Denton County
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County Clerk

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DECLARATION

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COUNTY OF DENTON

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Juli Luke
County Clerk
Denton County, TX

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Alex S. Valdes, Esq.
Winstead PC
401 Congress Ave., Suite 2100
Austin, Texas 78701
Email: avaldes@winstead. com

CONSOLIDATED DECLARATION OF COVENANTS, CONDITIONS & RESTRICTIONS FOR

SAVANNAH

Savannah Community Association, a Texas non-profit corporation

Savannah, Denton County, Texas

NOTE: THIS INSTRUMENT CONSOLIDATES PRIOR RECORDED INSTRUMENTS. THIS INSTRUMENT DOES NOT ALTER, AMEND OR OTHERWISE CHANGE THE PROVISIONS OF ANY PRIOR RECORED INSTRUMENT AND IS ONLY BEING PREPARED AND RECORDED TO PROVIDE AN INSTRUMENT THAT CONTAINS ALL PREVIOUSLY RECORDED DECLARATION INSTRUMENTS.

THIS IS AN UNOFFICIAL DOCUMENT RECORDED SOLELY FOR THE PURPOSE OF PROVIDING CLARITY TO THE ALREADY RECORDED RESTRICTIONS FOR SAVANNAH. THE PRIOR RECORDED DECLARATION AND AMENDMENTS REMAIN IN FULL FORCE AND EFFECT, AND IN THE EVENT OF A CONFLICT BETWEEN THIS INSTRUMENT AND A PRIOR RECORDED INSTRUMENT, THE PRIOR RECORDED INSTRUMENT SHALL GOVERN.

Cross-reference to that certain Declaration of Covenants, Conditions & Restrictions for Savannah, recorded as Document No. 2003-R0176314 (Volume 5546, Page 2083) in the Official Public Records of Denton County, Texas, as the same may be amended from time to time (collectively, the "Declaration").

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AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS & RESTRICTIONS FOR SAVANNAH

This Declaration of Covenants, Conditions & Restrictions for Savannah is made by Savannah Properties Associates, LP, a Delaware limited partnership (**Declarant**"), on the date signed below. Declarant owns the real property described in Appendix A of this Declaration, together with the improvements thereon.

Declarant desires to establish a general plan of development for the planned community to be known as Savannah. Declarant also desires to provide a reasonable and flexible procedure by· which Declarant may expand the Property to include additional real property, and to maintain certain development rights that are essential for the successful completion and marketing of the Property.

Declarant further desires to provide for the preservation; administration, and maintenance of portions of Savannah, and to protect the value, desirability, and attractiveness of Savannah. As an integral part of the development plan, Declarant deems it advisable to· create a property owners association to perform these functions and activities more fully described in this Declaration and the other Documents described below.

Declarant DECLARES that the property described in Appendix A, and any additional property made subject to this Declaration by recording one or more amendments of or supplements to this Declaration, will be owned, held, transferred, sold, conveyed, leased, occupied, used, insured, and encumbered subject to the terms, covenants, conditions, restrictions, and easements of this Declaration, including Declarant's representations and reservations in the attached Appendix C, which run with the· real property and bind all parties having or acquiring any right, title, or interest in any part of the property, their heirs, successors, and assigns, . and inure to the benefit of each Owner of any part of the property.

ARTICLE 1
DEFINITIONS

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

1.1. **"Additional Land"** means real property which may be added to the Property and subjected to this Declaration by Declarant and the owner of such property, as described in Appendix B and Section C.3.2 of this Declaration.

1.2. **"Applicable Law"** means the statutes and public laws and ordinances in effect at the time a provision of the Documents is applied; and pertaining to the subject matter of the Document provision. Statutes and ordinances specifically referenced in the Documents are "Applicable Law" on the date of the Document, and are not intended to apply to the Project if

they cease to be applicable by operation of law, or if they are replaced or superseded by one or more other statutes or ordinances.

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

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

1.5. **"Association"** means the association of owners of all lots in the Property, initially organized as Savannah Community Association, a Texas nonprofit corporation, and serving as the "property owners' association" defined in Section 202.001(2) of the Texas Property Code. The failure of the Association to maintain its corporate charter from time to time does not affect the existence or legitimacy of the Association, which derives its authority from this Declaration and the bylaws.

1.6. **"Board"** means the board of directors of the Association.

1.7. **"Club"** and "**Club Savannah"** means the recreation center and recreational facilities that are developed for the use and benefit of the residents of Savannah, as described in Article 4 of this Declaration, and which are Common Areas of Savannah.

1.8. **"Common Area"** means portions of real property and improvements thereon that are owned, leased, and/ or maintained by the Association, as described in Section 2.7 below and as referenced in Appendix C of this Declaration, and may include parcels owned by the Water District.

1.9. **"Declarant"** means Savannah Properties Associates, LP, a Delaware limited partnership, which is developing the Property, or the successors and assigns of Savannah Properties Associates, LP, which acquire any portion of the Property for the purpose of development and which are designated a Successor Declarant by Savannah Properties Associates, LP, or by any such successor and assign, in a recorded document.

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

1.11. **"Declaration"** means this document, as it may be amended from time to time.

During the Development Period,
Appendix C has priority over the main body of this Declaration.

1.12. **"Development Period"** means the 25-year period beginning the date this Declaration is recorded, during which Declarant has certain rights pursuant to Appendix C hereto, including rights relating to development, construction, expansion, and marketing of the Property and the Additional Land. The Development Period is for a term of years and does not require that Declarant own land described in Appendix A. Declarant may terminate the Development Period at any time by recording a notice of termination.

1.13. **"Documents"** means, singly or collectively as the case may be, this Declaration, the Plat; the bylaws, the Association's articles of incorporation, the Savannah Community Manual, Savannah Architectural Standards, and the rules and policies of the Association, as any of these may be amended from time to time. An appendix, exhibit, schedule, or certification accompanying a Document is a part of that Document.

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

1.15. **"Majority"** means more than half.

1.16. **"Member"** means a member of the Association, each member being an owner of a lot, unless the context indicates that member means a member of the board or a member of a committee of the Association. In the context of votes and decision-making, each lot has only one membership, although it may be shared by co-owners of a lot.

1.17. **"Owner"** means a holder of r corded fee simple title to a lot. Declarant is the initial owner of all lots. Contract sellers and mortgagees who acquire title to a lot through a deed in lieu of foreclosure or through judicial or nonjudicial foreclosure are owners. Persons or entities having ownership interests merely as security for the performance of an obligation are not owners. Every owner is a member of the Association. A reference in any Document or applicable law to a percentage or share of owners or members means owners of at least that percentage or share of the lots, unless a different meaning is specified. For example, "a majority of owners" means owners of at least a majority of the lots.

1.18. **"Plat"** means all plats, singly and collectively, recorded in the Real Property Records of Denton County, Texas, and pertaining to the real property described in Appendix A of this Declaration, including all dedications, limitations, restrictions, easements, notes, and reservations shown on the plat, as it may be amended from time to time.

1.19. **"Property"** means all the land subject to this Declaration and all improvements, easements, rights and appurtenances to the land. The name of the Property is Savannah. The Property is located on land described in Appendix A to this Declaration, and includes every lot and any common area thereon.

1.20. **"Resident"** means an occupant of a dwelling, regardless of whether the person owns the lot.

1.21. **"Rules"** means rules, regulations, policies, procedures, standards, and guidelines of the Association adopted in accordance with the Documents or applicable law, including without limitation any rules and signs posted from time to time on the Property by the Association. The initial Rules may be adopted by Declarant for the benefit of the Association.

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

1.23. **"Water District"** means the water district in which the Property is located, being Denton County Fresh Water Supply District No. 10, as further described in Article 3 of this Declaration.

ARTICLE 2
CERTAIN PROPERTY FEATURES

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

2.2. CHANGE OF CIRCUMSTANCE. This Declaration discloses some characteristics of the Property that may change or that may cease to apply because of acts or decisions by authorities external to the Property, such- as whether the Property is located within a city. If the change of circumstance is of public record or is capable of independent verification by any interested person, the board of directors, without a vote of the owners, may issue a Notice of Change that references the provision of this Declaration that ceases to apply to the Property. The Notice may be recorded in the Real Property Records of Denton County; Texas, and does not constitute an amendment of this Declaration. If such a Notice ls issued, the Association will notify owners of its existence and will make it available to owners as an Association record. This provision may not be construed to give the board unilateral amendment powers, nor to prevent an amendment of this Declaration by a vote of the owners to achieve the same purpose.

2.3. NOT IN CITY. On the date of this Declaration, Savannah is located in an unincorporated portion of Denton County, which means the Property Is not located within the city limits of any municipality. Not being in a city, the owners in Savannah are not subject to city property taxes or city sales taxes. Nor do the residents receive taxpayer-support ed city services. Instead, the Water District under contract with several service providers - furnishes the basic property services for the homes in Savannah. The initial serv ices provided by or through the Water District, or under agreements negotiated by the Water District, include (without limitation) drinking water, wastewater (sewerage), storm sewers, storm water drainage, meter reading and billing, trash pick-up, street maintenance, street signs, and street lights.

- **SAVANNAH IS NOT IN A CITY**
- **THE WATER DISTRICT PROVIDES MANY CITY-TYPE SERVICES**
- **INSTEAD OF CITY PROPERTY TAXES, LOTS ARE TAXED BY THE WATER DISTRICT**

2.4. NOTICE OF POTENTIAL ANNEXATION. All or part of the Property may now or later be included in the extraterritorial jurisdiction of a municipality and may now or later be subject to annexation by a municipality. Each municipality maintains a map that depicts its boundaries and extraterritorial jurisdiction. To determine if the Property is or is likely to be located within a municipality's extraterritorial jurisdiction, contact all municipalities in the general proximity of Savannah for further information. This Section will automatically cease to apply to any part of the Property that is annexed by a municipality, without the necessity of amending this Declaration.

2.5. ADDITIONAL PROPERTY. Additional real property may be annexed to the Property and subjected to the Declaration and the jurisdiction of the Association on approval of owners representing at least a majority of the lots in the Property, or, during the Development Period, by Declarant as permitted in Appendix C. Annexation of additional property is accomplished by recording a declaration of annexation, including an amendment of Appendix A, in the Real Property Records of Denton County, Texas.

2.6. PLAT DEDICATIONS, EASEMENTS & RESTRICTIONS. In addition to the easements and restrictions contained in this Declaration, the Property is subject to the dedications, limitations, notes, easements, restrictions, and reservations shown or cited on the plat, which is· incorporated herein by reference. Each owner, by accepting an interest in or title to a lot, whether or not it is so expressed in the instrument of conveyance, covenants and agrees to be bound by the plat, and further agrees to maintain any easement that crosses his lot and for which the Association does not have express responsibility.

2.7. COMMON AREA. Club Savannah, as described in Article 4 of this Declaration, is the most significant common area. However, Savannah contains a number of other common areas, all of which are governed by this Section.

2.7.1. Ownership. The designation of real property as a common area is determined by the plat and this Declaration, and not by the ownership of the property. This Declaration contemplates that each component of the common area capable of independent ownership will be owned by the Association or by the Water District, and possibly by a city if Savannah is annexed by a city. This Declaration does not require that all common area components share one ownership: Some components may be owned by the Association, others by the Water-District. Further, the Association and the Water District may exchange or transfer ownership of Savannah's common area components between themselves in order to effect an economic situation that is beneficial to the residents, who are obligated for payments to both entities.

2.7.2. Clubhouse. On the date of this Declaration, it is contemplated that Lots 1 and 4 in Block 2 of Savannah Phase 1, on which the clubhouse, parking area, and water park are located, will be conveyed to the Association.

Common Areas may be owned by the Water District and leased to the Association

2.7.3. 99-Year Lease. On the date of this Declaration, it is contemplated that title to many common areas will be conveyed to the Water District, which will lease those lands and facilities to the Association under a 99-year lease agreement by which the Association may be required to make lease payments to the Water District.

2.7.4. Improvement. The cost of designing and constructing the initial improvements of Club Savannah are an expense of Declarant and are not a common expense of the Association. The Declarant or the Water District may design, install, construct, or authorize certain improvements on other common areas in connection with' the initial development of the Property. The Association may thereafter make additional improvements to Club Savannah and the other common areas as a common expense of the Association.

2.7.5. Maintenance. Alter the initial installation, all costs attributable to common areas, including maintenance, property taxes, insurance, and enhancements, are automatically the responsibility of the Association, regardless of the nature of title to the common areas, unless (1) this Declaration elsewhere provides for a different allocation for a specific common area, or (2) the Association shifts the maintenance responsibility by contract. In other words, regardless of what entity owns a common area, the Association is generally responsible for maintaining, insuring, repairing, and replacing, as needed, the common area as a common expense of the Association.

2.7.6. Owner Acceptance. By accepting an interest in or title to a lot, each owner is deemed (1) to accept the common area *of* the Property, and any improvement thereon,

in its then-existing condition; (2) to acknowledge the authority of the Association, acting through its board of directors, for all decisions pertaining to the common area; (3) to acknowledge that some components of the common area may be owned by the Water District, others by the Association; (4) to acknowledge that transfer of a common area by or through the Declarant is a ministerial task that does not require acceptance by the Association; and (5) to acknowledge the responsibility of the Association for maintenance of the common area, regardless of changes in ownership of the common area, or changes in the Association's board of directors or management.

2.7.7. Components. The common area of ·the Property consists of the following components on or adjacent to the Property, even if located on a lot or a public right-of-way, and whether owned by the Association or by the Water District:

a. All of the Property, save and except the house Lots.

b. Any area designated on a recorded plat of Savannah as common area or an area to be maintained by the Association.

c. Club Savannah.

d. The formal entrances to the Property, including (if any) the signage, landscaping, electrical and water installations, planter boxes and fencing.

e. The screening walls, fences, or berms (if any) along the major perimeter streets of the Property, if initially installed or authorized by Declarant, and replacements thereof.

f. Grounds maintenance of street rights-of-way, being the grounds along the Property's side of perimeter streets, to the extent they are not maintained by the Water District.

g. Landscaping on islands on interior and perimeter streets, to the extent it is not maintained by the Water District.

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

i. Personal property owned by the Association, such as furnishings, -sports equipment, books and records, office equipment, and supplies.

2.8. STREETS WITHIN PROPERTY. Because streets, alleys, and cul-de-sacs within the Property (hereafter "streets") are capable of being converted from owned by the Water District, to publicly dedicated or to owned by the Association, this Section addresses all conditions. Private streets are part of the common area, which is governed by the Association. Public streets are part of the common area only to the extent they are not maintained or

regulated by the Water District, Denton County, or by a city. To the extent not prohibited by the Water District or by public law, the Association, acting through the board, is specifically authorized to adopt, amend, repeal, and enforce rules, regulations, and procedures for use of the streets - whether public or private - including but not limited to:

a. Identification of vehicles used by owners and residents and their and guests.

b. Designation of speed limits and parking or no parking areas.

c. Limitations or prohibitions on curbside parking.

d. Removal or· prohibition of vehicles that violate applicable rules and regulations.

e. Fines for violations of applicable rules and regulations.

ARTICLE 3
DENTON COUNTY FRESH WATER SUPPLY DISTRICT

3.1. NOTICE OF SPECIAL DISTRICT. Savannah is located in a special district - initially named t e Denton County Fresh Water Supply District No. 10 - that has the powers of a road district and of a fresh water supply district. On the date of this Declaration, the homebuying public may not be as familiar with special districts as with traditional political subdivisions, such as cities, counties, and school districts. Therefore, the purpose of this Article is to provide an additional public notice of the Water District's existence, and to highlight a few of its many significant features." Contact the Water District directly for current and complete information.

3.1.1. Water District Taxes. In addition to assessments levied by the Association, and property taxes levied by traditional governmental taxing authorities, such as the school district and the county, every Savannah lot and owner is subject to a number of charges that may be levied by the Water District, Including (1) deposits for utility services, (2) charges for utility. services, (3) a maintenance tax (similar to city taxes), (4) bond debt service tax, (5) special contract tax, (6) interest and penalties on delinquent charges, and {7) standby fees on undeveloped property, if any. The initial tax rate for the Water District is $1. 00 per $100.00 of assessed value.

3.1.2. Notice by Selling Owners. On the date of this Declaration, Section 49.452 of the Water Code requires a seller of property in the Water District to give the purchaser a prescribed notice in the form shown in Appendix D of this Declaration. Selling owners are advised to determine whether their transactions are subject to a similar requirement under then-applicable law.

3.2. HIGHLIGHTS OF SPECIAL DISTRICT.

3.2.1. Origins of Water District. The Water District was created as a fresh water supply district pursuant to Article 16, Section 59 of the Texas Constitution, by order of the Commissioners Court of Denton County on September 12, 2000. Subsequently, the Water District obtained road district powers and converted to a water control and improvement district. The Water District operates pursuant to Texas Water Code Chapters 49, 51, and, for limited purposes, 53.

A resident's obligation to the Water District are independent of the owner's obligations to the Association.

3.2.2. Purpose of Water District. The Water District was created to provide and maintain significant parts of Savannah's infrastructure, similar to what cities provide within their corporate borders. The Water District is authorized to supply and store water, to operate sanitary wastewater systems, to provide drainage and water quality services; to build and maintain roads, to develop and maintain recreational facilities, and to own, develop, and/or, operate other infrastructure improvements and facilities within the Water District.

3.2.3. Powers of Water District. As permitted by State law, the Water District has numerous significant rights, including rights to (1) borrow money, (2) levy taxes, (3) issue bonds, (4) contract for goods and services, (5) buy, sell, lease, and use land, easements, and improvements, (6) construct and maintain improvements, and (7) condemn land by power of eminent domain.

3.2.4. Development Costs. The Water District is authorized by the State of Texas to sell bonds to pay for the initial and ongoing development of Savannah's infrastructure, including (without limitation) the acquisition of rights of way, and the engineering, construction, and maintenance of streets, utility, and drainage facilities. To pay the cost of constructing and maintaining the infrastructure, the Water District is authorized by the State of Texas to levy an ad valorem tax (property tax), similar to a city's property tax.

3.2.5. Water District Elections. Because Savannah is located in the Water District, every resident of a lot who is qualified to vote in local elections is qualified to vote in Water District elections. Owners of lots in Savannah may qualify for election to the Water District board of directors. The Association and the Water District are independent of each other, as are the rights and responsibilities of Savannah owners and residents to each entity.

3.2.6. Evolution of Water District. As a political subdivision of the State of Texas, the Water District bas an existence and authorities that are independent of this Declaration. Accordingly, if the Water District evolves into a different type of entity, is

modified in some way, is dissolved, or become subject to different or additional laws, the terms of this Article will automatically be modified or terminated, in whole or in part, as applicable, by the superior acts of governmental bodies without the necessity of amending this Declaration.

3.2.7. Relationship with Water District. Although the Association and the Water District are independent entities, they are related by origins, territory, population, and purposes. The Association, acting through its board of directors, is hereby authorized to negotiate leases of common areas, and to exchange with, delegate to, and accept from the Water District functions, properties, authorities, and obligations, provided (1) the lease, act, or decision is not prohibited by applicable law, and (2) the lease, act, or decision is in the best collective interests of the· owners of Savannah. For example, the Association may contract with the Water District for the maintenance of common area landscaping if the Water District can perform that function more effectively, more efficiently·, or more affordably than the Association.

ARTICLE 4
CLUB SAVANNAH

4.1. CLUB SAVANNAH. Club Savannah is the private recreation component of Savannah, intended for the exclusive use of Savannah's owners and residents and their guests. The term "Club" is used for marketing purposes to designate the recreation complex, and does not entail a separate or additional membership from membership in the Association. Declarant does not intend for Club Savannah to be a public accommodation or a public facility.

During the Development Period, Builders and Declarant have absolute rights to use Club Savannah for marketing purposes. See Section C.4 in Appendix C.

4.2. COMPONENTS. The nature and use of components of Club Savannah may change over time 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. During the Development Period, Declarant intends for Club Savannah to include the following components:

a. Club house with meeting rooms, exercise room, kitchen, and offices.

b. Swim center and water park.

c. Lakes, ponds, or water courses.

d. Tennis courts.

e. Ball fields.

f. Picnic grounds and park areas or common greens.

g. Hike and bike trails.

