

**CERTIFICATE FOR
RECORDATION OF DEDICATORY INSTRUMENT OF
VILLAGE GREEN HOMEOWNERS ASSOCIATION OF DENISON, INC.**

STATE OF TEXAS

§

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF GRAYSON

§

WHEREAS, Section 202.006 of the Texas Property Code requires that "A property owners' association shall file its dedicatory instruments in the real property records of each county in which the property to which the dedicatory instruments relates is located."; and

WHEREAS, Village Green Homeowners Association of Denison, Inc., a Texas nonprofit corporation (the "Association") desires to comply with Section 202.006 by filing of record in the real property records of Grayson County, Texas, the attached instrument; and

WHEREAS, the attached instrument constitutes a "dedicatory instrument" as defined by Section 202.001 of the Texas Property Code; and

WHEREAS, the Declaration of Covenants, Conditions and Restrictions for Village Green Homeowners Association of Denison, Inc., Executed by Village Green of Denison, Inc., Declarant, and recorded on or about August 10, 1983 at Volume 1656, Page 250 in the Real Property Records of Grayson County, Texas, including any amendments thereof, additions, annexations and supplements thereto and entitled "Declaration of Covenants and Restrictions" (the "Declaration") subjected to the scheme of development therein certain land described in the Declaration and Bylaws of the Association and located in Grayson County, Texas;

NOW THEREFORE, the undersigned authorized representative of the Association hereby executes this Certificate to effect the recording of the dedicatory instrument attached hereto on behalf of the Association.

[signature page follows]

EXECUTED this __, day of _____, 2025

Village Green Homeowners Association of Denison, Inc.,
A Texas non-profit corporation

By: _____
Eric Campbell, Director & Authorized Representative

STATE OF TEXAS

§

COUNTY OF GRAYSON

This instrument was acknowledged before me on the __, day of _____, 2025,
by Eric Campbell, Director and authorized representative of Village Green Homeowners Association
of Denison, Inc., a Texas nonprofit corporation, on behalf of said corporation.

Notary Public in and for the State of Texas

After Recording, Return to:
Manning & Meyers, Attorneys at Law
4340 N. Central Expressway, Suite 200
Dallas, TX 75206

**FIRST AMENDED AND RESTATED DECLARATION OF COVENANTS AND RESTRICTIONS FOR
VILLAGE GREEN HOMEOWNERS ASSOCIATION OF DENISON, INC.**

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

This FIRST AMENDED AND RESTATED DECLARATION OF COVENANTS AND RESTRICTIONS FOR VILLAGE GREEN HOMEOWNERS ASSOCIATION OF DENISON, INC. a/k/a Village Green Townhomes Addition Phase I (the "Amendment") is made effective as of the date of its filing in the Grayson County Real Property Records by the Village Green Homeowners Association of Denison, Inc.;

WITNESSETH

WHEREAS, the Declaration of Covenants, Conditions and Restrictions for Village Green Homeowners Association of Denison, Inc. a/k/a Village Green Townhomes Addition Phase I, Executed by Village Green of Denison, Inc., as Declarant, and recorded on or about August 10, 1983 at Volume 1656, Page 250 in the Real Property Records of Grayson County, Texas, including any amendments thereof, additions, annexations and supplements thereto and entitled "Declaration of Covenants and Restrictions" (the "Declaration") designating Village Green Homeowners Association of Denison, Inc. a/k/a Village Green Townhomes Addition Phase I (the "Association") to administer and enforce the Covenants and Restrictions contained in the Declaration; and

WHEREAS, an Adoption of Covenants, Conditions, and Restrictions was recorded on or about September 4, 1984 at Volume 1712, Page 10 in the Real Property Records of Grayson County, Texas ("First Amendment to the Declaration").

WHEREAS, the Declaration and all amendments and supplements thereto remain in full force and effect; and

WHEREAS, the Village Green Homeowners Association of Denison, Inc. is a townhome community with a property owner's Association and is subject to the provisions of Chapter 209 of the Texas Property Code;

WHEREAS, Section 209.0041(h) of the Texas Property Codes states that "*a declaration may be amended only by a vote of 67 percent of the total votes allocated to property owners in the property owners' association, in addition to any governmental approval required by law. If the declaration contains a lower percentage, the percentage in the declaration controls.*"

WHEREAS, Section 209.0041(e) and (f) of the Texas Property Codes state that

"(e) This section applies to a dedicatory instrument regardless of the date on which the dedicatory instrument was created.

“(f) This section supersedes any contrary requirement in a dedicatory instrument”.

WHEREAS, the Association has met the requirements of Section 209.0041(h) of the Texas Property Code.

WHEREAS, the Association, desires to amend the Declaration in certain respects.

RESOLVED, that pursuant to the provisions of Section 209.0041(h) of the Texas Property Code, the Declaration of the Village Green Homeowners Association of Denison, Inc. are hereby revoked and replaced with the following First Amended and Restated Declaration of Covenants and Restrictions for Village Green Homeowners Association of Denison, Inc. The Village Green Homeowners Association of Denison, Inc. declares that the Property and all portions thereof are and shall be held, transferred, assigned, sold, conveyed and occupied subject to all covenants, conditions, restrictions, easements, liens and charges contained in the Declaration, as modified and amended herein.

**FIRST AMENDED AND RESTATED DECLARATION OF
COVENANTS AND RESTRICTIONS FOR**

**VILLAGE GREEN HOMEOWNERS ASSOCIATION OF
DENISON, INC.**

Grayson County, Texas

**FIRST AMENDED AND RESTATED DECLARATION OF
COVENANTS AND RESTRICTIONS
FOR
VILLAGE GREEN HOMEOWNERS ASSOCIATION OF DENISON, INC.**

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Appendix A- Covenant Enforcement and Fining Policy

Appendix B- Maintenance Responsibility Chart

ARTICLE I
DEFINITIONS

The following words when used in this First Amended and Restated Declaration (unless the context shall otherwise prohibit) shall have the following meanings:

- (a) **"Architectural Control Committee"** and **"ACC"** shall mean and refer to the Architectural Control Committee described in Article XI hereof.
- (b) **"Assessment"** means any charge levied against a Lot or Owner by the Association, pursuant to the Documents or State law, including but not limited to Annual Assessments, Special Assessments, and Special Individual Assessments, as defined in this Declaration.
- (c) **"Articles of Incorporation"** shall mean and refer to the Articles of Incorporation of the Association filed with the Texas Secretary of State as may be amended from time to time.
- (d) **"Association"** means the Association of Owners of all Lots in the Property, initially organized as Village Green Homeowners Association of Denison, Inc., a Texas nonprofit corporation, and serving as the "property owners' association" defined in Section 202.001(2) of the Texas Property Code. The failure of the Association to maintain its corporate charter from time to time does not affect the existence or legitimacy of the Association, which derives its authority from this Declaration and the Bylaws.
- (e) **"Board"** or **"Board of Directors"** shall mean and refer to the Board of Directors of the Association.
- (f) **"Common Area"** means the land more particularly described in the Plat and made a part hereof for all purposes that is not situated within a Lot and any other property rights which are known, described or designated for, or which shall subsequently be intended for or devoted to, the common use and enjoyment of the Members.
- (g) **"Common Improvements"** means those improvements initially made by Declarant, within the Common Area and in the case of the Townhome fire protection, on Lots, together with such other improvements as have been or may be made hereafter by the Association.
- (h) **"Common Properties"** means the Common Area and Common Improvements, collectively. In certain circumstances, Common Properties may not be owned by the Association in fee, but may, in some instances, be held as an easement, be leased, or may simply be areas of land that are not owned or leased by the Association but which are maintained by the Association for the use and benefit of the Owners of the Association. An example of areas of Common Properties which may not be owned or leased by the Association but would constitute as portion of the Common Properties would be landscaped areas appurtenant to and within public rights-of way.
- (i) **"Declarant"** shall mean and refer to Village Green of Denison, Inc., and their successors and assigns. Declarant has assigned any and all rights that they owned to the Association.
- (j) **"Declaration"** means this Document, as it may be amended from time to time.
- (k) **"Documents"** means, singly or collectively as the case may be, this Declaration, the Plat, the

Bylaws, the Association's Articles of Incorporation, and the Rules of the Association, as any of these may be amended from time to time. An appendix, exhibit, schedule, or certification accompanying a Document is a part of that Document.

- (l) **"Dwelling"** means any and all permanent structures built upon a lot for purpose or purposes of occupancy as a residence or habitation.
- (m) **"Lot"** means a portion of the Property intended for independent ownership, on which there is or will be constructed a Dwelling, as shown on the Plat. 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. There are 31 Lots within the Association. The Lots are comprised of 22 Townhome Lots (the "Townhome Lots"), 8 Stand Alone Lots (the "Stand Alone Lots"), and 1 Single Family Home Lot (the "SFH Lot"). The Townhome Lots, Stand Alone Lots, and SFH Lot are hereinafter collectively referred to as "Lots" and individually referred to as Lots unless a distinction between "Townhome Lot", "Stand Alone Lots", and "SFH Lot" is relevant.
- (n) **"Majority"** means more than half.
- (o) **"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.
- (p) **"Owner"** means a holder of recorded fee simple title to a lot. Declarant is the initial Owner of all Lots. Contract sellers and mortgagees who acquire title to a Lot through a deed in lieu of foreclosure or through judicial or non-judicial 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.
- (q) **"Plat"** means all Plats, singly and collectively, recorded at Volume 3, Page 21 in the Plat Records of Grayson County, Texas, and any amendments and supplements thereto, pertaining to the tract which is platted or to be platted as Village Green Homeowners Association of Denison, Inc., a subdivision to the City of Denison, Texas, including all dedications, limitations, restrictions, easements, and reservations shown on the Plat, as it may be amended from time to time.
- (r) **"Property" or "Properties"** means all the land subject to this Declaration and all improvements, easements, rights, and appurtenances to the land. The name of the Property is Village Green Homeowners Association of Denison, Inc. The Property is located on land described in the Deed Records of Grayson County, Texas and includes every Lot and any Common Area thereon.

The Property is situated in the County of Grayson, State of Texas, being a part of the M.C. Davis Survey, Abstract No. 336, and being a part of the tract of the land conveyed by Charles M. Beatty and others to James E. Green, by deed recorded in Volume 1624, Page 652, Deed Records, Grayson County, Texas, and being described by metes and bounds as follows, to-wit:

Beginning at a steel rod maintaining the Northeast corner of said James Green tract;

Thence South 00 deg. 36 min. 35 sec. West, a distance of 378.40 feet to a steel rod maintain the Southeast corner of said Green tract;

Thence North 88 degrees, 50 minutes, 38 seconds, West, with Green's South line, a distance of 429.81 feet to a steel rod;

Thence North 01 degree, 09 minutes, 22 seconds, East, a distance of 144.67 feet to a steel rod;

Thence North 88 deg. 24 min. 29 sec. West, a distance of 75.73 ft. to a steel rod;

Thence North 01 deg. 35 min. 31 sec. East, a distance of 8.99 ft. to a steel rod;

Thence North, a distance of 227.77 ft. to a steel rod maintaining the Northwest corner of said Green tract;

THENCE South 88 deg. 26 min. 20 sec. East, a distance of 506.42 ft. to the place of beginning and containing 4.155 acres of land.

- (s) **"Easement Property"** shall mean and refer to private areas and easements marked on the Plat. It is expressly provided that if there is ever any dispute concerning the exact description of the Easement Property, the Board shall retain a surveyor and direct such surveyor to describe the Easement Property by metes and bounds generally describe herein. The legal description developed by such surveyor shall become the legal description for the Easement Property.
- (t) **"Resident"** means an occupant of a Dwelling, regardless of whether the person owns the Lot.
- (u) **"Rules"** means Rules, Regulations and Restrictions of the Association adopted in accordance with the Documents or Texas law.

ARTICLE II PROPERTY SUBJECT TO THIS DECLARATION

2.01 Existing Properties. The Properties which are, and shall be, held, transferred, sold, conveyed, and occupied subject to this Declaration are located in the City of Denison, Grayson County, State of Texas, and are more particularly described on the recorded Plats for the Village Green Townhomes Addition Phase I and Village Green Townhomes Addition Phase II, which are incorporated herein by reference for all purposes. This Declaration binds all parties having or acquiring any right, title, or interest in the Property, their heirs, successors, and assigns, and inure to the benefit of each owner of the Property.

2.02 Common Properties. The Common Properties 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.
- (b) Any area shown on the Plat, Declaration, or Maintenance Responsibility Chart as Common Area or an area to be maintained by the Association;
- (c) Small structure that houses the mailboxes for the Association;
- (d) The formal entrance to the Property, including (if any), signage, landscaping, electrical and water installations, planter boxes and fencing;

- (e) Dumpster and screening structure;
- (f) The screening walls, retaining walls, fences, or berms along the sides of the Property;
- (g) Any modification, replacement, or addition to any of the above-described areas and improvements; and
- (h) Area in the rear of the Association adjacent to the creek;
- (i) Visitor parking spaces;
- (j) Personal property owned by the Association, such as books and records, office equipment, and supplies.

2.03 Streets within the Property. The streets within the Property are privately owned by the Association. The streets are part of the Common Properties, which is governed by the Association. To the extent not prohibited by public law, the Association, acting through the Board, is specifically authorized to adopt, amend, repeal, and enforce Rules, Regulations, and procedures for use of the private streets – whether public or private – including but not limited to:

- (a) Identification of vehicles used by Owners and Residents and their guests.
- (b) Designation of speed limits and parking or no-parking areas.
- (c) Removal or prohibition of vehicles that violate applicable Rules and Regulations.
- (d) Fines for violations of applicable Rules and Regulations.

2.04 Annexation. No additional Lots or Property may be annexed into the Association.

ARTICLE III MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

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

3.02 Classes of Membership. The Association shall have only one class of voting membership. All Members shall be entitled to one (1) vote for each Lot in which they hold the interest required for membership.

3.03 Voting. One vote is appurtenant to each Lot. The total number of votes equals the total number of Lots in the Property. If additional property is made subject to this Declaration, the total number of votes will be increased automatically by the number of additional lots or tracts. Each vote is uniform and equal to the vote appurtenant to every other Lot. Cumulative voting is not allowed. Votes may be cast by written proxy, according to the requirements of the Association's Bylaws.

3.04 Voting by Co-Owners. The one vote appurtenant to a Lot is not divisible. Where there are multiple Owners of a Lot it is not intended by any provision of the Declaration or the Bylaws that each of said Owners shall be entitled to cast the votes allocated to such Lot nor may fractional votes be cast. When more than one person or entity owns the interest or interests in any Lot, as required for membership in the Association, each and every person or entity shall exercise their vote as they among themselves, collectively determined and they shall designate one person to cast the vote or execute a written consent, as applicable. If such owners are unable to agree among themselves as to how one vote per Lot shall be cast, they shall forfeit the right to vote on the matter in question. If more than one person or entity purports to exercise the voting rights with respect to any such Lot on any matter in question, none of such votes shall be counted in tabulating the vote on such matter and such votes shall be deemed void.

Owners of exempt properties as described below in this Declaration shall be Members but shall not have voting rights.

