

occupied subject to the covenants, conditions, restrictions, easements, charges and liens (sometimes referred to as “Covenants and Restrictions”) hereinafter set forth.

ARTICLE I. DEFINITIONS

The following words when used in this Declaration or any Supplemental Declaration (unless the context shall otherwise prohibit) shall have the following meanings:

(a) “Design Review Committee” shall mean and refer to the review committee described in Article X hereof.

(b) “Articles of Incorporation” shall mean and refer to the articles of incorporation of the Association as may be amended from time to time.

(c) “Association” shall mean and refer to Terra Bella Homeowners Association, Inc., a Texas non-profit corporation, which will have the power duty and responsibility of maintaining and administering the Common Properties, and collecting and disbursing the assessments and charges hereinafter prescribed, and will have the right to administer and enforce the Covenants and Restrictions.

(d) “Board” or “Board of Directors” shall mean and refer to the board of directors of the Association.

(e) “Members” shall have the meaning set forth in Section 3.1 hereof.

(f) “Common Properties” shall mean and refer to those areas devoted to the common use and enjoyment of the Owners, and include the following:

(i) community entryway features (signage and landscaping) to be placed at one or more entries to the community within easements shown on the Plat;

(ii) private roads as shown on the Plat and designated as follows:

Lot 21, Block 1; Lot 10, Block 2; and Lot 13, Block 2

(iii) open space lots as shown on the Plat and designated as follows:

Lots 22, 23, 24, 25, 27 and 28 of Block 1; and Lot 12 of Block 2

(iv) a portion of Lot 20, Block 1 that is to be dedicated as public park, but for which the Association will have certain maintenance obligations as set forth in the dedication instrument for the park (not included in the park is 7,404.69 square feet in the northwest corner of Lot 20, Block 1);

(v) landscape and hardscape to be installed within the above described Open Space Lots;

(vi) any areas of land, improvements or other property rights within the Properties which are known, described or designated or which shall subsequently become

known, described or designated as Common Properties intended for or devoted to the common use and enjoyment of the Owners, together with any and all improvements that are now or may hereafter be constructed thereon.

In certain circumstances, Common Properties may not be owned by the Declarant or 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 Declarant or the Association but which are maintained by the Association or the Declarant for the use and benefit of the Owners and the Properties. An example of areas of Common Properties which may not be owned or leased by the Association or the Declarant but would constitute a portion of the Common Properties would be landscaped areas appurtenant to and within public rights-of-way. The Declarant may hold record title to all or a portion of the Common Properties, consistent with the objectives envisioned herein and subject to the easement rights herein of the Owners to use and enjoy the Common Properties, for an indefinite period of time and at a point in time (deemed appropriate and reasonable by the Declarant) after the Association has been incorporated, record title to those portions of the Common Properties which are owned by the Declarant in fee, as an easement or otherwise will be transferred from the Declarant to the Association.

(g) “Declarant” shall mean and refer to Westlake Terra LLC, and its successors and assigns, if (i) such successors and/or assigns become same by operation of law, or (ii) successors and/or assigns acquire all or substantially all of the Lots from Declarant for the purpose of development and any such assignee receives by assignment of all or a portion of its rights hereunder as such Declarant, by an instrument expressly assigning such rights of Declarant to such assignee. No person or entity purchasing one or more Lots from Westlake Terra LLC in the ordinary course of business shall be considered as “Declarant”.

(h) “Design Guidelines” shall mean and refer to the Design Guidelines attached hereto as Exhibit A.

(i) “Lot” shall mean and refer to any plot or tract of land shown upon any recorded subdivision map(s) or plat(s) of the Properties, as amended from time to time, which is designated as a lot thereon and which is or will be improved with a residential dwelling. Some portions of the Common Properties may be platted as a “lot” on the recorded subdivision plat, however, these lots shall be excluded from the concept and definition of lot as used herein.

(j) “Member” shall mean and refer to each Owner as provided in Article III hereof.

(k) “Owner” shall mean and refer to every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject to this Declaration. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation.

(l) “Plat” shall mean the subdivision plat(s) of the Properties recorded in the Plat or Map Records of the County Clerk.

(m)“Properties” shall mean and refer to the properties subject to this Declaration, together with such additions as may hereafter be made thereto (as provided in Article II).

ARTICLE II. PROPERTY SUBJECT TO THIS DECLARATION

Section 2.1 Existing Properties.

The Properties which are, and shall be, held, transferred, sold, conveyed, and occupied subject to this Declaration are in the Terra Bella Addition, Town of Westlake, Tarrant County, State of Texas, and are more particularly described on the Plat described in the recitals to this Declaration.

Section 2.2 Additions to Properties.

Additional land(s) may become subject to this Declaration in any of the following manners:

(a) The Declarant may add or annex additional real property to the scheme of this Declaration by filing of record a Supplementary Declaration of Covenants, Conditions and Restrictions (“Supplementary Declaration”) which shall extend the scheme of the Covenants and Restrictions of this Declaration to such property; provided, however, that such Supplementary Declaration may contain such complementary additions and modifications of the Covenants and Restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the added properties and as are not materially inconsistent with this Declaration in a manner which adversely affects the concept of this Declaration.

(b) If any person or entity other than the Declarant desires to add or annex additional residential and/or common areas to the scheme of this Declaration, such proposed annexation must have the prior written consent and approval of the majority of the outstanding votes of Members of the Association.

(c) Any additions made pursuant to Paragraphs (a) and (b) of this Section 2.2, when made, shall automatically extend the jurisdiction, functions, duties and membership of the Association to the properties added.

(d) The Declarant shall have the right and option (without the joinder, approval or consent of any person or entity) to cause the Association to merge or consolidate with any similar association then having jurisdiction over real property located (in whole or in part) within one mile of any real property then subject to the jurisdiction of the Association. Upon a merger or consolidation of the Association with another association, its properties, rights and obligations of another association may, by operation of law, be added to the properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants and Restrictions established by this Declaration with the Properties together with the covenants and restrictions established upon any other properties as one scheme.

(e) Notwithstanding the fact that the Declarant may not be a Member by virtue of its sale, transfer or conveyance of all of its right, title, and interest in the Properties, the Declarant shall continue to be entitled to implement and exercise all its rights under and pursuant to this Section 2.2 and all of the subsections hereof. Even though the Declarant may not be a

Member prior to an annexation, merger or consolidation permitted by this Section 2.2, subsequent to such annexation, merger or consolidation, the Declarant shall be and become a Member with respect to the Lots owned by it within the Properties, as such Properties have been expanded or increased by the annexation, merger or consolidation. The Declarant's rights as a Member shall be governed by and set forth in this Declaration and the Articles of Incorporation and Bylaws of the Association, as same may be amended or altered by, and in accordance with, the annexation, merger or consolidation.

