

**AMENDED AND RESTATED**  
**DECLARATION OF COVENANTS AND RESTRICTIONS**  
**OF THE VILLAGE OF ELDORADO, MCKINNEY, TEXAS**

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## PREAMBLE

**WHEREAS**, the Declarant has previously recorded the original Declaration of Covenants and Restrictions and the various amendments and supplements thereto (herein called the Original Declaration), all as recorded in the Land Records of Collin County, Texas in the following Volumes and at the following Pages or at the following County Clerk's Index Numbers:

VOL 1353 PAGE 786; VOL 1490 PAGE 239; VOL 1499 PAGE 711; VOL 1570 PAGE 414; VOL 1571 PAGE 170; VOL 1721 PAGE 442; VOL 1854 PAGE 528; VOL 2451 PAGE 917; VOL 2781 PAGE 219; VOL 2781 PAGE 224; VOL 2964 PAGE 609; VOL 3776 PAGE 378; VOL 3803 PAGE 147; VOL 4547 PAGE 2268; No. 92-0007033; No. 92-0038321; and, No. 20070611000790; and,

**WHEREAS**, the Original Declaration (as amended) provided: "Section 1(a). The covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by Eldorado Homeowners' Association, or the Owner of any land subject to the Declaration, their respective legal representatives, heirs, successors and assigns, for a term of thirty (30) years from February 19, 1981 except as hereinafter provided, after which time said covenants shall be automatically extended for successive periods of ten (10) years unless, during any successive ten (10) year term, an instrument signed by majority of the then Owners of the lots has been recorded, agreeing to change said covenants and restrictions in whole or in part."; and,

**WHEREAS**, the Village of Eldorado Homeowners' Association, Inc. has previously recorded in the Land Records of Collin County, Texas a Notice of Intention to Adopt Amended and Restated Declaration of Covenants and Restrictions; and,

**WHEREAS**, a majority of the Owners of the Lots within the Village of Eldorado have agreed to amend and re-state the Original Declaration and have affixed their signatures hereto; and

**WHEREAS**, it is the specific intent of the Village of Eldorado Homeowners' Association, Inc. and the undersigned Owners that the documents recorded at the Volumes and Pages and at the County Clerk's Index Numbers listed above be rescinded and replaced in their entireties by this Amended and Restated Declaration of Covenants and Restrictions;

**NOW, THEREFORE**, we, the undersigned Owners of Lots located within the Village of Eldorado located at the addresses listed beside each of our signatures, do hereby amend and re-state the Original Declaration to read as follows (including the preceding Table of Contents and this Preamble):

## ARTICLE 1 - DEFINITIONS

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.

1.1. "**Applicable Law**" means the statutes and public laws and ordinances in effect at the time a provision of the Governing Documents is applied, and pertaining to the subject matter of the Governing Document provision. Statutes and ordinances specifically referenced in the Governing Documents are "Applicable Law" on the date of the Governing 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.

1.2. "**Architectural Reviewer**" means the board-appointed Property Modification Committee.

1.3. "**Assessment**" means any charge levied against a lot or owner by the Association, pursuant to the Governing Documents or State law, including but not limited to Regular Assessments, Special Assessments, Individual Assessments, and Deficiency Assessments, as defined in Article 8 of this Declaration.

1.4. "**Association**" means the association of owners of all lots in the Property, and serving as the "property owners' association" defined in Section 202.001(2) of the Texas Property Code. The initial name of the Association is Eldorado Homeowners Association, Inc.

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

1.6. "**City**" means the City of McKinney, Texas, in which the Property is located.

1.7. "**Common Area**" means portions of real property and improvements thereon that are owned and/or maintained by the Association, as described in Article 4 below. Portions of the common area may be allocated to certain lots as limited common area.

1.8. "**Declarant**" means HIGHGATE DEV. CO, d/b/a HIDEVCO, the developer who owned the land described in Exhibit A immediately before it was subdivided, platted into lots and blocks, and became subject to the original Declaration of Covenants and Restrictions (or any amendments thereto) - which this document further amends and restates.

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

1.10. "**Governing Documents**" means, singly or collectively as the case may be, this Amended and Restated Declaration, the Plats, the Bylaws of the Association, the Association's Articles of Association, and the Rules of the Association, as any of these may be amended from time to time. An appendix, exhibit, schedule, or certification accompanying a Governing Document is a part of that Governing Document.

1.11. "**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.

1.12. "**Majority**" means more than half. A reference to "a majority of owners" in any Governing Document or applicable law means "owners of at least a majority of the lots," unless a different meaning is specified.

1.13. "**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.

1.14. "**Owner**" means a holder of recorded fee simple title to a lot. Declarant was the initial owner of all lots but no longer holds any interest in the Property. Contract sellers and mortgagees who acquire title to a lot through a deed in lieu of foreclosure or through judicial or non-judicial foreclosure are also 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 Governing 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 the owners of at least a majority of the lots.

1.15. "**Plat**" means all plats, singly and collectively, recorded in the Real Property Records of Collin County, Texas, and pertaining to the real property described in Exhibit 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.

1.16. "**Property**" means all the land subject to this Amended and Restated Declaration and all improvements, easements, rights, and appurtenances to the land. The name of the Property is Village of Eldorado. The Property is located on land described in Exhibit A to this Amended and Restated Declaration, and includes every lot and any common area thereon.

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

1.18. "**Rules**" means rules and regulations of the Association adopted in accordance with the Governing Documents or applicable law.

## **ARTICLE 2 - PROPERTY SUBJECT TO DOCUMENTS**

2.1. PROPERTY. The real property described in Exhibit A is held, transferred, sold, conveyed, leased, occupied, used, insured, and encumbered subject to the terms, covenants, conditions, restrictions, liens, and easements of this Amended and Restated Declaration, 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. ADDITIONAL PROPERTY. Additional real property may be annexed to the Village of Eldorado and subjected to the Amended and Restated Declaration and the jurisdiction of the Association on approval of owners representing a simple majority of the lots in the Property. Annexation of additional property is accomplished by recording a declaration of annexation, including an amendment of Exhibit A, in the Real Property Records of Collin County, Texas.

2.3. ADJACENT LAND USE. No representation of any kind as to current or future uses – actual or permitted - of any land that is adjacent to or near the Village of Eldorado, regardless of what the plat shows as potential uses of adjoining land. The Association cannot and does not guaranty scenic views, volumes of traffic on streets around and through the Village of Eldorado, availability of schools or shopping, or any other aspect of the Property that is affected by the uses or conditions of adjacent or nearby land, water, or air.

2.4. RESTRICTIONS, EASEMENTS & PLAT DEDICATIONS. In addition to the easements and restrictions contained in this Amended and Restated Declaration, the Property is subject to all restrictions, easements, licenses, leases, and encumbrances of record, including any shown or referenced on the plat, each of 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 prior-recorded restrictions, easements, licenses, leases, and encumbrances, and further agrees to maintain any easement that crosses his lot and for which the Association does not have express responsibility.

2.5. STREETS WITHIN PROPERTY. Because streets within the Village of Eldorado are capable of being converted from publicly dedicated to privately owned, and vice versa, this Section addresses both conditions. Private streets, if any, are part of the common area which is governed by the Association. Public streets are part of the common area, only to the extent a governmental body, such as the City or Collin County, authorizes or delegates the same to the Association.

Regarding public streets, the Association, acting through the board, is specifically authorized (1) to accept from a governmental body any delegation of street-related duties, and (2) to act as attorney in fact for the owners in executing instruments required by public ordinance or public law to impose, modify, or remove restrictions or traffic devices (such as speed bumps) on public streets in the Property.

### **ARTICLE 3 - PROPERTY EASEMENTS AND RIGHTS**

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

3.2. 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 Governing Documents. An owner who does not occupy a lot delegates this right of enjoyment to the residents of his lot.

Notwithstanding the foregoing, if a portion of the common area, such as a recreational area, is designed for private use, the Association may temporarily reserve the use of such area for certain persons and purposes.