3.05 Quorum, Notice, and Voting Requirements.

- (a) The presence, in person or by proxy, of Members entitled to cast, or of proxies entitled to cast, at least twenty-five percent (25%) of the votes of all Owners, regardless of class, shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration or Bylaws. If the required quorum is not present or represented at the meeting, one additional meeting may be called, subject to the notice requirements set forth below, and the required quorum at such second meeting shall be one-half (1/2) of the required quorum at the preceding meeting; provided, however, that no such second meeting shall be held more than 60 days following the first meeting.
- (b) "Proxies" At all meetings of Members, each Member may vote in person or by proxy. Any Proxy must be assigned to another Member of the Association. Proxies may not be assigned to tenants. All proxies shall be in writing and filed with the secretary or the Association's managing agent at least 24 hours before the appointed time of each meeting. Proxies shall be revocable and shall be valid until the adjournment of the meeting for which they were given, unless such meeting is adjourned and reconvened, in which case the proxy shall remain valid until such reconvened meeting is adjourned. Except as otherwise specifically set forth in this Declaration, notice, voting, and quorum requirements for all actions to be taken by the Association shall be consistent with its Articles of Incorporation and Bylaws, as same may be amended from time to time.
- (c) Except as specifically set forth in this Declaration, notice, voting, and quorum requirements to be taken by the Association shall be consistent with its Articles of Incorporation Bylaws, and State Law.

3.06 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 and the

Association's Document Inspection and Copying's Policy.

3.07 Indemnification. The Association indemnifies every Officer, Director, and Committee Member (for purposes of this Section, "Leaders") against expenses, including attorney's fees, reasonably incurred by or imposed on the Leader in connection with an action, suit, or proceeding to which the Leader is a party by reason of being or having been a Leader. A Leader is not liable for a mistake of judgment, negligent or otherwise. A Leader is liable for his willful misfeasance, malfeasance, misconduct, or bad faith.

ARTICLE IV
PROPERTY RIGHTS IN THE COMMON PROPERTIES
AND EASEMENT PROPERTY

4.01 Members' Easements of Enjoyment. Subject to the provisions of this article, every Member and every tenant of every Member, who resides on a Lot, and each individual who resides with either of them, respectively, on such Lot shall have a non-exclusive right and easement of use and enjoyment in and to the Common Properties, and such Easement shall be appurtenant to and shall pass with the title of every Lot; provided, however, such Easement shall not give such person the right to make alterations, additions, or improvements to the Common Properties.

4.02 Extent of Member's Easements. The rights and easements of enjoyment created hereby shall be subject to and limited by the following:

- (a) The right of the Association to prescribe Regulations governing the use, operation, and maintenance of the Common Properties;
- (b) The right of the Association to enter into and execute contracts with parties for the purpose of providing maintenance for all or a portion of the Common Properties or providing materials or services consistent with the purposes of the Association;
- (c) The right of the Association, subject to approval by written consent by the Member(s) having a majority of the outstanding votes of the Members, in the aggregate, to dedicate or transfer all or any part of the Common Properties to any public agency, authority, or utility company for such purposes and upon such conditions as may be agreed to by such Members; and
- (d) The right of the Association, at any time, to make such reasonable amendments to the Plat of the Properties recorded in the Plat Records of Grayson County, Texas, as it seems advisable, in its sole discretion. All Members are advised that a portion of the Common Properties may be located within a platted and dedicated public right-of-way and in connection therewith the public shall have right of use and enjoyments of Common Properties located within public right-of-way.

4.03 Government Easements. The City of Denison ("City") is hereby granted an easement covering the private streets as shown on the Plat of the Village Green Townhomes Addition Phase I and Village Green Townhomes Addition Phase II for the purpose of providing unrestricted use of such Common Properties for utilities and the maintenance of same. This easement shall extend to all utility providers, including telecable companies operating within the City. The City shall also have the right of access on such Common Properties for any purpose related to the exercise of a governmental service or function, including, but not limited to, fire and police protection, inspection, and code enforcement. This easement further

permits the City to remove any vehicle or obstacle within the private street that impairs emergency access. Nothing in this easement grant shall obligate the City to pay for any portion of the cost of constructing or maintaining a private street. After completion and acceptance of water, sewer, and storm drainage facilities within the Common Properties, the water and sewer facilities shall be dedicated to the City. Nevertheless, all storm drainage facilities in the Village Green Townhomes Addition Phase I and Village Green Townhomes Addition Phase II shall remain within the ownership and maintenance responsibilities of the Association and the City shall not be liable for any such costs.

4.04 Association Easements. The Association shall have a non-exclusive right and easement to access and maintain the Easement Property. Such easement shall be appurtenant to and shall pass with the title of every Lot containing Easement Property for the benefit of the Common Properties and the Association.

4.05 Extent of Association Easements. The rights and the easements created hereby in the Easement Property shall be subject to and limited by the following:

- (a) The Association shall have the right to maintain the landscaping, ponds, creek area, and bridges on the Easement Property, including installation of irrigation, all as may be determined by the Association in a manner substantially similar to the landscaping initially installed by the Association on the Easement Property.
- (b) The right of the Association to enter into and execute contracts with parties for the purpose of providing maintenance for all or a portion of the Property. The Association shall consistently maintain the Easement Property in a way that preserves the bridges and landscaping in a consistent, attractive manner for the visual benefits of all Owners.

4.06 Duration of Easements. The easements referenced herein are perpetual. The Association may assign this easement, or any portion thereof, to the City if the City agrees to accept the assignment.

4.07 Risk. Each Resident uses all Common Properties at their own risk. All Common Properties are unattended and unsupervised. Each Resident is solely responsible for their own safety and the safety of their guests. The Association disclaims any and all liability or responsibility for injury or death occurring from use of the Common Properties.

ARTICLE V COVENANTS AND ASSESSMENTS

5.01 Creation of the Lien and Personal Obligation for Assessments. Each Owner, by accepting an interest in or title to a Lot, whether or not it is so expressed in the instrument of conveyance, covenants and agrees to pay Assessments to the Association. Each Assessment is a charge on the Lot and is secured by a continuing lien on the Lot. Each Owner, and each prospective Owner, is placed on notice that his title may be subject to the continuing lien for Assessments attributable to a period prior to the date he purchased his Lot.

5.02. Types of Assessments. The Association may charge a number of different types of Assessments to Owners within the Association. At the discretion of the Board, these Assessments may be separately budgeted, separately accounted for, and if necessary, separate bank accounts maintained. These Assessments include:

(1) Annual Maintenance Assessments and charges incurred for the benefit of all Property Owners as defined in 5.06 (a), and allocated among all Property Owners in accordance with Section 5.06 of this Declaration;

(2) Special Assessments for capital improvements and other purposes;

(3) Special Individual Assessments levied against one or more Owners to reimburse the association for extra costs for maintenance and repairs under this Declaration or resulting from the willful or negligent acts or omissions of such Owner or Owners, his tenants (if applicable) and their respective family, agents, guests, and invitees; and

5.03 Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents of the property and in particular for:

- a) The improvement and maintenance of the Common Properties;
- b) The maintenance, repair and reconstruction, when needed as determined by the Association or Board, of the Association's responsibilities under this Declaration;
- c) The maintenance, repair and reconstruction of any item within the Maintenance Responsibility Chart for which the Association maintains responsibility;
- d) The payment of taxes and public assessments levied against the Common Properties;
- e) The procurement and maintenance of insurance in accordance with this Declaration;
- f) The employment of attorneys to represent the Association, when necessary or desirable;
- g) The provision of adequate reserves for the restoration or replacement of capital improvements for which the Association is responsible under this Declaration;
- h) Lawn maintenance within the Association as allowed under this Declaration;
- i) General and administrative, management, legal, and accounting costs, etc. and
- j) Such other needs as may arise in the performance of the Association's obligations under this Declaration.

The Assessments the Association is authorized to levy under this Section and under other applicable provisions of this Declaration shall include, but shall not be limited to, the costs and expenses incurred or to be incurred by the Association in managing, administering, paying for, or contracting for the performance of any of the items listed in subparagraphs (a) through (i) above.

5.04 Reserves. The Association may establish and maintain adequate reserve funds for the normal routine maintenance, repair, restoration and/or replacement of (a) improvements in the Common Properties, (b) streets, entrance, and other amenities, (c) and those other portions of the Property which the Association may be obligated to maintain. If established, such reserve funds shall be budgeted, accounted for and maintained, insofar as is practicable, out of regular Assessments.

5.05 Responsibility of Association for Assessments. The Association has the responsibility and duty of maintaining the Common Properties including, but not limited to, the payment of taxes on and Insurance in connection with respect to the Common Properties and with respect to both the Common Properties, the cost of repairs, replacements, and additions thereto, and for paying the cost of labor, equipment (including the expense of leasing any equipment) and materials required for, and management and supervision of, the Common Properties and Easement Property.

5.06 Annual Assessments. The Annual Assessments are comprised of Assessments defined in (a) and

(b) below:

- (a) For the management and upkeep of the Common Properties and general Association operating costs, the Board shall determine the amount of the Annual Maintenance Assessments for each year, which Assessments may include a reserve fund for working capital and may include a reserve fund for normal routine maintenance, repairs, and replacements.
- (b) This portion of the Annual Maintenance Assessment in support of the annual budget is apportioned equally to all Lot Owners.
- (c) The Board shall cause to be prepared an estimated annual budget for each fiscal year of the Association, taking into account all anticipated common expenses, the amount that should be set aside for unforeseen contingencies, the amount that should be set aside for capital improvements, the anticipated income, if any, of the Association from sources other than Assessments, and the existence of any surplus or deficit remaining from the preceding year's budget. Included in the proposed budget shall be the proposed Association management and upkeep and the Common Properties expenditures against each Lot for such fiscal year. The proposed annual budget and the proposed annual Assessment against each Lot for each fiscal year shall be approved and adopted by the Board. A copy of the proposed budget, including the total proposed Annual Assessments against each Lot, shall be furnished to each Owner at least ten (10) days prior to the earlier to occur of (i) the day that the Board adopts the budget and the Annual Assessments against each Lot, or (ii) the beginning of each fiscal year of the Association. Copies of the proposed budget shall also be available to all Members for inspection during regular business hours at the Association's office during the same period.
- (d) Annual Assessments are determined by the Board and may be increased by the Board effective at the beginning of each fiscal year without a vote of the membership, but subject to the following limitations:
 - i. Veto Increased Annual Assessments. The Board will notify Owners of each lot of the amount of, the budgetary basis for, and the effective date of the increase per 5.06 (c) above. The increase will automatically become effective unless Owners of at least a Majority of the Lots disapprove the increase by petition or at a meeting of the Association within fifteen (15) days after the effective date of the increase. In that event, the last approved budget will continue in effect until a revised budget is approved.
 - ii. Veto Special Assessments. At least 30 days prior to the effective date of a Special Assessment, the board will notify Owners 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 two-thirds (2/3) of the lots disapprove the Special Assessment by petition or at a meeting of the Association within fifteen (15) days after the effective date of the Assessment.
- (e) The Annual Assessments may be increased or decreased by the Board based upon the approved annual budget. The Board may, after consideration of current maintenance, operation and other costs, and the future needs of the Association, fix the Annual Assessments for any year at a lesser amount than that of the previous year.
- (f) The Board may provide that Annual Assessments shall be paid monthly, quarterly, semi-annually, or annually on a calendar year basis. No later than thirty (30) days prior to the beginning of each

fiscal year of the Association, the Board shall (i) estimate the total common expenses to be incurred by the Association for the forthcoming fiscal year, (ii) determine, in a manner consistent with the terms and provisions of this Declaration, the amount of the Annual Assessments to be paid by each Owner, and (iii) establish the date of commencement of the Annual Assessments. Written notice of the Annual Assessments to be paid by each Member and the date of commencement thereof shall be sent to every Member, but only to one (1) Joint Owner. Each Member shall thereafter pay to the Association his Annual Assessments in such manner as determined by the Board.

- (g) The Annual Maintenance Assessment may include reasonable amounts, as determined by the Members or by the Board, collected as reserves for the future maintenance, repair, and/or replacement of all or a portion of the Common Properties and Easement Property. All amounts collected as reserves, for this purpose, may be deposited in a separate bank account to be held in trust for the purposes for which they were collected and are to be segregated from and not commingled with any other funds of the Association. Assessments collected as reserves for this purpose shall not be considered to be advance payments of regular annual maintenance assessments.
- (h) Notwithstanding anything in this Section to the contrary, if any amount is assessed against a Lot as a result of damage that was caused to said Lot, the Structure that is located partially on such Lot, or to some other part of the Property by the willful or negligent act(s) of the Owner of the assessed Lot, such amount shall not be considered or counted in determining whether a regular assessment has been made against such assessed Lot under this Section.
- (i) The 22 Townhome Lots, 8 Stand Alone Lots, and 1 Single Family Home Lot shall be responsible for an equal amount of annual maintenance assessments.

5.07 Special Assessments and Special Individual Assessments.

- (a) In addition to the Annual Maintenance Assessments authorized in this Declaration, the Board of the Association may levy in any fiscal year a Special Assessment for the purpose of (i) defraying, in whole or in part, the cost of any construction or reconstruction, repair, or replacement of improvements upon the Properties or Common properties, including the necessary fixtures and personal property related thereto, (ii) maintaining portions of the Common Properties and Easement Property and improvements thereon, or (iii) carrying out other purposes of the Association. All such amounts collected by the Association as a Special Assessment may only be used for the purposes that the Special Assessment was originally levied and shall be deposited by the Board in a separate bank account to be held in trust for such purpose. These funds shall not be commingled with any other fund of the Association. Special Assessments shall be paid as determined by the Board, and the Board may permit Special Assessments to be paid in installments extending beyond the fiscal year in which the Special Assessment is imposed.

The City shall not be obligated to maintain such private streets and drainage facilities but shall have the authority to make repairs to streets and drainage facilities if the Association fails to do so. In such event the City shall have the right to assess all costs plus interest accrued from the time the City installs such improvements until all funds are collected. Such assessments may be made against each Lot on a pro rata basis.

- (b) Special Assessments shall be apportioned equally to all Lot Owners. The 22 Townhome Lots, 8 Stand Alone Lots, and 1 Single Family Home Lot shall be responsible for an equal amount of special assessments.
- (c) The Board may levy Special Individual Assessments against one or more Owners for (i) reimbursement to the Association of the costs for repairs to the Properties or Common Properties and improvements thereto occasioned by the willful or negligent acts of such Owner or Owners; (ii) for payment of fines, penalties, or other charges imposed against an Owner or Owners relative to such Owner's failure to comply with the terms and provisions of this Declaration, the Bylaws of the Association, or any rules or regulation promulgated hereunder. Any Special Individual Assessment levied by the Association shall be paid by the Owner or Owners directly to the Association. All amounts collected by the Association as Special Individual Assessments under this Section shall belong to and remain with the Association.

5.08 Date of Commencement of Assessments; Due Dates; No Offsets. The various Assessments of 5.02 provided for herein shall commence on a date or dates fixed by the Board of the Association to be the date of commencement and except as hereinafter provided, shall be payable monthly, quarterly, semi-annually, or annually, in advance, on the first day of each payment period thereafter, as the case may be as the Board of Directors shall direct. All assessments shall be payable in the amount specified by the Association and no offsets against such amount shall be permitted for any reason.

5.09 Duties of the Board with Respect to Assessments.

- (a) The Board of the Association shall fix the date of commencement and the amount of the Annual Assessments against each Lot for each assessment period.
- (b) Written notice of all Assessments shall be delivered or mailed to every Owner subject thereto. Such notice shall be sent to each Owner at the last address provided by each Owner, in writing, to the Association.
- (c) The omission of the Board to fix the Annual Assessments within the time period set forth above for any year shall not be deemed a waiver of modification in any respect of the provisions of this Declaration, or a release of any Owner from the obligation to pay the Assessments, or any installment thereof for that or any subsequent year, but the Assessments fixed for the preceding year shall continue until new Assessments are fixed.
- (d) The Board shall upon demand at any time furnish to any Owner liable for said Assessments a certified letter signed by an officer or agent of the Association, setting forth whether said Assessments have been paid. Such certificate shall be conclusive evidence of Payment of any Assessment therein stated to have been paid. A reasonable charge may be made by the Board for the issuance of such certificates.