EACH PERSON USING CLUB SAVANNAH'S FACILITIES ASSUMES ALL RISKS OF PERSONAL INJURY OR DEATH, AND PROPERTY LOSS OR DAMAGE.

4.3. PERSONAL RESPONSIBILITY. Each owner; by accepting an interest in or title to a Savannah lot, whether or not it is so expressed in the instrument of conveyance, and each resident of Savannah, by occupying a home in Savannah, acknowledges, understands, and agrees to each of the following statements, for himself, the members of his household, and his and their guests:

a. Each owner and resident agrees to be informed about and to comply with the published or posted rules of Club Savannah.

b. The use and enjoyment of Club Savannah involves risk of personal injury, risk of death, and risk of damage or loss to property.

c. Each person using any facility in Club Savannah assumes all risks of personal injury, death, and loss or damage to property resulting from the use and enjoyment of any Club Savannah facility.

d. Parents, guardians, hosts, caretakers, and supervisors are at all times responsible for the well-being and safety of their children and guests in their use of Club Savannah. The parent, guardian, host, caretaker, and supervisor assumes responsibility for having skins appropriate for the facility being used by his charges.

e. Declarant, the Builders, the Association, the Water District, and their respective directors, officers, committees, agents, and employees are not providers, insurers, or guarantors of personal safety in Club Savannah.

f. Declarant, the Builders, the Association, the Water District, and their respective directors, officers, committees, agents, and employees have made no representations or warranties - verbal or written - relating to safety or lack of risks pertaining to Club Savannah.

g. Each owner and resident agrees to educate the members of his household and his and their guests about the risks, responsibilities, and releases from liability contained in this Article.

4.4. LIABILITY RELEASE. Each owner and resident of Savannah further acknowledges, understand, and agrees to each of the following statements, for himself, the members of his household, and his and their guests:

4.4.1. Consideration. Each owner and resident grants the releases from liability contained in this Article as consideration for, and as a condition to, the owner and resident's use· and enjoyment of Club Savannah. Each owner and resident acknowledges and agrees that the releases from liability contained in this Article are a material inducement to Declarant and to the Builders to sell, convey, lease, or allot the use of lots and homes in Savannah.

4.4.2. 2. Release for Injury or Loss. Declarant, the Builders, the Association, the Water District, and their respective directors, officers, committees, agents, and employees may not be held liable to any person claiming any loss or damage including, without limitation, indirect, special, or consequential loss or damage arising from personal injury or death, destruction of property, trespass, loss of enjoyment, or any other wrong or entitlement to remedy based upon, due to, arising from, or otherwise relating to the design, construction, maintenance, or use of any common area, expressly including· every recreational facility and item of equipment used in connection with Club Savannah, including, without limitation, any claim arising in whole or in part from the negligence of Declarant, the Association, the Water District, or any Builder.

4.4.3. Indemnity for Club Operations. The Association indemnifies, defends, and holds harmless Declarant against any loss, claim, demand, damage, cost, and expense relating to or arising out of the management and operation of the Association, including without limitation, the collection of assessments, the enforcement of the Documents, and the operation and maintenance of Club Savannah. Indemnified expenses include, without limitation, reasonable attorneys fees, whether or not a lawsuit is filed, and costs at all court levels, including expenses incurred by Declarant in establishing the right to be indemnified, defended, and held harmless pursuant to this Declaration.

4.4.4. Negligence. The releases and indemnities contained in this Article are intended to release and indemnify the specified parties from liability for their own negligence.

4.4.5. Violation. Each owner and resident understands and agrees that the owner or resident's violation of the release agreement contained in this Article may result in suspension or termination of the use of Club Savannah by the owner or resident, the members of his household, and his and their guests.

THE DECLARANT, BUILDERS, ASSOCIATION & WATER DISTRICT ARE RELEASED FROM LIABILITY, EVEN IF NEGLIGENT.

4.5. USE BY HUFFINES FAMILY. Declarant hereby reserves for Donald and Philip Huffines and their respective relatives and decedents (the**" Huffines Family")** a perpetual right of access to and use of Club Savannah, in the same manner as Savannah owners but without the requirement of owning a Savannah lot or paying assessments to the Association. The Huffines Family will be subject to the same use restrictions that apply to the owners, including liability for reasonable use or reservation fees, if any. The Association may not enact rules that - by intent or effect - discourage use of Club Savannah by the Huffines Family. Declarant does not intend for this reservation to create a legal, financial, or insurance liability for the Association. If that event arises, the Association will so notify the Huffines Family. Amendment or termination of this Subsection requires the written consent of the Association and of Donald or Phillip Huffines, or of their oldest legally competent descendant.

ARTICLE 5
PROPERTY EASEMENTS AND RIGHTS

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

5.2. EASEMENT FOR SCREENING FEATURE. The Association is hereby granted a perpetual easement (the **"'Screening Easement")** over each lot on or along the thoroughfare on the perimeter of or through the Property for the purposes stated in this Section, regardless of whether or how the plat shows the easement or improvements thereon. During the Development Period, Declarant reserves the same easement for itself. The purpose of the Screening Easement is to provide for the design, siting, construction or installation, existence, repair, improvement, and replacement of improvements, reasonably related to the perimeter landscaping or screening of a residential subdivision, including, without limitation, planter beds, landscaping, and plant material; screening walls, fences and/or berms; electrical and water meters and equipment, including light fixtures and sprinkler systems; and signage relating to Savannah (the **"screening features"**), any of which may be installed on lots with completed homes. The inclusion of this Section in the Declaration may not be construed to create an obligation on any party to install a screening feature for Savannah. Further, the use of the term "screening" may not be construed to create an obligation on any party to construct a fence or wall, or to create a visual obstruction·.

5.2.1. Installation. During the Development Period, Declarant, a Builder, or the Association has the right, but not the duty, to design and to construct or install one or more screening features on the portion of a lot along the perimeter of Savannah or along thoroughfares within Savannah. Design of the screening feature may entail changes of grade.

5.2.2. Maintenance. The screening feature will either be maintained by the Association as a common expense, or by the lot owner at his individual sole expense, depending on the location and nature of the screening feature.

5.2.3. Owner's Use. The owners of the lots burdened with the Screening Easement will have the continual use and enjoyment of their lots for any purpose that does not interfere with and prevent the Association's use of the Screening Easement.

5.2.4. Other. In addition to the easement granted herein, the Association has the temporary right, from time to time, to use as much of the surface of a burdened lot as may be reasonably necessary for the Association to perform its contemplated work on the Screening Easement. This easement is perpetual. The Screening Easement will terminate when the purpose of the easement ceases to exist, is abandoned by the Association, or becomes impossible to, perform. The Association may assign this easement, or any port ion thereof, to the Water District or to a city if the Water District or the city, as applicable, agrees to accept the assignment. This Screening Easement applies only to the original continuous features installed or authorized by Declarant, the Builders, or the Association, and replacements thereof, and does not apply or pertain to fences installed on individual lots, even though the lot abuts a thoroughfare.

5.3. ENTRANCE EASEMENT. The Association is granted a perpetual easement (the **"Entrance Easement")** over the land on each side of Savannah Boulevard, between U.S. Highway 380 and Dogwood Trail, that abuts or contains a portion of Savannah's formal entrance for the purposes stated in this Section, regardless of whether or how the plat shows the easement or formal. On the date of this Declaration, Declarant anticipates the two subject parcels of land to be platted as Lot 18 of Block 2 and Lot 3 of Block 1, Savannah Phase 1, according to the plat thereof to be recorded (hereafter, the **"Entrance Tracts").** As the initial owner of the Entrance Tracts, Declarant hereby burdens the Entrance Tracts with the Entrance Easement, to which the Entrance Tracts will remain subject even if otherwise removed from the effects of this Declaration. The purpose of the Entrance Easement is to provide for the design, siting, construction or installation; existence, repair, improvement, and replacement of improvements reasonably related to Savannah's primary formal entrance, to be maintained by the Association as a common area. In exercising this Entrance Easement, the Association may construct, maintain, improve, and replace improvements reasonably related to the primary entrance of a large residential subdivision. The owners of the Entrance Tracts will have the continual use and enjoyment of their land for any purpose that does not interfere with and prevent the Association's use of the Entrance Easement. In addition to the easement granted herein, the Association has the temporary right, from time to time, to use as much as the surface of an Entrance Tract as m· ay be reasonably necessary for the Association to perform its contemplated work on the Entrance Easement. The Association may assign this easement, or any portion thereof, to the Water District or to any other governmental entity that accepts the assignment. In addition to the Entrance Tracts described above, Declarant may burden any tract on either side of another perimeter entrance to Savannah with this Entrance Easement, with the consent of the owner of such entrance tract, if other than Declarant.

5.4. MODEL TRACT. On the date of this Declaration, Declarant anticipates that the plats of Savannah may include some nonresidential tracts along major perimeter streets that will be removed from (or not made subject to) the effects of this Declaration. In addition to certain perimeter tracts, Declarant intends to remove from the effects of this Declaration the following interior tract near Club Savannah: the land to be platted as Lot 2 of Block 1, Savannah Phase 1, which is the site of the model park used in connection with the initial development and marketing of Savannah (for purposes of this Section, the "**Model Tract**"). Declarant hereby grants to each owner of the Model Tract (1) a perpetual easement over the Property's streets, as may be reasonably required, for vehicular ingress to and egress from the Model Tract, and (2) a perpetual nonexclusive easement of access and use over the parking spaces and parking areas adjacent to the Model Tract and Club Savannah, on land to be platted as Lot 4 of Block 1, Savannah Phase 1. These easements are granted to the Model Tract owner for the use and benefit of the owner, the owner's lessees, and their respective guests, customers, employees, contractors; agents, and invitees. The exercise of these easements is at all times subject to same use restrictions that apply to the owners and residents of Savannah. The Association may not enact rules that - by intent or effect - are disproportionally adverse to the Model Tract. Amendment or termination of this Section requires the written consent of the owner of the Model Tract.

5.5. DRAINAGE EASEMENT. As shown on the plat, a number of lots and tracts are burdened with a drainage easement. All drainage· easements in the Property are hereby granted and dedicated to the Water District, including without limitation the drainage easement on Lot 1, Block 1, Savannah Phase 1.

5.6. OWNER'S EASEMENT OF ENJOYMENT. Every owner is granted a right and easement of enjoyment over the common areas and to use of improvements therein, subject to other rights and easements contained in the Documents. An owner who does not occupy a lot delegates this right of enjoyment to the residents of his lot. Notwithstanding the foregoing, the Association may temporarily reserve. the use of Club Savannah, or port ions of Club Savannah, for certain persons and purposes to the exclusion of others.

5.7. OWNER'S INGRESS/EGRESS EASEMENT. Every owner is granted a perpetual easement over the Property's streets, as may be reasonably required, for vehicular ingress to and egress from his lot.

5.8. ASSOCIATION'S ACCESS EASEMENT. Each owner, by accepting an interest in or title to a lot, whether or not it is so expressed in the instrument of conveyance, grants to the Association ·an easement of access and entry over, across, under, and through the Property, including without limitation all common areas and the owner's lot and all improvements thereon - including the house and yards - for the below-described purposes.

5.8.1. Purposes. Subject to the limitations stated below the Association may exercise this easement of access and entry for the following express purposes:

a. To inspect the property for compliance with maintenance and architectural standards.

b. To perform maintenance that is permitted or required of the Association by the Documents or by applicable law.

c. To perform maintenance that is permitted or required of the owner by the Documents or by applicable law, if the owner fails or refuses to perform such maintenance.

d. To irrigate lawns and plant material as necessary to preserve the appearance of the yards.

e. To enforce architectural standards.

f. To enforce use restrictions.

g. The exercise of self-help remedies permitted by the Documents or by applicable law.

h. To enforce any other provision of the Documents.

i. To respond to emergencies.

j. To grant easements to utility providers as may be necessary to install, maintain, and inspect utilities serving any portion of the Property.

k. To perform any and all functions or duties of the Association as permitted or required by the Documents or by applicable law.

5.8.2. No Trespass. In exercising this easement on an owner's lot, the Association is not liable to the owner for trespass.

5.8.3. Limitations. If the exercise of this easement requires entry onto an owner's lot, including into an owner's fenced yard, the entry will **be** during reasonable hours and after notice to the owner. This Subsection does not apply to situations that - at time of entry - are deemed to be emergencies that may result in imminent damage to or los s of life or property.

5.9. UTILITY EASEMENT. The Association may grant permits, licenses, and easements over common areas for utilities, roads, and other purposes necessary for the proper operation of the Property. A company or entity, public or private, furnishing utility service to the Property, is granted an easement over the Property for ingress, egress, meter reading, installation, maintenance, repair, or replacement of utility lines and equipment, and to do anything else necessary to properly maintain and furnish utility service to the Property.

Utilities may include, but are not limited to, water, sewer, trash removal, electricity, gas, telephone, master or cable television, drainage systems, and security.

5.10. MINERAL RIGHTS. Some or all of the Property may be subject to a previous - owner's acquisition, reservation, or conveyance of oil, gas, or mineral rights pursuant to one or more deeds recorded in the Real Property Records of Denton County, Texas, including but not limited to rights to all oil, gas, or other minerals lying on, in, or under the Property and surface rights of ingress and egress. Because the deed reserving the mineral interest was recorded prior to this Declaration, it is a superior interest in the Property and is not affected by any provision to the contrary in this Declaration. By accepting title to or interest in a lot, every owner acknowledges the existence of the mineral right or reservation referenced in this Section and its attendant rights in favor of the owner of the mineral interest.

5.11. SECURITY. The Association may, but is not obligated to, maintain or support certain activities within the Property designed, either directly or indirectly, to improve security or safety in or on the Property. Each owner and resident acknowledges and agrees, for himself and his guests, that Declarant, the Builders, the Association, the Water District, and their respective directors, officers, committees, agents, and employees are not providers, insurers, or guarantors of security or safety within the Property. Each owner and resident acknowledges and accepts his sole responsibility to provide security for his own person and property, and assumes all risks for loss or damage to same. Each owner and resident further acknowledges that Declarant, the Builders, the Association, and the Water District, and their respective directors, officers, committees, agents, and employees have made no representations or warranties, nor has the owner or resident relied on any representation or warranty, express or implied, including any warranty of merchantability or fitness for any particular purpose, relative to any fire, burglar, and/or intrusion systems recommended or installed, or any security measures undertaken within the Property. Each owner and resident acknowledges and agrees that Declarant, the Association, and their respective directors, officers, committees, agents, and employees may not be held liable for any loss or damage by reason of failure to provide adequate - security or ineffectiveness of security measures undertaken.

ARTICLE 6
ARCHITECTURAL STANDARDS

6.1. PURPOSE. Because the lots are part of a single, unified community, this Declaration creates rights to regulate the design, use, and appearance of the lots and common areas in order to preserve and enhance the Property's value and architectural harmony. One purpose of this Article is to promote and ensure the level of taste, design, quality and harmony by which the Property is developed and maintained. Another purpose is to prevent improvements and modifications that may be widely considered to be radical, curious, odd, bizarre, or peculiar in comparison to then existing improvements. A third purpose is to regulate the appearance of every aspect of proposed or existing improvements on a lot, including but not limited to dwellings, 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 Savannah.

6.2. ARCHITECTURAL CONTROL DURING THE DEVELOPMENT PERIOD. During the Development Period, neither the Association, the board of directors, nor a committee appointed by the Association or board (no matter how the committee is named) may involve itself with the approval of new homes on vacant lots. During the Development Period, the Architectural Reviewer for new homes on vacant lots is the Declarant or its delegatees.

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

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

During the Development Period,
Appendix C has priority over the main body of this Declaration.

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

6.3.1. ASC. The ASC will consist of at least 3 but not more than 7 persons appointed by the board, pursuant to the bylaws. Members of the ASC serve at the pleasure of the board and may be removed and replaced at the board's discretion. At the board's option, the board or a committee of the board may act as the ASC, in which case all references in the Documents to the ASC are construed to mean the board. Members of the ASC need not be owners or residents, and may but need not include architects, engineers, and design professionals whose compensation, if any, may be established from time to time by the board.

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

6.4. PROHIBITION OF CONSTRUCTION, ALTERATION & IMPROVEMENT. Without the Architectural Reviewer'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.

6.5. ARCHITECTURAL APPROVAL. To request architectural approval, an owner must make written application to the Architectural Reviewer and submit 2 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 variance is sought. The Architectural Reviewer will return one set of plans and specifications to the applicant marked with the Architectural Reviewer's response, such as "Approved," "Denied," or "More Information Required. " The Architectural Reviewer will retain the other set of plans and specifications, 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.

BEFORE MAKING ANY IMPROVEMENT OR ANY ALTERATION TO A LOT OR DWELLING, A BUILDER OR OWNERS MUST APPLY FOR A WRITTEN APPROVAL.

6.5.1. Neighboring Property. The Architectural Reviewer may, but is not required to, solicit comments from owners of adjoining or nearby property on the submitted application. Applicants are encouraged, but not required, to discuss their proposals with their neighbors before submitting their applications to the Architectural Reviewer. The Architectural Reviewer will consider but is not bound by comments obtained from owners of neighboring property.

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

a. If the applicant or a person affiliated with the applicant has not received the Architectural Reviewer's written response - approving, denying, or requesting additional information - within 60 days after delivering his complete application to. the Architectural Reviewer.

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

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.

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

6.5.4. 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.

6.5.5. Declarant Approved. Notwithstanding anything to the contrary in this Declaration, any improvement to the Property made or approved by Declarant during

the Development Period is deemed to have been approved by the Architectural Reviewer.

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

ARTICLE 7
CONSTRUCTION AND USE RESTRICTIONS

7.1. 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 riot be deemed, implied, or presumed under any circumstance.

7.2. 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.

7.3. 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. 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.

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

7.4. ACCESSORY SHEDS. Accessory structures, such as dog houses, gazebos, metal storage sheds, playhouses, and greenhouses, are permitted as long as they are typical for the Property in terms of type, number, size, location, color, material, and height, subject to all of the following limitations:

a. An accessory structure may not be located in front" yards or in unfenced portions of side yards facing streets. Accessory structures may be located within fenced yards.

b. An accessory structure must not be readily visible from any street, but may be visible from an alley or corner lots, this limitation applies to both streets.

c. If an accessory structure that is readily visible from a street is installed on a lot without the prior written approval of the Architectural Reviewer, the Architectural Reviewer reserves the right to determine that the accessory structure is unattractive or inappropriate or otherwise unsuitable for the Property, and may require the owner to screen it or to remove it.

GET ARCHITECTURAL APPROVAL *BEFORE* YOU SHOP FOR A STORAGE SHED.

7.5. ANIMAL RESTRICTIONS. No animal, bird, fish, reptile, or insect of any kin' d may be kept, maintained, raised, or bred anywhere on the Property for any commercial purpose or for food. Customary domesticated household pets may be kept for personal companionship subject to rules adopted by the board. The board may adopt, amend, and repeal rules regulating the types, sizes, numbers, locations, and behavior of animals at the Property. If the rules fail to establish animal occupancy quotas, no more than 4 dogs and/or cats may be maintained on each lot. Pets must be kept in a manner that does not disturb the peaceful enjoyment of residents of other lots. Pets must be maintained inside the dwelling, and may be kept in a fenced yard only if they do not disturb residents of other lots, which typically means that pets may not be allowed to howl, yap, whine, caterwaul, or screech more often than

infrequently. Pets must not be allowed to roam. No pet is allowed on a common area or the lot of another owner unless carried or leashed. **Resident is responsible for the removal of his pet's wastes from the common areas of the Property and from the lot of another owner.**

We love pooper scoopers and hush puppies.

7.6. ANNOYANCE. No lot or common area may be used ln any way that: (1) may reasonably be considered annoying to neighbors; (2) may be calculated to reduce the desirability of the Property as a residential neighborhood; (3) may endanger the health or safety of residents of other lots; (4) may result in the cancellation of insurance on the Property; or (5) violates any law. The board has the sole authority to determine what constitutes an annoyance.

7.7. APPEARANCE. Both the lot and the dwelling must be maintained in a manner so as not to be unsightly when viewed from the street or neighboring lots. The Architectural Reviewer is the arbitrator of acceptable appearance standards.

