Claim may submit it to the procedures of this Article.

17.10. **Litigation Approval & Settlement**. In addition to and notwithstanding the above alternate dispute resolution procedures, the Association may not initiate any judicial or administrative proceeding without the prior approval of Owners of at least a majority of the lots, except that no such approval is required (1) to enforce provisions of this Declaration, including collection of assessments; (2) to challenge condemnation proceedings; (3) to enforce a contract against a contractor, vendor, or supplier of goods or services to the Association; (4) to defend claims filed against the Association or to assert counterclaims in a proceedings instituted against the Association; or (5) to obtain a temporary restraining order or equivalent emergency equitable relief when circumstances do not provide sufficient time to obtain the prior consents of Owners in order to preserve the status quo. The Board, on behalf of the Association and without the consent of Owners, is hereby authorized to negotiate settlement of litigation, and may execute any document related thereto, such as settlement agreements and waiver or release of claims. This Section may not be amended without the approval of Owners of at least seventy-five (75) percent of the Lots.

ARTICLE 18
GENERAL PROVISIONS

18.1. **Compliance**. The Owners hereby covenant and agree that the administration of the Association will be in accordance with the provisions of the Documents and applicable laws, regulations, and ordinances, as same may be amended from time to time, of any governmental or quasi-governmental entity having jurisdiction over the Association or Property.

18.2. **Higher Authority**. The Documents are subordinate to federal and state law, and local ordinances. Generally, the terms of the Documents are enforceable to the extent they do not violate or conflict with local, state, or federal law or ordinance.

18.3. **City Ordinances**. Ordinances which may be adopted by the City of Granbury will be provided to Owners and will be complied with if the physical nature of the Property and each Lot permit.

18.4. **Notice**. All demands or other notices required to be sent to an Owner or resident by the terms of this Declaration may be sent by ordinary or verified mail, postage prepaid, to the party's last known address as it appears on the records of the Association at the time of mailing. If an Owner fails to give the Association an address for mailing notices, all notices may be sent to the Owner's lot, and the Owner is deemed to have been given notice whether or not the Owner actually receives it.

18.5. **Liberal Construction**. The terms and provision of each Document are to be liberally construed to give effect to the purposes and intent of the Document. All doubts regarding a provision, including restrictions on the use or alienability of property, will be resolved in favor of the operation of the Association and its enforcement of the Documents, regardless which party seeks enforcement.

18.6. **Severability**. Invalidation of any provision of this Declaration by judgment or court order does not affect any other provision, which remains in full force and effect. The effect of a general statement is not limited by the enumeration of specific matters similar to the general.

18.7. **Captions**. In all Documents, the captions of articles and sections are inserted only for convenience and are in no way to be construed as defining or modifying the text to which they refer. Some boxed notices are inserted to alert the reader to certain provisions and are not to be construed as defining or modifying the text.

18.8. **Appendices**. The Following appendixes are attached to these Protective Covenants and incorporated herein by reference:

Appendix A - Description of Subject Land
Appendix B - Declarant Representations & Reservations

18.9. **Interpretation**. Whenever used in the Documents, unless the context provides otherwise, a reference to a gender includes all genders. Similarly, a reference to the singular includes the plural, the plural the singular, where the same would be appropriate.

18.10. **Run with the Property**. Unless terminated or amended by Owners as permitted herein, the provisions of this Declaration run with and bind the Property, and will remain in effect perpetually to the extent permitted by law.

18.11. **Preparer**. This Declaration was prepared by CJB Development, LLC, a Texas limited liability company, 3501 Old Granbury Road, Granbury, Texas 76049.

SIGNED AND ACKNOWLEDGED on this 10th day of December, 2019.

DECLARANT:
CJB Development, Inc.,
a Texas corporation

By: Jason Britt, President

STATE OF TEXAS §
§
COUNTY OF HOOD §

This instrument was acknowledged before me on this 10th day of December, 2019 by Jason Britt, Managing Member of CJB Development, Inc., a Texas corporation, on behalf of said corporation.

Kelli M Harter
Notary Signature

KELLI MARIE HARTER
Notary Public, State of Texas
Comm. Expires 04-03-2021
Notary ID 131072051

Kelli M Harter

After recording, please return to:

Susan E. Hall, President
TX-POA Management, LLC,
Homeowners' Association Manager
510 W. Pearl Street, Suite 100
Granbury, Texas 76048

APPENDIX A
TO
DECLARATION OF COVENANTS, CONDITIONS, EASEMENTS AND RESTRICTIONS
aka
PROTECTIVE COVENANTS
FOR

SARATOGA AT GRANBURY, PHASES 1A & 2A
aka
SARATOGA
PHASES 1A & 2A

DECLARANT REPRESENTATIONS & RESERVATIONS

A.I. **General Provisions**.

A.1.1. **Introduction**. Declarant intends this Saratoga Declaration to be perpetual and understands that provisions pertaining to the initial development, construction, marketing, and control of the Property will become obsolete when Declarant's role is complete. As a courtesy to future users of this Declaration, who may be frustrated by then-obsolete terms, Declarant is compiling the Declarant-related provisions in this Appendix.

