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**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
RESERVE OF SOUTHLAKE**

**STATE OF TEXAS
COUNTY OF TARRANT**

FILED
TARRANT COUNTY TEXAS
2006 NOV 28 PM 1:56
CLARKE HENDERSON
COUNTY CLERK

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, Reserve of Southlake, LP, is a Texas limited partnership (the "Declarant"), and is the owner of certain real property located in Southlake, Tarrant County, Texas, commonly known as "Reserve of Southlake" and more particularly described on Exhibit "A" attached hereto and made a part hereof for all purposes (referred to hereinafter as the "Property").

WHEREAS, Declarant has further deemed that, in order to provide for the efficient preservation of the values and amenities within the Subdivision, and to comply with the rules and regulations pertaining to the Property and in order to establish a uniform plan for the development, improvement and sale of the Property, and to insure the preservation of such uniform plan for the benefit of both the present and future owners of residential lots in said Property, it is necessary and advisable to impose covenants upon the Property and to create a non-profit corporation to which would be delegated and assigned the powers of collecting and disbursing the assessments and charges, as hereinafter provided; and,

NOW, THEREFORE, Declarant does hereby adopt, establish and impose the following covenants, conditions and restrictions upon the Property and all Lots (hereinafter defined) within the Property, and all additional property which may hereafter be added and/or subjected to the provisions of this Declaration which shall constitute covenants running with the land as to such Property. Declarant hereby declares that the Property and any additional property that may subsequently be added to and subjected to this Declaration shall be held, transferred, sold, conveyed, leased, occupied and used subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of the Property, shall run with the real property subjected to this Declaration, and shall be binding on all parties having or acquiring any right, title, or interest in the described Property or any part thereof, their heirs, successors, and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

(a) **"ASSOCIATION"** shall mean and refer to the Reserve of Southlake Homeowners Association, Inc. (or such other similar name as may be authorized by the State of

Texas), a Texas non-profit corporation.

(b) **“CITY”** shall mean and refer to the City of Southlake, Tarrant County, Texas.

(c) **“LOT”** shall mean and refer to any tract or plot of land shown upon any recorded Subdivision map(s) or plat(s) of the Property, as amended from time to time, which is designated as a lot therein and which is or will be improved with a single-family residential dwelling. Where the context requires or indicates, the term Lot shall include the single-family residential dwelling and all other improvements which are or will be constructed on the Lot.

(d) **“MEMBER”** shall mean and refer to each Owner as provided in Article II hereof.

(e) **“OWNER”** shall mean and refer to every person or entity that is the record owner of a fee or undivided fee interest in any Lot which is subject by covenant of record to assessment by the Association, including contract sellers. The foregoing is not intended to include persons or entities that hold an interest in any Lot merely as security for the performance of an obligation.

(f) **“SUBDIVISION”** shall mean and refer to Reserve of Southlake Addition to the City of Southlake, Tarrant County, Texas.

(g) **“DECLARANT”** shall mean and refer to RESERVE OF SOUTHLAKE, LP, and its successors and assigns. No person or entity merely purchasing one or more Lots from such Declarant in the ordinary course of business shall be considered as "Declarant." The term Declarant shall include any lender who acquires the Property or succeeds to the interest of the Declarant in the Property by foreclosure, deed-in-lieu of foreclosure or otherwise.

(h) **“BOARD OF DIRECTORS”** shall mean and refer to the board of directors as initially selected by the Declarant or as elected by the Members as provided herein in Article IV.

(i) **“PROPERTY”** shall mean and refer to certain real property located in Southlake, Tarrant County, Texas, commonly known as “Reserve of Southlake” and more particularly described on Exhibit “A” attached hereto and made a part hereof for all purposes.

(j) **“COMMON AREAS”** shall mean and refer to the common properties or areas of common responsibility, which include but are not limited to, the perimeter walls and the sign walls of the gateway entry adjacent to Sunshine Lane, the landscaped areas between the perimeter walls and Sunshine Lane, and the gateway entry median, as well as the electrical, mechanical, and irrigation systems which serve the common properties or areas of common responsibility.

ARTICLE II

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 2.1 Membership. Every Owner of a Lot, including the Declarant, shall automatically be a “Member” of the Association. Membership shall be appurtenant to and may

not be separated from ownership of any Lot that is subject to assessment. Transfer of ownership, either voluntarily or by operation of law, shall terminate such Owner's membership in the Association, and membership shall be vested in the transferee; provided, however, that no such transfer shall relieve or release such Owner from any personal obligation with respect to Assessments which have accrued prior to such transfer.

Section 2.2 Classes of Membership. The Association shall have two classes of voting membership:

CLASS A MEMBERS shall be all Members with the exception of the Declarant and each Member shall be entitled to one vote for each Lot in which they hold the interest required for membership. When more than one person or entity holds such interest 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 such Lot.

CLASS B MEMBERS shall consist solely of the Declarant. The Class B Member shall be entitled to five (5) votes for each Lot in which Declarant holds the interest required for membership. At such time as the Class A Members become the owners of 100% of the Lots included within the Property, the Class B Member shall be deemed to have no further interest in, or obligation to, the Association.

Section 2.3 Meetings. All meetings of Association for any purpose shall be held at such times and places, within the City in which the Subdivision is located, as shall be stated in the notices of the meetings or in executed waivers of notice thereof.

Section 2.4 Notice of Meetings. Written or printed notice stating the place, day, and hour, of each meeting of the Association, and in the case of a special meeting (or if otherwise required by law), the purpose or purposes for which it is called, shall be delivered (unless otherwise required by law) not less than 15 days nor more than 60 days before the date of the meeting, either personally, or by mail, or by telephone, or facsimile, or by email, to each Member.

Any notice required to be given to any Member need not be given to the Member if (i) the Board of Directors of the Association has set a regular monthly or quarterly meeting and (ii) the Member has previously been notified of such regular monthly or quarterly meeting. In the event that the date of the regular monthly or quarterly meeting is subsequently changed, each Member must be given notice of the revised meeting schedule. Each Member must be given notice of the annual meeting, even if it is a regular monthly or quarterly meeting.

Section 2.5 Proxy Vote. At any meeting, a Member having the right to vote may vote either in person or by proxy in writing and signed by the Member. A telegram, telex, cablegram, or similar transmission by such Member, or photographic, photostatic, facsimile, or similar reproduction of a writing signed by such Member shall be treated as an execution in writing for purposes of this Section. No proxy shall be valid after 11 months from the date of its execution, unless otherwise provided in the proxy. Each proxy shall be revocable unless the proxy form conspicuously states that the proxy is irrevocable and the proxy is coupled with an interest.

Section 2.6 Quorum. The holders of more than 50% of the combined votes outstanding for both classes of Members, present in person or represented by proxy, shall be requisite and shall constitute a quorum at all meetings of the Members.

If a quorum is present at a meeting of the Members, the Members represented in person or by proxy at the meeting may conduct such business as may be properly brought before the meeting until it is adjourned, and the subsequent withdrawal from the meeting of any Member or the refusal of any Member represented in person or by proxy to vote shall not affect the presence of a quorum at the meeting.