3.3. 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.

3.4. RIGHTS OF CITY. The city, including its agents and employees, has the right of immediate access to the common areas at all times if necessary for the welfare or protection of the public, to enforce city ordinances, or to improve the appearance of or to preserve public property, public easements, or public rights of way.

3.5. 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.

3.5.1. 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 Governing Documents or by applicable law.
- c. To perform maintenance that is permitted or required of the owner by the Governing Documents or by applicable law, if the owner fails or refuses to perform such maintenance.
- d. To enforce architectural standards.
- e. To enforce use restrictions.
- f. The exercise of self-help remedies permitted by the Governing Documents or by applicable law.
- g. To enforce any other provision of the Governing Documents.
- h. To respond to emergencies.
- i. To grant easements to utility providers as may be necessary to install, maintain, and inspect utilities serving any portion of the Property.
- j. To perform any and all functions or duties of the Association as permitted or required by the Governing Documents or by applicable law.

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

3.5.3. 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 loss of life or property.

3.6. UTILITY EASEMENTS. The Association may grant permits, licenses, and easements over common areas for utilities, roads, and other purposes necessary for the proper operation of the Village of Eldorado. 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; provided, however, this easement may not be exercised without prior notice to the board. Utilities may include, but are not limited to, water, sewer, trash removal, electricity, gas, telephone, master or cable television, and security.

3.7. 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 or other instruments recorded in the Real Property Records of Collin 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 instruments conveying or reserving mineral interests were recorded prior to this Declaration, those interests in the Property are superior and are 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 rights and/or reservations referenced in this Section and the attendant rights in favor of the owner or owners of the mineral interests.

3.8. SECURITY. The Association may, but is not obligated to, maintain or support certain activities within the Village of Eldorado designed, either directly or indirectly, to improve safety in or on the Property. Each owner and resident acknowledges and agrees, for himself and his guests, that the Association, and their respective directors, officers, committees, agents, and employees are not providers, insurers, or guarantors of security 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 the Association, 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 Village of Eldorado.

Each owner and resident acknowledges and agrees that 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 4 - COMMON AREA**

4.1. OWNERSHIP. The designation of real property as a common area is determined by the plats, by the ownership of the property in those instances where the Association is the owner, and by this Amended and Restated Declaration. The original Developer may have installed, constructed, or authorized certain improvements on common areas in connection with the initial development of the Village of Eldorado where the cost thereof was not a common expense of the Association. Thereafter, all costs attributable to common areas, including maintenance, property taxes, insurance, and enhancements, have been automatically the responsibility of the Association, regardless of the nature of title to the common areas, unless: (a) the improvements are located on land not owned by the Association (excepting the islands in the public streets) or subject to a specific recorded easement in favor of the Association; or (b) this Declaration elsewhere provides for a different allocation for a specific common area.

4.2. 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 "as is" 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 transfer of a common area's title to the Association by or through the Declarant was a ministerial task that did not require acceptance by the Association; and (4) to acknowledge the continuity of maintenance of the common area, regardless of changes in the Association's board of directors or management.

4.3. COMPONENTS. The common area of the Village of Eldorado consists of the following components on or adjacent to the Property, even if located on a lot or a public right-of-way:

- a. All of the Property, save and except the house Lots.
- b. The land described in Exhibit A as common area and all improvements thereon.
- c. Any area shown on the plats as common area or an area to be maintained by the Association.
- d. The formal entrances to the Village of Eldorado, including (if any) the signage, landscaping, electrical and water installations, planter boxes and fencing on both sides of the junctions of Eldorado Parkway and Country Club Drive, and U.S. Route 75 and Country Club Drive.
- e. The continuous screening walls and streetscape along Forest Hills at Forest Court and along Country Club Drive at Club Oaks Court.
- f. The grounds between the country club property (Golf Course Hole #11) and Country Club Drive and between the country club property (Hole #11) and U.S. Route 75.
- g. The grounds between the country club property (Golf Course Holes 12, 15 and 16) between and on both sides of the lakes and the platted lots.
- h. The grounds under and adjacent to the three largest lakes and the dams creating those lakes; provided, however, that the Country Club also owns some of this land.
- i. Landscaping on islands on Augusta, Brookside Lane, Clublake Trail, Club Oaks Court, Colonial Circle, Country Club Drive, Fairway Ridge, Forest Court, Forest Creek, Forest Hills, Hillcrest Court, Hogans Hill, Lakeshore Court, Lakeside Drive, Roundrock, St. Andrews, and Wind Ridge to the extent they are not maintained by the city.
- j. Any modification, replacement, or addition to any of the above-described areas and improvements.
- k. Personal property owned by the Association, such as books and records, office equipment, supplies, signs and holiday decorations.

4.4. LIMITED COMMON AREA. If it is in the best interest of the Association, a portion of the common area may be licensed, leased, or allocated to one or more lots for their sole and exclusive use, as a limited common area, whether or not the area is so designated on the plat. Inherent in the limiting of a common area, maintenance of the limited common area becomes the responsibility of the lot owner, rather than the Association. For examples: a common area that is difficult to access and maintain except via the adjoining house lot or a common area that benefits and is used by, or benefits, only one or two lot owners might be a candidates for limited common areas.

## **ARTICLE 5 - ARCHITECTURAL COVENANTS AND CONTROL**

5.1. PURPOSE. Because the lots are part of a single, unified community, this Declaration creates rights to regulate the design, use, and appearance of the lots and common areas in order to 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 Village of Eldorado was 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.

#### 5.2. ARCHITECTURAL CONTROL BY ASSOCIATION.

The Property Modification Committee (the "PMC") will consist of at least 3 but not more than 7 persons appointed by the board, pursuant to the Bylaws. Members of the PMC 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 may act as the PMC, in which case all references in the Governing Documents to the PMC are construed to mean the board. Members of the PMC 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.

5.3. LIMITS ON LIABILITY. The Architectural Reviewer has sole discretion with respect to taste, design, and all standards specified by this Article. The Architectural Reviewer and each of its members has no liability for decisions made in good faith by the Architectural Reviewer, and which are not arbitrary or capricious. The Architectural Reviewer is not responsible for: (1) errors in or omissions from the plans and specifications submitted to the Architectural Reviewer, (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.

5.4. PROHIBITION OF CONSTRUCTION, ALTERATION & IMPROVEMENT. Without the Architectural Reviewer's prior written approval, a person may not construct a dwelling or make an addition, alteration, improvement, installation, modification, redecoration, or reconstruction of or to the Property, if it will be visible from a street, another lot, the golf course 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 Village of Eldorado

5.5. ARCHITECTURAL APPROVAL. To request architectural approval, an owner must make written application to the Architectural Reviewer and submit 1 set of plans and specifications showing the nature, kind, shape, color, size, materials, and locations of the work to be performed. In support of the application, the owner may but is not required to submit letters of support or non-opposition from owners of lots that may be affected by the proposed change. The application must clearly identify any requirement of this Amended and Restated Declaration for which a variance is sought. The Architectural Reviewer will return a 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 (or the Association's Manager) will retain a set of plans and specifications, together with the application, for the Architectural Reviewer's files. Verbal approval by an Architectural Reviewer, an Association director or officer, a member of the ACC, or the Association's manager does not constitute architectural approval by the appropriate Architectural Reviewer, which must be in writing.

5.5.1. Deemed Approval. 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 both 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. Under no circumstance may approval of the Architectural Reviewer be deemed, implied, or presumed for an improvement or modification that would require a variance from the requirements and construction specifications contained in this Amended and Restated Declaration and in any design guidelines for the Property in effect at the time of application.

5.5.2. 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.

5.6. ARCHITECTURAL GUIDELINES. The Association may publish architectural restrictions, guidelines, and standards, which may be revised from time to time to reflect changes in technology, style, and taste.