A.1.2. **General Reservation & Construction**. Notwithstanding other provisions of the Documents to the contrary, nothing contained therein may be construed to, nor may any mortgagee, other Owner, or the Association, prevent or interfere with the rights contained in this Appendix A, which Declarant hereby reserves exclusively unto itself and its successors and assigns. In case of conflict between this Appendix and any other Document, this Appendix controls. This Appendix may not be amended without the prior written consent of Declarant. The terms and provisions of this Appendix must be construed liberally to give effect to Declarant's intent to protect Declarant's interests in the Property.

A.1.3. **Purpose of Development and Declarant Control Periods**. This Appendix A gives Declarant certain rights during the Development Period and the Declarant Control Period to ensure a complete and orderly build-out and sellout of the Property, which is ultimately for the benefit and protection of owners and mortgagees. Declarant may not use its control of the Association and the Property for an advantage over the Owners by way of retention of any residual rights or interests in the Association or through the creation of any contractual agreements which the Association may not terminate without cause with ninety (90) days' notice.

A.1.4. **Definitions**. As used in this Appendix and elsewhere in the Documents, the following words and phrases, when capitalized, have the following specified meanings:

a. **"Builder"** means a person or entity which purchases, or contracts to purchase, a Lot from Declarant or from a Builder for the purpose of constructing a dwelling for resale or under contract to an Owner other than Declarant. As used in this Declaration, Builder does not refer to Declarant or to any home building or home marketing company that is an affiliate of Declarant.

b. **"Declarant Control Period"** means that period of time during which Declarant controls the operation of the Association. The duration of the Declarant Control Period will be from the date this Declaration is recorded for a maximum period not to exceed the earlier of:

1. Twenty (20) years from the date this Declaration is recorded.

2. Four (4) months after title to ninety-five percent (95%) of the Lots that may be created in this Phase I and all subsequent Phases of the Property and Additional Property added to the Property has been conveyed to Owners other than Builders.

A.1.5. **Builders**. Declarant, in its own name or through its affiliates, intends to construct dwellings on the Lots in connection with the sale of the Lots. However, Declarant may, without notice, sell some or all of the Lots to one or more Builders to improve the Lots with dwellings to be sold and occupied.

A.2. **Declarant Control Period Reservations**. Declarant reserves the following powers, rights, and duties during the Declarant Control Period:

A.2.1. **Officers & Directors**. During the Declarant Control Period, Declarant may appoint, remove, and replace any officer or director of the Association, including the Architectural Control Committee, none of whom need be Members or Owners, and each of whom is indemnified by the Association as a "Leader."

A.2.2. **Weighted Votes**. During the Declarant Control Period, the vote appurtenant to each Lot owned by Declarant is weighted three (3) times that of the vote appurtenant to a Lot owned by another Owner. In other words, during the Declarant Control Period, Declarant may cast the equivalent of three (3) votes for each Lot owned by Declarant on any issue before the Association. On termination of the Declarant Control Period and thereafter, the vote appurtenant to Declarant's Lots is weighted uniformly with all other votes.

A.2.3. **Budget Funding**. During the Declarant Control Period only, Declarant is responsible for the difference between the Association's operating expenses and the Regular Assessments received from Owners other than Declarant, and will provide any additional funds necessary to pay actual cash outlays of the Association. On

termination of the Declarant Control Period, Declarant will cease being responsible for the difference between the Association's operating expenses and the assessments received from Owners other than Declarant.

A.2.4. **Funding of Lots and Common Area Improvements**. CJB Development, Inc's allocated cost of improvements to Lots and Common Areas (which costs are not included in the price of the Lot at the time of purchase by an Owner) shall be assessed to the Owners as a Special Assessment under Section 9.4.2 in the Saratoga Declaration.

A.2.5. **Declarant Assessments**. During the Declarant Control Period, any real property owned by Declarant is not subject to assessment by the Association.

A.2.6. **Builder Obligations**. During the Declarant Control Period only, Declarant has the right but not the duty (1) to reduce or waive the assessment obligation of a Builder, and (2) to exempt a Builder from any or all liabilities for transfer-related fees charged by the Association or its manager, provided the agreement is in writing. Absent such an exemption, any Builder who owns a Lot is liable for all assessments and other fees charged by the Association in the same manner as any Owner.

A.2.7. **Commencement of Assessments**. During the initial development of the Property, Declarant may elect to postpone the Association's initial levy of Regular Assessments until a certain number of Lots are sold. During the Declarant Control Period, Declarant will determine when the Association first levies Regular Assessments against the Lots. Prior to the first levy, Declarant will be responsible for all maintenance and operating expenses of the Association. However, the initial Builder who contracts with Declarant to purchase twelve (12) or more Lots, and either has the option to purchase more Lots or continues to purchase more Lots will be responsible for all maintenance and operating expenses of the Association, effective from the date of closing the initial purchase of twelve (12) or more Lots.

A.2.8. **Expenses of Declarant**. Expenses related to the completion and marketing of the Property will be paid by Declarant and are not expenses of the Association except as provided in Section A.2.4 above.

A.2.9. **Budget Control**. During the Declarant Control Period, the right of Owners to veto assessment increases or special assessments is not effective and may not be exercised.