If, however, a quorum shall not be present or represented at a meeting of the Members, the holders of a majority of the votes represented in person or by proxy and entitled to vote shall have the power, unless otherwise provided herein, to adjourn the meeting from time to time and to such place, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally called.

Section 2.7 Majority/Plurality Vote. When a quorum is present at any meeting of Members, the act of the Members relative to any matter (except in cases where a different vote is required by express provision of law or this Declaration of Covenants, Conditions and Restrictions, in which cases such express provision shall govern and control the decision of such matters) shall be decided by the affirmative vote of the holders of the majority of the Member votes represented in person or by proxy at the meeting.

Section 2.8 Special Voting Provisions. Notwithstanding any Section of this Declaration of Covenants, Conditions and Restrictions to the contrary, the following actions by the Association shall require an affirmative vote of sixty-five percent (65%) of the total votes of both classes of Members:

(1) The levy of a Special Assessment against the Members as set forth in Section 3.1 or increasing the Annual Assessment by more than the amount specified in Section 3.3.

(2) The amendment, change (in whole or in part) or the abolishment of this Declaration of Covenants, Conditions and Restrictions.

Section 2.9 Action By Members Without Meeting. Any action required to be taken at any annual or special meeting of the Members may be taken without a meeting, without prior notice, and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by all the Members entitled to vote with respect to the subject matter thereof or such lesser percentage if authorized by the Certificate of Formation or Bylaws of the Association, and such consent shall have the same force and effect as a unanimous vote of the Members. The consent may be in more than one counterpart so long as each Member signs one of the counterparts. A telegram, telex, cablegram, or similar transmission by a Member, or a

photographic, facsimile, or similar reproduction of a writing signed by such person, shall be regarded as signed by such Member for purposes of this Section.

Section 2.10 Telephonic Meeting. Unless otherwise restricted by this Declaration of Covenants, Conditions and Restrictions or the Certificate of Formation or Bylaws of the Association (subject to the provisions required or permitted by law and this document for notice of meetings), Members may participate in and hold a meeting by means of conference telephone or similar communications equipment, by means of which all persons participating in the meeting can hear each other. Participation in a meeting by such means shall constitute presence in person at the meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

Section 2.11 Suspension of Voting Rights. The voting rights of any Member set forth in this Declaration may be suspended by the Board of Directors for any period during which any Assessment remains past due, unless the Member is in good faith contesting the validity or amount of the Assessment.

ARTICLE III

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 3.1 Creation of the Lien and Personal Obligation for Assessments. Declarant, for each Lot owned by it within the Property, hereby covenants and agrees, and each purchaser of any Lot within the Property, as such purchase shall be evidenced by the acceptance of a deed or other conveyance therefore, whether or not it shall be so expressed in such deed or other conveyance, shall be deemed to covenant and agree (and such covenant and agreement shall be deemed to constitute a portion of the purchase money and consideration for acquisition of the Lot) to pay to the Association (or to a mortgage company or other collection agency designated by the Association) the following assessments or charges:

- (1) Annual assessments or charges for normal maintenance and reserve for the replacement of the Common Areas as set forth in Section 3.6 herein and,
- (2) Special assessments for capital improvements to the Common Areas, such assessments to be fixed and established by the Board of Directors and collected from time to time as hereafter provided; and,
- (3) Individual special assessments levied against individual Owners to reimburse the Association for extra costs for maintenance and repairs caused by the willful or negligent acts of the individual Owner, his family, agents, guests and invitees, such assessments to be fixed and established by the Board of Directors and collected from time to time as hereinafter provided.

The regular annual assessments thus collected by the Association shall constitute the maintenance and reserve funds of the Association. The annual, special capital and special

individual assessments, together with such interest thereon and costs of collection thereof as hereinafter provided, shall be a charge on the Property and shall be a continuing contractual lien upon each Lot against which each such assessment is made. The annual, special and individual special assessments (the "Assessments"), together with such interest thereon and costs of collection thereof as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon each Lot on which each such Assessment is made and shall also be the continuing personal obligation of the then-existing Owner of such Lot at the time when the Assessment fell due. The annual assessments shall be payable in a single payment as provided in Section 3.6

Section 3.2 Purpose of Assessments. The Assessments levied by the Association shall be used, in part, for the purpose of: (i) promoting the health, recreation, safety or welfare of the Owners, users and residents of the Property; (ii) improving and maintaining the Common Areas, services and facilities devoted to purposes and related to the use and enjoyment of the Common Areas, including but not limited to, the payment of any taxes on the Common Areas and any insurance covering the Association or the Common Areas; (iii) developing and maintaining replacement and working capital reserves for the Association as may be determined necessary and appropriate by the Association from time to time; (iv) paying the cost of labor, equipment (including the expense of leasing any equipment) and materials required for, and management and supervision of, the Common Areas; (v) carrying out the duties of the Board of Directors of the Association as set forth herein; (vi) carrying out the various matters and purposes set forth or envisioned in this Declaration or in any further supplementary declaration; (vii) carrying out the powers and duties of the Architectural Control Committee, as defined in Section 6.1 below; and (viii) paying the common expenses of the Association.

Section 3.3 Basis and Amount of Annual Assessments.

(a) Beginning January 1, 2007, the Board of Directors set the annual assessment at Seven Hundred Dollars (\$700.00) per year on each Lot. The Declarant shall be obligated to pay the annual assessment on any lot owned by the Declarant.

(b) Commencing with the year beginning January 1, 2007, and each calendar year thereafter, the Board of Directors may set the amount of the maximum annual assessment for the following year for each Lot, provided that the maximum annual assessment may not be increased more than ten percent (10%) above the annual assessment for the previous year without a vote of the membership taken in accordance with the provisions of Section 2.3 hereof. The Board of Directors shall establish reasonable fees for late payments and/or for insufficient funds for any valid amounts that are authorized by this Declaration and that may be assessed by the Association.

Section 3.4 Special Assessments for Capital Improvements. In addition to the annual assessments authorized by Section 3.1 hereof, the Association may levy in any assessment year a special assessment, applicable to that year only, for the purpose of defraying, in whole or in part, the costs of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Areas including the necessary fixtures and personal property related thereto, provided that any such assessment shall have the affirmative approval of the Association's members, as provided in Section 2.3 hereof.

Section 3.5 Uniform Assessments. Except as provided in Section 4.14 hereof, both annual and special assessments (excepting there from special individual assessments) must be fixed at a uniform rate for all Lots.

Section 3.6 Date of Commencement of Assessment Due Dates. The annual assessments provided for herein shall commence as to all Lots on the first day of the year beginning with January 1, 2007, and shall be payable in one installment due on or before the fifteenth day of January of each year.

(a) New Home Purchasers: Purchasers of a Lot upon which a new home has been constructed (meaning a home which has never been occupied by a resident and such purchase is made from the contractor or homebuilder who constructed the dwelling unit) shall, at closing, pay the assessment for the then current year, prorated between purchaser and seller at the closing effective as of the date of the closing.

(b) Pre-Owned Home Purchasers: Purchasers of a Lot upon which a used home exists (meaning a home previously occupied by a resident), shall, at closing, be obligated to pay (i) purchaser's share of the prorated current annual assessment and (ii) a transfer fee of \$100 or as determined by the Association. The assessment for the then current year shall be prorated between purchaser and seller at the closing effective as of the date of the closing.