7.8. BUSINESS USE. A resident may use a dwelling for personal business or professional pursuits provided that; (1) the uses are incidental to the primary use of the dwelling as a residence; (2) the uses conform to applicable governmental ordinances; (3) the uses do not entail visits to the lot by employees or the public in quantities that materially increase the number of vehicles parked on the street; and (4) the uses do not interfere with residents' use and enjoyment of neighboring lots.

7.9. CARPORTS. No carport may be installed, constructed, or maintained on the front of any lot or dwelling, with or without approval of the Architectural Reviewer. No carport may be installed, constructed, or maintained on any other portion of a lot without the Architectural, Reviewer's· prior written consent. In other words, all reports require the written approval of the Architectural Reviewer, and carports on the front sides or front yards of dwellings are expressly prohibited.

7.10. COLOR CHANGES. The colors of buildings, fences, exterior decorative items; window treatments, and all other improvements on a lot are subject to regulation by the Architectural Reviewer. Because the relative merits of any color are subjective matters of taste and preference, the Architectural Reviewer determines the colors that are acceptable to the Association. A change or addition of a color that is visible from the street, a common area, or another lot is not permitted without the prior written approval of the Architectural Reviewer.

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

Yes, there are lots of rules!
EVERY RESIDENT OF SAVANNAH
IS EXPETED TO COMPLY WITH THESE RULES
AND WITH RULES ADOPTED BY THE BOARD OF DIRECTORS.

7.12. DRAINAGE. Each lot has a surface water drainage and grading pattern that relates to the surface water drainage pattern for the entire Property. No person may interfere with the stablished drainage pattern over any part of the Property unless an adequate alternative provision for proper drainage has been approved by the board. The owner of each lot is responsible for maintenance of the original drainage and grading pattern for his lot and is hereby prohibited from altering or interfering with the drainage pattern on his lot, by act or by omission. If any portion of a drainage feature or easement is within the fenced portion of his lot, the owner will keep the drainage feature or easement area free of debris and excess vegetation and will ensure that the fence does not obstruct or restrict the free flow of surface water under and through the fence, which must have openings or be sufficiently elevated to allow the flow of rainfall runoff. The owners hereby (1) acknowledge that their lots share a common drainage pattern and (2) hold the Association, the Builders, and Declarant harmless from damage or claims relating to the maintenance of drainage features and easements. In case of emergency, the Association, the Water District, and any owner may enter any lot in the Property, with or without notice or permission, for the purpose of clearing or unclogging the surface water drainage system that serves the Property.

7.13. DRIVEWAYS. The driveway portion of each lot, which is the route of vehicular access to the. garage, must be maintained in a neat condition and may not be used for any purpose that interferes with ongoing access from a street or alley to the garage.

7.14. FIRES. Except for fires that are supervised contained, and permitted by the Rules, no exterior fires on the Property are permitted. Bonfires, campfires, and burning of refuse are prohibited everywhere on the Property, except for common area events sponsored by Club Savannah.

7.15. FLAGS.

7.15.1. Architectural Approval Required.

a. Approval Not Required. In accordance with the general guidelines set forth in this policy, an Owner is permitted to display the flag of the United States of America, the flag of the State of Texas, or an official or replica flag of any branch of the United States Military ("Permitted Flag") and permitted to install a flagpole no more than five feet (5′) in length affixed to the front of a residence near the principal entry or affixed to the rear of a residence ("Permitted Flagpole"). Only two (2) permitted Flagpoles are allowed per residence. A Permitted Flag or Permitted

Flagpole need not be approved in advance by the Architectural Standards Committee under the Declaration (the "ASC").

b. Approval Required. Approval by the ASC is required prior to installing vertical freestanding flagpoles installed on the front or back yard area of any residential lot ("Freestanding Flagpole"). The ASC is not responsible for: 1) errors in or omissions in the application submitted to the ASC for approval; (ii) supervising installation or construction to confirm compliance with an approved application; or (iii) the compliance of an approved application with the governmental codes and ordinances, state and federal laws.

7.15.2. Procedures and Requirements.

a. Approval Application. To obtain ASC approval of any Freestanding Flagpole, the Owner shall provide the ASC with the following information: (a) the location of the flagpole to be installed on the property; (b) the type of flagpole to be installed; (c) the dimensions of the flagpole; (d) the proposed materials of the flagpole (the "Flagpole Application"). A Flagpole Application may only be submitted by an Owner UNLESS the Owner's tenant provides written confirmation at the time of the submission that the Owner consents to the Flagpole Application.

b. Approval Process. The decision of the ASC will be made within a reasonable time, or within the time period otherwise required by the principal deed restrictions which govern the review and approval of improvements. Any proposal to install a Freestanding Flagpole on property owned or maintained by the Association or property owned in common by members of the Association must be approved in advance and in writing by the Board, and the Board need not adhere to this policy when considering such request.

Each owner is advised that if the Flagpole Application is approved by the ASC, installation of the Freestanding Flagpole must: (i) strictly comply with the Flagpole Application; (ii) commence within thirty (30) days of approval; and (iii) be diligently prosecuted to completion. If the Owner fails to cause the Freestanding Flagpole to be installed in accordance with the approved Flagpole Application, the ASC may require the Owner to (i) modify the Flagpole Application to accurately reflect the Freestanding Flagpole installed on the property; or (ii) remove the Freestanding Flagpole and reinstall the flagpole in accordance with the approved Flagpole Application. Failure to install a Freestanding Flagpole in accordance with the approved Flagpole Application or an Owner's failure

to comply with the post-approval requirements constitutes a violation of this policy and may subject the Owner to fines and penalties. Any requirement imposed by the ASC to resubmit a Flagpole Application or remove and relocate a Freestanding Flagpole in accordance with the approved Flagpole Application shall be at the Owner's sole cost and expense.

c. Installation, Display and Approval Conditions. Unless otherwise approved in advance and in writing by the ASC, Permitted Flags, Permitted Flagpoles and Freestanding Flagpoles, installed in accordance with the Flagpole Application must comply with the following:

(A) No more than one (1) Freestanding Flagpole OR no more than two (2) Permitted Flagpoles are permitted per residential lot, on which only Permitted Flags may be displayed;

(B) Any Permitted Flagpole must be no longer than five feet (5') in length and any Freestanding Flagpole must be no more than twenty feet (20') in height;

(C) Any Permitted Flag displayed on any flagpole may not be more than three feet in height by five feet in width (3'x5');

(D) With the exception of flags displayed on common area owned and/or maintained by the Association and any lot which is being used for marketing purposes by a builder, the flag of the United States of America must be displayed in accordance with 4 U. S. C. Sections 5-10 and the flag of the State of Texas must be displayed in accordance with Chapter 3100 of the Texas Government Code;

(E) The display of a flag, or the location and construction of the flagpole must comply with all applicable zoning ordinances, easements and setbacks of record;

(F) Any flagpole must be constructed of permanent, long-lasting materials, with a finish appropriate to the materials used in the construction of the flagpole and harmonious to the dwelling;

(G) A Flag or flagpole must be maintained in good condition and any deteriorated flag or deteriorated or structurally unsafe flagpole must be repaired, replaced or removed;

(H) Any flag may be illuminated by no more than one (1) halogen landscaping light of low beam intensity which shall not be aimed towards or directly affect any neighboring property; and

(I) Any external halyard of a flagpole must be secured so as to reduce or eliminate noise from flapping against the metal flagpole.

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

7.17. "GARAGE SALES". The Association may adopt rules limiting the frequency, location, and signage of garage sales, yard sales, estate sales·, rummage sales, and other types of merchandise sales activities that may be expected to attract the public to Savannah.

7.18. GUNS & FIREWORKS. Hunting, shooting, discharging firearms, and the storage or use of fireworks are not permitted anywhere on or from the Property, except for events sponsored by Club Savannah. For purposes of illustration but not limitation, this prohibition includes uses of the following implements: air rifles or BB guns, paint ball guns, slingshots, bows and arrows, spears, and crossbows. The Association is not required t-o enforce this provision by confronting an armed person.

7.19. HOLIDAY DECORATIONS. Residents may display religious holiday, cultural, and holiday decorations in and on their homes and yards subject to the Association's right to regulate the time, place, and manner of displays that are visible from the street. Decorations, including lighting displays, are permitted inside windows, on the exteriors of homes, and on front yards provided (1) they are customary for residential neighborhoods, (2) they are to scale or proportionate to the size and setback of the home, (3) they do not create a noise or light disturbance for neighbors, (4) they are appropriate for the holiday, and (5) they are installed no earlier than 45 days before the holiday, and are removed within 30 days after the holiday.

7.20. LANDSCAPING. No person may perform landscaping, planting, or gardening on the common area without the board's prior written authorization.

7.21. LEASING OF HOMES. An owner may lease the dwelling on his lot in accordance with all rules applicable to leasing, including the Article 19 Leasing Rules. Whether or not it is so stated in a lease, every lease is subject to the Documents. An owner is responsible for providing his tenant with copies of the Documents and notifying him of changes thereto. Failure by the tenant or his invitees to comply with the Documents, federal or state law, or local ordinance is deemed to be a default under the lease. When the Association notifies an owner of his tenant's violation, the owner will promptly obtain his tenant's compliance or exercise his rights as a landlord for tenant's breach of lease.

7.22. LIGHTS. Exterior light sources on a lot should be unobtrusive, shielded to prevent glare, directed away from neighboring homes and yards, with no spillover light on neighboring property. All visible exterior light fixtures on a lot should be consistent in style and finish with the period architecture of Savannah. The wattage of building-mounted exterior lighting may not exceed 150 watts per fixture. All exterior light must be in shades of white. Color lights and sodium vapor lights are prohibited. This Section does not apply to light fixtures maintained by the Association or by the Water District, such as street lights.

7.23. NOISE & ODOR. A resident must exercise reasonable care to avoid making or permitting to be made (1) loud, disturbing, or objectionable noises, (2) harmful fumes, or (3) obnoxious odors that may disturb or annoy residents of neighboring lots. The Rules may prohibit the use of noise-producing security devices and windchimes.

7.24. OCCUPANCY. Other than the completed principal dwelling, no thing or structure on a lot may. pe occupied as a residence at any time by any person. This provision applies, without limitation, to the garage, mobile homes, campers, and storage sheds.

THANK YOU FOR GARAGING YOUR WHEELS

7.25. PARKING. Savannah streets are public roadways and are governed by Texas Transportation Code 545. 302. Residents are expected to park their vehicles in their garages and use their driveways for overflow parking.

Note that there are differing responsibilities related to parking enforcement within Savannah:

Savannah HOA: The Association may fine owners for parking related issues and parking of dangerous or prohibited vehicles (Section 7.33.4). The Association reserves the right to tow any dangerous or prohibited vehicles from Savannah streets in accordance with applicable law.

Water District: Consistent with Texas Transportation Code 545. 302, the Water District Police Department will enforce statutory parking laws and may tow vehicles as allowed by law.

7.26. PATIO COVERS. Without the prior written approval of the Architectural Reviewer, patio covers, including awnings, are prohibited (not allowed). If a patio cover is installed in violation of this Section, the Architectural Reviewer reserves the right to determine that the patio cover is unattractive or inappropriate or otherwise unsuitable for the Property, and may require the owner to screen it or to remove it.

7.27. RESIDENTIAL USE. The use of a house lot is limited exclusively to residential purposes or any other use permitted by this Declaration, including limited business uses described above.

7.28. SCREENING. The Architectural Reviewer may require that the following items must be screened from the view of the public and neighboring lots and dwellings, if any of

these items exists on the lot: (1) air conditioning equipment; (2) satellite reception equipment; (3) clotheslines, drying racks, and hanging clothes, linens, rugs, or textiles of any kind; (4) yard maintenance equipment; (5) wood piles and compost piles; (6) garbage cans and refuse containers; (7) anything determined by the board to be unsightly or inappropriate for a residential subdivision. Screening may be achieved with fencing or with plant material, such as trees and bushes, or any combination of these. If plant material is used, a reasonable period of time is permitted for the plants to reach maturity as an effective screen. As used in this Section, "screened from view" refers to the view of a person in a passenger vehicle driving on a street or alley, or the view of a person of average height standing in the middle of a yard of an adjoining lot.

7.29. SIGNS. Except for the below specified signs, no sign or unsightly object (including "yard art") may be erected, placed, or permitted to remain on the Property or to be visible from windows in the dwelling without the board's written approval. The board's approval may specify the location, nature, appearance, dimensions, number or time period of a sign or object. The Association may affect the removal of any sign or object that violates this Section or which the board deems inconsistent with neighborhood standards without liability for trespass or any other liability connected with the removal. The following signs are permitted during applicable periods, provided an owner's exercise of this right is not excessive or abusive to the neighborhood:

a. One professionally made sign of not more than 5 square feet advertising the lot for sale.

b. One professionally made security service sign of not more than one square foot.

c. Standard size yard signs (limited to up to four feet by six feet) which may be erected no earlier than 90 days before an election, and which must be removed within 10 days after the election for which the sign is displayed.

d. One sign celebrating an event or accomplishment, such as a baby's arrival or resident's birthday, provided the sign is tasteful, modest in size, and removed within 7 days after it is erected.

e. A school advertisement or achievement sign or garden banner such as "Varsity Cheerleader" or "Honor Student," provided it is removed at the end of the school year.

f. A temporary sign identifying the home as the site of a social event is permitted for 24 hours.

During the Development Period,
Appendix C has priority over the main body of this Declaration.

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

7.31. TEMPORARY STRUCTURES. Except for "accessory sheds" as described above, improvements or structures of a temporary or mobile nature, such as tents, portable sheds, and mobile homes, may not be placed on a lot if visible from a street or another lot. However, an owner or owner's contractor may maintain a temporary structure (such as a portable toilet or construction trailer) on the lot during construction of the dwelling.

7.32. TRASH. Each resident will endeavor to keep the Property clean and will dispose of all refuse in receptacles designated specifically by the Association or by the solid waste disposal contractor for that purpose. Trash must be placed entirely within the designated receptacle. The board may adopt, amend, and repeal rules regulating the disposal and removal of trash from the Property. If the rules fail to establish hours for curbside trash containers, the container may be in the designated area from dusk on the evening before trash pick-up day until dusk on the day of trash pick-up. At all other times, trash containers must be kept inside the house, garage, or fenced yard and may not be visible from street or another lot.

7.33. VEHICLES. All vehicles on the Property, whether owned or operated by the residents or their families and guests, are subject to this Section, the sections above pertaining to "Parking''. and "Driveways" and "Garages," and rules adopted by the board. The board may adopt, amend, and repeal rules regulating the types, sizes, numbers, conditions, uses, appearances, and locations of vehicles on the Property.

7.33.1. Repairs. Without the board's prior approval, a driveway or street may not be used for repair or restoration of vehicles.

7.33.2. Storage. Without the board's prior approval, a driveway or street may not be used for storage purposes, including storage of boats, trailers, and inoperable vehicles. However, if the lot has an alley driveway, one recreational vehicle, boat, camper, or trailer may be parked on the driveway provided the vehicle does not interfere with the use of the alley and is not readily visible from the street.

7.33.3. Towing. Note that there are differing responsibilities related to towing enforcement within Savannah:

Savannah HOA: The Association reserves the right to fine or tow any dangerous or prohibited vehicles (section 7.33.4) from Savannah streets in accordance with law and without liability to the owner or operator of the vehicle.

Water District: Consistent with applicable law, the Water District Police Department may tow vehicles in violation of established statutes.

7.33.4. Prohibited Vehicles. Without prior written board approval, the following types of vehicles and vehicular equipment – mobile or otherwise – may not be kept, parked, or stored anywhere on the property, including overnight parking on streets and driveways (if the vehicle is visible from a street) and will be subject to fine(s) by the Association:

a. Trailers, boats or aircraft;

b. Any vehicle that does not fall under Texas Department of Transportation (TXDOT) Vehicle Classifications 1 or 2;

c. Inoperable vehicles or vehicles leaking substantial quantities of fluids;

d. Mobile homes, travel trailers or recreational vehicles. The term "recreational vehicle" includes Class A motorhomes, Class B motorhomes, Class C Motorhomes, truck campers, popup campers, vehicles build in a multistage manufacturing process by which a manufacturer takes a chassis and adds components typically featured in a recreational vehicle such as cabinetry, appliances (including a microwave, stove, cooktop, or refrigerator), any vehicle with a Federal Certification Label as a "Recreational Van", and campervans (including but not limited to Winnebago travel vans, Mercedes Sprinter travel vans, and Dodge Promaster travel vans). The term "travel trailer" includes trailers, teardrop trailers, popup trailers, and tent trailers;

e. Any vehicle that carries equipment, tools, or materials, related to a business which are visible from outside the vehicle such as ladders, pool supplies, plumbing equipment or materials, construction materials, landscape equipment or materials, etc.;

f. Any vehicles that transport inflammatory or explosive cargo are prohibited from the property at all times; and

g. Any vehicle which the board deems to be a nuisance, unsightly or inappropriate.

This restriction does not apply vehicles and equipment temporarily on the Property in connection with the construction or maintenance of a dwelling, subject to the written approval of the Association or Emergency/Police Vehicles.

7.34. WATER WELLS. Water wells on house lots are prohibited. On a house lot, underground well water may not be used for any purpose, even nonpotable uses such as landscape irrigation.

7.35. WINDOW TREATMENTS. All window treatments within the dwelling that are visible from the street or another dwelling must be maintained in good condition and must not detract from the appearance of the Property. The Architectural Reviewer may require an owner to change or remove a window treatment that the Architectural Reviewer determines to be inappropriate or unattractive. The Architectural Reviewer may prohibit the use of certain colors or materials for window treatments. Reflective glass, reflective tinting, and reflective film are prohibited. Removal of window mullions must have the prior written approval of the Architectural Reviewer.

ONE PERSON'S TREASURE IS ANOTHER PERSON'S TRASH.

7.36. YARD ART. The Association is interested in the appearances of yards that are visible from the street and from neighboring homes. Some changes or additions to a yard may defy easy categorization as an improvement; a sign, or landscaping. This Section confirms that all aspects of a visible yard are within the purview of the Architectural Reviewer, including, without limitation, the shape of pruned shrubs; the number, shapes, and uses of flower beds; and the integration of items such as wheelbarrows, boulders, and driftwood into the landscaping.

ARTICLE 8
ASSOCIATION OPERATIONS

8.1. THE ASSOCIATION. The duties and powers of the Association are those set forth in the Documents, together with the general and implied powers of a property owners association and a nonprofit corporation organized under the laws of the State of Texas. Generally, the Association may do any and all things that are lawful and necessary, proper, or desirable in operating for the peace, health, comfort, and general benefit of its members, subject only to the limitations on the exercise of such powers as stated in the Documents. The Association comes into existence on issuance of its corporate charter. The Association will

continue to exist at least as long as the Declaration is effective against the Property, regardless of whether its corporate charter lapses from time to time.

EVERY OWNER OF A SAVANNAH LOT AUTOMATICALLY JOINS A MANDATORY MEMBERSHIP ASSOCIATION.

8.2. BOARD. After the Declarant Control Period, the Association will be governed by a board of directors elected by the members. Unless the Association's bylaws or articles of incorporation provide otherwise, the board will consist of at least 3 persons elected at the annual meeting of the Association, or at a special meeting called for that purpose. Unless the Documents expressly reserve a right, action, or decision to the members/owners, Declarant, or another party, the board acts in all instances on behalf of the Association. Unless the context indicates otherwise, references in the Documents to the "Association" may be construed to mean "the Association acting through its board of directors."

8.3. MEMBERSHIP. Each owner is a member of the Association, ownership of a lot being the sole qualification for membership. Membership is appurtenant to and may not be separated from ownership of the lot. The board may require satisfactory evidence of transfer of ownership before a purported owner is entitled to vote at meetings of the Association. If a lot is owned by more than one person or entity, each co-owner is a member of the Association and may exercise the membership rights appurtenant to the lot. A member who sells his lot under a contract for deed may delegate his membership rights to the contract purchaser, provided a written assignment is delivered to the board. However, the contract seller remains liable for all assessments attributable to his lot until fee title to the lot is transferred. Unless the Documents provide otherwise, any action requiring approval of the members may be approved in writing by owners of at least a majority of all lots, or at a meeting by owners of at least a majority of the lots that are represented at the. meeting at which a quorum is present.