ARTICLE III. MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 3.1 Membership.

Every Owner of a Lot shall automatically be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to this Declaration.

Section 3.2 Voting.

The Association shall have two (2) classes of voting membership:

CLASS A. Class A Members shall be all Members with the exception of Declarant. Class A Members shall be entitled to one (1) vote for each Lot in which they hold the interest required for membership. When more than one person holds such interest or interests in any Lot, all such persons shall be Members, and the vote for such Lot shall be exercised as they, among themselves, determine, but in no event shall more than one vote be cast with respect to any such Lot.

CLASS B. The Class B Members shall be the Declarant and any Owner of a Lot upon which the Owner has not completed constructing a residential dwelling. Declarant shall be entitled to six (6) votes for each Lot owned by all Class B Members. Class B Members other than Declarant shall be non-voting Members of the Association. The Class B membership shall cease, and each Class B Member shall become a Class A Member, upon the earlier to occur of the following:

- (a) when the total of votes outstanding in the Class A membership is eight (8) times greater than the total number of votes outstanding in the Class B membership; or
- (b) when Declarant no longer owns record title to any of the Lots; or
- (c) on the tenth (10th) anniversary of the date this Declaration was recorded in the Office of the County Clerk.

Section 3.3 Quorum, Notice and Voting Requirements.

(a) Subject to the provisions of Paragraph (c) of this Section, any action taken at a meeting of the Members shall require the assent of the majority of all of the votes of those who are voting in person or by proxy at a meeting duly called, written notice of which shall be given to all Members not less than ten (10) days nor more than fifty (50) days in advance.

(b) The quorum required for any action referred to in Paragraph (a) of this Section shall be the presence at the initial meeting of Members entitled to cast, or of proxies entitled to cast, a majority of the votes of all Members shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Bylaws or this Declaration. If the required quorum is not present or represented at the meeting, one additional meeting may be called, subject to the notice requirement herein set forth, 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 sixty (60) days following the first meeting.

(c) As an alternative to the procedure set forth above, any action referred to in Paragraph (a) of this Section may be taken without a meeting if a consent in writing approving of the action to be taken, shall be signed by all Members.

(d) 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.

(e) During the period of time that the Association is unincorporated, the Declarant shall have the sole right and option to prescribe reasonable procedures for the meetings (if any) of the Members; provided, however, that prior to incorporation, without the written approval of the Declarant, no Member (other than Declarant) shall have a right to vote on any matter, or to call any meetings of the Members of the Association. Except as specifically set forth in this Declaration, notice, voting and quorum requirements for all action to be taken by the Association (as an incorporated entity) shall be consistent with its Articles of Incorporation and Bylaws, as same may be amended from time to time.

ARTICLE IV. PROPERTY RIGHTS IN THE COMMON PROPERTIES

Section 4.1 Members' Easements of Enjoyment.

Subject to the provisions of Section 4.2 and 4.3 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.

Section 4.2 Extent of Members' 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 (including the Declarant or an affiliate of the Declarant) 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 Declarant or the Association, subject to approval by written consent by the Member(s) having a majority of the outstanding votes of the Members 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;

(d) The right of the Declarant or the Association, at any time, to make reasonable amendments to the Plat as it deems advisable, in its sole discretion. All Members are advised that a portion of the Common Properties may be located within the platted and dedicated public rights-of-way and in connection therewith the public shall have rights of use and enjoyment of Common Properties located within the public rights-of-way; and

(e) With respect to any and all portions of the Common Properties, Declarant, until Declarant no longer owns record title to any Lot or the tenth (10th) anniversary of the date this Declaration was recorded in the Office of the County Clerk of Tarrant County, Texas, whichever is the first to occur, shall have the right and option (without the joinder and consent of any person or entity, save and except any consent, joinder or approval required by the Town of Westlake or any other governmental agency having appropriate jurisdiction over the Common Properties) to: (i) alter, improve, landscape and/or maintain the Common Properties with the expense to be reimbursed by the Association; (ii) rechannel, realign, dam, bridge, bulwark, culvert and otherwise employ or utilize construction and/or engineering measures and activities of any kind or nature whatsoever upon or within the Common Properties; (iii) seek and obtain variances or permits of any kind or nature whatsoever upon or within the Common Properties; (iv) replat or redesign the shape or configuration of the Common Properties (including a reduction in size of the Common Properties) without the joinder of the Association (whether or not the association has received a conveyance of the Common Properties); and (v) seek and obtain any and all permits, licenses or exemptions from any and all governmental agencies exercising jurisdiction over the Common Properties and/or the uses or activities thereon.

Section 4.3 Special Easement for Lot 1, Block 1.

One of the Common Properties is Lot 22, Block 1. Part of Lot 22, Block 1 (a strip that fronts Dove Road and is adjacent (to the south) of Lot 1, Block 1) is landscaped open space. Declarant has constructed a Common Properties fence (wrought iron with stone columns) between such open space area and Lot 1, Block 1. However, in an effort to preserve trees, the fence has been located slightly inside the north boundary line of Lot 22, Block 1 (the area between the fence and the north boundary varies in width--up to a width of about 5 feet). The area between the fence and the north boundary of Lot 22, Block 1, is referred to as the "Tree Preservation Area". The Owner of Lot 1, Block 1 will have an easement to use and enjoy the Tree Preservation Area and must maintain the Tree Preservation in accordance with the standards set forth herein. The easement for the Tree Preservation Area will terminate, in whole or part, as and when the Association rebuilds/relocates the fence closer to the north boundary of Lot 22, Block 1. The easement for the Tree Preservation Area will vary from time to time to cover the actual Tree Preservation Area, if any, between the fence and the north boundary of Lot 22, Block 1.

ARTICLE V. COVENANTS AND ASSESSMENTS

Section 5.1 Creation of the Lien and Personal Obligation of Assessments.