Section 3.7 Duties of the Board of Directors with Respect to Assessments.

(a) The Board of Directors of the Association shall fix the amount of the assessment against each Lot at least thirty (30) days in advance of each annual assessment period and shall, at that time, prepare a list 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 the assessment shall thereupon be delivered or mailed to the Lot or such other address as the Board of Directors has been advised in writing for receipt of notices under this Declaration.

(c) The Board of Directors shall upon demand at any time furnish to any Owner liable for said assessment a certificate in writing signed by an officer or agent of the association, setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment herein stated to have been paid. A reasonable charge may be made by the Board of Directors for the issuance of such certificates.

Section 3.8 Contractual Lien to Secure Charges and Assessments. All annual, and special, and individual special assessments, as herein above provided for, shall constitute and be secured by a separate and valid and subsisting contractual lien, hereby created, fixed and reserved by Declarant, which shall exist upon and against each Lot and all improvements thereon, for the benefit of the Association of which the Owner of each such Lot shall be deemed a Member. Subject to the condition that the Association be made a party to any court proceeding to enforce any lien hereinafter deemed to be superior, the lien hereby created shall be subordinate

and inferior to:

(a) All liens for taxes or special assessments levied by the city, county and state governments, or any political subdivision or special district thereof, and,

(b) All liens securing amounts due or to become due under any mortgage, vendor's lien, or deed of trust filed for record prior to the date payment of any such charges or assessments becomes due and payable; and,

(c) All liens, including, but not limited to, vendor's liens, deeds of trust and other security instruments, which secure any loan made by any lender to an Owner (i) for any part of the purchase price of any Lot when the same is purchased from a builder or any Owner, or (ii) for any part of the cost of constructing, repairing, adding to or remodeling the residence and appurtenances situated on any Lot to be utilized for residential purposes,

Notwithstanding any other provision hereof to the contrary, the lien to secure the payment of assessments and any other lien or other charges becoming payable on or after the date of recordation of the first mortgage or deed of trust on any Lot, or any fees, late charges, fines or interest that may be levied by the Association in connection with unpaid assessments shall be subordinated to the lien or equivalent security interest of any first lien mortgage or deed of trust on any Lot. Any foreclosure of any such superior lien under the power of sale of any mortgage, deed of trust or other security instrument, or through court proceeding in which the Association has been made a party, shall extinguish the liens securing maintenance charges or assessments which became due and payable prior to such foreclosure date, but no such foreclosure shall free any Lot from the liens securing assessments thereafter becoming due and payable, nor shall the liability of any Member personally obligated to pay maintenance charges or assessments which become due prior to such foreclosure be extinguished by any foreclosure, nor shall the lien for future assessments or charges be affected in any manner. Any such maintenance charges or assessments which are extinguished pursuant to the foregoing provision shall be reallocated and assessed to all Lots as a common expense.

Section 3.9 Effect of Nonpayment of Assessment. If any regular or special charge or assessment is not paid within thirty (30) days from the due date thereof, the same shall bear interest from the due date until paid at the highest non usurious rate allowed under the laws of the State of Texas, or other applicable law, or if no such limitation is imposed then at the rate of eighteen percent (18%) per annum, and if placed in the hands of an attorney for collection or if collected through probate or other judicial proceedings, there shall be paid to the Association an additional reasonable amount, but not less than seventy-five percent (75%) of the amount owing, as attorney's fees.

Section 3.10 Collection and Enforcement. The Association shall have a contractual lien on each Lot against the Owner of said Lot, securing payment of any regular or special charge or assessment, together with interest thereon as provided herein and reasonable attorney's fees incurred in the collection of same and the enforcement of said lien. The Board of Directors shall take such action as it deems necessary to collect assessments and may settle and compromise the same if it is in the best interest of the Association. Such liens shall be effective

as and in the manner provided for herein and shall have the priorities established in the covenants, conditions and restrictions contained herein. The Board of Directors may bring an action at law against any Owner personally obligated to pay an assessment or foreclose the lien against such Owner's Lot, or both, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment.

Each Owner, by his acceptance of a deed to the Lot, hereby expressly vests in the Board of Directors of the Association or its agent the right and power to bring all actions against such Owner personally for the collection of such assessments as a debt and to enforce the aforesaid lien by all methods available for the enforcement of such liens, including, but not limited to, non-judicial foreclosure pursuant to Texas Property Code Section 51.002 in force and effect on the date of this Declaration, or in accordance with the prescribed manner for foreclosure of deed of trust liens provided by any future amendment to such Section 51.002 or any other statute or article enacted in substitution therefore, and such Owner hereby expressly grants to the Board of Directors a power of sale in connection with said lien. The Board of Directors shall designate a trustee to post the required notices as provided by law and conduct such foreclosure sale. The lien provided for in this Section shall be in favor of the Association and shall be for the common benefit of all Owners and shall have the same effect as though each Owner had expressly granted a contractual lien as well as a security interest in said lot to secure the payment of the assessments provided for herein.

In addition to such notices as required by the aforesaid statute, the trustee designated by the Board of Directors shall mail to the Owner or Owners, and mortgagor of a Lot for which the assessment has not been paid, a copy of the notice of sale at or before the time of posting same by U.S. Postal Service, postage prepaid, certified, return receipt requested, at the Lot or such other address as the Board of Directors has been advised in writing for receipt of notices under this Declaration. At any foreclosure, judicial or non-judicial, the Association shall be entitled to bid up to the amount of its lien, together with costs and attorney's fees, and to apply as a cash credit against its bid all sums due the Association covered by the lien foreclosed. From and after any such foreclosure, the former Owner or Owners, their heirs and assigns, shall forthwith, upon the making of such sale, surrender and deliver possession of the property so sold to the purchaser at such sale, and in the event of their failure to surrender possession of said property upon demand, the purchaser, his heirs or assigns, shall be entitled to institute and maintain an action for forcible detainer of said property in the Justice of the Peace Court in the Justice Precinct in which such Lot or any part hereof, is situated.

The Board of Directors in any event is hereby authorized to appoint a substitute trustee, or a successor trustee, to act in the place of the trustee who posted the original notices without any formality other than the designation in writing of a substitute or successor trustee; and the authority hereby conferred by the Board of Directors shall extend the appointment of other successor and substitute trustees successively until the delinquent assessment or assessments have been paid in full, or until said property is sold, and each substitute and successor trustee shall succeed to all the rights and powers of the original trustee appointed by the Board of Directors or its agents. In addition to all other remedies, the Board of Directors shall have the right to accelerate and demand payment of all assessments for the balance of the then current year upon ten (10) days written notice.

Section 3.11 Omission of Assessments. The omission of the Board of Directors, before the expiration of any year, to fix the assessments hereunder for that or the next year, shall not be deemed a waiver or modification in any respect of the provisions of the 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 filed.

Section 3.12 Capital Assessments. Should the Board of Directors determine the need to levy a special assessment (and such special assessment receives approval of the Members as required herein), then such special capital assessment shall be a charge against each Owner and his Lot. Such charge shall be assessed equally to each Owner according to the number of Lots owned by such Owner. Upon collection, such special assessment shall be placed in a separate account segregated from other funds of the Association and designated for the specific purposes set forth in the resolution or other document evidencing the approval of such special assessment.