A.2.10. **Organizational Meeting**. Within sixty (60) days after the end of the Declarant Control Period, or sooner at the Declarant's option, Declarant will call an organizational meeting of the Members of the Association for the purpose of electing, by vote of the Owners, directors to the Board. Written notice of the organizational meeting must be given to an Owner of each Lot at least ten (10) days before the meeting. For the organizational meeting, Owners of ten (10) percent of the Lots constitute a quorum. The directors elected at the organizational meeting will serve until the next annual

meeting of the Association or a special meeting of the Association called for the purpose of electing directors, at which time the staggering of terms will begin.

A.3. **Development Period Reservations**. Declarant reserves the following easements and rights, exercisable at Declarant's sole discretion, at any time during the Development Period:

A.3.1. **Platting**. If the Property includes unplatted parcels, they may be platted in whole or in part, and in phases. The right to plat belongs to the owner of the unplatted parcel, provided, however, that a plat that creates Common Areas or obligations for the Association must also be approved by Declarant. Declarant's right to have the Property platted, or to approve such plats, is for a term of years and does not require that Declarant own land described in Appendix B at the time or times Declarant exercises its right of platting. Any unplatted parcel in the Property constitutes a "Lot" as defined in Article 1 of this Declaration. For any act or decision that requires a count of Lots or a vote of Lot Owners, each unplatted parcel is counted as one Lot per one-fourth acre of gross area, rounding down to the nearest one-fourth acre. The Owner of an unplatted parcel has one vote for the first one-fourth acre of gross area and an additional vote for each additional full one-fourth acre of gross area (the equivalent of 4 votes per acre of gross area), which must be cast as a block and may not be divided for purposes of voting.

A.3.2. **Expansion**. The Property is subject to expansion. During the Development Period, Declarant may, but is not required to, annex any real property: (1) any portion of which is contiguous with, adjacent to, or within one thousand (1,000) feet of any real property that is subject to this Declaration, (2) in any addition or subdivision platted by the City of Granbury as a phase or section of Saratoga, or (3) located in a planned development district created by the City of Granbury for the property subject to this Declaration. Declarant annexes real property by subjecting it to this Declaration and the jurisdiction of the Association by recording a supplement or an amendment of this Declaration, executed by Declarant, in Hood County's Real Property Records. The supplement or amendment of annexation must include a description of the additional real property or a reference to the recorded plat that describes the additional real property. Declarant's right to annex land is for a term of years and does not require that Declarant own land described in Appendix A at the time or times Declarant exercises its right of annexation.

A.3.3. **Withdrawal**. During the Development Period, Declarant may withdraw from the Property any portion of the real property (1) that is not platted with single family, detached residential Lots or (2) that is platted as a phase of Saratoga, provided that no Lot in the phase to be withdrawn has been conveyed to an Owner other than Declarant or a Builder.

A.3.4. **Changes In Development Plan**. Declarant may modify the initial development plan to respond to perceived or actual changes and opportunities in the marketplace. Subject to approval by (1) the City of Granbury, and (2) the owner of the

land or Lots to which the change would directly apply (if other than Declarant), Declarant may (a) change the sizes, dimensions, and configurations of Lots and streets; (b) change the minimum dwelling size; (c) change the building setback requirements; and (d) eliminate or modify any other feature of the Property.

A.3.5. **Builder Limitations**. Declarant may require its approval (which may not be unreasonably withheld) of all documents and materials used by a Builder in connection with the development and sale of Lots, including without limitation promotional materials; deed restrictions; forms for deeds, Lot sales, and Lot closings. Without Declarant's prior written approval, a Builder may not use a sales office or model in the Property to market houses, Lots, or other products located outside the Property.

A.3.6. **Architectural Control**. During the Development Period, Declarant has the absolute right to serve as the Architectural Control Committee pursuant to Article 6 of these Protective Covenants. Declarant may from time to time, but is not obligated to, delegate all or a portion of its reserved rights under Article 6 and this Appendix to (1) an Architectural Control Committee appointed by the Board, or (2) a committee comprised or architects, engineers, or other persons who may or may not be Members of the Association. Any such delegation must be in writing and must specify the scope of delegated responsibilities. Any such delegation is at all times subject to the unilateral rights of Declarant (1) to revoke such delegation at any time and reassume jurisdiction over the matters previously delegated and (2) to veto any decision which Declarant in its sole discretion determines to be inappropriate or inadvisable for any reason. Declarant also has the unilateral right to exercise architectural control over vacant Lots in the Property. Neither the Association, the Board of Directors, nor a committee appointed by the Association or Board (no matter how the committee is named) may involve itself with the approval of new homes and related improvements on vacant Lots.