5.10 Non-payment of Assessments.

- (a) **Assessment Lien.** Each owner, by accepting an interest in or title to a Lot, whether or not it is so expressed in the instrument of conveyance, covenants and agrees to pay Assessments to the Association. Each Assessment is a charge on the Lot and is secured by a continuing lien on the Lot. Each owner, and each prospective owner, is placed on notice that his title may be subject to the continuing lien for Assessments attributable to a period prior to the date he

purchased his Lot.

- (b) **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.
- (c) **Effect of Mortgagee's Foreclosure.** Foreclosure of a superior lien extinguishes the Associations' claim against the lot for unpaid Assessments that became due before the sale, but does not extinguish the Association claim against the former owner. The purchaser at the foreclosure sale of a superior lien is liable for Assessments coming due from and after the date of the sale, and for the owner's pro rata share of the pre-foreclosure delinquency as an Association Expense.

5.11 Notice of Lien and Release of Lien. The Association's lien for Assessments is created by recordation of the Declaration, which constitutes record notice and perfection of the lien. No other recordation of a lien or notice of Lien is required. However, the Association, at its option, may cause a notice of the lien to be recorded in the county's real property records. If the debt is cured after a notice has been recorded, the Association will record a release of the notice at the expense of the curing owner.

5.12 Power of Sale. By accepting an interest in or title to a Lot, each owner grants to the Association a private power of non-judicial sale in connection with the Association's assessment lien. The board may appoint, from time to time, any person, including an officer, agent, trustee, substitute trustee, or attorney, to exercise the Association's lien rights on behalf of the Association, including the power of sale. The appointment must be in writing and recorded in the Real Property Records of Grayson County, Texas.

5.13 Foreclosure of Lien. The Assessment lien may be enforced by judicial or non-judicial foreclosure. A foreclosure must comply with the requirements of Chapter 209 of the Texas Property Code. A non-judicial 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 the requirements of 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 said lot. The Association may not foreclose the Assessment lien if the debt consists solely of fines.

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

5.14 Collection Due Date & Liability. An Assessment is delinquent if the Association does not receive payment in full by the Assessment's due date. The Association, acting through the board, is responsible for taking action to collect delinquent Assessments. The Association's exercise of its remedies is subject

to applicable laws, such as Chapter 209 of the Texas Property Code, and pertinent provisions of the bylaws. From time to time, the Association may delegate some or all of the collection procedures and remedies, as the board in its sole discretion deems appropriate, to the Association's manager, an attorney, or a debt collector. Neither the board nor the Association, however, is liable to an owner or other person for its failure or inability to collect or attempt to collect an Assessment. The following remedies are in addition to and not in substitution for all other rights and remedies which the Association has.

5.15 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 maximum permitted by law. If the board fails to establish a rate, the rate is 10 percent per annum.

5.16 Late Fees. Delinquent Assessments are subject to reasonable late fees, at a rate to be determined by the board from time to time.

5.17 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 attorney's fees and processing fees charged by the manager.

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

5.19 Suspension of Use of Common Areas. If an Owner's account has been delinquent for at least 30 days, the Association may suspend the right of owners and residents to use common areas and common services during the period of delinquency. Suspension does not constitute a waiver or discharge of the Owner's obligation to pay Assessments.

5.20 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.

5.21 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.

5.22 Foreclosure of Assessment Lien. As provided by this Declaration, the Association may foreclose its lien against the lot by judicial or non-judicial means.

5.23 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.

5.24 Subordination of the Lien to Mortgages. The lien securing the payment of the Assessments shall be subordinate and inferior to the lien of any purchase money liens, home improvement liens, or home equity liens hereafter recorded against any Lot; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale, whether public or private, of such property pursuant to the terms and conditions of any such mortgage or deed of trust such sale

shall not relieve the new Owner of such Lot from liability for the amount of any Assessment thereafter becoming due nor from the lien securing the payment of any subsequent assessment.

5.25 Exempt Property. The following property subject to this Declaration shall be exempted from the assessments, charges, and liens created within this Declaration:

- (a) All properties dedicated and accepted by the local public authority and devoted to public use.
- (b) All Common Properties.

5.26 Estopel Information from Board with Respect to Assessments. The Board shall upon demand at any time furnish to any Owner liable for an Assessment, a ledger of that Owner's account which shall set forth whether said Assessment has been paid.

ARTICLE VI REMEDIES FOR BREACH OF RULES & REGULATIONS OR DOCUMENTS

6.01 Notice & Hearing. Before the Association may exercise many 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 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 attorney's fees incurred by the Association.

6.02 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.

6.03 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.

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

Fines shall be levied in accordance with the Village Green Homeowners Association of Denison, Inc. Covenant Enforcement & Fining Policy attached hereto as Appendix A. The Board of Directors of the Association maintains the authority to unilateral authority to amend and alter this Fining Policy without necessity for further amendment to this Declaration.

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

6.06 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 a Special Individual Assessment. Unless an emergency situation exists in the good faith opinion of the board, the board will give the violating owner 15 days' notice of its intent to exercise self-help.

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

6.08 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.

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

6.10 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 VII GENERAL POWERS AND DUTIES OF BOARD OF DIRECTORS OF THE ASSOCIATION

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

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

- (b) To acquire (free and clear of any encumbrances), maintain and otherwise manage all or any part of the Common Properties and all facilities, improvements and landscaping thereon, and all personal property acquired or owned by the Association;
- (c) To mow and trim the landscaping on common areas within the Association;
- (d) Except as may otherwise be provided in the Declaration, and with approval of two-thirds (2/3) of all members within the Association, to dedicate, or gauge or sell all or any part of the Common Properties and all facilities, improvements and landscaping thereon and all personal property acquired or owned by the Association;
- (e) To execute all declarations of ownership for tax assessment purposes and to pay any and all real and personal property taxes and other charges or assessments levied against the Common Properties, if any, and less the same or separately assessed to all or any of the Owners, in which event such taxes shall be paid by such Owner's;
- (f) To obtain, for the benefit of the community properties, all water, gas and electrical services, refuse collections, landscape maintenance services and other services which in the opinion of the Board shall be necessary or proper;
- (g) To make such dedications and grant such Easements, licenses, franchises and other rights which in its opinion are necessary for street, right of way, utility, sewer, drainage and other similar facilities or video services, cable television services, security services, communication services and other similar services over the Common Properties to serve the properties or any part thereof;
- (h) To contract for and maintain such policy or policies of insurance as may be required by the Declaration or as the Board deems necessary and desirable in furthering the purpose of protecting the interest of the Association and its Members;
- (i) To borrow funds to pay costs of operation secured by assignment or pledge of its rights against delinquent Owners to the extent deemed advisable by the Board of Directors. Owner Approval is required for loans greater than \$10,000.00. For such loans, the Board will notify Owners of each Lot, in writing, of the amount of, the budgetary basis for, and the effective date of any proposed loan of greater than \$10,000.00. The Board of Directors may not proceed forward with the loan unless Owners of at least a Majority of the Lots voting approve the loan.
- (j) To enter into contracts for legal and accounting services, maintain one or more bank accounts, and generally, to have the powers necessary or incidental to the operation and management of the Association and the Common Properties;
- (k) If, as and when the Board, in its sole discretion, deems necessary it may, but shall not be obligated to, take action to protect or defend the Common Properties or other Properties of the Association from loss or damage by suit or otherwise;
- (l) If, as and when the Board in its sole discretion, deems it necessary it may, but shall not be obligated to, sue in any court of law on behalf of the Association one (1) or more of its Members;

- (m) To establish and maintain a working capital and/or contingency fund in amount to be determined by the Board;
- (n) To establish, make, amend from time to time and enforce compliance with reasonable Rules and Regulations for the operation and use of the Common Properties by any means authorized under the Declaration, Bylaws or Articles of Incorporation which shall include the right to impose reasonable monetary fines;
- (o) To make an unaudited annual report available after each fiscal year to each Owner and any individual or entity holding a mortgage or deed of trust on any Lot;
- (p) To adjust the amounts, collect and use any insurance proceeds to repair damage or replace lost property owned by the Association, and if the proceeds are insufficient to repair damage or replace lost property owned by the Association, to assess the Members proportionate amounts to cover the deficiency;
- (q) To provide services for the benefit of Members, including but not limited to security, entertainment, recreation, education and television cable;
- (r) To delegate its powers and duties to Committees, Officers or employees as provided in this Declaration, employee manager or managing agent or other persons and contract with independent contractors or agents who have professional experience to perform all or any part of the duties and responsibilities of the Association, provided that any contract with the person or entity appointed as a manager or managing agent shall be terminable with or without cause on not more than ninety (90) days written notice by the Association and shall have a term of not more than one (1) year with successive one (1) year renewal periods upon the mutual agreement of the parties;
- (s) To cause to be kept a complete record of all of its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or any special meeting when such statement is requested in writing by 25% or more of the outstanding votes of the Members;
- (t) To elect the Officers of the Association;
- (u) To fill vacancies on the Board in accordance with the Bylaws;
- (v) Generally, to have any and all powers necessary or incidental to the operation and management of the Association and the Common Properties.
- (w) To adopt and amend Rules regulating the collection of delinquent Assessments and the application of payments;
- (x) To adopt and amend Rules and Regulations for the governing the use and occupancy of Common Areas, Common Properties, and Lots within the Association;
- (y) To adopt and amend Rules & Regulations regarding rental properties within the Association; and

(z) To purchase insurance as required by this Declaration.

7.02 Board Powers. From and after the date on which the title to the Common Properties has been conveyed to the Association, the Board shall have the exclusive right to contract for all goods, services, and insurance, and the exclusive right and obligations to perform the function of the Board, except as otherwise provided herein.

7.03 Maintenance Contracts. The Board, on behalf of the Association, shall have full power and authority to contract with any Owner for the performance by the Association of services which the Board is not otherwise required to perform pursuant to the terms hereof, such contracts to be upon such terms and conditions and for such consideration as the Board may deem proper, advisable and in the best interest of the Association.

7.04 Liability Limitations. No Member, Officer of the Association, or Member of the Board of Directors of the Association shall be personally liable for debts contracted for, or otherwise incurred by the Association, or for the tort of another Member, whether such other Member was acting on behalf of the Association or otherwise. Neither Declarant, the Association, its Directors, Officers, agents, or employees shall be liable for any incidental or consequential damages for failure to inspect any premises, improvements, or portion thereof or for failure to repair to maintain the same.

7.05 Reserve Funds. The Board may establish reserve funds, for such purposes as may be determined by the Board, which may be maintained and accounted for separately from other funds maintained for annual operating expenses and may establish separate, Irrevocable trust accounts in order to better demonstrate that the amounts deposited therein are capital contributions and are not income to the Association. Expenditures from any such fund will be made at the direction of the Board. The reserve fund provided for herein shall be used for the general purposes of promoting the recreation, health, safety, welfare, common benefit, and enjoyment of the Owners and occupants of the subdivision, and maintaining the subdivision and improvements herein, all as may be more specifically authorized from time to time by the Board of Directors.

ARTICLE VIII INSURANCE

8.01 Insurance Coverage. Insurance coverage on the Property shall be governed by the following provisions:

(a) Purchasing, Policies: Primary Coverage.

- i. The Association shall carry property insurance for any damage or destruction of Common Improvements in the Common Areas by fire or other casualty. The Board or its duly authorized agent shall have the authority to purchase such property insurance, umbrella coverage, and any other insurance policies upon the Common Properties required by this Article for the benefit of the Association and the Owners, as their interest may appear. All policies shall be written with a company licensed to sell insurance in the State of Texas.
- ii. Each Owner must obtain, at their expense, (A) property insurance upon the improvements on their Lot and the real property located thereon (including any house on the Lot) and their personal property, and (B) liability insurance against claims asserted against them by other parties, and (C) such other insurance coverages, as the Owner considers appropriate or as required by any mortgagee of the Owner. Property insurance upon real property maintained by Owners must cover 90% of the replacement value of the improvement upon the real property. Any insurance proceeds received by an Owner due to a casualty or loss upon a Lot must be applied to the repair and replacement of the dwelling upon the Lot.
- iii. The Association will not be expected or required to maintain (A) property insurance for damage to the real property, houses, or other improvements or personal property owned individually by the Owners on their Lots, or (B) liability insurance that protects any Owner against liabilities associated with any accident or other occurrence on that Owner's Lot or otherwise.

(b) Premiums. Premiums for insurance policies maintained by the Association as provided in this Declaration shall be charged to all Owners as part of the Annual Maintenance Assessment.

(c) Proceeds. All insurance policies purchased by the Association shall be for the benefit of the Association, and exclusive authority to adjust losses under policies maintained by the Association shall be vested in the Board. Insurance proceeds paid under any property insurance maintained by the Association shall be payable solely to the Association for application as required or permitted by this Declaration. Upon the payment of any such proceeds to the Association, the sole duty of the Association shall be to hold and apply the proceeds for the purposes stated herein or in the Bylaws of the Association. Unless otherwise stated in the Bylaws, such property insurance proceeds will be applied as follows:

- i. first, to pay or provide for the expenses incurred by the Association to adjust or recover the proceeds; and.
- ii. second, the remaining proceeds shall be used to pay or defray the Association's cost of the repairs, reconstruction or replacement of the damaged Common Properties and of obtaining the release or discharge of any asserted mechanic's liens, materialmen's liens or other such liens related to the reconstruction, replacement or repair work.

8.02 Insufficient Proceeds. If property Insurance proceeds are insufficient to repair or replace any loss or damage to Common Properties, the Association may levy a Special Assessment as provided for this Declaration to cover the deficiency. Prior to levying a Special Assessment, the Association shall do all within its power to obtain sufficient proceeds from the property insurance, if any, maintained by the Association to cover the loss or damage.

8.03 Mortgagee Protection. Property insurance maintained by any Owner for any house or other improvements on its Lot may include a mortgagee's or lender's loss payable clause, giving the beneficiary of the clause a right to payment of insurance proceeds in the event of loss or damage to the Owner's house or other improvements by fire or other casualty. However, no mortgagee of or lender to any individual Owner may require that the Association include such a clause in the property insurance, if any, maintained by the Association on the Common Properties.

8.04 Destruction of Landscaping or Improvements on Individual Lots. If a fire or other casualty causes damage to any landscaping or improvements on any Lot (including any house on the Lot), then the Owner of that Lot must proceed with reasonable promptness to either (1) make repairs and replacements as required to restore the landscaping and exterior of the improvements to a safe and sightly condition, or (2) remove the landscaping or damaged improvements from the Lot as required to put the Lot in a safe and sightly condition. If the Owner fails to commence the work required by this section within two (2) months after the date that the damage occurs or in a timely manner, or fails to complete the required work within one (1) year or in a timely manner after the date that the damage occurs, then the Association may clear and remove any and all debris resulting from such damage at the expense of the Owner and assess the costs of such against the Owner as a Special Individual Assessment. The Association shall not be responsible for the repair or replacement of any landscaping upon an Owner's Lot.