ARTICLE IV

THE BOARD OF DIRECTORS

Section 4.1 Board of Directors. The powers of the Association shall be exercised by or under the authority of, and the business and affairs of the Association shall be managed under the direction of, the Board of Directors who may exercise all such powers of the Association and do all such lawful acts and things as authorized by its Certificate of Formation, Bylaws or its Members.

Section 4.2 Number of Directors; Election; Term; Qualification. The initial Board of Directors shall consist of three Directors to be selected by the Declarant; said Directors shall serve for a period of one year. Thereafter, the number of Directors to be elected shall be fixed and determined by resolution adopted by the Board of Directors from time to time; provided, however, that the number of Directors of the Association shall not be less than required by law. The number of Directors may be increased or decreased from time to time, but no decrease shall have the effect of shortening the term of any incumbent Director.

The Directors shall be elected annually in accordance with the provisions of Sections 2.7, and each Director elected shall hold office until the next succeeding annual meeting of the Members and until his successor is elected and qualified or until his earlier death, resignation, retirement, disqualification or removal. However, in accordance with Section 2.8(2), the election and term of Directors by the Members of the Association may be staggered in a manner as determined and adopted by the Members.

Directors shall be residents of the State of Texas and Members of the Association. Notwithstanding anything herein to the contrary, the Declarant shall relinquish control of, and shall be released from any obligation to, the Board of Directors upon 100% of the Lots within the Subdivision being sold to builders.

Section 4.3 Vacancies and Newly Created Directorships. Vacancies occurring on the Board of Directors may be filled by election at an annual or special meeting of Members called for that purpose, or by a majority of the remaining Directors, though less than a quorum. A Director elected to fill the vacancy shall be elected for the unexpired term of his predecessor in office.

Any directorship to be filled by reason of any increase in the number of Directors may be filled by election at an annual or special meeting of the Members called for that purpose, or by the Board of Directors for a term of office continuing only until the next election of one or more Directors by the Members, provided that the Board of Directors may not fill more than two such directorships during the period between any two successive annual meetings of the Members.

Section 4.4 Meetings. All meetings of the Association for any purpose shall be held at such times and places, within the City in which the Subdivision is located, as shall be stated in the notices of the meetings or in executed waivers of notice thereof.

Section 4.5 Notice of Meetings. Written or printed notice stating the place, day, and hour, of each meeting of the Association, and in the case of a special meeting (or if otherwise required by law), the purpose or purposes for which it is called, shall be delivered (unless otherwise required by law) not less than 15 days nor more than 60 days before the date of the meeting, either personally, or by mail, telephone, facsimile, or email to each Director.

Any notice required to be given to any Director need not be given to the Director if (i) the Board of Directors of the Association has set a regular monthly or quarterly meeting and (ii) the Director has previously been notified of such regular monthly or quarterly meeting. In the event that the date of the regular monthly or quarterly meeting is subsequently changed, each Director must be given notice of the revised meeting schedule.

Section 4.6 Proxy Vote. At any meeting, a Director having the right to vote may vote either in person or by proxy in writing and signed by the Member. A telegram, telex, cablegram, or similar transmission by such Director, or photographic, photostatic, facsimile, or similar reproduction of a writing signed by such Director shall be treated as an execution in writing for purposes of this Section. No proxy shall be valid after 11 months from the date of its execution, unless otherwise provided in the proxy. Each proxy shall be revocable unless the proxy form conspicuously states that the proxy is irrevocable and the proxy is coupled with an interest.

Section 4.7 Quorum; Majority Vote. At all meetings of the Board of Directors, a majority of the Directors, being present either in person or by proxy, shall constitute a quorum for the transaction of business, and the act of a majority of the Directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise specifically provided by law, the Certificate of Formation, the Bylaws or this document. If a quorum shall not be present at any meeting of the Board of Directors, the Directors present may adjourn the meeting from time to time, without notice other than an announcement at the meeting, until a quorum shall be present.

Section 4.8 Consent of Directors. Unless otherwise restricted by the Certificate of Formation or the Bylaws of the Association, any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting if all members of the Board sign a written consent setting forth the action so taken. Such consent shall have the same force and effect as a unanimous vote at a meeting. The consent may be in more than one counterpart so long as each Director signs one of the counterparts.

Section 4.9 Telephonic Meeting. Unless otherwise restricted by the Certificate of Formation or the Bylaws of the Association, subject to the provisions required or permitted for notice of meetings, members of the Board of Directors, may participate in and hold a meeting of the Board of Directors, by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting by such means shall constitute presence in person at the meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

Section 4.10 Resignation. Any Director may resign at any time by written notice to the Association. Any such resignation shall take effect at the date of receipt of such notice or at such other time as may be specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Any Director who does not, for any reason, stand for election at any meeting of the Members called for such purpose shall be conclusively deemed to have resigned, effective as of the date of such meeting, for all purposes, and the Association need not receive any written notice to evidence such resignation.

Section 4.11 Powers and Duties. The Board of Directors, for the benefit of the Property and the Owners, shall provide, and may pay for out of the maintenance fund provided for in Section 3.1 above, the following:

(a) The services of a person or firm to manage the Association or any separate portion thereof to the extent deemed advisable by the Board of Directors, and the services of such other personnel as the Board of Directors shall determine to be necessary or proper for the operation of the Association, whether such personnel are employed directly by the Board of Directors or by the manager.

(b) Legal and accounting services.

(c) A policy or policies of insurance insuring the Association against any liability to the public or to the Owners (and/or invitees or tenants, incident to the operation of the Association, in an amount not less than \$500,000.00 to indemnify against the claim of one person, \$1,000,000.00 against the claims of two or more persons in any one occurrence, and property damage insurance in an amount not less than \$100,000.00 per occurrence or a combined limit to be not less than \$500,000.00); which policy or policies shall contain an endorsement providing that the rights of the named insured's shall not be prejudiced with respect to actions against other named insured's; provided, that under no circumstances shall the Board of Directors be authorized to provide or pay for fire, casualty or other insurance insuring the interest of any Owner in his Lot.

- (d) Policy of property insurance for the Common Areas.
- (e) Worker's Compensation insurance to the extent necessary to comply with any applicable laws.
- (f) Such fidelity bonds as may be required by the Bylaws or as the Board of Directors may determine to be advisable.
- (g) Any materials, supplies, labor, services, maintenance, repairs, structural alterations, legal fees, taxes or assessments (including taxes or assessments assessed against an individual Owner) which the Board of Directors 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.

The Board of Directors shall have the following additional rights, powers and duties:

- (i) 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, expressly including the power to enter into management and maintenance contacts.
- (ii) To make available to each Owner, within sixty (60) days from the end of each year; an annual report of the operations and finances of the Association.
- (iii) To adjust the amount, collect, and use any insurance proceeds to repair damage or replace lost property, to assess the Members in proportionate amounts to cover any deficiency.
- (iv) To enforce the provisions of this Declaration and any rules made hereunder and to enjoin and seek damages from any Owner for violation of such provisions or rules.

Section 4.12 Board of Directors Power Exclusive. The Board of Directors shall have the exclusive right to contract for all goods, services, and insurance, payment for which is to be made from the maintenance fund, and the exclusive right and obligation to perform the functions of the Board of Directors, except as otherwise provided herein.