A.3.7. **Amendment**. During the Development Period, Declarant may amend these Protective Covenants and the other Documents, without consent of other Owners or any mortgagee, for the following limited purposes:

a. To add real property and improvements to the Property.

b. To withdraw real property from the Property.

c. To create Lots, Easements, and Common Areas, Common Facilities and Common Amenities within the Property.

d. To subdivide, combine, or reconfigure Lots.

e. To convert Lots into Common Areas.

f. To convey or dedicate portions of the Property to the Association or to the City of Granbury or to Hood County.

g. To modify the construction and use restrictions of Article 7 of these Protective Covenants.

h. To modify the construction specifications of this Declaration.

i. To merge the Association with another property owners association.

j. To comply with requirements of an underwriting lender.

k. To resolve conflicts, clarify ambiguities, and to correct misstatements, errors, or omissions in the Documents.

l. To enable any reputable title insurance company to issue title insurance coverage on the Lots.

m. To enable an institutional or governmental lender to make or purchase mortgage loans on the Lots.

n. To change the name or entity of Declarant.

o. To change the name of the addition in which the Property is located.

p. To change the name of the Association.

q. To extend the term of the Development Period defined in Section 1.15 in the Protective Covenants when real property or improvements are added to the Property.

r. For any other purpose, provided the amendment has no material adverse effect on any right of any Owner.

A.3.8. **Completion**. During the Development Period, Declarant has (1) the right to complete or make improvements indicated on the Plat; (2) the right to sell or lease any Lot owned by Declarant; and (3) an Easement and right to erect, construct, and maintain on and in the Common Area and Lots owned or leased by Declarant whatever Declarant determines to be necessary or advisable in connection with the construction, completion, management, maintenance, leasing, and marketing of the Property, including, without limitation, parking areas, temporary buildings, temporary fencing, portable toilets, storage areas, dumpsters, trailers, and commercial vehicles of every type.

A.3.9. **Easement to Inspect & Right to Correct**. During the Development Period, Declarant reserves for itself the right, but not the duty, to inspect, monitor, test, redesign, correct, and relocate any structure, improvement, or condition that may exist on any portion of the Property, including the Lots, and a perpetual nonexclusive easement of access throughout the Property to the extent reasonably necessary to exercise this right. Declarant will promptly repair, at its sole expense, any damage

resulting from the exercise of this right. By way of illustration but not limitation, relocation of a Screening Wall may be warranted by a change of circumstance, imprecise sitting of the original wall, or desire to comply more fully with public codes and ordinances. This Section may not be construed to create a duty for Declarant or the Association.

A.3.10. **Promotion**. During the Development Period, Declarant reserves for itself an Easement and right to place or install signs, banners, flags, display lighting, potted plants, exterior decorative items, seasonal decorations, temporary window treatments, and seasonal landscaping on the Property, including items and locations that are prohibited to other Owners and residents, for purposes of promoting, identifying, and marketing the Property and/or Declarant's houses, Lots, developments, or other products located outside the Property. Declarant reserves an Easement and right to maintain, relocate, replace, or remove the same from time to time within the Property. Declarant also reserves the right to sponsor marketing events, such as open houses, MLS tours, and brokers' parties, at the Property to promote the sale of Lots. During the Development Period, Declarant also reserves (1) the right to permit Builders to place signs and promotional materials on the Property and (2) the right to exempt Builders from the sign restriction in this Declaration.

A.3.11. **Offices**. During the Development Period, Declarant reserves for itself the right to use dwellings owned or leased by Declarant as models, storage areas, and offices for the marketing, management, maintenance, customer service, construction, and leasing of the Property and/or Declarant's developments or other products located outside the Property. Also, Declarant reserves for itself the easement and right to make structural changes and alterations on and to Lots and dwellings used by Declarant as models, storage areas, and offices, as may be necessary to adapt them to the uses permitted herein.

A.3.12. **Access**. During the Development Period, Declarant has an Easement and right of ingress and egress in and through the Property for purposes of constructing, maintaining, managing, and marketing the Property, and for discharging Declarant's obligations under this Declaration. Declarant also has the right to provide a reasonable means of access for the home-buying public through any existing or future gate that restricts vehicular access to the Property or to the Additional Land in connection with the active marketing of Lots and homes by Declarant or Builders, including the right to require that the gate be kept open during certain hours and/or on certain days. This provision may not be construed as an obligation or intent to gate the Property.

A.3.13. **Utility Easements**. During the Development Period, Declarant may grant permits, licenses, and Easements over, in, on, under, and through the Property for drainage, utilities, roads, and other purposes necessary for the proper development and operation of the Property. Declarant reserves the right to make changes in and additions to the Easements on any Lot, as shown on the Plat, to more efficiently or economically install drainage features, utilities or other improvements. Utilities may

include, but are not limited to, water, sewer, trash removal, electricity, gas, propane, telephone, television, cable, internet service, and security. To exercise this right as to land that is not a Common Area of the Property or not owned by Declarant, Declarant must have the prior written consent of the land owner.

A.3.14. **Assessments**. For the duration of the Development Period, any Lot owned by Declarant is not subject to mandatory assessment by the Association until the date Declarant transfers title to an Owner other than Declarant. If Declarant owns a Lot on the expiration or termination of the Development Period, from that day forward Declarant is liable for assessments on each Lot owned by Declarant in the same manner as any Owner.

A.3.15. **Land Transfers**. During the Development Period, any transfer of an interest in the Property to or from Declarant is not subject to any transfer-related provision in the Documents, including without limitation an obligation for transfer or resale certificate fees, and the transfer-related provisions of Article 8 of this Declaration. The application of this provision includes without limitation Declarant's Lot take-downs, Declarant's sale of Lots to Builders, and Declarant's sale of Lots to homebuyers.

