

**Documents For
Isabella Village
Community
Association, Inc.**

Articles of Incorporation



Office of the Secretary of State

CERTIFICATE OF FILING OF

Isabella Village Community Association, Inc.
File Number: 801429791

The undersigned, as Secretary of State of Texas, hereby certifies that a Certificate of Formation for the above named Domestic Nonprofit Corporation has been received in this office and has been found to conform to the applicable provisions of law.

ACCORDINGLY, the undersigned, as Secretary of State, and by virtue of the authority vested in the secretary by law, hereby issues this certificate evidencing filing effective on the date shown below.

The issuance of this certificate does not authorize the use of a name in this state in violation of the rights of another under the federal Trademark Act of 1946, the Texas trademark law, the Assumed Business or Professional Name Act, or the common law.

Dated: 05/20/2011

Effective: 05/20/2011



A handwritten signature in black ink, appearing to read "Hope Andrade".

Hope Andrade
Secretary of State

Corporations Section
P.O.Box 13697
Austin, Texas 78711-3697



Hope Andrade
Secretary of State

Office of the Secretary of State

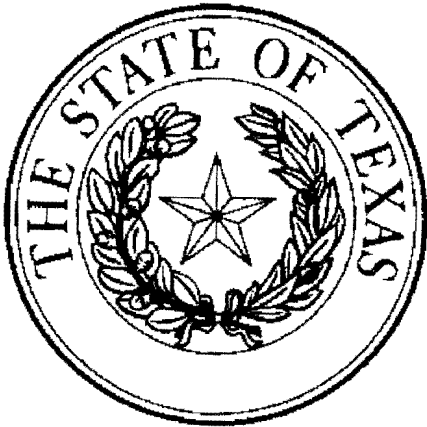
The undersigned, as Secretary of State of Texas, does hereby certify that the attached is a true and correct copy of each document on file in this office as described below:

Isabella Village Community Association, Inc.
Filing Number: 801429791

Certificate of Formation

May 20, 2011

In testimony whereof, I have hereunto signed my name officially and caused to be impressed hereon the Seal of State at my office in Austin, Texas on June 02, 2011.



A handwritten signature in cursive script, appearing to read "Hope Andrade".

Hope Andrade
Secretary of State

Form 202
(Revised 12/09)

Submit in duplicate to:
Secretary of State
P.O. Box 13697
Austin, TX 78711-3697
512 463-5555
FAX: 512/463-5709
Filing Fee: \$25



**Certificate of Formation
Nonprofit Corporation**

This space reserved for office use.

FILED
In the Office of the
Secretary of State of Texas

MAY 20 2011

Corporations Section

Article 1 – Entity Name and Type

The filing entity being formed is a nonprofit corporation. The name of the entity is:

Isabella Village Community Association, Inc.

Article 2 – Registered Agent and Registered Office

(See instructions. Select and complete either A or B and complete C.)

A. The initial registered agent is an organization (cannot be entity named above) by the name of:

OR

B. The initial registered agent is an individual resident of the state whose name is set forth below:

Cindy		Huey,	C/O PCMC, Inc.	
<i>First Name</i>	<i>M.I.</i>	<i>Last Name</i>		<i>Suffix</i>

C. The business address of the registered agent and the registered office address is:

3102 OAKLAWN AVE. STE. 202	Dallas	TX	75219
<i>Street Address</i>	<i>City</i>	<i>State</i>	<i>Zip Code</i>

Article 3 – Management

The management of the affairs of the corporation is vested in the board of directors. The number of directors constituting the initial board of directors and the names and addresses of the persons who are to serve as directors until the first annual meeting of members or until their successors are elected and qualified are as follows:

A minimum of three directors is required.

Director 1				
<i>First Name</i>	<i>M.I.</i>	<i>Last Name</i>	<i>State</i>	<i>Zip Code</i>
Cindy		Harris	TX	75225
8200 Douglas Ave., Suite 300		Dallas	TX	75225
<i>Street or Mailing Address</i>		<i>City</i>	<i>State</i>	<i>Zip Code</i>



SECRETARY OF STATE
OFFICE OF THE CLERK
CORPORATIONS SECTION
MAY 20 2011

Director 2				
John		Mann		
<i>First Name</i>	<i>M.I.</i>	<i>Last Name</i>	<i>Suffix</i>	
2100 McKinney Avenue, Suite 1510	Dallas	TX	75201	USA
<i>Street or Mailing Address</i>	<i>City</i>	<i>State</i>	<i>Zip Code</i>	<i>Country</i>

Director 3				
Matt		Burke		
<i>First Name</i>	<i>M.I.</i>	<i>Last Name</i>	<i>Suffix</i>	
2100 McKinney Avenue, Suite 1510	Dallas	TX	75201	USA
<i>Street or Mailing Address</i>	<i>City</i>	<i>State</i>	<i>Zip Code</i>	<i>Country</i>

OR

The management of the affairs of the corporation is to be vested in the nonprofit corporation's members.

Article 4 – Membership

(See instructions. Do not select statement B if the corporation is to be managed by its members.)

- A. The nonprofit corporation shall have members.
- B. The nonprofit corporation will have no members.

Article 5 – Purpose

(See instructions. This form does not contain language needed to obtain a tax-exempt status on the state or federal level.)

The nonprofit corporation is organized for the following purpose or purposes:

The general purposes for which the Association is formed are to exercise the rights and powers and to perform the duties and obligations of a Texas property owners association, in accordance with the declaration, the bylaws of the Association, and State law, as each may be amended from time to time.

The following text area may be used to include any additional language or provisions that may be needed to obtain tax-exempt status.

Supplemental Provisions/Information

(See instructions.)

Text Area: [The attached addendum, if any, is incorporated herein by reference.]

Subject to the limitation and requirements of applicable law, the Association will indemnify a person who was, is, or is threatened to be made a named defendant or respondent in a proceeding because the person is or was an officer, director, committee chair, or committee member of the association. Additionally, the Association may indemnify a person who is or was an employee, trustee, agent, or attorney of the Association, against any liability asserted against him and incurred by him in that capacity and arising out of that capacity.

An officer or director of the Association is not liable to the Association or its members for monetary damages for acts or omissions that occur in the person's capacity as an officer or director, except to the extent a person is found liable for (1) a breach of the officer or director's duty of loyalty to the Association or its members; (2) an act or omission not in good faith that constitutes a breach of duty of the officer or director to the Association; (3) an act or omission that involves intentional misconduct or a knowing violation of the law; (4) a transaction from which the officer or director receives an improper benefit, whether or not the benefit resulted from an action taken within the scope of the person's office; or (5) an act or omission for which the liability of an officer or director is expressly provided by an applicable statute. The limitation on the liability of an officer or director does not eliminate or modify that person's liability as a member of the Association.

Organizer

The name and address of the organizer:

Emily P. Daniell

Name

7920 Belt Line Road, Suite 850

Dallas

TX

75254

Street or Mailing Address

City

State

Zip Code

Effectiveness of Filing (Select either A, B, or C.)

A. This document becomes effective when the document is filed by the secretary of state.

B. This document becomes effective at a later date, which is not more than ninety (90) days from the date of signing. The delayed effective date is: _____

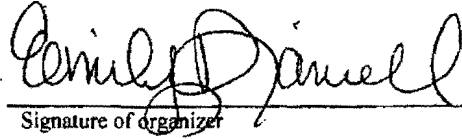
C. This document takes effect upon the occurrence of a future event or fact, other than the passage of time. The 90th day after the date of signing is: _____

The following event or fact will cause the document to take effect in the manner described below:

Execution

The undersigned affirms that the person designated as registered agent has consented to the appointment. The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument and certifies under penalty of perjury that the undersigned is authorized to execute the filing instrument.

Date: 05/17/2011



Signature of organizer

Emily P. Daniell

Printed or typed name of organizer

TEXAS SECRETARY of STATE

[UCC](#) | [Business Organizations](#) | [Trademarks](#) | [Notary](#) | [Account](#) | [Help/Fees](#) | [Briefcase](#) | [Logout](#)
BUSINESS ORGANIZATION AND TRADEMARK ORDERS

Corporations Section
P.O.Box 13697
Austin, Texas 78711-3697



Hope Andrade
Secretary of State

Office of the Secretary of State

TRANSACTION RECEIPT

Session ID: 060211LN4521
Document #: 370592430003
June 2, 2011

SOSDirect has received your document submission or your order for copies of or certificates related to records on file with the secretary of state. This receipt is not evidence that the secretary of state has approved the document for filing. All documents must be reviewed for statutory compliance before filing. You will be notified by email when the document is filed or rejected and when the order has been processed. Please make note of the document number referenced above so that you may track the progress of the document or order.

Expected response times for the following are:

- Filings by the end of the next business day;
- Certificates as quick as 2 hours;
- Copies (certified or plain) within 4 business days.

If you are not in receipt of your notification within this timeframe, please contact sosdirect@sos.state.tx.us or call (512) 475-2755 for assistance.

Thank you for allowing us to assist you with your request. To return to the Business Organizations menu, please [click here](#).

Bylaws

Denton County
Cynthia Mitchell
County Clerk
Denton, Tx 76202



70 2012 00059705

Instrument Number: 2012-59705

As

Recorded On: June 05, 2012

Memorandum

Parties: ISABELLA VILLAGE COMMUNITY ASSOCIATION

Billable Pages: 4

To

Number of Pages: 4

Comment:

(Parties listed above are for Clerks reference only)

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

Memorandum	28.00
Total Recording:	28.00

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

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

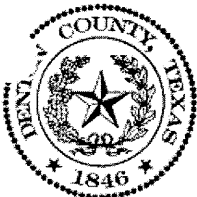
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Document Number: 2012-59705
Receipt Number: 912993
Recorded Date/Time: June 05, 2012 03:43:03P

User / Station: D Kitzmiller - Cash Station 2

Record and Return To:

PREMIER COMMUNITIES
3102 OAK LAWN AVE
STE 202
DALLAS TX 75219



THE STATE OF TEXAS }
COUNTY OF DENTON }

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

C. Mitchell

County Clerk
Denton County, Texas

**MEMORANDUM OF RESIGNATION
AND APPOINTMENT OF DIRECTORS**

OF

**ISABELLA VILLAGE COMMUNITY ASSOCIATION
INC.**

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

This MEMORANDUM OF RESIGNATION AND APPOINTMENT OF DIRECTORS OF THE ISABELLA VILLAGE COMMUNITY ASSOCIATION INC. is made effective this 10 day of February 2012;

WITNESSETH;

WHEREAS, Isabella Village Community Association Inc. ("Association") was formed to administer and enforce the covenants and provisions of that certain Declaration of Covenants, Conditions and Restrictions for Isabella recorded October 11, 2011, as Instrument Number 2011-95887 in the Real Property Records of Denton County, Texas, as same has been amended and supplemented; and

WHEREAS, Bylaws of the Association were promulgated and recorded in the Real Property Records of Denton County, Texas, providing in The By-laws thereof that the affairs of the Association shall be managed by a Board no less than three (3) directors; and

WHEREAS, the Articles of Incorporation for the Association recited the following initial directors of the Association ("**Initial Directors**") to be:

Cindy Harris
Matt Burke
John Mann

and

WHEREAS, the Association desires that the Association records and the records of the Office of the Secretary of State of Texas reflect the Current Directors and officers of the Association, and that a memorandum thereof be filed in the Public Records of Tarrant County, Texas;

NOW, THEREFORE, the following are the Directors of the Association, appointed to serve until their successors are appointed:

Sue Blankenship
Barry Fletcher
John Mann

IN WITNESS WHEREOF, this Memorandum is hereby executed by the duly authorized officer or representative of the Association.

Signed by:

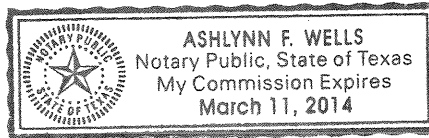


John Mann
Director
Isabella Village Community Association

2/10/12
Date

**ISABELLA VILLAGE COMMUNITY ASSOCIATION
INC.** a Texas nonprofit corporation

STATE OF TEXAS §
 §
COUNTY OF DENTON §

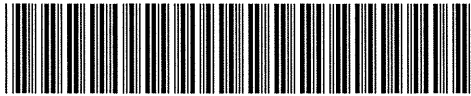


This instrument was acknowledged before me on this 10 day of February, 2012, by John Mann, the Secretary/Treasurer ISABELLA VILLAGE COMMUNITY ASSOCIATION INC. a Texas nonprofit corporation, on behalf of said corporation.



Notary Public, State of Texas

**AFTER RECORDING RETURN TO:
PREMIER COMMUNITIES
3102 OAK LAWN AVE SUITE 202
DALLAS, TX 75219**



70 2012 00015516

Denton County
Cynthia Mitchell
County Clerk
Denton, Tx 76202

Instrument Number: 2012-15516

As

Recorded On: February 16, 2012

Misc General Fee Doc

Parties: SAVANNAH COMMUNITY ASSOCIATION

Billable Pages: 3

To

Number of Pages: 3

Comment:

(Parties listed above are for Clerks reference only)

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

Misc General Fee Doc	24.00
Total Recording:	24.00

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

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

File Information:

Document Number: 2012-15516

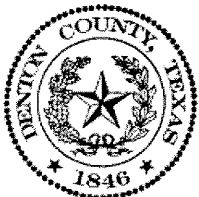
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Recorded Date/Time: February 16, 2012 10:13:18A

User / Station: S Parr - Cash Station 3

Record and Return To:

PREMIER COMMUNITIES
3102 OAK LAWN AVE STE 202
DALLAS TX 75219



THE STATE OF TEXAS }
COUNTY OF DENTON }

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

C Mitchell

County Clerk
Denton County, Texas

**MEMORANDUM OF RESIGNATION
AND APPOINTMENT OF DIRECTORS**

OF

SAVANNAH COMMUNITY ASSOCIATION

STATE OF TEXAS

§

KNOW ALL MEN BY THESE PRESENTS:

§

COUNTY OF DENTON

§

This MEMORANDUM OF RESIGNATION AND APPOINTMENT OF DIRECTORS OF SAVANNAH COMMUNITY ASSOCIATION is made effective this 16th day of December, 2011;

WITNESSETH;

WHEREAS, Savannah Community Association ("Association") was formed to administer and enforce the covenants and provisions of that certain Declaration of Covenants, Conditions and Restrictions for Savannah recorded October 16, 2003, as Instrument Number 2003-R0176313 in the Real Property Records of Denton County, Texas, as same has been amended and supplemented; and

WHEREAS, Bylaws of the Association were promulgated and recorded in the Real Property Records of Denton County, Texas, providing in Appendix C thereof that the affairs of the Association shall be managed by a Board no less than three (3) directors; and

WHEREAS, the Articles of Incorporation for the Association recited the following initial directors of the Association ("**Initial Directors**") to be:

Philip Huffines
Donald Huffines
Elvio Bruni

and

WHEREAS, the Association desires that the Association records and the records of the Office of the Secretary of State of Texas reflect the Current Directors and officers of the Association, and that a memorandum thereof be filed in the Public Records of Tarrant County, Texas;

NOW, THEREFORE, the following are the Directors of the Association, appointed to serve until their successors are appointed:

Elvio Bruni
Sue Blankenship
Druetta Russell

IN WITNESS WHEREOF, this Memorandum is hereby executed by the duly authorized officer or representative of the Association.

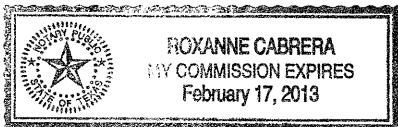
Signed this 16TH day of December, 2011.

By: Elvio Bruni

Savannah Community Association a Texas nonprofit corporation

STATE OF TEXAS §
 §
COUNTY OF DENTON §

This instrument was acknowledged before me on this 16 day of December, 2011, by Elvio P. Bruni, the _____ of Savannah Community Association, a Texas nonprofit corporation, on behalf of said corporation.



Roxanne Cabrera
Notary Public, State of Texas

**AFTER RECORDING RETURN TO:
PREMIER COMMUNITIES
3102 OAK LAWN AVE SUITE 202
DALLAS, TX 75219**

EXHIBIT "C"
BYLAWS OF
ISABELLA VILLAGE COMMUNITY ASSOCIATION, INC.,
A TEXAS NON-PROFIT CORPORATION

BYLAWS OF

ISABELLA VILLAGE COMMUNITY ASSOCIATION, INC.

A TEXAS PROPERTY OWNERS ASSOCIATION

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BYLAWS OF
ISABELLA VILLAGE COMMUNITY ASSOCIATION, INC.
A TEXAS PROPERTY OWNERS ASSOCIATION

ARTICLE I
NAME AND LOCATION

The name of the corporation is ISABELLA VILLAGE COMMUNITY ASSOCIATION, INC., hereinafter referred to as the "Association". The principal office of the association shall be located at 8200 Douglas Avenue, Suite 300, Dallas, TX 75225, but meetings of Members and Directors may be held at such places within the State of Texas, County of Denton, as may be designated by the Board of Directors.

ARTICLE II
DEFINITIONS

The following words when used in these Bylaws, unless a different meaning or intent clearly appears from the context, shall have the following meanings:

"Assessment" or "Assessments" shall mean assessment(s), both regular annual assessments and special assessments, levied by the Association under the Declaration.

"Association" shall mean and refer to ISABELLA VILLAGE COMMUNITY ASSOCIATION, INC., its successors and assigns.

"Board" shall mean the Board of Directors of the Association.

"Builder Members" shall mean builders approved by Declarant for construction within the Property and who own one or more Lots for construction of a residence and resale to others.

"Conversion Date" shall mean the date of termination of the Class B membership and conversion of the same to a Class A membership, which shall be the earlier to occur of (i) the date on which the last lot or parcel in both Savannah Community Association and Isabella Village Community Association, Inc. is sold, or (ii) when Declarant voluntarily turns over control.

"Declarant" shall mean CHS Savannah, L.P., a Texas limited partnership, and successors and assigns of its interest as Declarant under the Declaration.

"Declaration" means and refers to that certain Declaration of Covenants, Conditions and Restrictions for Isabella Village Community Association, Inc. executed by Declarant and recorded in the Deed Records of Denton County, Texas, as such Declaration may be amended, supplemented and/or restated from time to time.

"Lot" shall mean and refer to any portion of the Property shown as a subdivided residential lot on a Plat.

"Member" means each Owner and the Declarant.

"Owner" shall mean and refer to the record owner, including sellers pursuant to executory contracts for conveyance and whether one or more persons or entities, of fee simple title to any Lot, but excluding those persons or entities having such interest merely as security for the performance of an obligation.

"Plat" shall mean a subdivision plat or plats of any portion of the Property now or hereafter filed for record in the Map or Plat Records of Denton County, Texas, as such plat or plats may be amended from time to time.

"Property" shall mean and refer to any and all property which is or becomes subject to the terms of the Declaration.

"Restrictions" shall mean the covenants, conditions and restrictions contained in the Declaration, the Articles, these Bylaws, any rules and regulations promulgated by the Association pursuant to the Declaration and any rules, regulations, guidelines or procedures promulgated by the Architectural Control Committee (as defined in the Declaration), as any of the foregoing may be adopted and amended from time to time.

ARTICLE III MEETING OF MEMBERS

Section 1. Annual Meetings. An annual meeting of the Members shall be held during the first calendar quarter of each year. At annual meetings, after the Conversion Date, the Members will elect directors in accordance with these Bylaws. The Members may also transact such other business of the Association as may properly come before them.

Section 2. Special Meeting. Special meetings of the Members may be called at any time by the President or by the Board, or upon written request of the Members who are entitled to vote one-fourth (1/4) of all of the votes of the Class A membership. Only such business shall be transacted at a special meeting of Members as may be stated or indicated in the notice of such meeting.

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, not less than ten (10) nor more than sixty (60) days before such meeting to each Member entitled to vote at such meeting, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting. When a meeting of the Members is adjourned for less than thirty (30) days, it shall not be necessary to give any

notice of the time and place of the adjourned meeting or of the business to be transacted at such meeting other than by adjournment at the meeting at which the adjournment is taken.

Section 4. Action Taken Without a Meeting. The Members shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of the amount of Members required for the action to be taken at a meeting. Any action so approved shall have the same effect as though taken at a meeting of the Members.

Section 5. Quorum. Except as provided in the Declaration, at any meeting of the Association, the presence in person or by proxy of owners of at least five percent (5%) of the Lots in the Property constitutes a quorum. Members present at a meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal, during the course of the meeting, of members constituting a quorum.

Section 6. Voting and Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and signed by the Member or his or her duly authorized attorney in fact and shall bear a date not more than eleven (11) months prior to any such meeting, unless the proxy provides that it is to be valid for a period in excess of eleven (11) months. Each proxy shall be revocable unless expressly provided therein to be irrevocable, and in no event shall it remain irrevocable for more than eleven (11) months. A proxy granted by any Member shall automatically cease as to any Lot conveyed by such Member to another person. At any election of Directors, every Member entitled to vote at such election shall have the right to vote, in person or by proxy, the number of votes allocated to such Member for as many persons as there are Directors to be elected and for whose election he or she has a right to vote. Members are expressly prohibited from cumulating their votes in any election for Directors of the association.

Section 7. Membership in the Association. The Declarant and every Owner shall be a Member of the Association; provided, after the Conversion Date, the Declarant shall be a Class A Member only if and to the extent that it is also an Owner. Membership shall be appurtenant to, and shall not be separated from, ownership of a Lot, but no person or entity shall be a Member merely by having an interest in a Lot as security for the performance of an obligation. Declarant may, at any time, terminate its Class B membership and its status as Declarant by giving written notice to the Board.

Section 8. Voting Rights. The right to cast votes and the number of votes which may be cast for election of members of the Board and on all other matters to be voted on by the Members shall be determined as follows:

(a) The Association shall have two (2) classes of voting membership, Class A and Class B.

(b) Each Owner of a Lot (other than Declarant) shall automatically and mandatorily be a Class A Member. Each Owner of a Lot shall be entitled to one (1) vote for each Lot so owned. When more than one Person owns the fee simple interest in any Lot, all such Persons shall be Members. The vote for such Lot shall be exercised as such Persons among themselves

determine and so advise the Secretary of the Association prior to the vote, but in no event shall the vote for such Lot exceed the total vote to which such Lot is otherwise entitled under this Section 7.

(c) The Class B Member shall be Declarant. The Class B Member shall be entitled to three (3) votes for each Lot owned by it until the Conversion Date, provided that the Class B membership shall cease and become converted to Class A membership on the happening of the following events, whichever occurs earlier: (i) the date upon which the last lot or parcel in both Savannah Community Association and Isabella Village Community Association, Inc. is sold, or (ii) when Declarant voluntarily turns over control.

(d) Members are expressly prohibited from cumulating their votes in any election for members of the Board. Prior to submitting any matter for a vote of the Members, the Board shall determine the total number of votes outstanding and the Members entitled to vote.

ARTICLE IV BOARD OF DIRECTORS

Section 1. Number. The affairs of this Association shall be managed by a Board of three (3) directors, who need not be Members of the Association.