8.05 Association & Owner Responsibilities. The Association may carry commercial general liability (CGL) insurance covering bodily injury (including resulting death) and damage to the property of others occurring (or alleged to occur) in the Common Properties or arising out of negligent acts by employees or authorized representatives of the Association. However, the Association does not assume any responsibility for, or obligation to maintain liability insurance against, claims asserted against individual Owners (or their family members or guests) because of actual or alleged occurrences on the Property.

Each Owner expressly acknowledges and agrees that:

- (a) Neither the Association nor any Officer, Director, and Committee Member will be responsible or liable to any Owner or anyone claiming through the Owner (including any insurance company claiming by subrogation) for any damage or destruction of any house or other improvements or personal property on the Owner's Lot by fire or other casualty.
- (b) If an Owner or anyone claiming through the Owner (including any insurance company claiming by subrogation) asserts a claim against the Association or any Officer, Director, and Committee Member that is contrary to the preceding sentence, the Owner must defend and indemnify the Association or the Officer, Director, and Committee Member (as the case may be) from all costs (including attorneys' fees), losses, or damages that it suffers because of the claim.

(c) **The provisions of this Section are subject to all other provisions of this First Amended Declaration, including, but not limited to, provisions related to indemnity, even if the Association or any Officer, Director, and Committee Member is or is alleged to be negligent or strictly liable.**

Each Owner will cooperate with the Association and the Architectural Review Authority in connection with the establishment, evolution, and maintenance of reasonable controls on the pedestrian and vehicular traffic into and within the Property and abide by any and all Rules and Regulations of the Association, as adopted and promulgated from time to time, related to the entry upon or use of any private streets or other Common Properties within the Property.

8.06 Association & Owner Responsibilities. The Association does not assume any liability or responsibility for the real or personal property of the Owners (and their family members and guests) except as otherwise provided within this Declaration.

Except as otherwise provided in this Declaration, each Owner expressly understands, covenants, and agrees the Association that:

- (a) The Association has no responsibility or liability of any kind or character whatsoever regarding or pertaining to the real and personal property of each Owner;
- (b) The Association will not carry property insurance to cover damage or destruction of any real property located upon a Lot. Owners of Lots must carry homeowners' insurance on their properties.
- (c) Each Owner releases and holds the Association harmless from any uninsured liability, claims, causes of action, or damages of any kind or character whatsoever;
- (d) Each Owner will cooperate with the Association and the Architectural Control Committee in connection with the establishment, evolution, and maintenance of reasonable controls on the pedestrian and vehicular traffic into and within the Property and abide by any and all Rules and Regulations of the Association, as adopted and promulgated from time to time, related to the entry upon or use of any private streets or other Common Properties within the Property.

ARTICLE IX USE OF COMMON PROPERTIES AND EASEMENT PROPERTY

The Common Properties and Easement Property may be occupied and used as follows:

9.01 Restricted Actions by Owners. No Owner shall permit anything to be done on or in the Common Properties which would violate any applicable public law or zoning ordinance or which will result in the cancellation of or increase of any insurance carried by the Association. No waste shall be committed in or on the Common Properties. No Owner shall permit anything to be done on or in the Easement Property

that would damage, interrupt, or change the landscaping, irrigation, ponds, dry creek area, or appearance of the bridges which are to be maintained by the Association.

9.02 Damage to the Common Properties. Each Owner shall be liable to the Association for any damage to the Common Properties or Easement Property caused by the negligence or willful misconduct of the Owner or such Owner's family, guests, pets, tenants, or invitees.

9.03 Rules of the Board. All Owners and occupants shall abide by any Rules and Regulations adopted by the Board. The Board shall have the power to enforce compliance with said rules and regulations by all appropriate legal and equitable remedies, and an Owner determined by judicial action to have violated said Rules and Regulations shall be liable to the Association for all damages and costs, including reasonable attorneys' fees, incurred by the Association in connection therewith.

ARTICLE X USE OF PROPERTIES AND LOTS; PROTECTIVE COVENANTS

The Properties and each Lot situated thereon shall be constructed, developed, reconstructed, repaired, occupied, and used as follows:

10.01 Restricted Use. Use of the Common Properties shall be limited to Members, their families, tenants, and guests. No person or entity shall use any portion of the Common Properties to: (i) solicit, promote, or conduct business, religious, political, or propaganda matters; or (ii) distribute hand bills, newsletters, flyers, circulars, or other printed materials without the prior written consent of the Association (which consent may be withheld in its sole and absolute discretion). In addition to the other provisions appearing within this Article, the Board is specifically authorized to recommend, adopt, implement, and enforce Rules, Regulations, mechanisms, and procedures governing the use of such Common Properties, including, but not limited to, the following:

- (a) Speed limits, designated parking areas, restrictive parking areas, and no parking areas;
- (b) Signs and graphics to provide announcements to unauthorized personnel concerning potential criminal trespass matters;
- (c) A "fines" system through which the Association can levy and collect fines from its Members for violations of the applicable Rules and Regulations; and
- (d) Disclaimers of liability for any and all matters or occurrences on or related to the Common Properties.

10.02 Residential Purposes. The use of a Lot is limited exclusively to residential purposes or any other use permitted by this Declaration. 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.

10.03 Minimum Lot Area. No Lot shall be re-subdivided without the approval of a Majority of the Members of the Association.

10.04 Party Walls.

- (a) General Rules of Law to Apply. Each wall which is built as a part of the original construction of the residential units upon the Properties and placed on the dividing line between the Townhome Lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto. No alterations may be made to any party wall other than non-structural alterations to the interior surfaces of such walls (i.e., the surfaces of such walls facing the interior of a residential unit); provided, however, that under no circumstances shall any alterations or attachments be made to any party wall surface that would create or result in the creation of any in-the-wall speakers, intercoms, or other sound systems of any type or function, or any in-the-wall alarms, whether as part of a security system or otherwise, or any other device, item, component or system designed for the creation or emission of sound.
- (b) Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.
- (c) Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, it shall be repaired promptly by both owners. However, the Association may call for a greater contribution from either owner under any rule of law regarding liability for negligent or willful acts or omissions that contributed to the destruction of the party wall.
- (d) Weatherproofing. Notwithstanding any other provision of this Article, and Owner who by his or her negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.
- (e) Right to Contribution Runs with Land. The right of any Owner to Contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

10.05 Minimum Floor Space. Floor areas referenced below are for air-conditioned floor areas, exclusive of porches, garages, patios, terraces, or breezeways attached to the main dwelling. The main living area of each residential structure shall have a minimum living area of 1,000 square feet.

10.06 Building Setback Requirements. All front, side, and rear setbacks must be approved by the Architectural Control Committee, and must meet the requirements of the City of Denison and the requirements of the Plat provided. The location of the main residence on each Lot and the facing of the main elevation with respect to the street shall be subject to the written approval of the Architectural Control Committee. No building or structure of any type shall be erected on any Lot nearer to the property lines indicated by the minimum building setback line on the Plat.

10.07 Height. No building or structure on any Lot shall contain more than three (3) stories or exceed, in height, the maximum height allowed by the City of Denison, such height to be measured and determined in accordance with the method approved by the City of Denison.

10.09 Access. No driveways or roadways may be constructed on any Lot to provide access to any adjoining Lot except as expressly provided on the Plat, or otherwise approved in writing by the Architectural Control Committee.

10.10 Drainage. The Association shall not be held liable for any loss of, use of, or damage done to, any shrubbery, trees, flowers, improvements, fences, walls, sidewalks, driveways, or buildings of any type or the contents thereof on any Lot caused by any water levels, riding waters, or drainage waters. After the residence to be constructed on a Lot has been substantially completed, the Lot will be graded so that surface water will flow to streets, alleys, drainage easements, or other Common Properties, and in conformity with the general drainage plans for the subdivision. No dams shall be constructed nor any other alteration or change be made in the course or flow of any waterway or drainage course crossing or abutting any Lot without the prior written consent of the Architectural Control Committee. All drainage and grading, including existing and proposed grades must be indicated on the site plan and should be designed to contain drainage within Lot boundaries or designated drainage easements. The proper drainage of the Lot is the responsibility of the respective Lot Owner's builder ("Builder").

10.11 Erosion Control. During the Construction of improvements on the Lots and prior to the landscaping of such Lots, Lot Owner will take responsibility to prevent excessive erosion of Lots, causing silt to be deposited in streets and in the storm drains. Owner/Builder shall keep the street clean and free of mud and debris during construction.

10.12 Utilities. Each residence situated on a Lot shall be connected to the water and sewer lines as soon as practicable after same are available at the Lot line.

The installation and use of any propane, butane, LP Gas, or other gas container, bottle or cylinder of any type (except patio heaters & gas grills), shall require the prior written approval of the Architectural Control Committee.

10.13 Construction Requirements.

- (a) A portable toilet will be required during building constructions.
- (b) The exterior surface of all residential Dwellings shall be constructed of glass, brick, brick veneer, stone, stone veneer, stucco, or other materials approved by the Architectural Control Committee. It is specifically required that the exterior wall area of each residence located on the Properties shall not have less than eighty percent (80%) brick, brick veneer, stone, or stucco construction. All chimney or fireplace enclosures shall be one hundred percent (100%) brick, brick veneer, stucco, stone, or stone veneer pots unless otherwise approved by the prior written approval of the Architectural Control Committee. The surface area of windows surrounded completely by brick may be included within the computation of the exterior brick, brick veneer, stone, or stone veneer wall area of a residence. No previously used materials shall be permitted on the exterior of the residential structures located within the Properties, without the prior written approval of the Architectural Control Committee.
- (c) The buildings constructed on the Lots must at a minimum have a composition shingle roof with a certified minimum life of thirty (30) years. All roofing materials require the prior written approval of the Architectural Control Committee. The Architectural Control Committee will only approve roofing materials which are of the highest grade and quality and which are consistent with the external design, color, and appearance of other improvements within the subdivision. The roof pitch of any structure shall be 12:12 minimum. Any deviation of roof pitch must be approved in writing by the Architectural Control Committee. Exterior paint and stain colors shall be subject to the prior written approval of the Architectural Control Committee.

- (d) Any sidewalks on the Lots which may be viewed from the private streets shall be decorative in nature and, like driveways, such sidewalks (and their design, materials, and location) shall be subject to prior written approval from the Architectural Control Committee.
- (e) Each residential structure shall have installed on the outside wall thereof a service riser conduit, the location, and the length of such conduit to be subject to the written approval of the Architectural Control Committee; provided, however, no such conduit shall be visible from the private streets, Common Properties, or adjoining Lots.
- (f) No above ground level swimming pools shall be installed on any Lot. Any placement of hot tubs on Lots shall require prior approval of the ACC.
- (g) All exterior construction of the primary residential structure, garage, porches, and any other appurtenances or appendages of every kind and character on any Lot and all interior construction (including, but not limited to, all electrical outlets in place, and functional, all plumbing fixtures installed and operational, all cabinet work, all interior walls, ceilings, and doors shall be completed and covered by wood, carpet, tile, or other similar floor covering) shall be paneling or the like, and all floors covered by wood, carpet, tile, or other similar floor covering shall be completed no later than one (1) year following the commencement of the construction. For the purposes hereof, the term "commencement of construction" shall be deemed to mean the date on which the foundation forms are set.
- (h) Retaining walls built by Owners on Lots must be constructed entirely out of materials approved in a prior writing from the Architectural Control Committee. Railroad or wooden ties are not acceptable for retaining walls. Retaining walls constructed by the Declarant as Common Properties on Common Areas or between Common Areas and Lots shall be repaired by the Association. Retaining walls on or between two Lots shall be the responsibility of the Owner or Owners of the lot or lots upon which the retaining wall is located.
- (i) All mailboxes shall be either supplied by the Builder or Owner at Builder's or Owner's expense and shall be subject to prior written approval of the Architectural Control Committee.
- (j) All gutter downspouts visible from the street shall drain into burled conduit and are subject to prior written approval of the Architectural Control Committee.
- (k) Exterior shutters (if installed) shall have sufficient decorative hardware to be functional and shall be proportional to the respective window size.
- (l) Plumbing vents and flashing should be painted to be compatible with the roofing materials. The Lot Owner should use his best efforts to place vent stacks in areas not visible from the residential streets.
- (m) Windows visible from residential streets shall not be aluminum but must be made of a material that is subject to the prior written approval of the Architectural Control Committee.

10.14 Building Permits. The Building Inspector of the City of Denison or other municipal authority, is hereby authorized and empowered to revoke, as the case may be, any and all permits for construction of improvements of any kind or character to be erected on any Lot, if such improvements do not conform to and comply with this Declaration.

10.16 **Landscaping and Sprinkler System.** Yards of Lots that are not comprised of common areas shall be sodded or otherwise planted by the Owner thereof with grass or another ground cover or plantings as approved by the Architectural Control Committee and maintained in a clean and attractive manner free of dust and weeds. Drought Resistant Xeriscaping in accordance with Section 202.007 of the Texas Property Code is allowed on yard lots that is not common area. Hydromulch is not permitted. The types of trees, their number, and location, as well as the number, size, and types of shrubs and other such landscaping and plantings are subject to prior written approval of the Architectural Control Committee.

10.17 **Fences.** No fence, wall, or hedge shall be erected, placed, or altered on the Common Areas or on any Lot without the prior written approval of the Architectural Control Committee and the design of and materials used in the construction of fences shall be subject to the prior written approval of the Architectural Control Committee. No fence, wall, or hedge shall be erected, placed, or altered on any Lot nearer to any street than the minimum building setback line indicated on the Plat, unless otherwise permitted by the Architectural Control Committee and in accordance with the requirements of the City of Denison. No wire or woven fence shall be permitted on any part of a Lot. All service and sanitation facilities, clothes lines, wood piles, tool sheds, and air conditioning equipment must be enclosed within fences, walls, and/or landscaping as not to be visible from the adjoining Lots, Common Areas or residential streets. Upon submission of written request, the Architectural Control Committee may, from time to time, at its sole discretion, permit Owners to construct fences or walls which are in variance with the provisions of this paragraph where, in the opinion on the Architectural Control Committee, the fence or wall is an integral part of the home. Fencing shall be constructed in accordance with the following Restrictions base on the location of such fencing.

- (a) Front Yard Fencing. Front Yard Fencing is not allowed, however, Front Yard Fencing presently existing at the time of the passage and adoption of this Amended & Restated Declaration may remain and shall not be required to be removed.
- (b) Side and Rear Yard Fencing. Fencing on the sides and rear of and Lots other than Screening Walls and fences installed on the perimeter of the Property by the Declarant must be of wrought iron material and must be installed vertically only (not horizontally or diagonally), and be no higher than six feet (6'). Prior to the installation of any fencing, all designs must be submitted to and approved in writing by the Architectural Control Committee.
- (c) Special Fencing. Notwithstanding any provision to the contrary, the location and materials for all fencing are subject to prior written approval from the Architectural Control Committee.

10.18 **Trash Receptacles and Collection.** Each Lot Owner shall make or cause to be made appropriate arrangements for collection and removal of garbage and trash on a regular basis. In lieu of making arrangements for disposal of trash and garbage, each owner may use the Association's dumpster for disposal of trash and other refuse. An Owner must keep all trash, garbage and other waste material hidden from public view. No Lot shall be used for open storage of any materials whatsoever, except that building materials to be used in the construction of improvements erected on any Lot may be placed upon such Lot at the time construction is commenced and may be maintained thereon through completion of construction. No garbage, trash, debris, or other waste matter of any kind shall be burned on any Lot.