A.4. **Common Areas**. Declarant will convey title to the Common Areas to the Association by one or more deeds, with or without warranty. Any initial Common Area improvements will be installed, constructed, or authorized by Declarant. At the time of conveyance to the Association, the Common Areas will be free of encumbrance except for the property taxes accruing for the year of conveyance. Declarant's conveyance of title is a ministerial task that does not require and is not subject to acceptance by the Association or the Owners. The transfer of control of the Association at the end of the Declarant Control Period is not a transfer of Common Areas requiring inspection, evaluation, acceptance, or approval of Common Area improvements by the Owners.

A.5. **Declarant's and/or the Association's Yard Power**. Although the Association is interested in the condition and appearance of all Lots in the Property, Declarant may be particularly concerned, from time to time, about the appearance of the unfenced front and side yards because of their heightened visibility to potential purchasers of the Property. Therefore, on recording this Declaration, Declarant creates the Yard Power Easement defined below, which attaches to and burdens all of the Lots in the Property for the duration of the Development Period. The purpose of this easement is to permit, but not require, the Association, following the Development Period, to control the condition and attractiveness of yards that are visible to the home buying public.

A.5.1. **Definitions**. As used in this Section, the following terms have specified meanings:

a. **"Yard Area"** means that portion of the Lot surface that is (1) exterior to the dwelling, (2) not within a fenced yard, and (3) visible from a Street.

b. **"Yard Improvements"** means all items, materials, and plants in the Yard Area, including but not limited to fences, retaining walls, planter boxes, plant beds, mailboxes, yard lamps, decorative yard items, trees, shrubs, flowers, ground covers, lawns, other plant material, and yard irrigation systems. All Yard Improvements are owned by the Lot Owner.

c. **"Yard Power Easement"** means an easement of maintenance, access, and entry over the Yard Areas of all Lots in the Property to ensure the attractiveness of the Yard Areas from streets in and around the Property. Declarant hereby reserves a right and easement of access and entry to the front, side and back Yard Areas of each Lot to exercise the discretionary rights created by this easement. Nothing in this Section may be construed to obligate Declarant to install any improvement on any Lot in the Property.

A.5.2. **Owner's Duties**. The Association is obligated to maintain the Yard Areas of Declarant-owned Lots as provided in this Declaration, and Lot Owners are obligated to maintain the Owners' lawns. Except that the Association shall maintain the Yard Areas of Declarant-owned Lots, the other Owners of each Lot, at the Owner's expense, must continually maintain the Owner's lawns and all the Yard Area and Yard Improvements on his Lot in a neat, groomed, healthy, and attractive condition, and to a standard that is commensurate with the neighborhood as determined by the Association. The Owner must regularly water lawns and plant material, and trim and maintain shrubs, flowers and other plant material, and remove litter. As needed, the Owner will treat plant diseases and infestations, and replace dead plant material. An Owner may not install or construct substantial Yard Improvements without the prior written consent of the Architectural Control Committee.

A.5.3. **Neighborhood Standards**. For purposes of this Section, the Architectural Control Committee shall be the arbiter of the standards of maintenance and appearance for the Yard Areas. The Architectural Control Committee may have higher standards for Yard Areas in certain parts of the Property at different times during the marketing of homes.

A.5.4. **Duration of Easement**. This easement for Declarant terminates automatically at the end of the Development Period, but may continue in effect if adopted by the Association. Declarant may terminate this easement earlier by recording a notice of termination in the Real Property Records of Hood County, Texas.

A.6. **Working Capital Fund**. Declarant may (but is not required to) establish a working capital fund for the Association by requiring purchasers of Lots to make a one-time contribution to this fund, subject to the following conditions:

a. The amount of the contribution will be not less than one-half of the Lot's annual assessment nor more than $1,000.00 and will be collected on the closing of the sale of the Lot to an Owner other than Declarant, a Successor Declarant, or a Declarant affiliate.

b. A Builder who buys Lots from Declarant is not exempt from the purchaser's obligation. If the Builder's contribution is not collected at time of closing on the Lot purchased from Declarant, for any reason or no reason, the Builder guarantees that the contribution will be paid when Builder closes the sale of the Lot to another Owner.

c. Subject to the foregoing Builder provision, if a Lot's contribution is not collected from the Owner at closing either by payment in cash or by Owner's execution of a Regular Assessment or Special Assessment Promissory Note payable to the Declarant or to the Association, neither Declarant nor the Owner of the Lot is thereafter liable for the contribution. Declarant acknowledges that this condition may create an inequity among the Owners, but deems it a necessary response to the diversification of marketing and closing Lot sales.

d. Contributions to the fund are not advance payments of regular assessments and are not refundable to the contributor by the Association or by Declarant. This may not be construed to prevent a selling Owner from negotiating reimbursement of the contribution from a purchaser.

e. Declarant will transfer the balance of the working capital fund to the Association on or before termination of the Declarant Control Period. Declarant may not use the fund to defray Declarant's expenses or construction costs.