Section 2. Term of Office. Initially, each director shall be elected for a term of three (3) years. Each director shall hold office for the term for which he or she is elected and until his or her successor shall be elected and qualified unless sooner removed as provided in these Bylaws. Upon termination of the Class B membership and Conversion of the same to a Class A membership, the Members of the Association shall elect three (3) directors, who need to be Members of the Association. The initial directors elected upon Conversion shall be elected as follows:

- (i) One (1) director shall be elected for a term of one (1) year.
- (ii) One (1) director shall be elected for a term of two (2) years.
- (iii) One (1) director shall be elected for a term of three (3) years.

Thereinafter, upon reelection, each director shall be elected for a term of three years.

Section 3. Removal; Vacancies. Any director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association at any meeting of the Members duly called and held. In the event of death, resignation or removal of a director, his or her successor shall be selected by the remaining directors and shall serve for the unexpired term of his or her predecessor.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association. Any director may, however, be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Annual Meetings. The annual meeting of the Board shall be held, without further notice, immediately following the annual meeting of Members, and at the same place or at such other time and place as shall be fixed with the consent in writing of all directors.

Section 6. Regular Meetings. Regular meetings of the Board shall be held after such notice as is required under Section 209.0051 of the Texas Property Code, as it may be amended, supplemented or restated.

Section 7. Special Meetings. Special meetings of the Board shall be held after such notice as is required under Section 209.0051 of the Texas Property Code, as it may be amended, supplemented or restated.

Section 8. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a meeting duly called and held at which a quorum is present shall be regarded as the act of the Board.

Section 9. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

Section 10. Powers of Board of Directors. In addition to the powers and authority expressly conferred by these Bylaws upon them, the Board may exercise all such powers, duties and authority vested in or delegated to the Association by law, the Articles of Incorporation or the Declaration and do all other lawful acts and things, except to the extent that any of the foregoing are directed or required by law, the Articles of Incorporation, the Declaration or these Bylaws to be exercised or done by the Members.

ARTICLE V OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of the Association shall be a President, a Secretary and a Treasurer and such other officers as the Board may from time to time designate. Any two or more offices may be held by the same person, except the offices of president and secretary. The officers of the Association shall at all times be members of the Board.

Section 2. Election of Officers; Term. The officers of the association shall be chosen annually by the Board at its annual meeting or as soon after such annual meeting as practicable. Each officer shall hold office for the term of one year, or until his or her death or until he or she shall have resigned or shall have been removed, whichever occurs first. In no circumstance shall an officer's term extend more than one year without re-election by the Board at its annual meeting or as soon after such annual meeting as practicable. The Board may appoint, from time to time, officers as it shall deem necessary for such terms and with such

duties and powers as shall be determined by the Board. Additionally, the powers and duties of any officer may be delegated to such party as may be deemed necessary by the Board, including but not limited to a management company.

Section 3. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 4. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 5. Duties. All officers and agents of the association, as between themselves and the association, shall have such authority, perform such duties and manage the association as provided in these Bylaws or as may be determined by resolution of the Board not inconsistent with these Bylaws. Without limiting the generality of the foregoing, the following officers shall have the duties provided below:

President

The President shall be the executive manager of the operation of the association and shall preside at all meetings of the Board.

Vice President

The Vice President, if any, shall act in the place and stead of the President in the event of his absence, inability or refusal to act and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

The Secretary shall record the vote and keep the minutes of all meetings and proceedings of the Board and of the Members; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses and shall perform such other duties as required by the Board.

Treasurer

The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board; keep proper books of account; and shall perform such other duties as required by the Board.

ARTICLE VI INDEMNIFICATION

The association shall indemnify any person who was, is or is threatened to be made a named defendant or respondent in a proceeding (as hereinafter defined) because the person is or was a director or officer of the association to the fullest extent that a association may grant indemnification to a person serving in such capacity under the Texas Non-Profit Corporation Act, as the same exists or may hereafter be amended. Such right shall be a contract right and shall include the right to be paid by the association for all expenses incurred in defending any such proceeding in advance of its final disposition to the maximum extent permitted under the Texas Non-Profit Corporation Act, as the same exists or may hereafter be amended. If a claim for indemnification or advancement of expenses hereunder is not paid in full by the association within ninety (90) days after a written claim has been received by the association, the claimant may at any time thereafter bring suit against the association to recover the unpaid amount of the claim, and if successful in whole or in part, the claimant shall be entitled to be paid also the expenses of prosecuting such claim. It shall be a defense to any such action that such indemnification or advancement of costs of defense are not permitted under the Texas Non-Profit Corporation Act, but the burden of proving such defense shall be on the association. Neither the failure of the association (including its Board or any committee thereof, special legal counsel or Members) to have made its determination prior to the commencement of such action that indemnification of, or advancement of costs of defense to, the claimant is permissible in the circumstances nor an actual determination by the association (including its Board or any committee thereof, special legal counsel or Members) that such indemnification or advancement is not permissible, shall be a defense to the action or create a presumption that such indemnification or advancement is not permissible. The association shall additionally indemnify any person covered by the grant of mandatory indemnification contained above to such further extent as is permitted by law and may indemnify any other person to the fullest extent permitted by law. As used herein, the term "proceeding" means a threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitative or investigative, any appeal in such an action, suit or proceeding and any inquiry or investigation that could lead to such an action, suit or proceeding. The association shall maintain insurance, at its expense, for its benefit in respect of such indemnification and for the benefit of any such person, whether or not the association would otherwise have the power to indemnify such person to the extent provided in the Declaration.

ARTICLE VII BOOKS AND RECORDS

The association shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its Members, Board and committees having any authority of the Board and shall keep at its registered or principal office in the State of Texas a record of the names and addresses of its Members entitled to vote. A Member, on written demand stating the purpose of the demand, shall have the right to examine and copy, in person or by agent, accountant or attorney, at any reasonable time, for any proper purpose, the books and records of the association relevant to the stated purpose, at the expense of the Member.

**ARTICLE VIII
CORPORATE SEAL**

The Association shall not have a seal.

**ARTICLE IX
AMENDMENTS**

The power to alter, amend or repeal these Bylaws shall be vested in the Declarant prior to the Conversion date, and the power to alter, amend or repeal these Bylaws shall be vested in the Board upon Conversion.

**ARTICLE X
MISCELLANEOUS**

Section 1. Fiscal Year. The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

Section 2. Conflicting Provisions. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

Section 3. Invalid Provisions. If any part of these provisions shall be held invalid or inoperative for any reason, the remaining parts, so far as possible and reasonable, shall be valid and operative.

Section 4. Headings. The headings used in these Bylaws have been inserted for convenience only and shall not be given effect in construing the meaning of any provision.

Section 5. Resale Certificates. The Association shall comply, or shall cause its managing agent, if any, to comply, with any properly submitted request for information under Section 207.003(a) of the Texas Property Code. Neither the Association nor its managing agent shall have any duty to inspect the Property prior to issuing a resale certificate pursuant to any such request, nor shall the Association, or its managing agent, have a duty to update any information provided pursuant to any such request, except in response to a properly submitted further request for updated information. The Association may establish a reasonable fee to assemble, copy and deliver the information requested pursuant to Section 207.003 of the Texas Property Code.

IN WITNESS WHEREOF, the undersigned Declarant has executed these Bylaws as of this 5 day of October, 2011.

CHS Savannah, L.P., a Texas limited partnership

By: HC Operating Savannah, LLC, its general partner
By: HC Operating L.P., its sole member
By: HC Operating GP, LLC, its general partner

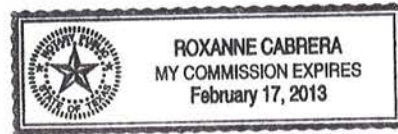
By: Phillip W. Huffines
Phillip W. Huffines, Managing Director

STATE OF TEXAS §
 §
COUNTY OF Dallas §

This instrument was acknowledged before me on this 5 day of October, 2011, by Phillip W. Huffines, Managing Director of CHS Savannah, L.P., a Texas limited partnership, on behalf of the corporation in its capacity as general partner of CHS Savannah, L.P., a Texas limited partnership, on behalf of the limited partnership.

Roxanne Cabrera
Notary Public in and for the State of Texas

AFTER RECORDING RETURN TO:
Charles W. Spencer & Associates
7920 Belt Line Road, Suite 935
Dallas, TX 75254



Declaration of CC&R's

Denton County
Cynthia Mitchell
County Clerk
Denton, Tx 76202



70 2012 00059706

Instrument Number: 2012-59706

As

Recorded On: June 05, 2012

Misc General Fee Doc

Parties: ISABELLA VILLAGE COMMUNITY ASSOCIATION

Billable Pages: 5

To

Number of Pages: 5

Comment:

(Parties listed above are for Clerks reference only)

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

Misc General Fee Doc	32.00
Total Recording:	32.00

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

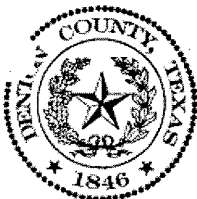
File Information:

Document Number: 2012-59706
Receipt Number: 912993
Recorded Date/Time: June 05, 2012 03:43:03P

Record and Return To:

PREMIER COMMUNITIES
3102 OAK LAWN AVE
STE 202
DALLAS TX 75219

User / Station: D Kitzmiller - Cash Station 2



THE STATE OF TEXAS }
COUNTY OF DENTON }

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

C. Mitchell

County Clerk
Denton County, Texas

**Isabella Village Community Association, Inc.
3102 Oak Lawn, Suite 202
Dallas, TX 75219**

Dedicatory Instruments

Collection Policy

WHEREAS, Isabella Village Community Association, Inc. (the "Association") is an addition in Denton County, Texas. The final plats were recorded in the Real Property Records of Denton County, Texas as; Phase 10 A, Document No. 2006-40724 in Cabinet W, Page 309, of Map Records on April 7, 2006 .Lots in Isabella Village Community Association are subject to Declaration of Covenants, Conditions, and Restrictions for Isabella Village Community Association, recorded on October 30, 2011, as Document Number 2011-95887, Real Property Records, Denton County, Texas as amended or supplemented from time to time **The Association wishes to adopt reasonable guidelines to establish a collection policy for the Association for delinquent regular or special assessments or any other amount owed to the Association; and**

WHEREAS, the Board wishes to update and adopt these reasonable guidelines to be in compliance with Section 209.0062 of the Texas Property Code; and

WHEREAS, the Board intends to file these guidelines in the real property records of each county in which the subdivision is located, in compliance with Section 209.0062 of the Texas Property Code; and

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



a FirstService Residential company

Creating the most desirable residential communities in which to live.

Isabella Village Community Association, Inc. COLLECTION POLICY

Isabella Village Community Association, Inc. collection process includes the following steps *unless authorized exceptions to this process are communicated in writing from the Board of Directors through the Association Manager.*

Notice	Description	Fees
1 st Friendly Notice	<ul style="list-style-type: none"> • Issued by the Billing Department after the Association’s late date as a statement showing the total amount due. The late date is 10th day of the month that the assessment is charged. • Only issued to owners <u>with a balance of \$10 or more.</u> <ul style="list-style-type: none"> ○ Late/interest fees may vary based on governing documents. ○ Late date may vary based on governing documents. 	\$25.00 + \$8.00 processing fee
2 nd Formal Notice	<ul style="list-style-type: none"> • Issued by the Billing Department as a late letter (typically 30 days after the Friendly Notice). • Includes the Fair Debt Collections verbiage and allows the account holder 30 days from receipt of notice to address the delinquent account. <ul style="list-style-type: none"> ○ Per the Texas Property Code, these notices must be mailed certified (also mailed first class) and include language regarding restricted access to amenities and the right to cure. • Only issued to owners <u>with a balance of \$50 or more.</u> <ul style="list-style-type: none"> ○ A second late statement may be sent to owners in lieu of or in addition to the second notice, but the processing fees and collateral costs (print, envelopes, postage, etc.) still apply to each review and mailing. 	\$23.00 processing fee
Demand Letter	<ul style="list-style-type: none"> ○ This is a second 30-day collection notice (similar to the 2nd Formal Notice); sent via certified mail. ○ The Billing Department will automatically proceed with referring an account for demand <i>unless the Manager or Board of Directors stipulates otherwise.</i> Isabella Village Community Association, Inc. requires such approval. ○ Association collection policies may require demand letter processing through an attorney’s office. ○ <i>NOTE:</i> For Associations under developer control, builder referral for advanced collection action requires approval from the divisional Director in addition to the Manager. 	\$35.00 request for demand + collection agency/attorney fees (fees vary by office/agency)
Lien	<ul style="list-style-type: none"> • If an account is referred directly to an attorney’s office, the Billing Department will automatically proceed with an Authorization to Lien <i>unless the Manager or Board of Directors stipulates otherwise.</i> • If an account is referred to a collection agency (e.g., Red Rock), the account is automatically processed for a lien subsequent to the 30-day timeline referenced in the demand letter. • The lien is filed with the county clerk where the property is located and is a legal record that a debt is owed and is secured against the property in 	\$20.00 request for lien + collection agency/attorney fees (fees vary by office/agency and county)

Loyalty • Integrity • Respect • Fun



Teamwork • Work Ethic • Positive Attitude

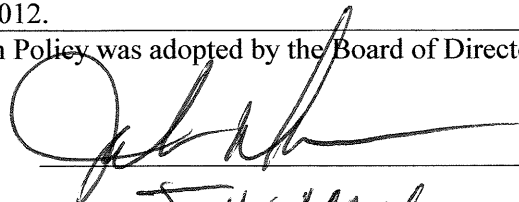
Premier Communities Management Company
 3102 Oak Lawn Avenue
 Suite 202
 Dallas, TX 75219

Office: 214.871.9700
 Toll Free: 866.424.8072
 Fax: 214.889.9980

www.premiercommunities.net

	<p>question.</p> <ul style="list-style-type: none"> • Processing and filing a lien with the county clerk can take up to 30 (thirty) days. 	
Foreclosure	<ul style="list-style-type: none"> • Authorization for Foreclosure must be Board-approved in writing. <ul style="list-style-type: none"> ○ The approval should be in the form of Board-approved meeting minutes or a signature on an approved form. ○ The collection agency or attorney's office requires the Board to sign an Assignment of Substitute Trustee (AST) that allows the chosen representative to post and settle a foreclosure on behalf of the Board. • Processing an account for foreclosure can take up to ninety (90) days • A homeowner has a six-month (180 day) period to redeem property that has been foreclosed by paying the amount owed in full, including all dues, legal, and collection fees; a condominium owner has a three month (90-day) right of redemption. <ul style="list-style-type: none"> ○ If the property is not redeemed, the next step is Authorization to Sell or Authorization to Evict. ○ The Association can proceed with Authorization to Evict once the property has been foreclosed. • NOTE 1: The Association lien is subordinate to the first lien holder (mortgage company). If the mortgage company forecloses on the property, the Association lien is relinquished and the amount owed is written off to unrecovered assessments. The mortgage company is responsible for all dues and fees incurred after the date of foreclosure, as they are the new legal owners of the property. • NOTE 2: There are two types of foreclosure available to Associations, judicial and expedited non-judicial. The governing documents for each community will specify which methods of foreclosure are available to the Association. <ul style="list-style-type: none"> ○ Expedited non-judicial foreclosure is a new requirement for Associations that do not require judicial foreclosure per HB 1228 effective 1/1/2012. 	<p>\$20.00 request for foreclosure + collection agency/attorney fees (fees vary by office and county)</p>

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


 Name: JOHN MANN
 Title: DIRECTOR
 Date: 2/10/12



a FirstService Residential company

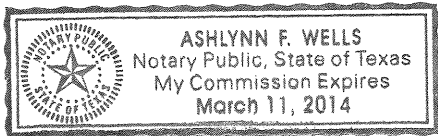
Creating the most desirable residential communities in which to live.

STATE OF TEXAS

§
§
§

COUNTY OF Denton

This instrument was acknowledged before me on the 10th day of Feb,
2012, by John Mann, Director of
Isabella Community Association, a Texas non-profit corporation, on behalf of said
corporation.





Notary Public, State of Texas

AFTER RECORDING RETURN TO:

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

Denton County
Cynthia Mitchell
County Clerk
Denton, TX 76202



70 2012 00113589

Instrument Number: 2012-113589

As

Recorded On: October 08, 2012

Misc General Fee Doc

Parties: CHS SAVANNAH

Billable Pages: 3

To

Number of Pages: 3

Comment:

(Parties listed above are for Clerks reference only)

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

Misc General Fee Doc	24.00
Total Recording:	24.00

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

File Information:

Document Number: 2012-113589
Receipt Number: 958003
Recorded Date/Time: October 08, 2012 09:00:22A

User / Station: S Parr - Cash Station 3

Record and Return To:

PREMIER COMMUNITIES
3102 OAK LAWN AVE
STE 202
DALLAS TX 75219



THE STATE OF TEXAS }
COUNTY OF DENTON }

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

C Mitchell

County Clerk
Denton County, Texas

ISABELLA VILLAGE COMMUNITY ASSOCIATION, INC.

Alternative Payment Schedule Guidelines for Certain Assessments

WHEREAS, the Board of Directors (the “Board”) of **Isabella Village Community Association, Inc.** (the “Association”) wishes to adopt reasonable guidelines to establish an alternative payment schedule by which an owner may make partial payments to the Association for delinquent regular or special assessments or any other amount owed to the Association; and

WHEREAS, the Board wishes to adopt these reasonable guidelines in compliance with Section 209.0062 of the Texas Property Code; and

WHEREAS, the Board intends to file these guidelines in the real property records of each county in which the subdivision is located, in compliance with Section 209.0062 of the Texas Property Code; and

NOW, THEREFORE, IT IS RESOLVED that the following guidelines are established by the Board:

1. Upon the request of a delinquent owner, the Association shall enter into an alternative payment schedule with such owner, subject to the following guidelines:
 - a. An Alternative Payment Schedule is only available to owners who have delinquent regular assessments, special assessments or any other amount owed to the association.
 - b. An Alternative Payment Schedule will not be made available, except in the sole discretion of the Board, to owners who have failed to honor the terms of a previous Alternative Payment Schedule during the two years following the owner’s default of such Alternative Payment Schedule.
 - c. During the course of an Alternative Payment Schedule, additional monetary penalties, other than reasonable costs associated with administering the Alternative Payment Schedule and interest, shall not be charged against an owner.
 - d. The minimum term for an Alternative Payment Schedule is three months from the date of the owner’s request for an Alternative Payment Schedule. The maximum term for an Alternative Payment Schedule is eighteen months from the date of the owner’s request for an Alternative Payment Schedule.
 - e. All other terms of an Alternative Payment Schedule are at the discretion of the Board of Directors.

This is to certify that the foregoing Alternative Payment Schedule Guidelines for Certain Assessments was adopted by the Board of Directors, in accordance with Section 209.0062 of the Texas Property Code.

CHS Savannah, L.P., a Texas limited partnership

By: HC Operating Savannah, LLC, its general partner
 By: HC Operating L.P., its sole member
 By: HC Operating GP, LLC, its general partner

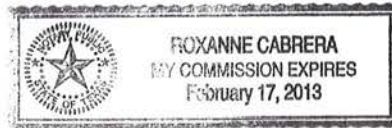
By: Phillip W. Huffines
 Phillip W. Huffines, Managing Director

Date: 10-5-11

STATE OF TEXAS §
 COUNTY OF Dallas §
 §

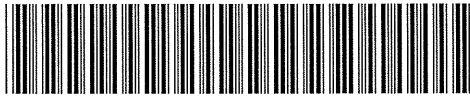
This instrument was acknowledged before me on the 5 day of Oct,
 2011, by Phillip W. Huffines, Managing Director of
CHS Savannah, LP, a Texas non-profit corporation, on
 behalf of said corporation.

Roxanne Cabrera
 Notary Public, State of Texas



AFTER RECORDING RETURN TO:

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



70 2012 00113592

Denton County
Cynthia Mitchell
County Clerk
Denton, TX 76202

Instrument Number: 2012-113592

As

Recorded On: October 08, 2012

Misc General Fee Doc

Parties: CHS SAVANNAH

Billable Pages: 3

To

Number of Pages: 3

Comment:

(Parties listed above are for Clerks reference only)

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

Misc General Fee Doc	24.00
Total Recording:	24.00

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File Information:

Document Number: 2012-113592

Receipt Number: 958003

Recorded Date/Time: October 08, 2012 09:00:22A

User / Station: S Parr - Cash Station 3

Record and Return To:

PREMIER COMMUNITIES

3102 OAK LAWN AVE

STE 202

DALLAS TX 75219



THE STATE OF TEXAS }
COUNTY OF DENTON }

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

C Mitchell

County Clerk
Denton County, Texas

ISABELLA VILLAGE COMMUNITY ASSOCIATION, INC.

Policy for Priority of Payments

WHEREAS, the Board of Directors (the "Board") of **Isabella Village Community Association, Inc.** (the "Association") wishes to establish a Policy for Priority of Payments which shall govern the method in which payments received by the Association from owners are applied; and

WHEREAS, the Board wishes to adopt this policy in compliance with Section 209.0063 of the Texas Property Code; and

WHEREAS, the Board intends to file this policy in the real property records of each county in which the subdivision is located, in compliance with Sections 209.0063 and 202.006 of the Texas Property Code; and

NOW, THEREFORE, IT IS RESOLVED that the following Policy for Priority of Payments is established by the Board:

- A. Except as provided by Section (B), a payment received by the Association from an owner shall be applied to the owner's debt in the following order of priority:
 1. any delinquent assessment;
 2. any current assessment;
 3. any attorney's fees or third party collection costs incurred by the Association associated solely with assessments or any other charge that could provide the basis for foreclosure;
 4. any attorney's fees incurred by the association that are not subject to Subsection (3) above;
 5. any fines assessed by the Association;
 6. any other amount owed to the Association.

- B. If, at the time the Association receives a payment from an owner and the owner is in default under an Alternative Payment Schedule entered into with the Association, the Association is not required to apply the payment in the order of priority outlined in Section (A), in accordance with Section 209.0063 of the Texas Property Code. Instead, in the event that an owner is in default under an Alternative Payment Schedule at the time the Association receives a payment from the property owner, then the payment received by the Association from an owner shall be applied to the owner's debt in the following order of priority:
 1. any attorney's fees or third party collection costs incurred by the Association associated solely with assessments or any other charge that could provide the basis for foreclosure;

2. any attorney's fees incurred by the association that are not subject to the immediately previous Subsection (1);
3. any delinquent assessment;
4. any current assessment;
5. any other amount owed to the Association.
6. any fines assessed by the Association.

This policy shall supersede and render null and void any previously adopted priority of payment/payment plan policy to the extent that the terms of such policy are contradictory.

This is to certify that the foregoing Policy for Priority of Payments was adopted by the Board of Directors, in accordance with Section 209.0063 of the Texas Property Code.

CHS Savannah, L.P., a Texas limited partnership

By: HC Operating Savannah, LLC, its general partner
 By: HC Operating L.P., its sole member
 By: HC Operating GP, LLC, its general partner

By: *Phillip W. Huffines*
 Phillip W. Huffines, Managing Director

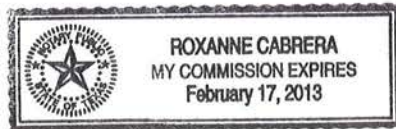
Date: 10-5-11

STATE OF TEXAS §
 COUNTY OF Dallas §

This instrument was acknowledged before me on the 5 day of Oct, 2011, by Phillip W. Huffines, Managing Director of CHS Savannah, LP, a Texas non-profit corporation, on behalf of said corporation.