Section 4.13 Owner's Obligation to Repair. Each Owner shall, at his sole cost and expense, maintain and repair his Lot and the improvements situated thereon, keeping the same in good condition and repair. In the event that any Owner shall fail to maintain and repair his Lot and such improvements as required hereunder, the Association, in addition to all other remedies available to it hereunder or by law, and without waiving any of said alternative remedies, shall have the right through its agents and employees, to enter upon said Lot and to repair, maintain, and restore the Lot and the exterior of the buildings and any other improvements erected thereon; and each Owner (by acceptance of a deed for his Lot) hereby covenants and agrees to repay to the Association the cost thereof immediately upon demand, and the failure of any such Owner to pay the same shall carry with it the same consequences as the failure to pay any assessment hereunder when due.

Section 4.14 Maintenance Contracts. The Board of Directors, on behalf of the Association, shall have the power and authority to contract with any Owner for the performance

by the Association of services which the Board of Directors is not otherwise required to perform pursuant to the terms hereof (including, but not limited to, the maintenance and repair of fences owned by any such Owner), such contracts to be upon such terms and conditions and for such consideration as the Board of Directors may deem proper, advisable and to the best interest of the Association.

Section 4.15 Liability Limitations. Neither any Owner, Member, the Board, any director, nor any officer of the Association shall be personally liable for debts contracted for, or otherwise incurred by the Association, or for a tort of any other Member or Owner whether such other Member or Owner was acting on behalf of the Association or otherwise. Neither the 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. The Declarant, the Association or any other person, firm or corporation required to make such repairs or maintenance shall not be liable for any personal injury or other incidental or consequential damages occasioned by any act or omission in the repair or maintenance of any premises, improvements or portion thereof.

ARTICLE V

CONSTRUCTION OF IMPROVEMENTS AND USE OF THE LOTS

Section 5.1 Residential Use. All Lots shall be used for the construction of and utilized as single-family, detached residential dwellings units. Structures built on the Lots shall be limited to one single-family residence per Lot. Accessory buildings related to swimming pools and similar improvements are permitted. As used herein, the term "single-family residence" shall be construed to prohibit the use of Lots for duplex houses, garage apartments, or apartment houses; and no Lot shall be used for business or professional purposes of any kind or for any commercial or manufacturing purpose. No building of any kind or character, whether of modular construction or otherwise, shall ever be moved onto any Lot, it being the intention that only new in place construction of residential structures shall be placed, erected or permitted on the Lots.

Section 5.2 Restriction on Re-Subdividing. No Lot shall, at any time, be re-subdivided into additional Lots.

Section 5.3 Restrictions on Improvements. All improvements or structures constructed on the Lots must comply in all respects with the zoning ordinances, building codes, rules and regulations as promulgated by the City.

Section 5.4 Prohibited Uses. No Lot shall be used and no building, fence, wall, or other improvement shall be erected or converted for any use other than as specified pursuant to zoning ordinances, rules and regulations promulgated by the City to include the Final Plat of Subdivision. The following uses are also prohibited within the Property:

(1) Any illegal, noxious, or offensive activity of any kind and nothing may be done thereon which maybe or become an annoyance or nuisance in the neighborhood.

(2) Any use which is offensive by reason of odor, fumes, vibrations, dust, smoke, radiation, noise, pollution, or that is hazardous by reason of excessive danger of fire or explosion.

(3) No animals, livestock, or poultry of any kind shall be raised, bred, or kept except common household pets that are not kept, bred or maintained for commercial purposes. Horses, reptiles, ponies, goats, sheep, hogs, pigs, monkeys, chickens, ducks, peacocks, pigeons, and Guinea fowl shall not be deemed as household pets and are expressly prohibited.

(4) No open or exterior storage of goods or materials.

(5) No storage of oil, gasoline or other flammable liquid in bulk of more than ten (10) gallons gross capacity in a U.L. approved container.

(6) No overnight parking of large trucks (one ton or larger) or of any vehicles with painted advertisement on the streets, driveways, or otherwise, except those as utilized by a builder during construction of a dwelling unit, and no parking at any time of motor vehicles, of any type, which are in obvious disrepair or are used to transport flammable or explosive cargo. No vehicle of any size which transports flammable or explosive cargo may be kept in the Subdivision at any time.

(7) No Lot shall be used as dumping grounds for rubbish of any kind and all trash shall be kept in sanitary containers.

(8) No temporary or portable dwelling, shop, trailer, shed, storage facility, metal building or mobile home of any kind or any improvement of a temporary structure of any kind shall be permitted, except for those used in the marketing and construction of homes on the Lots.

(9) No individual water and/or sewer systems may be installed on any Lot. The drilling or use of water wells is expressly forbidden within the Property.

(10) No air conditioning apparatus, heating apparatus, or evaporative cooler may be installed on the ground in front of a dwelling unit or shall be attached to any front wall or window of a dwelling unit.

(11) No antennas shall be permitted other than those commonly used for AM or FM radio reception, UHF or VHF television reception or satellite dishes installed for the purpose of receiving television reception. No antenna, support structure, or satellite dish shall rise more than five (5) feet above the highest point of the roof of any building and any such apparatus shall be screened from the public view from Sunshine lane and from any street within the Subdivision. Any antenna, support structure, or satellite dish on the exterior of a home must be approved in writing by the Architectural Control Committee.

(12) The erection of signs or advertising structures of any kind is prohibited, except that one (1) sign advertising the sale of a dwelling unit or Lot is permitted, provided that it does

not exceed ten (10) square feet in size. During the initial construction and marketing of homes and the Lots, builders, Lot owners and Declarant may erect larger and more numerous signs.

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

(14) Neither a motorboat, houseboat or other similar water-borne vehicle nor any "camper" vehicle, trailer, motor home or other recreational vehicle may be maintained, stored or kept on any parcel of property covered by these covenants, except in areas specifically designated by the Architectural Control Committee. None of these vehicles or trailers shall, at any time, be used as a residence or office on any Lot temporarily or permanently.

(15) The digging of dirt or the removal of any dirt from any Lot is prohibited, except as approved by the Committee (defined below) in conjunction with landscaping, drainage or construction of improvements thereon.

Section 5.5 Destruction of Improvements on Individual Lots. In the event of damage or destruction (total or partial) of the improvements on any individual Lot due to fire or any other cause, each Owner covenants and agrees to commence all necessary repairs, reconstruction or removal of the damaged improvements within sixty (60) days of the date the damage occurs and to complete such repairs, reconstruction or removal to completion within a reasonable time from the commencement of such work. In the event repair, reconstruction or removal of such improvements is not commenced within such sixty (60) day period, and such failure continues for a period of ten (10) days following delivery of notice to the Owner, Declarant or the Association may cause the improvements to be removed and the Lot cleared, with the expense of removal and Lot clearing to be paid by the Owner. In the event of such removal and clearing, neither the Association nor Declarant shall be liable in trespass or for damages, expenses, costs, or otherwise for such removal and clearing. Neither the Board nor the Association shall be obligated to enforce the covenants set forth in this Section.