A.7. **Successor Declarant**. Declarant may designate one or more Successor Declarants for specified designated purposes and/or for specified portions of the Property, or for all purposes and all of the Property. To be effective, the designation must be in writing, signed and acknowledged by Declarant and Successor Declarant, and recorded in the Real Property Records of Hood County, Texas. Declarant (or Successor Declarant) may subject the designation of Successor Declarant to limitations and reservations. Unless the designation of Successor Declarant provides otherwise, a Successor Declarant has the rights of Declarant under this Section and may designate further Successor Declarants.

CERTIFICATION & ACKNOWLEDGMENT

As the Declarant of Saratoga and the initial and sole Member of the Saratoga Homeowners Association, Inc., I certify that the foregoing Declaration of Saratoga Homeowners Association, Inc. were adopted by the Board of Directors of Saratoga Homeowners Association, Inc. for the benefit of the Association and its Members.

SIGNED AND ACKNOWLEDGED on this 10th day of December, 2019.

DECLARANT:
CJB Development, LLC,
a Texas Limited Liability Company

By: Jason Britt, Managing Member

STATE OF TEXAS §
§
COUNTY OF HOOD §

This instrument was acknowledged before me on this 10th day of December, 2019 by Jason Britt, President of CJB Development, LLC, a Texas limited liability company, on behalf of said corporation.

Kelli M Harter
Notary Signature

KELLI MARIE HARTER
Notary Public, State of Texas
Comm. Expires 04-03-2021
Notary ID 131072051

Kelli M Harter

After recording, please return to:

Susan E. Hall, President
TX-POA Management, LLC,
Homeowners' Association Manager
510 W. Pearl Street, Suite 100
Granbury, Texas 76048

APPENDIX B

DESCRIPTION OF SARATOGA AT GRANBURY PHASE 1A PROPERTY

BEING a tract of land situated in the Joshua Minett Survey, Abstract No. 351 and the U. Martin Survey, Abstract No. 384, City of Granbury, Hood County, Texas same being a portion of a tract of land described by deed to John E. Westhoff, Trustee of the Durant Grantor Trust A and John E. Westhoff, Trustee of the Durant Grantor Trust B, as recorded in Document Nos. 2014-0011418 & 2014-0012370, Deed Records, Hood County, Texas (DRHCT), and being a portion of a tract of land described by deed to Silverado Life Reinsurance Company as recorded in Document No. 2010-0011956, DRHCT, and a portion of a tract of land described by deed to Silverado Life Reinsurance Company as recorded in Document No. 2010-0012518, DRHCT, and being portion of a tract of land as described by deed to CJB Development, LLC., as recorded in Document Number 2018-0003247, DRHCT, and being all of Lot 1A, Eastwood Village, an addition to the City of Granbury, Hood County, Texas, as shown on Plat recorded in Slide A-123-B of the Plat Records of Hood County, Texas (PRHCT), and being more particularly described by metes and bounds as follows: (Reference bearing basis is City of Granbury GPS Master Control Network monuments. City of Granbury Monument Number 3 (Gemstone) was used as the controlling monument, which its basis of bearing being U.S. State Plane Grid - Texas North Central Zone (4202) NAD83 as established using the Western Data Systems RTKNet Cooperative Network. Reference frame is NAD83(2011) Epoch 2010.0000. Distances shown are U.S. Survey feet displayed in surface values).

BEGINNING at a found 5/8-inch iron rod for the northwest corner of the said John E. Westhoff tract, same being northeast corner of Lot 9 of the said Eastwood Village addition and being in the south line of the said Silverado tract recorded in Document No. 2010-0011956, DRHCT;

THENCE South 61°05'15" West with the common line of said Lot 9 and the said Silverado tract recorded in Document No. 2010-0011956, a distance of 130.20 feet to a point from which a found 5/8 inch capped iron rod marked "Brooks Baker" (CIRF (BB)) bears North 42°59'49" East, a distance of 0.60 feet, said point being the northwest corner of said Lot 9, same being the most southerly northeast corner of Lot 8 of the said Eastwood Village addition;

THENCE North 29°53'15" West, with the common line between said Lot 8 and the said Silverado tract recorded in Document No. 2010-0011956, a distance of 20.00 feet to a point from which a CIRF (BB) bears North 40°18'32" East, a distance of 0.45 feet, said point being the most northerly northeast corner of said Lot 8, same being the southeast corner of the aforementioned Lot 1A;

THENCE South 60°25'45" West, with the said common line, a distance of 99.49 feet to a set 5/8 inch capped iron rod marked "BHB INC" (IRS) for the southwest corner of the said Silverado tract recorded in Document No. 2010-0011956, same being the southwest corner of said Lot 1A, same being the southeast corner of Lot 1B of the aforesaid Eastwood Village addition and being in the north line of said Lot 8;

THENCE North 29°54'07" West, departing the said north line and with the common line between said Lot 1A and Lot 1B and the said Silverado tract recorded in Document No. 2010-0011956, a distance of 390.17 feet to a found 3/8 inch iron rod for the northeast corner of said Lot 1B, same being the northwest corner of said Lot 1A, same being the northwest corner of the said Silverado tract recorded in Document No. 2010-00119566 and being the south right-of-way line of US Highway 377 (a variable width right-of-way);