Declarant, for each Lot owned by it, hereby covenants and agrees, and each purchaser of any Lot by acceptance of a deed or other conveyance document creating in such Owner the interest required to be deemed an Owner, whether or not it shall be so expressed in any such deed or other conveyance document, shall be deemed to covenant and agree (and such covenant and agreement shall be deemed to constitute a portion of the consideration and purchase money for the acquisition of the Lot), to pay to the Association (or to an entity or collection agency designated by the Association): (1) annual maintenance assessments or charges (as specified in Section 5.4 hereof), such assessments to be fixed, established and collected from time to time as herein provided; (2) special assessments for capital improvements and other purposes (as specified in Section 5.5 hereof), such assessments to be fixed, established and collected from time to time as hereinafter provided; and (3) individual special assessments levied against one or more Owners to reimburse the Association for extra costs for maintenance and repairs caused by 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 not caused by ordinary wear and tear (as specified in Section 5.5 hereof), all of such assessments to be fixed, established and collected from time to time as hereinafter provided. The annual maintenance, special capital, and special individual assessments described in this Section 5.1 (hereinafter, the “Assessment” or the “Assessments”, together with interest thereon, attorneys’ fees, court costs and other costs of collection thereof, as herein provided, shall be a charge on the land and shall be a continuing lien upon each Lot against which any such Assessment is made. Each such Assessment, together with interest thereon, attorneys’ fees, court costs, and other costs of collection thereof shall also be the continuing personal obligation of the Owner of such Lot at the time when the assessment becomes due. Further, no Owner may exempt himself from liability for such Assessments or waive or otherwise escape liability for the Assessments by non-use of the Common Properties or abandonment of his Lot. Existing obligations of an Owner to pay assessments and other costs and charges shall not pass to bona fide first lien mortgagees which become Owners by reason of foreclosure proceedings or an action at law subsequent to the date the Assessment was due; provided; however, any such foreclosure proceeding or action at law shall not relieve such 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.

Section 5.2 Purpose of Assessments.

The Assessments levied by the Association shall be used for (i) the purpose of promoting the recreation, comfort, health, safety and welfare of the Members and/or the residents of the Properties; (ii) maintaining the Common Properties; (iii) enhancing the quality of life in the Properties and the value of the Properties; (iv) improving and maintaining the Common Properties, the properties, services, improvements and facilities devoted to or directly related to the use and enjoyment of the Common Properties, including, but not limited to, the payment of taxes on the Common Properties and insurance in connection therewith and the repair, replacement and additions thereto; (v) 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; (vi) carrying out the powers and duties of the Board of Directors of the Association as

set forth in this Declaration and the Bylaws of the Association; (vii) carrying out the purposes of the Association as stated in its Articles of Incorporation; and (viii) carrying out the powers and duties relating to the Design Review Committee, after Declarant has delegated or assigned such powers and duties to the Association, (ix) enforcing this Declaration and paying legal fees and other costs associated with enforcement of this Declaration.

Section 5.3 Improvement and Maintenance of the Common Properties Prior to Assessments.

Initially, the improvement of the Common Properties shall be the responsibility of the Declarant and shall be undertaken by Declarant at its sole cost and expense with no right to reimbursement from the Association. After the initial improvements to the Common Properties are substantially completed and until the date of the Assessments formally commence, the Declarant, on behalf of the Association, shall have the responsibility and duty (but with right of reimbursement once Assessments begin) of maintaining the Common Properties, including, but not limited to, the payment of taxes on and insurance in connection with the Common Properties and 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.

Section 5.4 Annual Maintenance Assessments.

(a) The Board of Directors shall determine the amount of the annual maintenance assessments for each year, which assessments may include a reserve fund for working capital and for maintenance, repairs and replacements of the Common Properties.

(b) Subject to the provisions of Section 5.4(c) hereof, the rate of annual maintenance assessments may be increased by the Board. The Board may, after consideration of current maintenance, operational and other costs and the future needs of the Association, fix the annual maintenance assessments for any year at a lesser amount than that of the previous year.

(c) An increase in the rate of the annual maintenance assessments as authorized by Section 5.4(b) hereof in excess of twenty percent of the preceding year's annual maintenance assessments must be approved by the Members in accordance with Section 3.3 hereof.

(d) When the annual maintenance assessment is computed for Lots, all or a portion of such annual maintenance assessment shall be payable to the Association by the Member according to the status of the Lot owned by such Member as follows:

- (i) As to a Lot owned by a Member other than Declarant, the full annual maintenance assessment shall be payable.
- (ii) As to any Lot owned by Declarant, $\frac{1}{4}$ of the annual maintenance assessment shall be payable.

(e) The Board of Directors may provide that annual maintenance assessments shall be paid monthly, quarter-annually, semi-annually or annually on a calendar year basis. Not 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 maintenance assessments to be paid by each Member, and (iii) establish the date of commencement of the annual maintenance assessments. Written notice of the annual maintenance 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 maintenance assessment in such manner as determined by the Board of Directors.

(f) The annual maintenance assessments shall include reasonable amounts, as determined by the Members or by the Board, collected as reserves for the future periodic maintenance, repair and/or replacement of all or a portion of the Common Properties. All amounts collected as reserves, whether pursuant to this Section or otherwise, shall 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 shall not be considered to be advance payments of regular annual maintenance assessments.

Section 5.5 Special Care Assessments and Special Individual Assessments.

(a) In addition to the annual maintenance assessments authorized in Section 5.4 hereof, the Board of Directors of the Association may levy in any calendar assessment year a special capital 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 improvements thereon, or (iii) carrying out other purposes of the Association; provided, however, that any such special capital assessment levied by the Association shall have the approval of the Members in accordance with Section 3.3 hereof. Any special capital assessment levied by the Association shall be paid by the Members directly to the Association on such date or dates as determined by the Board of Directors. All such amounts collected by the Association may only be used for the purposes set forth in this Section 5.5 and shall be deposited by the Board of Directors in a separate bank account to be held in trust for such purpose. These funds shall not be commingled with any other funds of the Association.

(b) The Board of Directors of the Association 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 and not ordinary wear and tear; or (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 5.5 shall belong to and remain with the Association.

Section 5.6 Uniform Rate of Annual Maintenance Assessments and Special Capital Assessments.

Both annual maintenance assessments and special capital assessments (excepting therefrom special individual assessments) must be fixed at a uniform rate for all Lots, and be payable as set forth herein.

Section 5.7 Date of Commencement of Assessments; Due Dates; No Offsets.

The annual maintenance assessments provided for herein shall commence on the date fixed by the Board of Directors of the Association to be the date of commencement and, except as hereinafter provided, shall be payable monthly, quarter-annually, semi-annually or annually, in advance, on the first day of each payment period thereafter, as the case may be and as the Board of Directors shall direct. The first annual maintenance assessment shall be made for the balance of the calendar year in which it is levied. The amount of the annual maintenance assessment which may be levied for the balance remaining in the first year of assessment shall be an amount which bears the same relationship to the annual maintenance assessment provided for in Section 5.4 hereof as the remaining number of months in that year bears to twelve; provided, however, that if the date of commencement falls on other than the first day of a month, the annual maintenance assessment for such month shall be prorated by the number of days remaining in the month. The due date or dates, if to be paid in installments, of any special capital assessment or special individual assessment under Section 5.5 hereof shall be fixed in the respective resolution authorizing such assessments. All assessments shall be payable in the amount specified by the Association and no offsets against such amount shall be permitted for any reason.