10.19 **Exterior Lighting.** No exterior light, including landscape lighting, shall be installed or maintained on any Lot without the prior written approval of the Architectural Control Committee. Further, and notwithstanding such prior written approval, upon being given notice by the Architectural Control

Committee that any exterior light is objectionable, the Owner of the Lot on which same is located will immediately remove said light or shield the same in such a way that it is no longer objectionable.

10.20 Window Coolers. No window or wall type air conditioners or water coolers shall be permitted to be used, erected, placed, or maintained on or in any residential building on any part of the Properties.

10.21 Antenna & Satellite Dishes. The erection, construction, placement or installation of any television, radio or other electronic tower, serial, antenna, satellite dish or device of any type for the reception or transmission of radio or television broadcast signals or other means of communication upon a Lot or upon any improvement thereon is prohibited, except that this prohibition shall not apply to those antennae specifically covered by 47 C.F.R. Part 1, Subpart S, Section 1.4000 (or any successor provision) promulgated under the Telecommunications Act of 1996, as amended from time to time. The ACC shall be empowered to adopt Rules governing the types of antennae that are permissible hereunder and establishing reasonable, non-discriminatory restrictions relating to safety, location and maintenance of antennae. All dishes must be installed in compliance with all state and local laws and regulations, including zoning, land-use, and building regulations. Owners should endeavor to place any antenna or satellite dishes at the rear of their property.

10.22 Temporary Structures and Vehicles. No temporary structure of any kind shall be erected or placed upon any Lot. No house, home trailer, mobile home, camper, boat trailer, modular, or prefabricated home, tent, shack, barn, or any other structure or building, other than the residence to be built thereon, shall be stored on any Lot, either temporarily or permanently, and no residence, house, garage, or other structure appurtenant thereto shall be moved upon any Lot from another location. Any truck, bus, boat, boat trailer, trailer, mobile home, camp mobile, camper, motorcycle, or any motorized vehicle other than a conventional automobile shall be stored, placed, or parked within the garage of the appropriate Owner or so as to be completely hidden from view. Trucks with tonnage in excess of three-quarters ($\frac{3}{4}$) ton shall not be permitted to park overnight on the streets, driveways, or otherwise within the Property. No vehicle of any size which transports inflammatory or explosive cargo may be parked or stored within the Property at any time. Vehicles must be parked in garages to the maximum extent possible. All parking of vehicles shall be subject to such reasonable Rules and Regulations as shall be adopted by the Board of Directors.

10.23 Signs & Flags. No signs shall be displayed to the public view on any Lot with the exception of signs promoting the sale of a particular Lot. For sale signs must be posted at the entry of the property and may not be posted on any Lot. Signs must be of customary dimensions (2' x 3' maximum) advertising said property for sale. Notwithstanding anything herein contained to the contrary, and all signs, if allocated, shall comply with all signs standards of the City of Denison, Texas, as such standards may be applicable to the Properties.

Political signs are allowed for so long as they meet all requirements of Section 259.002 of the Texas Election Code. Political signs may not be displayed or affixed to Common Areas. Political signs must be affixed to the landscaped area of an owner's lot and may not be affixed to the dwelling or appear in a dwelling's window. Political flags are expressly not allowed.

Flags of the United States, Texas, or United States Military may be displayed in accordance with applicable Texas law. Other flags, including college or political flags may not be flown.

10.24 Utility Services. All services to the home including pre-wiring cable TV must be installed underground. Surface mounted mechanical must be screened from view and grouped together away from street/public view. All streets, alleys, and Easements shown on the recorded Plat of the Property have been reserved for the purposes indicated. No Owner may erect any structure of any type whatsoever in these Easement areas, nor may any Owner use the surface of an Easement area for any private use; With respect to these Easement areas, as well as any other areas described within recorded Easement Documents, or in the Common Properties, any and all bona fide public utility service companies shall have the right of access, ingress, egress, regress, and use of the surface estate and necessary underground area for the installation and maintenance of utility facilities.

Except as to any special street lighting or other areas facilities that may be required by law or by the franchise of any utility company, no area utility facilities of any type (except meters, risers, service pedestals, and other service installations necessary to maintain and operate appropriate facilities) shall be erected or installed within the Property, whether upon Lots, easements, streets, or right-of-way of any type, either by the utility company or any other person or entity, (including, but not limited to any person owning or acquiring any part of the Property) and all utility service facilities (including, but not limited to water, sewer, gas, electricity, and telephone) shall be buried underground, under recreational easements, Common Properties, streets, or utility easement areas for the purpose of serving any structure located on any part of the Property.

10.25 Drilling and Mining Operations. No portion of the Property covered by this Declaration may be used for any purpose incident to exploring for, developing, drilling for, producing, transporting, mining, treating, or storing the oil, gas, and other minerals in, on, and under the subject Property. Nothing herein contained shall ever be construed to prevent the holder of the oil, gas, and other minerals rights in and under the Property from developing or producing the oil, gas, and other minerals in and under the subject Property by pooling or by directional drilling under the subject Property from well sites located on tracts outside the subject Property.

10.26 Offensive Activities. No noxious or offensive activity shall be carried out upon the Properties or any part thereof, nor shall anything be done or maintained thereon which may disturb the neighborhood or occupants or adjoining property, or detract from its value as an attractive residential community. The Board of Directors shall have the exclusive authority to determine, in its sole discretion, which may constitute a nuisance or offensive activity. Without limitation, no horns, bells, or other sound devices, excluding security devices, shall be used or placed on the Property. Exterior speakers must have prior ACC approval. Pets shall not be permitted to run at large, but shall be kept under control by Owners, or guests of the Owners, by leash, cord, or chain. Habitually barking, howling, or yelping pets shall be deemed a nuisance. The Board of Directors shall have the exclusive authority to determine, in its sole and absolute discretion, if a particular animal, bird, or pet is creating a nuisance.

10.27 Duty of Maintenance.

*Owners should refer to the Maintenance Responsibility Chart
Attached as Appendix B to Resolve Maintenance Disputes.*

- (a) Oftentimes disputes may arise between Owners and property owners' associations regarding maintenance obligations for Property within the Association. To resolve such conflicts and disputes the Village Green Homeowners Association of Denison has adopted a Maintenance Responsibility Chart attached as Appendix B to this Declaration. The Maintenance Responsibility Chart sets forth all areas of the Property within the Association as well as associated maintenance

obligations of the Association and Owners as related to that portion of the Property. All parties subject to this declaration should refer to the Maintenance Responsibility Chart not only as a quick reference, but as a definitive guide to resolve disputes related to maintenance. In the event of a conflict between the Maintenance Responsibility Chart and the language within this Declaration, the Maintenance Responsibility Chart shall control. In the event that this Declaration and the Maintenance Responsibility Chart is silent as to a maintenance matter, the Board of Directors maintains unilateral authority to resolve maintenance disputes arising from any party subject to this Declaration.

- (b) Unless otherwise noted within this Declaration, Owners and occupants (including lessees) of any Lot shall, jointly and severally, have the duty and responsibility, at their sole cost and expense, to keep the Lot so owned or occupied, including buildings, improvements, grounds, or drainage easements or other right-of-way incident thereto, and vacant land, in a well maintained, safe, clean, and attractive condition at all times. Such maintenance includes but is not limited to, the following:
 - i. Prompt removal of all litter, trash, refuse, and waste;
 - ii. Watering landscaped areas which are on the lot and not Common Areas;
 - iii. Tree and shrub pruning which are on the lot and not Common Areas;
 - iv. Lawn mowing and trimming of areas which are on the owner's lot and not Common Areas;
 - v. Keeping exterior lighting and maintenance facilities in working order;
 - vi. Keeping lawn and garden areas which are on the owner's lot and not Common Areas alive and free of weeds, and attractive;
 - vii. Keeping parking areas, driveways, and curbs in good repair;
 - viii. Complying with government health and police requirements;
 - ix. Repair of exterior damages due to improvements;
 - x. Repainting of improvements maintained by the Owner.
- (b) If, in the opinion of the Association, any such Owner or occupant has failed in any of the duties or responsibilities set forth within this section, then the Association may give such person written notice of such failure and such person must within ten (10) days after receiving such notice, perform the repairs and maintenance or make arrangements with the Association for making the repairs and maintenance required. Should any such person fail to fulfill this duty and responsibility within such period, then the Association, through its authorized agent or agents, shall have the right and power to enter onto the premises and perform such repair and maintenance without any liability for damages for wrongful entry, trespass, or otherwise to any person.
- (c) If in the opinion of the Association any such Owner or occupant has failed in any of the duties or responsibilities set forth within this section, after due notice and opportunity to cure, the Association shall have the authority and right to go onto the Lot of such Owner for the purpose of mowing and cleaning said Lot and shall have the authority and right to assess and collect from the Owner of said Lot a sum up to two (2) times the actual cost to the Association for mowing and cleaning said Lot on each respective occasion of such mowing or cleaning. If, at any time, weeds or other unsightly growth on the Lot exceed six inches (6") in height, the Association shall have the right and authority to mow and clean the Lot, as aforesaid.
- (d) The Owners and occupants (including lessees) of any Lot on which work is performed pursuant to this Section 10.27 shall, jointly and severally, be liable for the cost of such work (such costs constituting a Special Individual Assessment as specified in Section 5.07(b) hereof) and shall

promptly reimburse the Association for such cost. If such Owner or occupant shall fail to reimburse the Association within thirty (30) days after receipt of a statement for such work from the Association, then said indebtedness shall be a debt of said persons, jointly and severally, and shall constitute a lien against that portion of the Properties on which said work was performed. Such lien shall have the same attributes as the lien for Assessments and Special Assessments set forth in this Declaration, and the Association shall have the identical powers and rights in all respects, including but not limited to the right of foreclosure.

10.28 Exterior Lot Maintenance.

- (a) No maintenance performed by an Owner shall reduce the assessment payable by him or her to the Association. An Owner shall not do any of the following without prior written consent of the Board or the ACC: (i) plant vegetation within the common area; (ii) make modifications to the landscape irrigation system; (iii) maintain vegetation or other items on exterior balconies or visible Lot areas deemed by the ACC to be unsightly or overgrown; or (iv) add fencing or visible structures to the Lot.
- (b) In the event that the need for an item or items of maintenance, restoration or repair of the Lot, Dwelling or Common Area is caused by the accidental, willful or negligent act or omission of the Owner, his family, guests or invitees, tenants or Residents including but not limited to the Owner's willful or negligent failure to comply with any Restriction, covenant or agreement contained in this Declaration, the cost of such maintenance, restoration and/or repairs shall be assessed only against the Lots owned, in whole or in part, by such Owner (i.e. not uniformly against all lots), and the lien for any such Assessment that is not paid when due shall be attached to each Lot then owned by such Owner.
- (c) The Association shall provide exterior maintenance upon the Lots within the Association, including, but not limited to:
 - (i) All items as set forth as Association responsibility in the Maintenance Responsibility Chart;
 - (ii) Exterior walls of each property;
 - (iii) Foundation of property;
 - (iv) Landscaping of Common Areas;
 - (v) Painting of exterior walls;
 - (vi) Driveways (major maintenance);
 - (vii) Exterior building numbering and lights
 - (viii) Exterior of Garages;
 - (ix) Balconies; and
 - (x) Brick retaining wall in front of property.
- (c) In addition to the above paragraphs, the owners of Lots will be responsible for all maintenance, restoration and repair of all items included as Owner obligations within the Maintenance Responsibility Chart, including, but not limited to:
 - (i) All items as set forth as Owner responsibility in the Maintenance Responsibility Chart;
 - (i) AC Units serving an owner's Lot;
 - (ii) Porches;
 - (iii) Cleaning of gutters and downspouts serving an owner's residence;

- (iv) Minor cracks in foundation;
- (v) Interior of Garages;
- (vi) Windows- Glass panes & caulking;
- (vii) Rear yard landscaping *(within rear gated area);
- (viii) Landscaping of front area *(within front gated area); and
- (ix) Brick walls and metal fencing on side and rear of residences.

10.29 Animals. No birds, animals, livestock, or poultry of any kinds shall be raised, bred, or kept on any part of the Properties, except that not more than two (2) dogs, cats, or other household pets in the aggregate may be kept on any Lot, and then only if they are kept, bred, or raised solely as domestic pets and not for commercial purposes. Such pets must be kept within the private fenced yard of the Owner. No horses or barnyard animals shall be kept on the Property. Pets shall not be permitted to run at large, but shall be kept under the control of Owner, or guests of the Owners, by leash, cord, or chain. Each owner is responsible for cleaning up after their pet should they defecate upon any open area of the Property.

No Owner or resident shall own, harbor, or maintain a vicious animal or an animal belonging to a prohibited breed or species within the boundaries of Village Green Homeowners Association of Denison, Inc..

The following breeds of dogs and other animals are specifically prohibited within the Association:

1. Dog breeds: a. Pit Bull Terriers, including American Pit Bull Terrier, American Staffordshire Terrier, Staffordshire Bull Terrier, and any mix thereof. b. Rottweilers c. Doberman Pinschers d. Presa Canarios e. Chow Chows f. Wolf hybrids g. Any other breed with a known history of aggression or that has been declared dangerous by applicable laws or regulations.
2. Other animals: a. Venomous snakes b. Wild or exotic cats, such as lions, tigers, or ocelots c. Non-human primates d. Crocodiles or alligators e. Any other animal species that has been declared dangerous or prohibited by applicable laws or regulations.

10.30 Prohibition on Rentals for Less than 12 Months & Tenant Information. No Owner may Lease their Property for a term of less than twelve (12) consecutive months; provided, however, a Lease converting to a month-to-month term after a twelve (12) consecutive month term is permitted as long as such carry over to a month-to-month term does not exceed six (6) months in the aggregate (i.e., the Lease shall need to be renewed for at least twelve (12) months after a maximum of six (6) months of carry over on a month-to-month basis). Daily, weekend, weekly and monthly rentals less than six (6) consecutive months are prohibited. No subleasing is allowed.

Owners must provide to the Association the name, age, telephone number, and email address of every adult tenant who will occupy a residence no later than 30 days after the beginning of a lease.

An owner that violates this restrictive covenant shall be subject to a fine of \$25.00 for each day of the violation.

“Lease” or “Leasing” is defined as the occupancy or use of the Property for any period of time by any person other than the Owner for which the Owner, or any designee of the Owner receives any direct or indirect monetary or non-monetary consideration or benefit, including, but not limited to, a fee, service,

gratuity or emolument, including, but not limited to, any subleases or assignment of a Lease. If the Property is owned by a trust and the beneficiary of the trust is living in the Property, that Property shall be considered Owner-occupied rather than leased. Lease to Purchase Agreements & Contracts for Deeds and similar agreements shall be considered the same as Leasing for purposes of this Instrument. Housesitting shall be considered Leasing for purposes of this policy.

10.31 Prohibition on Rentals to Sex Offenders or Felons. No Owner may Lease their Property to a Tenant or occupant that is a Registered Sex Offender or who has been convicted of a felony or assault or battery misdemeanor in any jurisdiction in the United States. For purposes of this provision, a "Registered Sex Offender" is a (y) person who is registered as a Level 3 (High Risk) or Level 2 (Moderate Risk) sex offender pursuant to Chapter 62 of the Texas Code of Criminal Procedure (Sex Offender Registration Program as it now exists or as it may be amended in the future), or pursuant to any other law of the State of Texas, or any local municipal or county ordinance, or pursuant to any other state or federal law or regulation and (z) person who is required to register as a sex offender and who is required to have a risk assessment but who has not been assigned a risk assessment level by the applicable authority or for whom such a risk assessment level is not yet available to the public via the applicable registry program. An owner that violates this restrictive covenant shall be subject to a fine of \$20.00 for each day of the violation.