Roxanne Cabrera
 Notary Public, State of Texas

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



Denton County
Cynthia Mitchell
County Clerk
Denton, TX 76202



70 2012 0011 3590

Instrument Number: 2012-113590

As

Recorded On: October 08, 2012

Misc General Fee Doc

Parties: CHS SAVANNAH

Billable Pages: 8

To

Number of Pages: 8

Comment:

(Parties listed above are for Clerks reference only)

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Document Number: 2012-113590

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User / Station: S Parr - Cash Station 3

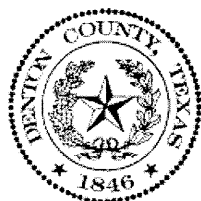
Record and Return To:

PREMIER COMMUNITIES

3102 OAK LAWN AVE

STE 202

DALLAS TX 75219



THE STATE OF TEXAS }
COUNTY OF DENTON }

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

C Mitchell

County Clerk
Denton County, Texas

ISABELLA VILLAGE COMMUNITY ASSOCIATION, INC.

Records Production and Copying Policy

WHEREAS, the Board of Directors (the "Board") of **Isabella Village Community Association, Inc.** (the "Association") wishes to establish a Records Production and Copying Policy which shall govern the costs the Association will charge for the compilation, production, and reproduction of information requested under Section 209.005 of the Texas Property Code; and

WHEREAS, the Board wishes to adopt this policy in compliance with Section 209.005 of the Texas Property Code; and

WHEREAS, the Board intends to file this policy in the real property records of each county in which the subdivision is located, in compliance with Sections 209.005 and 202.006 of the Texas Property Code; and

NOW, THEREFORE, IT IS RESOLVED that the following Records Production and Copying Policy is established by the Board:

- A. An owner is responsible for costs related to the compilation, production, and reproduction of the books and records of the Association. Costs shall be the same as all costs under 1 T.A.C. Section 70.3, the pertinent part of which is reproduced in italics below, and are subject to increase in the event 1 T.A.C. Section 70.3 is amended:

1. Copy charge.

(A) Standard paper copy. The charge for standard paper copies reproduced by means of an office machine copier or a computer printer is \$.10 per page or part of a page. Each side that has recorded information is considered a page.

(B) Nonstandard copy. The charges in this subsection are to cover the materials onto which information is copied and do not reflect any additional charges, including labor, that may be associated with a particular request. The charges for nonstandard copies are:

- *Diskette--\$1.00;*
- *Magnetic tape--actual cost;*
- *Data cartridge--actual cost;*
- *Tape cartridge--actual cost;*
- *Rewritable CD (CD-RW)--\$1.00;*
- *Non-rewritable CD (CD-R)--\$1.00;*
- *Digital video disc (DVD)--\$3.00;*

- JAZ drive--actual cost;
- Other electronic media--actual cost;
- VHS video cassette--\$2.50;
- Audio cassette--\$1.00;
- Oversize paper copy (e.g.: 11 inches by 17 inches greenbar, bluebar, not including maps and photographs using specialty paper--See also §70.9 of this title)--\$.50;
- Specialty paper (e.g.: Mylar, blueprint, blueline, map, photographic--actual cost.

2. *Labor charge for programming. If a particular request requires the services of a programmer in order to execute an existing program or to create a new program so that requested information may be accessed and copied, the governmental body may charge for the programmer's time.*

(A) The hourly charge for a programmer is \$28.50 an hour. Only programming services shall be charged at this hourly rate.

(B) Governmental bodies that do not have in-house programming capabilities shall comply with requests in accordance with §552.231 of the Texas Government Code.

(C) If the charge for providing a copy of public information includes costs of labor, a governmental body shall comply with the requirements of §552.261(b) of the Texas Government Code.

3. *Labor charge for locating, compiling, manipulating data, and reproducing public information.*

(A) The charge for labor costs incurred in processing a request for public information is \$15 an hour. The labor charge includes the actual time to locate, compile, manipulate data, and reproduce the requested information.

(B) A labor charge shall not be billed in connection with complying with requests that are for 50 or fewer pages of paper records, unless the documents to be copied are located in:

(i) Two or more separate buildings that are not physically connected with each other; or

(ii) A remote storage facility.

(C) A labor charge shall not be recovered for any time spent by an attorney, legal assistant, or any other person who reviews the requested information:

(i) To determine whether the governmental body will raise any exceptions to disclosure of the requested information under the Texas Government Code, Subchapter C, Chapter 552; or

(ii) To research or prepare a request for a ruling by the attorney general's office pursuant to §552.301 of the Texas Government Code.

(D) When confidential information pursuant to a mandatory exception of the Act is mixed with public information in the same page, a labor charge may be recovered for time spent to redact, blackout, or otherwise obscure confidential information in order to release the public information. A labor charge shall not be made for redacting confidential information for requests of 50 or fewer pages, unless the request also qualifies for a labor charge pursuant to Texas Government Code, §552.261(a)(1) or (2).

(E) If the charge for providing a copy of public information includes costs of labor, a governmental body shall comply with the requirements of Texas Government Code, Chapter 552, §552.261(b).

(F) For purposes of paragraph (2)(A) of this subsection, two buildings connected by a covered or open sidewalk, an elevated or underground passageway, or a similar facility, are not considered to be separate buildings.

4. Overhead charge.

(A) Whenever any labor charge is applicable to a request, a governmental body may include in the charges direct and indirect costs, in addition to the specific labor charge. This overhead charge would cover such costs as depreciation of capital assets, rent, maintenance and repair, utilities, and administrative overhead. If a governmental body chooses to recover such costs, a charge shall be made in accordance with the methodology described in paragraph(3) of this subsection. Although an exact calculation of costs will vary, the use of a standard charge will avoid complication in calculating such costs and will provide uniformity for charges made statewide.

(B) An overhead charge shall not be made for requests for copies of 50 or fewer pages of standard paper records unless the request also qualifies for a labor charge pursuant to Texas Government Code, §552.261(a)(1) or (2).

(C) The overhead charge shall be computed at 20% of the charge made to cover any labor costs associated with a particular request. Example: if one hour of labor is used for a particular request, the formula would be as follows: Labor charge for locating, compiling, and reproducing, $\$15.00 \times .20 = \3.00 ; or Programming labor charge, $\$28.50 \times .20 = \5.70 . If a request requires one hour of labor charge for locating, compiling, and reproducing information ($\$15.00$ per hour); and one hour of programming labor charge ($\$28.50$ per hour), the combined overhead would be: $\$15.00 + \$28.50 = \$43.50 \times .20 = \8.70 .

5. *Microfiche and microfilm charge.*

(A) If a governmental body already has information that exists on microfiche or microfilm and has copies available for sale or distribution, the charge for a copy must not exceed the cost of its reproduction. If no copies of the requested microfiche or microfilm are available and the information on the microfiche or microfilm can be released in its entirety, the governmental body should make a copy of the microfiche or microfilm. The charge for a copy shall not exceed the cost of its reproduction. The Texas State Library and Archives Commission has the capacity to reproduce microfiche and microfilm for governmental bodies. Governmental bodies that do not have in-house capability to reproduce microfiche or microfilm are encouraged to contact the Texas State Library before having the reproduction made commercially.

(B) If only a master copy of information in microfilm is maintained, the charge is \$.10 per page for standard size paper copies, plus any applicable labor and overhead charge for more than 50 copies.

6. *Remote document retrieval charge.*

(A) Due to limited on-site capacity of storage documents, it is frequently necessary to store information that is not in current use in remote storage locations. Every effort should be made by governmental bodies to store current records on-site. State agencies are encouraged to store inactive or non-current records with the Texas State Library and Archives Commission. To the extent that the retrieval of documents results in a charge to comply

with a request, it is permissible to recover costs of such services for requests that qualify for labor charges under current law.

(B) If a governmental body has a contract with a commercial records storage company, whereby the private company charges a fee to locate, retrieve, deliver, and return to storage the needed record(s), no additional labor charge shall be factored in for time spent locating documents at the storage location by the private company's personnel. If after delivery to the governmental body, the boxes must still be searched for records that are responsive to the request, a labor charge is allowed according to subsection (d)(1) of this section.

7. Computer resource charge.

(A) The computer resource charge is a utilization charge for computers based on the amortized cost of acquisition, lease, operation, and maintenance of computer resources, which might include, but is not limited to, some or all of the following: central processing units (CPUs), servers, disk drives, local area networks (LANs), printers, tape drives, other peripheral devices, communications devices, software, and system utilities.

(B) These computer resource charges are not intended to substitute for cost recovery methodologies or charges made for purposes other than responding to public information requests.

(C) The charges in this subsection are averages based on a survey of governmental bodies with a broad range of computer capabilities. Each governmental body using this cost recovery charge shall determine which category(ies) of computer system(s) used to fulfill the public information request most closely fits its existing system(s), and set its charge accordingly. Type of System--Rate: mainframe--\$10 per CPU minute; Midsize--\$1.50 per CPU minute; Client/Server--\$2.20 per clock hour; PC or LAN--\$1.00 per clock hour.

(D) The charge made to recover the computer utilization cost is the actual time the computer takes to execute a particular program times the applicable rate. The CPU charge is not meant to apply to programming or printing time; rather it is solely to recover costs associated with the actual time required by the computer to execute a program. This time, called CPU time, can be read directly from the CPU clock, and most frequently will be a matter of seconds. If programming is required to comply with a particular

request, the appropriate charge that may be recovered for programming time is set forth in subsection (d) of this section. No charge should be made for computer print-out time. Example: If a mainframe computer is used, and the processing time is 20 seconds, the charges would be as follows: $\$10 / 3 = \3.33 ; or $\$10 / 60 \times 20 = \3.33 .

(E) A governmental body that does not have in-house computer capabilities shall comply with requests in accordance with the §552.231 of the Texas Government Code.

- 8. Miscellaneous supplies. The actual cost of miscellaneous supplies, such as labels, boxes, and other supplies used to produce the requested information, may be added to the total charge for public information.*
 - 9. Postal and shipping charges. Governmental bodies may add any related postal or shipping expenses which are necessary to transmit the reproduced information to the requesting party.*
 - 10. Sales tax. Pursuant to Office of the Comptroller of Public Accounts' rules sales tax shall not be added on charges for public information (34 TAC, Part 1, Chapter 3, Subchapter O, §3.341 and §3.342).*
 - 11. Miscellaneous charges: A governmental body that accepts payment by credit card for copies of public information and that is charged a "transaction fee" by the credit card company may recover that fee.*
- B. Any requesting owner must provide advance payment of the costs of compilation, production, and reproduction for the requested information, as estimated by the Association. If the estimated costs are lesser or greater than the actual costs, the Association shall submit a final invoice to the owner on or before the 30th business day after the date the information is delivered. If the final invoice includes additional amounts due from the owner, the additional amounts, if not reimbursed to the Association before the 30th business day after the date the invoice is sent to the owner, may be added to the owner's account as an assessment. If the estimated costs exceed the final invoice amount, the owner is entitled to a refund, and the refund shall be issued to the owner not later than the 30th business day after the date the invoice is sent to the owner.

This policy shall supersede and render null and void any previously adopted policy to the extent that the terms of such policy are contradictory.

This is to certify that the foregoing Records Production and Copying Policy was adopted by the Board of Directors, in accordance with Section 209.005 of the Texas Property Code.

CHS Savannah, L.P., a Texas limited partnership

By: HC Operating Savannah, LLC, its general partner
By: HC Operating L.P., its sole member
By: HC Operating GP, LLC, its general partner

By: Phillip W. Huffines
Phillip W. Huffines, Managing Director

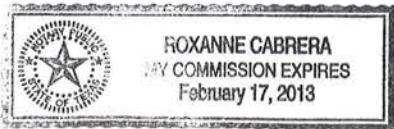
Date: 10-5-11

STATE OF TEXAS

§
§
§

COUNTY OF Dallas

This instrument was acknowledged before me on the 5 day of OCT,
20 11, by Phillip W. Huffines, Managing Director of
CHS Savannah, LP, a Texas non-profit corporation, on
behalf of said corporation.



Roxanne Cabrera
Notary Public, State of Texas

AFTER RECORDING RETURN TO:

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

Denton County
Cynthia Mitchell
County Clerk
Denton, TX 76202



70 2012 00113591

Instrument Number: 2012-113591

As

Recorded On: October 08, 2012

Misc General Fee Doc

Parties: CHS SAVANNAH

Billable Pages: 3

To

Number of Pages: 3

Comment:

(Parties listed above are for Clerks reference only)

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

Misc General Fee Doc	24.00
Total Recording:	24.00

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

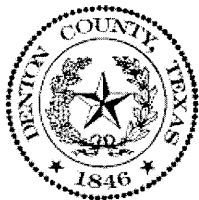
Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY because of color or race is invalid and unenforceable under federal law.

File Information:

Document Number: 2012-113591
Receipt Number: 958003
Recorded Date/Time: October 08, 2012 09:00:22A
User / Station: S Parr - Cash Station 3

Record and Return To:

PREMIER COMMUNITIES
3102 OAK LAWN AVE
STE 202
DALLAS TX 75219



THE STATE OF TEXAS }
COUNTY OF DENTON }

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

C Mitchell

County Clerk
Denton County, Texas

ISABELLA VILLAGE COMMUNITY ASSOCIATION, INC.

Document Retention Policy

WHEREAS, the Board of Directors (the “Board”) of **Isabella Village Community Association, Inc.** (the “Association”) wishes to adopt a Document Retention Policy in order to be compliant with Section 209.005(m) of the Texas Property Code; and

WHEREAS, the Board intends to file this policy in the real property records of each county in which the subdivision is located, in compliance with Sections 209.005 and 202.006 of the Texas Property Code; and

NOW, THEREFORE, IT IS RESOLVED that the following Document Retention Policy is established by the Board:

1. Certificates of formation, bylaws, restrictive covenants, and all amendments to the certificates of formation, bylaws, and covenants shall be retained permanently.
2. Financial books and records shall be retained for seven years.
3. Account records of current owners shall be retained for five years.
4. Contracts with a term of one year or more shall be retained for four years after the expiration of the contract term.
5. Minutes of meetings of the owners and the board shall be retained for seven years.
6. Tax returns and audit records shall be retained for seven years.

This policy shall supersede and render null and void any previously adopted policy to the extent that the terms of such policy are contradictory.

[signature page to follow]

ISABELLA VILLAGE COMMUNITY ASSOCIATION, INC.

55 Year Age Restriction Policy

per

The FAIR HOUSING AMENDMENTS ACT OF 1988 (the “Act”)

HOUSING FOR OLDER PERSONS ACT 1995: FINAL RULE

(Department of Housing and Urban Development: 24 CFR Part 100)

INTRODUCTION

The Fair Housing Act (Title VIII of the Civil Rights Act) exempts “housing for older persons” from the Act’s prohibition against discrimination because of familial status. Section 807(b)(2)(C) of the Act exempts housing intended and operated for occupancy by persons 55 years of age or older which satisfies certain criteria HUD has adopted implementing regulations further defining the “housing for older persons” exemption at 24 CFR part 100, subpart E (Housing for Older Persons Act, hereinafter: “HOPA”).

There are 4 factors required for a facility to claim the 55 and older exemption:

- (1) that the housing be intended and operated for persons age 55 and older (24 CFR 100.304);
- (2) that at least 80 percent of the occupied units be occupied by at least one person who is 55 years of age or older (24 CFR 100.305);
- (3) the housing facility or community must publish and adhere to policies and procedures that demonstrate its intent to operate as housing for persons fifty-five (55) years of age or older (24 CFR 100.306); and
- (4) the housing facility or community must also comply with rules issued by HUD for the verification of occupancy (24 CFR 100.307).

Isabella Village Community Association is qualified for the exemption as a community for 55 year or older persons. The intent is stated in the Isabella Village Community Association, Inc. CC&R’s (Article III) as well as by the age restriction rules adopted and enforced by the Association.

This document’s purpose is to cumulate in one place for easy reference the age restriction policy adopted by Isabella Village Community Association, Inc. within the rules and broad discretion permitted under the Act and HOPA. The Board of Directors, in its sole discretion, may add, delete or change its policies within the scope permitted by the Act and HOPA, Laws of the State of Texas or local laws.

Qualification for Exemption under the Fair Housing Amendments Act of 1988 (the “Act”) and HOPA

In accordance with the Act and HOPA Isabella Village Community Association, Inc., has clearly indicated its intent to qualify as housing for older persons age 55 or older in the following Governing Documents:

CC&R’S Article III: Age Restrictions

Isabella Village is intended to provide housing primarily for persons 55 years of age or older. The Properties shall be operated as an age restricted community in compliance with all applicable state and federal laws. No person under 18 years of age shall stay overnight in any Dwelling for more than 90 cumulative days in any 12-month period.

Each dwelling unit in Isabella Village, if occupied, shall be occupied by at least one Person 55 years of age or older. Once a Dwelling Unit is occupied by an Age Qualified Occupant, other Qualified Occupants of that Dwelling Unit may continue to occupy the Dwelling Unit, regardless of the termination of the Age Qualified Occupant’s occupancy. Notwithstanding the above, at all times, at least 80% of the occupied Dwelling Units within the Properties (as calculated pursuant to federal or state law and applicable regulations, including 24 Code of Federal Regulations § 100.305, as amended from time to time) shall be occupied by at least one person 55 years of age or older. The Declarant and/or Builder may sell Lots to persons not meeting the definition of Age Qualified Occupant so long as at least 80% of the occupied Dwelling Units with the Properties shall be occupied by an Age Qualified Occupant.

CC&R’S Article II Section 2.1: “Age-Qualified Occupant”:

2.1 Any Person 55 years of age or older who occupies a Dwelling Unit is an “Age-Qualified Occupant”. The terms “occupy”, “occupies”, or “occupancy” or any derivative thereof used throughout this Declaration, shall mean staying overnight in a particular Dwelling Unit for at least 60 days in any 12-months period. An “Occupant” shall be any Person who occupies a Dwelling Unit.

CC&R’S Article II, Section 2.31 “Qualified Occupant”:

2.31 Any of the following Persons occupying a Dwelling Unit:

- (i) any Age-Qualified Occupant;
- (ii) any Person 18 years of age or older occupying a Dwelling Unit with an Age-Qualified Occupant; or
- (iii) any Person 18 years of age or older occupying a Dwelling Unit with an Age-Qualified Occupant and who continues, without interruption, to occupy the same Dwelling Unit after termination of the Age-Qualified Occupant’s occupancy thereof.

Membership Qualifications

2.25 “Member” shall mean and refer to those persons entitled to membership as provided in the Declaration as defined in 2.25 thereof. To be a qualified member each Owner must obtain from Isabella Village Community Association, Inc. a Membership Card which will bear the Owner’s membership number. To obtain the Membership Card the Owner must comply with the provisions hereof and of the Declaration, as same may be amended, relating to compliance with the Isabella Village age restriction policy.

ISABELLA VILLAGE COMMUNITY ASSOCIATION, INC. AGE RESTRICTION POLICY

1. Occupancy Age Restrictions

1.1 There must be at least one person that is fifty-five (55) years of age or older (age qualified) residing in each dwelling unit. (24 CFR 100.304).

1.2 No person under the age of 18 shall reside in Isabella Village except as provided herein or in the Declaration.

1.3 Persons under the age of 18 may reside in Isabella Village as guests for a maximum period of 90 cumulative days in any 12 month period as long as there is an age qualified person also occupying the dwelling unit.

1.4 Persons 18 years of age or older may reside in Isabella Village as long as there is an age qualified person also residing in the dwelling unit or said person continues, without interruption, to occupy the same Dwelling Unit after termination of the Age-Qualified Occupant's occupancy thereof.

1.5 These age restrictions apply to Owners, renters and to house guests who occupy the dwelling unit in the absence of the age qualified Owner or renter.

2. Occupancy Exception

2.1 The policy of Isabella Village Community Association, Inc. is not to permit under age occupancy in any dwelling unit.

2.2 The only exceptions to the 55 age qualification are (i) any Person 18 years of age or older occupying a Dwelling Unit with an Age-Qualified Occupant and who continues, without interruption, to occupy the same Dwelling Unit after termination of the Age-Qualified Occupant's occupancy thereof; and (ii) the Declarant and/or Builder may sell Lots to persons not meeting the definition of Age Qualified Occupant so long as at least 80% of the occupied Dwelling Units with the Properties shall be occupied by an Age Qualified Occupant.

2.3 There are no exceptions for other non-age qualified heirs or any other non-age qualified person who come into possession of a dwelling unit in Isabella Village; provided, the Declarant and/or Builder may sell Lots to persons not meeting the definition of Age Qualified Occupant so long as at least 80% of the occupied Dwelling Units with the Properties shall be occupied by an Age Qualified Occupant.

2.4 Appeal for a temporary exception to the occupancy rules must be made in writing to the Board of Directors. The Board of Directors, in its sole discretion, may grant or refuse to grant such temporary exception in any particular case. The grant of a temporary exception in a particular case does not invalidate or waive the particular occupancy rule in subsequent cases.

3. "80/20" Rule (24 CFR 100.305)

3.1 HOPA requires that no less than 80% of the occupied dwelling units shall be occupied by at least one age qualified person. This does not mean that 20% must be occupied by non-age qualified persons.

It means that as long as 80% of the dwelling units are occupied by at least one age qualified person Isabella Village maintains its exemption under HOPA as a 55 year age restricted community.

3.2 The policy of Isabella Village Community Association, Inc. is to maintain the percentage of age qualified occupancy as close to 100% as possible without mandating a greater percentage than the minimum 80% required by HOPA.

3.3 One of the primary reasons for the 80/20 rule by Congress was to accommodate under age surviving spouses of age qualified decedents and to permit flexibility in specific situations at the sole discretion of the Board of Directors without endangering the HOPA exemption. Such exemption is permitted as long as the minimum 80% age qualified requirement under HOPA is not reduced. HOPA was enacted for the protection of the age restriction exemption and not to grant any rights to under age persons to occupy the 20% which is solely within the discretion of the Board of Directors.

4. Verification of Age (24 CFR 100.307)

4.1 All residents, whether Owners, renters or house guests of absentee Owners or renters, must show evidence that at least one resident in the occupied dwelling unit is age qualified. Any of the following documents are considered reliable documentation of the age of the occupants of the housing facility or community:

- a) Driver's license
- b) Birth certificate
- c) Passport
- d) Immigration card
- e) Military identification
- f) any other state, local, national or international official documents containing a birth date of comparable reliability
- g) a certification in a lease application, affidavit or other document signed by any member of the household age 18 or older asserting that at least one person in the unit is 55 years of age or older.

4.2 The Community shall consider any one of the forms of verification identified above as adequate for verification of age, provided that it contains specific information about current age or date of birth.