## **ARTICLE 6 - CONSTRUCTION AND USE RESTRICTIONS**

6.1. 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 affect a waiver or estoppel of the Association's right to deny a variance in other circumstances. Approval of a variance or waiver may not be deemed, implied, or presumed under any circumstance.

6.2. CONSTRUCTION RESTRICTIONS. Without the Architectural Reviewer's prior written approval for a variance, improvements constructed on every lot must have the characteristics described in Exhibit B, 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.

6.3. LIMITS TO RIGHTS. No right granted to an owner by this Article or by any provision of the Governing Documents is absolute. The Governing Documents grant rights with the expectation that the rights will be exercised in ways, places, and times that are customary for the neighborhood. This Article and the Governing Documents as a whole do not try to anticipate and address every creative interpretation of the restrictions. For example, an owner's right to have a sign advertising the home for sale is not the right to mount the sign on the chimney and illuminate it with pulsating neon lights. The right of access to a home is not the right to land helicopters on the lot. The rights granted by this Article and the Governing Documents are at all times subject to the board's determination that a particular interpretation and exercise of a right is significantly inappropriate, unattractive, or otherwise unsuitable for the neighborhood, and thus constitutes a violation of the Governing Documents. In other words, the exercise of a right or restriction must comply with the spirit of the restriction as well as with the letter of the restriction.

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

6.5. 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 Village of Eldorado in terms of type, number, size, location, color, material, and height. Accessory structures may not be located in front yards or in unfenced portions of side yards facing streets. If an accessory structure that is visible from a street, the golf course, a common area or another lot 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.

6.6. ANIMAL RESTRICTIONS. No animal, livestock, poultry, bird, fish, reptile, or insect of any kind may be kept, maintained, raised, or bred anywhere on the Property for any commercial purpose or for food. The only animals permitted on the Property are customary domesticated household pets, which 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 animals (dogs 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. Resident is responsible for the removal of his pet's wastes from the Property.

Unless the Rules provide otherwise, a resident must prevent his pet from relieving itself on the common area, public streets, sidewalks, the lot of another owner or the golf course.

6.7. ANNOYANCE. No lot or common area may be used in any way that: (1) may reasonably be considered annoying to neighbors; (2) may be calculated to reduce the desirability the Village of Eldorado 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.

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

6.9. BUSINESS USE. A resident may use a dwelling for business uses, such as telecommuting, personal business, and 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 the residential use and enjoyment of neighboring lots by other residents.

6.10. DRAINAGE. No person may interfere with the established drainage pattern over any part the Village of Eldorado unless an adequate alternative provision for proper drainage has been approved by the board.

6.11. DRIVEWAYS. The driveway portion of a lot may not be used for any purpose that interferes with its ongoing use as a route of vehicular access to the garage. Without the board's prior approval, a driveway may not be used: (1) for storage purposes, including storage of boats, trailers, and inoperable vehicles; or (2) for repair or restoration of vehicles.

6.12. FENCES. This Section is subject to the Architectural Reviewer's right to adopt additional or different specifications for construction or reconstruction of fences. The height of fences must be between 4 feet and 6 feet 8 inches.

Fences must be made of iron, masonry, wood, or other Architectural Reviewer-approved material. Any portion of a fence that faces a street, alley, or common area must have a "finished side" appearance. Fences in the rear or side yards of golf course lots must be of iron, must extend from the golf course side of the lot to the rear or closest side of the home so as to not block or interfere with a neighbor's view of the golf course, and must be of a style consistent with those of neighboring homes. Retaining walls must be constructed entirely with Architectural Reviewer-approved materials, however railroad ties may not be used to replace any existing wall or erect any new wall. Fences may not be constructed between a dwelling's front building line and the street. The use of barbed wire and chain link fencing is prohibited. The use or application of a stain that cures in a solid color or paint is prohibited.

Wood fences may be left in their natural state. No wood fence may be stained to alter the fence color from a natural wood color. Without prior approval of the Architectural Reviewer, clear sealants may be applied.

6.13. FLAGS. Each owner and resident of the Village of Eldorado has a right to fly the flag on his lot. The United States flag ("Old Glory") and/or the Texas state flag ("Lone Star Flag") and/or a sports-related flag may be displayed in a respectful manner on each lot, subject to reasonable standards adopted by the Association for the height, size, illumination, location, and number of flagpoles. All residents must comply with public flag laws. No other types of flags, pennants, banners, kites, or similar types of types of displays are permitted on a lot if the display is visible from a street or common area, unless the board has adopted rules allowing the display of such other flag, pennant, banner, kites, or similar type of display.

6.14. 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.

6.15. GUNS. Hunting and shooting are not permitted anywhere on or from the Village of Eldorado. The Association is not required to enforce this provision by confronting an armed person.

6.16. LANDSCAPING. No person may perform landscaping, planting, or gardening on the common area without the board's prior written authorization. The board may adopt rules concerning the installation, maintenance and design of landscaping on the Property, including individual lots, and rules concerning the planting, removal, replacement and trimming of shrubs, hedges, bushes or trees on the Property including individual lots.

6.17. LEASING OF HOMES. An owner may lease the dwelling on his lot. Whether or not it is so stated in a lease, every lease is subject to the Governing Documents. An owner is responsible for providing his tenant with copies of the Governing Documents and notifying him of changes thereto. 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.

The owner of a leased home is responsible for notifying the Association in writing of an address for the owner other than the address of the leased home. 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. The owner of a leased lot is liable to the Association for any expenses incurred by the Association in connection with enforcement of the Governing Documents against his tenant. The Association is not liable to the owner for damages, including lost rents, suffered by the owner in relation to the Association's enforcement of the Governing Documents against the owner's tenant.

6.18. LIGHTS. Exterior light sources on a lot should be unobtrusive, shielded to prevent glare, directed away from neighboring homes and yards, with little if any spillover light on neighboring property. All visible exterior light fixtures on a lot should be consistent in style and finish with the architecture of the home.

6.19. NOISE & ODOR. A resident must exercise reasonable care to avoid making or permitting to be made loud, disturbing, or objectionable noises or noxious odors that are likely to disturb or annoy residents of neighboring lots.

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

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

6.22. SCREENING. The Architectural Reviewer may require that the following items must be screened from the view of the public (including the golf course) and neighboring lots and dwellings, if any of these items exists on the lot: (1) satellite reception equipment; (2) clotheslines, drying racks, and hanging clothes, linens, rugs, or textiles of any kind; (3) yard maintenance equipment; (4) wood piles and compost piles; (5) accessory structures that do not have prior approval of Architectural Reviewer; (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 appropriate, approved 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 the view of a person of average height standing in the middle of a yard of an adjoining lot or on the golf course.

6.23. SIGNS. No sign or unsightly object may be erected, placed, or permitted to remain on the Property or to be visible from windows in the dwelling without the board's prior written approval. The board's approval may specify the location, nature, appearance, dimensions, number, and the time period that a sign or object may be on the lot. However, an owner who is actively marketing his lot for sale or lease may place in the front yard one professionally-made traditional yard sign of not more than 5 square feet advertising the lot for sale or for rent.

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.

6.24. TELEVISION. Each resident of the Village of Eldorado will avoid doing or permitting anything to be done that may unreasonably 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, the golf course, common areas or from another lot are prohibited within the Property, except (1) reception-only antennas or satellite dishes designed to receive television broadcast signals, (2) antennas or satellite dishes that are one meter or less in diameter and designed to receive direct broadcast satellite service (DBS), or (3) 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.

6.25. 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, the golf course, common areas 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 a dwelling.

6.26. VEHICLES. All vehicles on the Property, whether owned or operated by the residents or their families and guests, are subject to this Section 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. The board may affect the removal of any vehicle in violation of this Section or the Rules without liability to the owner or operator of the vehicle.

6.26.1. Parking in Street. The following subsection may not be construed to prohibit the parking of all vehicles on public streets. Vehicles that are not prohibited below may park on public streets if the city allows curbside parking, subject to the continuing right of the Association to adopt reasonable rules if circumstances warrant.