10.32 Garage Sales. No Owner may hold a garage sale or event in which the general public is invited into the community without the express written consent of the Board of Directors.

ARTICLE XI ARCHITECTURAL CONTROL COMMITTEE

11.01 Purpose. Because the Lots within the Association are part of a single, unified community, the Association has the right to regulate the design, use, and appearance of the Lots and common areas in order to preserve and enhance the Property's value and architectural harmony. One purpose of this Article is to promote and ensure the level of taste, design, quality, and harmony by which the Property is developed and maintained. Another purpose is to prevent improvements and modifications that may be widely considered to be radical, curious, odd, bizarre, or peculiar in comparison to then existing improvements.

11.02 Architectural Control Committee. The Architectural Control Committee (the "ACC") consists of three persons appointed by the board, pursuant to the Bylaws, or, at the board's option, the Board may act as the ACC. If the Board acts as the ACC, all references in the Documents to the ACC are construed to mean the Board. Should the Association be unable to find three persons to serve on the ACC, one or two persons may serve as the ACC.

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

BEFORE MAKING ANY IMPROVEMENT OR ALTERATION

TO A LOT OR DWELLING, A BUILDER OR OWNER
MUST APPLY FOR THE ACC'S PRIOR WRITTEN APPROVAL.

11.04 Prohibition on Construction, Alteration & Improvement. Without the ACCs prior written approval, a person may not construct a Dwelling or make an addition, alteration, improvement, installation, modification, redecoration, or reconstruction of or to the Property or fence or wall, if it will be visible from a street, another Lot, or the common area. The ACC 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.

11.05 ACC Approval. No building, structure, fence, wall, or improvement of any kind or nature shall be erected, constructed, placed, altered, changed, or modified on any Lot until the plot plan showing the location of such building, structure, paving, or improvement, construction plans and specifications thereof and landscaping and grading plans therefore have been submitted to and approved in writing by the Committee as to: (i) location with respect to Lot lines; topography, finished grades elevation; effect of location, and use on neighboring Lots and improvements situated thereon; and any drainage arrangement, (ii) conformity and harmony of external design, color, texture, type, and appearance of exterior surfaces and landscaping with existing structures and existing landscaping, (iii) quality of workmanship and materials; adequacy of site dimensions; adequacy of structural design; proper facing of main elevation with respect to nearby streets; and (iv) the other standards set forth within this Declaration (and any amendments hereto) or as may be set forth in bulletins promulgated by the Committee.

11.06 Samples. The ACC is authorized to request the submission of samples of proposed construction materials or colors of proposed exterior surfaces.

11.07 Final Approval. Final Plans and specifications shall be submitted to the ACC for approval or disapproval. At such time as the plans and specifications meet the approval of the Committee, one complete set of plans and specifications will be retained by the Committee and the Committee shall send written confirmation of approval to the Owner, if found not to be in compliance with this Declaration, one set of such plans and specifications shall be returned marked "Disapproved," accompanied by a reasonable statement of items found not to comply with this Declaration.

11.08 Modification of Plans After Approval. Any modification or change to the approved set of plans and specifications which materially affects items (i) through (iv) of the paragraph 11.05 must again be submitted to the Committee for its inspection and approval. The Committee's approval or disapproval as required herein shall be in writing.

11.09 Scope of Authority of Committee. The Committee is authorized and empowered to consider and review any and all aspects of Dwelling construction, construction of other improvements and location, quality and quantity of landscaping on the Lots, and may disapprove aspects thereof which may, in the reasonable opinion of the Committee, adversely affect the living enjoyment of one or more Owners, or the general value of the Properties. As an example, and not by way of limitation, the Committee may impose limits upon the location of window areas on residential Dwelling which would overlook the enclosed patio area of an adjacent residential Dwelling. Also, the Committee is permitted to consider technological advances in design and materials and such comparable or alternative techniques, methods, or materials may or may not be permitted, in accordance with the reasonable opinion of the Committee. The Committee may, from time to time, publish and promulgate architectural standard bulletins which shall be fair, reasonable, and uniformly applied and shall carry forward the spirit and intention of this Declaration. Such bulletins shall supplement this Declaration and are incorporated herein by reference.

The Committee shall have the authority to make final decisions in interpreting the general intent, effect, and purpose of this Declaration. The Committee shall have no authority over Common Properties.

11.10 Deemed Denial. If the Committee or its designated representative fails to approve or disapprove such plans and specifications within sixty (60) days after they have been submitted, then Committee denial shall be presumed.

11.11 No Approval Required. No approval is required to repaint exteriors in accordance with an ACC-approved color scheme, or to rebuild a Dwelling in accordance with originally approved plans and specifications. Nor is approval required for an Owner to remodel or repaint the interior of a Dwelling.

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

11.13 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 ACC.

11.14 ACC Guidelines. The Association may publish architectural Restrictions, guidelines, and standards developed by the ACC, subject to revision from time to time, including revisions to reflect changes in technology, style, and taste. The Association, acting through the ACC, has the right to establish and enforce architectural Restrictions, guidelines, and standards relating to every aspect of proposed or existing improvements on a Lot, including but not limited to Dwellings, fences, and landscaping, and further including replacements or modifications of original construction or installation.

11.15 Construction Restrictions. Without the ACC's prior written approval for a variance, improvements constructed on every Lot must have the characteristics described in the Application submitted to and approved by the ACC. The ACC 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.

11.16 Variances. Upon submission of a written request for same, the Committee may, from time to time, in its sole discretion, permit Owners to construct, erect, or install improvements which are in variance from the architectural standards, the Declaration, or the previously published architectural bulletins which are provided in this Declaration or which may be promulgated in the future. In any case, such variances shall be in basic conformity with and shall blend effectively with the general architectural style and design of the community; provided, however, in no event shall any such variance reduce required floor area by more than ten percent (10%). No Member of the Committee shall be liable to an Owner or other person claiming by, through, or on behalf of any Owner, for any claims, causes of action, or damages arising out of the granting or denial of, or other action or failure to act upon, any variance requested by an Owner or any person acting for or on behalf of any Owner. Each request for a variance submitted hereunder shall be reviewed separately and apart from other such requests and the grant of a variance to any Owner shall not constitute a waiver of the Committee's right to strictly enforce the Declaration, architectural standards or published architectural bulletins provided hereunder against any other Owner. Each such written request must identify and set forth in detail the specific restriction or standard from

which a variance by the Committee must be in writing and must identify in narrative detail both the standards from which a variance is being sought and the specific variances being granted.

11.17 Nonconforming and Unapproved Improvements. The Association may require any Owner to restore such Owner's improvements to the condition existing prior to the construction thereof (including without limitation, the demolition, and removal of any unapproved improvement) if such improvements were commenced or constructed in violation of this Declaration. In addition, the Association may, but has no obligation to do so, cause such restoration, demolition, and removal and levy the amount of the cost thereof as a Special Individual Assessment against the Lot upon which such improvements were commenced or constructed.

11.18 Liability. Neither the Association, the Committee, the Board, nor the officers, directors, Members, employees, and agents of any of them, shall be liable in damages to anyone submitting plans and specifications to any of them for, approval, or to any Owner by reason of mistake in judgment, negligence, or non-feasance arising out of or in connection with the approval or disapproval or failure to approve or disapprove any such plans or specifications. Every person who submits plans or specifications and every Owner agrees that he will not bring any action or suit against the Association, the Committee, the Board, or the officers, directors, Members, employees, or agents of any of them, to recover any such damages and hereby releases and quit claims all claims, demands, and causes of action arising out of or in connection with any Judgment, negligence, or non-feasance and hereby waives the provisions of any law which provides that a general release does not extend to claims, demands, and causes of action not known at the time the release is given. Plans and specifications are not approved for engineering or structural design or adequacy of materials, and by approving such plans and specifications neither the Committee, the Members of the Committee, the Declarant nor the Association assumes liability or responsibility therefor, nor for any defect in any structure constructed from such plans and specifications.

ARTICLE XII EASEMENTS

12.01 Ingress and Egress by the Association. The Association shall, at all times, have full rights of ingress and egress over and upon each Lot for the maintenance and repair of each Lot, Easement Property, and the Common Properties in accordance with the provisions hereof, and for the carrying out by the Association of its functions, duties, and obligations hereunder; provided, that any such entry by the Association upon any Lot shall be made with as little inconvenience to the Owner as practical, and any damage caused by the Association's entry, other than damages caused by the Owner, shall be repaired by the Association at the expense of the Association.

12.02 General. The rights and duties of the Owners with respect to sanitary sewer, water, electricity, natural gas, telephone and cable television lines, and drainage facilities shall be governed by the following:

- (a) Wherever (i) sanitary sewer or water service connections, (ii) natural gas, electricity, telephone or cable television lines, or (iii) drainage facilities are installed within the Properties, which connections, lines, or facilities or any portion thereof lie in or upon Lots owned by any party other than the Owner of a Lot served by said connections, lines, or facilities, such Owners of Lots served shall have the right and are hereby granted an easement to the full extent necessary therefore, to enter upon the Lots within or upon which said connections, lines, or facilities or any portion thereof lie to repair, replace, and generally maintain said connections, lines, or facilities as and when the same may be necessary.

(b) Wherever (i) sanitary sewer or water service connections, (ii) natural gas, electricity, telephone or cable television lines, or (iii) drainage facilities are installed within the Properties, which connections, lines, or facilities serve more than one Lot, the Owner of each Lot served by said connections, lines, or facilities shall be entitled to the full use and enjoyment of such portions of said connections, lines, or facilities which service such Owner's Lot.

12.03 Reservation of Easements. Easements over the Lots and Common Properties for the installation and maintenance of electric, telephone, cable television, water, gas, and sanitary sewer lines and drainage facilities are hereby reserved by the Association, together with the right to grant and transfer the same.

12.04 Surface Areas of Utility Easements. Easements for installation and maintenance of utilities are reserved as shown and provided for on the Plat. Underground electric, storm sewer, sanitary sewer, water, natural gas, and telephone service shall be available to all Lots in the subdivision. Easements for the underground service may be crossed by driveways, walkways, patios, walls, and fences, provided the Builder makes prior arrangements with the utility companies furnishing electric, storm sewer, sanitary sewer, water, natural gas, and telephone service and provides and installs any necessary conduit of approved type and size under such driveways, walkways, patios, or fences prior to construction thereof. Such easements for the underground service shall be kept clear of all other improvements, and neither the grantee nor any utility company using the easements shall be liable for any damage done by either of them or their assigns, their agents, employees, or servants, to shrubbery, trees, flowers, or other walkways, patios, or fences (provided conduit has been installed as outlined above) of the Owner located on the Lot covered by said easements. In addition, the utility easements shall not be used in alleyways.

12.05 Emergency and Service Vehicles. An easement is hereby granted to all police, fire protection, ambulance, and other emergency vehicles and other service vehicles to enter upon the Common Properties, including, but not limited to, private streets, in the performance of their duties, and further, and easement is hereby granted to the Association, its officers, directors, agents, employees, and management personnel to enter the Common Properties to render any service.

12.06 Universal Easement. The Owner of each Lot is hereby granted an easement not to exceed one (1) foot in width over all adjoining Lots and Common Properties for the purpose of accommodating any encroachment due to engineering errors, errors in original construction, settlement or shifting of the building, or any other cause. There shall be easements for the maintenance of said encroachment, settling, or shifting provided, however, that in no extent shall an easement for encroachment be created in favor of an Owner or Owners if said encroachment occurred due to willful misconduct of said Owner or Owners.

ARTICLE XIII GENERAL PROVISIONS

13.01 Duration & Termination. The Covenants and Restrictions of this Declaration shall run with and bind the land subject to this Declaration, and shall inure to the benefit of and be enforceable by the Association and/or any Owner, their respective legal representatives, heirs, successors, and assigns, for a term of thirty five (35) years from the date that this Declaration is recorded in the Office of the County Clerk of Grayson County, Texas, after which time those Covenants and Restrictions shall be automatically extended for successive period of ten (10) years unless an instrument signed by the Members entitled to cast seventy five percent (75%) of the votes of the Association, regardless of class, has been recorded in the Office of the County Clerk of Grayson County, Texas, agreeing to abolish or terminate these Covenants

and Restrictions; provided, however, that no such agreements to abolish shall be effective unless made and recorded one (1) year in advance of the effective date of such abolishment.

13.02 Amendments. This Declaration may be amended or changed upon the express written consent of at least sixty seven percent (67%) of the outstanding votes of all Members of the Association.

Any and all amendments to this Declaration, shall be recorded in the Office of the County Clerk of Grayson County, Texas.

13.03 Enforcement. Enforcement of this Declaration shall be by any proceeding law or in equity against any person or persons violating or attempting to violate them, or to recover damages, or to violate them, or to recover damages, or to enforce any lien created by this Declaration; and failure by the Association or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

13.04 Headings. The headings contained in this Declaration are for reference purposes only and shall not in any way affect the meaning or interpretation of this Declaration.

13.05 Notices to Member/Owner. Any notice required to be given to any Member or Owner under the provisions of this Declaration shall be deemed to have been properly delivered when deposited in the United States Mail, postage prepaid, addressed to the last known address of the person who appears as a Member or Owner on the records of the Association at the time of such mailing.

13.06 Disputes. Matters of dispute or disagreement between Owners with respect to interpretation or application of the provisions of this Declaration or by Bylaws of the Association shall be determined by the Board of Directors, whose determination shall be final and binding upon all Owners.

13.07 Termination of and Responsibility of Declarant. If Declarant shall convey all of its right, title, and interest in and to the Properties and assign all its rights, benefits, and obligations as Declarant hereunder to any partnership, individual or individuals, corporation or corporations, then and in such event Declarant shall be relieved of the performance of any further duty or obligation hereunder, and such partnership, individual or individuals, corporation or corporations, shall be obligated to perform all such duties and obligations of the Declarant.

13.08 Hold Harmless to the City of Denison. The Association and Lot Owners agree to release, indemnify, defend, and hold harmless the City, its officers, agents licensees, servants, and employees from and against any and all claims or suits for property damage or loss and/or personal injury, including death, to any and all persons, of whatsoever kind or character, whether real or asserted, arising out of or in connection with, directly or indirectly: (i) the reasonable use of the private streets, emergency access, utility easements, or structure by the City, its officers, agents, licensees, servants, and employees; (ii) the condition of the private streets, private street lights, or structures, private walls and fences, private pedestrian access, private storm drainage systems, and emergency access; or (iii) any use of the addition by the City, its officers, agents, licensees, servants, and employees for any purpose stated hereinabove, whether or not cause, in whole or in part, by alleged negligence of officers, agents, servants, employees, contractors, subcontractors, licensees, or invitees of the City. The Association shall be responsible for carrying liability insurance to meet the requirements of this paragraph. This provision may not be amended without the written consent of the City.

ARTICLE XIV
RECORD PRODUCTION & COPYING POLICY

14.01 Record Production & Copying Policy. All books, records, and financial records shall be open to and reasonably available for examination by an owner within the community or by the owner's designated agent except for those outlined in Paragraph 6 below. An owner or their agent is also entitled to copies of said records. Should an owner designate an agent for inspection of records, such designation must be made in writing and submitted to the Association prior to any inspection or production of any records.