4.3 Such evidence must be shown at the time such Owner or renter comes to the Association offices to obtain the mandatory Association membership card which confirms age compliance with HOPA and permits use of the facilities of the Association.

4.4 If the occupants of a particular dwelling unit refuse to comply with the age verification procedures, the Association may, if it has sufficient evidence, consider the unit to be occupied by at least one person 55 years of age or older; such evidence may include:

- a) Government records or documents such as a local household census
- b) Prior forms or applications; or

c) A statement from an individual who has personal knowledge of the age of the occupants. The statement must set forth the basis for such knowledge and be signed under penalty of perjury.

5. Surveys for Compliance

5.1 Isabella Village Community Association, Inc. will conduct surveys at least every two years and maintain a data base to verify age compliance as required by HOPA. All residents of Isabella Village are required to respond to the surveys. Proof of occupancy by at least one age qualified person in the occupied dwelling unit as noted above must be provided in response to the survey unless already provided, in which case a reliable affidavit of current compliance is all that is required. The time and procedure for the survey shall be established by the Board in a manner consistent with applicable law and regulations.

5.2 Copies of supporting information gathered in support of the occupancy verification may be segregated in a separate file and are considered confidential and not generally available for public inspection. They are created for the sole purpose of complying with HOPA and are to be kept separate from the general or resident files that may be widely accessible to employees or other residents.

5.3 A summary of occupancy surveys shall be available for inspection upon reasonable notice and request by any person.

6. Disclosure of 55 Age Restriction Policy

6.1 Any Owner or Realtor who sells or leases real property in Isabella Village shall disclose in the advertisements, purchase or lease documents that Isabella Village is a 55 year age restricted community under HOPA. (100.306). In the case of a lease of real property in Isabella Village the lease agreement shall verify that at least one occupant is age qualified by specific current age or date of birth recorded in the lease agreement. (100.306 (a) (3).

6.2 A copy of this Age Restriction Policy shall be provided by every Owner/Seller/Lessor to any prospective buyer or lessee to read and acknowledge. This document is to be included as part of the Purchase or Lease documents.

6.3 Disclosure shall also be made to any persons permitted by the Owner or renter to occupy the dwelling unit as house guests in the absence of the age qualified Owner or renter. At least one house guest of such absentee Owner or lessee must be age qualified. The under 18 years of age occupancy prohibition rule also applies to such house guests.

6.4 Non-disclosure by the Owner/Seller/Lessor shall not prevent Isabella Village Community Association, Inc. from enforcing this age restriction policy against any Owner and renter for non-compliance.

6.5 All "For Sale" or "For Rent/Lease" signs in Isabella Village, whether by Owner or by a realtor, shall prominently display that this is a "55 YEAR AGE RESTRICTED COMMUNITY".

6.6 A copy of this 55 Year Age Restriction Policy and a copy of any subsequent amendments or supplements hereto will be filed in the Real Property Records of Denton County, Texas, to impart constructive notice to all parties who may acquire an interest in a lot in Isabella Village, whether as owner or lessee, of the covenants and restrictions contained herein.

7. Enforcement

7.1 Isabella Village Community Association, Inc. will vigorously seek any and all remedies available to it by law including, but not limited to, injunctive relief, fines and liens against the offending Owner's real property for non-compliance by the Owner, renter or house guests.

7.2 The reporting and enforcement procedures for non-compliance shall be through the Board of Directors unless the Board appoints a committee and delegates to it the responsibility of acting for the Board in supervising, administering and enforcing compliance with the applicable rules of law, regulations, and provisions of the governing documents of Isabella Village.

ACKNOWLEDGEMENT OF AGE QUALIFIED OCCUPANCY

The undersigned (Buyer)(Lessee) has read the Isabella Village Age Restriction Policy and asserts that at least one occupant of the dwelling unit being purchased or leased herein shall be at least fifty-five (55) years of age or older.

Address of Dwelling Unit: _____

1. _____ 2. _____

Print name(s) of Buyer or Lessee

1. _____ 2. _____

Signature(s) of Buyer or Lessee

Date: ____/____/____ Isabella Membership No.: _____

SUBMIT TO ISABELLA ADMINISTRATION OFFICE AT

IN WITNESS WHEREOF, the undersigned Declarant has executed these Rules and Regulations as of this 5 day of October, 2011.

CHS Savannah, L.P., a Texas limited partnership

By: HC Operating Savannah, LLC, its general partner

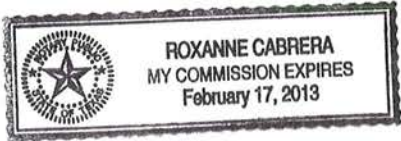
By: HC Operating, L.P., its sole member

By: HC Operating GP, LLC, its general partner

By: Phillip W. Huffines
Phillip W. Huffines, Managing Director

STATE OF TEXAS §
COUNTY OF Dallas §

This instrument was acknowledged before me on this 5 day of Oct, 2011, by Phillip W. Huffines, Managing Director of CHS Savannah, L.P., a Texas limited partnership, on behalf of the corporation in its capacity as general partner of CHS Savannah, L.P., a Texas limited partnership, on behalf of the limited partnership.



Roxanne Cabrera
Notary Public in and for the State of Texas

AFTER RECORDING RETURN TO:
Charles W. Spencer & Associates
7920 Belt Line Road, Suite 935
Dallas, TX 75254

**DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS
FOR
ISABELLA VILLAGE COMMUNITY
ASSOCIATION, INC.**

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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

ISABELLA VILLAGE COMMUNITY ASSOCIATION, INC.

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR ISABELLA VILLAGE COMMUNITY ASSOCIATION, INC. (the "Declaration") is made as of this _____ day of _____, 2011, by CHS Savannah, L.P. (herein referred to as the "Declarant").

INTRODUCTION TO THE COMMUNITY

Declarant is the owner of the real property described in Exhibit "A", which is attached hereto and incorporated herein by this reference. This Declaration imposes upon the Properties mutually beneficial restrictions under a general plan of improvement for the benefit of the owners of each portion of the properties and establishes a flexible and reasonable procedure for the overall development, administration, maintenance and preservation of the Properties. An integral part of the development plan is the creation of an association comprised of all Owners in Isabella Village to own, operate, and maintain common property and community improvements and to administer and enforce the Governing Documents for Isabella Village. The name of the association will be Isabella Village Community Association, Inc. (the "Association").

ARTICLE I

CREATION OF THE COMMUNITY

1.1 Development Intent. Declarant hereby declares that all of the property described in the Exhibit "A" and any other additional property subjected to this Declaration by Supplemental Declaration shall be held, sold, used, and conveyed subject to the following easements, restrictions, covenants, and conditions, which shall run with title to the land. This Declaration shall be binding on and shall inure to the benefit of all parties having any right, title, or interest in the Properties or any part thereof, their heirs, successors, successors-in-title, and assigns.

1.2 Duration. This Declaration shall be enforceable by the Association or any Owner, their respective legal representatives, heirs, successors, and assigns, for a term of 50 years from the date this Declaration is recorded. After such time, this Declaration shall be automatically extended for successive periods of ten years, unless an instrument in writing, signed by a majority of the then Owners, has been recorded within the year preceding each extension, agreeing to amend, in whole or in part, or terminate this Declaration, in which case this Declaration shall be amended or terminated as specified therein.

1.3 Governing Documents. This Declaration together with the By-Laws of Isabella Village Community Association, Inc., and the Articles of Incorporation of Isabella Village Community Association, Inc. (collectively, the "Governing Documents") shall contain the standards for the Properties and the Association. The Governing Documents shall be supplemented by the Design Guidelines, Use Restrictions and Rules, and resolutions of the Board of Directors, as may be promulgated or amended from time to time by the Board of Directors.

(a) Cumulative Effect; Conflict. Each Member of Isabella Village shall also be a Member of the Master Association, as defined herein. In addition to the covenants set forth in the Declaration, the Lots are, except as provided herein, subject to the covenants, conditions and restriction of the Master Association, Savannah Community Association, a Texas nonprofit corporation (the "Master

Association”) which is governed by a certain Declaration of Covenants, Conditions & Restrictions for Savannah (the “Master Declaration”) recorded on October 24, 2003 as Instrument Number 2003-R0176314, in Volume 5546, Pages 2083 *et seq.* of the Real Property Records of Denton County Texas, as the Master Declaration has been and may be supplemented and amended from time to time.

The covenants, restrictions, and provisions of this Declaration shall be cumulative with those of the Master Association, and the Association may, but shall not be required to, enforce such additional covenants and restrictions; provided, however, in the event of conflict between or among such additional covenants and restrictions, and the provisions of any articles of incorporation, by-laws, rules and regulations, policies, or practices adopted or carried out pursuant thereto, those of the Association shall be subjected and subordinate to those of the Master Association, when applied to the Isabella Village subdivision, excepting those provisions regarding Age Restrictions and any and all rules, regulations, policies, procedures or practices related thereto, as defined in but not limited to Article III. The foregoing priorities shall apply, but not be limited to, the liens for the assessments created in favor of the Association. Members of the Master Association, however, shall not be Members of Isabella Village, unless such Member owns one or more Lots in Isabella Village, and shall not be subject to the restrictions of Isabella Village.

(b) Severability. Invalidation of any provision of this Declaration, in whole or in part, or any interpretation of a provision of this Declaration by judgment or court order shall in no way affect other provisions or interpretations.

(c) Exhibits. All Exhibits attached to this Declaration are incorporated herein by this reference, and amendment of such exhibits shall be governed by the provisions of Article XXI.

Article II

CONCEPTS AND DEFINITIONS

The terms used in this Declaration shall be given their natural, commonly accepted definitions except as otherwise specified. Capitalized terms shall be defined as set forth below.

2.1 “Age-Qualified Occupant”: Any Person 55 years of age or older who occupies a Dwelling Unit. The terms “occupy”, “occupies”, or “occupancy” or any derivative thereof used throughout this Declaration, shall mean staying overnight in a particular Dwelling Unit for at least 60 days in any 12-months period. An “Occupant” shall be any Person who occupies a Dwelling Unit.

2.2 “Area of Common Responsibility”: The Common Area, together with those areas, if any, which the Association does not own but which by the terms of this Declaration, any Supplemental Declaration or other applicable covenants, or by contract become the responsibility of the Association.

2.3 “Architectural Review Committee”: Unless and until changed by subsequent amendment, the Architectural Review Committee shall be the committee established and operating under Article 6 of the Master Declaration.

2.4 “Articles”: The Articles of Incorporation of Isabella Village Community Association, Inc., as filed with the Texas Secretary of State, and amendments thereto filed from time to time with the Texas Secretary of State.

2.5 “Association”: Isabella Village Community Association, Inc., a Texas nonprofit corporation, its successors and assigns.

2.6 “Base Assessment”: Assessments levied on all Lots subject to assessment under Section 9.1 to fund Common Expenses for the general benefit of all Lots, more particularly described in Article IX.

- 2.7. “Benefited Assessment”: Assessments levied under Section 9.6.
- 2.8. “Board of Directors” or “Board”: The body responsible for administration of the Association.
- 2.9. “Business” and “Trade”: Shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to Persons other than the family of the producer of such goods or services and for which the producer receives a fee, compensation, or other form of consideration, regardless of whether: (a) such activity is engaged in full or part-time, (b) such activity is intended to or does generate a profit, or (c) a license is required.
- 2.10. “By-Laws”: The By-Laws of Isabella Village Community Association, Inc. attached as Exhibit “D” and incorporated by reference, as they may be amended from time to time.
- 2.11. “Class “B” Control Period”: The period of Declarant control as defined in the By-Laws.
- 2.12. “Common Area”: All real and personal property that the Association now or hereafter owns, leases, or otherwise holds possessory or use rights in for the common use and enjoyment of the Owners. The term may but does not necessarily include, without limitation, Isabella Village Amenities, recreational facilities, amenity center, entry features, pool, Bocce court, parking lot(s), dog park, signage, landscaped medians, ponds, rivers, streams, water courses, and wetlands, if any.
- 2.13. “Common Expenses”: The actual and estimated expenses incurred or anticipated to be incurred by the Association, for the general benefit of all Lots, including any reasonable reserve, as the Board may find necessary and appropriate pursuant to the Governing Documents.
- 2.14. “Community-Wide Standard”: The standard of conduct, maintenance, or other activity generally prevailing throughout the Properties as may be described in the Design Guidelines. Such standard may be more specifically determined by the Declarant as long as it owns any portion of the Properties or has the right to annex property pursuant to Section 10.1 and thereafter by the Board and the Architectural Review Committee with the approval of the Board.
- 2.15. “County Clerk’s Office”: The Official Records of Denton County, Texas and any other county in which part of the Properties are located.
- 2.16. “Covenant to Share Costs”: Any declaration executed by Declarant and recorded in the County Clerk’s Office which creates easements for the benefit of the Association and the present and future owners of the real property subject thereto and which obligates the Association and such owners to share the costs of maintaining certain described property.
- 2.17. “Declarant”: CHS Savannah, L.P., or any successor, successor-in-title, or assignee of CHS Savannah, L.P., who has or takes title to any portion of the property described in Exhibits “A” or “B” for the purpose of development and/or resale in the ordinary course of business and who is designated as the Declarant in the instrument executed by the immediately preceding Declarant and recorded in the County Clerk’s Office.
- 2.18. “Design Guidelines”: The architectural, design, development, and other guidelines, standards, controls, and procedures including by not limited to, application and review procedures, as more particularly set out in Articles IV and V, as they may be modified, canceled, limited or expanded.
- 2.19. “Dwelling Unit”: Any building or structure or portion of any building or structure situated upon a Lot which is intended for use and occupancy as an attached or detached residence for a single family.

2.20. “Home Owner”: An Owner other than the Declarant.

2.21. “Isabella Village”: The Properties as defined in Section 2.31.

2.22. “Isabella Village Amenities”: Real property and any improvements and facilities located adjacent to, in the vicinity of, or within the Properties, such as, by way of example, a pool, amenity center, dog park, Bocce Ball court and parking lot that are, or may be, developed for the use and benefit of the residents of Isabella Village, as described in Article XV of this Declaration, and which are Common Areas of Isabella Village.

2.23. “Lot”: A portion of the Properties, whether improved or unimproved, other than Common Area, property dedicated to the public, property owned by a governmental entity and operated for public use (for example fire stations) that may be independently owned and conveyed and which is intended to be developed, used, and occupied as a Dwelling Unit. The term shall refer to the land, if any, which is part of the Lot as well as any improvements, including any Dwelling Unit, thereon.

Prior to recordation of a subdivision plat, a parcel of vacant land or land on which improvements are under construction shall be deemed to be a single Lot.

2.24. “Master Association”: The Master Association shall be Savannah Community Association, a Texas Non-Profit Corporation.

2.25. “Member”: A Person entitled to membership in the Association. Every Owner as defined in Section 2.28 shall be a Member, subject to the limitations on Co-Owners as provided in this Declaration, including Sections 7.2, and the By-Laws.

2.26. “Mortgage”: A mortgage, a deed of trust, a deed to secure debt, or any other form of security deed.

2.27. “Mortgagee”: The beneficiary or holder of a Mortgage.

2.28. “Owner”: Collectively, one or more Persons who hold the record title to any Lot, except Persons holding an interest merely as security for the performance of an obligation in which case the equitable owner will be considered the Owner.

2.29. “Person”: A natural person, a corporation, a partnership, a trustee, or any other legal entity.

2.30. “Properties”: The real property described in Exhibit “A”, together with such additional property as is annexed to this Declaration.

2.31. “Qualified Occupant”: Any of the following Persons occupying a Dwelling Unit:

(i) any Age-Qualified Occupant;

(ii) any Person 18 years of age or older occupying a Dwelling Unit with an Age-Qualified Occupant; or

(iii) any Person 18 years of age or older who occupied a Dwelling Unit with an Age Qualified Occupant and who continues, without interruption, to occupy the same Dwelling Unit after termination of the Age Qualified Occupant’s occupancy thereof.

2.32. “Reviewing Body”: The body authorized to exercise architectural review pursuant to Article V.

2.33. “Special Assessment”: Assessments levied under Section 9.5.

2.34. “Supplemental Declaration”: An amendment or supplement to this Declaration filed pursuant to Article X which subjects additional property to this Declaration, identifies any Common Area within the additional property, and/or imposes, expressly or by reference, additional restrictions and obligations on the land described therein.

2.35. “Use Restrictions and Design Guidelines”: The rules and use restrictions as more particularly set out in Articles IV and V, as they may be modified, canceled, limited or expanded.

Article III

AGE RESTRICTION

Isabella Village is intended to provide housing primarily for persons 55 years of age or older, subject to the rights reserved to Declarant herein. The Properties shall be operated as an age restricted community in compliance with all applicable state and federal laws. No person under 18 years of age shall stay overnight in any Dwelling for more than 90 cumulative days in any 12-month period.

Each Dwelling Unit, if occupied, shall be occupied by at least one Person 55 years of age or older; provided, however, that once a Dwelling Unit is occupied by an Age Qualified Occupant, other Qualified Occupants of that Dwelling Unit may continue to occupy the Dwelling Unit, regardless of the termination of the Age Qualified Occupant’s occupancy. Notwithstanding the above, at all times, at least 80% of the occupied Dwelling Units within the Properties (as calculated pursuant to federal or state law and applicable regulations, including 24 Code of Federal Regulations § 100.305, as amended from time to time) shall be occupied by at least one person 55 years of age or older.

The Board shall publish and abide by policies and procedures from time to time as necessary to maintain its status as an age restricted community under state and federal law and demonstrate its intent that Isabella Village be operated as housing for persons 55 years of age or older. Any rule, regulation, policy and/or procedure set forth in the Master Association Governing Documents, as applied to Isabella Village in Section 1.3 and throughout this document, which conflicts with this Article III or which, in the discretion of the Board, adversely impacts the ability of Isabella Village to maintain an age-restrictive community and lifestyle, must be approved by the Isabella Village Board of Directors before becoming applicable to its Members.

Notwithstanding the restrictions set forth herein, Declarant and/or Builder reserves the exclusive right to sell Lots to persons not meeting the definition of Age Qualified Occupant, so long as at least 80% of the occupied Dwelling Units within the Properties shall be occupied by at least one person 55 years of age or older, per federal or state law and applicable regulations, including 24 Code of Federal Regulations § 100.305, as amended from time to time.

Article IV

USE AND CONDUCT

4.1. Plan of Development; Applicability; Effect. Declarant has established a general plan of development for the Properties under this Declaration that is intended to promote all Owners’ collective interest, the aesthetics and environment within the Properties, and the vitality of and sense of community within the Properties, all subject to the Board’s and the Members’ ability to respond to changes in circumstances, conditions, needs and desires within the community. This Declaration, including the initial Design Guidelines and Use Restrictions as more particularly defined below, and the rules and resolutions adopted by the Board or the Members establish affirmative and negative covenants, easements, and restrictions on the Properties.

All provisions of this Declaration and any Governing Documents shall apply to all Members of Isabella Village, Owners, Occupants, tenants, guests and invitees of any Lot. Any lease on any Lot shall

provide that the lessee and all Occupants of the leased Lot shall be bound by the terms of this Declaration, the By-Laws, and the Governing Documents of the Association.

All Lots within the Isabella Village Community Association, Inc. shall be subject to the following Use Restrictions and Design Guidelines. These documents are incorporated herein by reference as if set forth verbatim:

- (i) Savannah Residential Brick Design Guidelines for Dunhill Homes DFW LLC, dated November 1, 2010; and
- (ii) Savannah Residential Design Guidelines, dated March 11, 2004, to the extent applicable to Isabella Village; and
- (iii) Savannah Rule Regarding Use of Lots, executed on or about October 3, 2007 and recorded in the Real Property Records of Denton County, TX as Document Number 2007-122998.

4.2. Rule Making Authority. In accordance with its duty of care and undivided loyalty to the Association and its Members, the Board may adopt rules which modify, cancel, limit, create exceptions to, or expand the initial Design Guidelines and Use Restrictions for Isabella Village.

4.3. Owner's Acknowledgment. All Owners are subject to the Design Guidelines and Use Restrictions and are given notice that: (a) their ability to use their privately owned property is limited thereby, and (b) the Declarant, the Board and/or the Members may add, delete, modify, create exceptions to, or amend the Use Restrictions in accordance with Section 4.2 and Article XXI.

Each Owner by acceptance of a deed acknowledges and agrees that the use and enjoyment and marketability of his or her property can be affected by this provision and that the Use Restrictions and rules may change from time to time.

Article V

ARCHITECTURE, LANDSCAPING AND CONSTRUCTION

5.1. Purpose. Because the lots are part of a single, unified community, this Declaration creates rights to regulate the design, use, and appearance of the lots and common areas in order to promote and ensure the level of taste, design, quality, and harmony by which the Property is developed and maintained. Another purpose is to prevent improvements and modifications that may be widely considered to be radical, curious, odd, bizarre, or peculiar in comparison to then existing improvements. A third purpose to regulate the appearance of every aspect of proposed or existing improvements on a lot, including but not limited to dwellings, fences, landscaping, retaining walls, yard art, sidewalks and driveways, and further including replacements or modifications of original construction or installation. During the Development Period, a primary purpose of this Article is to reserve and preserve Declarant's right of architectural control for the creation and marketing of Isabella Village. All Lots within the Isabella Village Community Association, Inc. shall be subject to the following Use Restrictions and Design Guidelines. These documents are incorporated herein by reference as if set forth verbatim:

- (i) Savannah Residential Brick Design Guidelines for Dunhill Homes DFW LLC, dated November 1, 2010; and
- (ii) Savannah Residential Design Guidelines, dated March 11, 2004; and
- (iii) Savannah Rule Regarding Use of Lots, executed on or about October 3, 2007 and recorded in the Real Property Records of Denton County, TX as Document Number 2007-122998; and
- (iv) The Declaration of Covenants, Conditions & Restrictions for Savannah (the "Master Declaration") recorded on October 24, 2003 as Instrument Number 2003-R0176314, in Volume 5546, Pages 2083 *et seq.* of the Real Property Records of Denton County Texas, pursuant to Section 1.3 herein.

5.2. Architectural Control During the Development Period. During the Development Period, neither the Master Association, Association, the board of directors, nor a committee appointed by the Association or board (no matter how the committee is named) may involve itself with the approval of new homes on vacant lots. During the Development Period, the Architectural Reviewer (as defined in Section 1.3 of the Master Declaration) for new homes on vacant lots is the Declarant or its delegates.

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

(b) Delegation by Declarant. During the Development Period, Declarant may from time to time, but is not obligated to, delegate all or a portion of its reserved rights regarding homeowner improvements under this Article to (1) an architectural standards committee appointed by the board of the Master Association or Isabella, or (2) a committee comprised of architects, engineers, or other persons who may or may not be members of the Association. Any such delegation must be in writing and must specify the scope of delegated responsibilities. Any such delegation is at all times subject to the unilateral rights of Declarant (1) to revoke such delegation is at any time and reassume jurisdiction over the matters previously delegated and (2) to veto any decision which Declarant in its sole discretion determines to be inappropriate or inadvisable for any reason.