ARTICLE VI

ARCHITECTURAL CONTROL

Section 6.1 Architectural Control. No structures, buildings, fences, walls, or antennas will be erected, placed or altered on any Lot until the building plans, specifications and plat showing the location of such improvements have been approved in writing as to conformity and harmony of external design with existing improvements in the Property by the Architectural Control Committee (the "Committee"). The Committee shall consist of three (3) members, who shall be natural persons, selected annually by the Board of Directors provided that at inception the Committee shall be appointed by the Declarant. The Committee shall function as the representative of the Owners of the Lots for the purposes herein set forth as well as for all other purposes consistent with the creation and preservation of a first-class residential single-family

development. Until the Declarant no longer owns record title to any portion of the Property, the appointment of the members of the Committee must be approved by Declarant, and during such period any and all members of the Committee may be removed by the Declarant without cause. After such date, the Board shall have the exclusive right and power at any time and from time to time to create and fill vacancies on the Committee. The discretion of the Declarant and the Board in such matters shall not be subject to review.

A majority of the Committee may designate a representative to act for it. In the event of the death or resignation of any member of the Committee, the Board of Directors shall appoint a successor. Each member of the Committee, or its designated representative, shall neither be entitled to any compensation for services performed hereunder nor liable for claims, causes of action, or damages (except where occasioned by gross negligence or arbitrary and capricious conduct) arising out of services performed pursuant to these covenants and restrictions.

No building, structure, dwelling, or improvement of any nature, including, without limitation, fences, exterior walls, antennas, and rooflines, shall be erected, placed, or altered on any Lot until the construction plans and specifications and a plot plan showing the location of such building, structure, dwelling, or improvement have been submitted to and approved in writing by the Committee as to: (i) quality of workmanship and materials, (ii) conformity and harmony of external design, color, and texture, with existing structures, (iii) the other standards as set forth within this instrument. The Committee is authorized to request the submission of samples of proposed construction materials or colors of proposed exterior surfaces. "Improvement" shall mean and include all buildings, roofed structures, parking areas, loading areas, fences, walls, hedges, mass plantings, poles, driveways, ponds, lakes, swimming pools, tennis courts, signs, exterior illumination, grading and site preparation work, concrete or asphalt pads, utility connections, changes in any exterior color or shape, and any new exterior construction or exterior improvement exceeding \$1,000.00 in cost which may not be included in any of the foregoing.

Two (2) sets of final plans and specifications shall be submitted to the Committee 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 other complete set of plans and specifications will be marked "approved" and returned to the Owner. If found to not be in compliance with these covenants and restrictions, one set of such plans and specifications shall be returned marked "Disapproved", accompanied by a reasonable statement of items found not to comply with these covenants and restrictions. Any modifications or change to the approved set of plans and specifications must again be submitted to the Committee, for its inspection and approval. The Committee's approval or disapproval as required in these covenants shall be in writing. If within thirty (30) days of submittal of the plans and specifications, the Committee has not approved or disapproved such plans and specifications, or, in any event, if no suit to enjoin the construction has been commenced prior to completion thereof, approval will be deemed given and the related covenants shall be deemed to have been complied with. The decision of the Committee shall be final, conclusive and binding upon the applicant. The Committee shall have the power to employ professional consultants to assist it in discharging its duties and shall have the right to charge any applicant a reasonable fee to defray

its costs of reviewing such plans and specifications. Such fee is as determined by the Board of Directors.

Section 6.2 Repeat of Plans. No builder or contractor may erect a dwelling unit upon any Lot which bears significant similarity, as to floor plan and/or elevations, with any other dwelling erected within the Subdivision by the same builder or contractor.

Section 6.3 Supplemental Architectural Exhibit. The requirements and standards set forth in Exhibit B attached hereto shall provide guidance to the Committee as to specific design standards to be applied within the Subdivision. Exhibit B is not intended, and shall not be construed, to limit the scope of the requirements of the Committee, but shall rather set a base-line for such standards.

Section 6.4 Limitation of Liability. Neither the Declarant, the Association, the Board, the Committee, nor any employees, officers, directors or members thereof shall be liable in damages or otherwise to anyone submitting plans and specifications for approval or to any Owner affected by this Declaration by reason of mistake of judgment, negligence, or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve or disapprove any plans or specifications, or for any defects in any plans or specifications submitted, revised or approved under this Article VI nor for any defects in construction pursuant to such plans and specifications. Approval of plans and specifications under this Article VI shall not be deemed in lieu of compliance by Owners with applicable governmental laws or regulations.

ARTICLE VII

GENERAL PROVISIONS

Section 7.1 Maintenance Responsibilities of Owners. All Owners and occupants of any Lot shall have the responsibility, at their sole cost and expense, to keep that part of the Property so owned or occupied, including all easements and other rights of way which abut such Lot, in a well maintained and attractive condition at all times. Grass, weeds, and other vegetation shall be mowed, by the Owner of each Lot, at regular intervals so as to maintain the Lot in a neat and attractive manner. Upon the failure of any Owner to maintain a Lot or dwelling according to Section 5.4 or in a neat and attractive manner as provided above, the Association shall have the right and power to enter onto the Lot and perform such care and maintenance without any liability for damages for wrongful entry, trespass or otherwise to any person. The Owners and tenants of any part of the Property on which such work is performed shall jointly and severally be liable for the cost of such work [such costs constituting a special individual assessment as specified in Section 3.1(3) hereof]. Each Owner and tenant agrees by the purchase or occupation of the Lot, to pay such statement immediately upon receipt thereof. If such Owner fails to do so within three (3) days of receipt of a bill therefore, such costs shall bear interest at the highest rate permitted by law from said receipt of said bill until same is paid. 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, the indebtedness shall be a debt of all of said persons jointly and severally, and shall constitute a lien against that portion of the Lot 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 identical powers and rights in all respects, including but not limited to the right of foreclosure.

Section 7.2 Easements. Easements for installation, maintenance, repair, and removal of utilities, including, but not limited to, sewer, water, telephone, power, gas, street lighting, television cable, drainage facilities, perimeter wall, and floodway easements, (over, under and across the Lots) are reserved by Declarant, for itself and its successors and assigns. Declarant shall have the right to grant easements for such purposes over, under and across the Lots. Full rights of ingress and egress shall be had by Declarant and its successors and assigns at all times over the Lots for the installation, operation, maintenance, repair or removal of any utility together with the right to remove any obstruction that may be placed in such easement. Notwithstanding the foregoing, however, Declarant covenants that at any such time as the utilities referred to in this Section shall have been installed or otherwise located on the Lots, Declarant will by written instrument recorded in the Deed Records of Tarrant County, Texas (hereinafter referred to as the "Plat") define the exact location of each such easement and will release the remainder of the Lots from the provisions of this Section. Any such Plat when executed and filed of record by Declarant shall be effective to limit the location of the easement provided for therein in accordance with its terms and conditions, notwithstanding that the utility company affected may not have executed such Plat.

Section 7.3 Ingress and Egress by the Association. Full rights of ingress and egress shall belong to the Association at all times over and upon each Lot for the maintenance and repair of each Lot 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 a minimum of inconvenience to the Owner as is practical, and any damage caused shall be repaired by the Association at its expense.