Section 5.8 Duties of the Board of Directors with Respect to Assessments.

(a) The Board of Directors of the Association shall fix the date of commencement and the amount of the annual maintenance assessment against each Lot for each assessment period at least thirty (30) days in advance of such date or period and shall, at that time, prepare a roster of the Lots and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Owner.

(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 of Directors to fix the assessments within the time period set forth above for any year shall not be deemed a waiver or 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 assessment fixed for the preceding year shall continue until a new assessment is fixed.

Section 5.9 Non-Payment of Assessment.

(a) Delinquency. Any Assessment, or installment thereof, which is not paid in full when due shall be delinquent on the day following the due date (herein, "delinquency date") as specified in the notice of such Assessment. The Association shall have the right to reject

partial payment of an Assessment and demand full payment thereof. If any Assessment or part thereof is not paid within ten (10) days after the delinquency date, the unpaid amount of such Assessment shall bear interest from and after the delinquency date until paid at a rate equal to the lesser of (i) eighteen percent (18%) per annum or (ii) the maximum lawful rate.

(b) Lien. The unpaid amount of any Assessment not paid by the delinquency date shall, together with the interest thereon as provided in Section 5.9(a) hereof and the cost of collection thereof, including reasonable attorneys' fees, become a continuing lien and charge on the Lot of the non-paying Owner, which shall bind such Lot in the hands of the Owner, and his heirs, executors, administrators, devisees, personal representatives, successors and assigns. The lien shall be superior to all other liens and charges against the Lot, except only for tax liens and the lien of any bona fide first mortgage or first deed of trust now or hereafter placed upon such Lot. A subsequent sale or assignment of the Lot shall not relieve the Owner from liability for any Assessment made prior to the date of sale or assignment and thereafter becoming due nor from the lien of any such Assessment. The Board shall have the power to subordinate the lien securing the payment of any Assessment rendered by the Association to any other lien. Such power shall be entirely discretionary with the Board. As hereinbefore stated, the personal obligation of the Owner incurred at the time of such Assessment to pay such Assessment shall remain the personal obligation of such Owner and shall not pass to such Owner's successors in title unless expressly assumed by them in writing. Liens for unpaid Assessments shall not be affected by any sale or assignment of a Lot and shall continue in full force and effect. No Owner may exempt himself from liability for such Assessments or waive or otherwise escape liability for the Assessments by non-use of the Common Properties or abandonment of his Lot. To evidence any lien, the Association shall prepare a written notice of lien setting forth the amount of the unpaid indebtedness, the name of the Owner of the Lot covered by such lien and a description of the Lot covered by such lien. Such notice shall be executed by one of the officers of the Association and shall be recorded in the Office of the County Clerk of Tarrant County, Texas.

(c) Remedies. The lien securing the payment of the Assessments shall attach to the Lot belonging to such non-paying Owner with the priority set forth in this Section. Subsequent to the recording of a notice of the lien, the Association may institute an action at law against the Owner or Owners personally obligated to pay the Assessment and/or for the foreclosure of the aforesaid lien. In any foreclosure proceeding the Owner shall be required to pay the costs, expenses and reasonable attorneys' fees incurred by the Association. In the event an action at law is instituted against the Owner or Owners personally obligated to pay the Assessment there shall be added to the amount of any such Assessment:

- (i) the interest provided in this Section,
- (ii) the costs of preparing and filing the complaint in such action,
- (iii) the reasonable attorneys' fees incurred in connection with such action, and
- (iv) any other costs of collection;

Further, in the event a judgment is obtained, such judgment shall include interest on the Assessment as provided in this Section and a reasonable attorneys' fee to be fixed by the court, together with the costs of the action.

Each Owner, by acceptance of a deed to a Lot, hereby expressly vests in the Association or its agents or trustees the right and power to bring all actions against such Owner personally for the collection of such charges as a debt, and to enforce the aforesaid liens by all methods available for the enforcement of such liens, including non-judicial foreclosure pursuant to Section 51.002 of the Texas Property Code, and such Owner hereby expressly grants to the Association the private power of sale in connection with said liens. The Association may also suspend the Association membership and voting rights of any Owner who is in default in payment of any Assessment in accordance with this Declaration and/or the Bylaws.

(d) Notice to Mortgagees. The Association may, and upon the written request of any mortgagee holding a prior lien on any part of the Properties, shall report to said mortgagee any Assessments remaining unpaid for longer than thirty (30) days after the delinquency date of such Assessment.

Section 5.10 Subordination of the Lien to Mortgages.

The lien securing the payment of the Assessments shall be subordinate and inferior to the lien of any bona fide first lien mortgage or deed of trust now or 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.

Section 5.11 Exempt Property.

The following property subject to this Declaration shall be exempted from the assessments, charges and liens created in Section 5.4 and Section 5.5(a) hereof:

- (i) All properties dedicated and accepted by the local public authority and devoted to public use.
- (ii) The interest of the Declarant or Association in Common Properties (this shall not exempt or reduce the Assessment payable by an Owner of a Lot that is merely encumbered by an easement that is part of the Common Properties).

Section 5.12 Estoppel Information from Board with Respect to Assessments.

The Board shall upon demand at any time furnish to any Owner liable for an Assessment, a certificate in writing signed by an officer of the Association, setting forth whether said Assessment has been paid. Such certificate shall be conclusive evidence of payment of any Assessment therein stated to have been paid. A reasonable charge maybe made by the Board of Directors of the Association for the issuance of such certificates.

**ARTICLE VI. GENERAL POWERS AND DUTIES OF BOARD
OF DIRECTORS OF THE ASSOCIATION**

Section 6.1 Powers and Duties.

The affairs of the Association shall be conducted by its Board of Directors. Prior to the incorporation of the Association, the Declarant shall select and appoint the Board of Directors, each of whom shall be a Member, or an officer, employee, representative or agent of Declarant. From and after the effective date of the Association's incorporation, the Board of Directors shall be selected in accordance with the Articles of Incorporation and Bylaws of the Association. The Board, for the benefit of the Properties, the Common Properties and the Owners, shall provide and pay for, out of the fund(s) collected by the Association pursuant to Article V above, the following:

- (a) Care and preservation of the Common Properties and the furnishing and upkeep of any desired personal property for use in the Common Properties. Expenditures for the repair or installation of capital improvements, not included in the annual maintenance budget, may be paid from the reserve fund as specifically provided in Section 6.5 herein.
- (b) Care and maintenance of the landscaping, screening walls and entry features which may be constructed by Declarant on the Common Properties or on private property. Maintenance includes all repair, rebuilding or cleaning deemed necessary by the Board of Directors.
- (c) Maintenance, should the Board so elect, of exterior grounds, drives, parkways, private streets and access areas, including care of trees, shrubs and grass, the exact scope of which shall be further specified by the Board from time to time. In particular, the Board shall be empowered to contract with persons or entities who shall be responsible for the maintenance of landscaping, trees, shrubs, grass and like improvements which are located on Lots, except for landscaping and other like improvements which are located within rear yards or side yards enclosed by solid fence, which shall be maintained by the individual Lot Owner. Maintenance services contracted for by the Board in accordance with this paragraph shall be paid for out of Association funds.
- (d) The services of a person or firm to manage and/or provide consultation to the Association or any separate portion thereof, to the extent deemed advisable by the Board, and the services of such other personnel as the Board shall determine to be necessary or proper for the operation of the Association, whether such personnel are employed directly by the Board or by the manager.
- (e) Legal and accounting services.
- (f) A policy or policies of insurance ensuring the Association, its officers and directors against any liability to the public or to the Owners (and/or their invitees or tenants) incident to the operation of the Association, including, without limitation, officers' and directors' liability insurance.
- (g) Workers' compensation insurance to the extent necessary to comply with any applicable laws.

- (h) Such fidelity bonds as may be required by the Bylaws or as the Board may determine to be advisable.
- (i) Any other materials, supplies, insurance or property owned by the Association, furniture, labor, services, maintenance, repairs, alterations, taxes or assessments which the Board is required to obtain or pay for pursuant to the terms of this Declaration or by law or which in its opinion shall be necessary or proper for the operation or protection of the Association or for the enforcement of this Declaration.
- (j) To execute all declarations of ownership for tax assessment purposes and to pay all taxes with regard to the Common Properties.
- (k) To enter into agreements or contracts with insurance companies, taxing authorities and the holders of mortgage liens on one or more Lots with respect to: (i) taxes on the Common Properties and (ii) insurance coverage of the Common Properties, as they relate to the assessment, collection and disbursement process envisioned in this Declaration.
- (l) To borrow funds to pay costs of operation, secured by assignment or pledge of rights against delinquent Owners, if the Board sees fit.
- (m) To enter into contracts, maintain one or more bank accounts, and generally, to have all the powers necessary or incidental to the operation and management of the Association and the Common Properties, expressly including the power to enter into management and maintenance contracts.
- (n) If, as, and when the Board, in its sole discretion, deems necessary it may take action to protect or defend the Common Properties from loss or damage by suit or otherwise, to sue or defend in any court of law on behalf of the Association and to provide adequate reserves for repairs and replacements.
- (o) To make reasonable rules and regulations for the operation and use of the Common Properties and to amend them from time to time, provided that any rule or regulation may be amended or repealed by an instrument in writing signed by a majority of the Members, or, with respect to a rule applicable to less than all of the Properties, by a majority of the Members in the portions affected.
- (p) Subsequent to incorporation, to make available to each Owner, within one hundred twenty (120) days after the end of each year, an unaudited annual report.
- (q) Pursuant to Article VII herein, to adjust the amount, collect, and use any insurance proceeds to repair damage or replace lost property; and if proceeds are insufficient to repair damage or replace lost property, to assess the Members in proportionate amounts to cover the deficiency.
- (r) If, as and when the Board, in its sole discretion, deems necessary, it may take action to enforce the provisions of this Declaration and any rules made hereunder and to enjoin and/or seek damages from any Owner for violation of such provisions or rules.

Section 6.2 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 obligation to perform the functions of the Board, except as otherwise provided herein.

Section 6.3 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.

Section 6.4 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 a 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 or maintain the same.

Section 6.5 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 net 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 therein, all as may be more specifically authorized from time to time by the Board of Directors.

ARTICLE VII. INSURANCE; REPAIR AND RESTORATION

Section 7.1 Right to Purchase Insurance.

The Association shall have the right and option to purchase, carry and maintain in force insurance covering any or all portions of the Common Properties, the improvements thereon and appurtenant thereto, for the interest of the Association and of all Members thereof, in such amounts and with such endorsements and coverage as shall be considered good sound insurance coverage for properties similar in construction, location and use to the subject property. Such insurance may include, but need not be limited to:

(a) Insurance against loss or damage by fire and hazards covered by a standard extended coverage endorsement in an amount which shall be equal to the maximum insurable replacement value, excluding foundation and excavation costs as determined annually by the insurance carrier.

(b) Public liability and property damage insurance on a broad form basis.

(c) Fidelity bond for all directors, officers and employees of the Association having control over the receipt or the disbursement of funds in such penal sums as shall be determined by the Association in accordance with its Bylaws.

(d) Officers and directors liability insurance.

Section 7.2 Insurance Proceeds.

Proceeds of insurance shall be disbursed by the insurance carrier to the Association or contractors designated by the Association as the Board of Directors may direct. The Association shall use the net insurance proceeds to repair and replace any damage or destruction of property, real or personal, covered by such insurance. Any balance from the proceeds of insurance paid to the Association, as required in this Article, remaining after satisfactory completion of repair and replacement, shall be retained by the Association as part of a general reserve fund for repair and replacement of the Common Properties.

Section 7.3 Insufficient Proceeds.

If the insurance proceeds are insufficient to repair or replace any loss or damage, the Association may levy a special assessment as provided for in Article V of this Declaration to cover the deficiency. If the insurance proceeds are insufficient to repair or replace any loss or damage for which an Owner is bound hereunder, such Owner shall, as such Owner's undivided responsibility, pay any excess costs of repair or replacement.

Section 7.4 Mortgagee Protection.

There may be attached to all policies of insurance against loss or damage by fire and other hazards, a mortgagee's or lender's loss payable clause; provided, however, except for any policies of insurance maintained by Declarant, that amounts payable under such clause to the mortgagee may be paid to the Association to hold for the payment of costs of repair or replacement, subject to the provisions of Section 7.2 hereof. The Association shall be responsible to hold said monies or to collect additional monies if the proceeds are insufficient to pay for the cost of all repairs or replacements and shall ensure that all mechanics', materialmen's and similar liens which may result from said repairs or replacements are satisfied.

Section 7.5 Destruction of Improvements on Individual Lots.

In the event of destruction (total or partial) to the improvements on any individual Lot due to fire or any other cause each Owner covenants and agrees to clear and remove any and all debris resulting from such damage within two (2) months after the date that the damage occurs and to complete all

necessary repairs or reconstruction of the damaged improvements within one (1) year after the date that the damage occurs.

ARTICLE VIII. USE OF COMMON PROPERTIES

Section 8.1 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.

Section 8.2 Damage to the Common Properties.

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

Section 8.3 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 attorney's fees, incurred by the Association in connection therewith.