5.3. Architectural Review & Regulation by Association. Unless and until such time as Declarant delegates all or a portion of its reserved rights to the Association, or the Development Period is terminated or expires, the Association has no jurisdiction over architectural matters. On termination or expiration of the Development Period, or earlier if delegated in writing by Declarant, the Master Association, acting pursuant to Article 6 of the Master Declaration and through its Architectural Standards Committee (the "ASC") will perform the architectural review and approvals for the Association. Terms used in this Article V and not otherwise defined shall have the meanings assigned in Article 6 of the Master Declaration. The ASC for the Master Association shall serve as the ASC for Isabella Village. Guidelines for this ASC are set forth in the governing documents of the Master Association. The ASC of the Master Association shall enforce compliance with all rules and regulations for Members of Isabella Village excepting those rules and regulations specifically associated with age-restrictions and lifestyle, as set forth in Article III or as otherwise specifically excepted in this Declaration. Such rules and regulations will be enforced by the Board of Directors for Isabella Village.

5.4. Prohibition of Construction, Alteration & Improvement. Without the Architectural Reviewer's prior written approval, a person may not construct a dwelling or make an addition, alteration, improvement, installation, modification, redecoration, or reconstruction of or to the Property, if it will be visible from a street, another lot, or the common area. The Architectural Reviewer has the right but not the duty to evaluate every aspect of construction, landscaping, and property use that may adversely affect the general value or appearance of the Property.

5.5. Architectural Approval. To request architectural approval, an owner must make written application to the Architectural Reviewer and submit two identical sets of plans and specifications, drawn to scale, showing the nature, kind, shape, color, size, materials, and locations of the work to be performed. The application must clearly identify any requirement of this Declaration for which a variance is sought. The Architectural Reviewer will return one set of plans and specifications to applicant marked with the Architectural Reviewer's response, such as "Approved," or "Denied," or

“More Information Required.” The Architectural Reviewer will retain the other set of plans and specification, together with the application, for the Architectural Reviewer’s files. Verbal approval by an Architectural Reviewer, the Declarant, an Association director or officer, a member of the ASC, or the Association’s manager does **not** constitute architectural approval by the appropriate Architectural Reviewer, which must be in writing.

(a) Neighboring Property. The Architectural Reviewer may, but is not required to, consider the impact on owners of adjoining or nearby property on the submitted application. The Architectural Reviewer will consider but is not bound by comments obtained from owners of neighboring property.

(b) Deemed Approval. Under no circumstance may approval of the Architectural Reviewer be deemed, implied, or presumed for an improvement or modification that would require a variance from the requirements and construction specification contained in this Declaration and in any design guidelines for the Property in effect at the time of application. Under the following limited condition, the applicant may presume that his request has been approved by the Architectural Reviewer:

- i. If the applicant or a person affiliated with the applicant has not received the Architectural Reviewer’s written response – approving, denying, or requesting additional information – within 60 days after delivering his complete application to the Architectural Reviewer; and
- ii. If the proposed improvement or modification strictly conforms to requirements and construction specifications contained in this Declaration and in any design guidelines for the Property in effect at the time of application.

If those conditions are satisfied, the owner may then proceed with the improvement, provided he adheres to the plans and specifications which accompanied his application, and provided he initiates and completes the improvement in a timely manner. In exercising deemed approval, the burden is on the owner to document the Architectural Reviewer’s actual receipt of the owner’s complete application.

(c) No Approval Required. No approval is required to rebuild a dwelling in accordance with originally approved plans and specifications. Nor is approval required for an owner to remodel or repaint the interior of a dwelling.

(d) Building Permit. If the application is for work that requires a building permit from a governmental body, the Architectural Reviewer’s approval is conditioned on the issuance of the appropriate permit. The Architectural Reviewer’s approval of plans and specifications does not mean that they comply with the requirements of the governmental body. Alternatively, governmental approval does not ensure Architectural Reviewer approval.

(e) Declarant Approved. Notwithstanding anything to the contrary in this Declaration, any improvements to the Property made or approved by Declarant during the Development Period is deemed to have been approved by the Architectural Reviewer.

5.6 Architectural Guidelines. Declarant during the Development Period, and the Association thereafter, may publish architectural restrictions, guidelines, and standards, which may be revised from time to time to reflect changes in technology, style, and taste. The guidelines which currently govern the Master Association are hereby incorporated herein by reference and made a part hereof whether or not attached hereto as exhibits.

5.7. Variance. The use of the Property is subject to the restrictions contained in this Article, and subject to rules adopted pursuant to this Article. The board or the Architectural Reviewer, as the case may be, may grant a variance or waiver of a restriction or rule on a case-by-case basis when unique circumstances dictate, and may limit or condition its grant. To be effective, a variance must be in writing. The grant of a variance does not effect a waiver or estoppel of the Association’s right to deny a

variance in other circumstances. Approval of a variance or waiver may not be deemed, implied, or presumed under any circumstance.

5.8. Construction Restrictions. Without the Architectural Reviewer's prior written approval for a variance, improvements constructed on every lot must have the characteristics described in this Article and in the Savannah Architectural Standards, which may be treated as the minimum requirements for improving and using a lot. The Architectural Reviewer and the board may promulgate additional rules and restrictions, as well as interpretations, additions, and specifications of the restrictions contained in this Article. An owner should review the Association's architectural restrictions, if any, before planning improvements, repairs, or replacements to his lot and dwelling.

5.9. Association's Right to Promulgate Rules. The Association, acting through its board, is granted the right to adopt, amend, repeal, and enforce reasonable Rules, and penalties for infractions thereof, regarding the occupancy, use, disposition, maintenance, appearance, and enjoyment of the Property. No rule or regulation promulgated by the Association shall conflict with the rules and regulations of the Master Association except for such matters as are necessary to comply with state or federal law for qualification as a senior community. If such conflict develops, the rules and regulations of the Master Association shall prevail except where the age qualification and related rules are involved. In addition to the restrictions contained in this Article, each lot is owned and occupied subject to the right of the board to establish Rules, and penalties for infractions thereof, governing:

- a. Use of common areas;
- b. Architectural standards;
- c. Hazardous, illegal, or annoying materials or activities on the Property;
- d. The use of Property-wide services provided through the Association;
- e. The consumption of utilities billed to the Association;
- f. The use, maintenance, and appearance of exteriors of dwellings and lots;
- g. Landscaping and maintenance of yards;
- h. The occupancy and leasing of dwellings;
- i. Animals;
- j. Vehicles;
- k. Disposition of trash and control of vermin, termites, and pests; and
- l. Anything that interferes with maintenance of the Property, operation of the Association administration of the Documents, or the quality of life for residents.

Article VI

MAINTENANCE AND REPAIR

6.1. Association Maintenance. The Association's maintenance obligations will be discharged when and how the Board deems appropriate. The Association maintains, repairs, and replaces, as a common expense, the portions of the property list below, regardless of whether the portions are on Lots or common Areas:

- a. The common areas;
- b. Any real and personal property owned by the Association but which is not a common area, such as a Lot owned by the Association;
- c. Any property adjacent to Isabella Village if maintenance of same is deemed to being the best interest of the Association, and if not prohibited by the owner or operator of said property; and
- d. Any area, item, easement, or service, the maintenance of which is assigned to the Association by this Declaration or by the plat.

6.2. Owner Responsibility. Every Owner has the responsibilities and obligations for the maintenance, repair, and replacement of the Property as outlined in the requirements of Article V.

COMMUNITY GOVERNANCE AND ADMINISTRATION

Article VII

THE ASSOCIATION AND ITS MEMEBERS

7.1. Function of Association. The Association shall be: (i) the entity responsible for management, maintenance, operation and control of the Area of Common Responsibility (as defined in Section 8.3); (ii) the primary entity responsible for compliance with and enforcement of this Declaration and such reasonable rules regulating use of the Properties as the Board may adopt; and (iii) responsible for administering, monitoring compliance with, and enforcing the Design Guidelines to the extent not approved by the Architectural Reviewer, after such time as the Declarant transfers such authority to the Master Association. The Association may delegate such responsibilities to committees or engage outside Persons to monitor and enforce the Design Guidelines under the supervision of the Board. The Association shall perform its functions in accordance with the Governing Documents and Texas law.

7.2. Membership. There shall be only one membership per Lot; provided, however, if a Lot is owned by more than one Person, all co-Owners shall share the privileges of such membership, subject to (i) reasonable Board regulation, (ii) reasonable restrictions, limitations on fees as may be established under the Declaration, and (iii) the restrictions on voting set forth in Section 7.3 and in the By- Laws. All such co-Owners shall be jointly and severally obligated to perform the responsibilities of Owners. The membership rights of an Owner that is a corporation, partnership or other legal entity may be exercised by any officer, director, partner, or trustee, or by any other individual having apparent authority or designated from time to time by the Owner in a written instrument provided to the Secretary of the Association, subject to (i) reasonable Board regulation, and (ii) reasonable restriction, limitations or fees as may be established under this Declaration. Any notice requirement in the Governing Documents or under Texas state law shall not be required to be provided to all co-Owners, and notice will be deemed satisfied when provided to at least one Owner.

7.3. Voting. The Association shall have two classes of membership, Class "A" and Class "B".

(a) Class "A". Class "A" Members shall be all Owners except the Class "B" Member. Class "A" Members shall have one equal vote for each Lot in which they hold the interest required for membership under Section 7.2; there shall only be one Class "A" vote per Lot.

(b) Class "B". The sole Class "B" Member shall be the Declarant. The rights of the Class "B" Member, including the right to appoint members of the Board and to disapprove actions of the

Board and committees, are specified in the relevant sections of the Governing Documents. The Class "B" membership shall cease upon the earlier of the following:

(i) the date upon which the last lot or parcel in both Savannah Community Association and Isabella Village Community Association, Inc. is sold to an Owner; or

(ii) when Declarant voluntarily turns over control.

(c) Exercise of Voting Rights. Members may vote directly or by proxy as provided in the By-Laws. The Board shall determine whether votes shall be cast in person or by mail (which may include email, provided that the right to vote in person shall not be denied to Owners who do not have access to email) from time to time. If there is more than one Owner of a particular Lot, the vote for such Lot shall be exercised as such co-Owners determine among themselves and advise the Secretary of the Association in writing prior to any meeting. Absent such notice to the Association, the Lot's vote shall be suspended if more than one Person seeks to exercise it.

Article VIII **ASSOCIATION POWERS AND RESPONSIBILITIES**

8.1. Acceptance and Control of Association Property. The Association may acquire, hold, and dispose of tangible and intangible personal property and real property. Declarant may convey to the Association improved or unimproved real estate located within the Properties, personal property and leasehold and other property interests. Such property shall be accepted by the Association and thereafter shall be maintained as Area of Common Responsibility by the Association at its expense for the benefit of its Members, subject to the provisions of this Declaration and any restrictions set forth in the deed from Declarant to the Association, including but not limited to restrictions governing the use of such property.

8.2. Management Certificate. The Association shall record in each County in which any portion of the Properties is located a management certificate, fully complying with all of the requirements listed in TEX. PROP. CODE ANN. § 209.004, as amended. The management certificate may be amended unilaterally from time to time by the Association in accordance with law.

8.3. Maintenance. As further provided in Section 8.5 the Association shall maintain a keep in good repair the Area of Common Responsibility, which shall include, but need not be limited to:

(a) all Common Area;

(b) all walls and fences constructed by Declarant on any Lots which serve as perimeter walls for the Properties, or which separate any Lot from Common Area or any Isabella Village Amenity, except that the allocation of responsibility for the maintenance and repair of party fences is set forth in Section 6.4;

(c) landscaping, irrigation systems, signage, including flashing warning lights, within public rights-of-way or golf cart crossings within or abutting the Properties;

(d) landscaping and other flora within any public utility easements and scenic easements within the Common Area (subject to the terms of any easement agreement relating thereto);

(e) storm water drainage facilities within the Common Area, but excluding drainage swales between sidewalks and Lots which shall be maintained by Owners of adjacent Lots as provided in a Supplemental Declaration;

(f) any additional property included within the Area of Common Responsibility as may be dictated by this Declaration, any Supplemental Declaration, any Covenant to Share Costs, any plat of any portion of the Properties; or any contract or agreement for maintenance thereof entered into by the Association; and

(g) any property and facilities owned by the Declarant and made available, on a temporary or permanent basis, for the primary use and enjoyment of the Association and its Members and identified by written notice to the Association.

The Association may also maintain and improve other property which it does not own, including, without limitation, property dedicated to public use, if the Board determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard and if otherwise permitted by applicable law.

Except as otherwise specifically provided herein, all cost for maintenance, repair and replacement of the Area of Common Responsibility shall be Common Expense allocated among all Lots as part of the Base Assessment, without prejudice to the right of the Association to seek reimbursement from the Persons responsible for such work pursuant to this Declaration, applicable law, other recorded covenants, or agreements with such Persons.

8.4. Wildlife Management. The Association shall have the right and power, but not the obligation, to take any actions in accordance with appropriate law and adopt any rules as may be necessary for control, relocation, management, and/or extermination of wildlife, including but not limited to deer, skunks, opossums, snakes, reptiles, ducks, geese, rodents, fire ants, bees and pests within the Area of Common Responsibility. Owners shall not feed wildlife in the Properties except in accordance with Board regulation.

8.5. Tree Maintenance. The Association shall have the right, but not the obligation, to remove dead or diseased trees from the Area of Common Responsibility. The Association also may, but shall not be obligated to, remove any dead or diseased tree from any Lot, after giving notice to the Owner of such Lot, and charge the costs of such removal to the Owner as a Benefited Assessment. Under no circumstances shall the Association be required to remove dead trees or diseased trees from property it does not own.

The Board may establish standards or procedures for the prevention and control or extermination of diseases and/or insects affecting trees, vegetation or wildlife in the Properties from time to time. The Association shall have the right to sponsor educational programs regarding such matters and to take any step necessary to manage, prevent or exterminate diseases or insects affecting trees, vegetation or wildlife in the Properties. The Association, at its option, shall have access to all Lots for the purpose of treating, exterminating or preventing against such diseases or insects, subject to the provisions contained in Section 6.3. The Association may make any reasonable expenditure it deems necessary for the prevention and control or extermination of such diseases and insects and may include any such expenditures in the Association budget as a Common Expense.

8.6. Insurance.

(a) Required Coverage. The Association, acting through its Board or its duly authorized agent, shall obtain and continue in affect the following types of insurance, if reasonably available, or if not reasonably available, the most nearly equivalent coverage as is reasonable available:

(i) Blanket property insurance covering “risks if direct physical loss” on a “special form” basis (or comparable coverage by whatever name denominated) for all insurable improvements on the Common Area, if any, and on other portions of the Area of Common Responsibility to the extent that it has assumed responsibility for maintenance, repair and/or replacement in the event of a casualty.

If such coverage is not generally available at reasonable cost, then "broad form" coverage may be substituted. The Association shall have the authority and interest to insure any property for which it has maintenance or repair responsibility, regardless of ownership. All property insurance policies obtained by the Association shall have policy limits sufficient to cover the full replacement cost of the insured improvements;

(ii) Commercial general liability insurance on the Area of Common Responsibility, insuring the Association and its Members for damage or injury caused by negligence of the Association or any of its Members, employees, agents, or contractors while acting on its behalf. If generally available at reasonable cost, the commercial general liability coverage (including primary and any umbrella coverage) shall have a limit of at least \$1,000,000.00 per occurrence with respect to bodily injury, personal injury, and property damage; provided, should additional coverage and higher limits be available at reasonable cost which a reasonably prudent person would obtain, the Association shall obtain such additional coverage limits;

(iii) Workers compensation insurance and employers liability insurance, if and to the extent required by law;

(iv) Directors and officers liability coverage;

(v) Fidelity insurance covering all Persons responsible for handling Association funds in the amount determined in the Board's best business judgment but not less one million dollars. Fidelity insurance policies shall contain a waiver of all defenses based upon the exclusion of Persons serving without compensation; and

(vi) Such additional insurance as the Board, in its best business judgment, determines advisable, which may include, without limitation, flood insurance, boiler and machinery insurance, and building ordinance coverage.

Premiums for all insurance on the Area of Common Responsibility shall be Common Expenses and shall be included in the Base Assessment.

(b) Policy Requirements. The Association shall arrange for an annual review of the sufficiency of insurance coverage by one or more qualified Persons, at least one of whom must be familiar with insurable replacement costs in the Denton County, Texas area.

All Association policies shall provide for a certificate of insurance to be furnished to each Member insured and to the Association, upon request of such party.

The policies may contain a reasonable deductible, and the amount thereof shall not be subtracted from the face amount of the policy in determining whether the policy limits satisfy the requirements set forth herein. In the event of an insured loss, the deductible shall be treated as a Common Expense in the same manner as the premiums for the applicable insurance coverage. However, if the Board reasonably determines, after notice and an opportunity to be heard in accordance with the By-laws, that the loss is the result of the negligence or willful misconduct of one or more Owners, their guests, invitees, or leases, then the Board may assess the full amount of such deductible against such Owner(s) and their Lots as a Benefited Assessment.

All insurance coverage obtained by the Board shall:

(i) be written with a company authorized to do business in the State of Texas which satisfies the requirements of the Federal National Mortgage Association, or such other secondary mortgage market agencies or federal agencies as the Board deems appropriate;

(ii) be written in the name of the Association as trustee for the benefited parties. Policies on the Common Area shall be for the benefit of the Association and its Members;

(iii) not be brought into contribution with insurance purchased by Owners, Occupants, or their Mortgagees individually;

(iv) contain an inflation guard endorsement and replacement value clause; and

(v) include an agreed amount endorsement, if the policy contains a co-insurance clause.

In addition, the Board shall use reasonable efforts to secure insurance policies which list the Owners as additional insureds and provide:

(i) a waiver of subrogation as to any claims against the Association's Board, officers, employees, and its manager, the Owners and their tenants, servants, agents, and guests;

(ii) a waiver of the insurer's rights to repair and reconstruct instead of paying cash;

(iii) an endorsement precluding cancellation, invalidation, suspension, or non-renewal by the insurer on account of any one or more individual Owners, or on account of any curable defect or violation and allowance of reasonable time to cure;

(iv) an endorsement excluding Owner's individual policies from consideration under any "other insurance" clause;

(v) an endorsement requiring at least 30 days' prior written notice to the Association of any cancellation, substantial modification, or non-renewal;

(vi) a cross liability provision; and

(vii) a provision vesting in the Board exclusive authority to adjust losses; provided, however, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related to the loss.

(c) Damage and Destruction. Immediately after damage or destruction to all or any part of the Properties covered by insurance written in the name of the Association, the Board or its duly authorized agent shall file and adjust all insurance claims and obtain reliable and detailed estimates of the cost of repair or reconstruction. Repair or reconstruction, as used in this paragraph, mean repairing or restoring the property to substantially the condition in which it existed prior to the damage, allowing for changes or improvements necessitated by changes in applicable building codes.

If either the insurance proceeds or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not available to the Association within such 60-day period, then the period shall be extended until such funds or information are available. However, such extension shall not exceed 60 additional days. No Mortgagee shall have the right to participate in the determination of whether the damage or destruction to the Common Area shall be repaired or reconstructed.

If determined in the manner described above that the damage or destruction to the Common Area shall not be repaired or reconstructed and no alternative improvements are authorized, the affected property shall be cleared of all debris and ruins and thereafter shall be maintained by the Association in a neat and attractive landscaped condition consistent with the Community-Wide Standard.

Any insurance proceeds remaining after paying the costs of repair or reconstruction, or after such settlement as is necessary and appropriate, shall be retained by and for the benefit of the

Association and placed in a capital improvements account. This is a covenant for the benefit of Mortgagees and may be enforced by the Mortgagee of any affected Lot.

If insurance proceeds are insufficient to cover the costs of repair or reconstruction, the Board of Directors may, without a vote of the Members, levy Special Assessments to cover the shortfall against those owners responsible for the premiums for the applicable insurance coverage.

8.7. Enforcement Discretion. Neither the board nor the Architectural Reviewer is required to treat all violations in a lockstep uniform and consistent manner. The board may use its sole discretion in determining whether to pursue a violation of the Documents, provided the board does not act in an arbitrary or capricious manner. In evaluating a particular violation, the board may determine that under the particular circumstances (1) the Association's position is not sufficiently strong to justify taking any pr further action; (2) the provision being enforced is or may be construed as inconsistent with applicable law; (3) although a technical violation may exist, it is not of such a material nature as to be objectionable to a reasonable person or to justify expending the Association's resources; or (4) that enforcement is not in the Association's best interest, based on hardship, expense, or other reasonable criteria.

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

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

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

(ii) Fine. The Association may levy reasonable charges, as an individual assessment, against an Owner and his lot if the Owner or resident, or the Owner or resident's family, guests, employees, agents, or contractors violate a provision of the Documents. Fines may be levied for each act of violation or for each day a violation continues, and does not constitute a waiver or discharge of the Owner's obligation under the Documents.

(iii) Suspension. The Association may suspend the right of Owners and residents to use Club Savannah or the Isabella Village Amenities for any period during which the Owner or resident, or the Owner or resident's family, guests, employees, agents, or contractors violate the Documents. A suspension does not constitute a waiver or discharge of the Owner's obligations under the Documents.

(iv) Self-Help. The Association has the right to enter any part of the Property, including Lots, to abate, or remove, using force as may reasonably be necessary, any erection, thing, animal, person, vehicle or condition that violates the Documents. In exercising this right, the board is not trespassing and is not liable for damages related to the abatement. The board may levy its costs of abatement against the Lot and Owner as an individual assessment. Unless an emergency situation exists in the good faith opinion of the board, the board will give the violating Owner at least 15 days' written notice of its intent to exercise self-help. The Association's right to enter a Lot is secured by the Association's access easement in Article 5 of this Declaration.

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

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

(vii) Enforcement By Owner. The right of individual Owners to enforce the Documents is not intended to deputize every Owner as a community enforcer, nor substitute an owner's interpretation of the Documents for the collective judgment of the Association's directors. Any owner who desires to have the Documents enforced on a particular matter must inform the Board in writing about the situation requiring enforcement, and may request a hearing before the Board to discuss the enforcement issue. The Board may respond to the Owner in writing or at a hearing for which minutes are taken. If the Board (1) considers the Owner's issue, (2) makes an informed decision within its discretionary powers, and (3) communicate the decision to the Owner, either in writing or at a hearing for which minutes are taken, the Owner's right to enforce the Documents will have been exercised. The requirements of this Section for formal responses to enforcement issues raised by individual Owners may be modified or waived by the Board for an Owner who submits more than five enforcement requests in a 12-month period.

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

8.8. Attorney's Fees. The Association may seek and collect reimbursement of reasonable attorney's fees and other reasonable costs incurred by the Association in the enforcement of this Declaration, the Governing Documents, any Supplemental Declaration or any rules promulgated by the Board or the exercise of any remedies available to the Association under this Declaration, the Governing Documents, any Supplemental Declaration or any rules promulgated by the Board to the maximum extent permitted by law.

(a) The Association may seek and collect reimbursement, including damages and assessments, due the Association for enforcing restrictions or the By-laws or the rules of Association

(b) On written request from the Owner from whom the Association seeks attorney's fees or costs, the Association shall provide copies of invoices for attorney's fees and other costs the Association seeks to collect, but only to the extent relating to the matter for which the Association seeks reimbursement of fees and costs.