THENCE North 57°13'30" East with the common line between the said Silverado tract and the said south right-of-way line, at a distance of 1322.94 passing a found 5/8 inch iron rod for the northeast corner of the said Silverado tract recorded in Document No. 2010-0011956, same being the northwest corner of the aforementioned Silverado Life Reinsurance Company as recorded in Document No. 2010-0012518 and now continuing with the common line between the said Silverado Life Reinsurance Company as recorded in Document No. 2010-0012518 and the said south right-of-way line for a total distance of 1586.74 feet to a CIRF (BB) for the northeast corner of the said Silverado Life Reinsurance Company as recorded in Document No. 2010-0012518, same being the northwest corner of a tract of land described by deed to T&D Waples, LLC as recorded in Document No. 2012-0009288, DRHCT;

THENCE South 30°34'02" East with the common line between the said Silverado Life Reinsurance Company as recorded in Document No. 2010-0012518 and the said Waples tract, a distance of 290.64 feet to an IRS from which a CIRF BB for the southeast corner of the said Silverado Life Reinsurance Company as recorded in Document No. 2010-0012518, same being the southwest corner of the said Waples tract and being in the north line of the aforementioned John E. Westhoff tract bears South 30°34'02" East, a distance of 198.16 feet;

THENCE South 57°11'01" West, departing the said common line and across the said Silverado Life Reinsurance Company as recorded in Document No. 2010-0012518 tract, passing at a distance of 263.81 feet the common line between the said Silverado Life Reinsurance Company as recorded in Document No. 2010-0012518 tract and the aforesaid said Silverado tract recorded in Document No. 2010-0011956 tract and now continuing in all for a total distance of 363.61 feet to an IRS;

THENCE South 32°49'15" East, a distance of 180.87 feet to an IRS being in the common line between the said Silverado tract recorded in Document No. 2010-0011956 and the aforesaid John E. Westhoff tract;

THENCE South 59°56'23" West, along the said common line, a distance of 765.93 feet to an IRS;

THENCE over and across the said John E. Westhoff tract the following courses and distances:

South 43°11'36" east, a distance of 311.42 feet to an IRS;

Along a tangent curve to the right having a central angle of 12°44'45", a radius of 834.00 feet, an arc length of 185.53 feet, and a chord which bears South 36°49'13" East, a distance of 185.15 feet to an IRS;

South 30°26'51" East, a distance of 54.25 feet to an IRS being in the common line between the said John E. Westhoff tract and the aforementioned CJD Development tract;

THENCE North 56°31'49" East, with the said common line, a distance of 236.82 feet to an IRS;

THENCE over and across the said CJB Development tract the following courses and distances:

South 30°26'51" East, a distance of 131.81 feet to an IRS;

Along a non-tangent curve to the right having a central angle of 223°06'43", a radius of 50.00 feet, an arc length of 194.70 feet, and a chord which bears South 30° 27'48" East, a distance of 93.01 feet to an IRS;

South 30°27'57" East, a distance of 83.47 feet to an IRS;

South 59°32'41" West, a distance of 231.04 feet to an IRS;

Along a non-tangent curve to the left having a central angle of 47°02'03", a radius of 766.00 feet, an arc length of 628.81 feet, and a chord which bears South 60°49'59" East, a distance of 611.30 feet to an IRS;

South 84°21'00" East, a distance of 791.55 feet to an IRS for an ell corner of the said CJB Development tract and a tract of land as described by deed to Britt & Luker Land Holdings, LLC., as recorded in Document Number 2018-0003250, DRHCT;

THENCE with the common line between the said CJB Development tract and the Britt & Luker Land Holdings tract the following courses and distances:

South 05°39'00" West, a distance of 68.00 feet to an IRS;

South 84°21'00" East, a distance of 163.65 feet to an IRS;

Along a tangent curve to the right having a central angle of 20°14'15", a radius of 966.00 feet, an arc length of 341.20 feet, and a chord which bears South 74°13'53" East, a distance of 339.43 feet to an IRS;

South 12°57'54" East, a distance of 15.58 feet to an IRS;

Along a curve to the right having a central angle of 21°56'57", a radius of 300.00 feet, an arc length of 114.93 feet, and a chord which bears South 49°09'25" West, a distance of 114.22 feet to an IRS;

South 60°07'53" West, a distance of 332.34 feet to a found 5/8 inch capped iron rod marked "BHB INC" for an angle point of the said CJB Development tract, same being the most westerly northwest corner for the Britt & Luker Holdings tract, same being the northeast corner of Lot 1, Block 2, Acton Middle School, an addition to the City of Granbury, Hood County, Texas as shown on plat recorded in Slide B-194, PRHCT, a found 1/2 inch iron rod bears South 62°45'04" East, a distance of 0.60 feet;

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THENCE South 59°55'57" West, with the common line between the said CJB Development tract and said Lot 1, a distance of 1160.77 to a point for the westernmost southwest corner of the said CJB Development tract same being the southeast corner of Lot 65, Eastwood Estates addition, an addition to the City of Granbury, Hood County, Texas as shown on plat recorded in Slide A-302-B, PRHCT, from which a found 5/8 inch iron rod bears South 11°16'12" East, a distance of 0.27 feet and a found 3/8 inch iron rod bears South 78°14'02" East, a distance of 0.59 feet from said point;