8.4. VOTING BY OWNERS.

8.4.1. Philosophy of Voting. Government elections are decided by whomever gets to the polls, without required levels of voter participation. Savannah is not a government, although the projected population for Savannah is larger than that of many towns in Texas, and some Texas counties. In corporations and property owners associations, quorums and minimum levels of participation are required and customary. Although high levels of member participation are desirable in Association matters, as in government mandating high levels of member participation for such a large community of owners is not realistic in the era in which this Declaration is drafted. The voting system established by Declarant for Savannah allows the owners to vote in every election and on any decision that requires the participation of Association members. To ensure that a minimum level of member participation is attained for decisions that require a certain level of consents; such as amending this Declaration, **every owner who**

does not participate is deemed to automatically appoint a Voting Delegate as the owner's proxy to vote in the owner's stead.

PROXIES VOTE IF OWNERS DON'T.

8.4.2. Owner's Right to Participate. By accepting an interest in or title to a lot, each owner acknowledges his right to participate in the governance of the Association, and further acknowledges that some acts and decisions of the Association require high levels of participation by Association members. By accepting an interest in or tit le to a lot, each owner grants to the Association a self-renewing and perpetual appointment of proxy to be exercised by a Voting Delegate, as described below, in connection with acts and decisions made by the Association's members pursuant to the Documents or public law, to be used if and when the owner does not participate directly in an act or decision of the Association for which the owner's participation is solicited.

8.4.3. Voting. One vote is appurtenant to each lot. The total number of votes equals the total number of lots in the Property. If additional property is made subject to this Declaration, the total number of votes will be increased automatically by the number of additional lots or tracts. Each vote is uniform and equal to the vote appurtenant to every other lot. Votes may be cast in person, by actual proxy, or by the Voting Delegate (in some circumstances). The vote of members representing at least a majority of the votes cast at any meeting at which a quorum is present (by any combination of persons and proxies) binds all members for all purposes, except when a higher percentage is required by the Documents or by law. Cumulative voting is prohibited.

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

8.4.5. Corporation-Owned Lots. If a lot is owned by a corporation, the vote appurtenant to that lot may be cast by any officer of the corporation in the absence of the corporation's written appointment of a specific person to exercise its vote. The vote of a partnership may be cast by any general partner in the absence of a written appointment of a specific person by the owning partnership. The person presiding over a meeting or

vote may require reasonable evidence that a person voting on behalf of a corporation or partnership is qualified to vote.

8.4.6. Association-Owned Lots. The vote allocated to a lot owned by the Association may be counted towards a quorum and for all ballots and votes except the election or removal of directors. The vote appurtenant to a lot owned by the Association is exercised by the board.

8.5. VOTING DELEGATES. At least 30 days before an election or Association decision requiring a vote of the members, the board will publish the names of the Association members who have been appointed by the board to serve as Voting Delegates. The names and addresses of the Voting Delegates must be available to all members of the Association on request.

8.5.1. Number. The number of Voting Delegates equals the number of Association directors, including board positions that are temporarily vacant. To illustrate, if the Association is required to have 5 directors, there will be 5 Voting Delegates. All the Voting Delegates will be appointed by the board as a body, and each director may veto one candidate considered for appointment. Voting Delegates serve at the pleasure of the board and have no independent authority. The board will also appoint 3 alternates to substitute for Voting Delegates who are unable or unwilling to serve at the appointed time. The procedures and qualifications for appointing alternates is the same as for appointing the Voting Delegates.

8.5.2. Qualifications. To qualify as a Voting Delegate or alternate, a person must" (1) be a member in good standing, (2) not currently serve as an officer, director, employee, or agent of the Association, (3) not related by blood, marriage, adoption, or household to a person currently serving as an officer, director, employee, agent, or another Voting Delegate of the Association, and (4) accept the appointment subject to the terms of this Section. If the outcome of a vote will benefit or disproportionately affect some but not all members of the Association, the board will make an effort to balance the perspectives in its appointment of Voting Delegates and alternates.

8.5.3. Oath. By accepting the board's appointment, each Voting Delegate and alternate agrees (1) to serve as a volunteer, (2) to become inform ed about the matter requiring a vote of members, (3) to reach an independent decision on how to vote on the matter, (4) to refrain from lobbying members or directors about the issue being voted, and (5) to be guided by what the Voting Delegate determines to be in the best interests of the Association as a whole.

8.5.4. Replacements. If a Voting Delegate is unable or unwilling to participate at the appointed time, the board will instruct an alternate to fulfill the responsibility of the Voting Delegate.

8.5.5. When Used. At any meeting of the Association for which a quorum only is required to decide an issue, such as the annual election of directors, Voting Delegates will not be used if a quorum is obtained by the participation of owners, in person or by actual proxy. Similarly, on any issue requiring a vote of owners, if the Association receives a sufficient number of votes from owners and actual proxies to decide the issue - for or against, Voting Delegates will not be used. The use of Voting Delegates is limited to decision s requiring a vote of the owners for which there is insufficient participation by the owners - in person or by actual proxy - to constitute a quorum or to decide the issue.

8.5.6. Voting Deemed Proxies. The Association will create a record of lots for which actual proxies and/or votes have been received. If use of Voting Delegates is warranted, the remaining lots - being all lots for which the Association received neither an actual proxy or a vote - will be divided among the Voting Delegates as evenly as possible, by any method that the board deems to be fair and expedient. The allocation among Voting Delegates may be "blind" as to the location or ownership of a lot. For illustration purposes only, if 1,984 lots (out of 2,400 lots) are not participating or represented. in a decision, then 1,984 votes will be divided among the 5 Voting Delegates, so that 4 Voting Delegates will each have 397 votes and one Voting Delegate will have 396 votes. In exercising his responsibilities, a Voting Delegate may abstain from voting provided he submits his abstention in writing at the appointed time of the vote, or may· vote "none of the above."

If you
• Don't vote or • Don't appoint an actual proxy
then, a Voting Delegate may case your vote.

8.5.7. Exceptions & Clarifications. The following exceptions and clarifications pertaining to this Section's system of automatic Voting Delegates.

a. Proxies. Nothing in this Section may be construed to prevent a Voting Delegate from also serving as an owner's actual proxy.

b. Block Voting. The requirement that the Voting Delegate cast its votes as a block may not be construed to prevent a Voting Delegate from casting his own ballot or the actual proxy in a different manner.

c. Non-Voting. An owner who does not want his lot's vote to be cast on a matter may (1) attend the Association meeting without voting, (2) sign and return the ballot marked "Not Voting" or similar, or (3) direct the owner's actual proxy to refrain from casting the owner's vote. Any of these acts constitutes the owner's affirmative participation and prevents use of the Voting Delegate.

d. Mortgagee Lots. Use of the Voting Delegate does not apply to a lot owned by a mortgagee (as defined in the Mortgagee Protection article of the declaration) who submits to the Association (1) a copy of the trustee's deed or lien-related instrument by which the mortgagee acquired tit le to the lot, and (2) a written notice containing the mortgagee's name and address, the street address of the lot acquired by the mortgagee, and (3) written statement that the owner- mortgagee desires to exempt the lot's vote from use of the Voting Delegate.

e. Builder Lots. The Voting Delegate does not apply to any lot owned by a Builder or by Declarant.

8.6. ACTUAL PROXIES. This Section applies to the appointment of an actual proxy by an owner, and does not apply to the deemed proxy represented by a Voting Delegate. To be valid, each appointment of an actual proxy must be signed and dated by a member or his attorney-in-fact; identify the lot or address to which the vote is appurtenant; designate the person or position (such as "presiding officer") in favor of whom the proxy is granted, such person having agreed to exercise the proxy; identify the meeting for which the proxy is given; not purport to be revocable without notice; and be delivered to the secretary, to the person presiding over the Association meeting for which the proxy is designated, or to a person or company designated by the board. Unless the proxy specifies a shorter or longer time, it terminates one year after its date. Perpetual or self-renewing proxies are permitted, provided they are revocable. To revoke a proxy·, the granting member must give actual notice of revocation to the person presiding over the Association meeting for which the proxy is designated. Unless revoked, any proxy designated for a meeting· which is adjourned, recessed, or rescheduled is valid when the meeting reconvenes. A proxy may be delivered by fax or by email. In evaluating the validity of a proxy, the board may challenge a proxy if the means by which the proxy was delivered raises doubts about Its authenticity. The vote of a lot for which an invalid proxy was received may not be exercised by a Voting Delegate, but may be exercised by the owner or by a proxy validly appointed by the owner.

8.7. GOVERNANCE. The Association will be administered in accordance with the bylaws, the other Documents, and applicable State law. Although the board may delegate the performance of certain functions to one or more managers or managing agents of 'the Association, the board is ultimately responsible to the members for governance of the Association.

8.8. BOOKS & RECORDS. The Association will maintain copies of the Documents and the Association's' books, records, and financial statements. Books and records of the Association will be made available for inspection and copying pursuant to applicable law, such as Article 1396-2.23.B of the Texas Nonprofit Corporation Act.

During the Declarant Control Period,
Appendix C has priority over the main body of this Declaration.

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

8.10. OBLIGATIONS OF OWNERS. Without limiting the obligations of owners under the Documents, each owner has the following obligations:

8.10.1. Address. Each owner will maintain one or more effective mailing addresses with the Association, including an email address (if any) and a U.S. postal address.

8.10.2. Mortgagee Information. On request by the Association, each owner will provide the Association with current information about each and every mortgage or deed of trust lien against the owner's lot, including the mortgagee's name, address, and loan number.

8.10.3. Resident Information. If the owner does not occupy his home, the owner will maintain with the Association the names and· phone numbers of the residents, and the name, address, and phone number of owner's managing agent, if any·.

8.10.4. Pay Assessments. Each owner will timely pay assessments properly levied by the Association against the owner or his lot, and will pay regular assessments without demand by the Association.

8.10.5. Comply. Each owner will comply with the Documents as amended from time to time.

8.10.6. Reimburse. Each owner will pay for damage to the Property caused by the owner, a resident of the owner's lot, or the owner or resident's family, guests, employees, contractors, agents, or invitees.

8.10.7. Liability. Each owner is liable to the Association for violations of the Documents by the owner, a resident of the owner's lot, or the owner or resident's family,

guests, employees, agents, or Invitees, and for costs incurred by the Association to obtain compliance, including attorney's fees whether or not suit filed.

8.11. HOME RESALES. This Section applies to every sale or conveyance of a lot or an interest in a lot after the first conveyance of a lot on which a house has been constructed:

8.11.1. Resale Certificate. An owner intending to sell his home will notify the Association and will request a resale certificate from the Association.

8.11.2. No Right of First Refusal. The Association does not have a right of first refusal and may not compel **a** selling owner to convey the owner's lot to the Association.

8.11.3. Savannah Proud and Transfer Fee.

a. Savannah Proud Fee. At time of transfer, a nonrefundable fee in the amount of one-sixth of the lot's regular annual assessment (or two months of regular assessments) will be paid to the Association, to be deposited in the Association's Savannah Proud Fund, a dedicated fund for social and community events and promotion of the Savannah community. The fee may be paid by the seller or buyer, and will be collected at closing. If the fee is not collected at closing, the buyer remains liable to the Association for the fee until paid. The Savannah Proud Fee is not refundable and may not be regarded as a prepayment of or credit against regular or special assessments.

b. Transfer Reserve Contribution. **At time of transfer, a nonrefundable fee in the amount of $150 will be paid to the Association for the Association's reserve funds.** The fee may be paid by the seller or buyer, and will be collected at closing. If the fee is not collected at closing, the buyer remains liable to the Association for the fee until paid. The Transfer Reserve Contribution is not refundable-and may not be regarded as a prepayment of or credit against regular or special assessments.

8.11.4. Other Transfer-Related Fees. A number of independent fees may be charged in relation to the transfer of title to a lot, including but not limited to fees for resale certificates, estoppel certificates, copies of Documents, compliance inspections, ownership record changes, and priority processing, provided the fees are customary in amount, kind, and number for the local marketplace. Transfer-related fees are not refundable and may not be regarded as a prepayment of or credit against regular or special assessments. Transfer-related fees may be charged by the Association or by the Association's managing agent, provided there is no duplication of fees. Transfer-related fees charged by or paid to a managing agent must have the prior written approval of the Association, are not subject to the Association's assessment lien, and are not payable by the Association. This Section does not obligate the board or the manager to levy transfer-related fees.

8.11.5. Information. Within 30 days after acquiring an interest in a lot, an owner will provide the Association with the following information: a copy of the settlement statement or deed by which owner has title to the lot; the owner's email address (if any), U.S. postal address, and phone number; any mortgagee's name, address, and loan number; the name and phone number of any resident other than the owner; the name, address, and phone number of owner's managing agent, if any.

8.11.6. Exclusions. The requirements of this Section, including the obligation for the Savannah Proud Fee and other transfer-related fees, do not apply to the following transfers: (1) the initial conveyance from a Builder to the first homeowner; a) foreclosure of a mortgagee's deed of trust lien, a tax lien, or the Association's assessment lien; conveyance. by a mortgagee who acquires title by foreclosure or deed in lieu of foreclosure; (2) transfer to, from, or by the Association; voluntary transfer by an owner to one or more co-owners, or to the owner' s spouse, child, or parent; (3) a transfer by a fiduciary in the course of administering a decedent's estate, guardianship, conservatorship, or trust; (4) a conveyance pursuant to a court's order, including a transfer by a bankruptcy trustee; or (5) a disposition by a government or governmental agency.

8.12. AMENITY CLOSURE. The Association's amenities are subject to closure due to compliance with applicable law; however, the Board of Directors should endeavor to keep all amenities open for use by owners and residents who are permitted to use such amenities. The extended or permanent closure of any amenity may only occur after approval by a majority of the Association's Directors at a meeting of the Board of Directors and after the Owners vote to approve such closure. To satisfy the foregoing Owner vote requirement, the Board of Directors must complete the following steps: (1) all owners must be given written notice of the time and date of the meeting of the Board of Directors at which closure of any amenity will be voted on by the Directors; (2) the notice must be sent by mail at least ten (10) days before the meeting and must inform owners of the right to vote at the meeting; (3) the notice must clearly describe the facility closure details (e.g., "IMPORTANT NOTICE: At the meeting, the Board of Directors will consider permanent closure of ABC Park. The contemplated closure calls for ABC Park to be permanently closed. The equipment and improvements installed in ABC Park will be removed within 120 days of approval by the Board of Directors"); and (4) the closure plan must be approved by a majority of owners in attendance at the meeting, with each household representing one vote, even if there are multiple co-owners present. At the meeting of the Board of Directors, the quorum of Directors requirement must be satisfied, but an owner quorum will not be required. An "extended closure" or "permanent closure" is defined as any period of time that the facilities will be closed in excess of ten (10) consecutive days; including any change that would have a substantial negative impact on the intended use for such facilities. The following circumstances are exempt from the closure procedures described above: (1) facility closures due to nationally recognized holidays; (2) seasonal closures of the pool facilities during the winter months [pool off-season period]; (3) closures required to comply with emergency orders or public health and safety requirements, (4) closures necessary due to acts of God; and

(5) closures for necessary repairs, which repairs shall be completed within a reasonable period of time.

Note: The swimming facilities are subject to seasonal closures that do not require a community vote.

ARTICLE 9
COVENANT FOR ASSESSMENTS

9.1. PURPOSE OF ASSESSMENTS. The Association will use assessments for the general purposes of ·preserving and enhancing the Property, and for the common benefit of owners and residents, including but not limited to (1) maintenance, repair, and replacement of real and personal property; (2) management and operation of the Association; and (3) any expense reasonably related to the purposes for which the Property was developed. If made in good faith, the board's decision with respect to the use of assessments is final.

9.2. PERSONAL OBLIGATION. An owner is obligated to pay assessments levied by the board against the owner or his lot. An owner makes payment to the Association at its principal office or at any other place the board directs. Payments must be made in full regardless of whether an owner has, a dispute with the Association, another owner, or any other person or entity regarding any matter to which this Declaration pertains. No owner may exempt himself from his assessment liability by waiver of the use or enjoyment of the common area or by abandonment of his lot. An owner's obligation is not subject to offset by the owner, nor is it contingent on the Association's performance of the Association's duties. Payment of assessments is both a continuing affirmative covenant personal to the owner and a continuing covenant running with the lot.

IF YOU OWN A SAVANNAH LOT, YOU MUST PAY ASSESSMENTS TO THE ASSOCIATION.

9.3. TYPES OF ASSESSMENTS. There are 4 types of assessments: Regular, Special, Individual, and Deficiency.

9.3.1. Regular Assessments. Regular assessments are based on the annual budget. Each lot is liable for its equal share of the annual budget. If the board does not approve an annual budget or fails to determine new regular assessments for any year, or delays in doing so, owners will continue to pay the regular assessment as last determined. If during the course of a year the board determines that regular assessments are insufficient to cover the estimated common expenses for the remainder of the year, the board may increase regular assessments for the remainder of the fiscal year in an amount that covers the estimated deficiency. The initial regular assessment is $650. 00

per year per lot. Increases or decreases in the rate of regular assessments are determined by the board and do not require amendment of this Declaration. Regular assessments are used for common expenses related to the reoccurring, periodic, and anticipated responsibilities of the Association, including but not limited to:

a. Maintenance, repair, and replacement, as necessary, of the common area.

b. Lease payments to the Water District for common area owned by the Water District.

c. Maintenance of property or improvements within, adjacent to, or near the property, the appearance or condition of which is deemed important to the Association, to the extent the Association is permitted or not prevented from performing such work.

d. Expenses pertaining to the Association's employment of personnel.

e. Contributions to the Savannah Proud Fund.

f. Utilities billed to the Association.

g. Services billed to the Association and serving all lots.

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

i. Management, legal, accounting, auditing, and professional fees for services to the Association.

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

k. Premiums and deductibles on insurance policies and bonds deemed by the board to be necessary or desirable for the benefit of the Association, including fidelity bonds and directors and officers liability insurance.

l. Contributions to the reserve funds.

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

9.3.2. Special Assessments. In addition to regular assessments, and subject to the owners' control for assessment increases, the board may levy one or more special

assessments against all lots for the 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 least a majority of the lots:

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

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

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

9.3.3. Individual Assessments. In addition to regular and special assessments, the board may levy an individual assessment against a lot and its owner. Individual assessments may include, but are not limited to: interest, late charges, and collection costs on delinquent assessments; reimbursement for costs incurred in bringing an owner or his lot into compliance with the Documents; fines for violations of the Documents; insurance deductibles; Savannah Proud fees; transfer-related fees and resale certificate fees; fees for estoppel letters and project documents; reimbursement for damage or waste caused by willful or negligent acts;·common expenses that benefit fewer than all of the lots, which may be assessed according to benefit received; fees or charges levied against the Association on a per-lot basis; and "pass through" expenses for services to lots provided through the Association and which are equitably paid by each lot according to benefit received.

9.3.4. Deficiency Assessments. The board may levy a deficiency assessment against all lots for the purpose of defraying, in whole or in part, the cost of repair or restoration if insurance proceeds or condemnation awards prove insufficient.

9.3.5. Tier II Yard Maintenance Dues. The Association may establish a program by which owners may opt-in to receive yard maintenance services. Any yard maintenance program will be subject to the terms established by the Association and the Association's decision to make such a program available to owners does not create an obligation to maintain the program for any period of time. Owners who elect to receive such benefits will be charged in accordance with the agreement that establishes the terms by which such services will be provided, and the amount(s) charged may be considered an assessment due to the Association in the manner as any other assessed charge under the Declaration. This program will be optional for residents; however, the Association may require an owner who leases his property or who has failed to properly maintain his or her yard to participate in the program if the owner has a pending,

uncured violation that would be cured by the services included in the otherwise optional yard maintenance program.

9.4. CONTROL FOR ASSESSMENT INCREASES. This Section of the Declaration may not be amended without the approval of owners of at least two-third of the lots. In addition to other rights granted to owners by this Declaration, owners have the following powers and controls over the Association's budget:

9.4.1. Veto 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. The increase will automatically become effective unless owners of at least a majority of the lots, in person or by actual proxy, disapprove the increase by petition or ·at a meeting of the Association. In that event, the last-approved budget will continue in effect until a revised budget is approved.