(c) Should the Association enforce a lien using nonjudicial foreclosure under Section 9.9, the Association may include in a nonjudicial foreclosure sale for an indebtedness covered by the Association's assessment lien an amount of attorney's fees not to exceed the greater of:

(1) One-third (1/3) of the amount of all actual cost and assessments, excluding attorneys' fees, plus interest and court costs; or

(2) \$2,500.00

This sub-paragraph is intended to implement TEX. PROP. CODE ANN. § 209.008(f) as amended and shall be construed coextensive with such statute, as amended from time to time. If such statute is later repealed or modified, this sub-paragraph shall be deemed automatically repealed or modified in the same manner. This sub-paragraph shall be construed to permit the Association to collect attorney's fees to the maximum extent permitted by such statute and TEX. PROP. CODE ANN. § 209.008(g), both as amended from time to time, or any other law. If TEX. PROP. CODE ANN. § 209.008(f) is amended to permit a higher or lower amount of attorneys fees, then this sub-paragraph is automatically amended to permit such higher or lower amount. If TEX. PROP. CODE ANN. § 209.008(f) is repealed, then the limitations set forth above in this sub-paragraph shall be deemed automatically deleted and the Association may include in a nonjudicial foreclosure sale for an indebtedness covered by the Association's assessment lien any amount of attorney's fees equal to the Association's reasonable actual attorney's fees to the extent permitted by law.

8.9. Notice Required Before Certain Enforcement Actions. Before the Association may suspend an Owner's right to use a Common Area, file suit against an Owner (other than a suit to collect a Base Assessment, a Special Assessment, a Benefited Assessment or a New Member Fee Assessment described in Article IX, or to foreclose under the Association's lien or to seek a temporary restraining order or injunctive relief), charge an Owner for property damage, or levy a fine for a violation of this Declaration, the Governing Documents, any Supplemental Declaration or rules of the Association, the Association or its agent must deliver written notice to the Owner by certified mail, return receipt requested. The notice must:

(a) describe the violation or property damage that is the basis for the suspension action, suit charge, or fine and state any amount due the Association from the Owner; and

(b) inform the Owner that the Owner:

(i) is entitled to a reasonable period to cure the violation and avoid the fine or suspension unless the Owner was given notice and a reasonable opportunity to cure a similar violation with the preceding six (6) months; and

(ii) may request a hearing pursuant to Section 8.12 on or before the thirtieth (30th) day after the date the Owner receives the notice.

8.10. Hearing Before Board. If an Owner is entitled to an opportunity to cure a violation prior to enforcement action being taken by the Association, the Owner has the right to submit a written request for a hearing to discuss and verify facts and resolve the matter in issue before a committee appointed by the Board of the Association or before the Board if the Board does not appoint a committee.

The Association shall hold a hearing under this section not later than the thirtieth (30th) day after the date the Board receives the Owner's request for a hearing and shall notify the Owner of the date, time, and place of the hearing not later than the tenth (10th) day before the date of the hearing. The Board or the Owner may request a postponement, and, if requested, a postponement shall be granted for a period of not more than ten (10) days. Additional postponements may be granted by agreement between the Board and the Owner. The Owner or the Association may make an audio recording of the meeting. The Association may promulgate reasonable rules and procedures governing the hearing and its participants, subject to applicable law. The Board may prohibit the participation of attorneys in the hearing so long as the rule is uniformly applied to both the Association and the Owner.

The notice and hearing requirements of Section 8.10 and this Section, and any corresponding notice provisions in the Bylaws do not apply if the Association files a suit seeking temporary restraining order or temporary injunctive relief, or the Association files a suit that includes foreclosure as a cause of action, or if no notice and hearing is required under TEX. PROP. CODE ANN. § 209, as amended from time to time. The notice and hearing requirements of Sections 8.10 and 8.11 are intended to implement the notice and hearing requirements of TEX. PROP. CODE ANN. § 209.006 and § 209.007, and shall be interpreted to be coextensive with such statutes. If TEX. PROP. CODE ANN. § 209.006 or § 209.007 is amended after the recording of this Declaration, then Sections 8.10 and 8.11 of this Declaration shall be automatically amended to be consistent with such amended statutes. If a suit is filed relating to a matter which Sections 8.10 and 8.11 apply, a party to the suit may file a motion to compel mediation. The notice and hearing provisions of Section 8.10 and 8.11 do not apply to a suspension of a person's right to use a Common Area if the temporary suspension is a result of a violation that occurred in a Common Area and involved a significant and immediate risk of harm to others. The temporary suspension is effective until the Board makes a final determination on the suspension action after following the procedures prescribed by this Section.

8.11. Notice Required After Foreclosure Sale. Should the Association conduct a foreclosure sale of an Owner's Lot, the Association shall send the Owner, not later than the thirtieth (30th) day after the date of the foreclosure sale, a written notice stating the date and time the sale occurred and informing the Owner of the Owner's right to redeem the Lot under TEX. PROP. CODE ANN. § 209.011 as amended.

The notice shall be sent by certified mail, return receipt requested, to the Owner's last known mailing address, as reflected in the records of the Association.

Not later than the thirtieth (30th) day after the date the Association sends the notice required by this Section, the Association shall record an affidavit in the real property records of the county in which the property is located, stating, the date on which the notice was sent and containing a legal description of the Lot.

The requirements of this section also apply to the sale of an Owner's Lot by a sheriff or constable conducted as provided by judgment obtained by the Association.

The failure of the Association to deliver such notice or record an affidavit shall not abridge or modify the foreclosure sale or establish liability for the Association, except as expressly required by applicable law.

8.12. Implied Rights; Board Authority. The Association may exercise any right or privilege given to it expressly by this Declaration or By-Laws or which may be reasonably implied from, or reasonably necessary to effectuate, any such right or privilege. Except as otherwise specifically provided in the Governing Documents, all rights and powers of the Association may be exercised by the Board without a vote of the membership.

8.13. Disclaimer of Liability. The Association may, but shall not be obligated to, maintain or support certain activities within the Properties designed to promote the health, safety and welfare of Owners and occupants of any Lot. Notwithstanding anything contained in the Governing Documents or any other document governing or binding the Association, neither the Association, the Board, the management company of the Association, the Declarant nor any successor Declarant shall be liable or responsible for, or in any manner a guarantor or insurer of, the health, safety or welfare of any Owner or occupant of any Lot or any tenant, guest or invitee of any Owner or occupant or for any property of any such Persons. Each Owner and occupant of a Lot and each tenant, guest and/or invitee of any Owner or occupant shall assume all risks associated with the use and enjoyment of the Properties, including all recreational facilities, if any, and may be required to execute specific liability waivers from time to time as a condition of such use.

Neither the Association, the Board, the Association's management company, the Declarant, nor any successor Declarant shall be liable or responsible for any personal injury, illness or any other loss or damage caused by the presence or malfunction of utility lines, or utility sub-stations adjacent to, near, over, under or on the Properties. Each Owner and occupant of a Lot and each tenant, guest, and/or invitee of any Owner, Declarant, or occupant shall assume all risk of personal injury, illness, or other loss or damage arising from the presence or malfunction of utility lines, utility sub-stations, and/or electromagnetic fields and further acknowledges that the Association, the Board, the management company of the Association, the Declarant or any successor Declarant have made no representations or warranties, nor has any Owner or occupant, or any tenant, guest, or invitee of any Owner, Declarant, or occupant relied upon any representations or warranties, expresses or implied, relative to the condition or impact of utility lines or utility sub-stations, or electromagnetic fields.

Neither the Association, the Board, the Association's management company, the Declarant, nor any successor Declarant shall be liable or responsible for any personal injury, illness or any other loss or damage caused by the presence or malfunction of sewer lines, or sewer lift stations adjacent to, near, in, under or on the Properties. Each Owner and Occupant shall assume all risk of personal injury, illness, or other loss or damage arising from the presence or malfunction of sewer lines, sewer lift stations, and associated odors and further acknowledges that the Association, the Board, the management company of the Association, the Declarant or any successor Declarant have made no representations or warranties, nor has any Owner or Occupant, or any tenant, guest, or invitee of any Owner, Declarant, or Occupant relied upon any representations or warranties, expresses or implied, relative to the condition or impact of sewer lines or sewer lift stations.

No provision of the Governing Documents shall be interpreted as creating a duty of the Association, the Board, the management company of the Association, the Declarant nor any successor Declarant to protect or further the health, safety or welfare of any Person(s), even if the funds of the Association are used for any such purpose.

Each Owner (by virtue of his or her acceptance of title to his or her Lot) and each other Person having an interest in, or lien on, or making any use of, any portion of the Properties (by virtue of accepting such interest or lien or making such use) shall be bound by this Section and shall be deemed to have waived any and all rights, claims, demands and causes of action against the Association, the Board, the Association's management company, the Declarant and any successor Declarant, their directors, officers, committee and Board members, employees, agents, contractors, subcontractors, successors and assigns arising from or connected with any matter for which the liability has been disclaimed.

8.14. Security. It is the goal of all Owners, including Declarant, to have a safe and healthy environment. However, no written or oral representation regarding the safe and secure nature of the community shall be construed in whole or in part as guarantees thereof, it being recognized that circumstances that are beyond the control of the Declarant or the Association may arise. The Association may, but shall not be obligated to, maintain or support certain activities within the Properties designed to make the Properties safer than they otherwise might be. Neither the Association, its Board, the Association's management company, nor the Declarant, shall in any way be considered insurers or guarantors of security within the properties. Neither the Association, its Board, the Association management company, nor the Declarant shall be held liable for any loss or damage for failure to provide adequate security or ineffectiveness of security measures undertaken.

All Owners and occupants of any Lot, and all tenants, guests, and invitees of any Owner or the Declarant, acknowledge that the Association, its Board, the Association's management company, the Declarant, any successor Declarant, and the Architectural Review Committee do not represent or warrant that any entrance, patrolling of the Properties, fences, neighborhood

watch group, volunteer security patrol, or any security system designated by or installed according to guidelines established by the Declarant or the Architectural Review Committee may not be compromised, or circumvented; nor that any entrance, patrolling of the Properties, neighborhood watch group, volunteer security patrol, or any security systems will prevent loss by burglary, theft, hold-up, or otherwise; nor that any entrance, patrolling of the Properties, neighborhood watch group, volunteer security patrol, any fire protection system, burglar alarm system, or other security systems will in all cases provide the detection or protection for which the system is designed or intended.

All Owners and occupants of any Lot and all tenants, guests, or invitees of any Owner or the Declarant assume all risks for loss or damage to Persons, to Lots, and to the contents of Lots and no Owner, occupant, or any tenant, guest, or invitee of any Owner or the Declarant has ever relied upon any representations or warranties, expresses or implied, relative to any entrance, patrolling of the Properties, neighborhood watch group, volunteer security patrol, or any security systems recommended or installed or any security measures undertaken within the Properties.

8.15. Provision of Services. The Association may provide services and facilities for the Members of the Association and their guests, lessees and invitees. The Association may enter into contracts or other similar agreements with other entities, including Declarant, to provide such services and facilities. In addition to the Assessments and other fees or charges enumerated in this Declaration, the Board shall be authorized to charge additional fees, including use and consumption fees, for such services and facilities. By way of example only, some services and facilities which may be provided include pest control service, cable television service, security, caretaker, fire protection, landscaping and lawn service, home repairs, utilities, and similar services and facilities. The Board shall be permitted to modify or cancel existing services or facilities provided, if any, or to provide additional services and facilities. Nothing contained herein is a representation as to what services and facilities will or will not be provided or what level of services will or will not be provided. The cost of implementing, providing, managing and maintaining such services and facilities, together with any reasonable reserves or associated overhead as reasonably determined by the Board, may be assessed against the benefited Lot and collected as a Benefited Assessment, in accordance with Article IX. The Board may adopt rules, resolutions or Supplemental Declarations applicable to Lots and their Owners who receive such services or receive benefits from such facilities, including but not limited to the establishment of fees and assessments related to the Services, procedures for delivery and timing of such services, the procedures for amending fees and assessments, penalties for noncompliance with the rules, resolutions or Supplemental Declaration (including fines) or interfering with the delivery of the services. Notwithstanding such rules, resolutions or Supplemental Declaration, the Board reserves the right to adjust (upwards or downwards) the fees or assessments relating to such services whenever the Board reasonably determines that such adjustment is necessary to cover the actual or projected cost incurred by the Association in providing such services and facilities. Notices of assessments or fees and rules regarding such services will be posted in a prominent place in the Common Area and posted on the Association's newsletter (which may be distributed electronically), if any. No owner may interfere with, tamper with or modify any facilities owned or used by the Association in providing such services, even if located on the Owner's Lot.

8.16. Litigation. The Board shall have the discretion to commence any judicial or administrative proceeding, including but not limited to, (a) actions brought by the Association to enforce the provisions of this Declaration (including, without limitation, the foreclosure of liens); (b) the imposition and collection of assessments; (c) proceedings involving challenges to ad valorem taxation; (d) counterclaims brought by the Association in proceeding instituted against it, or (e) actions approved by the Class "B" Member. This Section shall apply in addition to provisions of Article XIV, if applicable.

8.17. Association Records. The Association shall make the books and records of the Association, including financial records, reasonably available to an Owner in compliance with the Texas Non-Profit Corporation Act as codified in the Business Organizations Code, as amended. An Owner may not request the Association's attorney's files and records relating to work performed for the Association except in connection with the Association's request for attorney invoices under Section 8.9. The Association may prescribe reasonable rules for the review of its books and records, including financial records.

Article IX

ASSOCIATION FINANCES

9.1. Budgeting and Allocating Common Expenses. The board will prepare and approve an annual budget for each fiscal year. The budget will take into account the estimated income and expenses for the year, contributions to reserve funds, and a projection for uncollected receivables. The board will make the budget or its summary available to an Owner of each Lot, although failure to receive a budget or summary does not affect an Owner's liability for assessments.

The Base Assessment shall be levied equally against all Lots subject to assessment and shall be set at a level which is reasonably expected to produce a total income for the Association equal to the total budgeted Common Expenses, including contributions to reserves. In determining the level of assessments, the Board, in its discretion, may consider other sources of funds available to the Association. In addition, the Board shall take into account the number of Lots subject to assessment under Article IX on the first day of the calendar year for which the budget is prepared and the number of Lots reasonably anticipated to become subject to assessment during the calendar year.

The Declarant may, but shall not be obligated to, reduce the Base Assessment for any calendar year by payment of a subsidy (in addition to any amounts paid by Declarant under Section 9.5), which may be either a contribution, an advance against future assessments due from the Declarant, or a loan, in the Declarant's discretion. Any such subsidy shall be disclosed as a line item in the Common Expense budget. The payment of such subsidy in any year shall not obligate the Declarant to continue payment of such subsidy in future years, unless otherwise provided in a written agreement between the Association and the Declarant.

In addition to other rights granted to Owners by this Declaration, Owners shall have the following powers and controls over the Association budget, which may not be amended without the approval of Owners of at least two-thirds of the Lots:

Increased Dues. At least 30 days prior to the effective date of an increase in regular assessments, the Board will notify an Owner of each Lot of the amount of, the budgetary basis for, and the effective date of the increase. Such increase shall not exceed 20% of the Base Assessment for the previous year.

Notice of assessments shall be distributed to Owners in a reasonable manner selected by the Board, such as the utilization of a mailing statement. If the proposed budget is disapproved or the Board fails for any reason to determine the budget for any year, then and until such time as a budget shall have been determined, the budget in effect for the immediately preceding year shall continue for the current year.

If, during the course of a year, the Board determines that regular assessments are insufficient to cover the estimated common expenses for the remainder of that year, the Board may increase regular assessments for the remainder of that fiscal year in an amount that covers the estimated deficiency.

9.2. Budgeting for Reserves; Special Reserve Contributions. The Board may, at its discretion, prepare, on an annual basis, reserve budgets which take into account the number and nature

of replaceable assets, the expected life of each asset, and the expected repair or replacement cost of each asset. The Board may adopt resolutions regarding the expenditure of these reserve budget funds, including policies designating the nature of assets for which reserve funds may be expended.

9.3. Authority to Assess Owners; Obligation for Assessments. The Association may levy assessments against each Lot for Association expenses as the Board may specifically authorize from time to time. There shall be six types of assessments for Association expenses. (a) Base Assessments to fund Common Expenses for the general benefit of all Lots; (b) Special Assessments as described in Section 9.5; (c) Benefitted Assessments as described in Section 9.6; (d) the New Member Fee described in Section 9.7; and (e) Master Association Assessments. Each Owner, by accepting a deed or entering into a recorded contract of sale for any portion of the Properties is deemed to covenant and agree to pay these assessments.

All assessments, together with interest from the due date of such assessment at a rate determined by the Association (not to exceed the highest rate allowed by Texas law), late charges, costs, including lien fees and administrative costs, fines, reasonable attorney's fees, and any other amounts owed in accordance with the Governing Documents shall be a charge and continuing lien upon each Lot against which the assessment is levied until paid, as more particularly provided in Section 9.9 and shall be the personal obligation of the Person who was the Owner of such Lot at the time the assessment arose. Upon a transfer of title to a Lot, the grantee shall be jointly and severally liable with the grantor for any assessments and other charges due at the time of conveyance. No first Mortgagee who obtains title to a Lot by exercising the remedies provided in its Mortgage shall be liable for unpaid assessments which accrued prior to such acquisition of title. The Board may apply funds according to its payment application policy, regardless of instructions or notations on checks or an accompanying document.

The Board may levy regular assessments on any periodic basis- annually, semi-annually, quarterly, or monthly. Regular assessments are due on the first day of the period for which levied. Special and individual assessments are due on the date stated in the notice of assessments or, if no date is stated, within ten (10) days after notice of the assessments is given. Assessments are delinquent if not received by the Association on or before the due date. If any Owner is delinquent in paying any assessments or other charges levied on his or her Lot, the Board may assess a late charge.

The Association shall, upon request by an Owner, furnish to any Owner a certificate in writing signed by an officer of the Association setting forth whether assessments for such Owner's Lot have been paid and any delinquent amount. Such certificate shall be conclusive evidence of payment. The Association may require the advance of a reasonable processing fee for the issuance of such certificate.

No Owner may exempt himself or herself from liability for assessments, by nonuse of Common Area, abandonment of his or her Lot or Dwelling Unit, or any other means. The obligation to pay assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of assessments or set-off shall be claimed or allowed for any alleged failure of the Association or Board to take some action or perform some function required of it or for inconvenience or discomfort arising from repairs or improvements or other action taken by it. Payment of assessments is not dependent upon the Owner's receipt of a demand or statement.

9.4. Declarant and Builder Assessments. During the Class "B" Control Period, any real property owned by Declarant is not subject to assessments by the Association. Builder, its successors or assigns, is liable for all assessments and other fees charged by the Association in the same manner as any Owner. Builder is additionally liable to pay any shortage. Such "shortage" shall be deemed to exist if Income and Revenues, as defined in paragraph (a) below, are less than Expenditures incurred, as defined in paragraph (b) below.

(a) Income and Revenues are: the amount of all income including but not limited to, assessments collected on all Lots (other than assessments received for and deposited in reserve accounts), use fees, advances made by Declarant, and income from all other sources.

(b) Expenditures are: the amount of all operating expenses actually paid by the Association during the calendar year, but excluding the following: all non-cash expenses such as depreciation or amortization, all expenditures and reserve contributions for making additional capital improvements or purchasing additional capital assets, and all expenditures made from reserve funds.

9.5. Special Assessments. In addition to regular assessments, the Board may levy one or more Special Assessments against all Lots for the purpose of defraying, in whole or in part, common expenses not anticipated by the annual budget or reserve funds. Special Assessments do not require the approval of the Owners, except that Special Assessments for the following purposes must be approved by Owners of at least a majority of the Lots:

- (a) Acquisition of real property, other than the purchase of a Lot at the sale foreclosing the Association's lien against the Lot;
- (b) Construction of additional improvements within the Property, but not replacement of original improvements; and
- (c) Any expenditure that may reasonably be expected to significantly increase the Association's responsibility and financial obligation for operations, insurance, maintenance, repairs, or replacement by more than twenty percent (20%).

At least 30 days prior to the effective date of a Special Assessment, the Board shall notify an Owner of each Lot of the amount of, the budgetary basis for, and the effective date of the Special Assessment.

9.6. Benefited Assessments. The Board may levy Benefited Assessments against particular Lots for expenses incurred or to be incurred by the Association, as follows:

- (a) to cover the costs, including overhead and administrative costs, of providing benefits, items, or services to the Lot or occupants thereof pursuant to this Declaration or upon request of the Owner pursuant to a menu of special services which the Board may from time to time authorize, which assessments may be levied in advance of the provision of the requested benefit, item or service as a deposit against charges to be incurred by the Owner; and
- (b) to cover costs incurred in bringing the Lot in compliance with the terms of this Declaration, and applicable Supplemental Declaration, the By-Laws, the Design Guidelines, or rules of the Association, or costs incurred as a consequence of the conduct of the Owner or occupants of the Lot, their licenses, invitees, or guests; provided, the Board shall give the Lot Owner prior written notice and an opportunity to be heard before levying a Benefited Assessment under this subsection (b).

9.7. Working Capital Fee. Upon acquisition of record title to a Lot by the first Owner thereof other than the Declarant, any Declarant Affiliate or any Builder, a contribution shall be made by or on behalf of the purchaser to the working capital of the Association in an amount equal to one-sixth of the annual Base Assessment per Lot for that year. This amount shall be in addition to, not in lieu of, the annual Base Assessment and all other amounts assessed at the time of transfer. This amount shall not be considered an advance payment of an assessment. This amount shall be deposited into the purchase and sales escrow and disbursed therefrom to the Association for use in covering operating expenses and other expenses incurred by the Association pursuant to the terms of its Governing Documents.

9.8. Master Assessments. In addition to any assessments levied against Members of the Association under this Declaration or any subsequent document, all Members shall be subject to and obligated to pay any and all annual assessments and other assessments levied by the Master Association.

9.9. Lien for Assessments. The Declarant does hereby establish, reserve, create and subject each Lot to a perfected contractual lien in favor of the Association to secure payment of delinquent assessments owed on account of such Lot, as well as interest (subject to the limitations of Texas law), late charges, fines, and any other amounts owed in accordance with the Governing Documents, and costs of collection (including attorney's fees, lien fees and administrative costs). Such lien shall be prior to and superior to all other liens, except (a) the liens of all taxes, bonds, assessments, and other levies which by law would be superior, and (b) the lien or charge of any first Mortgage of record (meaning any recorded Mortgage with the first priority over other Mortgages) made in good faith and for value. Declarant hereby assigns such lien to the Association without recourse. The lien shall be self operative and shall continue in inchoate form without being reserved or referenced in any deed or other document and without any other action required. The Association may enforce such lien, when any assessment or other charge is delinquent, by suit, judgment, judicial and/or nonjudicial foreclosure and in accordance with Texas Law.