6.26.2. 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, the golf course, common areas or from another lot: Mobile Homes of any size; Motor Homes of any size; Trailers of any size; Buses; Aircraft; Boats and Personal Watercraft; Commercial Truck Cabs; Inoperable Vehicles or Vehicles with No or Expired Inspection Stickers and/or Registration; Trucks, Vans or SUVs with tonnage over one ton; Vehicles which are not customary personal passenger vehicles; or, Any vehicle which the board deems to be a nuisance, unsightly, or inappropriate.. These restrictions do not apply to: vehicles and equipment temporarily on the Property in connection with the construction or maintenance of a dwelling; Motor Homes, Trailers and/or Boats that are temporarily parked in a private driveway for not more than one 24 hour period, and not continuously or repetitively, for the purpose of loading or unloading in preparation for a trip or after a trip; or, Golf carts licensed by Eldorado Country Club to operate on the golf course or golf carts and other electric vehicles that are "street ready" and may be legally operated on public roads. Vehicles that transport inflammatory or explosive cargo are prohibited from the Property at all.

6.27. 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.

6.28. YARD ART. The Association is interested in the appearance of all portions of a house lot that are visible from the street, from the golf course, from common areas or from a neighboring lot, including yards, porches, sidewalks, window sills, and chimneys (hereafter, collectively, the "**yard**"). 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.

## **ARTICLE 7 - ASSOCIATION OPERATIONS**

7.1. THE ASSOCIATION. The existence and legitimacy of the Association is derived from this Amended and Restated Declaration and the Bylaws of the Association.

7.1.1. Type. The Association must be a nonprofit organization, and may be unincorporated or incorporated, as the Association decides from time to time. If the Association incorporates, the subsequent failure of the Association to maintain its corporate charter from time to time does not affect the existence or legitimacy of the Association.

7.1.2. Applicability. The Association is subject to the Texas Business Organizations Code ("**TBOC**"). Because provisions of this Amended and Restated Declaration address issues covered by the TBOC, this Declaration is a "Governing Document" as defined by TBOC, and any such provision herein is a "Bylaw" as defined by TBOC. When incorporated, the Association is subject to TBOC Chapter 22 - the Nonprofit Corporation Law. When unincorporated, the Association is subject to TBOC Chapter 252 - the Uniform Unincorporated Nonprofit Association Act.

7.1.3. Name. A name is not the defining feature of the Association. Although the initial name of the Association is Eldorado Homeowners Association, Inc., the Association may operate under any name that is approved by the board and (1) registered by the board with the County Clerk of Collin County, Texas, as an assumed name, or (2) filed by the Association with the Secretary of State as the name of the filing entity. The Association may also change its name by amending the Governing Documents. Another legal entity with the same name as the Association, or with a name based on the name of the Property is not the Association, which derives its authority from this Amended and Restated Declaration.

7.1.4. Duties. The duties and powers of the Association are those set forth in the Governing Documents, together with the general and implied powers of a property owners association and, as applicable, an unincorporated nonprofit association or 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 Governing Documents.

7.1.5. Duration. The Association first came into existence on the Sixteenth day of February, 1981 and was first incorporated on the Eleventh day of March, 1981. The Association will continue to exist at least as long as this Amended and Restated Declaration, as it may be amended, is effective against all or part of the Property.

7.2. BOARD. The Association is governed by a board of directors. Unless the Association's Bylaws or Articles of Association provide otherwise, the board will consist of at least 3 persons elected by the members at the annual meeting of the Association, or at a special meeting called for that purpose. Unless the Governing Documents expressly reserve a right, action, or decision to the owners or another party, the board acts in all instances on behalf of the Association. Unless the context indicates otherwise,

references in the Governing Documents to the "Association" may be construed to mean "the Association acting through its board of directors."

7.3. 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; however, together they have only one vote. 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.

7.4. DECISION-MAKING. Any decision or act of the Association may be made by or at the direction of the board, unless the Governing Documents reserve the decision or act to the members or any other person or group. Unless the Governing Documents or applicable law provide otherwise, any action requiring approval of the members may be approved (1) at a meeting by owners of at least a majority of the lots that are represented at the meeting, provided notice of the meeting was given to an owner of each lot, or (2) in writing by owners of at least a majority of all lots, provided the opportunity to approve or disapprove was given to an owner of each lot.

7.5. MANAGER. The board may delegate the performance of certain functions to one or more managers or managing agents of the Association. Notwithstanding a delegation of its functions, the board is ultimately responsible to the members for governance of the Association.

7.6. COMMUNICATIONS. This Amended and Restated Declaration is drafted in an era of rapidly changing communication technologies.

The Members of the Association do 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 Governing 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 Amended and Restated 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.

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

7.8. BOOKS & RECORDS. The Association will maintain copies of the Governing Documents and the Association's books, records, financial statements. The Association will make its books and records available to members, on request, for inspection and copying.

7.9. INDEMNIFICATION. The Association indemnifies, to the fullest extent permitted by law, current and former, 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.

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

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

7.10.2 Transfers. Each owner will pay the applicable HOA Sale Fees described in Article 8 of this Declaration and pursuant to the Notice of HOA Sale Fees in effect at the time of transfer.

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

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

7.10.5. Liability. Each owner is liable to the Association for violations of the Governing 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 is filed.

7.11. HOME RESALES. For purposes of this Amended and Restated Declaration, a "**resale**" is every sale or conveyance of a lot (or of an interest in a lot) that is improved with a house. This Section applies to every resale of a house lot.

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

7.11.2. 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.

7.11.3. HOA Sale Fees. At time of transfer, the HOA Sale Fees described in Article 8 of this Declaration and pursuant to the Notice of HOA Sale Fees in effect at the time of transfer are due and payable by buyer and/or seller.

7.11.4. 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.

7.11.5. Exclusions. This requirements of this Section, do not apply to the following transfers: (1) foreclosure of a mortgagee's deed of trust lien, a tax lien, or the Association's assessment lien; (2) conveyance by a mortgagee who acquires title by foreclosure or deed in lieu of foreclosure; (3) transfer

to, from, or by the Association; (4) voluntary transfer by an owner to one or more co-owners, or to the owner's spouse, child, or parent; (5) a transfer by a fiduciary in the course of administering a decedent's estate, guardianship, conservatorship, or trust; (6) a conveyance pursuant to a court's order, including a transfer by a bankruptcy trustee; or (7) a disposition by a government or governmental agency.

## **ARTICLE 8 - COVENANT FOR ASSESSMENTS**

8.1. PURPOSE OF ASSESSMENTS. The Association will use assessments for the general purposes of preserving and enhancing the Village of Eldorado, and for the common benefit of owners and residents, including but not limited to maintenance of real and personal property, management and operation of the Association, and any expense reasonably related to the purposes for which the Village of Eldorado was developed. If made in good faith, the board's decision with respect to the use of assessments is final.

8.2. 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.

8.3. CONTROL FOR ASSESSMENT INCREASES. This Section of the Amended and Restated Declaration may not be amended without the approval of owners of at least two-thirds 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:

8.3.1. 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 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.

8.3.2. 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 basis 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 disapprove the special assessment by petition or at a meeting of the Association.

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

8.4.1. 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. 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. Utilities billed to the Association.
- c. Services billed to the Association and serving all lots.
- d. Taxes on property owned by the Association and the Association's income taxes.
- e. Management, legal, accounting, auditing, and professional fees for services to the Association.
- f. Costs of operating the Association, such as telephone, postage, office supplies, printing, meeting expenses, and educational opportunities of benefit to the Association.
- g. 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.
- h. Contributions to the reserve funds.
- i. Any other expense which the Association is required by law or the Governing Documents to pay, or which in the opinion of the board is necessary or proper for the operation and maintenance of the Village of Eldorado or for enforcement of the Governing Documents.

8.4.2. 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 Village of Eldorado, 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.

8.4.3. 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 Governing Documents; fines for violations of the Governing Documents; insurance deductibles; 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.

8.4.4. 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.