ARTICLE IX. USE OF PROPERTIES AND LOTS; PROTECTIVE COVENANTS

"New world luxury, old world charm" sets the standard for the luxury estate homes in the community. Homes will be inspired by Old World European design to reflect a specific style of European architecture including English, French, and Italian. Attached as Exhibit A are the Design Guidelines for the community.

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

Section 9.1 Public Use Permitted.

Any restrictions contained herein shall not be intended to restrict or prohibit, and shall not restrict or prohibit the State of Texas or any political subdivision thereof, including independent school districts, from using any of the property affected hereby for public purposes, regardless of the nature of said use.

Section 9.2 Residential Purposes.

Each Lot (including land and improvements) shall be used and occupied for single family residential purposes only. No Owner or other occupant shall use or occupy such Owner's Lot, or permit the same or any part thereof to be used or occupied, for any purpose other than as a private

single family detached residence for the Owner or such Owner's tenant and their families and domestic servants employed on the premises. As used herein the term "single family residential purposes" shall be deemed to prohibit specifically, but without limitation, the use of any Lot for a duplex, duplex apartment, garage apartment, or other apartment use, commercial or professional uses (except as expressly provided in Section 9.22 hereof).

Section 9.3 Minimum Lot Area.

The minimum area of a Lot shall not be less than forty thousand (40,000) square feet. No Lot shall be resubdivided; provided, however, that Declarant shall have and reserves the right, at any time, or from time to time, upon the joinder and consent of the appropriate county and/or municipal authorities, and with the joinder and consent of the directly affected Owners, to file a replat of the Plat to effect a resubdivision or reconfiguration of any Lots then owned by Declarant, so long as, such replat results in each resubdivided Lot containing not less than the minimum lot size prescribed by the zoning ordinances of the Town of Westlake, Texas. Owners shall not unreasonably withhold or delay their joinder in or consent to the replat or amendments to the Plat. The privilege to replat Lots owned by the Declarant reserved in this Section 9.3 shall be exercisable only by Declarant.

Section 9.4 Minimum Floor Space.

All floor areas referenced below are for air-conditioned floor areas, exclusive of porches, garages, patios, terraces or breezeways attached to the main dwelling. Each dwelling constructed on any Lot in the subdivision shall contain a minimum of four thousand (4,000) square feet. If a dwelling has more than one story, then the dwelling shall contain a minimum two thousand five hundred (2,500) square feet on the first floor. The Design Review Committee is authorized and empowered to grant variances to the minimum square footage required by this Section; provided that, no variance will reduce the minimum required square footage by more than ten percent (10%).

Section 9.5 Combining Lots.

Any person owning two or more adjoining Lots may consolidate such Lots into a single building location for the purpose of constructing one (1) residential structure thereon (the plans and specifications therefor being approved as set forth in this Declaration) and such other improvements as are permitted herein; provided, however, any such consolidation must comply with the rules, ordinances and regulations of any governmental authority having jurisdiction over the Properties. In the event of any such consolidation, the consolidated Lots shall be deemed to be a single Lot for purposes of applying the provisions of this Declaration; provided, however, such Owner shall continue to pay assessments on such Lots as if such Lots had not been consolidated and shall be entitled to one vote for each Lot (determined prior to such consolidation) owned by such Owner. Any such consolidation shall give consideration to easements as shown and provided for on the Plat and any required abandonment or relocation of any such easements shall require the prior written approval of Declarant as well as the prior written approval of any utility company having the right to the use of such easements. Combining of portions of Lots into a single building site is prohibited.

Section 9.6 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 Design Review Committee.

Section 9.7 Erosion Control; Storm Water Management.

During the construction of improvements on the Lots and prior to the landscaping of such Lots, measures will be take to prevent excessive erosion of Lots, causing silt to be deposited in streets and/or alleys and in the storm drainage.

Section 9.8 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. No privy, cesspool, or septic tank shall be placed or maintained upon or in any Lot. However, one or more portable toilets as determined by the Design Review Committee will be required during building construction. The installation and use of any propane, butane, LP Gas or other gas taken, bottle or cylinder of any type (except portable gas grills), shall require the prior written approval of the Design Review Committee, and the Design Review Committee may require that such tank, bottle or cylinder be installed underground. Any control boxes, valves, connections, utility risers or refilling or fueling devices shall be completely landscaped with shrubbery so as to obscure their visibility from the streets.

Section 9.9 Timing of Construction.

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 paint, wallpaper, paneling, or the like, and all floors covered by wood, carpet, tile or other similar floor covering) shall be completed not later than eighteen (18) months following the commencement of construction. For the purposes hereof, the term “commencement of construction” shall be deemed to mean the date on which the foundation forms are set.

Section 9.10 Building Permits.

The Building Inspector of the Town of Westlake 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 these Covenants and Restrictions.

Section 9.11 Trash Receptacles and Collection.

- (a) Each Lot Owner shall make or cause to be made appropriate arrangements with the Town of Westlake, Texas, for collection and removal of garbage and trash on a regular basis. If the Owner fails to make such provisions, the Association may do so and assess the costs thereof to the Owner. Each and every Owner shall observe and comply with any and

all regulations or requirements promulgated by the Town of Westlake, Texas, and/or the Association, in connection with the storage and removal of trash and garbage.

(b) All Lots shall at all times be kept in a healthful, sanitary and attractive condition. No Lot shall be used or maintained as a dumping ground for garbage, trash, junk or other waste matter. No garbage, trash, debris, or other waste matter of any kind shall be burned on any Lot.

(c) All trash, garbage, or waste matter shall be kept in adequate containers which shall be constructed of metal, plastic or masonry materials, with tightly-fitting lids, or other containers approved by the Town of Westlake, Texas, and which shall be maintained in a clean and sanitary condition.

(d) No Lot shall be used for open storage of any materials whatsoever, except that new building materials 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 for a reasonable time, so long as the construction progresses without unreasonable delay, until completion of the improvements, after which the materials shall either be removed from the Lot or store in a suitable enclosure on the Lot.

Section 9.12 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.

Section 9.13 Antennas Restrictions.

No radio or television aerial wires or antennas shall be maintained on the outside of any building nor shall any free standing antennas of any style be permitted. All radio or television aerial wires or antennas must be built within the main structure and must not be visible from outside of such structure. The location of all satellite dishes (including mini-dishes) shall be subject to the prior written approval of the Design Review Committee. In general, no mini-dish should be plainly visible and full-size satellite dishes must be screened so that they are not visible from public streets, Common Properties or adjoining Lots.

Section 9.14 Temporary Structures and Vehicles.

(a) No temporary structure of any kind shall be erected or placed upon any Lot.

(b) No trailer, mobile, modular or prefabricated home, tent, shack, barn or any other structure or building, other than the residence to be built thereon, shall be placed 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, except for a sale, pre-sale or construction trailer.