9.4.2. Veto Special Assessment. At least 30 days prior to the effective date of a special assessment, the board will notify an owner of each lot of the amount of, the budgetary b sis for, and the effective date of the special assessment. The special assessment will automatically become effective unless owners of at least majority of the lots, in person or by actual proxy, disapprove the special assessment by petition or at a meeting of the Association.

9.5. BASIS & RATE OF ASSESSMENTS. The share of liability for common expenses allocated to each lot is uniform for all lots, regardless of a lot's location or the value and size of the lot or dwelling. Nevertheless, a lot that is owned by Declarant during the Development Period is eligible for the assessment exemption in Appendix C.

9.6. ANNUAL BUDGET. The board will prepare and approve an estimated annual budget for each fiscal year. The budget will take into account the estimated income and expenses for the year, contributions to reserve funds, and a projection for uncollected receivables. The board will make the budget or its summary available to an owner of each lot, although failure to receive a budget or summary does not affect an owner's liability for assessments.

9.7. DUE DATE. 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 assessment or, if no date is stated, within 10 days after notice of the assessment is given. Assessments are delinquent if not received by the Association on or before the due date.

9.8. RESERVE FUNDS. The Association will establish, maintain, and accumulate reserves for operations and for replacement and repair of the common areas. The Association must budget for reserves and may fund reserves out of regular assessments. The categories, priorities, amounts, scheduling, use, and sufficiency of reserve funds are at all times entirely

within the discretion of the board. Having provided mechanisms in this Declaration for funding reserves Declarant has no obligation to contribute money to the Association's reserve, accounts.

9.8.1. Operations Reserves. The Association will endeavor to maintain operations reserves. at a level determined by the board to be sufficient to cover the cost of operational or maintenance emergencies or contingencies, including the full amount of deductibles on insurance policies maintained by the Association.

9.8.2. Replacement & Repair Reserves. The Association will maintain replacement and repair reserves at a level that anticipates- the scheduled replacement or major repair of components of the common area.

9.9. SAVANNAH PROUD FUND. The Association will maintain a separate fund to pay for activities that, directly or indirectly, (1) contribute to the quality of community life in Savannah, (2) promote Savannah as a desirable place to live, and/or (3) support the resale market for Savannah homes. Examples of activities include, but are not limited to, holiday parties, social events, welcoming of new residents, sports leagues, recycling programs, participation in civic activities, functions for real estate brokers, and electronic newsletters. The Fund may be used to pay personnel to organize and administer the activities. The uses, priorities, amounts, scheduling, and sufficiency of the Savannah Proud Fund are at all times entirely within the discretion of the board. Having provided mechanisms in this Declaration for funding the Savannah Proud Fund Declarant has no obligation to contribute money to the Savannah Proud Fund. The Savannah Proud Fund has the following sources of income:

a. The board will dedicate at least 5 percent of the Association's annual operating budget to the Savannah Proud Fund, and will determine at what times during the year the transfers to the Savannah Proud Fund will. be made.

b. The full amount of the Savannah Proud Fees collected on resales of homes at time of closing will be applied to the Fund.

c. The Association, through its committees, may sponsor events designed to raise monies for the Savannah Proud Fund.

d. The Association is authorized to accept voluntary contributions to the Savannah Proud Fund.

9.10. ASSOCIATION'S RIGHT TO BORROW MONEY. DURING THE DEVELOPMENT PERIOD, THE ASSOCIATION MAY NOT BORROW FUNDS. Thereafter, the Association is granted the right to borrow money, subject to (1) the consent of owners of at least a majority of lots represented at a properly noticed meeting of the Association, at which a quorum is present, called for the purpose of approving the loan, and (2) the ability of the Association to repay the borrowed funds from assessments to assist its ability to borrow, the Association is granted the right to assign its right to future income as security for money

borrowed or debts incurred, provided that the rights of the lender in the pledged property are subordinate and inferior to the rights of the owners hereunder. The Association may not encumber, mortgage, pledge, or deed in trust any of its real property, other than, if any, a house lot owned by the Association.

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

ARTICLE 10
ASSESSMENT LIEN

10.1. ASSESSMENT LIEN. Each owner, by accepting an interest in or title to a lot, whether or not it is so expressed in the instrument of conveyance, covenants and agrees to pay assessments to the Association. Each assessment is a charge on the lot and is secured by a continuing lien on the lot. Each owner, and ·each prospective owner, is placed on notice that his title may be subject to the continuing lien for assessments attributable to a period prior to the date he purchased his lot.

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

10.3. EFFECT OF MORTGAGEE'S FORECLOSURE. Foreclosure of a superior lien extinguishes the Association's claim against the lot for unpaid assessments that became due before the sale, but does not extinguish the Association's claim against the former owner. The purchaser at the foreclosure sale of a superior lien is liable for assessments coming due from and after the date of the sale, and for the owner's pro rata share of the pre-foreclosure deficiency as an Association expense.

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

10.4. NOTICE AND RELEASE OF NOTICE. The Association's lien for assessments is created by recordation of this Declaration, which constitutes record notice and perfection of the lien. No other recordation of a lien or notice of lien is required. However, the Association, at its option, may cause a notice of the lien to be recorded in the county's Real Property Records. If the debt is cured after a notice has been recorded, the Association will record a release of the notice - at the expense of the curing owner.

10.5. POWER OF SALE. By accepting an interest in or title to a lot, each owner grants to the Association a private power of nonjudicial sale in connection with the Association's assessment lien. The board may appoint, from time to time, any person, including an officer, agent, trustee, substitute trustee, or attorney, to exercise the Association's lien rights on behalf of the Association, including the power of sale. The appointment must be in writing and may be in the form of a resolution recorded in the minutes of a board meeting.

10.6. FORECLOSURE OF LIEN. The assessment lien may be enforced by judicial or nonjudicial foreclosure. A foreclosure must comply with the requirements of applicable law, such as Chapter 209 of the Texas Property Code. A nonjudicial foreclosure must be conducted in accordance with the provisions applicable to the exercise of powers of sale as set forth in Section 51. 002 of the Texas Property Code, or in any manner permitted by law. In any foreclosure, the owner is required to pay the Association's costs and expenses for the proceedings, including reasonable attorneys' fees, subject to applicable provisions of the bylaws and applicable law, such as Chapter 209 of the Texas Property Code. The Association has the power to bid on the lot at foreclosure sale and to acquire, hold, lease, mortgage, and convey same. The Association may not foreclose the assessment lien if the debt consists solely of fines and/or a claim for reimbursement of attorney 's fees incurred by the Association.

ARTICLE 11
EFFECT OF NONPAYMENT OF ASSESSMENTS

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

11.1. INTEREST. Delinquent assessments are subject to interest from the due date until paid, at a rate to be determined by the board from time to time, not to exceed the lesser of 18 percent or the maximum permitted by law. If the boar d fails to establish a rate, the rate is 10 percent per annum.

11.2. LATE FEES. Delinquent assessments are subject to reasonable late fees, at a rate to be determined by the board from time to time.

11.3. COSTS OF COLLECTION. The owner of a lot against which assessments are delinquent is liable to the Association for reimbursement of reasonable costs incurred by the Association to collect the delinquent assessments, including attorneys fees and processing fees charged by the manager.

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

11.5. SUSPENSION OF USE AND VOTE. If an owner's account has been delinquent for at least 30 days, the Association may suspend the right of owners and residents to use Club Savannah and common services during the period of delinquency. Suspension does not constitute a waiver or discharge of the owner's obligation to pay assessments.

The Association may not bar a property owner from voting in an association election solely based on the fact that: (1) there is a pending enforcement action against the property owner; or (2) the property owner owes the association any delinquent assessments, fees, or fines.

11.6. MONEY JUDGMENT. The Association may file suit seeking a money judgment against an owner delinquent in the payment of assessments, without foreclosing or waiving the Association's lien for assessments.

11.7. NOTICE TO MORTGAGEE. The Association may notify and communicate with the holder of any lien against a lot regarding the owner's default in payment of assessments.

11.8. FORECLOSURE OF ASSESSMENT LIEN. As provided by this Declaration, the Association may foreclose its lien against the lot by judicial or nonjudicial means.

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

ARTICLE 12
ENFORCING THE DOCUMENTS

12.1. ENFORCEMENT DISCRETION. Neither the board nor the Architectural Reviewer is required to treat all violations in a lockstep uniform and consistent manner. However, the board and the Architectural Reviewer should be consistent in responding to similarly situated properties, or comparable types of situations. For example, the board may be more lenient towards owners who are experiencing personal loss, than towards owners who are flagrant and repeat violators. Similarly, the Association may have different policies for responding to architectural violations on homes along prominent thoroughfare versus violations on a quiet cul de sac. The board may use its sole discretion in determining whether to pursue a violation of the Documents, provided the board does not act in an arbitrary or capricious manner. In evaluating a particular violation, the board may determine that under the particular circumstances (1) the Association's position is not sufficiently strong to justify taking any or further action; (2) the provision being enforced is or may be construed as inconsistent with applicable law; (3) although a technical violation may exist, it is not of such a material nature as to be objectionable to a reasonable person or to justify expending the Association's resources; or (4) that enforcement is not in the Association's best interests, based on hardship, expense, or other reasonable criteria.

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

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

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

12.3.2. 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 obligations under the Documents.

12.3.3. Suspension. The Association may suspend the right of owners and residents to use Club Savannah 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.

12.3.4. Self-Help. The Association has the right to enter any part of the Property, including lots, to abate or remove, using force as may reasonably be necessary, any erection, thing, animal, person, vehicle, or condition that violates the Documents. In exercising this right, the board is not trespassing and is not liable for damages related to the abatement. The board may levy its costs of abatement against the lot and owner as an individual assessment. Unless an emergency situation exists in the good faith opinion of the board, the board will give the violating owner 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.

12.3.5. 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.

STATE LAW APPLIES
to many of the Association's enforcement rights and remedies.

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

12.5. ENFORCEMENT BY OWNER. The right of individual owners to enforce the Documents is not intended to deputize every owner as a community enforcer, nor to 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) communicates

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. An owner who is not satisfied by that outcome may utilize the dispute resolution procedures of Article 17 to continue the enforcement process. 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 5 enforcement requests in a 12-month period.

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

ARTICLE 13
MAINTENANCE AND REPAIR OBLIGATIONS

13.1. ASSOCIATION MAINTAINS. The Association's maintenance obligations will be discharged when and how the board deems appropriate. The Association maintains, repairs, and replaces, as a common expense, the portions of the Property listed below, regardless of whether the portions are on lots or in common areas.

a. The common areas, including Club Savannah.

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 Savannah if maintenance of same is deemed to be. in the best Interests of the Association, and if not prohibited by the owner or operator of said property.

d. Any area, item, easement, or service - the maintenance of which is assigned to the Association by this Declaration or by the plat.

13.2. OWNER RESPONSIBILITY. Every owner has the following responsibilities and obligations for the maintenance, repair, and replacement of the Property, subject to the architectural requirements of Article 6 and the restrictions of Article 7.

13.2.1. House Maintenance. Each owner, at the owner's expense, must maintain all improvements on the lot, including but not limited to the dwelling, fences, sidewalks, and driveways. Maintenance includes preventative maintenance, repair as needed, and replacement as needed. Each owner is expected to maintain his lot's improvements at a level, to a standard, and with an appearance that is commensurate with the neighborhood. Specifically, each owner must repair and replace worn, rotten,

deteriorated, and unattractive materials, and must regularly repaint all painted surf aces.

13.2.2. Yard Maintenance. Each owner, at the owner's expense, must maintain the yards on his lot at a level, to a standard, and with an appearance that is commensurate with the neighborhood. Specifically, each owner must:

a. Maintain an attractive ground cover or lawn on all yards visible from a street.

b. Edge the street curbs at regular intervals.

c. Mow the lawns and grounds at regular intervals.

d. Prevent weeds or grass from exceeding 6 inches in height in lawns and beds.

e. Not plant vegetable gardens that are visible from a street.

f. Maintain an attractive appearance for shrubs and trees visible from a street or alley.

g. Replace plant material, as needed, to maintain the minimum landscaping requirements of the Savannah Architectural Standards.

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

13.2.4. Responsible for Damage. An owner is responsible for his own willful or negligent acts and those of his or the resident's family, guest, agents, employees, or contractors when those ads necessitate maintenance, repair, or replacement to the. common areas or the property of another owner.

13.3. OWNER'S DEFAULT IN MAINTENANCE. If the board determines that an owner has failed to properly discharge his obligation to maintain, repair, and replace components of his house, yard, and· lot for which the owner is responsible, the board may contact the owner about the need for repairs.

13.3.1. Notice. Before the board exercises any of its remedies, the board must give the owner a written notice, or a series of written notice-s that collectively state, with reasonable particularity, (1) the maintenance deemed necessary, (2) a reasonable period of time in which to complete the work, (3) the charges and fines that may be levied against the owner and his lot if the owner does not timely perform the work, (4) the

owner's 30-day right to request a hearing before the board, and (5) whether the Association intends to pursue self-help or legal remedies; or both, to cure the violation. To the extent permitted by applicable law, the fine and notice requirements may be varied for an owner who repeats the same violation for which he was given the notice required by this Section.

13.3.2. Emergency. In case of an emergency, the board may take any action it deems necessary to protect persons or property from imminent damage, the cost of the action being the owner's expense. In that event, the written notice will also recite the circumstances deemed to be an emergency and the action taken.

13.3.3. Self-Help. If the owner fails or refuses to timely perform the maintenance described in the notice, and does not request or prevail at a hearing before the board, the board may give the owner written notice of the Association's intent to exercise its access easement (provided in Articles of this Declaration) for the purpose of entering the owner's lot to perform some or all of the work described in the board's notice to the owner. As appropriate for the circumstances, and without limitation, the Association may enter and work on an unfenced yard, a driveway, a fenced yard, and the exterior surfaces of the house (such as the roof and wood trim). The board may levy an individual assessment against the lot and its owner to reimburse the Association's expenses. This Subsection may not be construed as a requirement to exercise self-help and may not be construed as a prerequisite or required alternative to instituting legal actions against the owner or the lot.

It pays to keep your place in good repair.
Failure to maintain your house and yard may result in
FINES ● ENFORCEMENT COSTS ● REIMBURSEMENT OF HOA'S REPAIRS

13.4. PARTY WALL FENCES. A fence located on or near the dividing line between 2 lots and intended to benefit both lots constitutes a Party Wall Fence and, to the extent not inconsistent with the provisions of this Section, is subject to the general rules of law regarding party walls and liability for property damage due to negligence, willful acts, or omissions.

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

13.4.2. Right to Repair. If the Party Wall Fence is damaged or destroyed from any cause, the owner of either lot may repair or rebuild the fence-to its previous condition, and the owners of both lots, their successors and assigns, have the right to the full use of the repaired or rebuilt fence.

13.4.3. . Maintenance Costs. The owners of the adjoining lots share equally the costs of repair, reconstruction, or replacement of the Party Wall Fence, subject to the right of one owner to call for larger contribution from the other under any rule of law regarding liability for negligence or willful acts or omissions. If an owner is responsible for dam age to or destruction of the fence, that owner will bear the entire cost of repair, reconstruction, or replacement. If an owner fails or refuses to pay his share of costs of repair or replacement of the Party Wall Fence, the owner advancing monies has a right to file a claim of lien for the monies advanced in the county's Real Property Records, and has the right to foreclose the lien as if it were a mechanic's lien. The right of an owner. to contribution from another owner under this Section is appurtenant to the land and passes to the owner's -successors in title.

13.4.4. Alterations. The owner of a lot sharing a Party Wall Fence may not cut openings in the fence or alter or change the fence in any manner that affects the use, condition, or appearance of the fence to the adjoining lot. The Party Wall Fence will always remain in the same location as when erected.

ARTICLE 14
INSURANCE

14.1. GENERAL PROVISIONS. All insurance affecting the Property is governed by the provisions of this Article, with which the board will make every reasonable effort to comply. The cost of insurance coverages and bonds maintained by the Association is an expense of the Association. Insurance policies and bonds obtained and maintained by the Association must be issued by responsible insurance companies authorized to do business in the State of Texas. The Association must be the named insured on all policies obtained by the Association. Additionally:

14.1.1. Insurance Trustee. Each Owner of a common area that is not owned by the Association, and each owner of a lot, irrevocably appoints the Association, acting through its board, as his trustee to negotiate, receive, administer, and distribute the proceeds of any claim against an insurance policy maintained by the Association.

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

14.1.3. Deductibles. An insurance policy obtained by the Association may contain a reasonable deductible, which will be paid by the party who would be liable for

the loss or repair in the absence of insurance. If a loss is due wholly or partly to an act or omission of an owner or resident or their invitees, the owner must reimburse the Association for the amount of the deductible that is attributable to the act or omission.

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

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

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

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

ARE YOU COVERED?
The Association does NOT insure the individual houses or their contents.

14.6. OWNER'S RESPONSIBILITY FOR INSURANCE. Each owner will obtain and maintain property insurance on all the improvements on his lot, in an amount sufficient to repair or reconstruct the improvements in event of damage or destruction from any hazard for which property owners customarily obtain insurance.

ARTICLE 15
MORTGAGEE PROTECTION

15.1. INTRODUCTION. This Article establishes certain standards for the benefit of Mortgagees, as defined below, and is written to comply with Chapter VI of Fannie Mae's Selling Guide in effect at the time of drafting. If a Mortgagee requests from the Association compliance

with the guidelines of an Underwriting- Lender, the board, without approval of owners or mortgagees, may amend this Article and other provisions of the Documents, as necessary, to meet the requirements of the Underwriting Lender. This Article is supplemental to, not a substitution for, any other provision of the Documents. In case of conflict, this Article controls. As used in this Article, a **"Mortgagee"** is a holder, insurer, or guarantor of a purchase money mortgage secured by a recorded senior or first deed of trust lien against a lot. Some sections of this Article apply to all known Mortgagees. Other sections apply to "Eligible Mortgagees," as defined below.

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

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

15.2. MORTGAGEE RIGHTS.

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

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

15.2.3. Financial Statements. If a Mortgagee so requests, the Association will give the Mortgagee an audited statement for the preceding fiscal year within 120 days after

the Association's fiscal year-end. A Mortgagee may have an audited statement prepared at Its own expense.

15.2.4. Right of First Refusal. No right of first refusal is created by this Declaration or the other Documents. Any right of first refusal later imposed by the Association with respect to a lease, sale, or transfer of a lot will not apply to a lease, sale, or transfer by a Mortgagee, including transfer by deed in lieu of foreclosure or foreclosure of a deed of trust lien.

15.2.5. Statement of Non-Condominium. This Declaration does not create a condominium within the meaning of the applicable condominium statute, Chapter 82, Texas Property Code.

15.3. INSURANCE POLICIES. If an Underwriting Lender is a Mortgagee or an owner, at the request of the Underwriting Lender the Association will comply with the Underwriting Lender's insurance requirements to the extent the requirements are reasonable and available, and do not conflict with other insurance requirements of this Declaration.

ARTICLE 16
AMENDMENTS

16.1. CONSENTS REQUIRED. As permitted by this Declaration, certain amendments of this Declaration may be executed by Declarant alone, or by the board alone. Otherwise, amendments to this Declaration must be approved *by* owners of at least a majority of the lots.

16.2. METHOD OF AMENDMENT. For an amendment that requires the approval of owners, this Declaration may be amended by any method selected by the board from time to time, pursuant to the bylaws, provided the method gives an owner of each lot the substance if not exact wording of the proposed amendment, a description of the effect of the proposed amendment, and an- opportunity to vote for or against the proposed amendment.

16.3. EFFECTIVE. To be effective, an amendment must be in the form· of a written instrument referencing the name of the Property, the name of the Association, and the recording data of this Declaration and any amendments hereto; signed and acknowledged by an officer of the Association, certifying the requisite approval of owners and, if required, Eligible Mortgagees; and recorded in the Real Property Records of Denton County, Texas.

16.4. DECLARANT PROVISIONS. Declarant has an exclusive right to unilaterally amend this Declaration for the purposes stated in Appendix C. No amendment may affect Declarant's rights under this Declaration without Declarant's Written and acknowledged consent, which must be part of the recorded amendment instrument. This Section may not be amended without Declarant's written and acknowledged consent.

During the Development Period,
Appendix C has priority over the main body of this Declaration.

16.5. PUBLIC LAW COMPLIANCE. When amending the Documents, the Association must consider the validity and enforceability of the amendment in light of current public law.

16.6. MERGER. Merger or consolidation of the Association with another association must be evidenced by an amendment to this Declaration. The amendment must be approved by owners of at least a majority of the lots. Upon a merger or consolidation of the Association with another association, the property, rights, and obligations of another association may, by operation of law, be added to the properties, rights, and obligations of the Association as a surviving corporation pursuant to the merger. The surviving or consolidated association may administer the provisions of the Documents within the Property, together with the covenants and restrictions established upon any other property under its.

16.7. JURISDICTION. No merger or consolidation, however, will effect a revocation, change, or addition to the covenants established by this Declaration within the Property.

16.8. TERMINATION. Termination of the terms of this Declaration and the status of the Property as a planned unit development are according to the following provisions. In the event of substantially total damage, destruction, or public condemnation of the Property, an amendment to terminate must be approved by owners of at least two-thirds of the lots. In the event of public condemnation of the entire Property, an amendment to terminate may be executed by the board without a vote of owners. In all other circumstances, an amendment to terminate must be approved by owners of at least 85 percent of the Lots. The owners' approvals must be obtained from the actual owners or their actual proxies, and not by use of Voting Delegates.

16.9. CONDEMNATION. In any proceeding, negotiation, settlement, or agreement concerning condemnation of the common area, the Association will be the exclusive representative of the owners. The Association may use condemnation proceeds to repair and replace any damage or destruction of the common area, real or personal, caused by the condemnation. Any condemnation proceeds remaining after completion, or waiver, of the repair and replacement will be: deposited in the Association's reserve funds.

ARTICLE 17
DISPUTE RESOLUTION

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

17.1.1. **"Claim"** means any claim, grievance; or dispute between Parties involving the Properties, except Exempt Claims as defined below, and including without limitation:

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

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

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

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

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

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

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

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

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

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

17.2. MANDATORY PROCEDURES. Claimant may not file suit in any court or initiate any proceeding before any administrative tribunal seeking redress or resolution of its Claim until Claimant has complied with the procedures of this Article. Although this Article describes several steps that are precedent to litigation, the parties may mutually agree to waive any of the steps and proceed to the method of dispute resolution that is favored by the parties.

17.3. NOTICE. Claimant must notify Respondent in writing of the Claim (the **"Notice"),** stating plainly and concisely: (1) the nature of the Claim, including date, time, location, persons involved, and Respondent's role in the Claim; (2) the basis of the Claim (i.e.,

the provision of the Documents or other authority out of which the Claim arises); (3) what Claimant wants Respondent to do or not do to resolve the Claim; and (4) that the Notice is given pursuant to this Section.

17.4. NEGOTIATION. Claimant and Respondent will make every reasonable effort to meet in person to resolve the Claim by good faith negotiation. Within 60 days after Respondent's receipt of the Notice, Respondent and Claimant will meet at a mutually-acceptable place and time to discuss the Claim. At such meeting or at some· other mutually-agreeable time, Respondent and Respondent's representatives will have full access to the property that is subject to the Claim for the purposes of inspecting the property. If Respondent elects to take corrective action, Claimant will provide Respondent and Respondent's representatives and agents with full access to the property to take and complete corrective action,

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

17.6. TERMINATION OF MEDIATION. If the Parties do not settle the Claim within 30 days after submission to mediation, or within a time deemed reasonable by the mediator, the mediator will issue a notice of termination of the mediation proceedings indicating that the Parties are at an impasse and the date that mediation was terminated. Thereafter, the parties may mutually submit the Claim to arbitration, or Claimant may file suit or initiate administrative proceedings on the Claim, as appropriate.

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

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

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

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

ARTICLE 18
GENERAL PROVISIONS

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

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

DRAFTER'S DICTUM

Users of this document should periodically review statutes and court rulings that may modify or nullify provisions of this document or its enforcement, or may create rights or duties not anticipated by this document.

18.3. COMMUNICATIONS. This Declaration is drafted in an era of rapidly changing communication technologies. Declarant does not intend to limit the methods by which the Association, owners, and residents communicate with each other. Such communications may be by any method or methods that are available and customary. For example, if the Association is required by the Documents or applicable law to make information available to owners of all

lots, that requirement may be satisfied by posting the information on the Association's website or by ·using electronic means of disseminating the information, unless applicable law requires a specific method of communication. It is foreseeable that meetings of the Association and voting on issues may eventually be conducted via technology that is not widely available on the date of this Declaration. As communication technologies change, the Association may adopt as its universal standard any technology that is used by owners of at least 85 percent of the lots. Also, the Association may employ multiple methods of communicating with owners and residents.

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

18.5. USE OF SAVANNAH NAMES. In creating and naming Savannah, Club Savannah, and Savannah Community Association, Declarant intends for those names to be used exclusively by the Association or by persons and entities expressly authorized by Declarant or by the Association. No person may use the above-named terms, or any version of them, in any promotional material or for any public or quasi-public uses without the prior written consent of Declarant during the Development Period, and thereafter the prior written consent of the Association.

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

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

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

18.9. APPENDIXES. The following appendixes are attached to this Declaration and incorporated herein by reference:

A - Description of Subject Land
B - Description of Additional Land Subject to Annexation
C - Declarant Representations & Reservations

D - Sample Notice of Special District
E - Purchasers Covenants During Development Period

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

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

18.12. PREPARER. This Declaration was prepared in the law offices of Sharon Reuler of SETTLEPOU, 4131 N. Central Expressway, Suite 1000, Dallas, Texas 75204.

ARTICLE 19
RENT HOUSE RULES

19.1. PURPOSE. Leasing of homes is regulated by this Article to protect the owners' equity in the Property, to preserve the character of the Property as a residential community of predominantly owner-occupied homes, to encourage continuity of the community's values, to prevent the Property from assuming the character of a renter-occupied subdivision, and to enhance the eligibility of homes in the Property for mortgage financing. This Article is based on the popular perceptions that - on average - (1) renters change home addresses more frequently than owners, (2) homes and yards are cared for better by owners who occupy their homes than by absentee owners and their renters, and (3) owners who occupy their homes are more conscientious about complying with the Association's rules and restrictions than are absentee owners and their renters.

19.2. DEFINITIONS. As used in this Article and in any rules adopted to implement this Article, the following words and phrases, whether or not capitalized, have specified meanings when used in the Governing Documents, unless a different meaning is apparent from the context in which the word or phrase is used:

19.2.1. "**Owner Occupied Home**" means a house in which at least one occupant is an owner or owner's spouse, or is related to an owner or owner's spouse by blood, marriage, adoption, or formal guardianship, and for which occupants do not pay rent.

19.2.2. "**Rent House**" means (1) an occupied house that is not an Owner-Occupied Home, or (2) a house that is vacant for 3 or more consecutive months.

19.3. ASSOCIATION'S ROLE. In determining the identities of owners and the numbers of lots owned by each owner, the board may rely on the most recent property tax roll, updated by deeds or settlement statements obtained by the Association. In determining whether a house is an Owner-Occupied Home or a Rent House, the board may rely on utility records, postal records, reports of neighbors, self-reporting by occupants, and other reasonably available resources. On request by the Association from time to time, owners and renters will

provide the Association with documentation of ownership, tenancy, or a qualifying relationship, as appropriate. This Article may not be construed to create an affirmative duty for the Association to investigate the occupancy or ownership of homes in the Property.

19.4. ONE RENT HOUSE LIMIT. This Article does not prohibit leasing of homes. It does, however, limit the number of Rent Houses that may be owned by any owner or group of co-owners.

19.4.1. Only One at a Time. A person may not own more than one Rent House in Savannah at a time, A person may live in Savannah and own one Rent House in Savannah, but may not own two or more Rent Houses in Savannah at the same time.

19.4.2. Who May Own a Rent House? Without the board's prior written permission, any person may own one Rent House provided **ALL** of the following conditions are satisfied:

a. The owner actually occupied the Rent House as his home - on a full-time basis as their primary residence - for the first 12 consecutive months after acquiring an ownership interest in the home. (A homestead exemption recorded with the county during this period, for example, serves as proof.)

b. The owner **owns no other Rent House** in the Property - an owner may own only one Rent House at a time.

c. Rental contracts executed before April 30, 2022 are exempt (grandfathered).

19.4.3. Determining Ownership. In identifying a lot's owner as an owner occupant or absentee owner, the following are considered to be the same owner for purposes of this Article, and collectively (or jointly) may own no more than one Rent House.

a. Related entities, such as corporate-type affiliates and subsidiaries, are counted as one owner. Specifically, entities with: (1) a common manager; (2) a common general partner; (3) a common majority interest owner; or (4) one entity serving as the controlling or managing entity for the other entity shall be treated as related entities and as one owner. In addition, separate trusts with a common beneficiary or beneficiaries are treated as one owner.

19.4.4. Loss of Privilege to Lease or Manage. An owner or the owner's manager or real estate agent, who knowingly, willfully, and significantly or repeatedly violates a provision of this Article may be declared by the Association to be disqualified from owning or managing any Rent House in the Property. A declaration of disqualification

must be approved unanimously by the board of directors. The disqualification may be perpetual as to a person or entity, and may be evidenced by a Notice of Disqualification recorded in the Real Property Records of Denton County, Texas.

19.5. OWNER'S DUTY TO QUALIFY RENTERS. The Association does not process rental applications or screen or approve renters. The purpose of this Section is to establish minimum criteria by which the owner of a Rent House must qualify renters and any other occupants of the owner's Rent House.

19.5.1. Positive Rental History. Adult occupants of a Rent House must have at least one year current and verifiable residential rental history, and no history of evictions.

19.5.2. No Section 8 Housing. A Rent House may not be used for a publicly financed or subsidized housing program, such as Section 8 Housing.

19.5.3. No Sex Offenders. No occupant of any Rent House may be a person who has been convicted of a sex crime (1) that involved a victim who was less than 16 years of age at the time of the sex crime, and (2) which requires the person to register on the Texas Department of Public Safety's Sex Offender Database. A sex offender who was a minor when he committed the offense and who was not convicted as an adult is exempt from the application of this Section.

19.6. ADDITIONAL RESTRICTIONS ON LEASING.

19.6.1. No "For Rent" or "For Lease" Signs. Without the board's prior written permission, which may be withheld, no person may post or maintain a sign anywhere on the Property that advertises a house for rent or for lease. This blanket prohibition includes, without limitation, yard signs, signs in or on windows, and signs on vehicles.

19.6.2. Supervision of Maintenance. The owner of a Rent House is responsible to the Association for periodic inspection and supervision of the appearance, condition, and maintenance of the yards and Rent House exteriors to ensure that the Rent House and lot are maintained to a level that is at least commensurate with the neighborhood standard and in compliance with Section 13.2 of this Declaration. An owner may not delegate to his tenant the owner's responsibility for inspection and supervision.

19.6.3. Surrogates. The Association may refuse to recognize (1) a renter as a representative of the owner unless the renter presents documentation that the renter is the owner's attorney in fact for all purposes pertaining to the Rent House, or (2) the renter is the owner's appointed proxy for a meeting of the Association.

19.6.4. Use of Community Amenities. An owner who does not occupy a home in Savannah is not entitled to use the community amenities if the home is occupied as a Rent House. Although an owner has a general right to delegate to his tenant the owner's

right to use common area amenities, the Association may condition the tenant's use on the owner's compliance with procedures to confirm ownership and verify tenancy.

19.6.5. Different Rules. The Association may promulgate use rules for renters that are different from use rules for owners who occupy their homes. Also, the Association may prohibit, limit, and/or charge for the use of recreational facilities by renters.

19.6.6. Owner Responsibility. The owner of a Rent House remains liable to the Association for all assessments, duties, and communications relating to the Rent House and its occupants.

19.6.7. Association Not Liable for Damages. The owner of a Rent House is liable to the Association for any expenses incurred by the Association in connection with enforcement of the Governing Documents against the owner or his tenant. The Association is not liable to the owner for any damages, including lost rents, suffered by the owner in relation to the Association's enforcement of the Governing Documents against the owner's tenant.

19.6.8. Lease Cap. The Board may, by rule, impose a lease cap on the total number of homes that may be leased. The Board may impose such a lease cap; however, the lease cap may not be lower than fifteen percent (15%) of all homes in Savannah. The Board may also impose additional leasing rules consistent with the following requirements:

Implementation of Lease Cap. If a lease cap is imposed, the following rules shall also apply to the leasing of homes:

General. Owners desiring to lease their homes may do so only if they have applied for and received from the Association either a "**Leasing Permit**" or a "**Hardship Leasing Permit**." Collectively, a Leasing Permit and Hardship Leasing Permit is referred to herein as a "**Permit**". A Permit, upon the effective date of issuance, will allow an Owner to lease such Owner's home provided that such Leasing is in strict accordance with the terms of the Permit and the Master Declaration. The Board shall have the authority to establish conditions as to the duration and use of Permits. All Permits shall be valid only as to a specific Owner and home and shall not be transferable between either homes or Owners.

Leasing Permits. An Owner's request for a Leasing Permit may be approved if the Owner is otherwise in compliance with the terms and provisions of the Documents and current, outstanding Leasing Permits have not been issued for more than the capped percentage. A Leasing Permit shall be automatically revoked upon the occurrence of any of the following events: (i) the sale or transfer of the home to a third-party (excluding sales or transfers to (a) an Owner's spouse, (b) a Person cohabitating with the Owner, and (c) a corporation, partnership, company, or legal entity in which the Owner is a

principal); (ii) the failure of an Owner to lease such Owner's home within 180 days of the Leasing Permit having been issued; (iii) the failure of an Owner to have such Owner's home leased for any consecutive 180 day period after the effective date of issuance; or (iv) the occurrence of the date referenced in a written notification by the Owner to the Association that the Owner will, as of said date, no longer need the Leasing Permit. If current Leasing Permits have been issued for more than the capped percentage of the total number of homes (excluding homes owned by Declarant), no additional Leasing Permits will be issued (except for Hardship Leasing Permits) until the number of outstanding current Leasing Permits falls below the capped percentage. Owners who have been denied a Leasing Permit shall be placed on a waiting list for a Leasing Permit and shall be issued the same if they so desire when the number of current outstanding Leasing Permits issued falls to the capped percentage. The Association may adopt a reasonable fee as a condition to placing an Owner on the Leasing Permit waiting list. The issuance of a Hardship Leasing Permit to an Owner shall not cause the Owner to be removed from the waiting list for a Leasing Permit.

Hardship Leasing Permits. If the failure to lease will result in a hardship, then the Owner may seek to lease on a hardship basis by applying to the Board for a Hardship Leasing Permit. The Board shall have the authority to issue or deny requests for Hardship Leasing Permits in its sole discretion after considering the following factors: (i) the nature, degree, and likely duration of the hardship, (ii) the harm, if any, which will result to the Regime if the permit is approved, (iii) the number of Hardship Leasing Permits which have been issued to other Owners, (iv) the Owner's ability to cure the hardship, and (v) whether previous Hardship Leasing Permits have been issued to the Owner. A "hardship" as described herein shall include, but not be limited to the following situations: (i) an Owner must relocate such Owner's residence outside of Denton County and cannot, within six (6) months from the date that the home was placed on the market, sell the home except at a price below the current appraised market value, after having made reasonable efforts to do so; (ii) where the Owner dies and the home is being administered by such Owner's estate; or (iii) the Owner takes a leave of absence or temporarily relocates and intends to return to reside in the home. Hardship Leasing Permits shall be valid for a term not to exceed one (1) year. Owners may apply for additional Hardship Leasing Permits. Hardship Leasing Permits shall be automatically revoked if during the term of the permit, the Owner is approved for and receives a Leasing Permit.

Grandfather provision. An owner who purchased a home in Savannah before the date this amendment was approved may apply for and receive a Hardship Leasing Permit if the Owner's request for a Leasing Permit, if granted, would exceed the cap and the Owner can furnish proof that: (1) the home was never occupied by the Owner; (2) the home was purchased as the single Rent Home allowed under Article 19; and (3) the home has been leased in compliance with the leasing rules and restrictions for Savannah since it was purchased. This exception will automatically terminate once the home is sold or transferred. The leaseback of a home to the owner selling the home in connection

with the sale of home will not require a Leasing Permit, provided the leaseback period ends within twelve (12) months from the closing date.

19.7. LEASE CONDITIONS. Every lease agreement on a house, whether written or oral, express or implied, is subject to and is deemed to include the following provisions:

19.7.1. Occupancy. No house may be rented for transient or hotel purposes or for a period less than 30 days, no house may be subdivided for rent purposes, and not less than an entire house may be leased.

19.7.2. Subject to Governing Documents. Whether or not it is so stated in a lease, (1) every lease is subject to the Governing Documents; (2) all leases must be in writing and must be made subject to the Governing Documents; (3) an owner is responsible for providing his tenant with copies of the Governing Documents and notifying him of changes thereto; and (4) each tenant is subject to and must comply with all provisions of the Governing Documents, federal and State laws, and local ordinances.

19.7.3. Association at Attorney in Fact. Failure by the tenant or his invitees to comply with the Governing Documents, federal or State law, or local ordinance is deemed to be a default under the lease. When the Association notifies an owner of his tenant's violation, the owner will promptly obtain his tenant's compliance or exercise his rights as a landlord for tenant's breach of lease. If the tenant's violation continues or is repeated, and if the owner is unable, unwilling, or unavailable to obtain his tenant's compliance, then the Association has the power and right to pursue the remedies of a landlord under the lease or State law for the default, including eviction of the tenant, subject to the terms of this Section. Notwithstanding the absence of an express provision in the lease agreement for enforcement of the Governing Documents by the Association, each owner appoints the Association as his attorney-in-fact, with full authority to act in his place in all respects, solely for the purpose of enforcing the Governing Documents against his tenants, including but not limited to the authority to institute forcible detainer proceedings against his tenant on his behalf, provided the Association gives the owner at least 10 days' notice, by certified mail, of its intent to so enforce the Governing Documents.

19.8. APPLICABILITY TO OWNERS. This Article applies to every owner of every lot, except for the following limited categories of owners who are expressly exempt from the effect of this Article:

a. Declarant and Builders, during the Development Period. (The exemption of Declarant and Builders does not pass to their respective successors and assigns.)

b. Any house used for a purpose that is expressly protected by public ordinance or law, such as qualified community homes for disabled persons, for only so long as a house is used for the protected purpose.

19.9. APPLICABILITY TO MANAGERS & AGENTS. Any person who markets or manages a Rent House for the benefit of an owner is an agent of the owner and is bound by the provisions of this Article in the same manner as the owner. The Association may limit the number of Rent Houses that may be managed or marketed by one person or firm, provided the number is not less than 5. A person who manages or markets a Rent House is subject to loss of privilege to perform services in the Property for violations of this Article.

19.10. APPLICABILITY TO HOUSES ONLY. This Article automatically applies to every detached single-family house in Savannah. It does not apply to attached or multi-family housing units, if any.

19.11. VARIANCE. The board may grant a variance or waiver of all or part of this Article 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.

(Executed on next page.)

ACKNOWLEDGEMENT FOR RECORDING

The undersigned hereby certifies that he/she is the duly elected, qualified and acting PRESIDENT of the Savannah Community Association, a Texas non-profit corporation (the "**Association**"), and that he or she certifies that the foregoing is a true and correct copy of the Association's Consolidated Declaration of Covenants, Conditions and Restrictions.

EXECUTED to be effective as of the 2nd day of JUNE, 2022.

SAVANNAH COMMUNITY ASSOCIATION, a Texas non-profit corporation

By: STEVEN FOEHNER
Name: SE
Title: PRESIDENT SAVANNAH HOA

THE STATE OF TEXAS §
§
COUNTY OF DENTON §

This instrument was acknowledged before me on the 2ND day of JUNE, 2022, by STEVEN FOEHNER as PRESIDENT of Savannah Community Association, a Texas non-profit corporation, on behalf of said non-profit corporation.