8.5. 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.

8.6. 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. The board will provide copies of the detailed budget to owners who make written request and pay a reasonable copy charge.

8.7. 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.

8.8. RESERVE FUNDS. The Association will establish, maintain, and accumulate reserves for operations and for replacement and repair of common area improvements. The Association must budget for reserves and may fund reserves out of regular assessments.

8.9. ASSOCIATION'S RIGHT TO BORROW MONEY. The Association is granted the right to borrow money, subject to the consent of owners of at least a majority of lots and 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 encumber, mortgage, pledge, or deed in trust any of its real or personal property, and 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.

8.10. 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 Governing 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.

8.11. 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.

8.11.1. 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 board fails to establish a rate, the rate is 10 percent per annum.

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

8.11.3. 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.

8.11.4. 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.

8.11.5. Suspension of Vote. If an owner's account has been delinquent for at least 30 days, the Association may suspend the right to vote appurtenant to the lot. Suspension does not constitute a waiver or discharge of the owner's obligation to pay assessments.

8.11.6. 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.

8.11.7. 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.

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

8.12. HOA SALE FEES. This Section addresses the expenses, fees, charges, and contributions (hereafter, collectively, the "**HOA Sale Fees**") that are charged by the Association or its manager, and that arise at the time of a home's sale or purchase. As used in this Section, "HOA Sale Fees" does not include a buyer's prepaid and/or pro-rata assessments. HOA Sale Fees are not refundable by the Association or the Association's manager, and may not be regarded as a prepayment of or credit against assessments. HOA Sale Fees generally fall into two types of categories - budget enhancing fees, such as contributions to the reserve or operating funds of the Association, and administrative fees, such as fees for resale certificates, estoppel certificates, providing copies of governing documents, compliance inspections, processing ownership record changes, and priority processing.

8.12.1. Notice of HOA Sale Fees. The Association will publicly record a Notice of HOA Sale Fees, which may be recorded as part of the Management Certificate.

8.12.2. Manager's Fees. HOA Sale Fees may be charged by the Association's manager, managing director, or managing agent (collectively, "manager"), pursuant to a contract between the Association and the manager, and provided there is no duplication of fees by type or amount with fees charged by the Association. This Article does not obligate the manager to levy HOA Sale Fees. The number, types, and amounts of HOA Sale Fees charged by a manager (1) must have the prior written approval of the board, (2) are not subject to the Association's assessment lien, (3) should not exceed what is customary in amount, kind, and number for the local marketplace, and (4) are not payable by the Association unless the management contract so stipulates.

8.12.3. Amendment of Notice. Although the initial Notice of HOA Sale Fees was recorded in the Land Records of Collin County, Texas prior to the effective date of this Amended and Restated Declaration, the Notice is not subject to the amendment requirements of Article 16 of this Declaration and is not superseded hereby. The board, without a vote of the owners, may amend the Notice of HOA Sale Fees for the following two purposes: (1) to change a stated amount or formula for an HOA Sale Fee, or to a decree of foreclosure of any such mortgage. Such sale shall not relieve such property from liability for any assessments thereafter becoming due nor from the lien of any such subsequent assessment. (2) to conform the Notice of HOA Sale Fees with applicable law regarding HOA Sale Fees. Any other amendment of the Notice requires the approval of owners of two-thirds of the lots represented at a meeting of the Association at which a quorum is present, provided notice of the proposed amendment is given with the notice of meeting.

8.12.3.1. Effective. To be effective, an amendment or restatement of the Notice of HOA Sale Fees by the owners or by the board must be in the form of a written instrument (1) referencing the name of the Property, the name of the Association, the recording data of the Declaration, and the recording data of the previously recorded Notice of HOA Sale Fees, (2) signed and acknowledged by an officer of the Association, certifying the requisite approval of owners or directors, and (3) recorded in the Real Property Records of Collin County, Texas.

8.12.3.2. Applicability. If the amended or restated Notice of HOA Sale Fees results in an overall reduction of HOA Sale Fees for a conveyance that is pending at the time of the amendment, the lower rate is effective immediately for any closing that occurs after the date the amendment is publicly recorded. If the amended or restated Notice of HOA Sale Fees results in an overall increase of HOA Sale Fees for the lot being conveyed, the increased amount is not effective until the 90th day after the date on which the amended or restated Notice of HOA Sale Fees is publicly recorded.

8.12.3.3. Distribution. Within 60 days after the amended or restated Notice of HOA Sale Fees is publicly recorded, a copy or report of, or electronic link to, the recorded amended Notice of HOA Sale Fees must be delivered or made available to an owner of each lot.

## ARTICLE 9 - ASSESSMENT LIEN

9.1. 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.

9.2. SUPERIORITY OF ASSESSMENT LIEN. The assessment lien on a lot is subordinate and inferior to (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 or, in the event of a fire or other disaster, a loan for construction and/or repair of the dwelling (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, (5) a FHA-insured or VA-guaranteed mortgage. **Except for the foregoing, the assessment lien is superior to all other liens and encumbrances on a lot including, but not limited to, a "cash out" refinance, a home equity or reverse mortgage lien, whether or not it is a renewal, extension, or refinance of 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;** provided, however, that upon request, the Association will furnish to an owner making a cash-out loan, a reverse mortgage, or borrowing money to make an improvement or addition to their home, a recordable certificate that states that there are no delinquent assessments against the Owner's lot and that the Association's lien for assessments is subordinated to the lien of the mortgage securing the cash out, reverse mortgage or construction / improvement loan. The Association may charge a reasonable fee not to exceed Twenty Five (\$25.00) Dollars for furnishing such certificate.

9.3. 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.

9.4. 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 Real Property Records of Collin County, Texas. 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.

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

9.6. FORECLOSURE OF LIEN. The assessment lien may be enforced by judicial or non-judicial foreclosure. A foreclosure must comply with the requirements of applicable law, such as Chapter 209 of the Texas Property Code. A non-judicial foreclosure must be conducted in accordance with the provisions applicable to the exercise of powers of sale as set forth in Section 51.002 of the Texas Property Code, or in any manner permitted by law. In any foreclosure, the owner is required to pay the Association's costs and expenses for the proceedings, including reasonable attorneys' fees, subject to applicable provisions of the Bylaws and 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 10 - ENFORCING THE DOCUMENTS**

10.1. NOTICE AND HEARING. Before the Association may exercise certain of its remedies for a violation of the Governing 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.

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

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

10.2.2. 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 Governing 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 Governing Documents.

10.2.3. Suspension. The Association may suspend the right of owners and residents to use common areas for any period during which the owner or resident, or the owner or resident's family, guests, employees, agents, or contractors violate the Governing Documents. A suspension does not constitute a waiver or discharge of the owner's obligations under the Governing Documents.

10.2.4. Self-Help. The Association has the right to enter any part of the Property, including lots, to abate or to remove, using force as may reasonably be necessary, any improvement, thing, animal, person,

vehicle, or condition that violates the Governing 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. The board will make reasonable efforts to give the violating owner prior notice of its intent to exercise self-help. The notice may be given in any manner likely to be received by the owner. Prior notice is not required (1) in the case of emergencies, (2) to remove violative signs, (3) to remove violative debris, or (4) to remove any other violative item or to abate any other violative condition that is easily removed or abated and that is considered a nuisance, dangerous, or an eyesore to the neighborhood.

10.2.5. Suit. Failure to comply with the Governing 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.

10.3. BOARD DISCRETION. The board may use its sole discretion in determining whether to pursue a violation of the Governing 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.

10.4. 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 Governing Documents. Failure by the Association or by any owner to enforce a provision of the Governing 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 Governing 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 Governing Documents at any time.

10.5. 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 Governing Documents, or in any legal proceeding (whether or not suit is brought) for damages or for the enforcement of the Governing Documents or the restraint of violations of the Governing Documents, the prevailing party is entitled to recover from the non-prevailing party all reasonable and necessary costs incurred by it in such action, including reasonable attorneys' fees.