(c) Any truck, bus, boat, boat trailer, trailer, mobile home, campmobile, camper or any vehicle other than conventional automobile shall be stored, placed or parked within the garage of the appropriate Owner, or screened and concealed, so that they are concealed from

view from adjoining Lots, Common Properties, or public streets, unless approved in writing by the Design Review Committee.

(d) Recreation equipment or structures (for example, play houses, tree houses, swing sets, trampolines, batting cages) should be screened and concealed from view from adjoining Lots, Common Properties, or public streets, unless approved in writing by the Design Review Committee.

(e) Provided however, that Declarant reserves the exclusive right to erect, place and maintain, and to permit buildings to erect, place and maintain such facilities in and upon the Property as in its sole discretion may be necessary or convenient during the period of and in connection with the sale of Lots, construction and selling of residences and constructing other improvements on the Properties. Such facilities may include, but not necessarily be limited to, a temporary office building, storage area, signs, portable toilet facilities and sales office. Declarant and builders shall also have the temporary right to use a residence situated on a Lot as a temporary office or model home during the period of and in connection with the construction and sales operations on the Properties, but in no event shall a builder have such right for a period in excess of one (1) year after the date of substantial completion of his last residence on the Properties.

Section 9.15 Parking.

On-street parking is restricted to approved deliveries, pick-up or short-time guests and invitees and shall be subject to such reasonable rules and regulations as shall be adopted by the Board of Directors. Parking in driveways is permitted.

Section 9.16 Signs.

No signs or flags shall be displayed to the public view on any Lot without the prior written approval of the Design Review Committee, with the following exceptions: (i) Declarant may erect and maintain a sign or signs for the construction, development, operation, promotion and sale of the Lots; (ii) the patriotic display of flags not exceeding 4' x 6' in size shall be permitted on customary holidays; and (iii) signs of customary dimensions (3' x 4' maximum) advertising said property or portions thereof for sale. Notwithstanding anything herein contained to the contrary, any and all signs, if allowed, shall comply with all sign standards of the Town of Westlake, Texas, as such standards may be applicable to the Properties.

Section 9.17 Removal of Dirt.

The digging of dirt or the removal of any dirt from any Lot is prohibited, except as necessary in conjunction with landscaping or construction of improvements thereon.

Section 9.18 Drilling and Mining Operations.

No oil drilling, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any Lot, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any Lot. No derrick or other structure designed for use in boring for oil or natural gas shall be

erected, maintained or permitted upon any Lot. Subject to all rules, regulations, and requirements of the Town of Westlake, water wells are permitted.

Section 9.19 Offensive Activities.

No noxious or offensive activity shall be conducted on any Lot nor shall anything be done thereon which is or may become an annoyance or nuisance to the other Owners. No animals, livestock or poultry of any kind shall be raised, bred or kept on any residential Lot, except that:

(a) dogs, cats or other household pets [not to exceed three (3) adult animals] may be kept, provided that they are not kept, bred or maintained for commercial purposes;

(b) if an Owner owns two or more Lots that have been combined into one platted Lot or are adjacent to each other and used in combination with each other for a single residential dwelling, then such Owner may keep a maximum of one horse for each such extra Lot (i.e. no horse is allowed for an Owner of a single Lot, but one horse is allowed for each extra Lot owned in addition to a single Lot, provided that the additional extra Lots are adjacent to and used in combination with the single Lot).

Section 9.20 Duty of Maintenance.

(a) 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 rights-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) Removal of silt and debris and maintenance of any areas of the Lot adjacent to any adjacent pond (up to the water's edge);
- (ii) Prompt removal of all litter, trash, refuse and waste;
- (iii) Lawn mowing on a regular basis;
- (iv) Tree and shrub pruning;
- (v) Watering landscaped areas;
- (vi) Keeping exterior lighting and maintenance facilities in working order;
- (vii) Keeping lawn and garden areas alive, free of weeds, and attractive;
- (viii) Keeping parking areas, driveways, curbs and roads in good repair;
- (ix) Complying with all government health and police requirements;
- (x) Repair of exterior damages to improvements;

(xi) Cleaning of landscaped areas lying between street curbs and Lot lines, unless such streets or landscaped areas are expressly designated to be Common Properties maintained by applicable governmental authorities or the Association; and

(xii) Repainting of improvements.

(b) If, in the opinion of the Association, any such Owner or occupant has failed in any of the foregoing duties or responsibilities, 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) Notwithstanding the provisions of subsection (b) above, if, at any time, an Owner shall fail to control weeds, grass and/or other unsightly growth, 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 or 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 shall, jointly and severally, be liable for the cost of such work [such costs constituting a special individual assessment as specified in Section 5.5(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 all 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.

Section 9.21 Maintenance of Common Properties.

All landscaping and improvements placed or erected on the Common Properties by Declarant shall be owned and maintained by the Association.

ARTICLE X. DESIGN REVIEW COMMITTEE

Section 10.1 Design Review Committee.

(a) Until at least ninety percent (90%) of the Lots have completed residences constructed thereon and shall be occupied by the Owners thereof, the Design Review Committee, shall

be composed of three (3) or more individuals selected and appointed by the Declarant. At such time as at least ninety percent (90%) of the Lots have completed residences constructed thereon and shall be occupied by the Owners thereof, the Design Review Committee shall be composed of such individuals selected by a vote of the Members taken in accordance with Section 3.3 hereof. The Design Review Committee shall use its best efforts to promote and ensure a high level of quality, harmony and conformity throughout the Properties. The Design Review Committee shall function as the representative of the Owners for the purposes herein set forth as well as for all other purposes consistent with the creation and preservation of a first-class residential development.

(b) A majority of the Design Review Committee may designate a representative to act for it. In the event of the death or resignation of any member of the Design Review Committee, the remaining members shall have full authority to designate and appoint a successor. No member of the Design Review Committee, nor their designated representative, shall be entitled to any compensation for services performed hereunder nor be liable for claims, causes of action or damages (except where occasioned by gross negligence or arbitrary and capricious conduct) arising out of services performed, actions take, or inactions in connection with any undertaking, responsibility, or activity hereunder or request for action hereunder.

(c) At any time, the Declarant may delegate and assign to the Board of Directors, all of the Declarant's power and right to change the membership of the Design Review Committee, to withdraw or add powers and duties from or to the Design Review Committee, or to restore the powers and duties of the Design Review Committee. Such action by the Declarant shall be effective upon recordation of a written instrument properly reflecting same in the Office of the County Clerk of Tarrant County, Texas.

Section 10.2 Architectural Approval.

(a) 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 therefor have been submitted to and approved in writing by the Design Review 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 Design Review Committee. The Design Review Committee is authorized to request the submission of samples of proposed construction materials or colors of proposed exterior surfaces.