A Records Request must be submitted to the Association in writing, via Certified Mail, Return Receipt Requested to the mailing address of the Association or authorized representative as reflected in this Declaration. The owner's request must describe in sufficient detail the records requested and specify whether the owner is requesting to inspect the records or is requesting copies.

The Association shall reply to such a Records Request by an owner within 10 business days of the receipt of the request. If the Association is unable to produce the records within 10 business days, the Association shall inform the owner of such within 10 business days of the receipt of the owner's request and inform the owner that the information will be available not later than 15 business days from the date of the response to the owner's Records Request.

- (a) Inspection Requested: Should the owner submitting the request seek to inspect documents, the Association shall reply with the dates and times during normal business hours that records will be available for inspection as well as the costs the Association will charge for the inspection of said records. If the Association is unable to produce the records within 10 business days, the Association shall inform the owner of such within 10 business days of the receipt of the owner's request and inform the owner that the information will be available not later than 15 business days from the date of the response to the owner's Records Request.
- (b) Copies Requested: Should the owner submitting the request seek the production of copies of Association records, the Association shall produce all requested records that are within their possession or control within ten business days. If the Association is unable to produce the records within 10 business days, the Association shall inform the owner of such within 10 business days of the receipt of the owner's request and inform the owner that the information will be available not later than 15 business days from the date of the response to the owner's Records Request.

Records may be produced in hard copy, electronic format, or any other format that is reasonably available to the Association.

The Association shall require the advance payment of estimated costs of compilation and production of records. The Association shall charge the costs outlined under Title 1, Rule 70.3 of the Texas Administrative Code. Once an owner has inspected or received copies under the Records Request, a Final Invoice shall be delivered to the owner within 30 days of the records production. If the owner does not pay the final amount showing on the invoice within 30 days, then the amount on the invoice shall be added to the owner's account as an assessment. An owner may not be foreclosed upon for non-payment of this balance due. If a refund is due to the owner after a Records Request, then the refund shall be sent along within the Final Invoice.

The following records shall be unavailable for copying or inspection without written approval of the owner, or a court order stating that such records must be released:

- (a) Attorney files and records;
- (b) Personal information of owners;
- (c) Violation history of owners;
- (d) Personal financial information of an owner;
- (e) Records of payment or non-payment of an owner;
- (f) Association Employee Information;
- (g) Contact information of an owner.

ARTICLE XV PAYMENT PLAN POLICY

15.01 **Payment Plan Policy.** An owner shall have the opportunity to submit a payment plan request to the board of directors. Such payment plan request must be made in writing and may be transmitted via email to the Association's Managing Agent or to the Association's Attorney. All payment plans submitted must be 12 months or less in length, beginning at the date of the initial request for the payment plan, and pay the entire balance owed by the owner submitting such a plan, including any additional assessments, administrative fees, and interest that accrue during the pendency of the plan.

Should the payment plan request meet the requirements as set forth above, the owner shall be notified that the board has agreed to his payment plan. A Payment Plan Agreement shall be submitted to the owner in writing.

Administrative fees and interest shall be charged against the owner's account during the pendency of the payment plan.

Payment Plan payments shall be submitted to the Association, its Managing Agent, or the Association's attorney and shall be due upon the first of the month, unless otherwise specified within the owner's payment plan.

Payments under a payment plan must be received within three business days of their due date as specified in the Payment Plan Agreement or said agreement shall be considered in default. Should an owner default under said payment plan, subsequent payments by the owner shall no longer be applied according Texas Property Code Section 209.0063 but shall be applied in the following order: 1) Attorney's fees; 2) Interest; 3) Administrative Fees; 4) Delinquent Assessments; 5) Current Assessments; 5) Any other amount owed the Association; 6) Fines. An owner defaulting under a payment plan shall be notified of such default via a Payment Plan Default Letter and collection activity shall immediately resume upon their account.

The Association shall not be required to enter into a payment plan with an owner if that owner has entered and defaulted on a payment plan within the previous two years. The Association shall not be required to enter into a payment plan with an owner if that owner is currently in foreclosure.

ARTICLE XVI
DOCUMENT RETENTION POLICY

16.01 Document Retention Policy

- (a) Certificates of formation, bylaws, restrictive covenants, and all amendments to the certificates of formation, bylaws, and covenants shall be retained permanently by the Association.
- (b) Financial books and records shall be retained for a minimum of seven years.
- (c) Account records of current owners shall be retained for a minimum of five years.
- (d) Contracts with a term of one year or more shall be retained for a minimum of four years after the expiration of the contract term.
- (e) Minutes of meetings of the owners and the board shall be retained for a minimum of seven years.
- (f) Tax returns and audit records shall be retained for a minimum of seven years.

ARTICLE XVII
CONTRACT BIDDING POLICY

17.01 Competitive Bidding Required for Certain Association Contracts. The Board of Directors will actively seek bids within the parameters of this Policy to manage Association expenditure and budget controls. Bidding will be in accordance with the guidelines set forth within this Policy. Adherence to this Policy provides a means to ensure the Board of Directors is fulfilling its responsibilities when spending Association funds.

17.02 Competitive Bid Procedure. A Competitive Bid Procedure will be used when:

- (a) The projected total cost of the contract to the Association will be in excess of \$5,000.00; or
- (b) When the directors of the Association find there is need to engage in a Competitive Bid Procedure as set forth within this Contract Bidding Policy.

17.03 Three Bidders Required.

- (a) If qualified bidders exist, at least three bids should be solicited for each project.
- (b) The requirement for three bids may be waived if:

- i. Work is an Emergency or Act of God: The Competitive Bid Procedure as set forth within this Policy may be omitted if the Board of Directors determines a situation to be an emergency or an act of God;
- ii. Changing of vendors would disrupt existing warranties; or
- iii. Other vendors are not willing to bid on the project.

17.04 Bid Requirements Submitted to Vendors. The Board's request for bids to vendors or contractors will include the following information:

- (a) Outline / Scope of Work (SOW) sought to be performed from the Vendor.
- (b) A targeted date that the Association seeks to have the work completed.
- (c) A request to the Vendor for an itemization of materials and labor necessary to complete the project.
- (d) A request that the Vendor submit copies of current liability insurance coverage and/or bonding, State and Local licenses, permits, and Workers' Compensation Insurance (WCI) coverage.
- (e) A list of Vendor references if the Association has not had prior experience with the Vendor.
- (f) Any possible penalties for completion by the Vendor after the promised completion date.

Note: The above bid requirement documentation may vary based on the scope and nature of the project.

17.05 Bid Package Submittal Requirements from Vendor. Each Vendor's response to the Association must contain:

- (a) An estimated total cost of the project with a breakdown of materials and labor costs.
- (b) A projected start and completion date.
- (c) Any possible deviations from the contract with respect to cost and/or completion date, e.g., weather delays, unforeseen obstacles such as ground conditions.
- (d) A copy of the Vendor's current liability insurance coverage and/or bonding, State and Local licenses, permits, and Workers' Compensation Insurance (WCI) coverage.
- (e) A list of Vendor references if the Association has not had prior experience with the Vendor.
- (f) A Copy of the Vendor's proposed contractual agreement with the Association.

17.06 Direct Source, Sole Source, or Competitive Bid Exceptions will be considered when.

- (a) Time does not allow for the collection and reviews of bids.
- (b) Emergency work makes time a critical factor.
- (c) The item or service does not permit soliciting competitive bids; including purchases needed to address major facility failures, damages due to disasters, or purchases necessary to address immediate safety and security issues.
- (d) Only one Vendor can meet the necessary Bid Requirements set forth by the Association.

17.07 Bid Award / Selection.

- (a) The Board of Directors shall have the discretion of accepting a bid higher than the low bid if justified based on Vendor qualifications.
- (b) The selection justification must be documented by the directors of the Association in the Board's meeting minutes.
- (c) The Board shall have the discretion of accepting that bid or going out for bids again if only one bid meets all specifications.
- (d) The Board shall have the discretion of tabling the project or soliciting bids again if no bids are received.
- (e) If only one bid meets all specifications, the Board shall have the discretion of accepting that bid or soliciting bids again.

17.08 Conflicts of Interest.

- (a) If a conflict of interest exists, the Board member or Committee member(s) with the conflict of interest must remove themselves from the bid process.
- (b) An Association may contract with a Board member or Committee member, relative of a Board member or Committee member, or company owned by a Board member or Committee member only if:
 - i. The Board member or Committee member, relative of a Board member or Committee member, or company owned by a Board member or Committee member bids on the contract;

- ii. There are at least 2 other competitive bidders aside from the Board member or Committee member, relative of a Board member or Committee member, or company owned by a Board member or Committee member;
- iii. The conflicted Board member or Committee member is not given access to the bids;
- iv. The conflicted Board member or Committee member does not participate in discussions regarding the contract;
- v. The conflicted Board member or Committee member does not vote on the issue; and
- vi. The conflict is disclosed to the Association.

17.09 Best Judgment. This Contract Bidding Policy is a financial tool and set of administrative guidelines to be used when considering Association expenditures. The Board shall at all times exercise its judgment and discretion to make the best decision possible on behalf of the Association and its membership.

ARTICLE XVIII **SWIMMING POOL ENCLOSURE POLICY**

18.01 Swimming Pool Enclosure Policy.

- (a) "Swimming Pool Enclosure" shall be defined as a fence that has each of the following features:
 - i. Surrounds a water feature, including a swimming pool or spa;
 - ii. Consists of transparent mesh or clear panels set in metal frames;
 - iii. Is not more than six feet in height; and
 - iv. Is designed not to be climbable.
- (b) An owner within Village Green Homeowners Association of Denison, Inc. may install a Swimming Pool Enclosure surrounding the owner's pool or spa for so long as the Swimming Pool Enclosure conforms to state and local safety requirements.
- (c) Prior to the installation of a Swimming Pool Enclosure, the owner must submit the request for such installation to the Architectural Review Authority for the Association.
- (d) An owner may install a Swimming Pool Enclosure that is black in color and consists of transparent mesh set in metal frames.
- (e) The definitions contained in the Association's dedicatory instruments are hereby incorporated by reference.

(f) In the event of a conflict between Section 202.022 of the Texas Property Code and any restrictions contained in any dedicatory instruments of the Association, including design guidelines, policies, rules and regulations, and the Declaration, then Section 202.022 and this Swimming Pool Enclosure Policy shall control.

ARTICLE XIX
SECURITY MEASURES POLICY

19.01 Security Measures Policy.

(a) "Security Measures" shall be defined as a precaution taken against crime, malfeasance, or other danger. Security Measures shall include, but not be limited to, the following:

- i. Security cameras;
- ii. Motion detectors; and
- iii. Perimeter fences.

(b) "Front Yard" is a yard within a lot that:

- i. Extends the full width of the front of the lot; and
- ii. Is at least 15 feet from the front building setback to the front of the lot.

(c) An owner within Village Green Homeowners Association of Denison, Inc. may install a Security Measure on the owner's lot and residence for so long as it conforms to state and local safety requirements. An owner may not install a Security Measure in a place other than the property owner's private property.

(d) Prior to the installation of a Security Measure, an owner must submit a request for such installation to the Architectural Review Authority for the Association.

(e) An owner may install a Ring, Nest, or other security camera doorbell less than 7 square inches in size without first seeking the approval of the Association.

(f) The Association may regulate the type of perimeter fencing that a property owner may install. Prior to the installation of a perimeter fence that is located within the Front Yard of an owner's residence, the owner must first obtain a building permit from the municipality or city for the installation of such fence. If the municipality or city does not grant permits, then the owner may submit the request directly to the Association for review.

(g) The definitions contained in the Association's dedicatory instruments are hereby incorporated by reference.

(h) In the event of a conflict between Section 202.023 of the Texas Property Code and any restrictions contained in any dedicatory instruments of the Association, including design guidelines, policies, rules and regulations, and the Declaration, then Section 202.023 and this Security Measure Policy shall control.

ARTICLE XX
RELIGIOUS ITEM DISPLAY POLICY

20.01 Religious Item Display Policy.

- (a) Religious items are allowed to be displayed or affixed to an owner's or resident's property.
- (b) A religious item must be motivated by the owner's or resident's sincere religious belief.
- (c) An owner or resident may not display or affix a religious item to the owner or resident's dwelling that:
 - i. Threatens public health or safety;
 - ii. Violates a law other than a law prohibiting the display of religious speech;
 - iii. Contains language, graphics, or any display that is patently offensive to a passerby for other reasons other than its religious content;
 - iv. Is affixed or installed on property owned or maintained by the Association or on property owned in common by members of the property owners' association;
 - v. Violates any applicable building line, right-of-way, setback, or easement; or
 - vi. Is attached to a traffic control device, street lamp, fire hydrant, or utility sign, pole, or fixture.
- (d) The definitions contained in the Association's dedicatory instruments are hereby incorporated by reference.
- (e) In the event of a conflict between Section 202.018 of the Texas Property Code and any restrictions contained in any dedicatory instruments of the Association, including design guidelines, policies, rules and regulations, and the Declaration, then Section 202.018 and this Religious Item Display Policy shall control.

EXECUTED this __, day of _____, 2025

Village Green Homeowners Association of Denison, Inc.,
A Texas non-profit corporation

By: _____
Eric Campbell, Director & Authorized Representative

STATE OF TEXAS

§

COUNTY OF GRAYSON

This instrument was acknowledged before me on the __, day of _____, 2025,
by Eric Campbell, Director and authorized representative of Village Green Homeowners Association
of Denison, Inc., a Texas nonprofit corporation, on behalf of said corporation.

Notary Public in and for the State of Texas

After Recording, Return to:
Manning & Meyers, Attorneys at Law
4340 N. Central Expressway, Suite 200
Dallas, TX 75206

Covenant Enforcement and Fining Policy

VILLAGE GREEN HOMEOWNERS ASSOCIATION OF DENISON, INC.

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

This Covenant Enforcement and Fining Policy for Village Green Homeowners Association of Denison, Inc. is made effective as of the date of its filing in the Grayson County Real Property Records.

The following procedures and practices are established for the enforcement of the restrictive covenants of the Declaration and for the elimination of violations of such provisions found to exist in, on and about Lots within Village Green Homeowners Association of Denison, Inc. and the same are to be known as the "Covenant Enforcement and Fining Policy" (herein referred to as the "Enforcement Policy") of the Association in the discharge of its responsibilities for determination and enforcement of remedies for violations within Village Green Homeowners Association of Denison, Inc.

1. Establishment of Violations. Any condition, use, activity or improvement which does not comply with the provisions of the Declaration, Bylaws or rules and regulations of the Association, shall constitute a "Violation" under this Policy for all purposes.

2. Report of Violation. The existence of a Violation will be verified firsthand by a field observation conducted by the Board or its delegate. For the purpose of this Enforcement Policy, the delegate of the Board may include a Property Manager employed by the Association's Management Company, an officer of the Board, or a member of any committee established by the Board for this purpose. A timely written report shall be prepared by the field observer for each Violation which will include the following information:

- a. Identification of the nature and description of the Violation(s);
- b. Identification by street address and legal description, if available, of the Lot on which the Violation exists;
- c. Date of the Violation observation; and
- d. Name of the person making such an observation.

Within five (5) business days of receipt of the field observation report, the Board or its delegate may forward to the Owner of the Lot in question written notice via personal delivery, regular first-class mail or via postcard of the discovery of the Violation(s) (the "Courtesy Notice"). The Owner will have at least ten (10) days from the date of the Courtesy Notice to correct or eliminate the Violation(s) without incurring any sanctions or fines. The Board or its delegate may, at their own discretion, in lieu of this notice, proceed immediately to the notice set forth in Paragraph 3 below.