## **ARTICLE 11 - MAINTENANCE AND REPAIR OBLIGATIONS**

11.1. 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 common areas.

- a. The common areas.
- b. Any real and personal property owned by the Association but which is not a common area, such as a house lot owned by the Association.
- c. Any property adjacent to the Village of Eldorado 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, or any previous, Declaration or Amended or Restated Declaration or by plat.

11.2. OWNER RESPONSIBILITY. Every owner has the following responsibilities and obligations for the maintenance, repair, and replacement of the Property, subject to the architectural control requirements of Article 5 and the use restrictions of Article 6:

11.2.1. 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 surfaces.

11.2.2. 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. "Yards" means all parts of the lot other than the dwelling, including fenced and unfenced portions of the lot and also include any land or parkways between the boundary of the platted lot and: (a) the curb of any adjacent paved street immediately in front of, to the side of, or to the rear of the platted lot; or (b) the land or parkways between the platted lot and any of the lakes or the golf course that is not maintained by either the Association or the Country Club.

Specifically, each owner must:

- a. Maintain an attractive ground cover or lawn on all yards visible from a street, common areas or the golf course.
- b. Edge the street curbs and all sidewalks at regular intervals.
- c. Mow the lawns and grounds at regular intervals.
- d. Prevent lawn weeds or grass from exceeding 6 inches in height.
- e. Not plant vegetable gardens that are visible from a street.
- f. Maintain an attractive appearance for shrubs and trees visible from a street, common areas or the golf course.
- g. Replace plant material, as needed, to maintain the minimum landscaping requirements in the "Blue Book" as it is amended from time to time.

11.2.3. 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.

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

11.3. OWNER'S DEFAULT IN MAINTENANCE. If the board determines that an owner has failed to properly discharge his obligation to maintain, repair, and replace items for which the owner is responsible, the board may give the owner written notice of the Association's intent to provide the necessary maintenance at owner's expense. The notice must state, with reasonable particularity, the maintenance deemed necessary and a reasonable period of time in which to complete the work. If the owner fails or refuses to timely perform the maintenance, the Association may do so at owner's expense, which is an individual assessment against the owner and his lot. In case of an emergency, however, the board's responsibility to give the owner written notice may be waived and the board may take any action it deems necessary to protect persons or property, the cost of the action being the owner's expense.

## **ARTICLE 12 - INSURANCE**

12.1. 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. Each owner 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. Additionally:

12.1.1. Notice of Cancellation or Modification. Each insurance policy maintained by the Association should contain a provision requiring the insurer to give at least 30 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.

12.1.2. Deductibles. An insurance policy obtained by the Association may contain a reasonable deductible, which will be paid by the party who would be otherwise liable for the loss or repair in the absence of insurance. However, a deductible for claims brought against the association is the expense of the association.

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.

12.2. PROPERTY. To the extent it is reasonably available, the Association will obtain property insurance for insurable common area improvements. Also, the Association will insure the improvements on any house lot owned by the Association.

12.3. 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.

12.4. 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.

12.5. 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 and fidelity coverage

12.6. OWNER'S RESPONSIBILITY FOR INSURANCE. Each owner will obtain and maintain property insurance on all insurable improvements on his lot, in an amount sufficient to cover 100 percent of the replacement cost (subject to a reasonable deductible) of any repair or reconstruction in event of damage or destruction from any insured hazard. Further, each owner will obtain and maintain general liability insurance on his lot (also subject to a reasonable deductible). Each owner will provide the Association

with proof or a certificate of insurance on request by the Association from time to time. If an owner fails to maintain required insurance, or to provide the Association with proof of same, the board may, but is not obligated to, obtain insurance on behalf of the owner who will be obligated for the cost as an individual assessment. The board may establish additional minimum insurance requirements, including types and minimum amounts of coverage, to be individually obtained and maintained by owners if the insurance is deemed necessary or desirable by the board to reduce potential risks to the Association or other owners. Each owner and resident is solely responsible for insuring his personal property in his dwelling and on the lot, including furnishings, vehicles, and stored items.

### **ARTICLE 13 - MORTGAGEE PROTECTION**

13.1. INTRODUCTION. This Article establishes certain standards for the benefit of Mortgagees, as defined below.

13.1.1. **"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.

13.1.2. **"Mortgagee"** means a holder, insurer, or guarantor of a purchase money mortgage secured by a recorded senior or first deed of trust lien against a lot, or any renewal, modification, or refinancing thereof. In dealing with the Association, a Mortgagee may be represented by a mortgage services, agent, or representative.

13.1.3. **"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.

13.2. MORTGAGEE RIGHTS.

13.2.1. Lien Superiority. As stated in the Assessment Lien Article of this Declaration, the lien in a Mortgagee's recorded deed of trust is superior to the Association's lien for assessments except as noted therein.

13.2.2. 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.

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

13.2.4. 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.

13.2.5. Right of First Refusal. Any right of first refusal imposed by the Association with respect to a lease, sale, or transfer of a lot does 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.

13.2.6. Amending Governing Documents. 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 Governing 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 Governing Documents. In case of conflict, this Article controls.

13.2.7. Attend Meetings. A representative of an Eligible Mortgagee may attend and address any meeting which an owner may attend.

13.2.8. Insurance. 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.

### 13.3. LIMITS ON ASSOCIATION'S DUTIES.

13.3.1. Which Mortgagees? The Association's affirmative obligations to Mortgagees under the Governing Documents extend only to those Mortgagees of whom the Association has actual knowledge. This Article may not be construed to require the Association to perform title research to ascertain the existence and identify of a Mortgagee on a lot. Any duty of the Association to a Mortgagee is conclusively satisfied if performed for 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.

13.3.2. Communications with Mortgagee. If the Governing Documents or public law require the consent of Mortgagees for an act, decision, or amendment by the Association, the approval of a Mortgagee is implied when the 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.

## **ARTICLE 14 - AMENDMENTS**

14.1. CONSENTS REQUIRED. As permitted by this Amended and Restated Declaration, certain amendments of this Amended and Restated Declaration may be executed by the board alone. Otherwise, amendments to this Amended and Restated Declaration must be approved by owners of at least a majority of the lots. Approval of owners does not require that the amendment be signed by the consenting owners, or that consents be executed and acknowledged by the approving owners.

14.2. 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.

14.3. EFFECTIVE. To be effective, an amendment approved by the owners or by the board must be in the form of a written instrument (1) referencing the name of the Property, the name of the Association, and the recording data of this Declaration and any amendments hereto; (2) signed and acknowledged by an officer of the Association, certifying the requisite approval of owners or directors and, if required, Eligible Mortgagees; and (3) recorded in the Real Property Records of Collin County, Texas.

14.4. 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 association pursuant to the merger. The surviving or consolidated association may administer the provisions of the Governing Documents within the Village of

Eldorado, together with the covenants and restrictions established upon any other property under its jurisdiction. No merger or consolidation, however, will effect a revocation, change, or addition to the covenants established by this Amended and Restated Declaration within the Property.

14.5. TERMINATION. Termination of the terms of this Amended and Restated 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 80 percent of the lots.

14.6. 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 15 - DISPUTE RESOLUTION

15.1. 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:

15.1.1. "**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 Governing Documents.
- b. Claims relating to the design, construction, or maintenance of the Property.

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

15.1.3. "**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 Party 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 Amended and Restated Declaration.
- c. Enforcement of the easements, architectural control, maintenance, and use restrictions of this Amended and Restated 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.

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

15.2. 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.

15.3. 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 Governing 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.

15.4. 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.

15.5. 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.

15.6. 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, Claimant may file suit or initiate administrative proceedings on the Claim, as appropriate.

15.7. 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.

15.8. 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 taking 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.

15.9. 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.

15.10. LITIGATION APPROVAL & SETTLEMENT. To encourage the use of alternate dispute resolution and discourage the use of costly and uncertain litigation, the initiation of any judicial or administrative proceeding by the Association is subject to the following conditions in addition to and notwithstanding the

above alternate dispute resolution procedures. 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 this Section. This Section may not be amended without the approval of owners of at least 75 percent of the lots.