Although no further action is required to create or perfect the lien, the Association may, as further evidence and notice of the lien, execute and record a document setting forth as to any Lot the amount of the delinquent sums to the Association at the time such document is executed and the fact that a lien exists to secure the repayment thereof. However, the failure of the Association to execute and record any such document shall not, to any extent, affect the validity, enforceability, or priority of the lien. The lien may be foreclosed through judicial or, to the extent allowed by the law, nonjudicial foreclosure proceedings in accordance with TEX. PROP. CODE ANN. § 51.002, as it may be amended, in like manner of any deed of trust on real property. Each Owner hereby grants to the Association, whether or not it is so expressed in the deed or other instrument conveying such Lot to the Owner, a power of sale to be exercised in accordance with TEX. PROP. CODE ANN. § 51.002, as it may be amended. The Board may appoint, from time to time, any person, including an officer, agent, trustee, substitute trustee, or attorney, to exercise the Association's lien rights, including the power of sale, on behalf of the Association. In any foreclosure, the Owner is required to pay the Association's costs and expenses for the proceedings, including reasonable attorneys' fees, subject to applicable law.

At any foreclosure proceeding, any Person, including but not limited to Declarant, the Association, and any Owner may bid for the Lot at foreclosure sale and acquire, hold, lease, mortgage, and convey the Lot. While a Lot is owned by the Association following foreclosure: (a) no right to vote shall be exercised on its behalf; (b) no assessment shall be levied on it; and (c) each other Lot shall be charged, in addition to its usual assessment, its equal pro rata share of the assessment that would have been charged such Lot had it not been acquired by the Association. The Association may sue for unpaid Common Expenses and costs without foreclosing or waiving the lien securing the same.

The sale or transfer of any Lot shall not affect the assessment lien or relieve such Lot from the lien for any subsequent assessments. However, a Mortgagee holding a first Mortgage of record or other purchaser of a Lot who obtains title pursuant to foreclosure of the Mortgage shall not be personally liable for assessments on such Lot due prior to such acquisition of title. Such unpaid assessments shall be deemed to be Common Expenses, collectible from Owners of all Lots subject to assessment under this Article, including such acquirer, its successors and assigns.

Nothing herein shall be construed to limit the rights and remedies of the Master Association to collect pursuant to the Master Declaration.

9.10. Foreclosure Sale Prohibited in Certain Circumstances. The Association may not foreclose on an Owner's assessment lien if the debt securing the lien consists solely of:

- (a) fines assessed by the Association; or
- (b) attorney's fees incurred by the Association solely associated with fines assessed by the Association.

9.11. Date of Commencement of Assessment Obligations. The obligation to pay assessments shall commence as to each Lot obligated to pay assessments on the first day of the month following the date the Board first determines a budget and levies assessments pursuant to this Article. The first annual Base Assessments against each Lot may be adjusted according to the number of months remaining in the calendar year at the time assessments commence on the Lot. The obligation to pay Benefited Assessments for services provided by the Association to the Lot shall commence on the first day such services are provided to the Lot.

9.12. Failure to Assess. Failure of the Board to fix assessment amounts or rates or to deliver or mail each Owner an assessment notice, or post an assessment notice, shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay assessments. In such event, each Owner shall continue to pay Base Assessments on the same basis as for the last year for which an assessment was made, if any, until a new assessment is made, at which time the Association may retroactively assess any shortfalls in collections. Payment of assessments shall not be dependent upon the receipt, by Owner, of a notice or statement of assessments.

9.13. Exempt Property. The following property shall be exempt from payment of Base Assessments, Special Assessments and New Member Fees:

- (a) all Common Area; and
- (b) all property dedicated to and accepted by any governmental authority or public utility.

In addition, the Declarant and/or the Association shall have the right, but not the obligation, to grant exemptions to certain Persons qualifying for tax exempt status under Section 501(c) of the Internal Revenue Code so long as such Persons own property subject to this Declaration for purposes listed in Section 501(c).

COMMUNITY DEVELOPMENT

Article X

EXPANSION OF THE COMMUNITY

10.1. Expansion or Withdrawal by the Declarant.

(a) Until all property described in Exhibit "B" has been subjected to this Declaration or 50 years after recordation of this Declaration, whichever is earlier, Declarant may, but is not obligated to, unilaterally subject to the provisions of this Declaration all or portions of the real property described in Exhibit "B".

(b) Declarant may transfer or assign this right to annex property, provided that the transferee or assignee is the developer of at least a portion of the real property described in Exhibits "A" or "B" and that such transfer is memorialized in a written, recorded instrument executed by Declarant. Nothing in this Declaration shall be construed to require the Declarant or any successor to annex or develop any of the property set forth in Exhibit "B" in any manner whatsoever.

(c) Such annexation shall be accomplished by filing a Supplemental Declaration in the County Clerk's Office describing the property to be annexed and specifically subjecting it to the terms of this Declaration. Such Supplemental Declaration shall not require the consent of Members, but shall require the consent of the owner of such property, if other than Declarant. Any such annexation shall be effective upon the filing for record of such Supplemental Declaration unless otherwise provided therein.

(d) Until all property described in Exhibit "B" has been subjected to this Declaration or 50 years after recordation of this Declaration, whichever is earlier, Declarant may unilaterally withdraw property from this Association and the provisions of its Governing Documents, so long as such

withdrawal does not result in the violation of applicable state and/or federal age-restriction regulations, as further outlined in Article III.

10.2. Expansion by the Association. The Association or the Declarant may subject any real property to the provisions of this Declaration so long as Declarant owns property subject to this Declaration or has the right to annex property pursuant to Section 10.1.

Such annexation shall be accomplished by filing a Supplemental Declaration in the County Clerk's Office describing the property to be annexed and specifically subjecting it to the terms of this Declaration. Any such Supplemental Declaration shall be signed by the President and the Secretary of the Association, and by the owner of the annexed property. Any such annexation shall be effective upon filing unless otherwise provided therein.

10.3. Additional Covenants and Easements. The Declarant may unilaterally subject any portion of the property submitted to this Declaration initially or by Supplemental Declaration to additional covenants and easements, including covenants obligating the Association to maintain and insure such property on behalf of the Owners and obligating such Owners to pay the costs incurred by the Association. Such additional covenants and easements shall be set forth in a Supplemental Declaration filed either concurrent with or after the annexation of the subject property and shall require the written consent of the owner of such property, if other than the Declarant.

10.4. Amendment. This Article shall not be amended without the prior written consent of Declarant so long as the Declarant owns any portion of the Properties or has the right to annex property pursuant to Section 10.1.

Article XI

SPECIAL RIGHTS RESERVED TO DECLARANT

11.1. Withdrawal of Property. The Declarant reserves the right to amend this Declaration so long as it has a right to annex additional property pursuant to this Article, without prior notice and without the consent of any Person, for the purpose of removing property then owned by the Declarant, its affiliates, or the Association from the coverage of this Declaration, to the extent originally included in error or as a result of any changes in the Declarant's plans for the Properties.

11.2. Master Planned Community. Any Person that acquires any interest in the Properties acknowledges awareness that Isabella Village is a master planned community, the development of which is likely to extend over many years, and agrees not to protest or otherwise object to zoning or changes in zoning, or to uses of or changes in density of the Properties, including, but not limited to, the Planned Development District; provided, such revision is or would be lawful and is not inconsistent with what is permitted by the Declaration as it may be amended from time to time.

11.3. Construction of Improvements. The Declarant and its employees, agents and designees shall have a right and easement over and upon all of the Common Area for the purpose of making, constructing, installing, modifying, repairing, expanding, replacing, and removing such improvements on, to, or from the Common Area as it deems appropriate in its sole discretion as long as the Declarant owns any property described in Exhibits "A" or "B".

11.4. Models and Sales Offices; Other Property Owned by Declarant. So long as construction and initial sales of Lots shall continue and for one (1) year after the last Lot is sold by Declarant, the Declarant and its designees may maintain and carry on upon the Common Area and any property owned by the Declarant such facilities and activities as, in the sole opinion of the Declarant, may be reasonably required, convenient, or incidental to the construction or sale of Lots or other properties owned by Declarant, including, but not limited to, business offices, signs, model units, market

trailers, sale offices, and storage of building materials and equipment. The Declarant and its designees shall have easements for access to and use of such facilities. Declarant has no obligation to convey, or otherwise transfer such facilities to the Association or otherwise convert such facilities for the benefit of the Association or Members at any time. Members may not enter into the sales office, model units, business offices or other property owned by Declarant (including Lots under construction) except with permission of Declarant. Any unauthorized entrance onto Declarant's property by a Member shall be trespassing and may subject the Owner to criminal prosecution. Each Member who enters onto Declarant's property without authorization shall indemnify and hold harmless Declarant for all losses, costs, expenses, injuries, liabilities or obligations arising from or relating to such Member's unauthorized entrance onto Declarant's property.

11.5. Vacation Getaways. The Declarant may, in its sole discretion, construct residential improvements for temporary occupancy within or adjacent to the Properties and designate such improvements as "Vacation Getaways". Vacation Getaways shall not be considered Dwelling Units or Lots; provided however, Vacation Getaways within the Properties shall be subject to assessments as provided in Article IX. Owners and occupants of Vacation Getaways shall not become Members of the Association. The Declarant may transfer or lease Vacation Getaways and make Vacation Getaways available for use by guests selected in its sole discretion. The Declarant hereby reserves for itself, its guests, and any occupant of any Vacation Getaway, a non-exclusive easement for use, access, and enjoyment in and to the Common Area, including by not limited to any recreational facilities within the Common Area.

The Declarant, in its sole discretion, may convert a Vacation Getaway located in the Properties to a Lot by filing a Supplemental Declaration in the County Clerk's Office identifying such property as a Lot or Lots. Any such conversion of a Vacation Getaway to a Lot shall be effective upon the filing of such Supplemental Declaration unless otherwise provided therein.

11.6. Equal Treatment. So long as the Declarant owns any property described in Exhibits "A" or "B", the Association shall not, without the prior written approval of the Declarant, adopt any policy, rule or procedure that:

(a) Limits the access of the Declarant, its successors, assigns and/or affiliates or their personnel, invitees, or guests to the Common Area of the Association or to any property owned by any of them;

(b) Limits or prevents the Declarant, its successors, assigns and/or affiliates or their personnel from advertising, marketing or using the Association or its Common Area or any property owned by any of them in promotional materials;

(c) Limits or prevents purchasers of a new Dwelling Unit constructed by the Declarant, its successors, assigns and/or affiliates in Isabella Village from becoming Members of the Association or enjoying full use of its Common Area, subject to the membership provisions of this Declaration and the By-Laws;

(d) Discriminates against or singles out any group of Association members or prospective members or the Declarant [this provision shall expressly prohibit the establishment of a fee structure (i.e., assessments, Special Assessments, and other mandatory fees or charges other than Benefited Assessments, chartered club dues, and use fees) that discriminates against or singles out any group of Association members or the Declarant, but shall not prohibit the establishment of Benefited Assessments;

(e) Impacts the ability of the Declarant, its successors, assigns and/or affiliates, to carry out to completion its development plans and related construction activities for Isabella Village, as such may be amended and updated from time to time. Policies, rules or procedures affecting the provisions of

existing easements established by the Declarant and limiting the establishment by the Declarant of easements necessary to complete Isabella Village shall be expressly included in this provision. Easements that may be established by the Declarant shall include but shall not be limited to easements for development, construction and landscaping activities and utilities; or

(f) Impacts the ability of the Declarant, its successors, assigns and/or affiliates to develop and conduct customer service programs and activities in a customary and reasonable manner.

The Association shall exercise its authority over the Area of Common Responsibility or Common Area (including, but not limited to, any entrance and other means of access to the Properties) in a manner that does not interfere with the rights of the Declarant set forth in this Declaration or unreasonably impede access to any portion of the Properties or the Exhibit "B" property over the streets and other Common Area within the Properties.

11.7. Use of the Words "Isabella Village". No Person shall use the words "Isabella Village" or "Isabella Village Community Association, Inc." or any derivative, or any other term which Declarant may select as the name of this Development or any component thereof, in any printed or promotional material, including but not limited to any social networking website, without the Declarant's prior written consent. However, Owners may use the words "Isabella Village" in printed or promotional material solely to specify that particular property is located within the Properties, and the Association shall be entitled to use the words "Isabella Village" in its name. During the Class "B" Control Period, Declarant reserves the right to change the name of the master planned community, in its sole discretion. In the event the name of the master planned community is changed by Declarant and the Association amends its articles of incorporation to a new name consistent with such new name of the master planned community, then all references in this Declaration to "Isabella Village Community Association, Inc." shall be deemed automatically amended to reflect such revised name. Additionally, no individual or entity, including any Owner, other than Declarant, the Association or its authorized agent(s), may create or maintain a website or any other form of electronic document using the words "Isabella Village" or "Isabella Village Community Association, Inc."

11.8. Right to Transfer or Assign Declarant Rights. Any or all of the special rights and obligations of the Declarant set forth in this Declaration or the By-Laws may be transferred to other Persons, provided that the transfer shall not reduce an obligation nor enlarge a right beyond that contained in this Declaration or the By-Laws. No such transfer shall be effective unless it is in a written instrument signed by the Declarant and duly recorded in the County Clerk's Office. Nothing in this Declaration shall be construed to require Declarant or any successor to develop any of the property set forth in Exhibit "B" in any manner whatsoever.

11.9. Amendment. This Article shall not be amended without the prior written consent of the Declarant so long as the Declarant owns any property described in Exhibits "A" or "B". The rights contained in this Article shall terminate upon the earlier of (a) 50 years after the conveyance of the first Lot to a Home Owners, or (b) upon recording by Declarant of a written statement that all sales activity has ceased. Thereafter, the Declarant and its designees may continue to use the Common Area for purposes stated in this Article only pursuant to a rental or lease agreement between the Declarant and/or such designee and the Association which provides for rental payments based on the fair market rental value of any such portion of the Common Area.

PROPERTY RIGHTS WITHIN THE COMMUNITY

Article XII

EASEMENTS

12.1. Easements in Common Area. Every Owner shall have a right and nonexclusive easement of use, access, and enjoyment in and to the Common Area, subject to –

- (a) This Declaration, the By-Laws and any other applicable covenants;
- (b) Any restriction or limitations contained in any deed conveying such property to the Association;
- (c) The right of the Board to adopt rules, regulations or policies regulating the use and enjoyment of the Common Area, including rules restricting use of recreational facilities within the Common Area to occupants of Dwelling Units and their guests, and rules limiting the number of occupants and guests who may use the Common Area;
- (d) The right of the Board to suspend the right of an Owner to use recreational facilities within the Common Area pursuant to this Declaration;
- (e) The right of the Association to dedicate or transfer all or any part of the Common Area to governmental entities pursuant to Section 13.2;
- (f) The right of the Board to impose reasonable membership requirements and charge reasonable membership, admission, or other fees for the use of any recreational facility situated upon the Common Area;
- (g) The right of the Board to permit use of any Common Area recreational facilities by non-Owners, their families, lessees and/or guest upon payment of Board established use fees;
- (h) The right of the Board to create, enter into agreements with, grant easements to and transfer portions of the Common Area to tax-exempt organizations under Section 18.1;
- (i) The right of the Association to mortgage, pledge, or hypothecate any or all of its real or personal property as security for Association obligations;
- (j) The right of the Association to rent or lease any portion of any amenity center and other recreational facility within the Common Area on a short-term basis to any Person approved by the Association for the exclusive use of such Person and such Person's family and guests;
- (k) The right of the Board to change the use of any portion of the Common Area with the consent of the Declarant so long as it owns any property described in Exhibits "A" or "B"; and
- (l) Additional covenants or restrictions that may be imposed by the Association as required to comply with any federal, state or local law or ordinance.

12.2. Easements to Serve Additional Property. The Declarant hereby reserves for itself and its duly authorized agents, representatives, employees, successors, assigns, licensees, and Mortgagees, an easement over the Common Area for the purposes of enjoyment, use, access, and development of the property described in Exhibit "B" whether or not such property is made subject to this Declaration. This easement includes, but is not limited to, a right of ingress and egress over the Common Area for construction of roads and for connecting and installing utilities on such property. Declarant agrees that it shall be responsible for any damage caused to the Common Area as a result of vehicular traffic connected with development of such property. Declarant further agrees that if the easement is exercised for permanent access to such property and such property or any portion thereof is not made subject to this Declaration, the Declarant shall enter into a reasonable agreement with the Association to share the cost of maintenance of any access roadway serving such property.

12.3. Right of Entry. The Association shall have the right, but not the obligation, and a perpetual easement is hereby granted to the Association, to enter all portions of the Properties, including each Lot, for emergency, security, and safety reasons. Such right may be exercised by the authorized agents of the Association, its Board, officers or committees, and by all police officers, fire fighters,

ambulance personnel, and similar emergency personnel in the performance of their duties. This easement includes the right to enter any Lot to cure any violation, or to cure any condition which increases the risk of fire or other hazard, if an Owner fails or refuses to cure the condition within a reasonable time after request by the Board. Public providers of emergency services shall also have access to Lots in an emergency as provided by state law.

12.4. Easements for Maintenance and Enforcement. Authorized agents of the Association, including the Covenants Committee if established, shall have the right, and a perpetual easement is hereby granted to the Association, to enter all portions of the Properties, including each Lot, to (a) perform its maintenance responsibilities under Article VI, and (b) make inspections to ensure compliance with this Declaration, any Supplemental Declaration, By-Laws and rules. This easement shall be exercised with a minimum of interference to the quiet enjoyment to owners' property, and any damage cause by the Association shall be repaired by the Association at its expense. The Association also may enter a Lot to abate or remove, using such measures as may be reasonably necessary, any structure, thing or condition which violates the Declaration, any Supplemental Declaration, the By-Laws, the Design Guidelines, or the rules. Owner's consent for such entry is hereby given, and such entry shall not constitute trespass.

12.5. Rights to Storm Water Runoff, Effluent and Water Reclamation. Declarant hereby reserves for itself and its designees all rights to ground water, surface water, storm water runoff, and effluent located or provided within the Properties, and each Owner agrees, by acceptance of a deed to a Lot, that Declarant shall retain all such rights to survive the termination of the Class "B" Period. Such right shall include an easement over the Properties for access, and for installation and maintenance of facilities and equipment to capture and transport such water, runoff and effluent. This Section 12.5 may not be amended without the consent of the Declarant or its successor, and the rights created in this Section 12.5 shall survive termination of this Declaration.

The Properties are hereby burdened with a non-exclusive easement in favor of the Association for overspray of water from any irrigation system serving the Area of Common Responsibility. The Association may use treated effluent in the irrigation of any Area of Common Responsibility. Under no circumstances shall the Association be held liable for any damage or injury resulting from such overspray or the exercise of this easement.

Additionally, the Properties are hereby burdened with a non-exclusive easement in favor of the Association for overspray of chemical treatment and/or insecticide from any associated device servicing the Area of Common Responsibility. Under no circumstances shall the Association be held liable for any damage or injury resulting from such overspray or the exercise of this easement.

12.6. Easements for Tax Exempt Organizations. Tax exempt organizations designated or established by the Declarant or the Association to maintain or assist in the preservation of any portion of the Properties shall have easements over the Area of Common Responsibility to the extent necessary to carry out their responsibilities.

12.7. Easement for Provision of Services. Declarant hereby reserves unto itself, so long as it owns any portion of the Properties or has the right to annex property pursuant to Section 10.1, and grants to the Association, and the authorized agents and assigns of the Declarant and the Association, a perpetual, non-exclusive easement of entry on to, over, and across any Lot for the performance of such services (including, but not limited to, landscaping or other exterior maintenance services) as the Association is authorized to provide pursuant to this Declaration. The exercise of this easement shall not permit entry into any Dwelling Unit or any portion of the Lot which is enclosed by a privacy wall as permitted under the Design Guidelines and approved pursuant to Article V without the permission of the Owner.

12.8. Use of Master Common Areas and Amenities. Members in good standing and having the right to use the Common Areas and Isabella Village Amenities shall also have the right to use all

Common Areas and Amenities of the Master Association. However, unless a Member has the right to use the Common Areas and Amenities through another manner, including but not limited to Lot ownership in Isabella Village or guest access with a Member or Declarant, members of the Master Association shall not use the Common Areas or Isabella Village Amenities. An owner who does not occupy a Lot delegates this right of enjoyment to the occupants of his Lot. Enforcement of rules and regulations for Common Areas and Isabella Village Amenities shall be controlled by the Isabella Village Board of Directors.

Article XIII **SPECIAL PROPERTY RIGHTS**

13.1. Activity Cards. Ownership of each Lot occupied by an Age-Qualified Occupant shall entitle the Owner thereof to receive up to two activity cards for use by the Qualified Occupant and other members of his or her household. The cards for each Lot shall be renewed by the Association on an annual basis without charge, provided that all assessments and other charges have been paid and provided the Dwelling Unit on such Lot continues to be occupied by a Qualified Occupant. The Board may establish policies, limits, and charges with regard to the issuance of additional cards and guest privilege cards. The Owners and Qualified Occupants of Isabella Village holding activity cards shall have the right to use the Savannah Club and other amenities, subject to rules and regulations pertaining thereto, and the Isabella Village Amenities. The Owners and residents of Savannah shall not be entitled to use the Isabella Village Amenities.

Subject to reasonable Board regulation and any transfer fees established by the Board, any Owner may assign the right to receive activity cards to the Qualified Occupant of his or her Dwelling Unit. An Owner who leases his or her Lot to a Qualified Occupant shall be deemed to have assigned such right to the lessee of such Lot, unless the Board adopts a resolution permitting the Owner to reserve such rights and such Owner provides the Board with written notice of such reservation. Any Owner may reassign the right to receive activity cards by providing the Association with written notice of such reassignment and surrendering previously issued cards. Upon assignment of the right to receive activity cards, Owner's right to receive or use any activity card is terminated until such time as the lease between Owner and lessee is terminated or until lessee reconveys the right to receive or use activity cards back to Owner. In no circumstance shall both Owner and lessee have the right to simultaneously receive or use activity cards.

The Board may issue activity cards to Persons who have signed binding contracts to purchase a Lot, subject to such policies as the Board may determine from time to time.

As long as the Declarant owns any portion of the Properties or has the right to annex property pursuant to Section 10.1, the Association shall provide the Declarant with as many activity cards as the Declarant, in its sole discretion, deems necessary for the purpose of marketing the Properties or the property described on Exhibit "B." The Declarant may transfer the activity cards to prospective purchasers of Lots subject to such terms and conditions as it, in its sole discretion, may determine. Activity cards held by the Declarant shall entitle the bearer to use all Common Area and recreational facilities and shall not be subject to any fee or payment by the bearer or the Declarant.

13.2. Governmental Interests. So long as the Declarant owns any portion of the Properties or has the right to annex property pursuant to Section 10.1, the Declarant may designate sites within the Properties for fire, police, utility facilities, drainage facilities, parks, and other public facilities in accordance with applicable laws. The sites may include Common Area and in such case, the Association shall dedicate and convey such sites as directed by the Declarant, and no membership approval shall be required.