3. Notice of Violation. If the Violation is not corrected or eliminated within the time period specified in the Courtesy Notice, or if the Board or its delegate deem it appropriate to proceed without the Courtesy Notice, the Association shall forward to the Owner of the Lot in question written notice of

the Violations(s) by certified mail, return receipt requested (the “Notice of Violation”). The Notice of Violation, if required, shall state the following:

- a. The nature, description and location of the Violation, including any property damage caused by the Owner;
- b. The authority for establishing the Violation, including the authority for recovering property damages caused by the Owner;
- c. The proposed sanction to be imposed, including the amount of any fine or the amount claimed to be due from the owner for the property damage;
- d. If the Violation is corrected or eliminated within a reasonable time after the Owner’s receipt of the Notice of Violation that a fine will not be assessed;
- e. The recipient may, on or before thirty (30) days from the receipt of the Notice of Violation, deliver to the Association a written request for a hearing;
- f. The recipient may have special rights or relief related to the enforcement action under federal law, including the Service Members Civil Relief Act (50 U.S.C app. Section 501 et seq.), if the Owner is serving on active military duty;
- g. If the Violation is not corrected or eliminated within the time period specified in the Notice of Violation, or if a written request for a hearing is not made on or before thirty (30) days from the receipt of the Notice of Violation, that the sanctions delineated in the Notice of Violation may be imposed and that any attorney’s fees and cost will be charged to the Owner;
- h. If a hearing is timely requested and is held before a delegate of the Board, that the Owner may appeal the decision of the delegate to the Board; and
- i. A Notice of Violation is not required if the Owner was sent a Notice of Violation relating to a similar Violation within six (6) months of the current Violation and was given reasonable opportunity to cure the prior Violation. In such event, the Board may impose sanctions as authorized by the Declaration and /or this Enforcement Policy without notice to the Owner other than the Final Notice of Violation described in Paragraph 4 below.

4. Final Notice of Violation. If the Violation is not corrected or eliminated within the time period specified in the Notice of Violation and the Owner has not requested a hearing, the Association may, at its own discretion, forward to the Owner of the Lot in question a final notice of the Violation and the sanction to be imposed, including the amount of any fine or the amount of any property damage (the “Final Notice of Violation”). The Final Notice of Violation may be sent by the Association to the Owner by regular first-class mail or by certified mail, return receipt requested.

5. Request for a Hearing. If the Owner challenges the proposed action delineated in the Notice of Violation (or the Final Notice of Violation if a Notice of Violation was not issued) by timely requesting a hearing, the hearing shall be held in executive session of the Board, a committee comprised of members of the Board, or a delegate of the Board no later than the 30th day after the date the Board receives the Owner’s request for a hearing. Any hearing shall be conducted in accordance with Section 209.007 of the Texas Property Code. The hearing may be held in person, or electronically. Notice of the hearing shall be tendered to the owner at least ten days prior to the hearing. At least ten days prior to the hearing, the Association shall provide to the Owner a packet which contains all documents, photographs, and communications relating to the matter the Association intends to introduce at the hearing. Either the Association or the Owner may record the hearing. During the hearing, a member of the board or the Association’s designated representative shall first present the Association’s case against

the Owner. An Owner or the Owner's designated representative is entitled to present the Owner's information and issues relevant to the appeal or dispute. The Association shall notify the Owner in writing of its decision within ten (10) business days after the hearing. The Board may, but shall not be obligated to, suspend any proposed sanction if the Violation is cured within the ten-business day period. Such suspension shall not constitute a waiver of the right to sanction future violation of the same or other provisions and rules by any Owner.

6. Appeal. Following a hearing before a committee of the Board or delegate of the board, the Owner shall have the right to appeal the decision made by the Board's appointed committee or delegate to the Board. To perfect this right, a written notice of appeal must be received by the manager, president or secretary of the Association within ten (10) days after the date of the Association's written notice to the Owner of the results of the hearing. Any hearing before the entire Board shall be held in the same manner as provided in Paragraph 5.

7. Correction of Violation. Where the Owner corrects or eliminates the Violation(s) prior to the imposition of any sanction, no further action will be taken by the Association (except for collection of any monies for which the Lot Owner may become liable under this Enforcement Policy and/or the Declaration). Written notice of correction or elimination of the Violation may be obtained from the Board upon request for such notice by the Owner and upon payment of a fee for same, the amount of which is set by the Board.

8. Corrective Action. Notwithstanding any other provision contained herein to the contrary, where a Violation is determined or deemed determined to exist, the Board may undertake to cause the Violation to be corrected, removed or otherwise abated if the Board, in its reasonable judgment, determines the Violation may be readily corrected, removed or abated without undue expense and without breach of the peace. Where the Board decides to initiate any such action, the following will apply:

- a. The Board must give the Owner and any third party that is known to the Association to be directly affected by the proposed action prior written notice of the undertaking of the action;
- b. Any and all costs incurred in correcting or eliminating the Violation shall be the responsibility of the Owner causing such Violation and shall be referred to the Association to be recovered from the Owner; and
- c. The Owner shall be liable to the Association and its agents and contractors or any third party for trespass or any damage or cost alleged to arise by virtue of action taken under this Paragraph 8.

9. Referral to Legal Counsel. Where a Violation is determined or deemed determined to exist and where the Board deems it to be in the best interests of the Association to refer the Violation to legal counsel for appropriate action, the Board may do so at any time. Such legal action may include, without limitation, sending demand letters to the violating Owner and/or seeking injunctive relief against the Owner to correct or otherwise abate the Violation. Attorney's fees and all costs incurred by the Association in enforcing the Declaration and administering this Enforcement Policy shall become the personal obligation of the Owner.

10. Fines. Subject to the provisions of the Enforcement Policy and/or the Declaration, the imposition of fines will be on the following basis:

- a. Fines will be based on an amount that is reasonably related to the nature of the Violation. The Board shall have final discretion in determining the appropriate fine for the Violation in question. The Board may adopt and amend, from time to time, a schedule of fines applicable to Violations within the Association which may include a progression of fines for repeat offenders. The initial schedule of fines is attached hereto as Exhibit "A";
- b. The general categories of restrictive covenants for which the Association may assess fines is attached hereto as Exhibit "B";
- c. Imposition of fines will be in addition to and not exclusive of any other rights, remedies and recoveries of the Association as created by the Declaration or this Enforcement policy; and
- d. Fines are imposed against Lots and become the personal obligation of the Owners of such Lots. Upon presentation of outstanding fines to the Board for action, the same will be levied against the respective Lots and their Owners as an individual assessment under the Declaration.

11. Notices. Unless otherwise provided in the Enforcement Policy, all notices required by this Enforcement Policy shall be in writing and shall be deemed to have been duly given if delivered personally and/or if sent by the United States Mail, first-class postage prepaid, to the Owner at the address which the Owner has designated in writing to Association or, if no such address has been designated, to the address of the Lot of the Owner.

- a. Where the Board has actual knowledge that an enforcement action would directly affect a third party (e.g. a tenant or a neighbor) or involves a Violation by a party other than the Owner, notices required under this Enforcement Policy may, but shall not be required, to be given to such third party in addition to the Owner;
- b. Where the interests of an Owner in a Lot have been handled by a representative or agent of such Owner or where an Owner has otherwise acted so as to put the Association on notice that its interests in a Lot have been and are being handled by a representative or agent, any notice or communication from the Association pursuant to this Enforcement Policy will be deemed full and effective for all purposes if given to such representative or agent; and
- c. Where an Owner transfers record title to a Lot at any time during the pendency of any procedure prescribed by this Enforcement Policy, such Owner shall remain personally liable for all costs and fines under this Enforcement Policy. As soon as practical after receipt by the Association of a notice of a change in the record title to a Lot which is the subject of enforcement proceedings under this Enforcement Policy, the Board may begin enforcement proceedings against the new Owner in accordance with this Enforcement Policy which are the result of the new Owner's failure and/or refusal to correct or eliminate the Violation in the time and manner specified under this Enforcement Policy.

12. Cure of Violation During Enforcement. An Owner may correct or eliminate a Violation at any time during the pendency of any procedure prescribed by this Enforcement Policy. The Owner will remain liable for all costs and fines under this Enforcement Policy, which costs and fines, if not paid upon demand by Management, will be referred to the Board of Directors of the Association for collection.

13. Uncurable Violations & Threats to Public Health and Safety. Should a Violation be of an uncurable nature or pose a threat to public safety, then the Association may, but shall not be required, to provide a reasonable period to cure the Violation in the Final Notice of Violation prior to transmitting a Notice of Fine to an Owner. A Violation is considered a threat to public health or safety if the Violation could materially affect the physical health or safety of the ordinary resident. A Violation is considered uncurable if the Violation has occurred but is not a continuous action or condition capable of being remedied by affirmative action. Examples of curable and uncurable Violation may be found at Section 209.006 of the Texas Property Code.

14. Definitions. The definitions contained in the Declaration and Bylaws are hereby incorporated herein by reference.

IT IS FURTHER RESOLVED that this Covenant Enforcement and Fining Policy is effective upon adoption hereof, to remain in force and effect until revoked, modified or amended.

This is to certify that the foregoing resolution was adopted by the Association at a meeting of the same and has not been modified, rescinded or revoked.

[signature page follows]

EXHIBIT A- TO FINING POLICY

Schedule of Fines for All Categories of Violations Set Forth Within Exhibit B

1st Fine: An owner will receive a fine of \$50.00 and 30 days to comply. If compliance is not met, then an owner will receive a 2nd fine;

2nd Fine: An owner will receive an additional fine of \$100.00 and 30 days to comply. If compliance is not met, then an owner will receive a 3rd fine;

3rd Fine: An owner will receive an additional fine of \$150.00 and 30 days to comply. If compliance is not met, then an owner will receive a 4th fine;

4th Fine: An owner will receive an additional fine of \$150.00 and 30 days to comply. If compliance is not met, then an owner will continue receiving a fine of \$150.00 every 30 days that the fine is not corrected.

Board Discretion: The Board of Directors hereby reserves its authority to levy a fine from the schedule of fines that varies on a case-by-case basis. The Board of Directors may increase or decrease fine amounts at their sole and absolute discretion. The fine amount as determined by the Board of Directors shall be final and binding upon the Owners within the Association. Instances in which the Board of Directors may increase fine amounts include, but are not limited to, violations which threaten the health or safety of a member or their guest, or damage to community property.

Special Individual Assessments: All fines shall be levied against owners as special individual assessments in accordance Article V, Section 5.07 of this Declaration.

EXHIBIT B- TO FINING POLICY

General Category of Restrictive Covenants for Which the Association May Assess Fines

- 1) Violations of Rules and Regulations and Policies of the Association.
- 2) Violations of restrictive covenants contained within the Declaration of the Association, including, but not limited to all restrictive covenants as set forth within this Amended & Restated Declaration of Village Green Homeowners Association of Denison, Inc.
- 3) Violations of restrictive covenants contained within the Bylaws and Article of Incorporation of the Association.

MAINTENANCE RESPONSIBILITY CHART

Village Green Homeowners Association of Denison, Inc.

Component of Property	Association Responsibility	Owner Responsibility
Balconies & Garage Spaces	Staining and Painting of Exterior. Structural Aspects. Repainting of garage door should owner replace door.	Repair and replacement of garage doors.
Common Mailbox	All aspects, except those noted for owner.	Owner is responsible for keeping their mailbox properly secured. Damage caused by Lot owner or owner's property to the Association' property.
Sidewalk, Driveways, and Areas in front of a Lot	All structural aspects.	Routine cleaning & maintenance. Damage caused by owner negligence.
Exterior Doors	None.	Owner Responsible for all other aspects, including door, glass panes, weather stripping, threshold, hardware, locks, and peepholes. Owner shall promptly repair and replace any broken or cracked glass in doors. Color of door frame and trim subject to ACC approval.
Heating and Cooling Systems, including Air Conditioning Units. A/C slabs	None.	Owner Responsible for all aspects, including operation, maintenance and repair of Air Conditioning and Heating Units and all vents and lines. Major and minor repairs to A/C slabs.
Exterior Light Fixtures on Dwelling	Lights located in the parking lot or other common areas. Security lighting and lights on exterior of garages.	All other lights other than those that are Association responsibility, including bulb replacement in patios, balcony spaces, and over and near the front door of Lots.
Foundations	All structural aspects, except minor cracks.	Routine cleaning & maintenance. Damage caused by owner negligence.
Irrigation on Common Areas	All aspects.	None.
Grounds- Common Areas Only	All aspects.	None. Lawn maintenance will be provided by the HOA.

Plumbing, Faucets, and Sewer Lines	None, other than those serving the Common Areas.	Owner Responsible for all other aspects of lines, pipes, faucets, and appliances within a Lot. Damage to the Lot, another Lot or common elements from a cause initially within the Lot.
Roofs	All aspects.	Nothing may be installed or placed on the roof without Board approval of modification requests (includes roof vents, Christmas lights, solar panels, TV Antennas, Satellite dishes).
Exterior Vertical Walls of Buildings, Gutters and Downspouts	All aspects, except routine cleaning & maintenance.	Routine cleaning & maintenance. Damage caused by owner negligence. Modifications, including installation of gutters, subject to ACC approval.
Sheetrock Inside and Bordering Lot, Including Walls	None.	Owner Responsible for all aspects, including damage caused by negligence or willful acts by the homeowner.
Intrusion Alarm on Doors and Windows. Smoke Alarm	None.	Owner Responsible for all aspects. Owner must maintain smoke detector and batteries.
Trees, Landscaping, and Shrubs on Common Areas	Installation, maintenance and/or replacement.	Owner has the responsibility to report issues to the Association in a timely manner.
Trees, Landscaping, and Shrubs in gated areas on Lots	None	All aspects, including pruning, watering, and replacement.
Insulation Weather-Stripping	None.	Owner Responsible for all aspects.
Television Antennas & Satellite Dishes	Standards for location and appearance of exterior mounted devices. Please see Roofs above. No installation on roofs allowed.	Owner Responsible for all other aspects.
Dryer Vents	None.	Owner Responsible for all aspects. Owners should clean dryer vents on an annual basis.
Water Heaters (Serving Lots)	None.	Owner Responsible for all aspects.
Fences	None	Owner Responsible for all aspects.
Dwelling Interiors, Including Improvements, Fixtures, Partition Walls, Sheetrock, Treatments and Floors Within the Dwelling	None.	Owner Responsible for all aspects of Interior, including, but not limited to, sheetrock, fixtures, and flooring.

Windows of Lots	Periodic exterior caulking in connection with exterior painting.	Owner Responsible for all aspects., except those noted for Association. Includes window frames, window sill flashings, window seals and sealants, screens, window locks, glass panes, glazing and interior caulking. Specifically, the owner shall promptly repair and replace any broken or cracked glass in windows.
Water, Sewer, Electrical Lines, and Systems	All other aspects unless maintained by a utility.	Owner Responsible for all aspects of lines and systems serving the Lot. Owner Responsible to maintain utilities that pertain to Lot's exclusive use.
Garage Areas	Structural aspects only	All other aspects. Owner responsible when damage has been caused by the owner's vehicle, such as oil stains.
Party Walls	None	Owner's sharing party wall are responsible for all aspects. If damage is caused by negligence or willful acts by the homeowner, then owner causing the damage is responsible for the repair and replacement.
Decks	None	Owner Responsible for all aspects.
Gates	None	Owner Responsible for all aspects.