(seal)

Carole J Murphy
Notary Public, State of Texas

CAROLE J. MURPHY
Notary Public, State of Texas
Comm. Expires 07-06-2025
Notary ID 8154579

APPENDIX A
DESCRIPTION OF SUBJECT LAND

SAVANNAH PHASE 1

Whereas Savannah Properties Associates, LP is the owner of a 37.669·acres tract of land situated in the Jose Gonzales Survey, Abstract No. 447, Denton County, Texas and being part of that certain deed as described to Savannah Properties Associates, LP, a Delaware Limited Partnership, recorded in Volume 5308,Page 02204, Deed Records, Denton County, Texas, and being more particularly described as follows;

COMMENCING at a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for the southeast corner of said Savannah Properties, Tract Four, said point being at the intersection of the north right-of-way line of U.S. Highway No. 380 (a variable width right-of-way) and the west right-of-way line of Farm to Market Road No. 1385 (a 80 foot right-of-way);

THENCE North 88°31'26" West, along the north line of said highway and the south line of said Savannah Properties, Tract Four, a distance of 687.81 feet to a 5/8-inch iron rod with cap marked PETITT-RPLS 4087" set for corner;

THENCE North 82°48'48" West, continuing along the north line of said highway and the south line of said Savannah Properties, Tract Four, a distance of 201.00 feet to 5/8-inch iron rod with cap marked "PETITT·RPLS 4087" set for corner;

THENCE North 88°31'26" West, continuing along the north line of said highway and the south line of said Savannah· Properties, Tract Four, a distance of 80.08 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for the POINT OF BEGINNING;

THENCE North 88°31'26" West, continuing along the north line of said highway, a distance of 1435. 55 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for corner at a point on the south line of said Savannah Properties, Tract Three,

THENCE North 01°28'34" East, leaving said north line of highway, a distance of 1184. 65 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS·4087" set for corner;

THENCE North 47°29'29" East, a distance of 153.00 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;

THENCE in a southeasterly direction along said non-tangent curve to the left having a central angle of 12°26'49", a radius of 790.00 feet and a chord bearing South 48°43'56" East, for 171. 28 feet and an arc distance of 171. 62 feet to a 5/8-inch rod with cap marked "PETITT-RPLS 4087" set for corner;

THENCE North 35°02'40" East, a distance of 40. 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;

THENCE in a northwesterly direction along said non-tangent curve to the right having a central angle of 00°22'49" a radius of 750.00 feet and a chord bearing North 54°45'56" West, for 4. 98 feet and an arc distance of 4. 98 feet to a 5/8-inch iron rod with cap marked "PETITT·RPLS 4087" set for corner;

THENCE North 35°25'29" East, a distance of 53.87 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for corner;

THENCE South 55°37'44" East, a distance of 56.73 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for the beginning of a tangent curve to the left;

THENCE in a southeasterly direction along said tangent curve to the left having a central angle of 31°46'27" a radius of 635. 00 feet and a chord bearing South 71°30'58" East, for 347. 6 5 feet and an arc distance of 352. 15 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for corner;

THENCE South 87°24'11" East, a distance of 482.38 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for corner;

THENCE South 02°35'49" West, a distance of 40.00 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for corner;

THENCE South 87°24'11" East, a distance of 27.00 feet to a 5/S inch iron rod with cap marked "PETITT-RPLS 4087" set for corner;

THENCE South 02°35'49" West. , a distance of 40.00 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for corner;

THENCE South 87°24'11" East, a distance of 258.04 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for corner;

THENCE South 01°28'34" West, a distance of 1034.57 feet to the POINT OF BEGINNING and containing 1,640,855 square feet or 37.669 acres of land, more or less.

SAVANNAH PHASE 2

Whereas Savannah Properties Associates, LP is the owner of 72.167 acres of land situated in the Jose Gonzales Survey, Abstract No. 447, Denton County, Texas and being part of that certain deed as described to Savannah Properties Associates, LP, a Delaware limited Partnership, recorded in Volume 5308, Page 02204, Deed 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" set for the interior northeast. corner of said Savannah Properties tract, and the northwest. corner of a tract of land as described to Kyo Yoo Lee, recorded in County Clerk's Document No. 96-R0032397, Deed Records, Denton County, Texas, said rod being a point in the center line of Fishtrap Road an undedicated public road;

THENCE South 02°07'30" West, along the west line of said Lee tract and the east line of said Savannah Properties tract, a distance of 1272.46 feet to a 5/8-inch Iron rod with cap marked "PETITT-RPLS 4087" set for the southwest corner of said Lee tract, and an ell corner of said Savannah Properties tract;

THENCE South 88°06'11" East, along the south line of said Lee tract and an interior north line of said Savannah Properties tract, a distance of 561.53 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for corner at a point on the south line of the Lee tract and the interior north line of Savannah Properties tract;

THENCE South 01°53'49" West, leaving the south line of said Lee tract; a distance of 1686.50 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for corner;

THENCE North 87°24'11" West, a distance of 92.95 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for corner;

THENCE South 02°35'49" West, a distance of 80.00 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for corner;

THENCE North 87°24'11" West, a distance of 151.91 feet to a 5/8-inch iron rod with cap marked "PETITT-RP 4087" set for corner;

THENCE North 02°35'49" East, a distance of 40.00 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for corner;

THENCE North 87°24'11" West, a distance of 27. 0 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for corner;

THENCE North 02°35'49" East, a distance of 40.00 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for corner;

THENCE North 87°24'11" West, a distance of 482. 38 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for the beginning of a tangent curve to the right;

THENCE in a northwesterly direction along said tangent curve to the right having a central angle of 31°46'27" a radius of 635.00 feet and a chord bearing North 71°30'58" West, for 347.65 feet and an arc distance of 352.15 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS

4087" set for the end of said curve;

THENCE North 55°37'44" West, a distance of 56.73 feet to a 5/8·inch iron rod with cap marked "PETITT·RPLS 4087" set for corner;

THENCE South 35°25'29" West, a distance of 53.87 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;

THENCE in a southeasterly direction along said non-tangent curve to the left having a central angle of 00°22'49" a radius of 750. 00 and a chord bearing South 54°45'56" East, for 4.98 feet and an arc distance of 4.98 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for corner;

THENCE South 35°02'40" West, a distance of 40.00 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;

THENCE in a northwesterly direction along said non-tangent curve to the right having a central angle of 12°26'49", a radius of 790.00 feet and a chord bearing North 48°43'56" West, for 171.28 feet and an arc distance of 171.62 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for the end of said curve;

THENCE North 47°29'29" East, **a** distance of 80.00 feet to a 5/8-inch iron rod with cap marked "PETITT·RPLS 4087" set for the beginning of a non·tangent curve to right;

THENCE in a northwesterly direction along said non-tangent curve to the right having a central angle of 05°52'23" a radius of 710.00 feet and a chord bearing North 39°34'20" West, for 72. 75 feet and an arc distance of 72.78 feet to a 5/8-inch iron rod with cap marked "PETITT·RPLS 4087" set for the end of said curve;

THENCE North 36°38'08" West, a distance of 140.00 feet to a 5/8·inch iron rod with cap marked "PETITT·RPLS 4087" set for corner;

THENCE North 06°32'38" East, a distance of 1446.19 feet to a 5/8·inch Iron rod with cap marked "PETITT-RPLS 4087" set for corner;

THENCE North 04°09'22" East, a distance of 854.61 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for corner;

THENCE North 36°48'37" West, a distance of 357.65 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for corner at a point on the north line of said Savannah Properties tract and the center line of said Fishtrap Road;

THENCE South 87°58'44" East, generally along the center line of said Fishtrap Road and the

north line of said Savannah Properties tract, a distance of 909.69 feet to the POINT OF BEGINNING and containing 3,143,593 square feet or 72.167 acres of land, more or less.

SAVANNAH PHASE 3

Whereas Savannah 'Properties Associates, LP is the owner of 85.485 acres of land situated in the Jose Gonzales Survey, Abstract No. 447, Denton County, Texas and being part of that certain deed as described to Savannah Properties Associates, LP, a Delaware Limited Partnership, recorded in Volume 5308, Page 02204, Deed 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" set for the southeast corner of said Savannah Properties, Tract Four, said point being at the intersection of the north right-of-way line of U.S. Highway No. 380 (a variable width right-of-way) and the west right-of-way line of Farm to Market Road No. 1385 (a 80 foot right-of-way);

THENCE North 88°31'26" West, along the north line of said highway and the south line of said Savannah Properties, Tract Four, a distance of 687.81 feet to 5/8-inch iron rod with cap marked PETITT-RPLS 4087" set for corner;

THENCE North 82°48'48" West, continuing along the north line of said highway and the south line of said Savannah Properties, Tract Four, a distance of 201.00 feet to 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for corner;

THENCE North 88°31'26" West, continuing along the north line of said highway and the south line of said Savannah Properties, Tract Four, a distance of 80.08 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for corner;

THENCE North 01°28'34" East, leaving said north line of highway, a distance of 1034.57 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for corner;

THENCE North 87°24'11" West, a distance of 106.13 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for corner;

THENCE North 02°35'49" East, a distance of 80.00 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for corner;

THENCE South 87°24'11" East, a distance of 92.95 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for corner;

THENCE North 01°53'49" East, a distance of 1686.50 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for corner at a point on the south line of a tract of land as described to Kyo Yoo Lee, recorded in County Clerk's Document No. 96-R0032397, Deed Records Denton

County, Texas and a point on an interior north line of said Savannah Properties tract;

THENCE South 88°06'11" East, along the south line of said Lee tract and the interior north line of said Savannah Properties tract, a distance of 633.91 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for the southeast corner of said Lee tract and an ell corner of said Savannah Properties tract;

THENCE North 02°08'20" East, along the east line of said Lee tract and an interior west line of said Savannah Properties tract, a distance of 1274.18 feet to a 5/ 8-inch iron rod with cap marked "PETITT-RPLS 4087" set for the northeast corner of said Lee tract and an ell corner of said Savannah Properties tract, at a point in the center line of Fishtrap Road as undedicated public road and also being the most northerly northwest corner of said 72.246 acres Valerian tract;

THENCE South 88°06'11" East, generally along the center line of said Fishtrap Road and the north line of said Savannah Properties tract, a distance of 500.08 feet to a 5/8-inch Iron rod with cap marked "PETITT·RPLS 4087" set for the northeast corner of said Savannah Properties tract at the beginning of a non-tangent curve to the left at point on west line of said F.M. No. 1385;

THENCE along the west line of said F.M. No. 1385 and the east line of said Savannah Properties tract, and along said non-tangent curve to the left having a central angle of 04°49'05" a radius of 358. 31 feet and a chord bearing South 04°32'10" West, for 30.12 feet and an arc distance of 30.13 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for the end of said curve;

THENCE South 02°07'38" West, along the west line of said F. M. No. 1385 and the east line of said Savannah Properties tract, distance of 339.78 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for corner;

THENCE South 01°01'38" West, along the west line of said F.M. No. 1385 and the east line of said Savannah Properties tract, a distance of 830.80 feet to a 5/8-inch iron rod with cap marked "PETITT·RPLS 4087" set for corner;

THENCE South 02°07'38" West, along the west line of said F.M. No. 1385 and the east line of said Savannah Properties tract, a distance of 1324.12 feet to a 5/8-inch iron rod with cap marked "PETITT·RPLS 4087" set for the beginning of a tangent curve to the right;

THENCE in a southwesterly direction along the west line of said F. M. No. 1385 and the east line of said Savannah Properties tract, and along said tangent curve to the right having a central angle of 07°10'00", a radius of 1105.65 feet and a chord bearing South 05°42'38" West, for 138. 21 feet and an arc-distance of 138.30 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for the end of said curve;

THENCE South 09°17'38" West, along the west line of said F.M. No. 1385 and the east line of said Savannah Properties tract, a distance of 602.24 feet to the beginning of a tangent curve to

the left;

THENCE in a southwesterly direction along the west line of said F.M. No. 1385 and the east line of said Savannah Properties tract, and along said tangent curve to the left having a central angle of 03°15'00", a radius of 5769.58 feet and a chord bearing South 07°40'08" West, for 327.23 feet and an arc distance of 327.27 feet the POINT OF BEGINNING and containing 3,723,734 square feet or 85. 485 acres of land, more or less.

GEORGIA VILLAGE

The 24. 80-acre tract described by metes and bounds in the Owner's Certificate of the Final Plat, **Georgia Village at Savannah Phase 1**, recorded on April 5, 2005, as Document No. 2005-38970, in Cabinet W, Page 189, Plat Records, Denton County, Texas, including the following areas and 107 house lots:

HOUSE LOTS

BLOCK 19: LOTS 1 – 15
BLOCK 20: LOTS 1 – 14
BLOCK 21: LOTS 1 – 28
BLOCK 22: LOTS 1 – 32
BLOCK 23: LOTS 1 - 18

OTHER AREAS

TRACT 1
DRAINAGE EASEMENT, BLOCK 23

GREENVIEW VILLAGE

The 41.110-acre tract described by metes and bounds in the Owner's Certificate of the Final Plat, **Greenview Village at Savannah**, recorded on April 5, 2005, as Document No. 2005-38957, in Cabinet W, Page 186, Plat Records, Denton County, Texas, including the following areas and 107 house lots:

HOUSE LOTS

BLOCK 23: LOTS 50 - 71
BLOCK 26: LOTS 1 – 32
BLOCK 27: LOTS 1 – 23
BLOCK 28: LOTS 1 – 30
BLOCK 29: LOTS 1 - 71

OTHER AREAS

HOA TRACT 1

DRAINAGE EASEMENT
(continuation of Tract 1 of Georgia Village Phase 1)

SEA PINES VILLAGE

The 63. 551-acre tract described by metes and bounds in the Owner's Certificate of the Final Plat, **Sea Pines Village at Savannah Phase 5**, recorded on October 12, 2005, as Document No. 2005-126857, in Cabinet W, Page 600, Plat Records, Denton County, Texas, including the following areas and 326 house lots:

HOUSE LOTS

BLOCK 30: LOTS 1 – 60
BLOCK 31: LOTS 1 – 38
BLOCK 32: LOTS 1 – 24
BLOCK 33: LOTS 1 – 24
BLOCK 34: LOTS 1 – 26
BLOCK 35: LOTS 1 – 24
BLOCK 36: LOTS 1 – 27
BLOCK 37: LOTS 1 – 53
BLOCK 38: LOTS 1 - 50

OTHER AREAS

HOA TRACTS 1 - 3
LOT 1A, BLOCK 30

[End of Appendix A]

APPENDIX B

DESCRIPTION OF ADDITIONAL LAND SUBJECT TO ANNEXATION

SAVANNAH

During the Development Period, Declarant may annex any or all of the real property described in the Section C.3.2 (titled "Expansion") of Appendix C of this Declaration, specifically including but not limited to the below-described parcels of land:

The rest and remainder of the real property described by metes and bounds in the 5 exhibits "A" of the General Warranty Deed dated March 1, 2002, and recorded on April 9, 2003, as Document No. 2003-R0052574, in Volume 5308, Page 02204, Real Property Records, Denton County, Texas, consisting of:

Tract One, being 106. 407 acres of land described by metes and bounds at Page 02206

Tract Two, being 109. 289 acres of land described by metes and bounds at Page 02209

Tract Three, being 72. 246 acres of land described by metes and bounds at Page 02212

Tract Four, being 50. 000 acres of land described by metes md bounds at Page 02214

Tract Five, being 237. 265 acres of land described by metes and bounds at Page 02216, SAVE AND EXCEPT 9 tracts of land that are also described by metes and bounds as follows:

Tract 1, being 23,837 square feet of land described at Page 02218

Tract 2, being 0. 115 acres of land described at Page 02219

Tract 3, being 0. 115 acres of land described at Page 02219

Tract 4, being 0. 115 acres of land described at Page 02220

Tract 5, being 0. 115 acres of land described at Page 02220

Tract 6, being 0. 115 acres of land described at Page 02121

Tract 7, being 0. 115 acres of land described at Page 02221

Tract 8, being 1. 01 acres of land described at Page 02222

Tract 9, being 5. 400 acres of land described at Page 02223

[End of Appendix B]

APPENDIX C

DECLARANT REPRESENTATIONS & RESERVATIONS

C.1. GENERAL PROVISIONS.

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

C.1.2. Purpose. **The purpose of this Appendix is to protect Declarants interest in the Property.** This Appendix gives Declarant certain extraordinary rights during the Development Period and the Declarant Control Period to ensure a complete and orderly buildout and sellout of the Property, which is ultimately for the benefit and protection of owners and mortgagees.

C.1.3. General Reservation & Construction. Every provision of this Appendix is superior to and controls over any provision elsewhere in the Documents. Notwithstanding other provisions of the Documents to the contrary, nothing contained therein may be construed to, nor may any mortgagee, other owner, or the Association, prevent or interfere with the rights contained in this Appendix which Declarant hereby reserves exclusively unto itself and its successors and assigns. In case of conflict between this Appendix and any other Document, this Appendix controls. The terms and provisions of this Appendix must be construed liberally to give effect-to Declarant's intent to protect Declarant's interests in the Property.

C.1.4. Amendment. This Appendix may not be amended without the prior written consent of Declarant.

C.1.5. Definitions. As used in this Appendix and elsewhere in the Documents, the following words and phrases, when capitalized, have the following specified meanings:

a. **"Builder"** means a person or entity who purchases, or contracts to purchase, one or more lots from Declarant for the purpose of constructing a dwelling to be marketed for sale or lease, and who contracts with Declarant for the rights and obligations specific to "Builders" under this Declaration. On the date of this Declaration, the Builders include D.R. Horton Homes, Emerald Homes, and their respective affiliates.

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

(1) Fifteen years from date this Declaration is recorded.

(2) Four months after title to 85 percent of the lots that may be created in the Property and on the Additional Land has been conveyed to owners other than Builders.

C.1.6. Builders. Declarant does not intend to construct dwellings on the lots. Instead, Declarant intends to sell the lots to one or more Builders to improve the lots with dwellings to be sold and occupied. From time to time, Declarant may invite a Builder to share in the exercise of any, some, or all of its easements and rights, without any formality other than the consent of Declarant and Builder. Notwithstanding such sharing, a Builder will not become a Successor Declarant, or assume the duties and liabilities of Declarant under this Declaration unless Builder and Declarant join in an instrument that assigns and transfers Declarant rights and duties under this Declaration, signed and acknowledged by both Declarant and Builder, and recorded in the Real Property Records of Denton County, Texas.

C.2. DECLARANT CONTROL PERIOD RESERVATIONS. DECLARANT RESERVES THE FOLLOWING POWERS, RIGHT, AND DUTIES DURING THE DECLARANT CONTROL PERIOD:

C.2.1. Officers & Directors. During the Declarant Control Period, Declarant may appoint, remove, and replace any officer and any director of the Association, none of whom need be members or owners, and each of whom is indemnified by the Association as a "Leader." During the Declarant Control Period, the board may consist of any number of directors, but not less than three. Declarant may change the size of the board from time to time.

C.2.2. Organizational Formalities. During the Declarant Control Period, the Declarant-appointed board will try to ensure that the Association complies with the minimum requirements of applicable law for nonprofit corporations and property owners associations, and is not required to exceed those minimum requirements, even if the Declaration or the Bylaws require or permit higher performance standards.

C.2.3. Voting Delegates. During the Declarant Control Period, Declarant may personally appoint any or all of the Voting Delegates. If Declarant does not make such appointments when notified by the board, the appointments will be made by the board.

C.2.4. Budget Funding. During the Declarant Control Period only, Declarant is responsible for the difference between the Association's operating expenses and the regular assessments received from owners other than Declarant, and will provide any additional funds deemed by the Declarant-appointed board as necessary to pay actual cash outlays of the Association. On termination of the Declarant Control 'Period, Declarant will cease being responsible for the difference between the Association's operating expenses and the assessments received from owners other than Declarant.

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

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

C.2.7. Commencement of Assessments. During the initial development of the Property, Declarant may elect to postpone the Association's initial levy of regular assessments until a certain number of lots are sold. During the Declarant Control Period, Declarant will determine when the Association first levies regular assessments against the lots. Prior to the first levy, Declarant will be responsible for all operating expenses of the Association.

C.2.8. Budget Control. During the Declarant Control Period, the right of owners to veto assessment increases or special assessments is not effective and may not be exercised.

C.2.9. Organizational Meeting. Within 60 days after the end of the Declarant Control Period, or sooner at the Declarant's option, Declarant will call an organizational meeting of the members of the Association for the purpose of electing, by vote of the owners, directors to the board. Notice of the organizational meeting must be given to an owner of each lot at least 10 days before the meeting. For the organizational meeting, owners of 5 percent of the lots constitute a quorum.

C.3. DEVELOPMENT PERIOD RESERVATIONS. DECLARANT RESERVES THE FOLLOWING EASEMENTS AND RIGHTS, EXERCISABLE AT DECLARANT'S SOLE DISCRETION, AT ANY TIME DURING THE DEVELOPMENT PERIOD:

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

C.3.2. Expansion. The Property is subject to expansion. During the Development Period, Declarant may - but is not required to - annex any real property: (1) any portion of which is contiguous with, adjacent to, or within one mile of any real property that is subject to

this Declaration, (2) in any addition or subdivision platted by Denton County as a phase or section of Savannah, or (3) located in a planned development district created by Denton County for the property subject to this Declaration. Declarant annexes real property by subjecting it to the Declaration and the jurisdiction of the Association by recording a supplement or an amendment of this Declaration, executed by Declarant, in the county's Real Property Records. The supplement or amendment of annexation must include a description of the additional real property or a reference to the recorded plat that describes the additional real property. Declarant's right to annex land is for a term of years and does not require that Declarant own land described in Appendix A at the time or times Declarant exercises its right of annexation.

C.3.3. Withdrawal. During the Development Period, Declarant may remove from the effects of this Declaration any portion of the Property (1) that is not platted with house lots or (2) that is platted as a phase of Savannah, provided that *no* house lot in the phase to be withdrawn has been conveyed to an owner other than Declarant or a Builder. On the date of this Declaration, Declarant anticipates that several parcels of land may be removed from the effects of this Declaration.

C.3.4. Changes in Development Plan. Declarant, at Declarant's sole discretion, may modify the initial development plan. Subject to approval by the owner of the land or lots to which the change would directly apply (if other than Declarant), Declarant may (1) change the sizes, dimensions, and configurations of lots and streets; (2) change the minimum dwelling size; (3) change the building setback requirements; and (4) eliminate or modify any other feature of the Property.

C.3.5. Adjacent Land Use. Declarant makes no representations as to future uses of (1) land that is adjacent to Savannah or (2) land that is not subject to this Declaration even if initially platted within a phase of Savannah. Although site maps may show a future school site on land within or near Savannah, Declarant makes no representations about the future location of any school in relation to the Property.

C.3.6. Builder Limitations. All documents and materials used by a Builder in connection with the development and sale of lots and homes, including without limitation promotional materials; deed restrictions; forms for deeds, lot sales, and lot closings, must be approved by Declarant. Without Declarant's prior written approval, a Builder may not use a sales office or model in the Property to market houses, lots, or other products located outside the Property or the Additional Land.

C.3.7. Architectural Control. During the Development Period Declarant has the absolute and exclusive right to serve as the Architectural Reviewer pursuant to Article 6. Declarant may from time to time, but is not obligated to, delegate all or a portion of its reserved rights under Article 6 and this Appendix. Any such delegation must be in writing and must specify the scope of delegated responsibilities. Any such delegation is at all times subject to the unilateral rights of Declarant (1) to revoke such delegation at any time and reassume jurisdiction over the matters previously delegated and (2) to veto any decision by the delegatee.

Declarant also has the exclusive and unilateral right to exercise architectural control over vacant lots in the Property. Neither the Association, the board of directors, nor a committee appointed by the Association or board (no matter how the committee is named) may involve itself with the approval of new homes and related improvements on vacant lots.

C.3.8. Website & Savannah Name. During the Development Period, Declarant has the unilateral right to approve or disapprove uses of the Savannah website, all information available on or through the Savannah website, and all uses of "Savannah" and "Club Savannah" by the Association and the Builders.

C.3.9. For Sale and For Lease Signs. The design, appearance, and placement of any sign advertising a home for sale or for lease must (1) have the Savannah logo, (2) be in Savannah colors, (3) conform to the Savannah Sign Design Guidelines, and (4) be approved by Declarant. No corporate or standard broker signs are allowed. Signs may not be placed on common areas, on public property, inside or on windows, in street rights-of-way, off-site on a neighboring property, or mounted on buildings or trees. Declarant may have different sign standards for Builders.

C.3.10. Amendment. During the Development Period, Declarant may amend this Declaration and the other Documents, without consent of other owners or any mortgagee, for the following purposes:

a. To add real property to the Property.

b. To withdraw real property from the Property.

c. To create lots, easements, and common areas within the Property.

d. To subdivide, combine, or reconfigure lots.

e. To convert lots into common areas.

f. To modify the construction and use restrictions of Article 7 of this Declaration.

g. To modify the Savannah Architectural Standards.

h. To adopt and/or to modify community rules and policies for Savannah.

i. To modify or clarify the Association's relationship with the Water District.

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

k. To comply with requirements of an underwriting lender.

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

m. To enable any reputable title insurance company to issue title insurance coverage on the lots.

n. To enable an institutional or governmental lender to make or purchase mortgage loans on the lots.

o. To change the name or entity of. Declarant.

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

q. To change the name of the Association. ·

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

C.3.11. Completion. During the Development Period, Declarant has (1) the right to complete or make improvements indicated on the plat; (2) the right to sell or lease any lot owned by Declarant; and (3) an easement and right to erect, construct, and maintain on and in the common area and lots owned or leased by Declarant whatever Declarant determines to be necessary or advisable in connection with the construction, completion, management, maintenance, leasing, and marketing of the Property.

C.3.12. Easement to Inspect & Right to Correct. During the Development Period, Declarant reserves for. itself the right, but not the duty, to inspect, monitor, test, redesign, correct, and relocate any structure, improvement, or condition that may exist on any portion of the Property, including the lots, and a perpetual nonexclusive easement of access throughout the Property to the extent reasonably necessary to exercise this right. Declarant will promptly repair, at its sole expense, any damage resulting from the exercise of this right. By way of illustration but not limitation, relocation of a screening -wall located on a kit may be warranted by a change of circumstance, imprecise siting of the original wall, or desire to comply more fully with public codes and ordinances. This Section may not be construed to create a duty for Declarant or the Association.

C.3.13. Promotion. During the Development Period, Declarant reserves for itself and for the Builders an easement and right to place or install signs, banners, flags, display lighting, potted plants, exterior decorative items, seasonal decorations, temporary window treatments, and seasonal landscaping on the Property, including items and locations that are prohibited to other owners and residents, for purposes of promoting, identifying, and marketing the Property and/or Builders' houses and lots. Declarant reserves for itself and the Builders an easement and right to maintain, relocate, replace, or remove the same from time to time within the Property. Declarant also reserves for itself and the Builders the right to sponsor sales or marketing events, including parties, at the Property to promote the sale of lots and homes. With the prior written

permission of Declarant, a Builder may also exercise the rights herein to market Builder's products located outside the Property.

C.3.14. Offices. During the Development Period, Declarant reserves for itself and for the Builders the right to use dwellings owned or leased by the Builders as models, storage areas, and offices for the marketing, management, maintenance, customer service, construction, and leasing of the Property and/or Declarant's developments or other products located outside the Property. Also, Declarant reserves for itself and for the Builder the easement and right to make structural changes and alterations on and to lots and dwellings used by Declarant or the Builders as models, storage areas, and offices, as may be necessary to adapt them to the uses permitted herein.

C.3.15. Access. During the Development Period, Declarant has an easement and right of ingress and egress in and through the Property for purposes of constructing, maintaining, managing, and marketing the Property and the Additional Land, and for discharging Declarant's obligations under this Declaration. Declarant also has the right to provide a reasonable means of access for the homebuying public through any existing or future gate that restricts vehicular access to the Property or to the Additional Land in connection with the active marketing of lots and homes by Declarant or Builders, including the right to require that the gate be kept open during certain hours and/or on certain days. This provision may not be construed as an obligation or intent to gate the Property.

C.3.16. Utility Easements. During the Development Period, Declarant may grant permits, licenses, and easements over, in, on, under, and through the Property for utilities, roads, and other purposes necessary for the proper development and operation of the Property, Declarant reserves the right to make changes in and additions to the easements on any lot, as shown on the plat, to more efficiently or economically install utilities or other improvements. Utilities may include, but are not limited to, water sewer, trash removal, electricity, gas, telephone, television, cable, internet service, and security. To exercise this right as to land that is not a common area of the Property or not owned by Declarant, Declarant must have the prior written consent of the land owner.

C.3.17. Assessments. For the duration of the Development Period, any lot owned by Declarant is not subject to assessment. After the Development period, Declarant is liable for assessments on each lot owned in the same manner as any owner.

C.3.18. Land Transfers. During the Development Period, any transfer of an interest in. the ·Property to or from Declarant is not subject to any transfer-related provision in the Documents, including without limitation an obligation for transfer or resale certificate fees, and the transfer-related provisions of Article 8 of this Declaration. The application of this provision includes without limitation Declarant's lot take-downs, Declarant's sale of lots to Builders, and Declarant's sale of lots to homebuyers.

C.4. COMMON AREAS.

C.4.1. Use of Clubhouse for Marketing. The Club Savannah clubhouse is designed to serve as the welcoming and marketing center for use by Declarant and the Builders during the Development Period. Declarant intends to connect the clubhouse to a pedestrian park of model homes to promote the home sales of Builders designated by Declarant. Towards that end, Declarant reserves for itself and the Builders the right to use the Club Savannah clubhouse for the marketing of new homes in Savannah. The reserved area and the permitted uses will be determined solely by Declarant, and are subject to change from time to time.

C.4.2. Club Savannah Reservation. Declarant hereby reserves an easement over, under, and through Club Savannah to fulfill the purposes of this Section including, without limitation:

a. The right to designate visitor parking spaces for use by prospective homebuyers and real estate agents visiting the sales center.

b. The right to designate parking spaces for use by Builders and, by employees and contractors of the marketing center.

c. The-right to conduct tours of Club Savannah at any time, including periods of use by residents of Savannah.

d. The right to install and maintain signs, flags, banners, and lighting in, on, and around the clubhouse and other parts of Club Savannah to identify the marketing center and to direct prospective homebuyers.

e. The right to install and maintain temporary fencing and landscaping to create a new home marketing tour that connects to the clubhouse.

f. The right to use all portions of the clubhouse and other parts of Club Savannah for sales events and promotional functions, such as tours, parties, and open houses.

g. The right to install, maintain, modify, relocate, and remove signs, displays, media presentations, and other items pertaining to the marketing of Savannah and the Builders' houses.

h. The right to use the clubhouse for business use by the Builders, including (without limitation) new home sales, mortgage financing, warranty work, and home-sale closings, provided the uses pertain to the sale or leasing of homes in Savannah.

i. The right to designate portions of the clubhouse for the exclusive use of Declarant and/or Builders in connection with the marketing program.

C.4.3. Club Savannah Expenses. Notwithstanding the above-described uses by Declarant and the Builders, Club Savannah - including the clubhouse - is a common area for

which the Association is responsible for all expenses pertaining to utilities, maintenance, and insurance, all of which are common expenses of the Association.

C.4.4. Conveyance. Declarant will convey title to the common areas to the Association or to the Water District by one or more deeds - with or without warranty. Initial common area improvements will be installed, constructed, or authorized by Declarant or by the Water District, depending on the component, the cost of which is not a common expense of the Association. At the time of conveyance to the Association, the common areas will be free of encumbrance except for the property taxes accruing for the year of conveyance. Declarant's conveyance of title is a ministerial task that does not require and is not subject to acceptance by the Association or by the Water District, as the case may be. The transfer of control of the Association at the end of the Declarant Control Period is not a transfer of common areas requiring inspection, evaluation, acceptance, or approval of common area improvements by the owners.

C.5. INITIAL RESERVE FUNDS. DECLARANT WILL ESTABLISH A RESERVE FUND FOR THE ASSOCIATION BY REQUIRING BUILDERS AND INITIAL HOME PURCHASERS TO EACH MAKE A CONTRIBUTION TO THIS FUND, SUBJECT TO THE FOLLOWING CONDITIONS:

a. Contributions to the fund are not advance payments of regular assessments and are not refundable to the contributor by the Association or Declarant.

b. The amount of the Builder's contribution will be $200.00 per lot, and will be collected from the Builder on the closing of the sale of the lot to an owner other than Declarant, a Successor Declarant, or a Builder. If the Builder's reserve fund contribution is not collected from the Builder at closing, neither Declarant nor the purchaser is thereafter liable for the contribution. The Builder remains liable to the Association for the reserve fund contribution.

c. The amount of the purchaser's contribution will be $120.00 per lot, and will be collected from the purchaser at closing. If the purchaser's reserve fund contribution is not collected at closing, neither Declarant nor the Builder is thereafter liable for the contribution. The purchaser remains liable to the Association for the reserve fund contribution.

d. The initial home purchaser is not required to make the lot's contributions to the Savannah Proud Fund.

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

C.6. SUCCESSOR DECLARANT. DECLARANT MAY DESIGNATE ONE OR MORE SUCCESSOR DECLARANTS FOR SPECIFIED DESIGNATED PURPOSES AND/OR FOR SPECIFIED PORTIONS OF THE PROPERTY, OR FOR ALL PURPOSES AND ALL OF THE PROPERTY. TO BE EFFECTIVE, THE DESIGNATION MUST BE IN WRITING, SIGNED AND ACKNOWLEDGED BY DECLARANT AND SUCCESSOR DECLARANT, AND RECORDED IN THE REAL PROPERTY RECORDS OF DENTON COUNTY, TEXAS. DECLARANT (OR SUCCESSOR DECLARANT) MAY SUBJECT THE DESIGNATION OF SUCCESSOR DECLARANT TO LIMITATIONS AND RESERVATIONS. UNLESS THE DESIGNATION ·OF SUCCESSOR DECLARANT PROVIDES OTHERWISE, A SUCCESSOR DECLARANT HAS THE RIGHTS OF DECLARANT UNDER THIS SECTION AND MAY DESIGNATE FURTHER SUCCESSOR DECLARANTS.

[End of Appendix C]

APPENDIX D

SAMPLE NOTICE OF SPECIAL DISTRICT REQUIRED BY SECTION 49. 452(d) OF TEXAS WATER CODE

USING FORM AND INFORMATION EFFECTIVE IN JULY 2003 FOR LOT SELLERS TO GIVE TO LOT PURCHASERS IN DISTRICTS NOT LOCATED IN CITIES OR IN THE ETJ OF HOME-RULE MUNICIPALITIES

The real property, described below, that you are about to purchase is located in the **DENTON COUNTY FRESH WATER SUPPLY DISTRICT NO. 10**. The district has taxing authority separate from any other taxing authority and may, subject to voter approval, issue an unlimited amount of bonds and levy an unlimited rate of tax in payment of such bonds. As of this date, the rate of taxes levied by the district on real property located in the district is $1. 00 on each $100 of assessed valuation. If the district has not yet levied taxes, the most recent projected rate of tax, as of this date, is $1.00 on each $100 of assessed valuation. The total amount of bonds, excluding refunding bonds and any bonds or any portion of bonds issued that are payable solely from revenues received or expected to be received under a contract with a governmental entity, approved by the voters and which have been or may, at this date, be issued is $_____, and the aggregate initial principal amounts of all bonds issued for one or more of the specified facilities of the district and payable in whole or in part from property taxes is $_____.

The district has the authority to adopt and impose a standby fee on property in the district that has water, sanitary sewer, or drainage facilities and services available but not connected and which does not have a house, building, or other improvement located thereon and does not substantially utilize the utility capacity available to the property.

The district may exercise the authority without holding an election on the matter. As of this date, the most recent amount of the standby fee is $_____. An unpaid standby fee is a personal obligation of the person that owned the property at the time of imposition and is secured by a lien on the property. Any person may request a certificate from the district stating the amount, if any, of unpaid standby fees on a tract of property in the district.

The purpose of district through facilities is not by the district.

Property Description_____

Seller's Signature_____Date_____

PURCHASER IS ADVISED THAT THE INFORMATION SHOWN ON THIS FORM IS SUBJECT TO CHANGE BY THE DISTRICT AT ANY TIME. THE DISTRICT ROUTINELY ESTABLISHES TAX RATES DURING THE MONTHS OF SEPTEMBER THROUGH DECEMBER OF EACH YEAR, EFFECTIVE FOR THE YEAR IN WHICH THE TAX RATES ARE

APPROVED BY THE DISTRICT. PURCHASER IS ADVISED TO CONTACT THE DISTRICT TO DETERMINE THE STATUS OF ANY CURRENT OR PROPOSED CHANGES TO THE INFORMATION SHOWN ON THIS FORM.

The undersigned purchaser hereby acknowledges receipt of the foregoing notice at or prior to execution of a binding contract for the purchase of the real property described in such notice or at closing of purchase of the real property.

Purchaser's Signature_____
Date_____

(Note: Correct district name, tax rate, bond amounts, and legal description are to be placed in the appropriate space.) Except for notices included as an addendum or paragraph of a purchase contract, the notice shall be executed by the seller and purchaser, as indicated. If the district does not propose to provide one or more of the specified facilities and services, the appropriate purpose may be eliminated. If the District has not yet levied taxes, a statement of the district's most recent projected rate of tax is to be placed in the appropriate space. If the district does not have approval from the commission to adopt and impose a standby fee, the second paragraph of the notice may be deleted. For the purposes of the notice form required to be given to the prospective purchaser prior to execution of a binding contract of sale and purchase, a seller and any agent, representative, or person acting on the seller's behalf may modify the notice by substitution of the words 'January 1, _____ for the words 'this date' and place the correct calendar year in the appropriate space.

[End of Appendix D]

APPENDIX E

PURCHASERS COVENANTS DURING DEVELOPMENT PERIOD

Each owner of a Savannah home, by the act of accepting an interest in or title to a lot during the Development Period, whether or not it is so expressed in the instrument of conveyance, acknowledges, understand, covenants, and agrees to each of the following statements:

1. Savannah is a planned community, the initial development and marketing of which is likely to extend over many years, even decades.

2. During the Development Period, the Declarant and

3. the Builders have rights and opportunities for marketing Savannah and the homes that are not available to individual homeowners who desire to market their homes for sale. If owner tries to resell his home during the Development Period he will be competing against Builders with new houses and a marketing advantage.

4. Savannah is not located within a city, and is located within a water conservation and improvement district that also serves as a road district and as a fresh water supply district.

5. Owner has read and understands the significance of this Declaration of Covenants, Conditions; and Restrictions for Savannah, which contains important information about the nature and ownership of Savannah and owner's obligations.

6. Declarant has reserved for itself the right to control the Association until Savannah is fully phased and developed, and after 85 percent of the lots are sold and dosed to homebuyers.

7. Declarant or its appointees are the Architectural Reviewer during the Development Period. Neither the owners nor the Association have a voice in the architectural review and approval of new homes on vacant lots.

8. Declarant's development plan for Savannah is subject to change during the Development Period to respond to perceived or actual changes and opportunities in the marketplace.

9. Subject to the approval of governmental entities, if applicable, Declarant may (1) change the sizes, dimensions, and configurations of lots and streets; (2) change the minimum dwelling size; (3) change the minimum lot size; (4) change the building setback requirements; (5) change the nature, number, and location of components of Club Savannah; and (6) eliminate or modify any other feature of the Property.

10. In purchasing his lot, owner has not relied on any representation, warranty, or assurance

- verbal or otherwise - by any person as to (1) the design, construction, completion, development, use, benefits, or value of Savannah or Club Savannah; (2) the number, types, sizes, prices, or designs of homes to be built in any part of Savannah; or (3) the type, number, or quality of common area improvements.

11. The Association may not protest or use Association funds to oppose Declarant's development or marketing plan for Savannah or the use of Club Savannah by Declarant or Builders pursuant to the Declaration.

12. Declarant is not the Builder from whom owner is purchasing the home.

13. Owner will execute a version of this 2-page document at or prior to closing if so requested by Declarant or a Builder, although failure to execute the document does not affect the validity of this Appendix to the Declaration or its application to their owner or the owner's lot.

14. Whether or not executed by owner, these covenants run with the land and bind owner and owner's successors and assigns.

[End of Appendix E]