13.3. View Impairment. Neither the Declarant nor the Association guarantees or represents that any view over and across any property, including any Lot, from adjacent Lots will be preserved without impairment. Neither the Declarant nor the Association shall have the obligation to prune or thin

trees or other landscaping except as set forth elsewhere, including in Article VIII. Any express or implied easements for view purposes or for the passage of light and air are hereby expressly disclaimed.

RELATIONSHIPS WITHIN AND OUTSIDE THE COMMUNITY

Article XIV

DISPUTE RESOLUTION AND LIMITATION ON LITIGATION

Agreement to Attempt to Avoid Litigation. The Declarant, the Association, its officers, directors, and committee members, all Persons subject to this Declaration, and any Person not otherwise subject to this Declaration who agrees to submit to this Article (collectively, “Bound Parties”) agree to use reasonable efforts to encourage the amicable resolution of disputes involving the Properties, without the emotional and financial costs of litigation. Any settlement of a claim involving the Properties arising between Bound Parties through negotiation or mediation will be documented in writing and signed by the Parties.

Article XV

ISABELLA VILLAGE AMENITIES

15.1. Right to Use. Isabella Village Amenities are a private recreational component of Isabella Village, intended for the exclusive use of Isabella Village’s Qualified Occupants and their guests. The nature, composition, and use of components of the Isabella Village Amenities may change in response to many factors, such as changes in the community’s recreational preferences, changes in technology, changes in land use, maintenance issues, availability of insurance, and budget constraints and opportunities. By way of example, Isabella Village Amenities may include the following components:

- (i) Pool;
- (ii) Amenity center building;
- (iii) Dog park;
- (iv) Bocce ball court; and
- (v) Parking lot.

Except as provided herein, no representations or warranties, either written or oral, have been or are made by the Declarant or any other Person with regard to the nature or size of improvements to, or the continuing ownership or operation of the Isabella Village Amenities. Amenities listed throughout this Declaration are listed for illustrative purposes only and may or may not ultimately be developed. No purported representation or warranty, written or oral, in conflict with this Section shall be effective without an amendment to this Declaration executed or joined into by the Declarant.

15.2. Assumption of Risk and Indemnification. Each owner, by its purchase of a Lot in the vicinity of any Isabella Village or Savannah Amenity, hereby expressly assumes the risk of noise, personal injury or property damage cause by maintenance and operation of any such Isabella Village or Savannah Amenity, including but not limited to – (a) noise from maintenance equipment, at any time of the day, (b) noise from golf carts, (c) use of pesticides, herbicides and fertilizers, (d) use of effluent in irrigation, and (e) reduction of privacy.

Each such owner agrees that neither Declarant, the Association nor any of Declarant’s affiliates or agents shall be liable to Owner or any other person claiming any loss or damage, including, without limitation, indirect, special or consequential loss or damage arising from personal injury, destruction of property, trespass, loss of enjoyment or any other alleged wrong or entitlement to remedy based upon, due to, arising from or otherwise related to the proximity of Owner’s Lot to any Isabella Village or

Savannah Amenity, including, without limitation, any claim arising in whole or in part from the negligence of Declarant, any of Declarant's affiliated or agents or the Association. The owner hereby agrees to indemnify and hold harmless Declarant, Declarant's affiliates and agents and the Association against any and all claims by Owner's visitors, tenants and others upon such Owner's Lot.

15.3. View Impairment. Neither the Declarant nor the Association guarantees or represents that any view over and across any Isabella Village Amenity or other portion of the Development will be preserved without impairment. No provision of this Declaration shall be deemed to create an obligation of the Association nor the Declarant to relocate, prune, or this trees or other landscaping except as provided in Article VI. The Association may, in their sole and absolute discretion, add trees and other landscaping to the Isabella Village Amenities from time to time. Any additions or changes to any Amenity may diminish or obstruct any view from the Lots and any express or implied easements for view purposes or for the passage of light and air are hereby expressly disclaimed. Any such addition or change may not adversely affect drainage flow across the Properties.

Article XVI **PROTECTION OF MORTGAGEES**

The following provisions are for the benefit of holders, insurers and guarantors of first Mortgages on Lots in the Properties. The provisions of this Article apply to both this Declaration and to the By-Laws, notwithstanding any other provisions contained therein.

16.1. Notices of Action. An institutional holder, insurer or guarantor of a first Mortgage who provides written request to the Association (such request to state the name and address of such holder, insurer, or guarantor and the street address of the Lot to which its Mortgage relates, thereby becoming an "Eligible Holder"), will be entitle to timely written notice of:

(a) Any condemnation loss or any casualty loss which affects a material portion of the properties or which affects any Lot on which there is a first Mortgage held, insured, or guaranteed by such Eligible Holder; or

(b) Any delinquency in the payment of assessments or charges owed by a Lot subject to the Mortgage of such Eligible Holder, where such delinquency has continued for a period of 60 days, or any other violation of the Declaration or By-Laws relating to such Lot or the Owner or occupant which is not cured within 60 days. Notwithstanding this provision, any holder of a first Mortgage is entitled to written notice upon request from the Association of any default in the performance of an Owner of a Lot of any obligation under the Declaration of By-Laws which is not cured within 60 days; or

(c) Any lapse, cancellation, or material modification of any insurance policy maintained by the Association.

16.2. No Priority. No provision of this Declaration or the By-Laws gives or shall be construed as giving any Owner or other party priority over any rights of the first Mortgages of any Lot in the case of distribution to such owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Area.

16.3. Notice to Association. Upon request, each Owner shall be obligated to furnish to the association the name and address of the holder of any Mortgage encumbering such Owner's Lot.

Article XVII **RELATIONSHIPS WITH GOVERNMENT**

Golf Cart Crossings and Golf Cart Operations. All golf cart operators shall operate their carts in accordance with federal, state and local law. The Association may, but shall not be obligated to, impose sanctions under Section 8.9 or any other authority based on laws regulating the use of golf carts. The

Association shall have no liability for injury or death associated with the operation of golf carts. All golf carts used on the Properties shall comply with local, state and federal laws relating to the operation of golf carts, including but not limited to safety requirements. Any resident, guest or occupant using a golf cart in a manner in violation of local, state and/or federal law shall be banned from using said golf cart on the Properties until the violation is cured. The Association may, from time to time, promulgate rules and regulations for the operation of golf carts within the Properties. Isabella Owners' and residents' Golf carts shall not be allowed in the Savannah subdivision unless and until hereafter specifically authorized by the Master Association.

Article XVIII

RELATIONSHIP WITH OTHER ENTITIES

18.1. Relationship with Tax-Exempt Organizations. The Association may create, enter into agreements or contracts with, grant exclusive and/or non-exclusive easements over the Common Area to, or transfer portions of the Common Area to non-profit, tax exempt organizations, including but not limited to organizations that provide facilities or services designed to meet the physical or social needs of older persons, for the benefit of the Properties, the Association, its Members and residents. The Association and the Declarant may contribute money, real or personal property or services to any such entity. Any such appropriate contribution by the Association shall be a Common Expense of the Association and included as a line item in the Association's annual budget.

For the purposes of this Section, a "tax-exempt organization" shall mean an entity which is exempt from federal income taxes under the Internal Revenue Code ("Code"), such as, but not limited to, entities which are exempt from federal income taxes under Section 501(c)(3) or 501(c)(4), as the Code may be amended from time to time.

18.2. Reciprocal Amenities Use Agreements. Declarant may cause the Association to, and the Association may from time-to-time, enter into reciprocal amenities use agreements, whereby persons associated with other master planned communities which are age-restricted pursuant to the Federal Housing of Older Persons Act of 1995 and developed by the Declarant or any affiliate of the Declarant, shall be entitled to use the Association's recreational facilities and other amenities, and whereby the Member and their guests, as described in such agreements, shall be entitled to use the recreational facilities and other amenities owned by the other parties to such agreements or the Declarant or the Declarant's affiliates to the extent specifically identified in the Amenities Agreement. Such reciprocal amenities use agreements shall be referred to as "Amenities Agreements." The provisions of any Amenities Agreement will be determined by Declarant or the Board, as the case may be, but the initial term of any Amenities Agreement shall be up to three years, with successive automatic renewal provisions.

All Members and their guests, as described in the Amenities Agreements, shall be entitled to enjoy the benefits of any Amenities Agreements to which the Association is a party, including without limitation, the privilege of using recreational facilities and other amenities owned by parties to such Amenities Agreements or the Declarant or the Declarant's affiliates to the extent provided in the Amenities Agreement. In consideration for such rights, if any, each Member shall be responsible for user fees for the use of facilities by such Member and such Member's guests, in accordance with any applicable Amenities Agreement. Members' and Members' guests' rights to use any or all recreational facilities and other amenities shall be subject to any priorities for use established under the Amenities Agreements and any rules and regulations established by the parties to such Amenities Agreements. The Association may enter into more than one Amenities Agreement and may amend Amenities Agreements for any purpose, including but not limited to, adding additional parties in accordance with the terms of such Amenities Agreements.

18.3. Conflicts. This Declaration is not intended to supersede applicable governmental laws and regulations. All Owners and Members are required to comply with codes, ordinances, and/or other

governmental laws and regulations as applicable. In the event of any conflict between the standards set forth in this Declaration or any Supplemental Declaration, the more stringent standard shall be applied.

Article XIX

CHANGES IN OWNERSHIP OF LOTS

Any Owner, other than the Declarant, desiring to sell or otherwise transfer title to his or her Lot shall give the Board at least seven days prior written notice of the name and address of the purchaser or transferee, the date of such transfer of title, and such other information as the Board may reasonably require. The transferor shall continue to be jointly and severally responsible with the transferee for all obligations of the Owner of the Lot, including assessments obligations, until the date upon which such notice is received by the Board, notwithstanding the transfer of title. The Association may require the payment of a reasonable administration or registration fee by the transferee.

Upon sale or transfer of title to a Lot, the transferor, other than the Declarant, shall pay an administrative transfer fee in such amount as may be determined by the Board from time to time, and a capital reserve supplemental Base Assessment transfer fee in the amount of one-sixth (1/6) of the annual Base Assessment. Such transfer fees shall be paid to the Association or such charitable entity serving the Properties as the Association shall determine. In the event that the transferor fails to pay such transfer fees, the transferee shall be jointly and severally liable, and such transfer fees may be charged to the transferee as a Benefited Assessment.

Article XX

CHANGES IN COMMON AREA

20.1. Condemnation. Whenever any part of the Common Area shall be taken or conveyed under threat of condemnation by any authority having the power of eminent domain, each Owner shall be entitled to notice thereof.

20.2. Dedication of Common Area. The Association may dedicate or grant easements over portions of the Common Area to any local, state, or federal governmental entity.

Article XXI

AMENDMENT OF DECLARATION

21.1. Amendment by Declarant. Until termination of the Class "B" membership, Declarant may unilaterally amend this Declaration for any purpose. Thereafter, the Declarant may unilaterally amend this Declaration if such amendment is (i) necessary to bring any provision into compliance with any applicable governmental statutes, rule, regulation, or judicial determination; ii) necessary to enable any reputable title insurance company to issue title insurance coverage on the Lots; (iii) required by an institutional or governmental lender or purchaser of Mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable it to make or purchase Mortgage loans on the Lots; (iv) necessary to enable any governmental agency or reputable private insurance company to guarantee or insure Mortgage loans on the Lot; or (v) otherwise necessary to satisfy the requirements of any governmental agency for approval of this Declaration. However, any such amendment shall not adversely affect the title to any Lot unless the affected Owner shall consent thereto in writing. In addition, so long as Declarant owns any portion of the Properties or has the unilateral right to annex property, it may unilaterally amend this Declaration for any other purpose, provided the amendment has no material adverse effect upon any right of any Owner.

21.2. Amendment by Owners. Except as otherwise specifically provided in this Declaration, this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of 51% of members voting at a duly called meeting at which a quorum is in attendance, and the

consent of the Declarant, so long as the Declarant owns any portion of the Properties or has the unilateral right to annex property.

Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

21.3. Validity and Effective Date of Amendments. Amendments to this Declaration shall become effective upon recordation in the County Clerk's Office unless a later effective date is specified therein. Any procedural challenge to an amendment must be made within six months of its recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of this Declaration. Notice of an amendment shall be posted in a prominent place in the Common Area and on the Association's website, if any, for thirty (30) days following recordation of the amendment in the County Clerk's office and included (or a summary included with a designation of where the entire amendment is available) in the Association's next available newsletter (which may be distribute electronically), if any, provided that delay or failure to provide such notice shall not affect the validity of the amendment.

If an Owner consents to any amendment to this Declaration or the By-Laws, it will be conclusively presumed that such Owner has the authority so to consent, and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

No amendment may remove, revoke, or modify any right or privilege of the Declarant without the written consent of the Declarant or the assignee of such right or privilege as long as the Declarant owns any portion of the Properties or has the unilateral right to annex property.

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration as of this 5
_____ day of October, 2011.

CHS Savannah, L.P., a Texas limited partnership

By: HC Operating Savannah, LLC, its general partner

By: HC Operating L.P., its sole member

By: HC Operating GP, LLC, its general partner

By: Phillip W. Huffines
Phillip W. Huffines, Managing Director

STATE OF TEXAS

§
§
§

COUNTY OF Dallas

This instrument was acknowledged before me on this 5 day of October, 2011, by Phillip W. Huffines, Managing Director of CHS Savannah, L.P., a Texas limited partnership, on behalf of the corporation in its capacity as general partner of CHS Savannah, L.P., a Texas limited partnership, on behalf of the limited partnership.

Roxanne Cabrera

Notary Public in and for the State of Texas



AFTER RECORDING RETURN TO:

Charles W. Spencer & Associates
7920 Belt Line Road, Suite 935
Dallas, TX 75254

EXHIBIT "A"

Land Initially Submitted

**SAVANNAH PHASE 10A
12.271 ACRES**

A tract of land situated in the JOSE GONZALES SURVEY, ABSTRACT NO. 447, in Denton County, Texas, said tract being a portion of a called 168.605 acre tract of land described as Tract 6 in a deed to CHS Savannah, LP, recorded as Document No. 2006-40724, Real Property Records, Denton County, Texas, and being more particularly described as follows:

BEGINNING at a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" found on the northwest right-of-way of Magnolia Boulevard (a variable width right-of-way) according to the plat filed of record in Cabinet W, Page 309, Plat Records, Denton County, Texas for the most southerly southwest corner of Continental Congress Village at Savannah Phase 6A, an addition to Denton County according to the plat thereof recorded in Cabinet X, Page 321 of said Plat Records, said point being an exterior ell corner of said 168.605 acre tract and the beginning of a curve to the left;

THENCE along said northwesterly right-of-way, the following courses and distances:

Westerly, along said curve to the left which has a chord that bears South 75 degrees 51 minutes 55 seconds West for 24.50 feet, a central angle of 01 degree 34 minutes 06 seconds and a radius of 895.00 feet, for an arc distance of 24.50 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" found for the beginning of a non-tangent curve to the left;

Westerly, along said non-tangent curve to the left which has a chord that bears South 77 degrees 29 minutes 17 seconds West for 33.10 feet, a central angle of 09 degrees 02 minutes 24 seconds and a radius of 210.00 feet, for an arc distance of 33.13 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" found for the beginning of a compound curve to the left;

Southwesterly, along said compound curve to the left which has a chord that bears South 71 degrees 49 minutes 14 seconds West for 35.93 feet, a central angle of 02 degrees 17 minutes 43 seconds and a radius of 897.00 feet, for an arc distance of 35.93 feet to an "X" cut found in concrete for the end of said curve;

North 65 degrees 50 minutes 38 seconds West, a distance of 21.59 feet to an "X" cut found in concrete for corner;

South 68 degrees 07 minutes 04 seconds West, a distance of 62.00 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" found for corner;

South 21 degrees 52 minutes 56 seconds East, a distance of 12.42 feet to an "X" cut found in concrete for corner;

South 21 degrees 45 minutes 56 seconds West, a distance of 14.47 feet a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" found for the beginning of a non-tangent curve to the left;

Southwesterly, along the non-tangent curve to the left which has a chord that bears South 61 degrees 58 minutes 53 seconds West for 96.56 feet, a central angle of 06 degrees 13 minutes 11 seconds and a radius of 890.00 feet, for an arc distance of 96.61 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for corner;

THENCE over and across said 168.605 acre tract, the following courses and distances:

North 21 degrees 52 minutes 56 seconds West, a distance of 71.77 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for corner;

North 31 degrees 16 minutes 08 seconds West, a distance of 45.99 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for corner;

North 42 degrees 21 minutes 30 seconds West, a distance of 42.23 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for corner;

North 70 degrees 36 minutes 32 seconds West, a distance of 42.35 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for corner;

North 80 degrees 58 minutes 33 seconds West, a distance of 49.97 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for corner;

North 83 degrees 38 minutes 58 seconds West, a distance of 49.97 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for corner;

North 86 degrees 16 minutes 19 seconds West, a distance of 50.18 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for corner;

North 87 degrees 07 minutes 11 seconds West, a distance of 306.00 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for corner;

North 85 degrees 30 minutes 50 seconds West, a distance of 57.42 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for corner;

North 81 degrees 00 minutes 05 seconds West, a distance of 58.79 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for corner;

North 76 degrees 22 minutes 46 seconds West, a distance of 58.79 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for corner;

North 71 degrees 45 minutes 40 seconds West, a distance of 58.71 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for corner;

North 69 degrees 29 minutes 41 seconds West, a distance of 51.00 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for corner;

North 76 degrees 03 minutes 00 seconds West, a distance of 231.31 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for corner;

North 16 degrees 24 minutes 46 seconds West, a distance of 87.65 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for corner;

North 21 degrees 30 minutes 43 seconds West, a distance of 60.41 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for corner;

North 26 degrees 36 minutes 40 seconds West, a distance of 60.41 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for corner;

North 20 degrees 17 minutes 08 seconds West, a distance of 122.65 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for corner;

North 38 degrees 17 minutes 35 seconds East, a distance of 157.01 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for the beginning of a non-tangent curve to the right;

Northwesterly, along said non-tangent curve to the right which has a chord that bears North 38 degrees 20 minutes 11 seconds West for 11.61 feet, a central angle of 01 degrees 46 minutes 07 seconds and a radius of 376.00 feet, for an arc distance of 11.61 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for the end of said curve;

North 52 degrees 32 minutes 53 seconds East, a distance of 52.00 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for the beginning of a non-tangent curve to the left;

Southeasterly, along said non-tangent curve to the left which has a chord that bears South 42 degrees 00 minutes 40 seconds East for 51.51 feet, a central angle of 09 degrees 07 minutes 06 seconds and a radius of 324.00 feet, for an arc distance of 51.56 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for the end of said curve;

North 43 degrees 25 minutes 47 seconds East, a distance of 110.00 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for corner;

South 52 degrees 49 minutes 33 seconds East, a distance of 46.64 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for corner;

South 65 degrees 20 minutes 14 seconds East, a distance of 46.64 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for corner;

South 77 degrees 50 minutes 54 seconds East, a distance of 46.64 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for corner;

South 89 degrees 42 minutes 34 seconds East, a distance of 47.89 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for corner;

North 89 degrees 07 minutes 50 seconds East, a distance of 53.60 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for corner;

South 88 degrees 34 minutes 13 seconds East, a distance of 53.60 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for corner;

South 86 degrees 16 minutes 17 seconds East, a distance of 53.60 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for corner;

South 83 degrees 58 minutes 21 seconds East, a distance of 53.60 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for corner;

South 07 degrees 10 minutes 37 seconds West, a distance of 110.00 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for the beginning of a non-tangent curve to the right;

Easterly, along said non-tangent curve to the right which has a chord that bears South 82 degrees 21 minutes 03 seconds East for 20.21 feet, a central angle of 00 degrees 56 minutes 40 seconds and a radius of 1,226.00 feet, for an arc distance of 20.21 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for the beginning of a reverse curve to the left;

Easterly, along said reverse curve to the left which has a chord that bears South 82 degrees 19 minutes 45 seconds East for 21.02 feet, a central angle of 00 degrees 54 minutes 05 seconds and a radius of 1,336.00 feet, for an arc distance of 21.02 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for the end of said curve;

South 07 degrees 13 minutes 12 seconds West, a distance of 52.00 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for the beginning of a non-tangent curve to the right;

Westerly, along said non-tangent curve to the right which has a chord that bears North 82 degrees 33 minutes 56 seconds West for 10.39 feet, a central angle of 00 degrees 25 minutes 44 seconds and a radius of 1,388.00 feet, for an arc distance of 10.39 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for the end of said curve;

South 02 degrees 52 minutes 49 seconds West, a distance of 124.80 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for corner;

South 87 degrees 07 minutes 11 seconds East, passing the west line of said addition and the west right-of-way of Sweet Gum Drive (a 50-foot right-of-way) at 255.00 feet, passing a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" found for an interior ell corner of said addition on the east right-of-way of said Sweet Gum Drive at 305.00 feet and continuing for a total distance of 314.76 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" found for corner on a south line of said addition for the beginning of a tangent curve to the right;

THENCE along a south line of said Phase 6A, the following courses and distances:

Easterly, along said tangent curve to the right which has a chord that bears South 83 degrees 13 minutes 56 seconds East for 182.92 feet, a central angle of 07 degrees 46 minutes 30 seconds and a radius of 1,349.00 feet, for an arc distance of 183.06 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" found for the beginning of a compound curve to the right;

Southeasterly, along said compound curve to the right which has a chord that bears South 65 degrees 54 minutes 02 seconds East for 321.78 feet, a central angle of 26 degrees 53 minutes 18 seconds and a radius of 692.00 feet, for an arc distance of 324.75 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" found for the beginning of a reverse curve to the left;

Southeasterly, along said curve to the left which has a chord that bears South 57 degrees 33 minutes 26 seconds East for 36.99 feet, a central angle of 10 degrees 12 minutes 06 seconds and a radius of 208.00 feet, for an arc distance of 37.04 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" found for the end of said curve;

South 62 degrees 39 minutes 29 seconds East, a distance of 8.36 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" found for corner;

THENCE South 06 degrees 00 minutes 00 seconds West, along a west line of said Phase 6A, a distance of 160.22 feet to the **POINT OF BEGINNING** and containing 534,518 square feet, or 12.271 acres of land, more or less.

EXHIBIT "B"

Land Subject to Annexation Pursuant to Section 10.1

Denton County
Cynthia Mitchell
County Clerk
Denton, Tx 76202



70 2011 00095887

Instrument Number: 2011-95887

Recorded On: October 10, 2011

As
Declaration

Parties: CHS SAVANNAH LP

To

Billable Pages: 82

Number of Pages: 82

Comment:

(Parties listed above are for Clerks reference only)

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

Declaration	335.00
Total Recording:	335.00

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

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

File Information:

Document Number: 2011-95887

Receipt Number: 835827

Recorded Date/Time: October 10, 2011 12:14:02P

User / Station: D Kitzmiller - Cash Station 2

Record and Return To:

CHARLES W SPENCER & ASSOCIATES PLLC

7920 BELT LINE ROAD

STE 935

DALLAS TX 75254



THE STATE OF TEXAS }
COUNTY OF DENTON }

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

C Mitchell

County Clerk
Denton County, Texas