(b) Design Review procedures are set out in the Design Guidelines.

(c) The Design Review 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 Design Review Committee, adversely affect the living enjoyment of one or more Owner(s) or the general value of the Properties. As an example, and not by way of limitation, the Design Review Committee may impose limits upon the location of window areas one residential dwelling which would overlook the enclosed patio area of an adjacent residential dwelling. Also, the Design Review 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 Design Review Committee. The Design Review 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 these Covenants and Restrictions and are incorporated herein by reference. The Design Review Committee shall have the authority to make final decisions in interpreting the general intent, effect and purpose of these Covenants and Restrictions.

Section 10.3 Variances.

(a) Upon submission of a written request for same, the Design Review Committee may, from time to time, in its sole discretion, permit Owners to construct, erect, or install improvements which are in variance from the Design Guidelines, architectural standards, the Covenants and Restrictions, 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%).

(b) No member of the Design Review Committee shall be liable to any 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 Design Review Committee's right to strictly enforce the Covenants and Restrictions, 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 is sought and describe in complete detail the exact nature of the variance sought. Any grant of a variance by the Design Review Committee must be in writing and must identify in narrative detail both the standards from which a variance is being sought and the specific variance being granted.

Section 10.4 Nonconforming and Unapproved Improvements.

(a) 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.

(b) 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.

Section 10.5 No Liability.

(a) Neither Declarant, the Association, the Design Review 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 nonfeasance arising out of or in connection with the approval or disapproval or failure to approve or disapprove any such plans or specifications.

(b) Every person who submits plans or specifications and every Owner agrees that he will not bring any action or suit against Declarant, the Association, the Design Review Committee, the Board, or the officers, directors, members, employees or agents of any of them, to recover any such damages and hereby releases and quitclaims all claims, demands and causes of action arising out of or in connection with any judgment, negligence or nonfeasance 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 giving. Plans and specifications are not approved for engineering or structural design or adequacy of materials, and by approving such plans and specifications neither the Design Review Committee, the members of the Design Review 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 XI. EASEMENTS

Section 11.1 Ingress and Egress by the Association.

(a) 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 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.

Section 11.2 General.

(a) 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:

(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 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.

(c) 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.

Section 11.3 Reservation of Easements.

The right and power to grant 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 Declarant, together with the right to grant and transfer same.

Section 11.4 Surface Areas of Utility Easements.

(a) 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, brick walls and fences, provided the Declarant or 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, brick walls or fences prior to construction thereof.

(b) 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 improvements (other than for damages caused in crossing driveways, walkways, patios, brick walls or fences, providing 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.

Section 11.5 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, an easement is hereby granted to

the Association, its officers, directors, agents, employees and management personnel to enter the Common Properties to render any service.

Section 11.6 Universal Easement.

The Owner of each Lot (including Declarant so long as Declarant is the Owner of any 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 event 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 XII. GENERAL PROVISIONS

Section 12.1 Duration.

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 Tarrant County, Texas, after which time these Covenants and Restrictions shall be automatically extended for successive periods of ten (10) years unless an instrument signed by the Members entitled to cast seventy-five percent (75%) of the votes of the Members of the Association has been recorded in the Office of the County Clerk of Tarrant 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.

Section 12.2 Amendments.

(a) Notwithstanding the terms and provisions of Section 12.1 hereof, this Declaration may be amended, modified and/or changed as follows:

(i) During the time Declarant is a Member, the Declarant may amend or change this Declaration with the consent of at majority vote of the Members constituting a quorum;

(ii) In all other situations, this Declaration may be amended or changed upon the express written consent of at least seventy percent (70%) of the outstanding votes of all Members of the Association.

(b) Any and all amendments to this Declaration, shall be recorded in the Office of the County Clerk of Tarrant County, Texas. Notwithstanding the prior provisions of this Section 12.2, the Declarant may execute and record amendments to this Declaration without such consent or approval if the amendment is for the purpose of correcting technical or typographical errors or for clarification only.

Section 12.3 Enforcement.

Enforcement of these Covenants and Restrictions shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate them, or to recover damages, or to enforce any lien created by these Covenants and Restrictions; 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.

Section 12.4 Severability.

Invalidation of any one of these Covenants and Restrictions by judgment or court order shall in no wise affect any other provision of this Declaration or the remainder of these Covenants and Restrictions which shall remain in full force and effect.

Section 12.5 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.

Section 12.6 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.

Section 12.7 Notices to Mortgagees.

If a holder of a mortgage on a Lot shall notify the Association of its address and the identity of the Lot and Owner covered by and granting such mortgage, then such holder(s) shall be entitled to receive, written notification from the Association of any default by the respective Owner in the performance of such Owner's obligations as established by this Declaration.

Section 12.8 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.

Section 12.9 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.

IN WITNESS WHEREOF, the Declarant has caused this instrument to be executed as of the date first written above.

WESTLAKE TERRA LLC,
a Texas limited liability company

By: _____
Bobby Harrell, Executive Vice President

ACKNOWLEDGEMENT

This instrument was acknowledged before me on the ___ day of December, 2008 by Bobby Harrell, Executive Vice President of Westlake Terra LLC, a Texas limited liability company.

NOTARY PUBLIC, STATE OF TEXAS

LIENHOLDER'S CONSENT AND SUBORDINATION

The undersigned, Sovereign Bank is the holder of certain liens against Terra Bella Addition, including liens evidenced by that certain Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing dated July 25, 2007 recorded as Document No. D207266544, Real Property Records, Tarrant County, Texas, as amended by that certain First Amendment to Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing dated July 25, 2008 (which together with all related liens and modifications are collectively referred to herein as the "Deed of Trust").

Lender consents to the foregoing Declaration of Covenants, Conditions and Restrictions (the "Declaration") and agrees that the above described deed of trust lien together with any other liens or vendor liens held by Lender in regard to the Properties shall be subordinate to the terms of the Declaration. Notwithstanding the foregoing consent and subordination, Lender is not consenting to or approving any action or document that may hereafter be taken or executed in accordance with the terms of such Declaration. In addition, this consent shall not act to limit or otherwise affect any right that Lender, as the holder and/or beneficiary of a lien on any of the Properties and/or the Lots, has under the Declaration including, without limitation, the superior nature of Lender's liens to the liens securing Assessments. Also, Lender is not consenting to or agreeing with any amendment or modification of the Declaration made without the prior written consent of Lender. Except as expressly modified hereby, the above described deed of trust lien together with any other liens or vendor liens held by Lender in regard to the Properties shall remain in full force and effect.

SOVEREIGN BANK

By: _____
Print Name: _____
Print Title: _____