THENCE with the common line between the said Eastwood Estates addition and the said CJB Development tract the following courses and distances:

North 30°26'00" West, a distance of 1414.54 feet to an IRS;

North 30°22'57" West, a distance of 532.77 feet to a point from which a found 1/2 inch iron rod bears North 24°10'02" West, a distance of 0.45 feet, said point being the northeastern corner of Lot 7, Eastwood Village, Section A addition, an addition to the City of Granbury, Hood County, Texas, as shown on plat recorded in Slide A-168, PRHCT, same being the southeast corner of Lot 10 of the aforementioned Eastwood Village addition as shown on plat recorded in Slide A-123-B, PRHCT;

THENCE North 30°27'15" West, with the common line between the said CJB Development tract and the said Eastwood Village addition as shown on the plat recorded in Slide A-123-B, passing at a distance of 60.23 feet an IRS for the northwest corner of the said CJB Development tract, same being the southwest corner of the aforementioned John E. Westhoff remainder tract and now continuing with the common line between the said Eastwood Village addition and the said John E. Westhoff remainder tract, in all for a total distance of 306.63 feet to the POINT OF BEGINNING and containing 2,272,773 Square Feet or 52.176 Acres of land more or less.

APPENDIX B

DESCRIPTION OF SARATOGA AT GRANBURY PHASE 2A PROPERTY

BEING a tract of land situated in the Joshua Minett Survey, Abstract No. 351, City of Granbury, Hood County, Texas, City of Granbury, Hood County, Texas same being a portion tract of land as described by deed to CJB Development, LLC., as recorded in Document Nos. 2018-0003247 of the Deed Records of Hood County, Texas (D.R.H.C.T.) and being more particularly described by metes and bounds as follows: (Reference bearing basis is City of Granbury GPS Master Control Network monuments. City of Granbury Monument Number 3 (Gemstone) was used as the controlling monument, which its basis of bearing being U.S. State Plane Grid - Texas North Central Zone (4202) NAD83 as established using the Western Data Systems RTKNet Cooperative Network. Reference frame is NAD83(2011) Epoch 2010.0000. Distances shown are U.S. Survey feet displayed in surface values).

COMMENCING at a 5/8 inch capped iron rod marked "BHB INC" found (CIRF) for the southwest corner of Lot 1, Block 3, Saratoga Phase 1A, an addition to the City of Granbury, Hood County, Texas as shown on plat recorded in Slide P-682 of the Plat Records of Hood County, Texas (P.R.H.C.T.) and being on the east right of way line of Saratoga Boulevard (a 68' Public Right of way);

THENCE with the said east right-of-way line and along a curve to the left having a central angle of 02°16'10", a radius of 766.00 feet, an arc length of 30.34 feet, and a chord which bears South 38°27'02" East, a distance of 30.34 feet to the a 5/8 inch capped iron rod marked "BHB INC" set (IRS) for the POINT OF BEGINNING of the hereon tract described;

THENCE over and across the aforesaid said CJB Development tract the following courses and distances:

North 59°32'03" East, a distance of 265.65 feet to an IRS;

South 82°48'17" East, a distance of 156.78 feet to an IRS;

North 74°18'19" East, a distance of 155.00 feet to an IRS;

North 55°09'06" East, a distance of 280.41 feet to an IRS;

North 11°18'38" East, a distance of 164.62 feet to an IRS;

North 59°14'14" East, a distance of 376.99 feet to an IRS for an ell corner of the said CJB Development tract, same being the most northerly northwest corner of a tract of land as described by deed to Britt & Luker Land Holdings, LLC., as recorded in Document Number 2018-0003250, DRHCT;

THENCE with the common line between the said CJB Development tract and the said Britt & Luker Land Holdings tract the following courses and distances:

South 31°01'01" East, a distance of 123.33 feet to an IRS

North 58°58'59" East, a distance of 37.43 feet to an IRS;

South 31°01'01" East, a distance of 49.50 feet to an IRS;

North 58°58'59" East, a distance of 109.64 feet to an IRS;

South 33°52'23" East, a distance of 103.45 feet to an IRS;

Along a curve to the right having a central angle of 39°31'23", a radius of 354.00 feet, an arc length of 244.19 feet, and a chord which bears South 14°06'42" East, a distance of 239.38 feet to an IRS;

South 05°39'00" West, a distance of 644.32 feet to an IRS in the aforementioned east right-of-way line, same being an ell corner for the said CJB Development tract and the said Britt & Luker Land Holdings tract;

THENCE with the said east right-of-way the following courses and distances:

North 84°21'00" West, a distance of 877.36 feet to an IRS;

Along a curve to the right having a central angle of 44°45'53", a radius of 766.00 feet, an arc length of 598.47 feet, and a chord which bears North 61°58'04" West, a distance of 583.36 feet to the POINT OF BEGINNING and containing 866,084 Square Feet or 19.883 Acres of land more or less.