Section 7.4 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 failure by the Declarant, 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. The City of Southlake, Texas, is specifically authorized to enforce these covenants and restrictions in accordance with any (i) applicable state or local laws or ordinances, or (ii) the applicable provisions set forth within this Declaration. A fine in the amount of \$25.00 per day shall be in effect against any Owner for each day that a valid violation of these covenants and restrictions is not remedied, payable to the Association.

Section 7.5 Amendment. Except as provided in Section 2.3 hereof, the covenants, conditions and restrictions of this declaration may not be abolished, amended or changed, in whole or in part.

Section 7.6 Mortgages. It is expressly provided that the breach of any of the conditions, covenants, restrictions or agreements contained herein, or of any reentry by reason of such breach shall not defeat or render invalid the lien of any mortgage or deed of trust made in

good faith and for value, as to the premises, or any part thereof encumbered by such mortgage or deed of trust, but said conditions, covenants, restrictions and agreements shall be binding thereto as required by foreclosure, trustee's sales, or otherwise, as to any breach occurring after such acquirement of title.

Notwithstanding any provision herein to the contrary, the holder(s) of a mortgage is entitled to, and shall receive, written notification from the Association of any default by the respective mortgagor/Member Owner in the performance of such Mortgagor's/Member's/Owner's obligation(s) as established by this Declaration provided that the Association has theretofore been furnished in writing with the correct name and address of the holder(s) of such mortgage and a request to receive such notification..

Section 7.7 Severability. If any condition, covenant, restriction or agreement herein contained shall be invalid, which invalidity shall not be presumed until the same is determined by the judgment or order of a court of competent jurisdiction, such invalidity shall in no way effect any other condition, covenant, restriction or agreement contained herein, each of which shall remain in full force and effect.

Section 7.8 Binding Effect. Each of the conditions, covenants, restrictions and agreements herein contained is made for the mutual benefit of (and is binding upon) each and every person acquiring any Lot or other part of the Property, since it is intended that the Subdivision shall be developed for residential purposes only, it being further understood that such conditions, covenants, restrictions and agreements are not for the benefit of the owner of any land except land in the Subdivision. This declaration, when executed, shall be filed of record in the Deed Records of Tarrant County, Texas, so that each and every owner or purchaser of any portion of the Property is on notice of the conditions, covenants, restrictions and agreements herein contained.

Section 7.9 Duration. The covenants, conditions and restrictions of this declaration shall run with and bind the land and shall inure to the benefit of and be enforceable by the Association and the Owner of any land subject to this declaration, their respective legal representatives, heirs, successors, and assigns, for a term of twenty (20) years from the date that this declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years unless an instrument signed by the Members entitled to cast sixty-five percent (65%) of the votes of the Association has been recorded, agreeing to abolish said covenants, conditions and restrictions in whole or in part. Provided, however, that no such agreement to change the covenants, conditions or restrictions shall be effective unless made and recorded ninety (90) days in advance of the effective date of such change.

Section 7.10 Address of Declarant. The mailing address of Declarant is:

Reserve of Southlake, LP
P.O. Box 427
Addison, Texas 75001

Section 7.11 Assignment. Declarant shall have the right to assign and/or delegate its rights, privileges, duties and obligations hereunder.

Section 7.12 Compliance with Ordinances. Notwithstanding any provision contained herein to the contrary, this declaration shall comply with the applicable zoning ordinances and other rules, codes and regulations of the City of Southlake, Tarrant County, Texas.

Section 7.13 Failure of the Association to Maintain Elements Common to the Subdivision. In the event the Association fails to maintain the Common Areas to City specifications for an unreasonable period of time not to exceed ninety (90) days after receipt of written request to do so, then in such event the City shall have the right, power, and authority to enforce the rules of the Association and to levy assessments necessary to maintain the Common Areas. The City may elect to exercise the rights and powers of the Association or its board of directors or to take any action required and levy any assessment that the Association might have taken, either in the name of the Association or otherwise, to cover the cost of maintenance (or possible demolition if such become necessary to preserve public safety or to ease the maintenance burden) of the Common Areas.

Section 7.14 Disputes. Matters of dispute or disagreement between Owners with respect to interpretation or application of the provisions of this Declaration of Covenants, Conditions, and Restrictions and the Association Bylaws shall be determined by the Board of Directors, whose reasonable determination shall be final and binding upon all Owners.

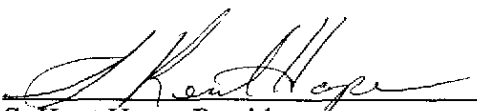
Section 7.15 Termination of and Responsibility of Declarant. If Declarant should convey all of its right, title and interest in and to the Property to any partnership, individual or individuals, corporation or corporations, then and in such event Declarant shall be relieved of the performance of any 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.

Section 7.16 Disclaimer of Usury. All provisions contained in this Declaration, whether now existing or hereafter arising, are hereby limited so that in no contingency or event whatsoever, shall the interest paid or agreed to be paid by any party to any other party exceed the maximum amount permissible under applicable law. If, from any circumstance whatsoever, interest would otherwise be payable at a rate in excess of that permitted under applicable law, then, the interest so payable shall be reduced to the maximum amount permitted under applicable law, and if from any circumstance any party ever receives anything of value from any other party deemed interest by applicable law which would exceed interest at the highest lawful rate, an amount equal to any excessive interest shall be applied to the reduction of the principal amount of the debt and if such excessive interest exceeds the unpaid balance of principal, such excess shall be refunded to the party paying same. All interest paid or agreed to be paid by any party or to any party shall, to the extent permitted by applicable law, be amortized, prorated, allocated and spread throughout the full period until payment in full of the principal so that the rate of interest is uniform throughout the term of such debt. This Section shall control all provisions of this Declaration.

Section 7.16 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 mails, postage prepaid, addressed to the last known address of the person who appears as Member or Owner on the records of the Association at the time of such mailing.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has caused this instrument to be executed by its duly authorized representative as of the 28 th day of November, 2006.

For: Reserve of Southlake, LP
By: Windmill, Inc.
Its: General Partner

By: 
S. Kent Hope, President

After recording, return to:

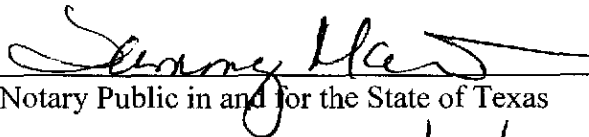
Reserve of Southlake, LP
P.O. Box 427
Addison, TX 75001

ACKNOWLEDGMENT

STATE OF TEXAS

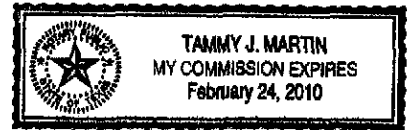
COUNTY OF TARRANT

This instrument was acknowledged before me on the 28 th day of November, 2006,
by S. Kent Hope, President of Windmill, Inc., General Partner of Reserve of Southlake, LP, a
Texas limited partnership on behalf of said company.



Notary Public in and for the State of Texas

My Commission expires 2/24/2010



**Exhibit A-Reserve of Southlake
The Property**

24 lots on 30.064 acres of land within the Frances Throop Survey, further described as Reserve of Southlake, an Addition to the City of Southlake, Tarrant County, Texas, as recorded in Cabinet A, Slide 11522, Plat Records of Tarrant County, Texas.

Exhibit B

Supplemental Architectural Standards

- 1) **Minimum Square Footage:** The minimum square footage of any primary dwelling constructed within the Subdivision shall be 5,000 square feet.
- 2) **Roofing Material:** The buildings initially constructed on the Lots must have a roof approved by the Committee which shall be of the following type: composition roof (30-year warranty or product of equal or greater specification, color must be "weathered wood" or similar color. Other Materials or colors approved by the Committee). The Committee will only approve roofing materials which are of the highest grade and quality (30-year) and which are consistent with the external design, color and appearance of other improvements within the Subdivision.
- 3) **Roof Pitch:** Roof pitch of buildings within the Subdivision shall be a minimum of 12 x 12 or as otherwise approved by the Committee.
- 4) **Fencing:** All fencing facing any street must be of wrought iron, tubular steel, or similar material. All Lots backing to the perimeter of the Subdivision shall contain a five (5) foot wrought iron fence. However, any Lot backing to the perimeter wall of the Subdivision along Sunshine Lane shall not be required to erect the abovementioned fencing at the back of the Lot. Where allowed, any wood fencing shall be substantially conforming to the Wood Fencing Exhibit attached hereto. Walls or fences shall not be permitted to extend nearer to any street than the minimum set-back line of any building or dwelling unit.
- 5) **Number of stories:** No residence exceeding two (2) stories in height shall be constructed on any Lot within the Subdivision. No improvement on any Lot shall be higher than two (2) stories in height.
- 6) **Garages:** No dwelling containing less than an attached, two-vehicle garage shall be constructed within the Subdivision. All garage doors shall be closed at all times when not in use. No carport shall be constructed on any Lot unless previously approved in writing by the Committee.
- 7) **Windows:** Windows on the front elevation or visible from the street shall be wood or vinyl clad (wood appearance) with exterior grid dividers or muntins. Any variance will require prior written approval of the Committee.
- 8) **Exterior Surface:** The exterior surface of the buildings (excluding roofs, windows, and doors) within the Subdivision shall be of brick, brick veneer, stone, or stone veneer construction or other materials approved by the Committee, or a combination thereof. All exterior items shall be approved by the Committee.

9) Mailboxes: Mailboxes shall be of brick, brick veneer, stone, or stone veneer construction, or a combination thereof, and shall reflect the theme, appearance, or manner of construction of the residential dwelling on the Lot where it is erected.

10) Air-conditioning: All buildings and structures that are air-conditioned shall use electrical energy as the primary input for any central cooling system for a period of four (4) years ending on August 9, 2010, or until a residence is constructed on the last Lot in the development, whichever comes first.

11) Side Line and Front Line Set-Back Restrictions: No dwelling unit shall be located on any Lot nearer to the front set-back line of such Lot or nearer to the side set-back line than the minimum set-back line shown on the Plat or as provided for in the City of Southlake zoning ordinance. For the purpose of these covenants and restrictions, eaves and steps shall not be considered as a part of the dwelling unit, provided, however, that this shall not be construed to permit any portion of an improvement on a Lot to encroach another Lot.

12) Landscaping and Drainage: Landscaping of a Lot must be completed within one hundred twenty (120) days after the date on which the main dwelling unit is 95% complete. No dams shall be constructed nor shall any other alteration or change be made in the course or flow of any creek crossing or abutting any Lot, without the approval of the Committee.



RESERVE OF SOUTHLAKE LP
POB 427

ADDISON TX 75001

Submitter: RESERVE OF SOUTHLAKE LP

SUZANNE HENDERSON
TARRANT COUNTY CLERK
TARRANT COUNTY COURTHOUSE
100 WEST WEATHERFORD
FORT WORTH, TX 76196-0401

DO NOT DESTROY
WARNING - THIS IS PART OF THE OFFICIAL RECORD.

Filed For Registration: 11/28/2006 01:57 PM
Instrument #: D206372168
OPR 27 PGS \$116.00

By: 



D206372168

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE
OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR
RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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9 11 10

**AMENDMENT TO DECLARATION OF
COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR RESERVE OF SOUTHLAKE**

STATE OF TEXAS

§

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF TARRANT

§

§

THIS AMENDMENT is made effective the 23rd day of December, 2010, by HOA of Reserve of Southlake, Inc., (hereinafter referred to as "Declarant").

WITNESSETH:

WHEREAS, on November 28, 2006, Reserve of Southlake LP, filed that certain Declaration of Covenants, Conditions, and Restrictions for Reserve of Southlake ("Covenants") recorded in Clerk's File No. D206372168 of the Real Property Records of Tarrant County, Texas; and

WHEREAS, pursuant to a vote of the members of the association, the Board of Directors desires to submit revisions to the Covenants;

NOW, THEREFORE, pursuant to the powers granted to the members of the association, the Board of Directors submits the following revisions to the Covenants. The provisions of this Amendment shall be binding upon HOA of Reserve of Southlake Inc. in accordance with the terms of the Declaration.

The definitions set forth in Article I of the Covenants are incorporated herein by reference.

Exhibit B

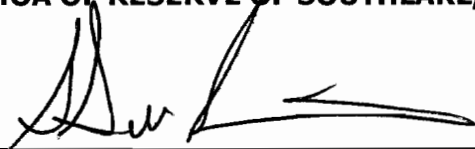
Supplemental Architectural Standards

Paragraph 1), of the Covenants is stricken in its entirety and replaced with the following:

1) Minimum Square Footage: The minimum air-conditioned living area of the primary dwelling constructed within the Subdivision shall be six thousand (6,000) square feet.

IN WITNESS WHEREOF, the undersigned Declarant has executed this Amendment to the Covenants the day and year first above written.

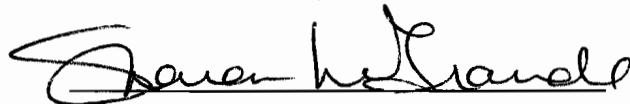
HOA OF RESERVE OF SOUTHLAKE, INC.



Steve Robinson, President

STATE OF TEXAS }
COUNTY OF TARRANT }

This Amendment to Declaration of Covenants, Conditions, and Restrictions for Reserve of Southlake was acknowledged before me on the 14th of January, 2011 by Steve Robinson, President, HOA of Reserve of Southlake, Inc., a Texas non-profit corporation.



NOTARY PUBLIC IN AND FOR THE STATE OF TEXAS

My commission expires:

April 24, 2013

Notary's printed name:

Sharon LeGrande

AFTER RECORDING, RETURN TO:
GloboLink Management
P.O. Box 1532
Keller, TX 76244-1532



MARY LOUISE GARCIA

COUNTY CLERK



100 West Weatherford Fort Worth, TX 76196-0401

PHONE (817) 884-1195

GLOBOLINK MANAGEMENT
PO BOX 1532
KELLER, TX 76244

Submitter: HOA OF RESERVE OF
SOUTHLAKE

DO NOT DESTROY
WARNING - THIS IS PART OF THE OFFICIAL RECORD.

Filed For Registration: 1/19/2011 11:19 AM

Instrument #: D211014946

OPR 3 PGS \$20.00

By: Mary Louise Garcia

D211014946

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY
BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

Prepared by: VMMASSINGILL