15.10.1. Owner Approval. 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 filed 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.

15.10.2. Funding Litigation. Except in the case of a temporary restraining order or equivalent emergency equitable relief when circumstances do not provide sufficient time to levy a special assessment, the Association must levy a special assessment to fund the estimated costs of litigation prior to initiating a judicial or administrative proceeding. The Association may not use its annual operating income, reserve funds, or savings to fund litigation, unless the Association's annual budget or a savings account was established and funded from its inception as a litigation reserve fund.

15.10.3. Settlement. 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.

## **ARTICLE 16 - GENERAL PROVISIONS**

16.1. COMPLIANCE. The owners hereby covenant and agree that the administration of the Association will be in accordance with the provisions of the Governing 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.

16.2. HIGHER AUTHORITY. The Governing Documents are subordinate to federal and state law, and local ordinances. Generally, the terms of the Governing Documents are enforceable to the extent they do not violate or conflict with local, state, or federal law or ordinance. In the event of a conflict between the Governing Documents, the hierarchy of authority is as follows: this Declaration (highest), Association's Articles of Association (or Incorporation), Bylaws, and the Rules (lowest).

16.3. 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 on the date the notice is issued. If an owner fails to give the Association an address for sending 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.

16.4 CHANGING TECHNOLOGY. The Governing Documents are drafted at the end of an era that uses ink on paper to communicate, to give notice, and to memorialize decisions. The next era of communications may be paperless, relying on electronic communications for many activities that are customarily papered on the date of this Declaration.

As technology changes, the terms of the Governing Documents that pertain to communications, notices, and documentation of decisions may be interpreted and applied in ways that are consistent with and customary for the then current technology for standard business practices, without necessity of amending the Governing Document.

16.5 LIBERAL CONSTRUCTION. The terms and provision of each Governing Document are to be liberally construed to give effect to the purposes and intent of the Governing Document. All doubts regarding a provision, including restrictions on the use or alienability of property, will be resolved first to give effect to the Association’s intent to protect the Owner’s interests in the Property, and second in favor of the operation of the Association and its enforcement of the Governing Documents, regardless which party seeks enforcement.

16.6 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.

16.7. CAPTIONS. In all Governing 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.

16.8. EXHIBITS. The following exhibits are attached to this Declaration and incorporated herein by reference: Exhibit A - Description of Subject Land; Exhibit B – Minimum Square Footage; Exhibit C – Notary Clauses; and Exhibit D – Signatures of Majority of Owners.

16.9. INTERPRETATION. Whenever used in the Governing 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.

16.10. 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.

16.11. SIGNATURES. This document has been circulated for signature among the various Owners of Lots located in the Village of Eldorado in multiple counterparts. The signature pages from each counterpart have been collected and are attached hereto to evidence the consent of the signing Owners to the adoption of this Amended and Restated Declaration of Covenants, Conditions and Restrictions for the Village of Eldorado.

**IN WITNESS WHEREOF**, we, the undersigned Owners of lots within the Village of Eldorado located at the addresses appearing beside each of our signatures, and the Village of Eldorado Homeowners’ Association, Inc. do hereby adopt this Amended and Restated Declaration of Covenants and Restrictions for the Village of Eldorado to be effective upon recording in the Real Property Records of Collin County, Texas.

On behalf of the Eldorado Homeowners’ Association, Inc., we hereby certify that a majority of the eligible voting homeowners did, at the Annual Meeting of the Association held on March 10, 2011, vote in favor of adoption of this Amended and Re-stated Declaration of Covenants and Restrictions. We further certify that the signatures of the homeowners on the attached signature pages are true and correct signatures of a majority of the Owners of Lots within the Village of Eldorado.

\_\_\_\_\_  
Secretary, Eldorado Homeowners’ Association, Inc.

\_\_\_\_\_  
President, Eldorado Homeowners’ Association, Inc.

Printed Name: \_\_\_\_\_

Printed Name: \_\_\_\_\_

**See Notary Clause for both of the above signatures on Exhibit C.**

## EXHIBIT A – PROPERTY DESCRIPTION

All the land described as Village of Eldorado Phase 1, Village of Eldorado Phase 2, Village of Eldorado #3, Village of Eldorado #4, Sunset Ridge #1, Sunset Ridge #2, Sunset Ridge #3A, Sunset Ridge #3B, Sunset Ridge #3C, Sunset Ridge Estates, Northcreek #1 and Northcreek #2, all as shown on the Development Preliminary Final Plat attached hereto and incorporated herein by reference.

Said land consisting of all of the common areas shown on each of the herein listed Plats; plus all of the lots in all of the blocks described in each of the plats listed chronologically as follows:

| <u>Subdivision</u>                            | <u>Recording Data</u>   |
|---|---|
| Village of Eldorado Phase I                   | Final Plat filed in Cabinet C, Slide 134 on 2/17/1981   |
| Village of Eldorado Phase I                   | Final Plat filed in Cabinet C, Slide 135 on 2/17/1981   |
| Village of Eldorado Phase I                   | Final Plat filed in Cabinet C, Slide 136 on 2/17/1981   |
| Village of Eldorado Phase I                   | Final Plat filed in Cabinet C, Slide 137 on 2/17/1981   |
| Village of Eldorado Phase I                   | Replat filed in Cabinet C, Slide 281 on 1981 (Replat of Lots 11, 12, 14, 15, 19, 20, 21, 22 & 23, Block G)    |
| Village of Eldorado Phase I                   | Replat filed in Cabinet C, Slide 286 on 10/5/1981 (Replat of Lots I -7, Block F)                              |
| Village of Eldorado - Forest Court            | Final Plat filed in Cabinet C, Slide 325 on 1/14/1982   |
| Village of Eldorado Phase I (Forest Creek)    | Replat filed in Cabinet C, Slide 326 on 1/14/1982 (Includes Re-plat of Block H, I & Lots 1 thru 4, Block G)   |
| Village of Eldorado Phase I (Club Oaks Court) | Replat filed in Cabinet C, Slide 447 on 10/1/1982 (Replat of Block J)   |
| Village of Eldorado Phase II                  | Replat filed in Cabinet D, Slide 72 on 3/19/1984 (Including Tracts 1 & 2, Block O; Tracts 1,2,3 & 4, Block Q) |
| Village of Eldorado Phase III                 | Partial Final Replat filed in Cabinet F on 8/8/1986   |
| Sunset Ridge Phase I                          | Final Plat filed in Cabinet G, Slide 349 on 11/6/1988   |
| Northcreek Phase I                            | Final Plat filed in Cabinet G, Slide 350 on 11/6/1988   |
| Sunset Ridge Phase I                          | Amended Plat filed in Cabinet G, Slide 476 on 11/18/1988  |
| Sunset Ridge Estates                          | Final Plat filed in Cabinet G, Slides 494-5 on 12/8/1988 (illegible)  |

|   |   |
|---|---|
| Sunset Ridge Phase I and Sunset Ridge Estates | Re-filing of above Final Plat filed in Cabinet G, Slides 766-7 on 6/29/1990           |
| Village of Eldorado Phase IV                  | Final filed in Cabinet H, Slide 214 on 10/22/1991                                     |
| Sunset Ridge Phase III-B                      | Final Plat filed in Cabinet H, Slide 259 on 2/3/1992                                  |
| Village of Eldorado Phase III                 | Amended Plat filed in Cabinet H, Slide 260 on 2/3/1992 (Lots 2R - 5R, Block C)        |
| Sunset Ridge Phase III-C                      | Final Plat filed in Cabinet H, Slide 324 on 4/27/1992                                 |
| Sunset Ridge Phase III-A                      | Final Plat filed in Cabinet H, Slide 357 on 6/5/1992                                  |
| Northcreek Phase II                           | Final Plat filed in Cabinet H, Slide 358 on 6/9/1992                                  |
| Village of Eldorado Phase III                 | Replat filed in Cabinet H, Slide 463 on 10/9/1992 (Lots 3R & 4R, Block C)             |
| Village of Eldorado Phase II                  | Amended Final Plat filed in Cabinet J, Slide 20 on 11/16/1995 (Lots 15 & 16, Block Q) |
| Village of Eldorado Phase II                  | Preliminary/Final Replat filed in Cabinet K, Slide 287 on 4/22/1998 (Lot 8R, Block 0) |

The aforementioned Development Preliminary Final Plat appears on the following Page 37:



|                         |                |  |  |   |
|-------------------------|----------------|--|--|---|
| Scale: 1"=400'          | Date: Nov 1985 | <b>PRELIMINARY FINAL PLAT</b><br>864.946 ACRES<br><b>ELDORADO ADDITION</b> | CITY OF MCKINNEY<br>COLLIN COUNTY, TEXAS<br>Client: HIDEVCO<br>131 S. TENNESSEE<br>MCKINNEY, TEXAS 75069 | <b>R.A. WHITE</b><br>REGISTERED PUBLIC SURVEYOR |
| Designed by J.D.        |                |  |  |   |
| Drawn by Jan Kirk       |                |  |  |   |
| Checked by              |                |  |  |   |
| File: ELDNORTH Book:    |                |  |  |   |
| Project No: 283-21 S202 |                |  |  |   |

**EXHIBIT B – MINIMUM SIZE OF HOMES**

| <u>Subdivision:</u>                                      | <u>Block:</u> | <u>Lots:</u> | <u>Minimum Living Area Square Feet:</u> | <u>Notes:</u> |
|--|---------------|--------------|---|---------------|
| Village of Eldorado Phase I                              | B             | 1-16         | 3,000                                   | 1 2           |
| Village of Eldorado Phase I                              | B             | 17-27        | 2,200                                   | 1 2           |
| Village of Eldorado Phase I                              | B             | 28-34        | 2,500                                   | 1 2           |
| Village of Eldorado Phase I                              | C             | 1-8          | 2,800                                   | 1 2           |
| Village of Eldorado Phase I                              | F             | 1-16         | 3,500                                   | 1 2           |
| Village of Eldorado Phase I                              | G             | 5-12         | 2,200                                   | 1 2           |
| Village of Eldorado Phase I                              | G             | 13-23        | 2,000                                   | 1 2           |
| Village of Eldorado Phase I                              | K             | 1-16         | 1,800                                   | 1 2           |
| Village of Eldorado Phase I                              | L             | 1-4          | 2,400                                   | 1 2           |
| Village of Eldorado Phase I                              | L             | 5-11         | 2,600                                   | 1 2           |
| Village of Eldorado Phase I                              | L             | 12-14        | 2,400                                   | 1 2           |
| Village of Eldorado Phase I                              | M             | 1-6          | 2,400                                   | 1 2           |
| Club Oaks Court Addition to Village of Eldorado          | -             | 1-23         | 1,200                                   | 3             |
| Forest Court Addition to Village of Eldorado             | -             | 1-13         | 2,000                                   | 3             |
| Forest Creek Addition to Village of Eldorado             | -             | 1-20         | 3,000                                   | 1             |
| Forest Hills Court Addition to Village of Eldorado       | D             | 1-5          | 3,000                                   | 1 2           |
| Village of Eldorado Phase II                             | P             | 1-7          | 3,500                                   | n/a           |
| Village of Eldorado Phase II                             | Q             | 1-41         | 3,500                                   | n/a           |
| Village of Eldorado Phase II                             | R             | 1-28         | 3,500                                   | n/a           |
| Village of Eldorado Phase II                             | S             | 1-14         | 3,500                                   | n/a           |
| Village of Eldorado Phase II                             | T             | 1-17         | 3,500                                   | n/a           |
| Hillcrest Court Addition to Village of Eldorado Phase II |               | 2,400        |   | 1             |
| Village of Eldorado Phase III                            | A             | 1-14         | 2,000                                   | 2 4           |
| Village of Eldorado Phase III                            | B             | 1-6          | 2,000                                   | 2 4           |
| Village of Eldorado Phase III                            | C             | 1-21         | 2,000                                   | 2 4           |
| Village of Eldorado Phase III                            | D             | 1-12         | 2,000                                   | 2 4           |
| Village of Eldorado Phase IV                             | A             | 1-23         | 2,000                                   | 1 2           |

<sup>1</sup> For one and one-half (1½) and two (2) story homes add 300 square feet.

<sup>2</sup> A ten (10%) reduction in the minimum square footage may be allowed at the sole discretion of the Property Modification Committee.

<sup>3</sup> For one and one-half (1½) and two (2) story homes add 200 square feet.

<sup>4</sup> For one and one-half (1½) and two (2) story homes add 400 square feet.

| <u>Subdivision:</u>                                    | <u>Block:</u> | <u>Lots:</u> | <u>Minimum Living Area Square Feet:</u> | <u>Notes:</u> |
|--|---------------|--------------|---|---------------|
| Northcreek Addition to Village Of Eldorado Phase I     | E             | 1-36         | 1,400                                   | n/a           |
| Northcreek Addition to Village Of Eldorado Phase I     | F             | 1-26         | 1,400                                   | n/a           |
| Northcreek Addition to Village Of Eldorado Phase II    | A             | 1-40         | 1,600                                   | 1 2           |
| Sunset Ridge Addition to Village of Eldorado Phase I   | G             | 1-31         | 1,800                                   | n/a           |
| Sunset Ridge Addition to Village of Eldorado Phase II  | H             | 1-26         | 1,800                                   | n/a           |
| Sunset Ridge Addition to Village of Eldorado Phase II  | I             | 1-25         | 1,800                                   | n/a           |
| Sunset Ridge Addition to Village of Eldorado Phase II  | J             | 1-7          | 1,800                                   | n/a           |
| Sunset Ridge Addition to Village of Eldorado Phase II  | K             | 1-29         | 1,800                                   | n/a           |
| Sunset Ridge Addition to Village of Eldorado Phase II  | L             | 1-23         | 1,800                                   | n/a           |
| Sunset Ridge Addition to Village of Eldorado Phase II  | M             | 1-27         | 1,800                                   | n/a           |
| Sunset Ridge Addition to Village of Eldorado Phase III | A             | 1-33         | 1,600                                   | 1 2           |
| Sunset Ridge Addition to Village of Eldorado Phase III | B             | 1-41         | 1,600                                   | 1 2           |

**EXHIBIT C – NOTARY CLAUSES**

STATE OF TEXAS :

COUNTY OF COLLIN :

Before me, the undersigned Notary Public, in the State and County aforesaid, on the \_\_\_\_ day of \_\_\_\_\_, 2011, personally appeared \_\_\_\_\_, known to me to be the Secretary of Village of Eldorado Homeowners' Association, Inc., and after being duly sworn upon oath acknowledged his official signature hereto on page 34 and stated that the \_\_\_\_\_ signatures on the attached Exhibit D-1 through D-\_\_\_\_ are those of a majority of the Owners as that term is defined in the Amended and Re-stated Declaration of Covenants and Restrictions of the Village of Eldorado.

\_\_\_\_\_  
Notary Public

My Commission Expires:

STATE OF TEXAS :

COUNTY OF COLLIN :

Before me, the undersigned Notary Public, in the State and County aforesaid, on the \_\_\_\_ day of \_\_\_\_\_, 2011, personally appeared \_\_\_\_\_, known to me to be the President of Village of Eldorado Homeowners' Association, Inc., and after being duly sworn upon oath acknowledged his official signature hereto on page 34 and stated that the \_\_\_\_\_ signatures on the attached Exhibit D-1 through D-\_\_\_\_ are those of a majority of the Owners as that term is defined in the Amended and Re-stated Declaration of Covenants and Restrictions of the Village of Eldorado.

\_\_\_\_\_  
Notary Public

My Commission Expires:

